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The Omnichannel Difference

How The Most Customer-Focused Companies
Deliver The Value of Omnichannel

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Project Team:

Tarun Avasthy,
Senior Market Impact Consultant

Contributing Research:

Forrester's CMO research group

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Executive Summary

We've all heard the call to be more omnichannel in the way that will win, serve, and retain customers — especially as customers become more fluent across media and devices. But does an omnichannel approach contribute to business drivers like revenue growth, loyalty, and improved customer experience? What makes the difference between companies that do omnichannel well compared to those that don't? And how do you become a firm that grows faster and has happier customers than your competitors?

In May 2022, Emarsys commissioned Forrester Consulting to answer these questions. Specifically, the project's charter was to determine which companies were using omnichannel strategies to effectively deepen customer relationships to drive business growth. To accomplish this, Forrester surveyed 622 manager-level and above respondents in retail, consumer products, media and entertainment, and travel and hospitality, then sorted their companies into a maturity segmentation using our existing Customer Obsession Assessment.¹ Results identified key differences in the omnichannel strategies of more mature (i.e., customer-obsessed) and less mature (i.e., non-customer-obsessed) companies.



Key Findings

Mature firms invest to be insights driven. Respondents from the most mature firms said their organizations invest in the tools, skills, and culture to be insights driven. Respondents from customer-obsessed organizations said their companies are improving their use of data and analytics by cleaning their data, developing unified data structures, and using insights to inform and act on decisions at scale.

Using more channels connects with customers where they are.

Respondents from more mature firms said their companies intend to expand their use of marketing and digital channels within the next 12 months. They plan to master the basics in an initial set of marketing channels, advance with those, and then start on the basics with a new group of channels.

Personalization promises to aid customer communications. All respondents expect their company to prioritize personalization in the year ahead. Two-thirds of those from customer-obsessed organizations said personalization is critical during the next 12 months.

There's an overreliance on third-party channels. Marketers heavily use social media and digital advertising. Email, mobile, and direct mail are less popular even though they are better sources of first-party data and easier to use without reliance on third-party data.

Omnichannel strategies improve the business. Respondents from mature companies indicated their organizations see higher margins, better loyalty, and improved customer experiences due to their omnichannel efforts.

Customer-Led Companies Leverage Omnichannel Marketing

Forrester's syndicated research defines a business strategy "customer obsession" as the way that businesses will grow in any market climate.² We sorted the sample of this study respondents' companies into those that are applying customer obsession compared to those from companies that are not to see if more customer-focused firms practice different omnichannel habits. Customer-obsessed firms are more mature in their customer-centricity, and they provide an effective way to study omnichannel utilization. For instance: Seventy-six percent of respondents in this study from customer-obsessed companies said their organization is looking to expand or upgrade its omnichannel marketing strategy during the next 12 months. To create this maturity segmentation, we applied our Customer Obsession Assessment to a select sample of 622 respondents from organizations in Germany, the UK, and the US to segment companies into low-maturity (i.e., non-customer-obsessed) and high-maturity (i.e., customer-obsessed) firms (see Figure 1). This approach identified:

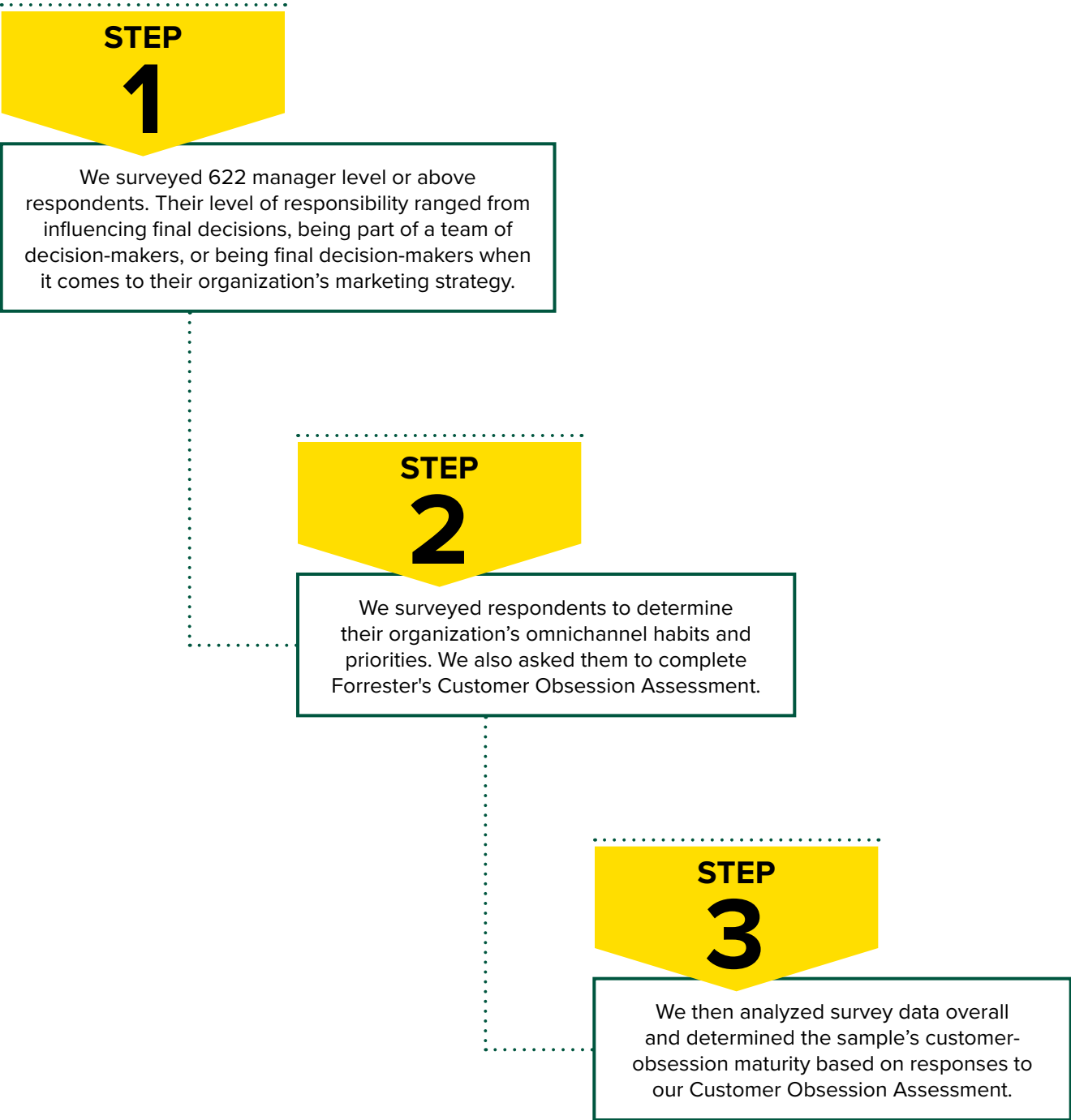
- **A comparable distribution to our syndicated research.** This study revealed that just 15% of respondents' companies fall into a customer-obsessed segment. This is a slightly higher percentage than in our syndicated research. But it still indicates what we know: Very few companies put the customer at the center of their leadership, strategies, and operations.
- **Omnichannel experts across four industries.** Survey respondents' companies sell direct to consumer only in retail, travel and hospitality, sports and entertainment, and consumer goods.
- **Model habits to follow.** We compared mature companies to less-mature ones to identify the habits characteristic of better firms. Practicing these habits will help your company advance.



Forrester defines "customer obsessed" as putting customers at the center of leadership, strategy, and operations.

Figure 1

The Process



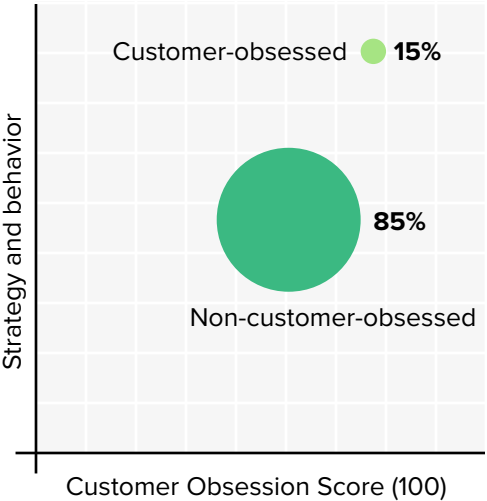
Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

Mature Firms Indicate A Growth Mindset

Applying our customer-obsession segmentation to this study makes it possible for us to see differences between low-maturity and high-maturity companies. For ease of comparison, we compared the small segment of respondents from customer-obsessed firms we identified in this study compared to those from the rest of the sample (see Figure 2). The terms “productive,” “innovative,” and “forward-looking” could all describe the customer-obsessed companies of respondents — or those that are the most mature. Their philosophies about business are focused on growth through delivering value to customers. Specifically, these companies (see Figure 3):

- **Prioritize growth.** Two-thirds of respondents in this study from customer-obsessed firms said their company is likely to prioritize revenue growth compared to 45% of respondents from non-customer-obsessed firms (45%).
- **Improve customer experience to drive growth.** More respondents in our survey from customer-obsessed firms (67%) said their company is likely to improve customer experience than those from non-customer-obsessed firms (45%).

Figure 2
The Customer Obsession Model



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany
Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022



of respondents' firms understand what it means to be customer obsessed.

- Invest in digital to speed things up.** Sixty-eight percent of respondents in our study from the most mature firms said their company is working to improve its products and services, and 74% said their company intends to improve its ability to innovate. For 87% of all respondents' firms, this will happen by accelerating the shift to become a digital business.

87% of total respondents said their firm is accelerating the shift to a digital business.

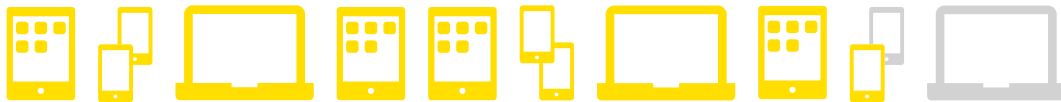
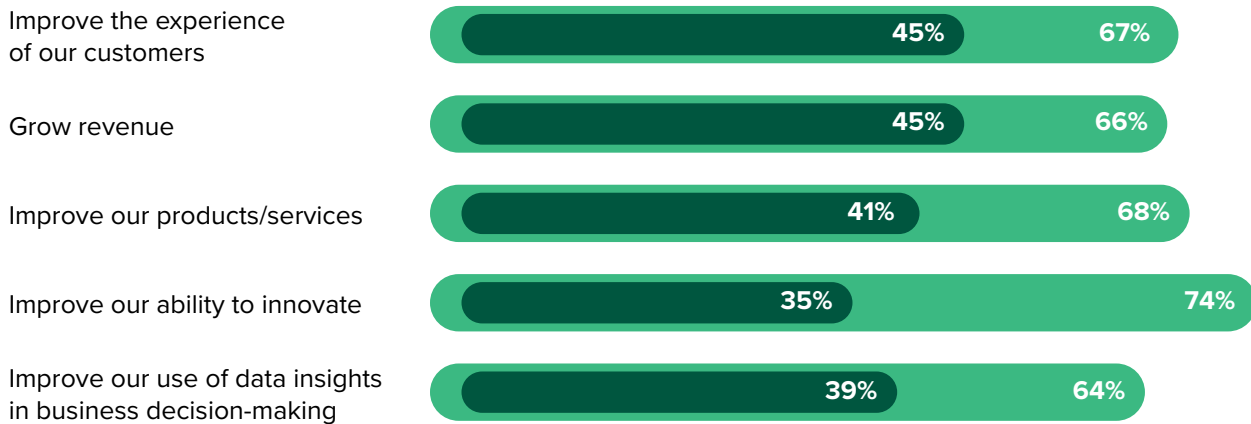


Figure 3

“Which of the following initiatives are likely to be your organization’s top business priorities over the next 12 months?”

(Showing “Critical” and “High” priority combined)

● Non-CO ● CO



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

Note: Showing top 5.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

START WITH A DATA FOUNDATION

Consistent with Forrester's syndicated research, respondents in this study from the most mature firms said their company actively invests in the tools, skills, and culture needed to be insights-driven (see Figure 4). More than twice as many respondents in this study from customer-obsessed firms than those from non-customer-obsessed ones indicated that their company is improving its use of data and analytics. Specifically, their firms' priorities include:

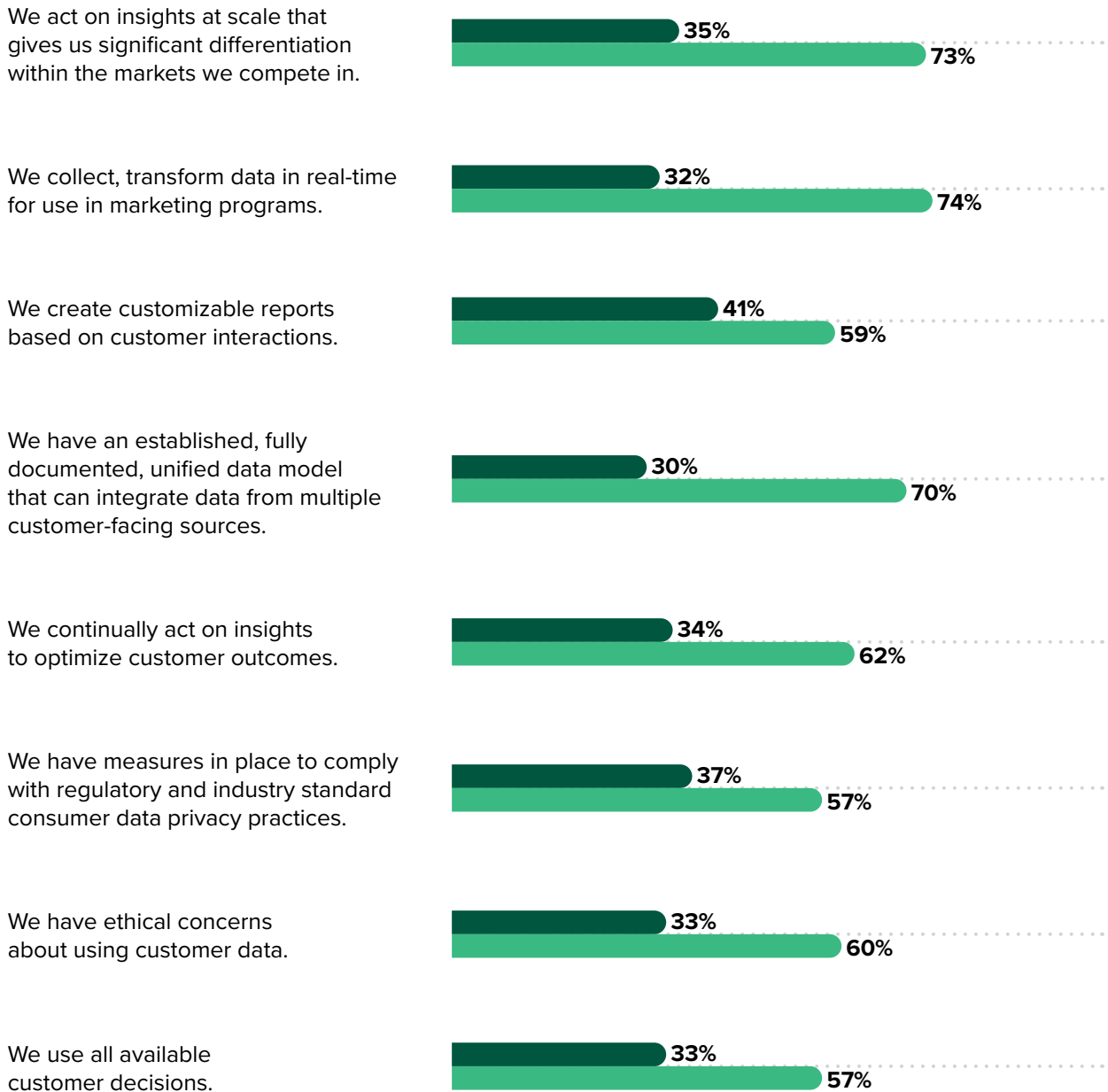
- **Quality data.** Sixty-two percent of respondents in our study from customer-obsessed companies compared to 35% from non-customer-obsessed ones said their firm is bettering its customer data quality. And 67% of respondents from customer-obsessed companies vs. 35% from non-customer-obsessed ones said their firm is also aiming to improve real-time access to data.
- **A unified data structure.** Respondents in this study from customer-obsessed firms (70%) said their company has an established, fully documented, unified data model that can integrate data from multiple customer-facing sources compared to those from non-customer-obsessed firms (30%). This makes it easier to listen to customers, identify insights, and anticipate customer needs. More respondents in our sample from customer-obsessed firms (59%) than from non-customer-obsessed ones (41%) said their company creates customizable reports based on customer interactions.

Figure 4

“Please rate your agreement with the following statements.”

(Showing “Strongly agree”)

● Non-CO ● CO



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

Note: Showing top 8.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

- **Insights-informed decisions.** Respondents in our survey from customer-obsessed firms (73%) said their company acts on insights at scale compared to less than half of those from non-customer-obsessed firms (35%). Moreover, 62% of respondents from customer-obsessed firms stated their company continually acts on insights to optimize customer outcomes compared with only 34% from non-customer-obsessed companies in this sample. And all of their firms use all available information to make well-informed decisions (57% of respondents from customer-obsessed companies vs. 33% from non-customer-obsessed ones).



Respondents from firms that have advanced insights-driven business capabilities are 8.5 times more likely than those from firms still at the beginner stage to report that their firm's annual revenue grew by 20% or more.

APPLY OMNICHANNEL EFFORTS TO CREATE SCALE

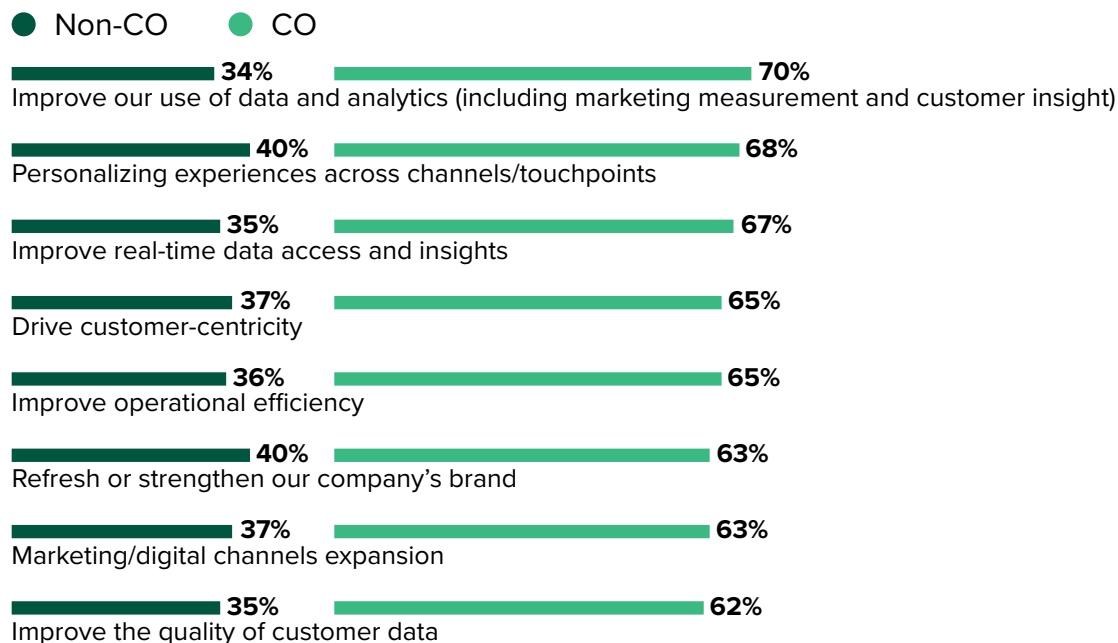
Respondents in our study from the most mature firms said their company emphasizes agility as key to accommodating whatever market conditions develop during the next year. Respondents in this sample from customer-obsessed firms said that during the next 12 months, they expect their firm to prioritize improving its customers’ experiences through (see Figure 5):

- Personalization.** Customers use many sources of information accessible through myriad devices to help them make life choices. Mature marketers work to offer customized value at critical inflection points in customer decisions. Sixty-eight percent of respondents in this study from customer-obsessed firms said their company prioritizes personalizing interactions across multiple touchpoints in a customer’s journey. Just 34% of respondents from non-customer-obsessed firms said their company has the same priority.

Figure 5

“Please rate your agreement with the following statements.”

(Showing “Strongly agree”)



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

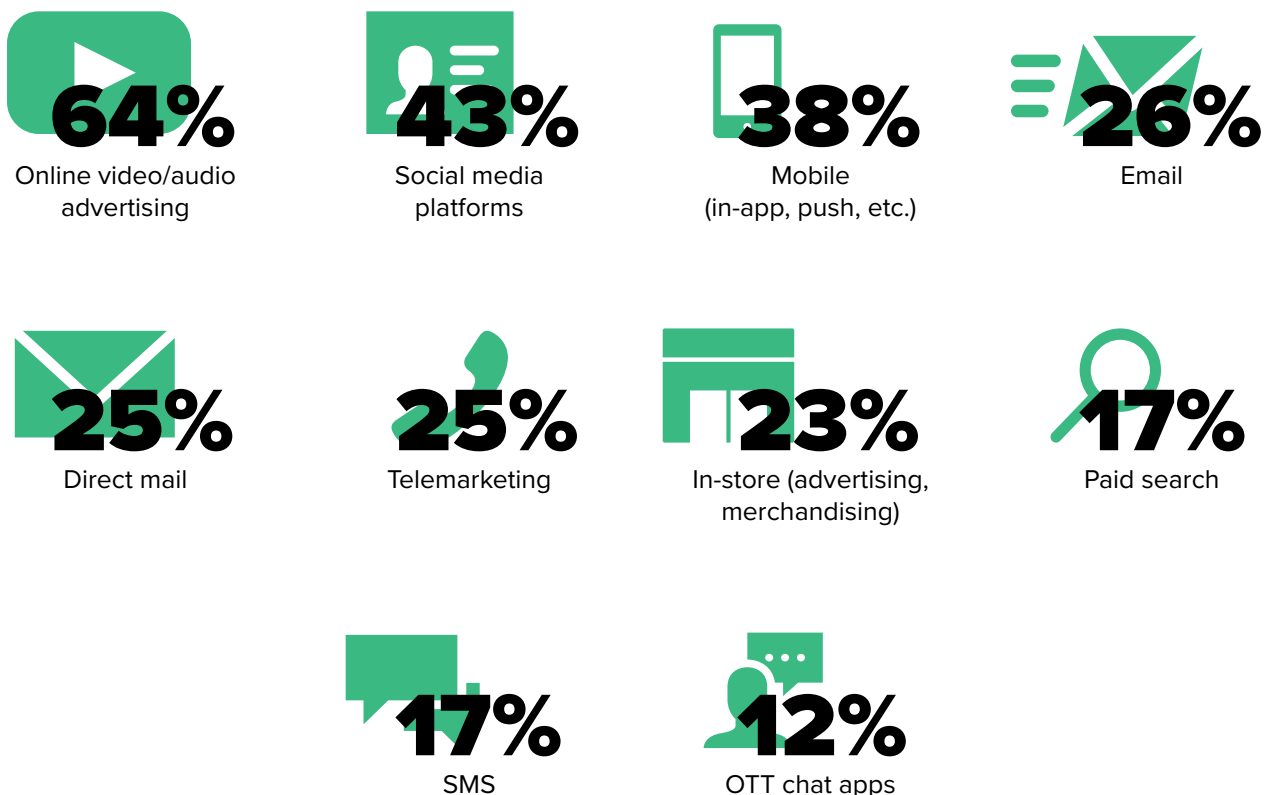
Note: Showing top 8.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

- **Agility.** Companies that can flex as market conditions change have better operational efficiency and less waste. Sixty-five percent of respondents in this study from customer-obsessed companies said improving this is an area of emphasis compared to 36% of respondents from non-customer-obsessed ones.
- **A breadth of digital channels.** Respondents from mature firms said their company works to connect with customers across the myriad channels their customers use (see Figure 5). In fact, 63% of respondents in this study from customer-obsessed firms said expanding the marketing/digital channels their company includes in its mix is a must, compared to just 37% of study respondents from firms that are not customer-obsessed. Many respondents from mature firms said their company applies multiple channels in a single campaign (see Figure 6).

Figure 6

"Which channels do you tend to use for a single marketing campaign?"



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

Note: Showing top 10.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

BALANCE USE OF OWNED AND UNOWNED CHANNELS

Study respondents from firms of all maturity levels said they like the low-cost reach of social media (see Figure 7). But data deprecation and regulations limit the ability to efficiently target using third-party media efforts. Best practices will keep your mix from teetering out of balance.

- **Build out zero-party and first-party data assets.** Our study shows that that more-mature firms leverage first-party channels over others. This is a wise choice because owned data assets and direct relationships with consumers often better inform customer experiences than what can be inferred from behaviors, context, or intent.
- **Expand your approach to marketing analytics.** Use campaign-specific performance data (e.g., impressions and total conversions) instead of user-level behavioral data in your advanced measurement models because behavioral data is less reliable now.
- **Cherish digital direct communications.** Having a customer's email address and mobile phone number has never been more important. Not only do these offer a way to address direct messages, but they also provide a key to identity resolution, which is critical for first-party data mapping. Nine of 10 respondents in this study from customer-obsessed firms said their company uses SMS. Remember: Use with care to protect opt-ins.



Customer obsession requires an obsession with customer data.

Figure 7

"When executing your marketing campaigns, can you please share the order in which you start using each channel?"

Focus on these channels:



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

Note: Showing top 5.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

Mature Omnichannel Efforts Yield Terrific Benefits

Respondents in our study from more-mature firms indicated more business benefits across all the potential benefits we proposed in our survey compared to those from less-mature ones. Most notably, mature firms enjoy (see Figure 8):

- **Higher margins.** Sixty-two percent of respondents in this study from customer-obsessed firms indicated that their company's omnichannel strategy has yielded higher margins for them. Compare this to just 45% of respondents from non-customer-obsessed firms who said the same. Respondents in this study from customer-obsessed firms said their company's customers tend to buy less on deal.
- **Strong customer retention and loyalty.** Just more than half of respondents in this study from customer-obsessed firms (54%) compared to 46% from non-customer-obsessed firms said their company experiences better customer loyalty and improved retention from its omnichannel efforts.
- **Improved customer interactions.** More respondents in our study from customer-focused companies also said their firm has more productive single interactions with its customers. For example, 52% of respondents in our study from customer-obsessed companies said omnichannel programs boosted individual customer interactions and engagement compared to 46% from non-customer-obsessed companies.

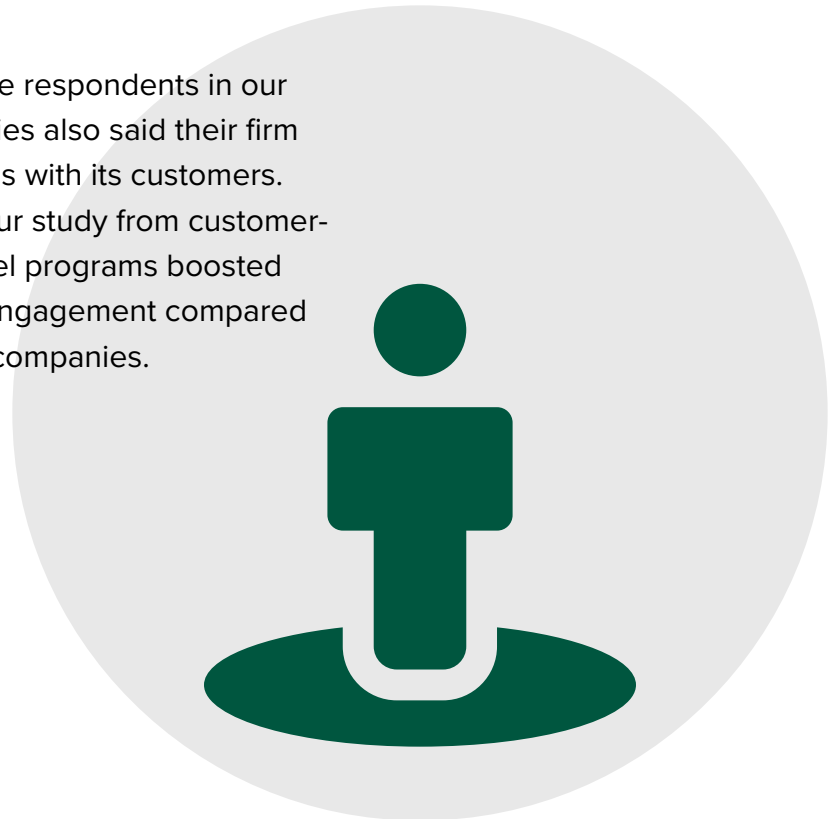
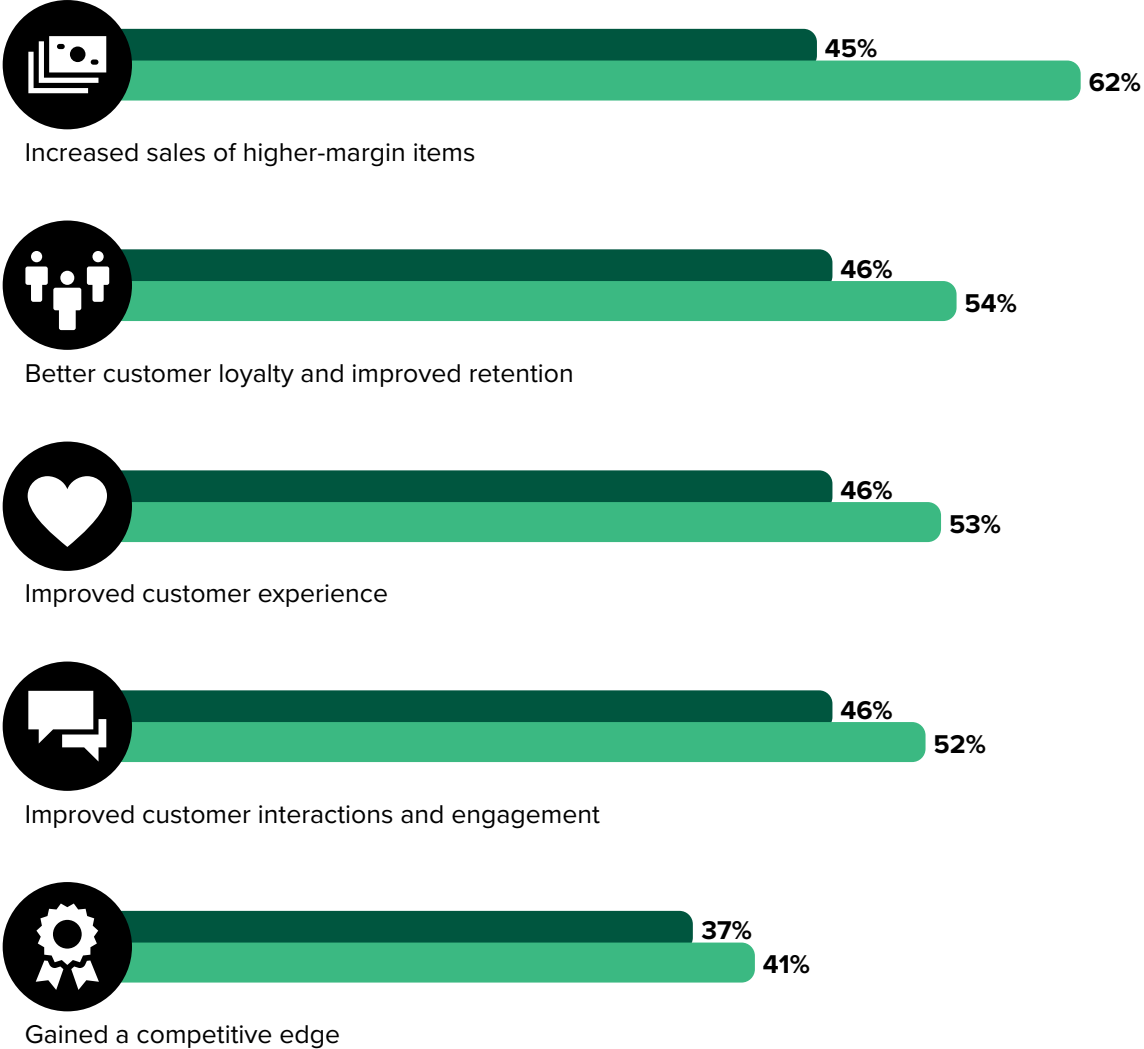


Figure 8

"Which of the following business benefits has your company seen from your omnichannel strategy?"

● Non-CO ● CO



Base: 622 manager-level and above decision-makers in CPS, media and entertainment, retail, and travel and hospitality at organizations in the US, the UK, and Germany

Note: Showing top 5.

Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, March 2022

Key Recommendations

To create an effective omnichannel strategy in a time of so much market change, you should:

Listen to your customers.

Putting the customer at the center of your leadership, strategy, and operations enables your company to sense and respond to market circumstances which, in turn, ensures customer satisfaction, employee engagement, and revenue growth in any economic climate. To do this well, establish an ongoing way to listen to your customers, interpret customer insights, act on customer needs, and monitor the results of your efforts to deliver value to customers.

Innovate your relationship marketing foundation.

To weather the storm during the COVID-19 pandemic, marketers invested in customer relationships, using tools like email, direct mail, and loyalty programs instead of broad-based acquisition methods. It is wise to continue with this due to concerns about a looming recession. Stand out from other companies that also want to leverage the cost-effectiveness of email marketing by using context to create more dynamic, customized communications.

Partner to extend your capabilities.

With unemployment rates at all-time lows, expertise and headcount is hard to find. Tech vendors, agencies, and consultants can all offer resources to fill needed gaps so you don't delay scaling your omnichannel progress while trying to find the right full-time employees.

Own vendor relationships.

The most productive partnerships happen when both sides have a clear take on expectations. That means setting goals with your vendors for what each of you will do to ensure mutual success. It also calls for diligence in the vendor-selection process. Vet that capabilities presented in the pitch are live, meet the account team that will support your business, and run potential partners through use cases to demonstrate that they can actually perform the tasks your business needs.

Continue investment.

The gut response in hard times is to conserve budget. But ceasing spend on experiments and growth actually handicaps brands against their competitors. It's better to continue trials and tests (even in a minor way) to fill gaps left by other companies that go dark, and to continue connecting with customers where they are.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 622 manager-level and above decision-makers at consumer product goods, retail, media and entertainment, travel, and hospitality organizations in the US, the UK, and Germany. To evaluate how customer-obsessed organizations really are on a leadership, strategic, and operational level, we leveraged Forrester’s Customer Obsession Maturity Model.³ This study began in February 2022 and was completed in August 2022.

Appendix B: Demographics

COUNTRY	
US	49%
UK	25%
Germany	26%

DEPARTMENT OF RESPONDENT	
Marketing	76%
Customer service	24%

INDUSTRY	
Consumer Product Goods	27%
Retail	27%
Travel and Hospitality	25%
Media and Entertainment	21%

LEVEL OF RESPONSIBILITY	
Final decision maker for marketing strategy	56%
Part of a team of decision makers for marketing strategy	29%
Influence decisions related to marketing strategy	15%

POSITION OF RESPONDENT	
C-level executive	14%
Vice president	32%
Director	27%
Manager	27%

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Design Your EA Organization For Influence And Impact,” Forrester Research, Inc., November 17, 2016.

Appendix D: Endnotes

¹ Source: “The State Of Customer Obsession,” Forrester Research, Inc., June 11, 2021.

² Ibid.

³ Ibid.

The image features a dark green background with several overlapping, semi-transparent circles of varying shades of green. The circles are arranged in a way that they overlap each other, creating a layered effect. In the center of the image, the word "FORRESTER" is written in a white, serif, all-caps font. A small registered trademark symbol (®) is located to the upper right of the word.

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