



# Omnichannel Strategy Adoption At Tipping Point, Marketers Share Action Plans

By Karlene Lukovitz

Industry Report by

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## Introduction

Marketers are keenly aware of the tremendous potential in omnichannel marketing. They're eager to personalize and synchronize customer experiences fully, across multiple touch points, to increase sales.

In fact, 70% view a robust omnichannel strategy as very important/critical or important to their organizations, according to a new survey conducted by Multichannel Merchant and sponsored by marketing and data analytics provider Neustar.

At the same time, just 19% say that they can consistently employ consumer data across multiple channels.

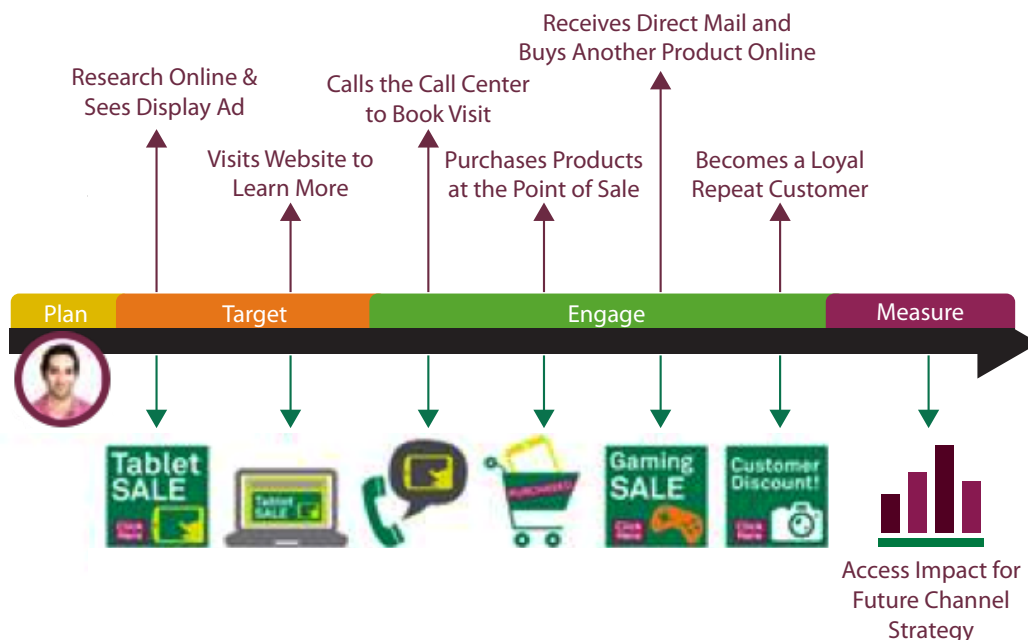
While relatively few can currently capture and immediately act on consumer data whenever and wherever customers and prospects connect with them, growing numbers are developing or enhancing their capabilities to achieve this ultimate goal.

With 35% reporting that they currently have some type of omnichannel strategy, and 27% saying they'll be implementing one in the near term, a tipping point appears to be in the offing.

## Consumer power is driving omnichannel's momentum

The dynamics driving the omnichannel push are no mystery. Today's consumers are in the driver's seat. Clutching smart phones, tablets and laptops, they explore and compare products 24/7, connecting with brands through every conceivable channel: websites, physical stores, call centers, you name it. They are "omnichannel buyers," who will simply move on if brands fail to engage them on their own terms.

### The OmniChannel Experience



The omnichannel explosion is both exciting and unnerving. Omnichannel dynamics demand "viewing the experience through the eyes of your customer—orchestrating the customer experience across all channels so that it's seamless, integrated and consistent," Time Warner Cable SVP of customer care John Bowden summed up in an online community post. In other words, a satisfying experience through each and every channel keeps consumers engaged and drives conversions, customer loyalty and lifetime value.

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## Marketers are embracing omnichannel

The MCM-Neustar research, an in-depth survey of more than 350 marketing executives across retail, information technology, financial services, media and other industries, found that:

- 65% of respondents report that their senior management views consumer data analytics technology, usage and services to be essential.
- Corporate spending on customer data and predictive analytics technologies jumped 11.2% in 2013, led by 22%-plus growth among retail companies.

## Marketers expect substantial benefits

These include:

- Higher sales—78% currently realize or expect to realize a lift in sales of between 6% to 12%, with retailers on the high end.
- Increased conversions and acquisition—50% anticipate higher conversion and customer acquisition rates.
- More personalized and satisfying customer experiences—58% are counting on omnichannel strategies to improve each customer contact.

## Do marketers have the data to make omnichannel work?

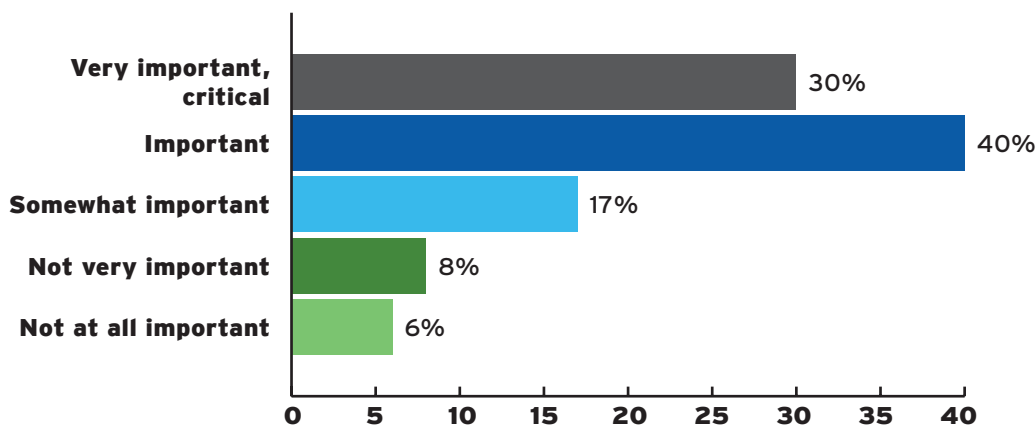
Marketers need data and analytics tools to make omnichannel successful. “Marketers today can use real-time intelligence as they plan, target, engage and measure throughout their marketing channels,” says Ted Prince, Neustar SVP of Information Services. “By getting instant feedback every step of the way, they can reshape strategies, enhance creative and give consumers more compelling reasons to interact with their brands.”

Many companies are new to consumer data and analytics. Not surprisingly, when they apply them to omnichannel engagement, they run into challenges. The survey reveals that 54% lack staff with deep analytical expertise. Thirty-five percent struggle with analyzing and implementing multichannel data.

## Key Takeaway

As you build omnichannel strategies, focus on driving sales. More than 25% of retailers expect an increase of 10%.

## Omnichannel Strategies are Very Important/Critical or Important to 70% of Companies



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Here's a closer look at omnichannel priorities and challenges across the customer lifecycle.

## 1. Planning and Strategy

Omnichannel marketers seek strategies that create customized experiences. To accomplish this, they need consumer insights to identify profitable segments and reach them more relevantly. The data marketers value most: purchasing propensities and buying behaviors (58%), profitability and lifetime value (51%) and purchase history (49%). Marketers also aim to create a single view of the consumer across all channels (cited by 36% of respondents) to synchronize plans and strategic initiatives.

However, less than one-third of respondents enjoy such harmony. Their key consumer touch points neither connect with nor have access to significant consumer behavior, demographic, psychographic or behavioral. Most say that their touch points have little or no access to optimizing data.

Most touch points are not connected to consumer data.

### Whether it's CRM, syndicated or third-party data:

- Only 28% of websites have access
- 22% email
- 19% search engines
- 17% social media

Thirteen percent or fewer reported connecting their online ads, mobile marketing and landing pages to data on customers and prospects.

## 2. Targeting

Two-thirds (73%) of marketers say it's important to link all key consumer identifiers—email addresses, cookies, mobile numbers, home and IP addresses—across all their channels. This linkage enables more accurate targeting, letting marketers reach the right customers with the right offers at the right touch points. Another benefit: improved retargeting.

### Case Study: Omnichannel data in action

A large home-and-garden multichannel retailer tracks all impressions, clicks and conversions across online events, then overlays psychographic, behavioral and demographic data. As a result, the retailer can identify the segments that visit their site most often and have the most potential value.

By targeting in real time during the midst of a campaign, the company lifted conversions between 10% to 30%. Further analysis revealed what these segments had in common—average age, household profiles and more—so the company could target them better in media buys.

What prevents companies from realizing these benefits? One factor is IT integration.

In considering the usage of omnichannel data, 43% of marketers report that systems integration issues are their biggest challenge. There are too many data silos and too little sharing.

### Key Takeaway

Investigate your ability to implement omnichannel data. Identify barriers to synchronizing data and analytics across channels.

### Key Takeaway

Have too many data silos? Explore system integration issues that prevent you from linking touch points to improve targeting and remarketing.

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## 3. Engagement

In personalizing customer experiences, marketers tend to look at their websites first. Some customize content for every visitor, displaying products, pricing and creative based on audience segment data. Again, nearly 60% of respondents are looking at omnichannel data to increase personalization.

However, the vast majority haven't yet personalized their sites. Some industries plan to reverse this trend, with retail expected to lead the way.

### Few companies have personalized websites:

- Only 11% personalize content for both authenticated and anonymous visitors
- 14% personalize for authenticated visitors only

### Some companies plan to personalize soon:

- 30% have plans to implement personalization technology in the next six months
- 43% of retailers have such plans
- 40% of all respondents have no such plans

One likely issue: not having systems to access data that makes personalization possible. Half of responding companies use neither internal/CRM data nor third-party data to serve up custom hero banners or other relevant content. Just 19% use internal/CRM data to personalize, while 19% personalize with internal and external data.

However, there are signs that system-building is underway. Witness the large percentage of companies planning to personalize soon—nearly one out of three surveyed. Besides wanting personalization to help drive sales, businesses know that others, including competitors, are already there.

## 4. Measurement

Accurate omnichannel measurement is extremely important—78% of survey respondents agree. They want to know what happened, why and where to improve performance. They also want to know where to attribute success and failure. However, 40% say it's essential to improve their ability to track influenced sales across channels. Currently, just 13% report being able to map online advertising to offline sales. Nearly half agree such insights would help optimize campaigns.

### Inability to measure cross-channel: How much does it cost?

- Over 50% say they have no idea
- 10% overall peg the cost between \$500K & \$1M
- 12% of financial services companies say over \$1M
- 17% of IT firms say over \$1M

### "We can't measure across channels, but see the benefit of it."

- 48% of retailers
- 53% of financial services firms
- 50% of IT companies

Companies seem to intuit what integrated measurement could mean. For starters, they could understand their return on advertising spend across channels—website investments to drive conversions, email campaigns to boost retention and investment in mobile and social media to drive acquisition. By measuring accurately and consistently, companies can shift media dollars to their best-performing channels.

### Key Takeaway

Act soon and get first-mover advantage. Forty-three percent of retailers plan to personalize their sites within six months.

### Key Takeaway

Nearly 8 in 10 marketers know the importance of omni-measurement. Put it into action now and start reaping the benefits.

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## Final Thoughts

Omnichannel marketing is in its infancy. It's not surprising that marketers see its promise but many haven't capitalized, or fully capitalized. They are seeking the best solutions for capturing consumer data throughout their marketing channels and acting on it quickly, in the most profitable ways.

With so many citing a lack of in-house expertise, plus data integration issues, there's much work to be done. But with the potential to boost conversions and sales, improve loyalty and lift retention, marketers in all industries have incentive to succeed. When they start to put systems in place that yield a single customer view; when they have the technical means to attribute online marketing to offline purchases; and when they're able to measure and optimize across their business, the promise (and results) will become a reality.



**Read the full survey:**

[Optimize Omnichannel Engagement With Actionable Consumer Insights](#)

## MULTICHANNEL MERCHANT

### About Multichannel Merchant

Multichannel Merchant is the only media that exclusively serves companies that sell merchandise direct to customer. These managers work in BTC and BTB companies - retail, ecommerce, manufacturer, and wholesale companies. We've been serving this industry since it started as the mail order and catalog industry in 1983.

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### About Neustar

Neustar is the first real-time, cloud-based information services and analytics provider. With a history of managing complex, authoritative datasets—and designing strict security and privacy protections—Neustar provides accurate, up-to-the-minute insights. Marketers rely on Neustar to plan strategies, target audiences, engage customers more personally and measure precisely throughout all their channels. Learn more at [www.neustar.biz](http://www.neustar.biz).