CHAPTER TWELVE

Brands Cross Channels

Today, marketers are trying to appeal directly to the customer. On top of that, many direct marketers who traditionally have made their appeals directly to the customer are attempting to brand themselves. Dell is an example of a direct manufacturer engaged in a branding effort.

Marketing options range from direct and database marketing techniques that deal with observed behavior to broadcast marketing models that deal with targets. These are not binary choices—it's not either/or. Both direct and broadcast approaches have their place. Today's environment doesn't limit you to one or the other. In fact, in today's environment, you can't afford to ignore either.

Businesses worry about channibalism, "a basic fear felt by many executives and managers that one channel, or line of business, will steal business away from another. There are two facets to this fear: one tied to fears of consumer confusion and loyalty and one tied to managerial salary structures."[1] While customers may prefer to use a particular channel—

such as a catalog or a store or a Web site—in customers' minds, they are interacting with the business, not with the channel.

It turns out that while a company's internal infrastructure may threaten the business's success as a multi-channel entity, channibalism *per se* doesn't exist. In fact, customers who use more than one of a business's channels often increase their purchases overall.[2] And multi-channel customers demonstrate greater loyalty. "With no fear of stealing your own customers from your other channels, the longed-for ideals of effective multi-channel and cross-channeling marketing become a palpable possibility."[3]

To take advantage of the potential inherent in becoming multi-channel means a business has to start thinking like a multi-channel company. Jack Aaronson writes:

> This means unifying customer data across all customer touch points and understanding the brand as the glue that binds the channels.
>
> People are loyal to your company's brand, not its channels (unless you disappoint them). For many Americans, book buying is a very channel-specific task, not a brand-specific task. They buy books at B&N stores; online they go to Amazon.
>
> This is because Amazon was very smart positioning its brand online. Instead of branding itself as just another online store, it aligned itself with the channel. It declared that anything you want to buy online, you can buy from Amazon.
>
> The brand-ignorant were left scrambling to create an online brand that didn't compete with Amazon. This is difficult, as Amazon's brand and product range intentionally overlaps (and overshadows) almost every other online brand. Had multi-channel retailers branded themselves as such, they wouldn't be in the turmoil they're in today. Because brand alignment is usually stronger than channel alignment, B&N shouldn't have lost customers to Amazon . . .
>
> A true multi-channel competitor can offer users an experience Amazon (or any other single-channel company) cannot: shopping over multiple channels (online or off-) in the same environment.[4]

How do customers reach you?

Customers have a number of options for choosing how they interact with a business. The choices they make often reflect the level of intimacy they want with the company. It's probably not an accident that the ratio between people who get their information from stores and those who get their information online is about the same as the ratio of extroverts to introverts in the population (see Chapter Twenty for more details).

Sales favors extroversion; conversions take place face-to-face in stores or voice-to-voice over the telephone. It's a social experience. However, customers are increasingly voting with their mice, opting for more introverted interactions. They are avoiding the interpersonal dimension altogether, or postponing it until they either have no choice or feel sufficiently confident to engage a real person.

Because customers can choose their angle—the channel—of approach, our job is to package information that is appropriate to each channel. Pushing traffic in order to force another interaction doesn't work. Our primary evidence for this? Average online conversion rates today range from the 1 to 2 percent rates of direct mail to the 10 percent rate for catalog companies. Given that online customers are voluntary participants—with *a task in mind*, they come to Web sites *by choice*—these rates are ridiculously low.

Raising the rates

If we were to compare conversion rates between Store A and Store B (brick-and-mortar channels tend to convert about 50 percent of their customers) and discover that Store A's sales were down, we might suspect the problem lay with the salespeople or that something about Store A's sales process wasn't working. We'd hunker down and start examining what wasn't working in the interaction.

We don't usually do this when it comes to other media channels. Instead, we decide it's a good idea to drive more traffic to the channel—even though we know we're sending that traffic into a bucket with some major holes! And so we ask marketers, who excel at driving traffic, to deliver ever-increasing numbers of customers to drive our sales.

Recall our bad-math example in Chapter Four. If a hundred people go into a store and twenty of them buy something, that's not a reason to send *two hundred people* so forty will buy. While sending two hundred people into the store is not inherently wrong, it sidesteps critical questions: What happened to the first eighty who didn't buy? What went wrong in the interaction?

If we look to the people already in the store and figure out how to persuade more of them to buy, we can increase sales by increasing conversions, not increasing traffic. Attention to the persuasive efforts across all channels provides us with a more satisfying and permanent solution that reinforces customers' experiences of the brand as it allows us to achieve our business goals.

Inconsistent customer experiences across channels

Lisa receives an Eddie Bauer catalog by snail mail. She flips through it, sees a piece of luggage she would like, double-checks price and availability online, and then decides to purchase the luggage on her next trip to the mall. A good or bad experience with any one or more of these channels—the catalog, the Web site, or the store—will affect Lisa's perception of *the business* as well as the channel.

Segregating channel responsibility increases the chances for inconsistencies in presentation, messaging, brand voice, and even offer-details across the channels. Inconsistency ruined the persuasive momentum in the first phase of Bryan's car-buying odyssey. Remember how the salesperson told Bryan there was no DVD package for his car even though Bryan had seen the package online? Do you think Bryan's irritation was confined to the salesperson?

Things only get worse when channels within a company have to compete against each other. From the customer's point of view, multi-channel experiences must be seamless. Howard Kaplan, our senior conversion analyst, was shopping with his girlfriend at a Gap store. The pair of shorts she wanted wasn't available in her size—at least not within a twenty-mile radius. Here's what followed:

> Gap Girl smiles; she knows the pure delight that's about to follow. "If you'd like," she explains, "I can place the order for you right

now, at the same price we're offering in store. In fact, you can even pay for them with your in-store purchases, all at the same time, on the same receipt. Since you're placing the order from the store, we're even happy to pick up the shipping for you. Would you like them delivered Tuesday AM or PM?"

In this example, the in-store experience complemented and coordinated with Gap's other channels. The customer won. Gap's channels won. Gap won! Unfortunately, that's not always the case.

The set-up for the multi-channel problem often lies in the data we use to help us frame our persuasive processes within and across channels. Are we really looking at the appropriate data?

Praise for Waiting for Your Cat to Bark?

"There's some big thinking going on here—thinking you will need if you want to take your work to the next level. 'Typical, not average' is just one of the ideas inside that will change the way you think about marketing."

—**Seth Godin**, Author, *All Marketers Are Liars*

"Are your clients coming to you armed with more product information than you or your sales team know? You need to read *Waiting for Your Cat to Bark?* to learn how people are buying in the post-Internet age so you can learn how to sell to them."

—**Tom Hopkins**, Master Sales Trainer and Author, *How to Master the Art of Selling*

"These guys really 'get it.' In a world of know-it-all marketing hypesters, these guys realize that it takes work to persuade people who aren't listening. They've connected a lot of the pieces that we all already know—plus a lot that we don't. It's a rare approach that recognizes that the customer is in charge and must be encouraged and engaged on his/her own terms, not the sellers'. *Waiting for Your Cat to Bark?* takes apart the persuasion process, breaks down the steps, and gives practical ways to tailor approaches to varying real customers in the real world. This book is at a high level that marketers better hope their competitors will be too lazy to implement."

—**George Silverman**, Author, *The Secrets of Word of Mouth Marketing: How to Trigger Exponential Sales through Runaway Word of Mouth*

"We often hear that the current marketing model is broken—meaning the changes in customers, media, distribution and even the 'flatness of the world' make current practices no longer relevant. Yet few have offered a solution. This book recognizes the new reality in which we operate and provides a path for moving forward. The authors do an outstanding job of using metaphors to help make Persuasion Architecture™ clear and real-life examples to make it come alive. Finally, someone has offered direction for how to market in this new era where the customer is in control."

—**David J. Reibstein**, William Stewart Woodside Professor, Wharton Business School of the University of Pennsylvania and former Executive Director, Marketing Science Institute

"If you want to learn persistence, get a cat. If you want to learn marketing, get this book. It's purrfect."

—**Jeffrey Gitomer**, Author, *The Little Red Book of Selling*

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