

ALITTA SPORTING COMPANY

DECODING OMNICHANNEL MARKETING

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Jake Wrightwood, CMO of Alitta Sporting Co., is not sure what to do. He knows he needs to optimize omnichannel marketing, but the task is one of the most complicated he's faced. He needs to retool his initiatives and balance his innovative impulses with analytical and data-driven decisions, staying true to Alitta's mission. The company was founded by Sir Isaac Foster in the late 1700s, with the mission to provide authentic sporting equipment, with high product integrity and a customer-first attitude. Producing innovative and world-class products, Alitta gained prominence by earning the trust of athletes. Sir Isaac Foster personally met and hosted athletes to understand what they wanted. He constantly improved on existing equipment as needs changed. This attitude has been passed on, and Alitta has adopted novel strategies to stand next to its customers. However, now it's time for more innovation, with the COVID-19 pandemic making the need for retooling more acute. Customer attitudes and behaviors are undergoing a huge shift that will directly impact the purchasing behavior. Jake needs his marketing team to be very sensitive to how and what the brand should communicate to its customers. Specifically, his objectives are to increase brand desire and visibility, drive engagement with premium and relevant content on all touchpoints, and increase sales of existing and new key products.

The Case Challenge

Jake has asked for your help in reaching his objectives for the football footwear, apparel, and accessories segment. There has always been challenge to justify the marketing spend by Jake especially in seasonal reviews to clearly prove spend vs ROI. As a consulting partner, you will help Jake to come up with a robust revenue attribution model to allocate the marketing working budget (MWB) optimally, thus justifying topline objectives. Use exhibits and make safe assumptions. Also help him identify and build a campaign execution framework covering the following: (a) devise a suitable creative for the "Never Give Up" campaign theme, making it relevant to the target consumer; (b) create a comprehensive overview of relevant phygital customer touchpoints and provide justification for each channel (content, platform, relevance); (c) map a consumer experience journey, including relevant touchpoints for the target group and KPIs that you would recommend to measure, by stage; (d) recommend a marketing strategy appropriate for pandemic environment, when many target consumers are indoors. For the action, discuss how Alitta should engage with the target customers, including likely engagement strategies, substantiating them with data and use cases, and describe what the influence of digital channels for generating demand will be—specifically, list two ways Alitta can reprioritize its current strategy and increase sales.

Background

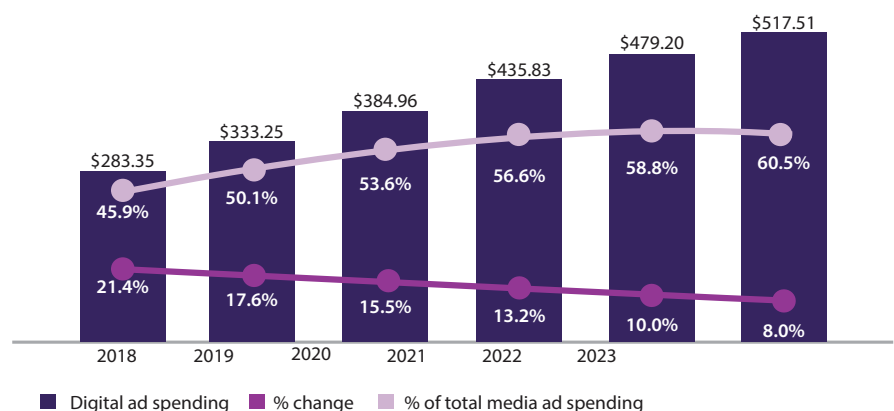
Brand and Product Marketing Landscape

Digital transformation has fundamentally changed the way customers behave and the way the brands work. Brands have recently spent millions of dollars on omnichannel marketing, allocating spend toward digital channels. (See Exhibit 1.) Technology has enabled building more direct relationships with the customers and become faster, better, and more efficient in every part of the organization. Nonetheless, a typical audience is immersed in a combination of the online and offline world. The boundary between the digital and physical world is thinning, which has prompted the marketers to jump on to the "phygital" bandwagon.

Exhibit 1. Recent and projected digital ad spend.

Digital Ad Spending Worldwide, 2018-2023

Billions, % change and % of total media ad spending



Note: Include advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging- based advertising Source: eMarketer, February 2019

Changing Customer Behavior

Brands need to meet customers' growing expectations around delivering omnichannel, personalized content; being constantly connected receiving instant responses; and talking with well-informed store associates. Adopting the most recent technology to meet these demands will further enrich the retail value chain. In the coming decade, experiences that offer real-time data tailored to a customer's in-store and online journey may be the norm. New technologies, such as the Internet of Things (IoT), beacons, high-tech cameras, sensors, artificial reality (AR) and virtual reality (VR) solutions, may drastically change the way businesses are carried out.

"Brands are continuing to break down the traditional marketing silos and think about customer experience first and foremost," - Sara Whiteleather, Vice President of Media, US-based AMP Agency. "That applies to traditional vs. digital and paid vs. owned. They're thinking holistically about how to reach customers across all the different touchpoints in the full marketing ecosystem."

Business Scenario

Brands have historically spent a huge chunk of their marketing investments on partnership assets. The remainder has been spent on brand marketing activities, such as digital, advertising, and point-of-sale and grassroots activations. With the advent of digital and the classic physical marketing avenues, it has become even more crucial to redistribute the marketing

budget by decreasing the ratio of marketing investments spent on promotion partnerships and adding those dollars to the phygital components. However, with this redistribution comes a challenge to justify the overall marketing spend and ROI. Apart from these challenges, rare and unprecedented global/geopolitical crisis—such as the COVID-19 pandemic—can throw marketing plans out of the window.

Jake Wrightwood – The Marketing whiz:

Jake was hired in 2016 by the current CEO, Nick Jones, for his exceptional vision in his past organization as the VP of Sales and Marketing. In that role, he formulated innovative strategies to combine online and offline marketing campaigns. His strategies at his previous organization not only increased the top and bottom line but also improved brand recall and sustained long-term growth. Jake possesses high emotional intelligence and is agile, adaptable, persuasive, unconventional, innovative, and imaginative, and fond of testing his strategies to the limits. Nick firmly believed that the "diversity of mind" that Jake brought to the organization would enable innovation and risk mitigation for the company.

The Attribution Challenge

Jake has closely followed the market trends for many years. He has reviewed the distribution of marketing working budget (MWB) across all channels. However, the complexity and dynamics of different marketing

channels and the complex customer path to purchase has made it difficult to effectively attribute value to each channel. He has been caught in the daunting puzzle of precisely evaluating the ROI of the marketing campaigns and efforts.

"Half the money I spend on advertising is wasted; the trouble is, I don't know which half." - John Wanamaker considered by some to be a "pioneer in marketing"

Although it's well known that this challenge has always persisted in a multichannel marketing ecosystem, marketing teams are of hind-sighted despite being aware of this issue. Addressing it later makes it difficult to justify the marketing performance in terms of revenues, and it restricts the teams to properly allocate the budget for future activations.

The communication challenge during crisis

Adding to the list of challenges, COVID-19 is one of the key issues for CMOs. At Alitta, Jake has started to consider reworking, for instance, product launch and his strategy for content, platforms, and priorities during this atypical time. (See Exhibit 3.)

To start testing his approach, he is planning to activate several touchpoints in the phygital (offline + online channel) ecosystem to provide a premium, personalized, and connected experience for football footwear, football apparel, and accessories segment.

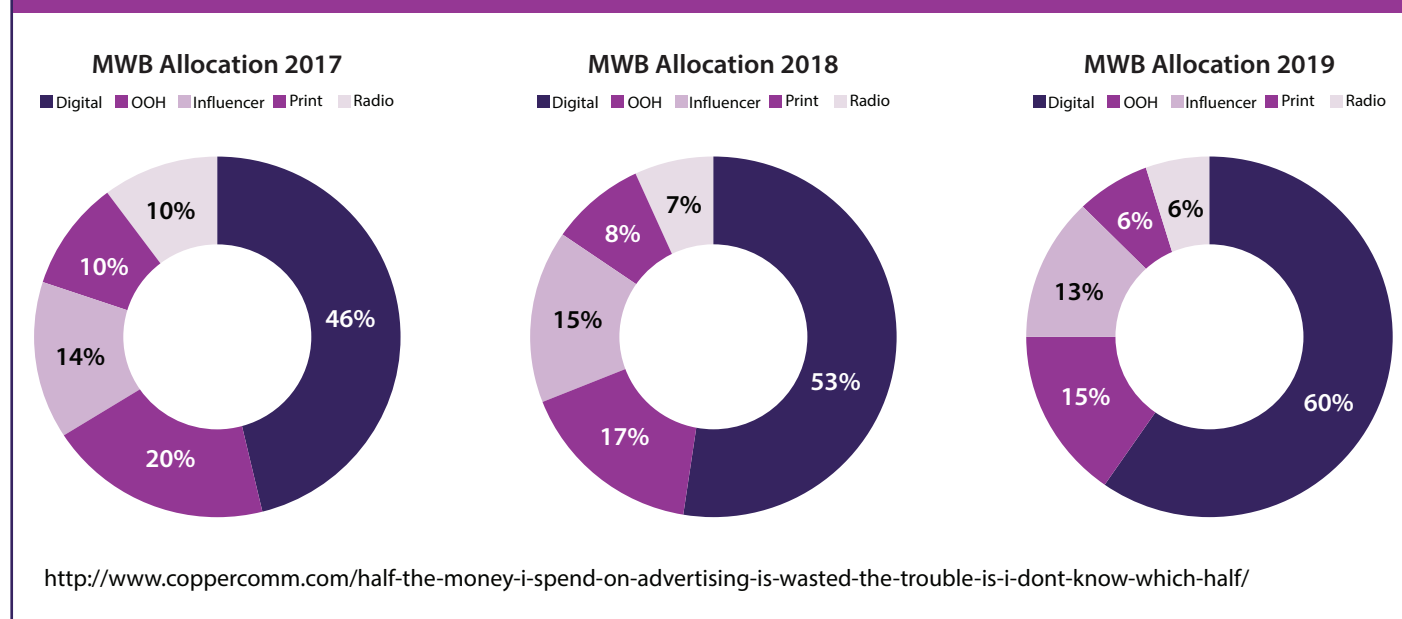
Exhibit 2. US opinion of brands' COVID-related communications.

How Much US Adults Want to Hear From Brands During the Coronavirus Outbreak, by Industry, March 2020

% of respondents in each group			
	Hear less	Hear the same	Hear more
Grocery stores	11%	45%	39%
Healthcare/pharmaceuticals	13%	46%	37%
Household goods	15%	48%	33%
food & drink	16%	49%	30%
Retailers	19%	49%	27%
Financial services	19%	50%	26%
Charities	19%	53%	22%
Bars and restaurants	22%	48%	24%
Entertainment	24%	48%	24%
Social media	27%	48%	21%
Gym and fitness	27%	48%	19%
Automotive	27%	52%	14%
Fashion and beauty	32%	47%	15%

Note: ages 18+: only relevant responses shown Source : Opinium, "US Brand Marketing in a Crisis: Why Now is Not the Time for Silence", March 27, 2020

Exhibit 3. Marketing working budget (MWB) allocation, 2017-2019.

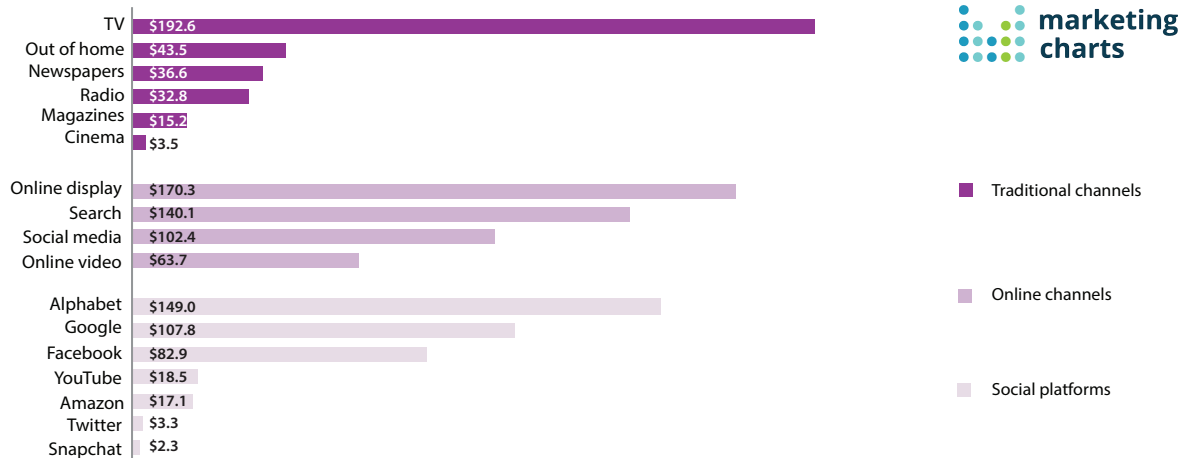


Few more details below:

- Marketing working budget
 - 10 million USD
- Season
 - Spring/Summer '21
- Geography
 - US and Europe
- Target Customer Segment
 - Enthusiastic Footballers
- Age Group
 - 19-25
- MWB Allocation
 - Allocation for 2017 – 2019 – Refer: Exhibit 3
- Campaign Theme
 - Never Give Up

Exhibit 4. Global forecast ad spending.

Global Forecast Ad Spending in 2020 (US\$ billions)



Published on MarketingCharts.com in March 2020 | Data Source: WARC

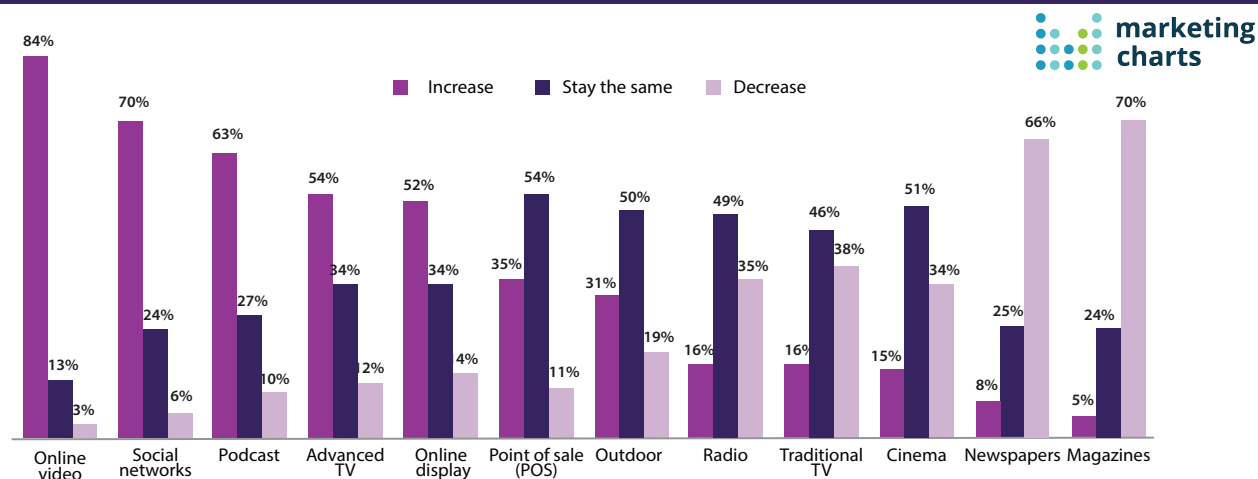
Due to overlap between online channels double counting should be avoided | Facebook includes WhatsApp, Messenger and Instagram Google = search revenue only; Alphabet includes Google, YouTube and Google Network members (prior to deduction of TAC)

<https://www.marketingcharts.com/advertising-trends/spending-and-spenders-112297>

Exhibit 5. 2020 marketing budget planning.

Buggent Trends, by Channel

("In the next year, do you expect your budget in the following channels to...")

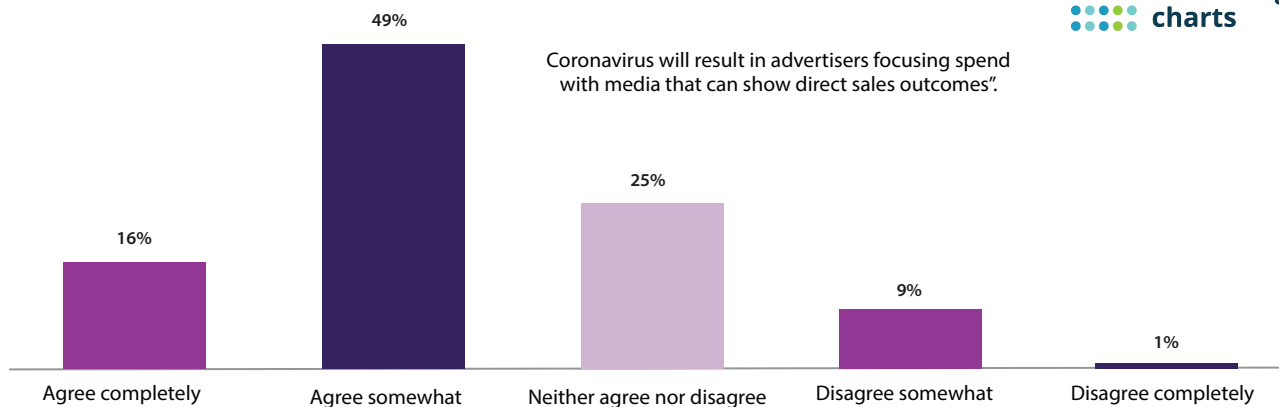


Published on MarketingCharts.com in October 2019 | Data Source: Kantar

Based on a global survey conducted June-August 2019 among 488 senior marketing leaders at advertisers, agencies(creative and media) and media companies

Exhibit 6. Coronavirus to result in shift in ad spend.

Coronavirus to Result in shift of Ad spend to Performance Media?



Published on MarketingCharts.com in March 2020 | Data Source: Advertiser Perceptions

Based on a survey fielded March 17-20, 2020 US market and agency contacts involved in media brand selection decisions

Exhibit 7. How consumers want brands to communicate during the pandemic.

Preferred Content in Advertising



*Hours, online options, free delivery, if still open, products or services still selling / have in stock



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