



# The Smart Marketer's Guide to Omnichannel

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Connecting shoppers to the things they need and love

criteo.

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# Omnichannel marketing is having a moment right now.

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## And for good reason.

Our most recent State of Cross-Device Commerce report showed that more than a third of online purchases spanned multiple devices. And Deloitte's Digital Influence Study reported that digital devices **now influence a majority (56%)** of US in-store sales. Research has also found that shoppers that use more than one channel are more loyal and engaged, and deliver a higher lifetime value than those that use just one channel.

Many shoppers today are beginning their path to purchase on one device and ending it on a different one, or starting online and completing the sale in-store and vice versa. Consumers are browsing and buying differently, which means that marketers face a problem: How can you reach and engage shoppers in the new world of cross-device, cross-channel buying? **The answer? Omnichannel marketing.**





# Omnichannel Marketing Defined.

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## Omnichannel Marketing

om·ni·chan·nel / mar·ket·ing

Focuses on delivering a consistent, personalized experience for shoppers across all channels and devices, from desktop to mobile, online to offline, and all other touchpoints in between.

## Multichannel Marketing

mul·ti·chan·nel / mar·ket·ing

Which is what many of today's retailers employ, operates on several different channels, like social, mobile, direct mail, and a physical location, where each channel is separate and independent from the others. Each one works in a vacuum, essentially, with its own strategy and goals.

## Multichannel is out, omnichannel is in.

The lack of integration of a multichannel approach creates a confusing and impersonalized experience that often leaves shoppers feeling frustrated. An omnichannel strategy, on the other hand, ensures a seamless experience for shoppers regardless of channel or device. The shirt you looked at on your laptop is the same one you saw an ad for while Facebooking on your phone and is the same one you received an email about when it went on sale two days later. The message is consistent, device agnostic, and most importantly, customized based on your browsing behavior.



## In fact, channel is out and shopper is in.

The core element of omnichannel marketing is that it is shopper-based, not channel-based. The main goal is to make the shopper experience as easy as possible, and that means consistent engagement no matter where or how a shopper is interacting with you.

According to a report by shopper intelligence consulting firm Walker, by 2020, shopper experience will overtake price and product as the key brand differentiator. The more you can customize each shoppers' experience and shepherd them through their journey, the more likely they will be to convert.

By **2020**

shopper experience will overtake  
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Walker Consulting Firm

# Omnichannel Marketing Defined.

## Levels of omnichannel marketing.

A full-fledged omnichannel strategy takes some doing. Marketers today are adopting it at different levels, depending on their unique challenges and capabilities:

- **Putting some of it together**

Marketers at this level are connecting some of the dots, typically all in the digital space. Think cross-device and cross-platform like integrated display, social, and video campaigns across desktop, tablet, and mobile devices.
- **Putting all of it together**

Marketers at this level are tying all of it together, including digital, mobile, broadcast, print, call centers, and brick-and-mortar stores.
- **Both inside and out**

At all levels, omnichannel marketing isn't just about integrating the shopper facing channels, but the internal departments as well. A well-executed omnichannel strategy requires information sharing and a seamless process between company departments such as marketing, support, product, and shopper service.

The more channels customers use, the more valuable they are. After controlling for shopping experience, they spent an average of 4% more on every shopping occasion in the store and 10% more online than single-channel customers.

Harvard Business Review<sup>3</sup>

# A Shopper's Story: Jack

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## Jack is an opinionated music lover.

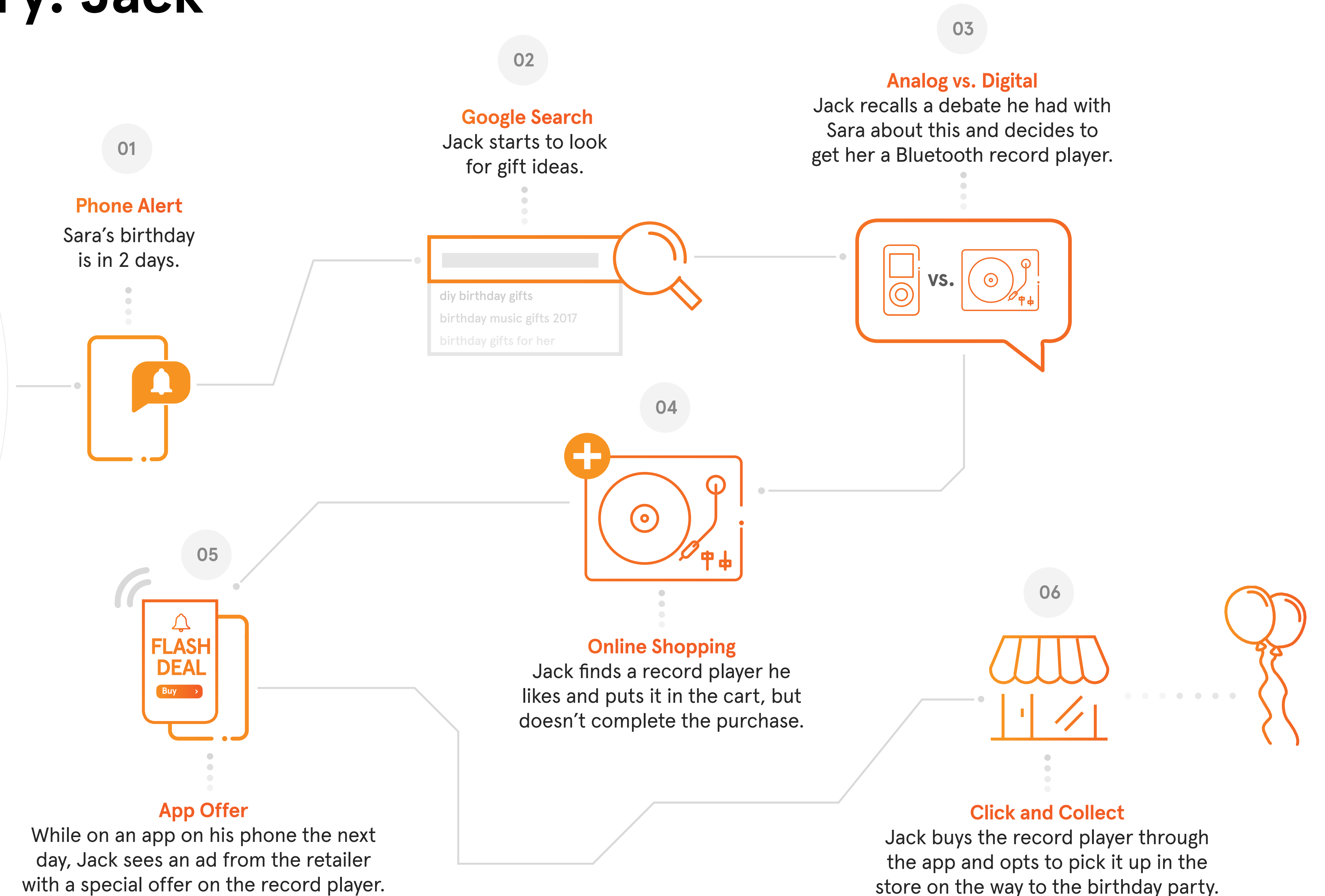
David Bowie: yes. Mumford and Sons: no. Classic Country: Yes. Cross-over Country: no. Analog: yes. Digital: no.

Jack's friend, Sara, is having a birthday party in a few days, and he needs to find a gift ASAP. Recalling the debate they just had about the incomparable sound of vinyl vs. the convenience of digital, Jack decides to get Sara the best of both worlds – a Bluetooth record player.

[Let's follow Jack's omnichannel journey to purchase the record player.](#)



# A Shopper's Story: Jack





# A Shopper's Story: Kate

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## Kate and Sara are concert buddies.

Since they were in college, they've made a point of seeing at least one live show together every year.

Kate hadn't thought about a gift for Sara's birthday until the email from her favorite department store with special offers showed up. As luck would have it, the store just rolled out a special collection of retro concert t-shirts. It's too perfect to pass up, and Kate is a rewards member...

[Let's follow Kate's omnichannel journey to purchase the clothes.](#)

# A Shopper's Story: Kate





# A Shopper's Story: David

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**Meet David. Sara's husband and intrepid party planner.**

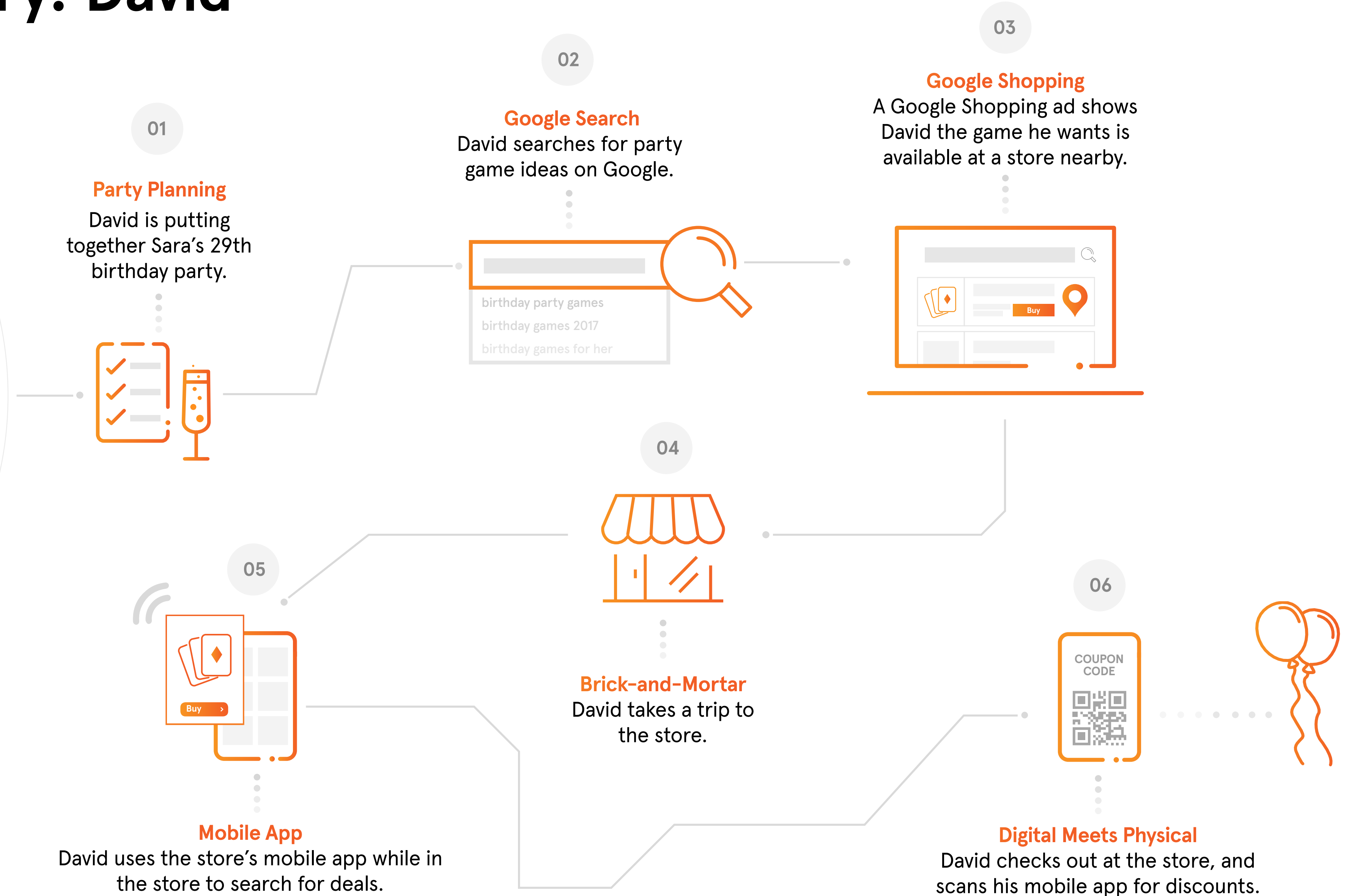
David is looking for a game to have on hand as a plan B, just in case the party hits a lull.

A Google search for “party games” eventually leads him to a music trivia game. Another search shows Google Shopping ads where he can purchase the trivia game, including an ad from a retailer showing that the game is available at a store near his house. Since he has to buy other supplies anyway, he decides this store is the place.

**Let's follow David's omnichannel journey to purchase the game.**



# A Shopper's Story: David



# A Shopper's Story: Ariana

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**Ariana is an aspiring interior designer in her off time.**

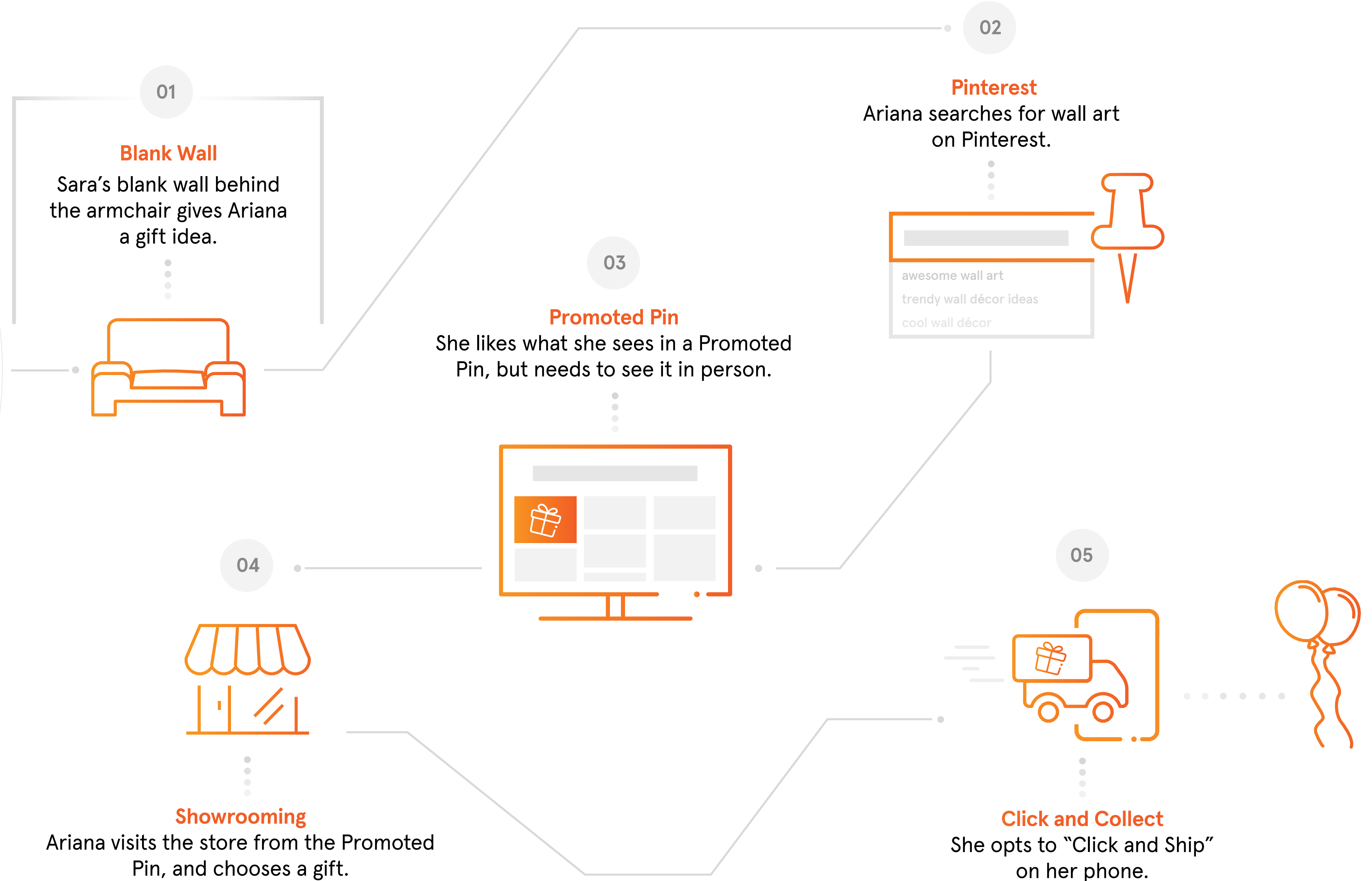
She's borderline obsessed with Houzz and Pinterest, and her apartment looks like a Dwell magazine spread. Every time she's at Sara's place, the blank wall behind the armchair stares at her.

Ariana decides that for Sara's birthday, she'll find something to spruce up that wall. She opens Pinterest on her iPad and starts browsing. A promoted pin for some cool wall décor ideas catches her eye.

**Let's follow Ariana's omnichannel journey to purchase the wall décor.**



# A Shopper's Story: Ariana





# Why Omnichannel Marketing is Here to Stay.

Where there's smoke, there's fire. The amount of conversation around omnichannel belies its importance. It isn't a here today, gone tomorrow trend, but a necessary next step in the evolution of marketing. In short, omnichannel marketing is not a nice-to-have, but a must-have if you want to compete. Here's why:

## It's **symbiotic** with today's cross-channel shopping habits.

Today's consumers are omnishoppers, omnivores of retail. According to a recent survey by BigCommerce.com, 67% of millennials and 56 % of Gen Xers prefer to search and purchase online. And according to Forrester, \$1.5 trillion in retail sales begin online and end in-store.

Shoppers aren't loyal to particular channels or companies anymore, with many shoppers switching from mobile to tablet to storefront all while making the same purchase. In today's market, to earn loyalty, retailers must focus more on the shopper experience than ever before.

## It's the only way to do **1:1 marketing right.**

Shoppers want to feel recognized, at-home and welcome, no matter how they interact with a retailer. They want their preferences remembered and catered to, and they expect the same treatment on each channel. Today's shoppers want a stress-free and efficient shopping experience. Think: Jack, being able to order his gift through the mobile app and pick it up in the store later, or pre-selecting items to try on in the store ahead of time. Put simply, they want a great experience and an easy path to purchase that only omnichannel can deliver.

## It's keeping brick-and-mortar **business relevant.**

Retailers that are embracing omnichannel aren't just getting by, they're thriving. Just look at the success of Amazon's brick-and-mortar stores. Physical stores that are succeeding are shifting their approach based on digital's influence. Forward thinking retailers are reimagining their stores and offering a more interactive, more personalized experience where shopping can be fun and social. Others are using their locations more like showrooms for digital sales, as shipping centers for online orders or in support of the BOPUS (buy online pick up in store) trend.

39%

of shoppers plan to use a BOPUS  
(buy online, pick up in store)  
option, up from 32% in 2015.

The International Council of Shopping Centers.

# Omnichannel Marketing Challenges.

There are challenges to adopting a full-fledged omnichannel strategy today. A few of the main obstacles that companies run into include:

## Lack of Data

The key to a shopper-centric strategy is data – lots of it. Many retailers simply don't know enough about their shoppers. Many also struggle to recognize individual shoppers across channels.

## Technology Integration Issues

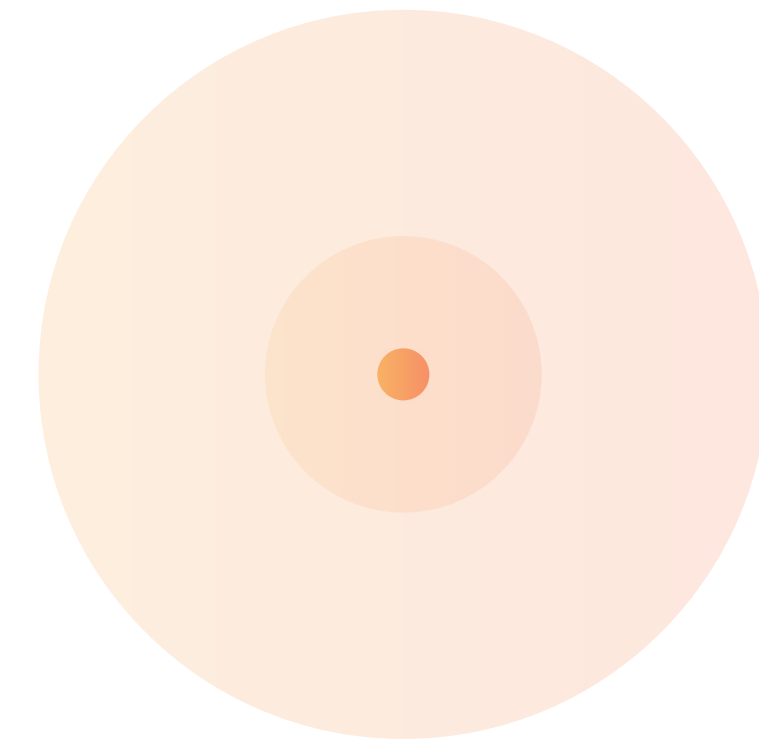
Most marketers today are dealing with legacy systems that don't play nice with other technologies and data assets. In a recent study, marketers cited data management, deeper integration of marketing technologies and a need for systems to match audience profiles across channels as important items to advance their omnichannel efforts.

## Organizational Silos

Omnichannel requires cooperation and information sharing between many different areas within an organization. Breaking down the silos and encouraging this information flow can be challenging, particularly for large or long established corporations where the silo model is deeply embedded. Competition between digital teams and store teams for sales and marketing dollars can also be problematic.



# 4 Ways to Put Omnichannel to Work for You.



Armed with information on shopping history, social media habits, and even geo-location, retailers can personalize experiences better than ever before. Here are four ways top brands are using an omnichannel approach to meaningfully connect with shoppers online and in-real-life.

## 1 Incentivize loyalty

Many successful omnichannel retailers rely on rewards or member programs to incentivize brand loyalty. At Nordstrom, members earn points for every transaction – online, in store, or even through Nordstrom subsidiaries like Nordstrom Rack and HauteLook. Members can shop on “bonus points days” to double or triple their points mileage. Once they reach 2000 points, members earn a \$20 Nordstrom “note” gift card. Why shop around when your loyalty is rewarded? By encouraging shoppers to sign up for programs and apps, retailers form a stronger bond with shoppers and are also able to track and connect their interactions, which can lead to a more personalized shopper experience.

## 2 Cater to preferences

According to the seventh annual Personalization Consumer Survey conducted by e-tailing.com, 53 percent of consumers say it’s important that retailers recognize them as the same person across all channels. And 50 percent of consumers want retailers to use their personal information to coordinate a better overall shopping experience.

If you’re using a mobile browser or app to search for and buy products consistently, like Jack, the company can learn from your habit. Instead of serving a promotion for a new TV, they can cater to Jack’s preferences by promoting something he’s more likely to consider, like other music-related items.

## 3 Generate relevant, compelling, and timely communications

In a well-managed omnichannel approach, data is constantly collected in an effort to learn and adapt to a shoppers shopping habits, even down to when, where, and how they’re most likely to shop.

All of this information can be used to generate content that actually matters to the consumer, when it matters most. Like a well-timed coupon for ink cartridges just when your printer is about to run out of ink, or an email with a list of other titles by an author whose book you just bought. Retailers can even use geo-targeting to send coupons when you’re in the vicinity of a physical store: Sonos anyone?

## 4 Get physical

Omnichannel businesses utilize their physical operations as traditional stores, but also in less obvious ways – as showrooms for digital sales, as shipping centers, or as a blended digital-physical interactive experience. Take for example Neiman Marcus, which uses a “Magic Mirror” in its stores to allow shoppers to compare outfits they’ve tried on side-by-side. They can get a full 360-degree view of themselves in the attire, or share it to social media to get feedback on which is most flattering. Incorporating new technologies into stores can make the shopping experience more enjoyable, and ultimately, get more consumers off the tablet and through the door.

# Omnichannel Marketing in Real Life.

One of the best ways to understand omnichannel marketing is to look at real-world examples. Here's what a few of the top omnichannel retailers are doing today:



**Uniqlo** has a history of omnichannel excellence. Among the first fashion brands to offer in-store touchscreens that make it easy for shoppers to share outfits on social media, today the Japanese retailer features savvy innovations across touchpoints.

Once signed into Uniqlo's app, shoppers can view their purchase history, check out personalized suggestions for matching products, and confirm availability online or pickup them up at a brick-and-mortar location nearby. The global company even has plans to install vending machines, stocked with its premium t-shirts and jackets, in airports and malls around the world. Whether on web, mobile, in-real-life stores or flight terminals, Uniqlo's omnichannel approach seamlessly connects the physical to digital experience so shoppers can buy what, when, and where they want.

## SEPHORA

**Sephora** is a great example of a brand that is using digital to make its physical stores more exciting. With its "My Beauty Bag" app and web account, the cosmetics outlet allows shoppers to view their shopping history, track rewards, and purchase items or save them to a convenient shopping list of products — perfect for checking off in-store or on the web.

Their in-person beauty workshops — where shoppers can get complimentary makeovers from expert stylists and utilize touchscreens to test foundations, concealer, perfume and more, right there in the store — is another fun, interactive way that Sephora is blurring the digital/physical line.

## DECATHLON

**Decathlon S.A.'s** story shows a successful expansion from ecommerce to bricks-and-mortar. When Decathlon opened its flagship store in Singapore, it was designed to mesh tightly with its ecommerce experience. The store uses radio-frequency identification technology (RFID) to automatically identify and track products and have them sent directly to a shopper's virtual cart so that no scanning is necessary at checkout.

Everyone who purchases — either online or at an offline location — is automatically signed up for an online loyalty program, which helps Decathlon track shoppers as they move across channels and devices. Decathlon also took their omnichannel strategy to the streets, partnering with local sports clubs to connect with potential shoppers and drive foot traffic to the store.



# Congratulations! You've mastered the basics of omnichannel marketing.

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## Ready for more?

In [Criteo's Resource Center](#) you'll find other great educational materials like:

- [The Smart Marketer's Guide to Retargeting](#) >
- [The Smart Marketer's Guide to Google Shopping](#) >

## About Criteo

Criteo (NASDAQ: CRTO), the leader in commerce marketing, is building the highest performing and open commerce marketing ecosystem to drive profits and sales for retailers and brands. 2,700 Criteo team members partner with 16,000 customers and thousands of publishers across the globe to deliver performance at scale by connecting shoppers to the things they need and love. Designed for commerce, Criteo Commerce Marketing Ecosystem sees over \$550 billion in annual commerce sales data.

For more information, please visit [www.criteo.com](http://www.criteo.com)

<sup>1</sup> <http://multichannelmerchant.com/blog/creating-customer-centricity-in-2017-omnichannel-marketing-andmobile/>

<sup>2</sup> <https://www.salsify.com/blog/the-rising-tide-of-digital-influence-in-the-store>

<sup>3</sup> <https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works>