DATA-DRIVEN OMNICHANNEL MARKETING

Key Trends From eTail Germany

TEALIUM   WBR DIGITAL

Spring / Summer 2015

Data-Driven Omnichannel Marketing

Introduction

eTail Germany 2015, now in its third year, brought together some of the leading lights of German e-commerce, as well as influential speakers and business leaders from all over the world, and engaged them in senior-level case studies, workshops, and roundtable discussions.

We delved in to the detail of some of the hottest trends in the market right now, including: digital marketing, social media, omnichannel, mobile, customer experience, optimisation, analytics and personalisation.

For this report we surveyed 57 leading retailers on their key challenges, as well as how they have responded to a lively digital marketing technology industry, and to what extent they have adapted.

We also include information gained from three months of industry research in preparation for the event, as well as interviews with delegates and speakers.

Headline Findings:

- The biggest challenge for nearly 40% of retailers today is creating a truly omnichannel business

- Mobile named as the top area for investment in the next 12 months

- Nearly a quarter of retailers lack a formal marketing technology strategy

- Growth trend in digital marketing technology set to continue in 2015 / 16

SURVEY PARTICIPANTS
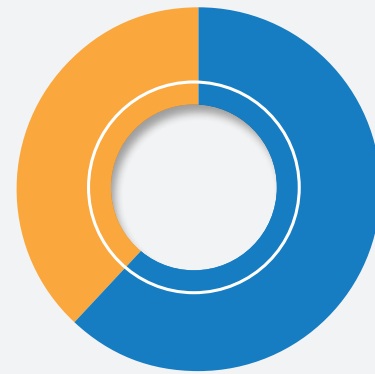
38% Pure-play online retailer

62% Brick and mortar retailer with e-commerce presence

> *"Online retailers today have a much greater ability to understand their customers using data – this enables them to differentiate themselves from the competition and create a real competitive advantage."*
>
> -Lutz Finger, Author: Ask, Measure, Learn

Key Trends in German E-Commerce and Beyond…

Lindsay McEwan
General Manager – EMEA
Tealium

Marketing in a digital world is becoming increasingly complex. Not only do digital marketers have to unify an increasing volume of disparate solutions and fragmented data sources, but also they need to analyse and act upon their data more effectively, in real time and across multiple devices, to maintain a competitive edge.

This is a universal problem so it is fascinating to get a glimpse into how marketers in Germany are assessing and addressing the issue. This report provides that snapshot.

The main challenge currently faced by marketers (36 percent of respondents) is creating a truly omnichannel business. With so many platforms, data sources and channels available, both the opportunities and the challenges have never been bigger. The creation of an omnichannel business goes hand in hand with creating targeted and relevant communications based on a customer's behaviours and preferences, so the second biggest challenge reported (23.6 percent) is personalisation to build the relationship and improve conversion.

Overwhelmingly, the majority of digital retailers in Germany recognise that a unified customer view is key to the creation of a successful omnichannel business. Some 76 percent of respondents reported that it was important or very important to their omnichannel goal with only 23 percent admitting they were unable to integrate applications and data in an effort to meet this challenge.
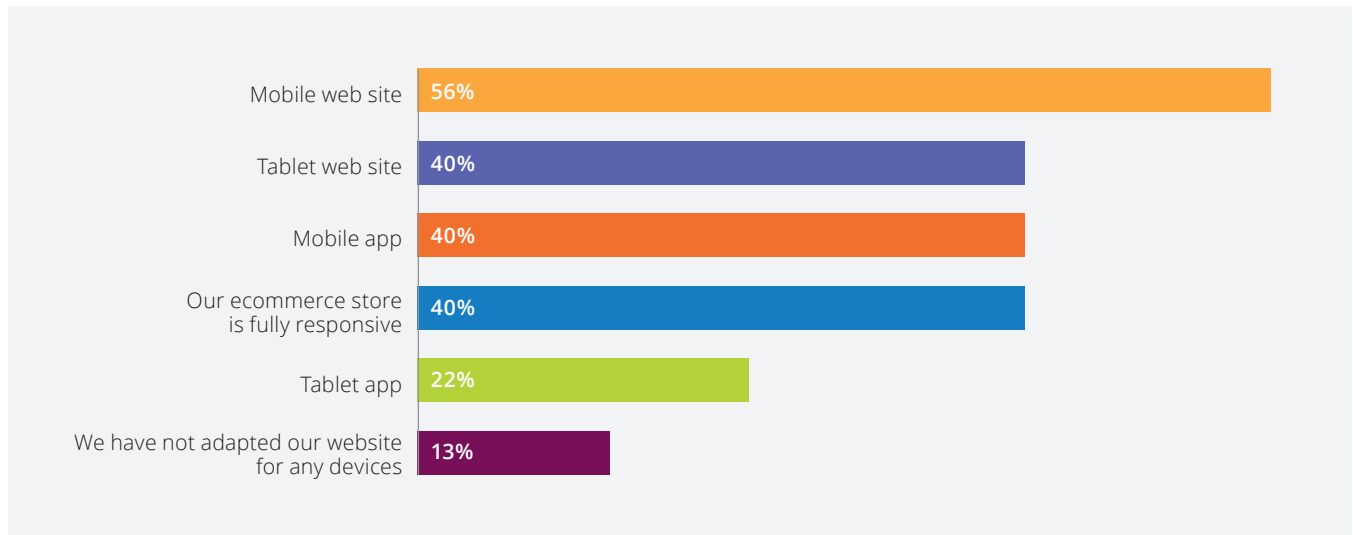
Despite this report being focused on German retailers, we see similar trends across the globe. Creating an omnichannel marketing strategy, delivering personalised messaging to customers at the right time based on real-time data insight, is difficult. The key is to think holistically – what are you trying to accomplish, and do you have the right technology foundation and strategy to quickly engage your customers in meaningful ways across all digital touch points.

The retailers that master this practice will see huge improvements in customer satisfaction and results.

Lindsay McEwan has almost 20 years of proven strategic leadership and commercial management expertise gained within leading marketing and technology businesses. His previous roles include Director of Sales at Adobe Systems UK, Managing Director at Neolane Software (acquired by Adobe), as well as positions with Oracle, TIBCO & Kana.

The main challenge currently faced by marketers (36 percent of respondents) is creating a truly omnichannel business. With so many platforms, data sources and channels available, both the opportunities and the challenges have never been bigger.

Which of the following have you adapted your e-commerce store for?

Mobile web site	56%
Tablet web site	40%
Mobile app	40%
Our ecommerce store is fully responsive	40%
Tablet app	22%
We have not adapted our website for any devices	13%

What is responsive web design?
The flexible approach

A responsive website is designed to provide the best possible viewing experience for the visitor regardless of the device they are using. It is coded to allow easy-to-operate navigation whilst requiring the minimum amount of effort from the user. This is done with the use of what techies call 'fluid grids'. In simple terms this means that the experience will work regardless of the user's screen size: a positive boon in the today's multi-device world.

⊕ **Pros:** Responsive sites load faster, more versatile.

⊖ **Cons:** More complicated (and expensive) to create.
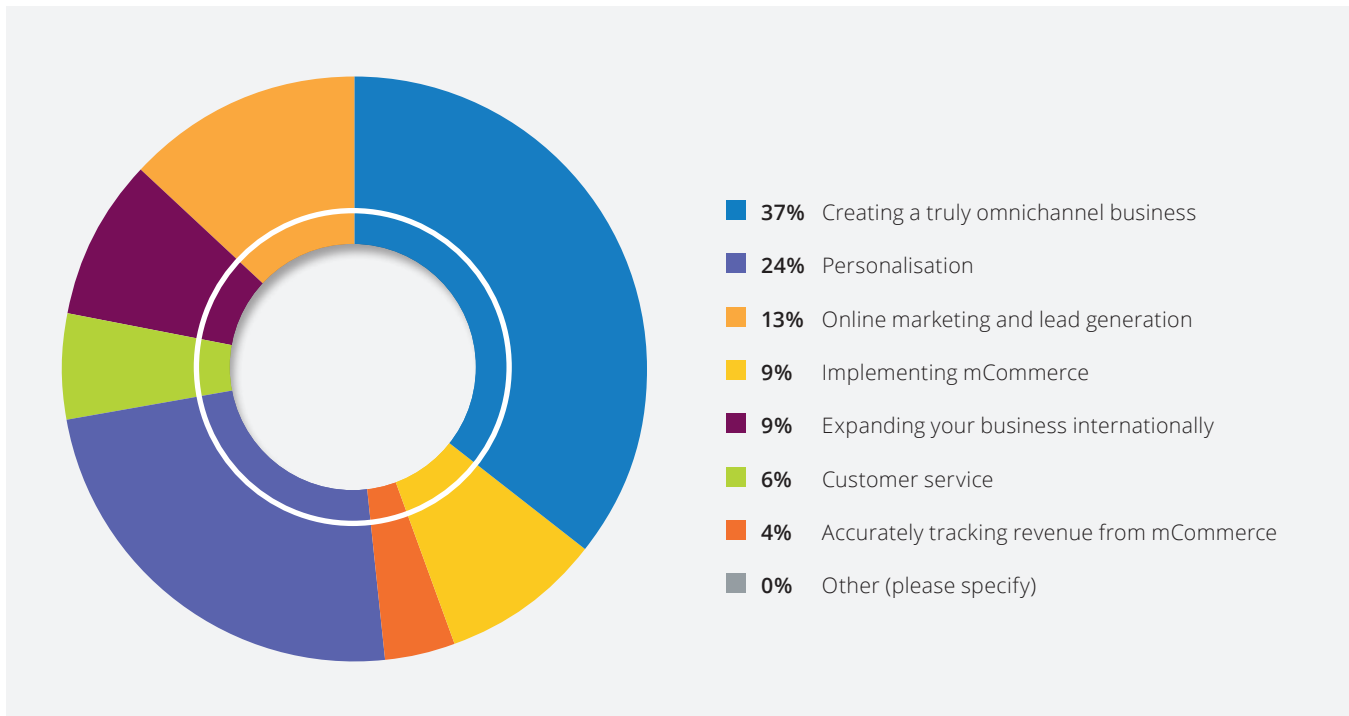
What is adaptive web design?
Rectangular pegs in rectangular holes

An adaptive website has several pre-designed layouts for different sized screens and the most appropriate design is automatically selected for the screen size of the user. Whether the user navigates to your site on their mobile, a tablet or on a regular desktop computer then your site will detect the device in use, and know which version to display.

⊕ **Pros:** Easier to set up for smaller organisations seeking to conserve resources.

⊖ **Cons:** Slower load times, may require updates for newly released devices.

> *"With the relentless shift toward mobile buying, coupled with Google's new penalties for mobile unfriendly web sites, it is surprising that only 40 percent of retailers have implemented a fully responsive web site."* -Lindsay McEwan, General Manager – EMEA, Tealium

Which is the biggest challenge for your business right now?

■	**37%**	Creating a truly omnichannel business
■	**24%**	Personalisation
■	**13%**	Online marketing and lead generation
■	**9%**	Implementing mCommerce
■	**9%**	Expanding your business internationally
■	**6%**	Customer service
■	**4%**	Accurately tracking revenue from mCommerce
■	**0%**	Other (please specify)

Retailers increasingly find that the vast majority of their customers are omnichannel customers – very few transact either exclusively online, or only in a shop.

As a result, it is unsurprising that meeting clients' expectations and delivering a truly consistent experience regardless of the channel is a top priority for 36% of respondents. The favoured method of achieving this varies by company and industry; however they are all focussed on improving the overall experience for the customer.
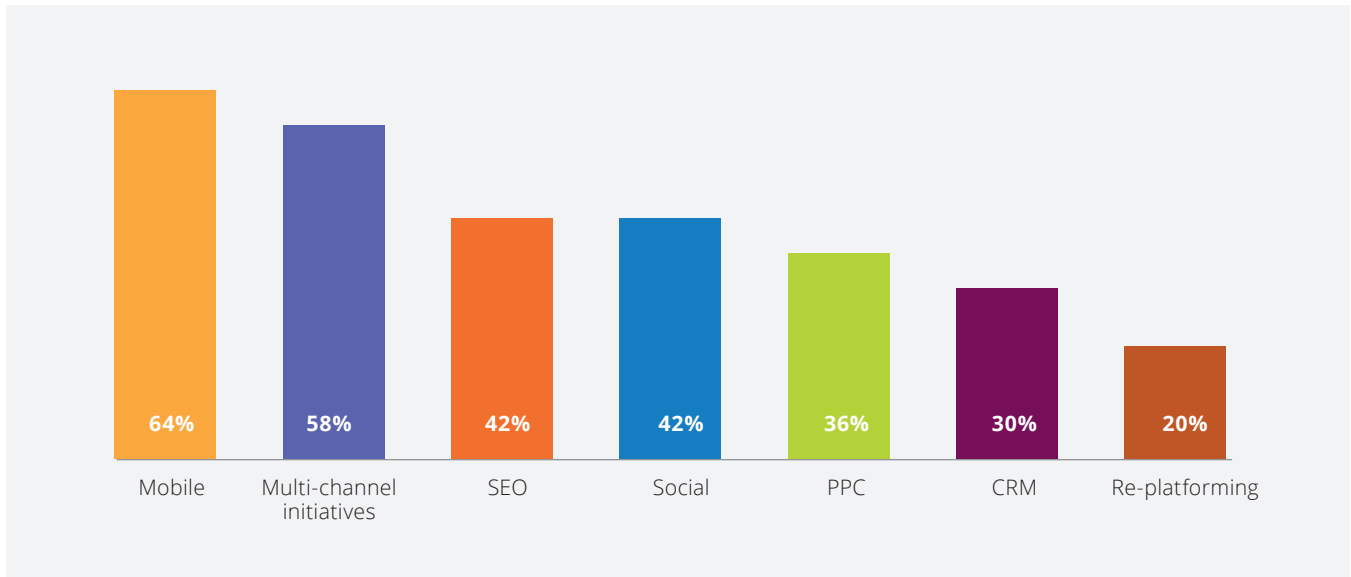
> "No one's really nailed the attribution model just yet.
>
> An online shopper may do research on their tablet, mobile, or even on a native app, but if they buy on the desktop, then the sale is attributed to the desktop.
>
> Online is like a football game: there are lots of players on the field, but just because the striker scores the goal, doesn't mean that they're solely responsible for the build up."
>
> -Glen Richardson, CMO, Fruugo

In which areas are you planning to invest in the next 12-18 months?

Chart: Bar chart showing investment areas:
- Mobile — 64%
- Multi-channel initiatives — 58%
- SEO — 42%
- Social — 42%
- PPC — 36%
- CRM — 30%
- Re-platforming — 20%

These results highlight several key areas for investment over the next 12-18 months, however, the number one for more than 60% of respondents is mobile.

Retailers across a wide variety of sectors have seen a huge rise in traffic on mobile – they have also discovered that although mobile is a much higher volume channel in terms of visits, it converts at a lower rate.

Of course, specific numbers of conversions on mobile vary greatly from industry to industry, but one trend remains broadly the same – mobile use is more consistent with browsing behaviour.

This has led many online retailers to engage this browsing behaviour with rich content, and embrace the more non-transactional nature of the average mobile user. Further to this, retailers are experimenting with the development of rich content, specific to individual platforms, with the intention of driving up mobile conversion rates.

A big part of this is understanding the individual customer mission – what are they looking to achieve, and is your site optimally constructed to meet that need?

Mobile is still a very new game for even the largest retailers, coming as it has from nothing to the leading area for investment in merely a few years, and while conversion rates may be low at the moment they are rising. The question then is can they meet, or even exceed, those on desktop?

> "We've found that paid search affects organic considerably, in fact, you can almost map the two together in terms of the more money you spend on paid search the more organic traffic you get – effectively the organic search results are given more credibility by the presence of the paid results."
>
> -Glen Richardson, CMO, Fruugo

Do you have a formal marketing technology strategy?


60% Yes
24% No
16% Don't know
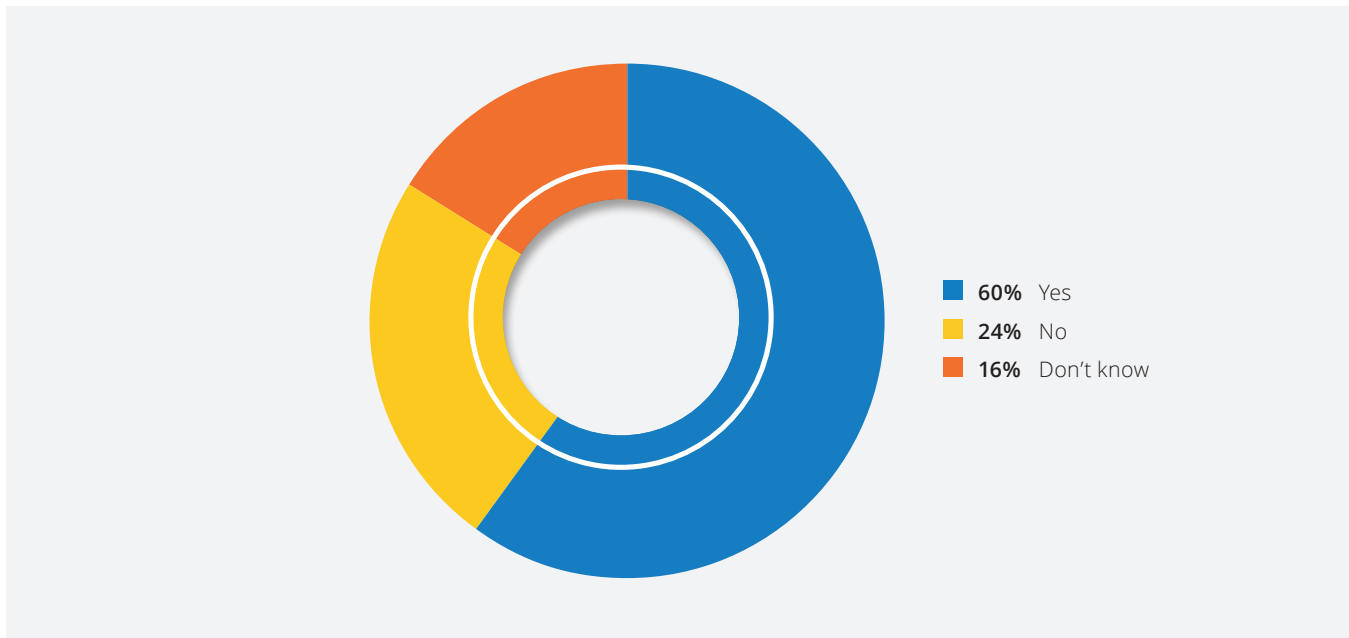
The options for those companies looking to invest in digital marketing technology have multiplied at a dramatic pace over the last few years, and as a result the amount of vendors which companies have to manage has also grown. However, as much as cool new technology can offer your organisation new insight and methods of outreach they are not in themselves guarantees of success. Billions of pounds are spent in this area every year, so without a well-defined strategy the proliferation of marketing technology could instead be a fast-track to wastage and loss.

Given the importance of a well-defined strategy it is surprising that 24% of retail executives surveyed do not have a formal marketing technology strategy in place and a further 16% are not sure one way or the other.

In order to make sure that your business reaches its objectives across marketing channels it's crucial that your marketing technology strategy is in alignment with wider business goals. It may seem obvious, but a well-defined understanding of what you are looking to achieve will help you select the pieces of technology which are best suited to facilitate your success.

In order to make sure that your business reaches its objectives across marketing channels it's crucial that your marketing technology strategy is in alignment with wider business goals.

How many separate digital marketing vendors are your company using to drive results?

27%	5 or fewer
36%	6-10 vendors
13%	11-20 vendors
0%	21-30 vendors
7%	More than 30
16%	Don't know
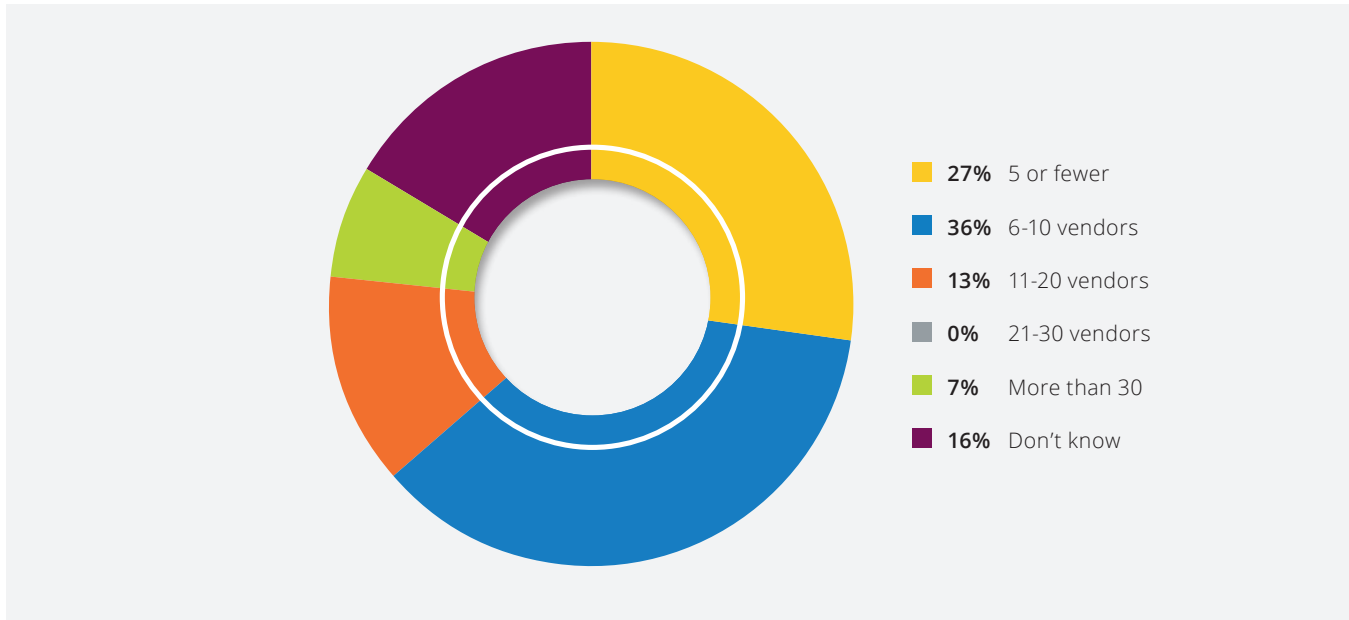
The modern-day marketer has a wealth of powerful tools at their fingertips with which to hone their craft – offering them powers of knowledge and understanding that would have been unimaginable only 10 years ago.
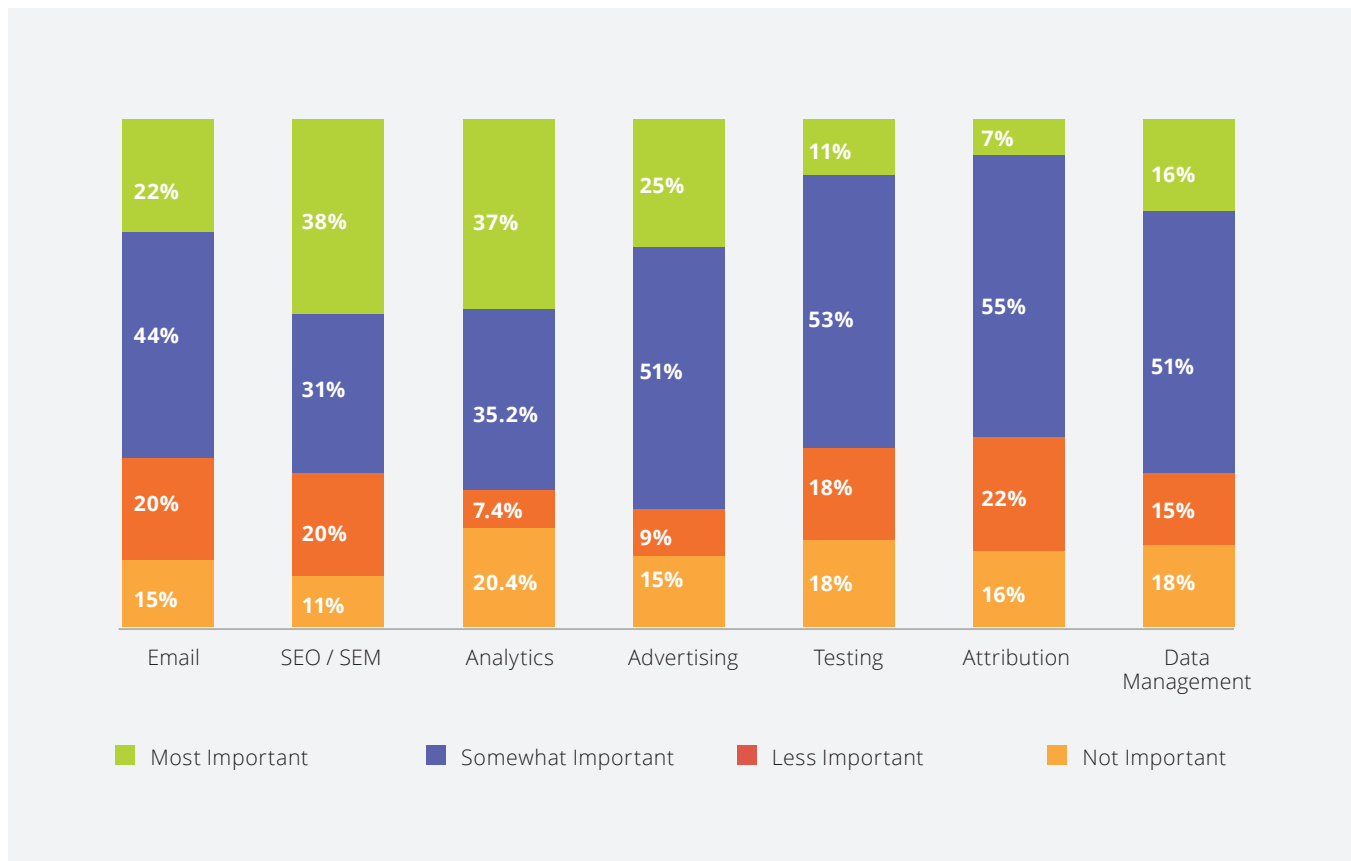
Indeed, the sheer abundance of solutions on offer can boggle the mind, from technology offering email and social media solutions to tag-management platforms, CRM and more. Those who thought that the proliferation of choices may have slowed have, thus far, not been proved correct.

The secret to successfully navigating this new technological landscape is choosing the right technology to reach your business goals, while deciding which pieces of technology complement each other, and which detract.

With 20% of respondents to our survey managing more than 10 individual marketing technology providers, and 7% of those managing more than 30, making sure that they are all pulling together toward your overall business objectives is more important than ever.

Those who thought that the proliferation of choices may have slowed have, thus far, not been proved correct.

Which categories of digital marketing technology do you consider the most important to meeting your business goals?

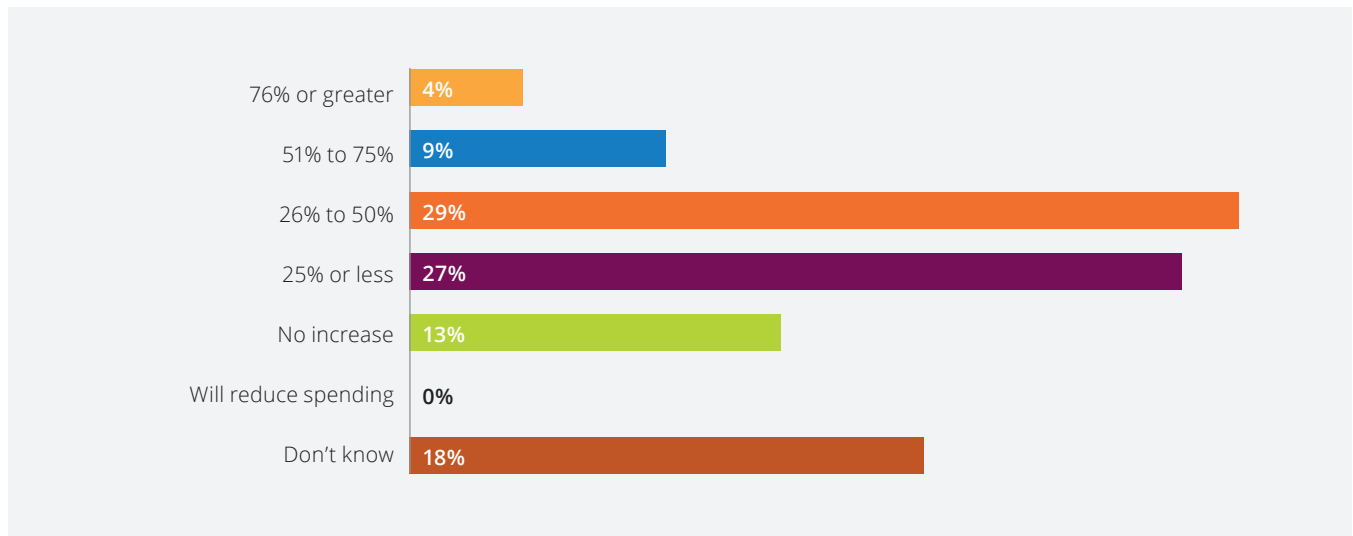|	Email	SEO / SEM	Analytics	Advertising	Testing	Attribution	Data Management
Most Important	22%	38%	37%	25%	11%	7%	16%
Somewhat Important	44%	31%	35.2%	51%	53%	55%	51%
Less Important	20%	20%	7.4%	9%	18%	22%	15%
Not Important	15%	11%	20.4%	15%	18%	16%	18%

SEO is not dead – long live SEO! Or so say 38% of industry leaders responding to our survey.

The continued relevance of SEO as an integral part of the modern marketing mix has been proven by its continued efficiency at driving traffic, in spite of changes to the way data can be accessed and measured. Ultimately SEO has proved its cost efficiency and, regardless of the naysayers, is not likely to stop working any time soon.

With marketing teams under increasing pressure to provide definitive proof of ROI, tools to provide advanced data analytics are becoming ever more important. Technology is being used to improve the customer experience on the chosen path to purchase, achieving more in-depth customer-level insight and improving key areas of performance like, for example, basket abandonment.

How much do you plan to increase your spending on marketing technology in the next year?

76% or greater	4%
51% to 75%	9%
26% to 50%	29%
25% or less	27%
No increase	13%
Will reduce spending	0%
Don't know	18%

The growth trend is set to continue for marketing technology, with more than a quarter of surveyed retailers planning to increase their marketing technology spend by up to 25%, and a further 29% increasing it by up to half.

Significantly, no respondents reported a planned decrease in spending.

Data-driven marketing remains at the heart of digital strategy. Continuing to demonstrate ROI is ever more important, as indicated previously. That means more investment for digital marketing technology categories including data analytics, SEO, email marketing automation and personalisation.

> "In the next five years we will see the whole data and analytics issue becoming way more commoditised. Much of the low-hanging fruit has become standard business practice – it is the companies who moved on this first, and used data in their business to create a real competitive advantage, who are leading the way."
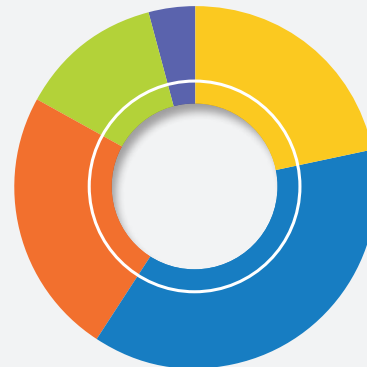> -Lutz Finger, Author: Ask, Measure, Learn

How important is getting a unified customer view to your omnichannel marketing initiatives?
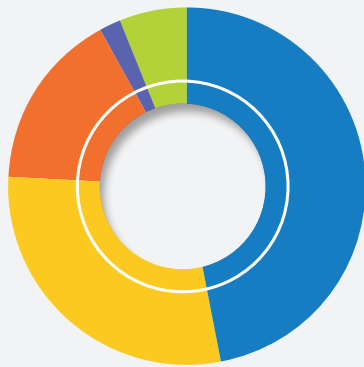
■	**47%**	Very important
■	**29%**	Important
■	**16%**	Somewhat important
■	**2%**	Not important
■	**6%**	Don't know

How well are you able to integrate your applications and digital data to create a unified customer view?

■	**22%**	I am currently doing this
■	**38%**	I am close to doing this
■	**24%**	I am nowhere close to doing this
■	**13%**	Don't know
■	**4%**	Not applicable

More than three quarters of surveyed executives agreed that obtaining a unified customer view is 'important' or 'very important' – clearly the perceived benefits of doing this are very high.

With a greater focus on an improved omnichannel experience there is a danger that customers end up getting 'lost in the cracks' as users jump from one channel to another. Those companies who are ahead of the game will find themselves ideally placed to use the data available to inform their personalisation initiatives as well as improve the customer experience overall.

Despite the perceived importance of doing this many major retailers still have some way to go, with nearly 25% admitting that they are currently nowhere near achieving it. That being said more than a third report that they are close, and a further 22% that they are already doing it – good news for omnichannel marketing!

> "When it comes to achieving a unified customer view it's all about your business model. If you're a traditional retailer who has gone online it can be very difficult to get a unified customer view, whereas for the pure-play online retailer it is much easier."
> -Glen Richardson, CMO, Fruugo

Tealium is the leader in enterprise tag management and customer data solutions that power the real-time enterprise. Tealium's customer data platform, comprised of tag management, data management, and enterprise data services, enables organizations to seamlessly connect and manage all of their marketing applications and fragmented data sources.

Leveraging Tealium's open platform, marketers can create composite 360-degree customer profiles in real time; drive more profitable and relevant omnichannel interactions; and fuel the performance of business intelligence and data warehouse projects using the richest source of first-party data available.

For more information visit www.tealium.com

Unique Branding Opportunity

At WBR Digital we design and execute bespoke content marketing campaigns all year round, delivering our clients unparalleled access to the wider WBR event audience.

We believe in creating rich content that engages and inspires. We conduct in-depth industry research, then add analysis and a double-shot of creativity, before marketing it for you, to targeted audiences of your choosing.

It's industry research, it's thought leadership, it's quality content – it's the perfect opportunity to generate qualified sales-ready leads.

Contact us to find out how your business could benefit from:

- Lead generation campaigns that fit your priorities
- Bespoke webinars, benchmarking reports and whitepapers
- In-depth research on current fast-moving issues and future trends
- The opportunity to position your company as a thought leader

Contact:
Tanyel Ali
Head of Digital Sales
Tel: +44 (0)20 7368 9708
Email: Tanyel.Ali@wbr.co.uk