

CHAPTER 1

The Omnihouse Model

A Holistic Perspective of Entrepreneurial Marketing

The rapidly changing business environment, especially after the world was hit by the COVID-19 pandemic, demands a new, more holistic marketing approach—a concept that can be a strong foundation for organizations when facing various challenges in the present and especially in the future. In this chapter, we look at the various elements that are part of the new genre of entrepreneurial marketing.

To make it easier to understand this new genre of entrepreneurial marketing concept, we'll use a framework called the *omnihouse model* (see Figure 1.1). This model demonstrates our vision of how entrepreneurial marketing should be carried out. It also shows how the approach integrates with an entire organization. We will use it as a guide throughout this book.

Omni—which comes from the Latin *omnis*—means “to combine.” In the model's name, it is used with the word *house*, which represents a place, facility, or business. Thus, *omnihouse* refers to an organization that combines multiple elements. Each of these components plays an individual role and also collaborates with the other parts of the business.

The omnihouse model is a framework that can be used to implement strategies and achieve specific goals. We'll discuss it briefly here. We'll also refer in depth to its different components in the following chapters.

The core of this model is housed in two clusters. The first cluster is the *entrepreneurship* group, comprising four elements: *creativity*, *innovation*, *entrepreneurship*, and *leadership* (CI-EL). The second cluster is the *professionalism* group, which also comprises four components: *productivity*, *improvement*, *professionalism*, and *management* (PI-PM).

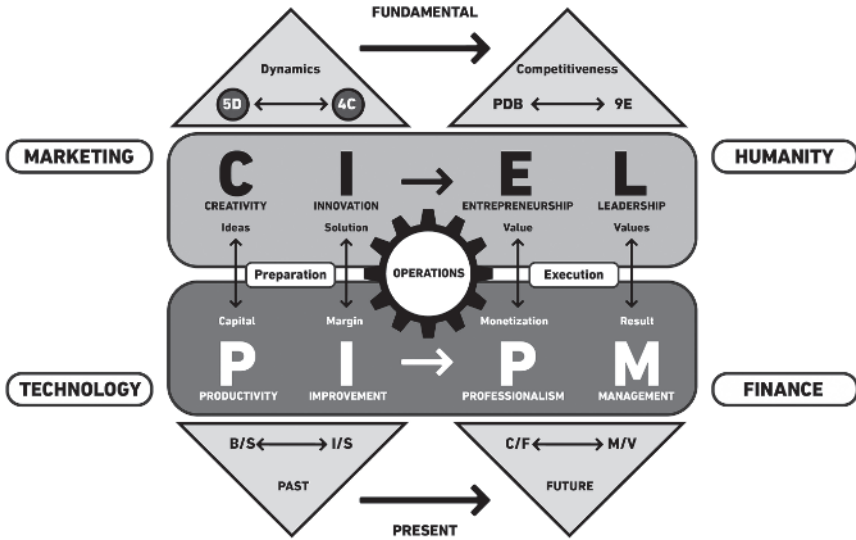


FIGURE 1.1 The omnihouse model

Notice these clusters are surrounded by other functions and interact with them. They are affected by *dynamics* (see the top left of Figure 1.1), which constitutes five drivers: *technology*, *political/legal* (including regulations), *economy*, *social/cultural*, and *market*. These drivers, which collectively are called *change*, affect the other 4Cs elements: *competitor*, *customer*, and *company*.

This dynamics component serves as the foundation to develop marketing strategies and tactics, as outlined in the competitiveness triangle at the top right of the model. Within the triangle, PDB stands for *positioning*, *differentiation*, and *brand*. This is the anchor for the other main elements of marketing: segmentation, targeting, marketing mix, selling, service, and processes.

The dynamics element is also the basis for developing ideas, which leads to creativity. These ideas can be converted into innovation in the form of tangible solutions for customers. These creative ideas must use various company's capital productively. The solutions provided to customers need to result in improvements, as reflected in the company's better profit margins. Thus, the convergence of creativity/innovation and productivity/improvement elements affects the balance sheet (listed as B/S) and income statement (listed as I/S).

Elements of creativity and improvement can generate competitiveness only if we involve people with solid mindsets of entrepreneurship and leadership to manage them. Value creation is the responsibility of entrepreneurs, and leaders maintain values. However, we also need to support entrepreneurship and leadership with solid professionalism and management. This condition, in turn, can propel the company forward.

What we see in the balance sheet and income statement is a result of the past. What we are doing now, especially through the strong convergence of entrepreneurship/professionalism and leadership/management elements, will determine a company's cash flow (listed as C/F) and market value (listed as M/V). Thus, we gain a picture of how the organization will perform in the future.

As laid out in the omnihouse model, it is essential to integrate marketing with finance and also integrate technology and humanity. The term *humanity* refers to main stakeholders, namely, people, customers, and society. Collectively, these functions support the actions that lead to financial and nonfinancial results.

Note that in the heart of the model we have operations. This function takes marketing objectives and places them into action and, at the same time, ensures financial goals can be achieved. Operations that also bridge that use of technology will ultimately be impactful for humanity. The operations capabilities interact with the other capabilities to keep a company moving forward and competitive within its industry. The operations capabilities also enable the organization to adapt quickly to any changes in the business environment.

Overcoming Marketing Blind Spots

The term *marketing myopia* refers to a condition in which a company is too focused on producing goods or services. It overlooks the customer's actual needs and desires. Theodore Levitt introduced the concept in 1960, and it became widespread during the following decades.

In response to this issue, many companies adopted a customer-centric approach. This places the customer as the starting point in product and service development. It prioritizes the client experience across multiple touchpoints.¹

The question is, did it work? Perhaps for some. However, this new focus actually led to another set of issues, which we'll call *marketing blind spots*. Let's define it and look at how it can be problematic. We'll then see how entrepreneurial marketing can solve these challenges.

We can define a marketing blind spot as a condition in which a company has carried out various marketing management processes properly but did not realize there are still many unconnected elements. No one has looked

¹According to Accenture, this experiential concept has undergone an evolution that has pushed beyond the customer experience philosophy and organized the whole business on delivering exceptional experiences, and is called *business of experience (BX)*. Please refer to Baiju Shah, "An Experience Renaissance to Reignite Growth." Retrieved January 2021 from <https://www.forbes.com/sites/paultalbot/2020/12/07/accenture-interactive-advocates-the-business-of-experience/?sh=78c54bb22ca4>

around at other dynamics that could play a role in how marketing is carried out. In turn, these blind spots hamper the company and ultimately cause it to lose its ability to compete.

Some of the common marketing blind spots are discussed in the next sections.

Ignoring the Macroenvironment

What happens in the macroenvironment can affect the microenvironment. In marketing science, there are aspects of strategy and aspects of tactics. The formulation of a marketing strategy must refer to the corporate strategy. Meanwhile, corporate strategy is shaped by, among other things, the existing macroeconomic conditions. However, marketing in practice often does not pay sufficient attention to the macroeconomic aspects. For instance, it may be challenging for marketing executives to link phenomena in the macroenvironment with the tactical policies in the company.

We define marketing as *market-ing* (not *marketing*), which means how we deal with the very dynamic and ever-changing market. If marketing within a company develops at a slower pace than the actual very fast market pace in which a company competes, an advantage is lost. It is ironic: we call it marketing, but it is ineffective in dealing with the market. Figure 1.2 illustrates this condition well.

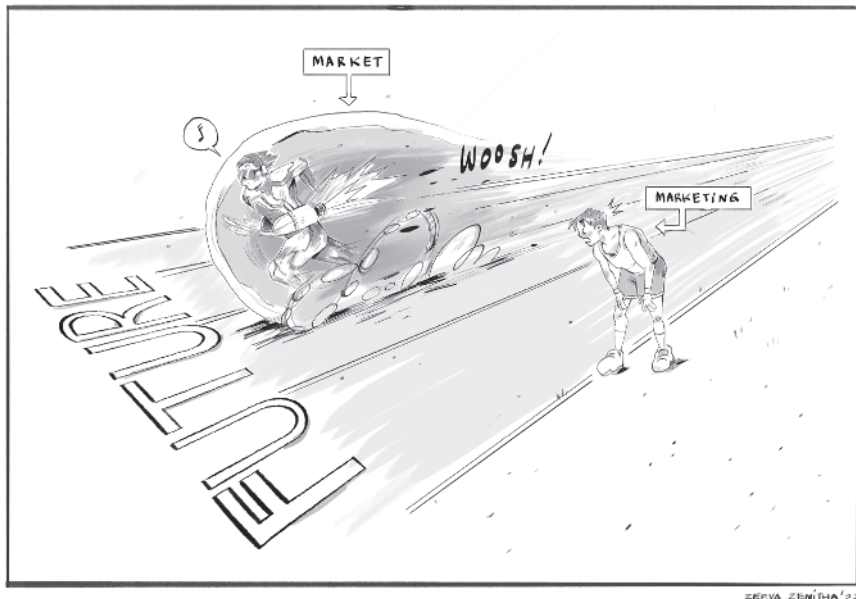


FIGURE 1.2 Marketing versus market.

Source: ZEEVA ZENITHA '22

Misalignment of Marketing and Finance

This classic blind spot often causes a disconnect. Marketers may focus solely on nonfinancial performance, such as increasing brand awareness, forming specific perceptions, and communicating value propositions. These metrics may not hold significance for financial professionals, as they struggle to see the actual value that marketing is trying to achieve.

Financial executives may ask how much the return from an allocated marketing budget is and when it occurs. This question can be difficult for marketing people to answer. It is especially tough if the marketer's mindset doesn't refer to the concept of return, which most financial people always refer to.

A Disharmonious Marketing and Sales Relationship

When marketing and sales aren't fully aligned, it often looks like a "Tom and Jerry" cartoon show. Sometimes they might get along very well. At other points, they could be at odds with one another.

Weak Integration of Online and Offline Marketing

Many brick-and-mortar (offline) companies also have online platforms. Moreover, online companies are adopting offline practices by opening physical stores to strengthen their existence. However, some online companies that do their business purely online can still compete well. If that is the case, what about offline companies that only stay offline? If an offline company decides to remain offline forever, then perhaps soon, they would be off, too. Therefore, we must pay attention, for example, not only to showrooming but also to webrooming.

Overlooking Human Capital

This blind spot may start at the beginning of the recruitment process in a company. It doesn't serve to recruit people whose only purpose is to do limited work as ordered without any initiative. Strong companies need people who have a strong passion and love their work. These candidates should be creative and innovative and, at the same time, individuals who are productive and can make significant improvements.

We are at the end of the era of people who have an "employee mentality"—someone who only wants to work nine-to-five and only on weekdays, follows the job description rigidly, and doesn't want to work extra miles. Therefore, the HR team can no longer look for simple ordinary employees but rather

replace them with talented and passionate people who show a calling for their duties and have similar characteristics to the company's character, values, and brand.

Lack of Humanity in Marketing

In the past, we occasionally heard that marketing was being misused by some irresponsible marketers solely for the company's benefit and not for customers' well-being, let alone for broader social interests. In such a situation, the company considers marketing only as a tool for making profits. The company "persuades" customers to buy their products without paying sufficient attention to the employees' well-being, the environment, and other relevant considerations.

Therefore, some of today's companies are trying to incorporate social elements into their business models in an effort to be more human. They may make corporate social responsibility (CSR) efforts merely to be acceptable in the public's eyes and flash CSR as a tool to cover up misuses. Adopting fake CSR is not sustainable, and marketing practices should return to their noble values.

Entrepreneurial marketing solves for these blind spots. By integrating functions, it is able to better track macroeconomic developments and implement strategies that align with the company's overall goals. It helps departments stay connected and even communicate in a similar way. It resolves issues related to talent management and human capital, because it seeks players who are ready to work in a collaborative environment. Finally, it helps a company communicate its social role as a contributor to a community, society, and the planet.

In the pages that follow, we'll look closely at the shift from professional marketing to this new era of entrepreneurial marketing. We'll discuss the changing marketing landscape and how it affects competition, customers, and the company itself. We'll lay out how entrepreneurial capabilities and marketing strategies can be implemented in today's environment, and how an organization ideally should be organized to face the future.

In each chapter, we'll refer to the omnihouse model. It will serve as a guide on our journey toward a more enlightened take on entrepreneurial marketing. By the end, you'll have a better grasp of the potential that your own organization contains. Better yet, you'll know how to address pain points and be fully prepared to take a leading role in a changing world.