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The Omnichannel Marketer's Growth Roadmap

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Introduction

Omnichannel is not just another buzzword to ignore. It's a marketing objective, and if you don't have a strategy in place, you're already behind the curve; not only is it important, it also takes time. There is no omnichannel switch to throw, no simple button to push. A sound omnichannel approach must be built step-by-step, and for many companies it all starts with email.

Think email is old news? Think again. There's nothing boring about the number-one digital channel for delivering marketing revenue.

When we look at today's most successful marketing strategies, they all take an omnichannel tack that puts customers at the center of a diverse network of interactions and engagements. Although these strategies use multiple channels and devices to reach customers, the messaging and overall shopping experience are unified, consistent, and highly personalized for each individual shopper.

But how exactly do these companies achieve successful omnichannel marketing?

At Emarsys, we answered this question by looking at our most successful customers to identify commonalities among their omnichannel strategies. Few companies started out trying to build a complete marketing philosophy all at once. Most companies, instead, conquered just one channel at a time, and the most important first step on their shared road to omnichannel excellence began with email.

All In on Omnichannel

While some marketers may spout off fancy KPIs, trendy metrics, or flowery definitions when they try to explain omnichannel, the bottom line is that successful omnichannel strategies all have one thing in common: they exist to serve the customer. When the customer wins as the result of a united, consistent, personalized marketing effort that pulls in data from a variety of channels, you have effectively created a successful omnichannel strategy.

Omnichannel is the evolutionary culmination of traditional marketing, e-commerce, and multi-channel strategies, fueled in many ways by the growth of online and mobile app sales during the first decade of the 21st Century. Today, 51% of Americans prefer to shop online. During the 2017 and 2018 holiday seasons, more people purchased online than those who bought products in-store. By Q4 in 2018, online sales growth

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was at 15.5%, trumping the previous three years e-commerce growth rate.

Still, despite these impressive statistics, the rise of omnichannel implies that e-commerce and related revenue will soar even higher in the coming years. Forrester, for example, expects online and web-influenced retail sales to grow 58% by 2022.

However, with the average e-commerce conversion rate for US online stores between 2% and 3%, online channels won't do it alone.

Brands still rely heavily on both online and offline revenue, because although 96% of Americans shop online, 64% of a consumer's average budget is still spent in-store, versus 36% online. It's not offline vs. online. It's offline + online.

Customers Want It All

Omnichannel isn't about what marketers need; it's about what customers want.

Even though most consumers may not even fully understand what omnichannel means, they certainly enjoy the benefits of a marketing strategy that delivers unified options and experiences for both researching and buying. Where the average consumer 15 years ago typically used two touchpoints when buying a product, today they use an average of five to six touchpoints, which may also represent five to six different channels.

For this reason, online and offline channels continue to be tied to each other:

▸ While 94% of consumers conduct online research prior to buying (referred to as "webrooming"), they still typically like to visit a physical store to make the purchase.

▸ Lately, using a smartphone to buy or reserve an item online and then pick it up in-store has become more popular, with 70% of US online shoppers taking advantage of such options.

▸ 70% of US shoppers consider the in-store experience the most important channel when making a purchase.

Online and offline channels continue to become more interconnected and complimentary to each other, making omnichannel so much more than a trend. It's an inevitable approach to marketing for any company that hopes to succeed in the future.

Other customer expectations of an omnichannel world include:

▸ 90% of customers expect consistent interactions across channels.

▸ 64% expect real-time assistance, regardless of the channel, with 61% reporting frustration if they could not easily transfer from one channel to another when interacting with a customer service rep.

▸ 45% expect in-store sales staff to be knowledgeable about online-only products.

▸ 27% would be very likely to leave a store and go to a competitor if a product is out of stock, with 21% stating they would buy online from a different retailer.

Perhaps these expectations arise as a quid pro quo for all the information customers are required to provide businesses when they purchase products. Or maybe lightning-fast technology in other areas of life has made shoppers impatient. Regardless of the reason, at least 50% of consumers say they appreciate having their profile information available across all channels when it delivers a consistent shopping experience from one channel to the next. They're willing to provide personal data in return for exceptional, personalized shopping experiences.

The Omnichannel Opportunity

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According to a Forrester report, a minority of companies are actively taking advantage of omnichannel benefits.

▸ A mere 32% of retailers surveyed offer customers the ability to view inventory info for in-store products.

▸ Only one third of retailers have mastered the basic operations of in-store pickup, cross-channel inventory visibility, and store-based fulfillment.

▸ Only 39% of retailers have trained and enabled their sales staff to look up product information for shoppers, despite half of all consumers that visit a physical store expect this capability.

▸ 40% of retailers have difficulty integrating back-office technology across channels.

Now that we have established why omnichannel is so important, let's look at how marketers who have typically focused on email can build on that foundation to implement an effective omnichannel strategy.

Success One Channel at a Time

Emarsys analyzed the accounts of our most successful clients, and found that many of their omnichannel strategies started with email. Large enterprise companies have a great deal of resources they can devote to omnichannel, but even they have to follow a logical course of development.

For other companies, this is a more challenging hurdle to overcome. The key is to break down the omnichannel roadmap into separate, achievable stages. Maybe you're a smaller business taking a DIY approach to email, and you're unsure how you'll grow your client base. Or maybe you've got an email strategy already in place with a third-party service provider, and you're ready to graduate to the next level. Either way, our roadmap to omnichannel growth directly addresses your challenges and provides a framework for success, starting with email.

Think of it this way: If omnichannel is the roof under which all of a customer's shopping experiences are housed, then email is the foundation that those experiences must be built upon.

Step 1: Email First

Email's old news, right? As one of the first "apps" created, email has been around in one form or another since the 1970s. We know all there is to know about it, and have since moved on to the web, mobile devices and apps, and social media. It makes you sleepy just thinking about it, right? Wake up!

Email is still the killer app, the largest social network on earth, and the #1 ROI digital channel. The next closest competing channel is pay-per-click (PPC), which only drives about half as much revenue as email. With so many marketing avenues competing for our attention, it can be deceptively tempting to overlook the fact that, despite SMS and other instant messaging services, email is still being used every day, every hour, every minute. In marketing, it continues to be a very profitable way to interact with customers and drive purchasing, and it's central to omnichannel growth. Think of it this way: if omnichannel is the roof under which all of a customer's shopping experiences are housed, then email is the foundation that those experiences must be built upon.

YOUR EMAIL ADDRESS IS YOUR DIGITAL ID

Think back over the last 12 months. How many times have you provided an email address when making a purchase (online or in-store), applied for a job, signed up for a loyalty program, or filled out patient forms at a doctor's office? Sure, email is a reliable way to communicate, but it's also a really effective way to identify customers. While it's true that not everyone in the world has an email account, every online shopper does. For this reason, a customer's email address is widely required as a form of user verification, a digital ID, if you will, with which marketers can note online behavior, the devices a customer prefers to use, the times they are most receptive to marketing email, and dozens of other metrics consumers generate every time they go online.

Personalization: the foundation of customer experience

It should be no surprise that 80% of consumers prefer buying from brands that personalize the shopping experience. Personalization features are the marketer's goldmine because they allow the marketer to easily segment target audiences in meaningful, data-driven ways.

Such functionality is changing the very role of the marketer, by enabling them to leverage customer data to interact with customers on a 1:1 basis. Things like personalized incentive and product recommendations are not only possible, but also made scalable with the help of technology. Artificial intelligence marketing (AIM) makes it possible to scale all these personalization components beyond human capacity, and even eliminate one-to-many marketing. Essentially, personalization revolutionizes the marketer's role, while simultaneously improving the consumer's brand experience.

Failed deliverability: missed revenue opportunity

Email is unique because it is a giant global delivery and communication platform, whose technology works the same no matter where you are on the planet; that can't be said for any other channel. However, for email to work, it must reach its intended recipients.

If an email doesn't make it to an inbox, it doesn't matter how personalized or timely it is, it's a missed revenue opportunity.

With roughly 12,000 ISPs managing infrastructure, each ISP has its own set of bounce codes and policies for accepting email, which contributes to the more than 20% of emails that never make it to their destination.

If you send out 12,000 emails a month, 2,400 of them are bringing in no revenue. That's why deliverability, though often taken for granted, is of critical importance. At Emarsys, we develop our deliverability and reporting tools around a global footprint, and we only allow senders with quality reputations onto the platform. This helps us keep the pathways open between our customers and their customers.

Innovation: 100% targeting

Even when marketers achieve above-average open rates somewhere between 20% - 30%, this still means their emails are not of interest to 70% - 80% of their target audience. How can marketers reach those people?

Email offers a way to hone in on the gaps in audience engagement. Data about engagement (or lack thereof) in an email campaign can be used in continued attempts to engage with unresponsive individuals across other channels that may be more effective.

While a customer may ultimately end up responding to a CRM ad or SMS notification, it was email data that helped the marketer understand there might be a better way to interact with them.

At this stage on the omnichannel roadmap, the basic email system is optimized, and marketers may feel ready to pivot to the next logical channel: the web. But omnichannel excellence is a step-by-step process, and before you can focus on the web as a channel, you must first consolidate and organize customer data from the wide range of possible touchpoints.
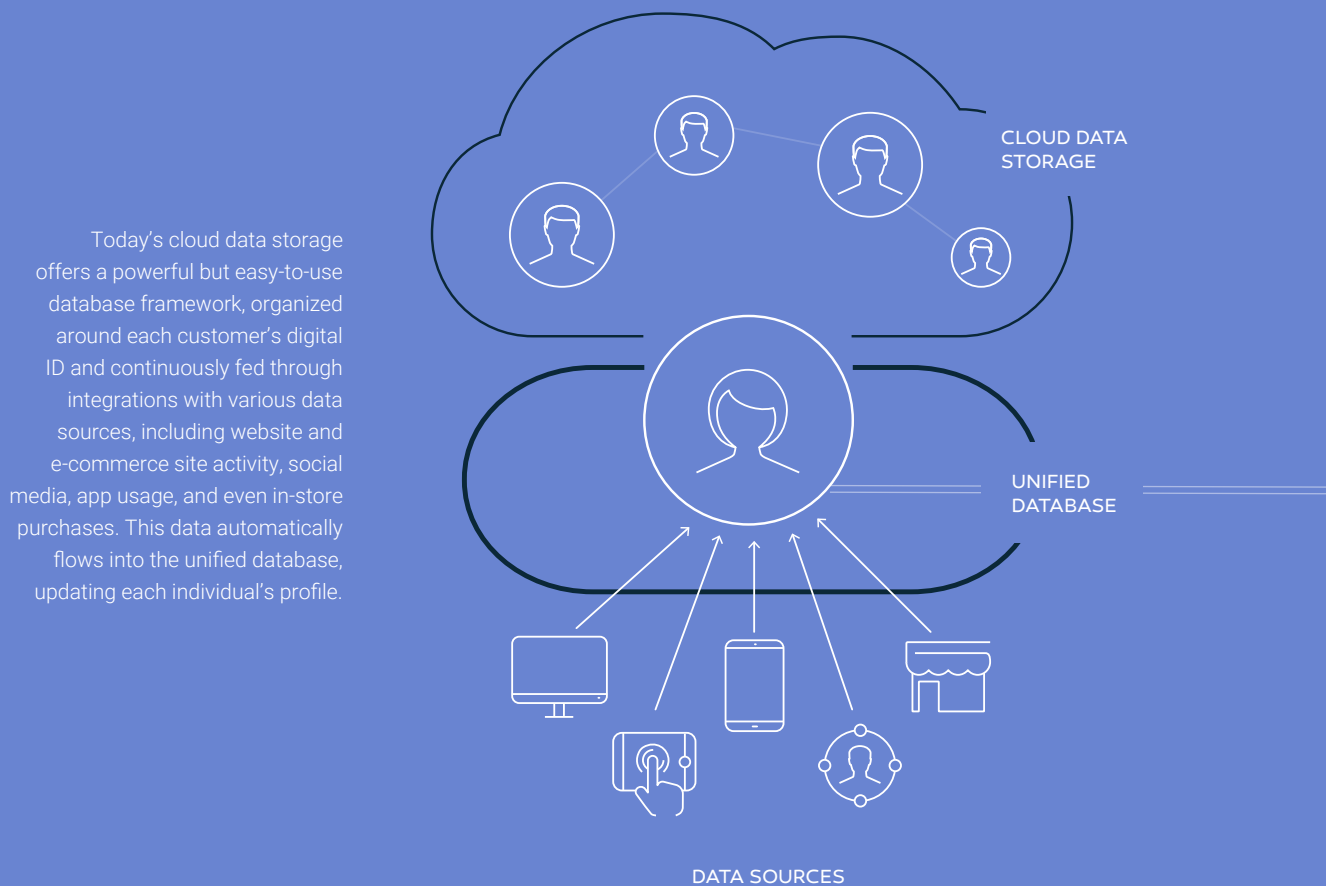
To do so, pull all available data into a single database that creates unified profiles for each individual, all built upon the unique digital IDs common across all channels: their email addresses.
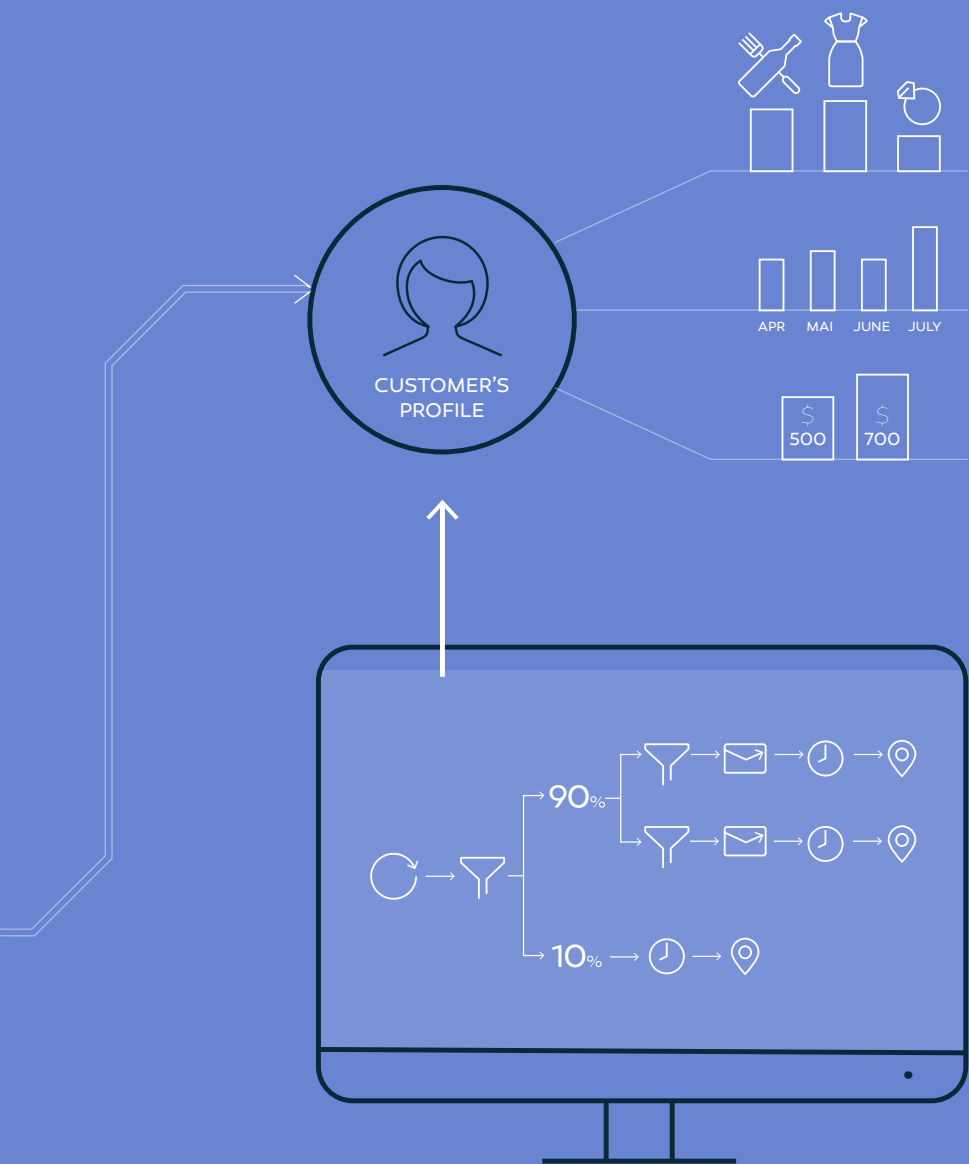
Step 2: Data

During this phase of the roadmap, use your data to first improve your email by further fine-tuning your optimization. From then on, data will fuel your company's journey throughout the omnichannel roadmap.

Data is your most valuable asset; leverage it to personalize communication with customers and deliver a world-class shopping experience. To accomplish this, your database must be carefully constructed, fed accurate information, and meticulously maintained.

The question is, how? Many retailers have hundreds of thousands, even millions, of contacts in their databases. How can a marketer possibly begin to manually keep all that data current and accurate? They can't.

Today's cloud data storage offers a powerful but easy-to-use database framework, organized around each customer's digital ID and continuously fed through integrations with various data sources, including website and e-commerce site activity, social media, app usage, and even in-store purchases. This data automatically flows into the unified database, updating each individual's profile.

CLOUD DATA STORAGE

UNIFIED DATABASE

DATA SOURCES

CUSTOMER'S PROFILE

APR   MAI   JUNE   JULY

$500 $700

90%

10%

As all this data flows into the unified database, it continues to create more detailed and in-depth profiles of each customer. For example, at Emarsys, a segmentation engine accompanies the cloud-based database. This engine allows marketers to easily automate tags assigned to customers according to key variables and patterns, such as frequency of purchase, average dollars spent per purchase, and monthly and annual purchase values.

With a segmentation engine like this, you can go beyond simply collecting data, and make it work for more strategic actions by both Marketing and Sales departments. It helps you better understand each buyer's purchasing behavior, automate segmentation and communication using blueprints or workflows, and create more effective, highly personalized interactions. This, in turn, improves response rates, reduces costs, generates higher marketing ROI, and drives overall revenue.

At this point, you should have the basics of a powerful omnichannel engine that is fed with data, and uses it to create more effective, more personal email campaigns. As a result, these emails, along with other channels, provide a steady flow of valuable data that is collected in a single database. With this system in place, you can now begin to look at the next stage in the path to omnichannel excellence: web.

Step 3: Web Channel

With a sound foundation of email and data, you can begin to focus strategically on web as a channel.

Here, customer relationships are still built upon digital IDs, but now you're able to further enrich each customer's brand experience with customized web experiences, including personally relevant targeted ads, tailor-made product recommendations, and meaningful incentives.

Along the same innovative lines as 100% targeting with email, you can now focus on gaps in online purchasing, such as abandoned carts. In 2015, 65% of retailers had a cart abandonment rate higher than 50%, and the abandoned cart rate average has since climbed to 78%.

But why are your customers abandoning those carts? Did they find the shipping fees too high? Were there requirements forced upon them as part of the checkout process they didn't like? Did your website crash? Did they try to checkout using a browser or device that isn't compatible with your site? Addressing all those lonely abandoned carts and unrealized revenue is impossible without knowledge of each customer's reasoning.

The fact that customers aren't making it far enough in the shopping experience to actually make a purchase is bad enough, but it's far more crushing when you calculate the value of all that merchandise they leave behind. We're talking billions of dollars in potential revenue.

Online shoppers abandon carts 39% of the time due to complicated checkout forms and processes. Perhaps you need to rethink your checkout system; looking for ways to simplify it and back it up with an automated email system that will reach out to customers with a special offer at the best possible moments. After all, 54% of shoppers will purchase products left in shopping carts if those products are offered at a discounted price. When a company can streamline its checkout process, conversion rates go up – by as much as 35% for an average large e-commerce company – and marketers gain a real shot at recovering an estimated annual $260 billion worth of lost orders.

The best examples of omnichannel excellence optimize email, build an engine on unified customer data, use that data to create personalized web experiences, then begin looking for ways to reach customers whenever and wherever they will be most receptive.

This brings us to the next stop on the omnichannel roadmap: mobile.

Step 4: Mobile

The mobile channel has exploded over the last five years, continuously growing as other conduits concurrently lost ground.

We are in a mobile-first era already, and many argue that we're heading quickly toward a mobile-only world.

Regardless, the mobile channel is more important for marketers today than it ever has been before.

Here's why: In 2017, mobile made up 34.5% of total U.S. e-commerce sales, and just one year later that number rose to 39.6%. On the application side, 66% of mobile sales are attributed to mobile app sales for retailers with both a mobile website and app.

Remember, it's the consumers who are demanding this growth of mobile as a channel, not marketers. They are leading the charge with their dollars. Marketers must respond in-kind, providing the buying options and unified experiences customers are seeking. Make no mistake, though, mobile marketing today is about so much more than a mobile-friendly website. It's about SMS, push notifications, app experiences, and usability across all browsers, devices, and providers.

When beginning with email, each stage in the path to omnichannel excellence builds on the previous one, which is why it's so important to optimize your email approach first. Ideally, it should get easier as you move through the roadmap. Even though the mobile channel provides unique ways to interact with customers, the mobile experience is based on the earlier stages of the omnichannel roadmap, and your branding, design, and functionality should match what you've done with your email and website.

Step 5: Social Media

Social media is the final stage of the roadmap to omnichannel excellence, and it's one powerful channel.

Facebook (1.86 billion monthly active users), YouTube (1 billion unique monthly visitors), Instagram (600 million monthly active users), and Twitter (319 million monthly active users) influence an enormous

number of word-of-mouth-type purchases with 23% of online shoppers saying they are influenced by social media recommendations, and 42% reporting that they are influenced by social media recommendations from friends and family. From a numbers perspective, this statistic works out to be a little less than half of all online shoppers – and it's twice the number of individuals who cite advertisements in general as influential. Younger generations are even more attuned to social media recommendations than the general online shopping community.

Like the other stages in the roadmap, social media is tied to an email address – that digital ID – allowing each social platform to continue to feed each customer profile.

After going through each of these five steps, these unified profiles should be robust and allow for the creation of rich, highly personal interactions with each individual. This is what makes omnichannel effective: the unified profiles that make such customized and meaningful experiences possible – regardless of channel.

The mobile channel is more important for marketers today than it ever has been before.

The Roadmap to Omnichannel Growth

Based on the insights presented so far, here's how your brand's roadmap to omnichannel excellence might look one channel at a time, beginning with email.

In a sentence, omnichannel works because it's built around the digital ID as a keystone and paints a very detailed profile of each customer. Of course, little that's simply summed up in a sentence about technology is equally simple to implement. Every stage of the omnichannel roadmap requires an in-depth evaluation of where your company is and where you want it to go.

Omnichannel excellence can be achieved through an email-first — not an email-only — approach.

Email

- #1 ROI digital channel
- Global delivery and communications platform
- Innovation with 100% targeting

Goal

Email system optimized to target the right individuals with the most relevant messages and incentives at the most opportune times.

Data

- Every brand's most valuable asset
- Data feeds automation, and interactions feed database
- Segmentation engine

Goal

Data-enriched optimization of all interactions through improved segmentation and identification of ideal send times, devices, and incentives for each individual customer.

Web

- Reach customers at all lifecycle stages across the web and bring them back to the site
- Entice shoppers to return to their abandoned carts.
- Identify holes in the online shopping process to improve conversions

Goal

Web channel that introduces a consistent omnichannel shopping experience based on the data-enriched email channel and growing unified database.

Mobile

- Mobile-first world shifting in areas to mobile-only
- Just under 40% of e-commerce sales through mobile alone
- Options like SMS, push notifications, and apps provide new ways to engage

Goal

A robust mobile channel aligned with email and web channels, and built upon the digital ID, that seamlessly engages with customers whenever and wherever opportunities arise to deliver personally relevant messages and incentives.

Social

- Huge purchase influencer
- Facebook, Instagram, and Twitter alone with a combined 2.78 billion pool of monthly active users provide a giant potential audience to reach
- 42% influenced by friends and family on social media

Goal

Social media presence that creates meaningful interactions that align with the brand's email, web, and mobile channels.

By this stage, you're well on your way to omnichannel success and building a complete unified customer profile.

Summary

Omnichannel excellence can be achieved through an email-first — not an email-only — approach, and for many companies, there is no better place than the email channel to begin building unified customer profiles and constructing your omnichannel empire.

Remember, at one point, many people thought email would never catch on. But today email provides each consumer's digital ID and, as such, serves as the foundation for all other channels. Yet, many companies still have a lot of room for improvement. If you've been doing email on an ad hoc basis or via third party and you're not sure how to get from where you are now to a state of omnichannel excellence, you're not alone. Talk with us here at Emarsys, and see how we can help.

Omnichannel excellence can be achieved through an email-first — not an email-only — approach

Resources

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