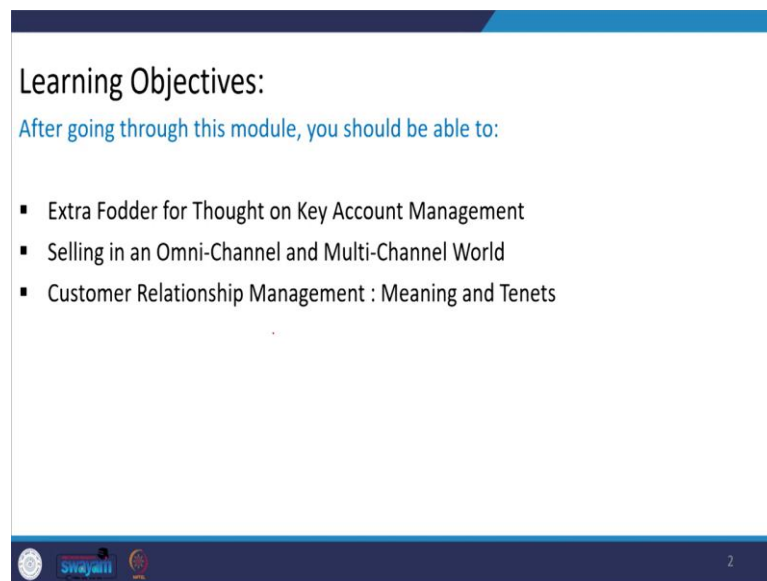


Strategic Sales Management
Prof. Sourabh Arora
Department of Management Studies
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Lecture - 22
Selling in a Multi-channel and Omni-channel World and CRM Selling and Consumer Behaviour

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Learning Objectives:

After going through this module, you should be able to:

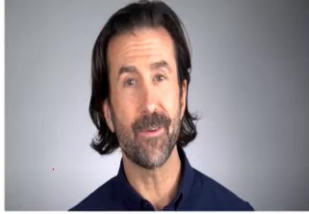
- Extra Fodder for Thought on Key Account Management
- Selling in an Omni-Channel and Multi-Channel World
- Customer Relationship Management : Meaning and Tenets

The slide features a dark blue header and footer. The footer contains the Swayam logo, the text 'Swayam', and a small circular icon on the left, and the number '2' on the right.

Welcome back everyone today we will be going ahead with the remaining part of week 4. So, as far as this module is concerned first of all I will give you some extra fodder for thought which is going to be about key account management. Apart from that, we are going to have a brief discussion about challenges that occur in selling with respect to the Omni-channel and multi-channel world. And in the end we will be talking about the meaning and tenets of customer relationship management.

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A Superb Refresher on Basics of Key account Management by
Warwick Brown



https://www.youtube.com/watch?v=eIFa2kcaQ_s

Source: Official YouTube Channel: [Account Manager Tips by Warwick Brown](#)

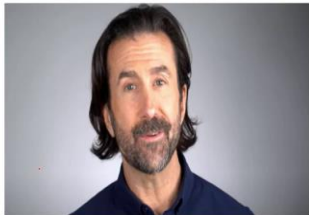
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Now, as I just told you first a definitely a very good refresher on key account management. I would request you to go through the videos by Warwick brown and trust me you are going to learn a lot in one of the most fun and enjoyable ways. So, the first video is about basics on cam which will help you go through all that we had discussed.

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How to Become a Key Account Manager (When You Have No Experience) by
Warwick Brown



<https://www.youtube.com/watch?v=r4mCHIMa2g0>

Source: Official YouTube Channel: [Account Manager Tips by Warwick Brown](#)

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Apart from that there is an additional video in which he is talking about how can you become a key account manager even when you do not have an experience. So, please go

through these and I am sure this will be a great learning experience. Now, as we move forward, we first need to understand what multi-channel retailing is.

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The slide features a blue header with the title "Selling in a Multi-Channel and Omni-Channel Retailing World" in green. Below the title, the text "Multi-Channel Retailing:" is followed by a blue definition: "Neslin et al. (2006, p. 96) have defined multi-channel customer management as 'the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development'". At the bottom, a small source note reads: "Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of retailing*, 91(2), pp.174-181." The slide footer includes logos for Swajil and a page number "5".

Now, before I read out the definition for you, I would like to explain in simple terms what is multi-channel retailing? See if you recollect the times earlier, we only had offline channels right physical stores. You will go there, you will see the products, you will buy, then came online channels where either you were shopping or collecting information.

But now a lot of corporates and organizations are offering you a bunch of channels. Like, you can go to their website, you can buy a products there, you can search information there. Many companies also have physical existence where also you can go and check products and take assistance from sales staff and where you also end up enjoying their ambience also, you also have mobile applications where you can shop.

Along with this a lot of companies also use catalogs like you will see the popularity of catalogues with respect to jewelry shopping or in related to fashion accessories as well. Which means, that as far as you are concerned and the organizations are concerned you can interact with them in multiple ways. Like, offline store, or physical channels as we normally call them online channels, website, mobile applications, catalogs and sometimes also you are allowed to place orders through tele shopping which means you can call them and place your order.

But one thing which is very very particular about multi-channel retailing is that all these channels are not interconnected they are standalone right. So, now, we will go through the definition by Neslin as far as multi-channel retailing is concerned. So, he along with other scholars has defined multi-channel customer management as the design deployment coordination and evaluation of channels to enhance customer value through effective customer acquisition retention and development.

See first thing which we need to understand is the whole idea of offering customers, these multiple touch points is to make sure that no one is missed. They are able to acquire customers through all these channels; which means, if any particular customer is not comfortable or does not have the time to go and visit physical stores and buy products there he can definitely get them through the online channels.

So, this in a way also helps retain them as far as the growth and development of an organization is concerned right. So, that is why if you look at the basic premise of multi-channel customer management and retailing, it was all about giving different options to the customers. So, that they can interact with you through the means which they are most comfortable with, this was a bit about multi-channel retailing.

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Omni-Channel Retailing:

Verhoef et al. (2015) have defined omni-channel management as “the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized”

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of retailing*, 91(2), pp.174-181.

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Now, when you get to omni-channel retailing part, it has been defined as the synergetic management of the numerous available channels and customer touch points. In such a way that the customer experience across channels and the performance over channels is

optimized. Now, you might be wondering what is the difference between multichannel management and omni-channel management.

See the prime difference is in multi-channel management all the channels or touch points that are offered to you are primarily standalone; which means, they are not interacting with each other or they are not completely integrated. Whereas, when you talk about omni-channel management they are integrated with each other and every movement of the customer is being recorded.

And they also support with respect to you know like giving you more of excess as far as various customer activities are concerned which I will explain with an example.

Let us say; firstly, we will talk about the omni-channel management; if I buy a particular product from the online channel of a retailer A right. In an omni-channel environment I will be allowed to go and return it to the offline store as well or if I buy something from an offline store, I can even place the return request through an online channel and refund will be issued to me in my account. So, there is a synergy which is being created and all these channels are completely integrated.

Whereas, in multi-channel retailing if I buy something from an offline channel, I will have to go and return it at the offline channel only. Like, I will not have the excess of using the online channels for processing returns or for getting the refunds. So, I hope you got the difference, but as far as India is concerned, we have primarily moved towards a multi-channel retailing landscape we are yet to reach the omni-channel retailing milieu.

But there are a few companies that are doing it you can consider the example of Adidas and Nike which have started exploring the facets of omni-channel retailing as far as the customer journey or experiences in India are concerned.

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Key Challenges of Selling in a Multi-Channel and Omni-Channel World

- Loss of Customers in the Journey
- Journey might start and end at Different Channels
- Poor and Low Channel Lock-in
- Cross-Channel Free Riding, Hybrid Shopping and Research Shopping Phenomenon: Showrooming and Webrooming

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91(2), pp.174-181; Verhoef, P.C., Neslin, S.A. and Vroomen, B., 2007. Multichannel customer management: Understanding the research-shopper phenomenon. *International Journal of Research in Marketing*, 24(2), pp.129-148; Chiu, H.C., Hsieh, Y.C., Roan, J., Tseng, K.J. and Hsieh, J.K., 2011. The challenge for multichannel services: Cross-channel free-riding behavior. *Electronic Commerce Research and Applications*, 10(2), pp.268-277; Kalyanam, K. and Tsay, A.A., 2013. Free riding and conflict in hybrid shopping environments: Implications for retailers, manufacturers, and regulators. *The antitrust bulletin*, 58(1), pp.19-68.

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But the big question that we need to answer is what are the key challenges when we talk about multi-channel and omni-channel world? See again, I want to repeat this thing. Gone are the days when you would go to a one channel which could be either offline and online and you will search the products there and even complete the purchase there itself that is not the case today.

You will see a lot of people who will first go to an offline store, they will try the product, then they will come back online, they will check again for a lot of information with respect to pricing, or they will keep searching for better prices if they want to buy it online.

Then they may again go back to an offline channel and negotiate using the information that they have gathered; which means, there is no fixed path. You might see a lot of combinations which could be purchasing online or searching offline or purchasing online or even catalogs could be used in between. Let us say you a customer who started searching for a product online and later on he might just vanish, you might find out later on that he just purchased these products at offline store.

Likewise, this could also happen that a particular customer who went to an offline store, all the benefit of the services the ambience of the store, trying the products, taking information from the sales staff, later on just vanished he or she came back and purchased the product online. So, this is one thing which has emerged as a negative

consequence of the multi-channel and omni-channel world that you could end up losing customers in the journey.

Apart from that as I just explained in the beginning the journey might not start end at the same channel, you might see a lot of combinations which we were just talking about. There is another particular concept which becomes very important that is about channel lock in; which means, there are very less barriers which restrict you from moving to from one channel to another.

Let us say if I just take out my mobile and I start browsing one of the online retailers and I add a few products to my cart. Then if I move to an offline channel nobody is stopping me from that, in a way at offline store there is still some possibility that the sales person. Or maybe let us say the owner also sometimes might restrict you from moving or will have that conversation of convincing you to buy then and there itself.

But if you talk about an online channel this becomes a little more difficult again, I will put this in perspective that there is very low or poor channel lock in. Which means, there is very easy and free movement from one channel to another. Now, you might be wondering I am explaining all the challenges, but I am not talking about the solution.

So, one thing with respect to channel lock in which can be used is rewards can be used or we can come up with an offer in which the person you know can be stimulated to buy then and there itself now this can work for both online and offline channels. But another thing which becomes primary or key important in this is that you need to track each and every move of customers on real time basis.

Only then you will be able to see how they are moving or if they have stopped purchasing in the movement itself; so, that you can shoot messages to them; so, that they close the purchase. Another challenge which becomes primary in multi-channel or omni-channel retailing is cross channel free riding. Hybrid shopping, and research shopping phenomenon which eventually can also be considered as the broader umbrella for challenges like or key issues or critical issues like show rooming and web rooming.

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Research Shopping: Researching product in one channel and purchasing from other (Verhoef et al., 2007)

Hybrid Shopping: Jumping across different channels while shopping (Kalyanam and Tsay, 2013)

Cross-channel Free riding: This occurs when customers collect information from online channel of company X but purchase from online channel of company Y (Chiu et al., 2011)

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91(2), pp.174-181; Verhoef, P.C., Neslin, S.A. and Vroomen, B., 2007. Multichannel customer management: Understanding the research-shopper phenomenon. *International Journal of Research in Marketing*, 24(2), pp.129-148; Chiu, H.C., Hsieh, Y.C., Roan, J., Tseng, K.J. and Hsieh, J.K., 2011. The challenge for multichannel services: Cross-channel free-riding behavior. *Electronic Commerce Research and Applications*, 10(2), pp.268-277; Kalyanam, K. and Tsay, A.A., 2013. Free riding and conflict in hybrid shopping environments: Implications for retailers, manufacturers, and regulators. *The antitrust bulletin*, 58(1), pp.19-68.

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Now, first is what is research shopping? This has been fantastically explained in one of the research papers by Verhoef at all which has been published in 2007. Now, research shopping simply indicates that you will see a lot of consumers researching product in one channel and purchasing from another. Now, they could be researching product in offline channel or online channel and then could be purchasing from another channel.

Like if there researched in online channel, they could complete the purchase in offline channel and if they researched in offline channel, they could complete the purchase in online channel. Which simply means that in a way one of the retailers is being victimized right because he is providing you services, but you are not reciprocating the same with the purchase because you are moving to a different channel.

The next is hybrid shopping this concept has been very beautifully mentioned in the research by Kalyanam and Tsay which was published in 2013. Now, they have explained this in a very funny way, they are saying that today you will see consumers jumping across different channels while shopping from one to another. And in this case also there could be a combination of online channels, offline channels, catalog, mobile apps. The last is cross channel free riding; now, we need to understand this very very carefully.

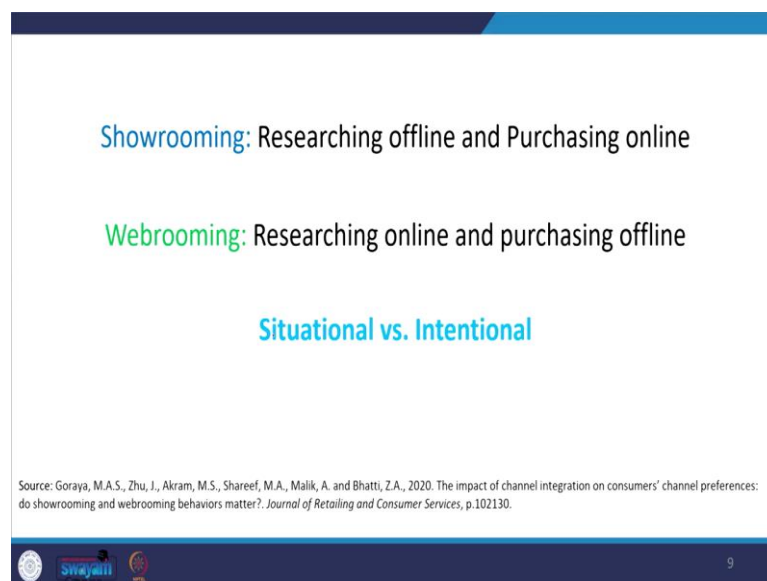
Let us consider the example of Bata, see if I go to the Bata store their offline channel, I try shoes there, or I see different products then I pick up one, but I do not buy at the physical store I come back and buy it from the Bata website. In this case even when I am

switching channels, Bata is enjoying the benefits. Rather, they are much better off, because I made the right choice; so, the chances of return are also decreased. Because, I gained the choice confidence at the offline store and then I purchase the product online right.

But now imagine a situation there is a store I go and try products there, but I purchase it from the competing retailer in that case the person is being victimized; so, cross channel free riding is all about that. One thing is you are not only switching a retailer, you are also switching the company right that is why it becomes detrimental to the particular retailers.

So, this concept has also been very interestingly or I would say elaborately explained in the work by Chiu at all. But this is one concept which brings in a lot of perspectives about how omni-channel and multi-channel retailing has got too much challenging as far as the retailers in current dynamics are concerned.

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Now, we will get to the another topic which are two critical facets of the current multi-channel and omni-channel retailing environment. Now, show rooming simply means that you are researching for the product offline; like, you are going to a physical store, you are inspecting the product, feeling it, touching it, taking the services of the sales staff, enjoying the ambience and then you move to an online store to buy it right.

Now, this could be done on account of multiple reasons because of pricing, or other facets like there are better deals. Or you think that it is going to be easy for you if you want to return the product at a later date through an online channel, because majority of online channels have no questions asked return policy; so, this is about show rooming. Now, web rooming occurs when you have a lot of customers who will read reviews or collect information about products in online channels and then they would move to an offline store to buy this.

Now, this could also be done on account of variety of reasons like, you find online purchasing risky, you feel that you will be deceived, you have security issues that if you enter your card details, or financial details online, you do not have that much trust that these things are going to be kept secure.

Now, see this further has different paradigms. Now, one thing is this could be occurring on account of the customers or shoppers intention; which means, I go to an offline store intentionally because I want to try there I know I am not going to buy it there; now, this is intentional show rooming.

Similarly, you could have intentional web rooming; which means, you are going to an online channel just for searching information you know you are not going to buy it there and then you are going to come back and purchase it offline. But another facet which becomes important is that this can also happen on account of situational circumstances; which means, let us say I wanted to buy the product in offline store itself.

But what I wanted was not available the shirt size which fits me well was not available, or the color which I liked was not available, or maybe the sales person did not treat me well, or we got into an argument. Now, this is happening on account of situational circumstances if we talk about show rooming, or the another reason could be that the payment line was very long and you felt no I am not going to wait for this much long I will go and buy it online anyway I have seen the product.

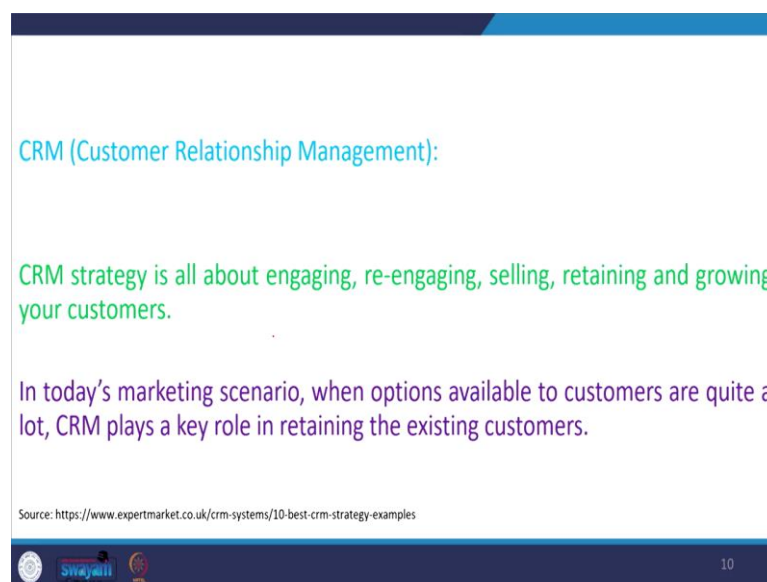
Similarly, in case of web rooming there can be situational circumstances leading to it. Let us say, you wanted to buy the product online itself from that particular online channel or website, but it was not very smooth navigation was poor, or the product was not available, it was out of stock and there were payment glitches, and you felt that website was not properly designed; so, out of irritation or confusion you left it.

So, see this is a very interesting dynamics when we talk about show rooming and web rooming and how it occurs on account of situational and intentional circumstances. But, one thing which I would like to bring up to you or as a part of getting your mind ruling or thinking is. You need to propose some strategies which will be happy to read in forum, that how we can handle intentional show rooming and web rooming, or how we can handle intentional and situational web rooming.

Because these two critical challenges has definitely put the retailing world upside down. And you can read a lot about them if you Google case studies about how Amazon utilize showroom in to kind of counter or take over the market with respect to the physical stores that had captured the market at that time.

So, I hope you enjoyed listening about showroom web rooming and the entire facets of cross channel free riding. So, if you ask me personally though I have told you to figure out strategies, but CRM can be a very good strategy; whether we talk about online channels or offline channels, if we want that the customers or shoppers who come to our website or store should not be moving to our competitors.

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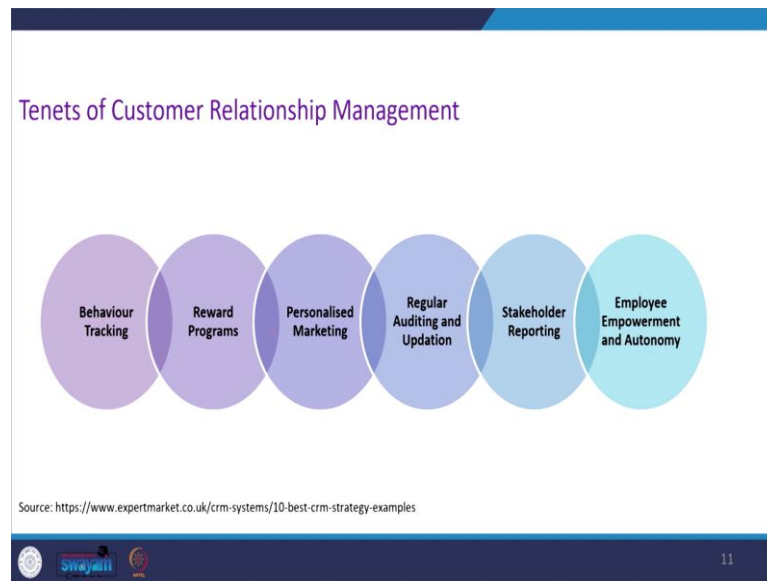


So, CRM strategy is all about engaging, re-engaging, selling, as I said retaining, and growing your customers. It encompasses everything where you are trying to interact with your prospects or customers on daily basis. You are providing them content which helps

them understand products better or even use the products better which anyway will make the selling superfluous.

And finally, you retain them by giving them special offers; which means, you are creating a channel lock in which will stop them from moving to your competitors. And as it is very well written in the slides in the present competitive marketing scenario CRM indeed plays a crucial role.

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So, what are the tenets of CRM, so, one thing which is very important is you need to understand the behaviour of customers in depth, what is it that they like, what are their product preferences. Even how they prefer the modes with which the company should reach them; like, you might have a customer who might prefer that they should only be reached out via email.

Or someone would prefer that a call will work well, or someone might even prefer that you do not need to reach out to me I will get back to you if I need any additional information or I will be interested in buying something.

So, behaviour tracking becomes very important, because only then you can use all these information or I would say very enriching databases about customers. Whether it is related to their demographics their behavioral patterns and their experiences with the

organization itself which can provide you very beautiful and keen sights as far as our future interactions with them is concerned.

The another, tenet is use right reward programs, you can use a lot of loyalty programs which can give reasons to your existing customers who have been buying from you or maybe have only purchased from you for once; so, that they can buy again. Along with that if you want to make it more exciting another thing which you can adopt is personalized marketing.

Whatever emails you are sending, or whatever messages you are sharing make it a little more personalized we can use their names. Apart from that we can also use the keen sights that we have gathered from behaviour tracking like what is it that this particular customer likes and we can design all the communication programs with that particular customer on that.

So, in a way this is more like moving from mass customization to individual customization as far as the communications are concerned. Another thing which becomes very important, concerning the customer relationship management is that you need to regularly audit and update customer information. It is not like if you are maintaining a database and it has not been updated since 10 year there could be a lot of customers whose behaviour would have completely changed.

Their preferences would have completely changed, they might have tried new products and later on you might see that now what they are looking for is completely different what your I would say past customer database is reflecting as. So, this becomes again very crucial that you should regularly keep updating all this information. Along with this stakeholder reporting also becomes very important in CRM.

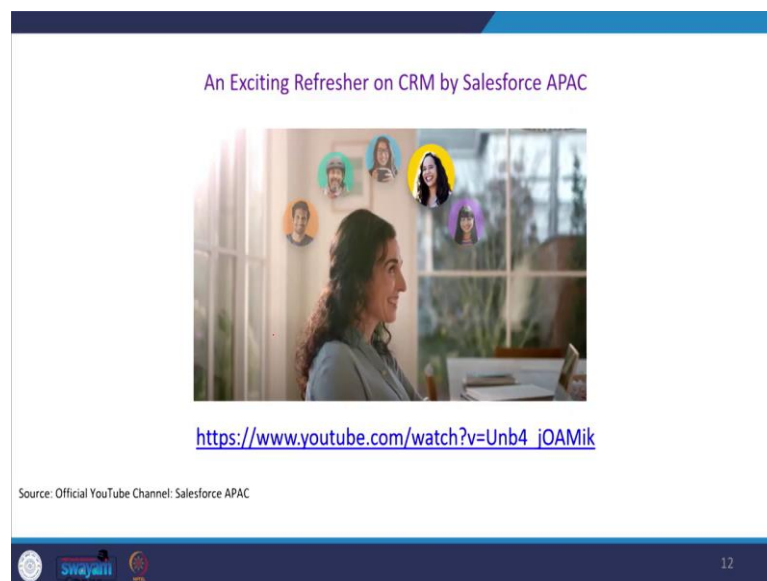
Now, this is related to all the stakeholders, as far as the society is concerned an organization should make sure that they continually interact with the society telling them, what is the purpose of the organization, how they are making the society a better place to be. And even if there are CSR or Corporate Social Responsibility programs which are going on information regarding that should also be shared.

Now, along with that when there are financial investors or financial stakeholders, they should also be given information about how the organization is doing considering the

financial parameters. And definitely the customer should also be provided information about the products, how companies making sure that it keeps environment safe, or the best of ingredients are being used, or the quality of products beings is being continually enhanced. Or let us say if the product is of technical nature and there are certain upgrades which can be beneficial for the customer; so, that information should also be provided on time.

Now, the last thing is CRM is not going to work if you just keep it on document. You need to empower your employees to make sure that whenever certain actions need to be taken and specifically in sales when there is the moment of truth or the employees are interacting with customers. They should be given that authority to take decisions and work towards making the customer relationship management a reality than just being a policy which is on documents.

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An Exciting Refresher on CRM by Salesforce APAC

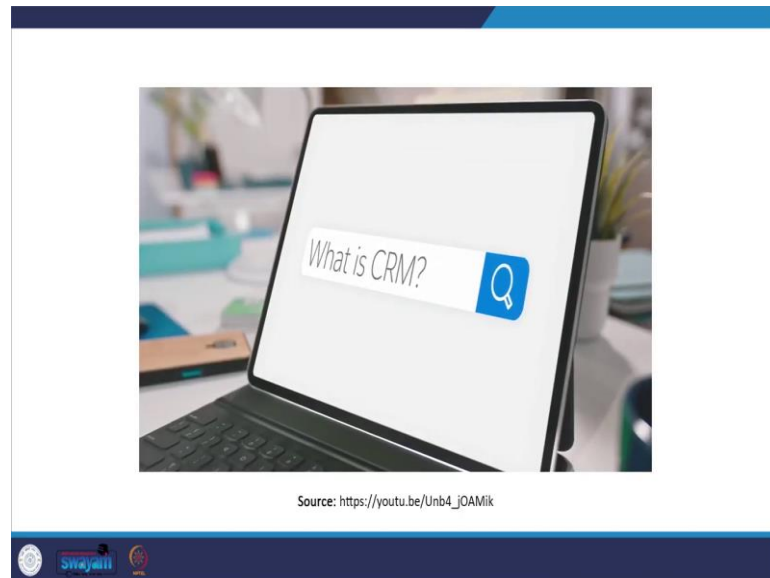
https://www.youtube.com/watch?v=Unb4_jOAMik

Source: Official YouTube Channel: Salesforce APAC

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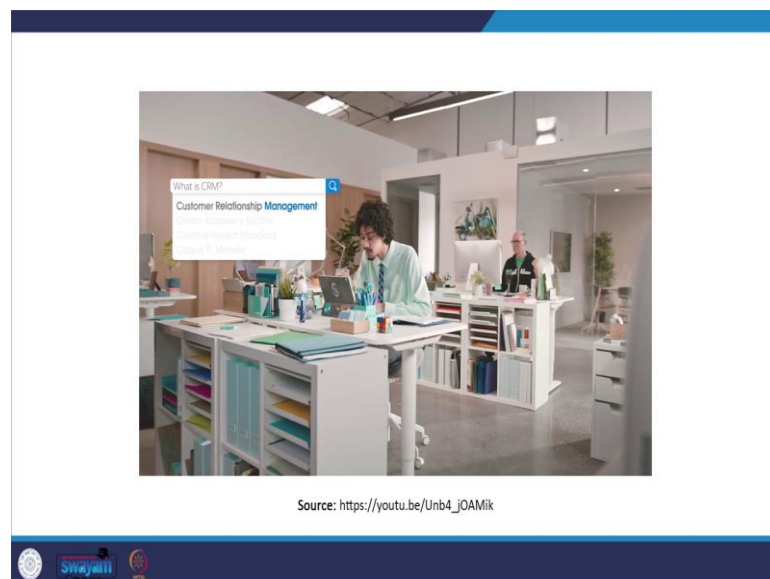
So, in the end as far as CRM is concerned to make it more exciting or refreshing for you, I would request you to go through this small video which is by sales force APAC. This is going to put a lot of things in perspective as far as CRM is concerned; so, I am very sure this is going to be a fun watch for you.

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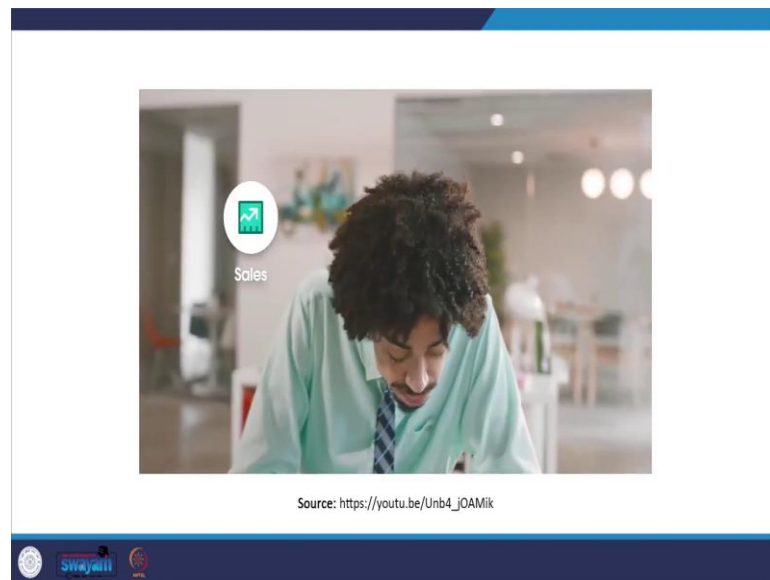
What is CRM?

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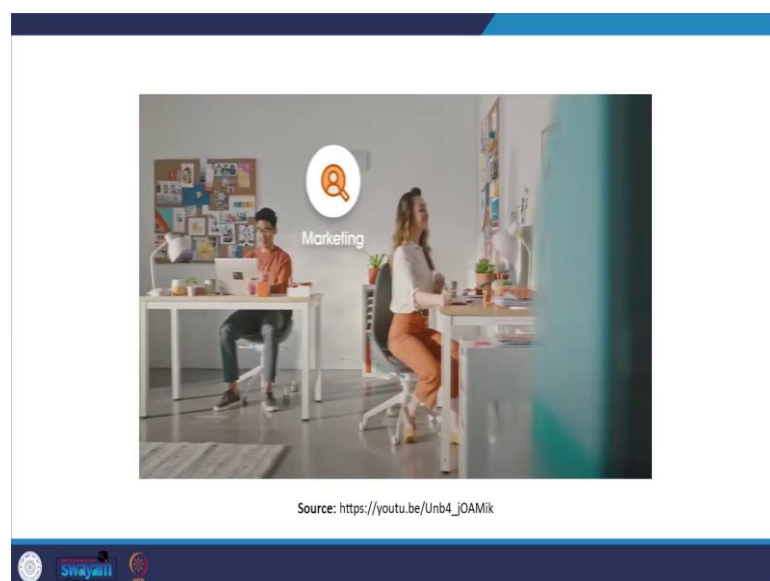


Good question, CRM stands for Customer Relationship Management. Its technology that helps you keep track of everything about your customers and your potential customers; so, you can build great relationships with them.

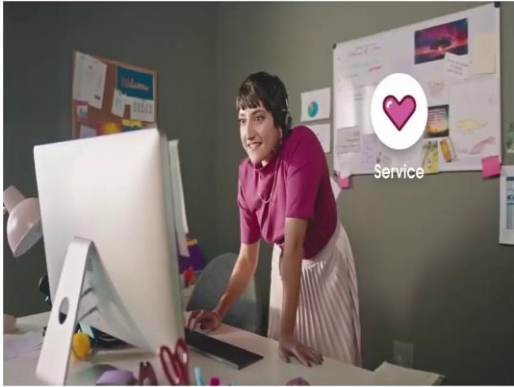
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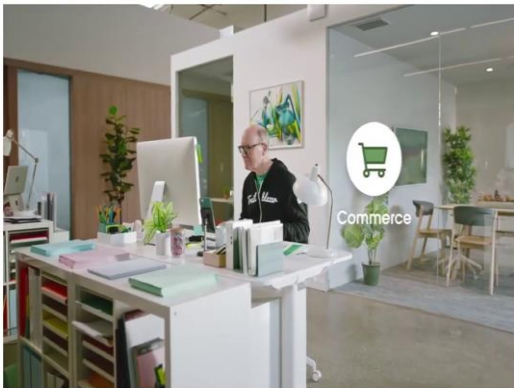
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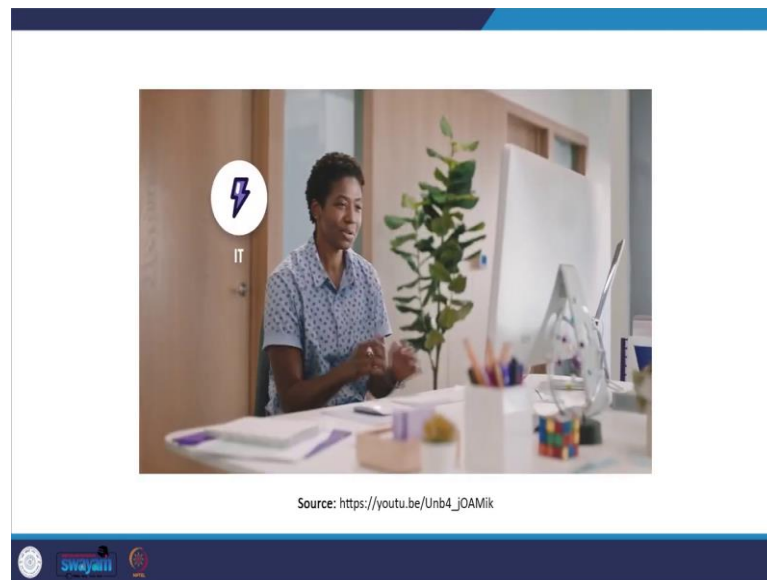
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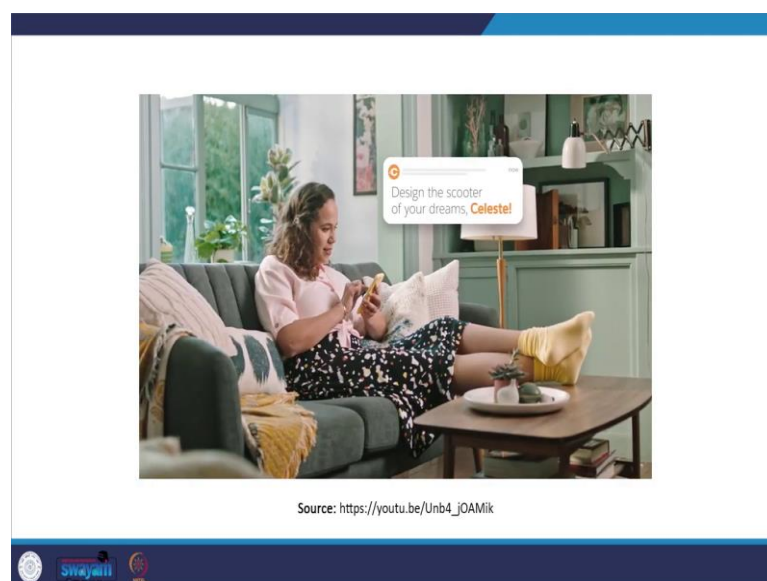
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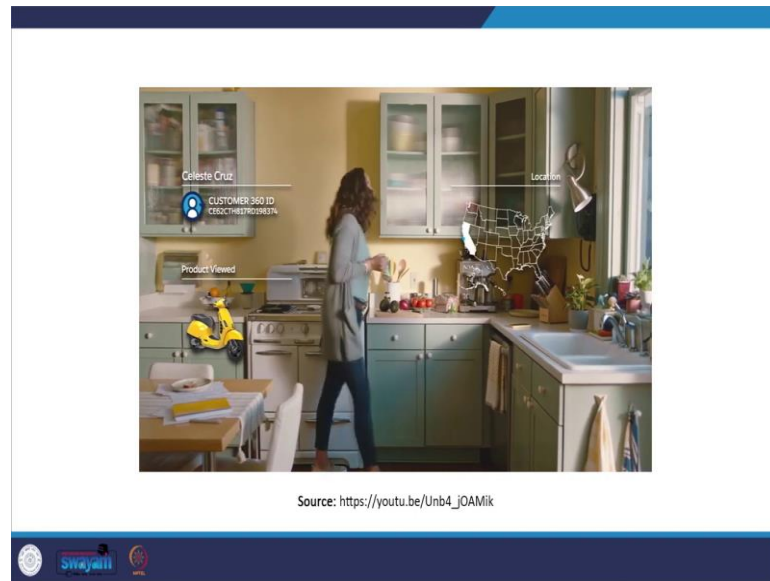


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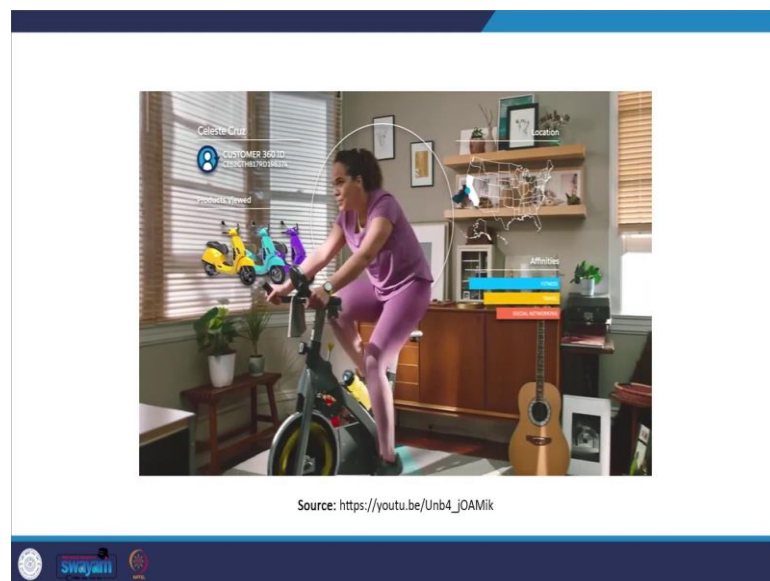
CRM used to be all about sales, but not anymore. CRM is for every department sales, but also marketing, service, commerce and it too a great CRM helps you do amazing things.

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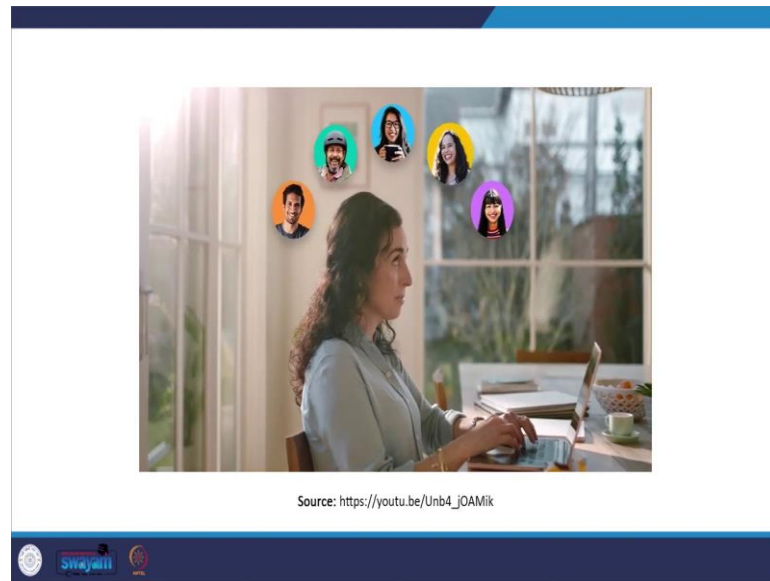
It centralizes all your important customer information and company data in one place.

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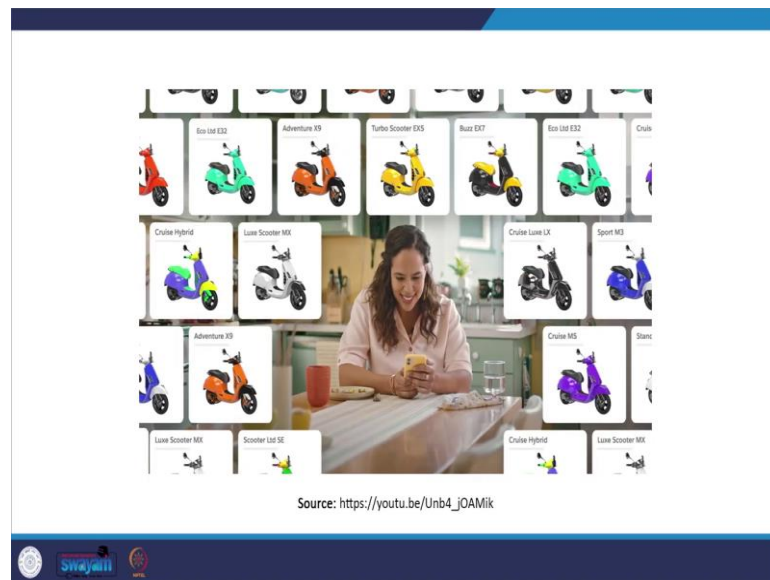
So, your teams have the right information to deliver the easy connected experiences customers expect.

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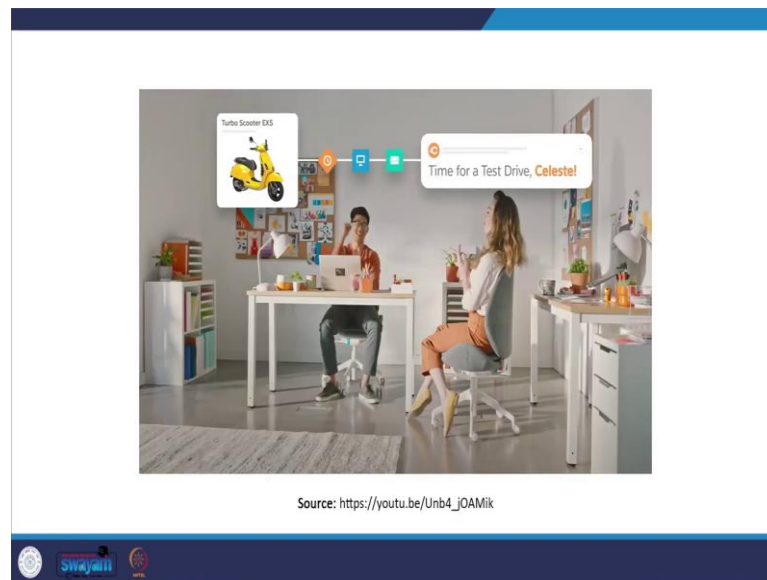
Take Carol here Carol owns a network of scooter dealerships, she has a lot of customers we just met one Celeste.

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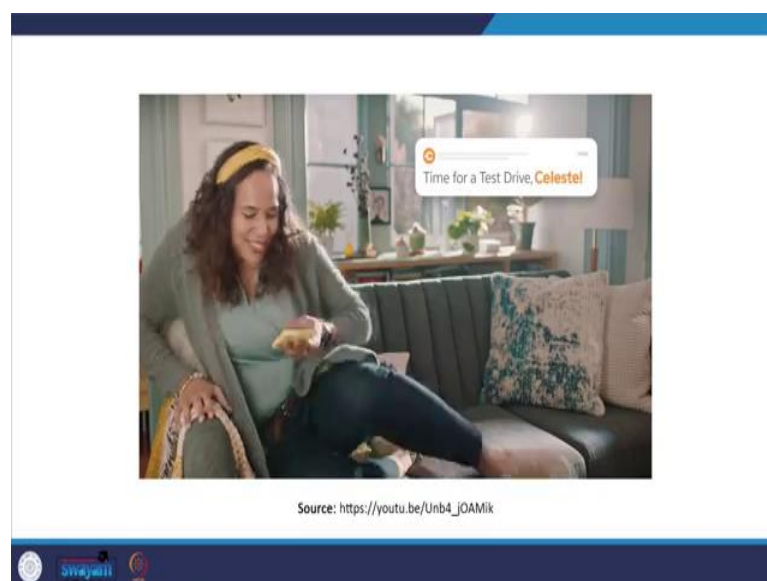


Yesterday Celeste configured the scooter of her dreams 43 times.

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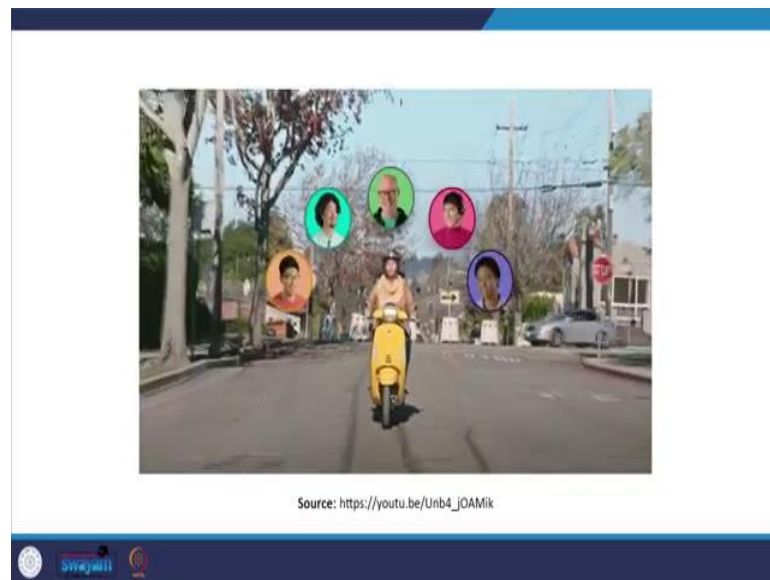


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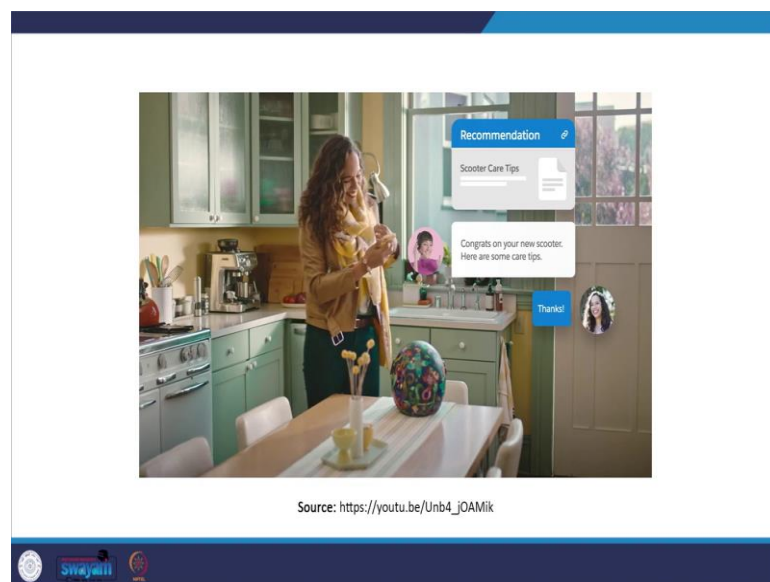
And because Carol has CRM her marketing team knew it which is why Celeste just received an automated email that got her off her couch and into a dealership to take a test drive. When Celeste arrives, the scooter is already waiting for her, along with some accessories that the sales team knows Celeste is going to love. Next thing you know Celeste is buying herself a scooter a snazzy helmet and some really nice accessories.

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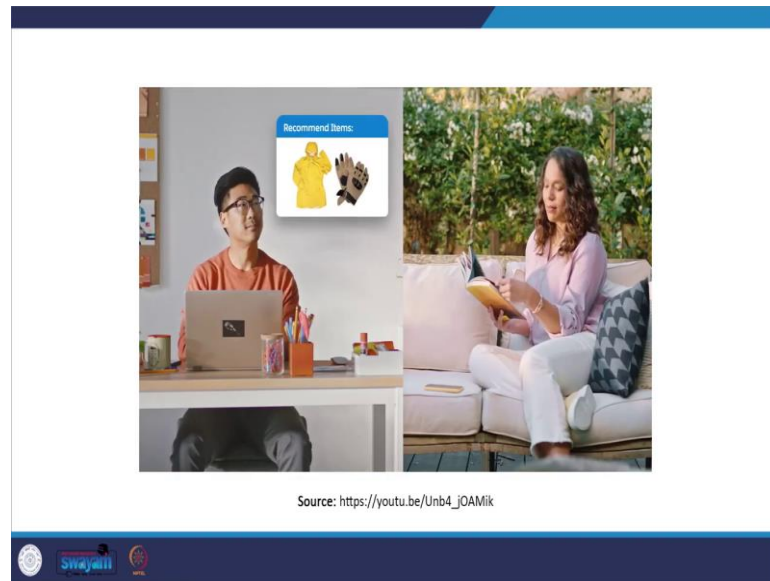
But it is not just sales and marketing who knows the list thanks to Carols CRM every department knows her because every team has one shared view of Celeste and all her information.

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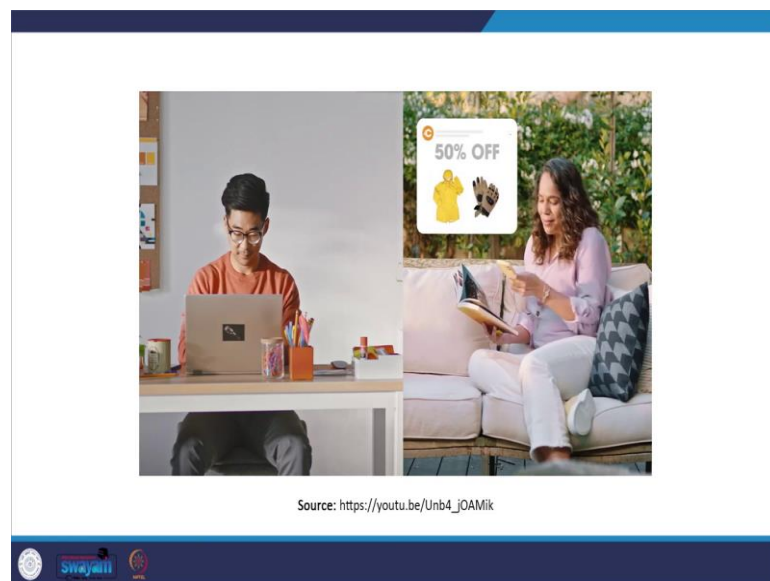


Before she is even made it back to her couch service has already sent her tips to help her care for her scooter.

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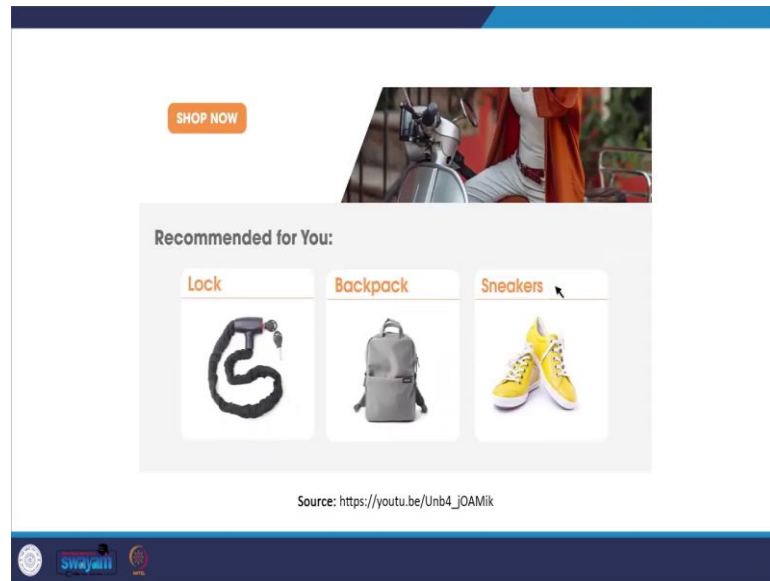


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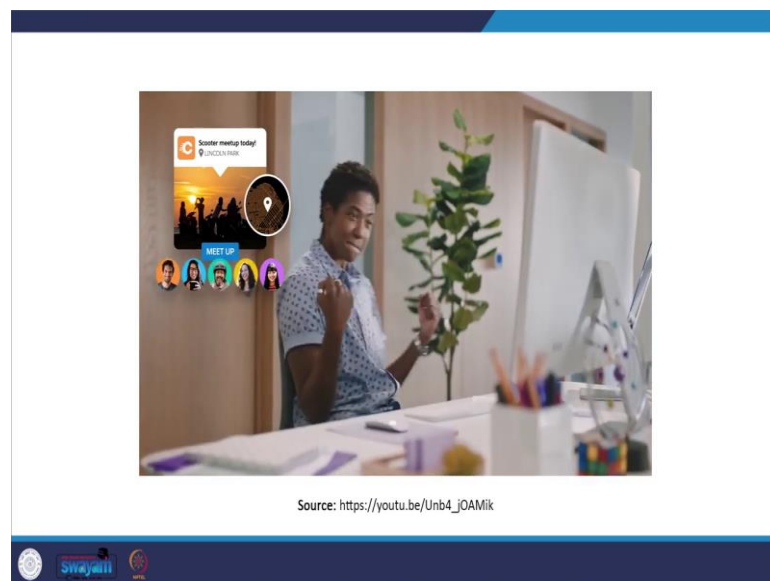
Marketing uses built in AI to predict what Celeste likes and suggests more great additions.

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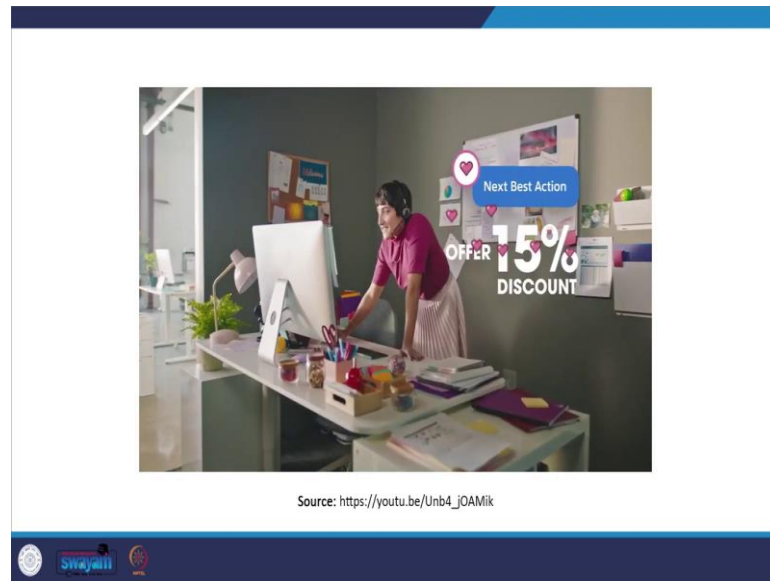
Commerce uses the same insights to create an entire storefront customized just for her.

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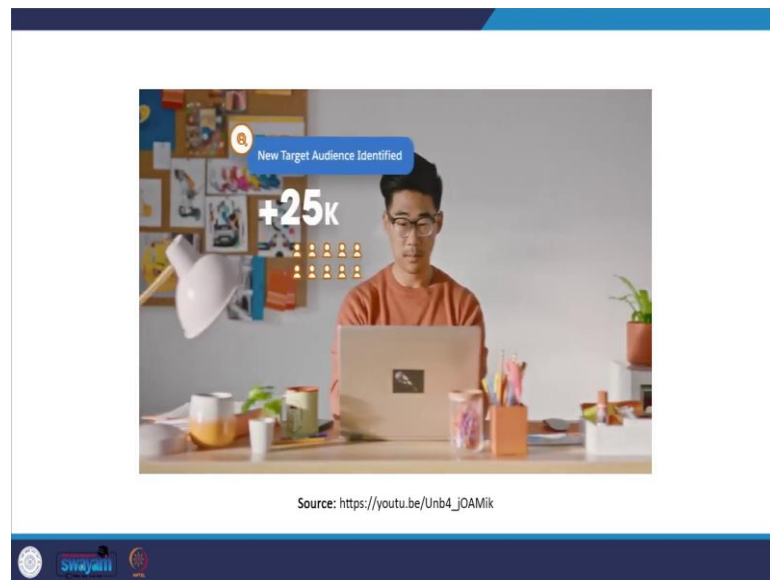
And it builds apps that connect her to an entire community of fellow scooter lovers.

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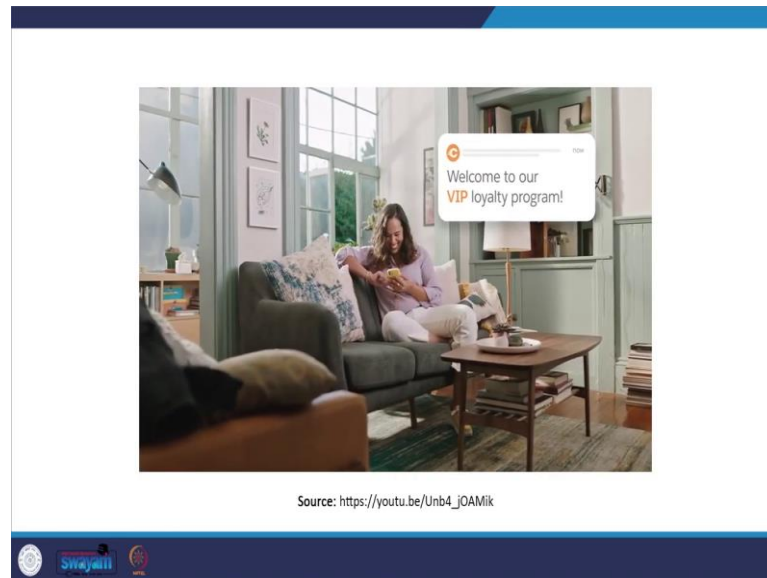


Friendship and love follow brand love that is along the way Carol CRM just keeps getting smarter and more helpful.

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Serving up actionable analytics for everyone at Carols dealership which makes Carols employees happier and helps them surprise and delight Celeste again and again. The right CRM helps businesses focus on customers and unites everyone with one shared goal make Celeste or whoever your customer is happy. So, as far as this session is concerned, I hope you enjoyed learning about multi-channel retailing and omni-channel retailing.

And you also enjoyed the facets that we discussed about how cross channel free riding, encompassing the challenges like show rooming and web rooming is making more difficult for the retailers to survive. And in the end what we discussed about CRM was also enriching for you. So, I thank you and we will be definitely meeting next week where we will be discussing some interesting things about the strategic sales management.

Thank you.