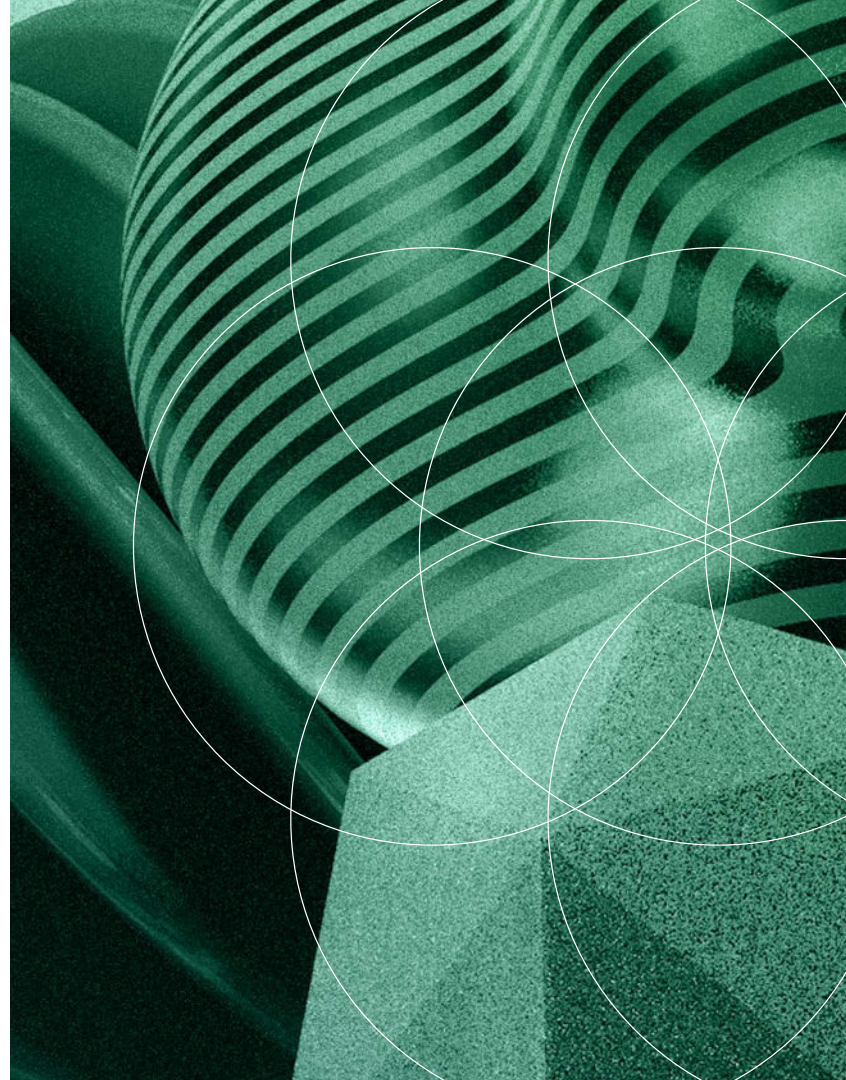


The Omnichannel Difference 2024

Understanding Challenges And Opportunities For Growth
With Omnichannel Customer Engagement

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The Omnichannel Opportunity Requires Collaboration Between IT And Marketing

In a follow-up to Forrester's 2022 study commissioned by Emarsys, an SAP company, that highlighted the impact of omnichannel strategies on business growth and customer retention, our current research shifts focus to the tactical execution of these strategies.

The close partnerships between IT and marketing teams are more critical for meeting customers' omnichannel needs. Success depends on the ability to truly engage customers, unify client data into a singular view, and create advantages from putting customers first.

Forrester surveyed 161 decision-makers at the manager level and above in the US, Germany, and the UK. We sought to understand how organizations approach customer engagement, the challenges in personalizing customer experiences across different channels, the initiatives involved in improving collaboration between marketing and IT, and how they execute omnichannel strategies.

Key Findings



Omnichannel efforts yield tangible business benefits; 46% of respondents noted increased customer lifetime value due to the depth of omnichannel customer engagement.



Not applying customer lifecycle marketing to omnichannel strategies leads to fragmented experiences, missed revenue opportunities, and inefficient resource use — and 41% of respondents struggle with renewal reminders. Missing key connections can erode trust and competitive advantage.



Collaboration between marketing and IT teams is crucial for effective omnichannel engagement. To make data management less burdensome for IT, 88% of respondents are streamlining data infrastructure for more autonomy.

Priorities Emphasize A Cohesive Customer Experience

Organizations’ priorities focus on aligning their strategies with consumer expectations and increasingly stringent regulations.

A notable 43% of respondents said their organization prioritizes adherence to privacy laws like GDPR and CCPA, and 52% of them view it as a high priority. Concurrently, 59% deem real-time data access crucial and 34% consider it important. Operational efficiency mirrors this, as 58% and 34% of respondents respectively said it is critical or high priority. Most striking is the difference between critical and high priority for creating a single view of the customer. While 29% said it is indispensable, 66% ranked it high. This singular lens offers insights into consumer behavior and larger market trends.

“What level of priority do you assign each of the following as you think about your marketing priorities over the next 12 months?”



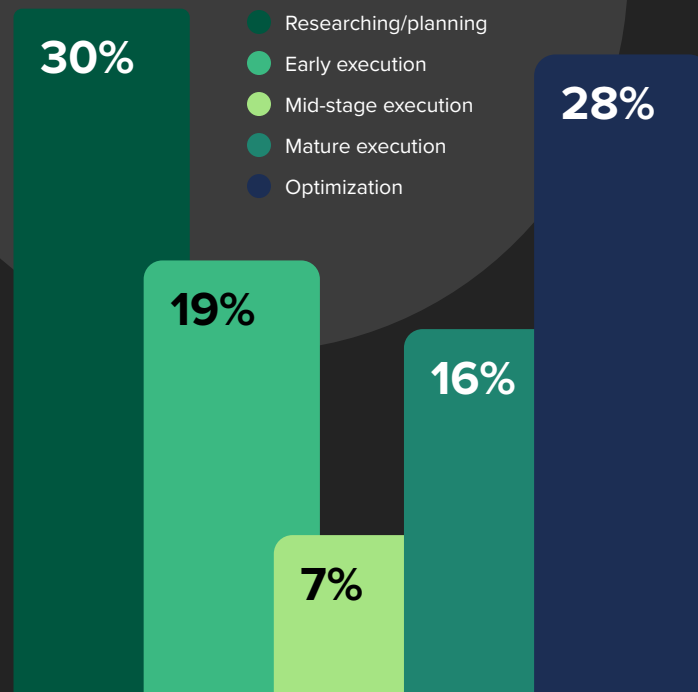
Base: 161 manager level and above decision-makers responsible for marketing strategy
 Note: Showing top 8 responses; total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, an SAP company, August 2023

The Omnichannel Conundrum: Commitment Or Contemplation

Executing omnichannel strategies is tricky. The survey reveals a compelling narrative: the omnichannel journey is polarizing, with companies seemingly to be either fervently invested or cautiously evaluating from the sidelines. This split hints at the complexities involved in adopting an omnichannel approach — it's not just thinking differently, it also requires a shift in operational, technological, and organizational ethos.

For instance, 30% of survey respondents said their organizations are in the researching or planning state of implementing a customer omnichannel strategy. In contrast, 16% claimed mature execution and 28% indicated they are optimizing current efforts, though some might have overstated their reality.

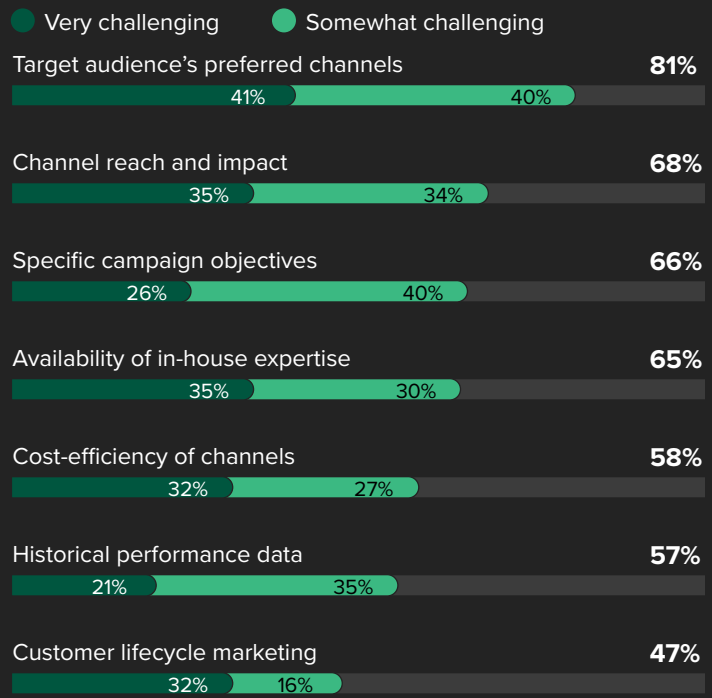
“Which phase best describes your organization’s current state in implementing a customer omnichannel strategy?”



Connect With Customers, Don't Just Coordinate Multi-Channel Campaigns

Achieving omnichannel success demands customer-centricity informed by data-driven insights. A significant 41% of respondents said their businesses are putting the customer at the heart of their strategy, leveraging data to understand and prioritize their preferred channels. Yet, the crux of omnichannel relationships — connecting with customer lifecycle marketing — is overlooked, with only 32% recognizing its criticality and less than half overall thinking it's important at all (48%). Thirty-five percent of respondents mentioned the value of broad-reach channels as a critical factor when determining which channels to utilize. Businesses that use omnichannel efforts to nurture customers across the lifecycle will grow.

“When determining which channels to utilize for various marketing initiatives, how would you describe the significance of the following factors?”



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 Note: Total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, an SAP company, August 2023

Navigating The Buyer's Journey: Where Friction Persists

The buyer's journey presents businesses with complex challenges at every phase.

Pre-purchase: 57% of respondents said their organization trips over website and chatbot tools, underlining the importance of real-time, effective engagement.

Purchase: 40% said their organization struggles with offering relevant product recommendations while 32% have difficulty optimizing pricing based on browsing patterns. Eighteen percent of respondents said their organization has poor welcome experiences due to gaps in customer understanding.

Post-purchase: Challenges persist. 41% said they find sending timely renewal reminders tough. Loyalty is another area of concern with 27% of respondents grappling with creating effective loyalty programs or gamified referral systems.

“What challenges have you encountered when trying to personalize the customer experience across multiple channels?”

 **PRE-PURCHASE**

57% Complications in utilizing website/chatbot tools or quizzes to assist customers in choosing a product.

42% Challenges in scaling the testing of generalized offers across various owned channels.

 **PURCHASE**

40% Difficulties in providing product recommendations related to browsed product.

32% Obstacles in testing price / discount offers based on product browsed or customer history.

 **POST-PURCHASE**

41% Struggles with timely product expiration and renewal reminders.

27% Difficulties in implementing individual or tiered customer loyalty services.

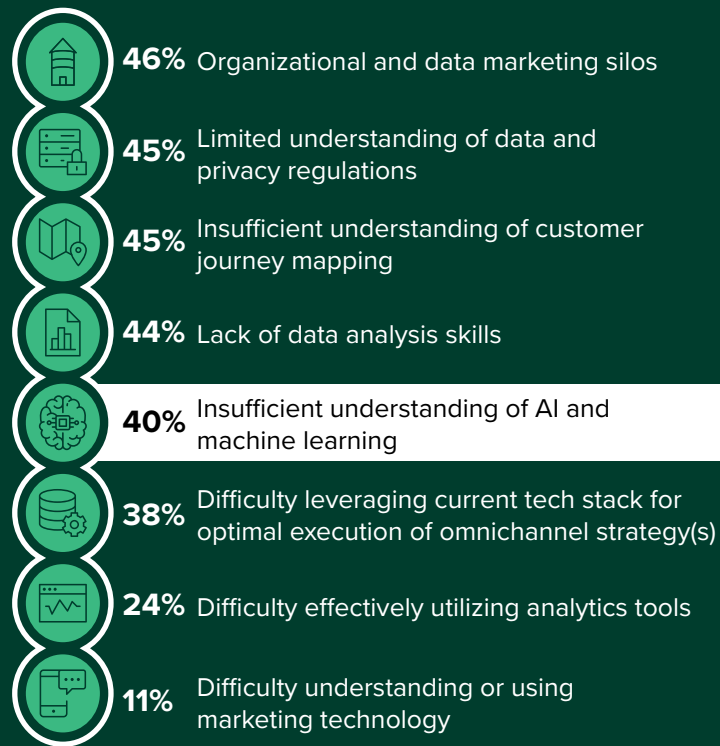
Isolation Prevents Easy Omnichannel Execution

The path to impeccable omnichannel customer engagement is intricate and multifaceted; it demands an unprecedented level of collaboration between marketing and IT departments.

At the heart of the struggle, 46% of respondents said their business's organizational and data silos deter the free flow of information and impede a unified view of the customer. The solution doesn't need marketing to overly depend on IT but rather to closely partner with it.

Moreover, while 40% of respondents confessed a limited understanding of tools like AI and machine learning, the problem doesn't seem to be technological imitations. It is that AI becomes less useful when isolated within IT departments and its full potential remains untapped.

“What are the primary challenges hindering the successful execution of your omnichannel customer engagement strategy?”

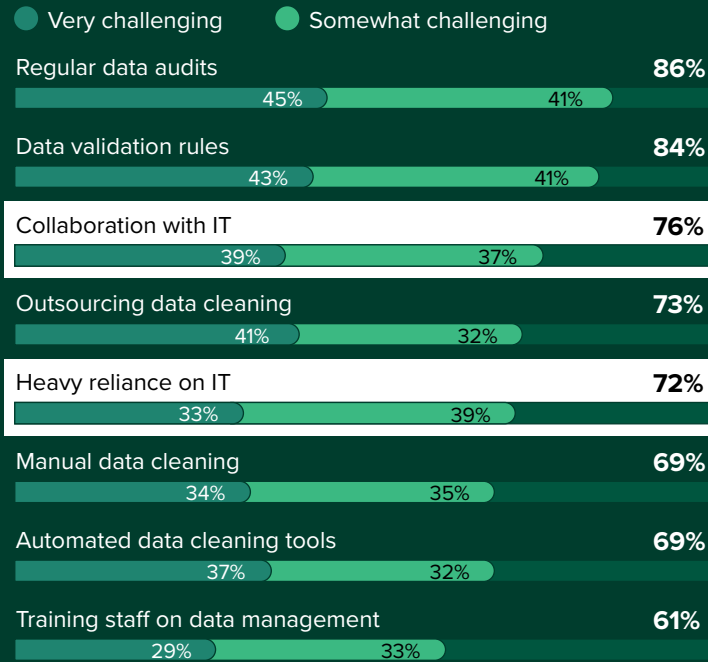


Collaborate To Make Omnichannel Work

Successful omnichannel programs need valid data. A notable 45% of respondents asserted that their organization conducts regular data audits, ensuring that any discrepancies or errors are promptly identified, and 43% use validation rules during collection for uniformity.

Collaborative efforts, especially between marketing and IT departments (39%) are a key factor in ensuring accurate data for omnichannel strategies. These efforts create a more efficient and effective omnichannel experience and showcase the power of these two key teams. On the technology front, 33% strongly agreed on the reliance on IT, while 37% of respondents said their organizations utilize automated cleaning tools for pristine data. However, 33% said they still manually clean data, pointing to potential skill gaps or outdated systems.

“To what extent do you agree that the following statements describe how your organization ensures the cleanliness, accuracy, and accessibility of data used for your omnichannel strategy?”



Base: 161 manager level and above decision-makers responsible for marketing strategy
 Note: Total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, an SAP company, August 2023

Good Data Makes AI More Useful To Support Omnichannel Engagement

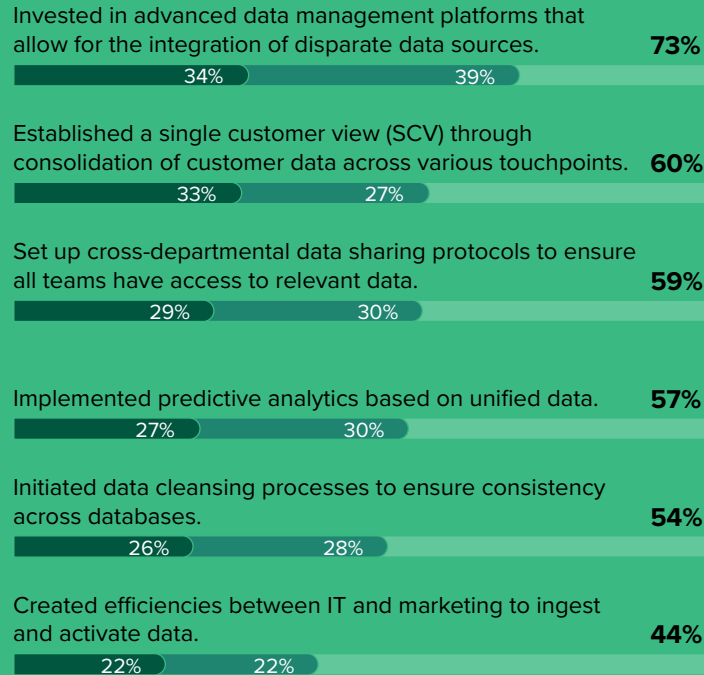
AI needs good data in order to usefully improve omnichannel orchestration. Data integration is a priority for businesses investing in sophisticated data platforms; 34% of respondents considered it critical, 39% considered it important.

Cross-departmental data sharing (59%) is gaining traction, revealing a shift towards breaking down silos. Although 29% of respondents said their organizations have begun sharing data across departments, more work needs to be done. Only 22% said they have created efficiency between marketing and IT to ingest and activate data.

The relatively balanced figures around predictive analytics and data cleansing suggest that some organizations are leveraging forward-looking insights, while others prioritize maintaining the integrity of their present data.

“Which of the following actions have you taken to unify your data for your omnichannel customer engagement strategy?”

● Critical ● Important



Building Bridges Between Marketing And IT

Collaboration between marketing and IT makes omnichannel easier to execute effectively. Our findings show that companies are employing a mix of strategic and tactical steps to foster synergy between the two departments. At the forefront, 83% of respondents said their organizations have institutionalized regular meetings between marketing and IT, ensuring strategies, progress, and challenges are transparently discussed.

To make data management more agile and less dependent on IT, 88% of respondents said their organization streamlines data infrastructure for more autonomy, and 86% said they use technology platforms for both departments. Mutual understanding is enhanced by 84% practicing interdepartmental shadowing and 51% offering joint training. Importantly, 79% highlighted leadership’s role in bolstering this synergy, emphasizing the importance of marketing-IT unity for businesses.

“What initiatives or approaches have been most effective in improving collaboration between the Marketing and IT departments in your organization?”

● Strongly agree ● Agree

We set up our data infrastructure to be agile with less reliance on IT when it comes to adding new channels or creating new campaigns.



We adopted technology platforms that can be used and accessed by both departments.



We implemented tools or platforms that facilitate better communication between the two departments.



We encouraged employees to spend time in the other department to understand their perspective and challenges.



We schedule regular meetings between the two departments to discuss strategies, progress, and issues.



Our leadership has taken an active role in facilitating collaboration and resolving conflicts.



We established shared goals and KPIs to align the departments towards a common objective.



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 Source: A commissioned study conducted by Forrester Consulting on behalf of Emarsys, an SAP company, August 2023

Treat Omnichannel As Connection, Not Just Orchestration, To Drive Loyalty

Our study shows that 46% of respondents reported that their firm saw a rise in customer lifetime value in response to omnichannel engagement. Also, 45% saw better engagement, and 35% retained more customers and 35% cite they have improved customer loyalty. Operationally, 36% found improved efficiencies, 35% sold higher-margin items, and 34% quickly met demands. Financially, 25% of respondents said their organizations enjoyed revenue boosts and cost reductions alike, and 35% sold more premium items and 28% saw higher order values. Importantly, 32% had more frequent purchases, proving omnichannel isn't just coordination but connection. Remember: omnichannel isn't just about connecting dots; it's about understanding a customer's multifaceted journey with a brand.

“Which of the following business benefits has your company seen from your omnichannel customer engagement?”



Conclusion

This research reveals an evolutionary leap in omnichannel maturity from our similar study in 2022. Previously, mature firms capitalized on being insights-driven and invested in tools and cultures that harness data. Now companies are applying data and technology to create personalized, channel-agnostic customer journeys. To create an effective omnichannel strategy that leverages all functional groups, prioritizes customer experience, carries rigorous data management, and a deep customer understanding:

- Prioritize transparent communication and shared objectives for cross-departmental collaboration.
- Prioritize the adoption of an omnichannel customer engagement solution to simplify data management, ensuring marketers can engage with customers across their preferred channels.
- Prioritize customer lifecycle marketing for sustained engagement throughout a customer's journey.

Project Team:

Tarun Avasthy,
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Contributing Research:

Forrester's Marketing and Strategy
research group



Methodology

This Opportunity Snapshot was commissioned by Emarsys, an SAP company. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of marketing and IT leaders to understand challenges and practices in omnichannel customer engagement, strategies, personalization, collaboration between departments, and data management. The custom survey began in June 2023 and was completed in August 2023.

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Demographics

RESPONDENT'S COUNTRY	
United Kingdom	34%
United States	34%
Germany	33%

TITLE OF RESPONDENT	
C-Level executive	17%
Vice president	25%
Director	30%
Manager	29%

ORGANIZATION SIZE	
SMBs	69%
Enterprise	19%
Large enterprise	12%

INDUSTRY	
Retail	22%
Automotive	21%
Consumer packaged goods (CPG)/ manufacturing	20%
Energy and utilities	19%
Travel and hospitality	18%



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