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# Taking Cues From the Customer: “Omnichannel” and the Drive For Audience Engagement

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**INTRODUCTION  
AND EXECUTIVE  
SUMMARY**

The year was 1972. And in a boardroom on Madison Avenue in New York, executives at the firm of Young & Rubicam (then, and now as Y&R, one of the largest agencies in the world) concocted what would soon be recognized as one of the most audacious strategies in advertising history.

They called the approach “The Whole Egg,” and its premise was simple. The quality of their clients’ marketing programs—across broadcast and print media, public relations, direct marketing and all the other addressable channels of the time—would be substantially improved if they were driven by one agency. Their responsibility, in turn: to unify the creation and execution of content, media and other functions central to the growth of their clients’ brands. Deploy these efforts seamlessly, the theory held, and both clients *and* the agency would prosper.

At first, the marketplace snickered. (“The notion commonly inspired outsider comments ranging from ‘No kidding’ to ‘They’ve got to be kidding,’” wrote *Advertising Age* in 1999.) But over time, the premise would give rise to an array of successor movements—known variously as “integrated marketing,” “multichannel,” “connected,” “multiscreen” and others—that promised blockbuster results from following a similar approach. The financial promise of a media-optimized future, with messaging unified across both digital and traditional disciplines, seemed just too bright to ignore.

One problem, though. More than 40 years after Y&R introduced “The Whole Egg”—and seemingly just as long since terms like “integrated marketing” have been baked into the advertising industry discourse—the market is still snickering.

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“As much as Y&R Inc. touted the ‘Whole Egg’ approach, which it pioneered and cultivated among its agencies, I rarely saw how this synergistic methodology created something bigger than any of its unilateral parts.”

—PETER HIMLER, [FORBES.COM](#), 2012

“Despite its pervasive penetration in the marketing and communication management world, little has been said, however, about [integrated marketing’s] theoretical robustness as well as its actual significance for marketing and advertising thought and practice.... [It’s] a management fashion....”

— JOEP CORNELISSEN AND ANDREW LOCK, [JOURNAL OF ADVERTISING RESEARCH](#), 2000

“One needs only to click clumsily around the Web to stumble upon discussion after discussion over the importance of ‘multichannel’ marketing.... The greatest distinction I’ve found is that which lies between the various degrees of bullshit that cover this entire topic.”

— WILJO KRECHTING, [ECOMPUNK.COM](#), 2013

Today, in spite of the skeptics, advances in media, data and technology have once again focused attention on the opportunity inherent in integrating content and the delivery of messages across media. But whereas “The Whole Egg” was squarely focused on expanding the scope of an *agency* to support this effort (and subsequent “multichannel” movements have been aimed mostly at keeping pace with the fragmentation of consumer attention across an expanding number of media outlets), enterprise brands and their media partners are now looking for something fundamentally different: real, tangible, heightened value from their consumer relationships.

That value, proponents say, can only come through the enrichment of *audience engagement*: the ongoing dialogue between consumer and marketer that spans paid and owned media, points of sale and other touchpoints. In turn, more companies are adopting the terminology of the retail industry and gravitating to **omnichannel customer strategies**—which seek to promote a long-term, channel-agnostic approach to managing, and optimizing, these relationships.

But in an industry long accustomed to dismissing such approaches as faddish, buzzwordy or just plain obvious, what makes “omnichannel” different from other approaches? What does it mean to be omnichannel? What are the benefits that marketers (as well as their media partners) stand to enjoy from adopting such strategies? And what real-world constraints are standing in the way of those seeking to make this transformation?

This white paper, produced in partnership with the Interactive Advertising Bureau, will explore the origins and likely evolution of omnichannel customer engagement strategies. Based on an intensive primary research effort, it will demonstrate that:

- Interest in the omnichannel approach is surging across virtually all segments of the marketing ecosystem, with **91.7 percent of panelists agreeing that such strategies drive “real value,”** and **82.4 percent saying they intend on investing in the same in the near future**
- While omnichannel strategies stand to deliver a host of rewards that span marketing applications, panelists said they expect the **brand identity and recognition benefits of such an approach to be the most significant of all**—outstripping even clear performance gains such as “higher response rates” and “revenue growth”
- The role of advertising in supporting omnichannel strategies will rely on continued adoption of audience-centered media formats; while **25 percent of panelists said such cross-platform products are “very important” in driving customer engagement today, a whopping 79 percent believe they will be crucial in the near future;** and
- The inherent constraints of existing media channels do not represent a substantial challenge to the deployment of omnichannel strategies. By comparison, gaps with respect to **supporting technologies and internal business processes continue to hamper marketer and publisher attempts to achieve wider transformation.**

Finally, the paper will outline six key competencies that define what marketers and publishers will need in order to capitalize on the omnichannel promise in the years ahead. They include:

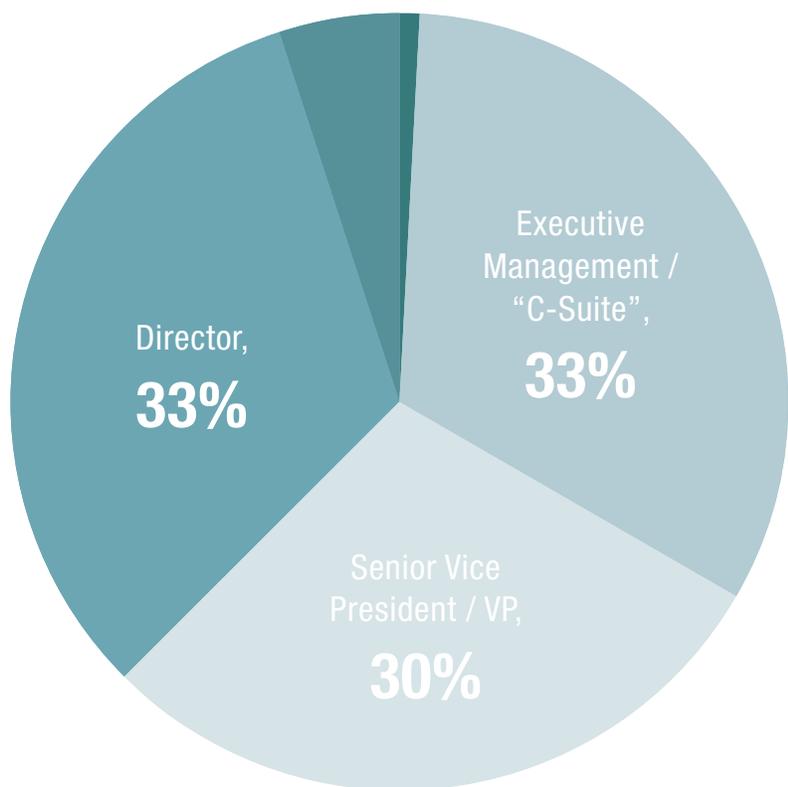
- *Customer Analytics and Multiplatform Attribution...* the foundations of a deeper understanding of the customer and the engagement strategy best tuned to her needs
- *Rich Content—Optimized for Context and Strategic Intent...* enhancing the value of every consumer interaction, and supporting a range of tactics addressing both branding and performance marketing priorities
- *Operational Infrastructure Geared to the Needs of Customer Engagement...* including media buying and selling tools that support various channels (and metrics), as well as business processes, incentive structures and key performance indicators aligned with the same
- *Cross-Platform, Audience-Driven Media Products...* allowing advertisers to more readily identify and engage with customer segments through their chosen platforms
- *Integration of Deeply Engaging—Yet Effectively “Disconnected”—Media Channels...* including addressable television, mobile video, out-of-home media and others; and
- *Elevation of the “Omnichannel Strategist” as a Senior Role...* ensuring accountability and coordination of customer decisioning, product development, pricing and other critical functions.

**METHODOLOGY** This white paper will explore the origins and likely evolution of “omnichannel” customer engagement strategies.

Published in partnership with the Interactive Advertising Bureau—and with the sponsorship of BrightRoll, Cars.com, Paradysz, Adconion Direct, Digital First Media, Neustar, nPario and Operative—the paper’s findings are based on the results of an intensive research effort that included phone, online and in-person surveys of more than 120 advertisers, marketers, publishers, technology developers and marketing service providers (conducted between March and May 2013).

Per their request, the names and companies of individual contributors have been blinded so as to allow them the freedom to speak with maximum candor.

### Panelists: Which of the Following Best Describes Your Job Title/Level of Responsibility?



Manager, 5%
  Analyst or Associate, 1%
  Other, 0%

#### Vertical Categories Included

- Auto
- Consumer Packaged Goods
- Financial Services
- Healthcare
- Insurance
- Marketing Services
- Media and Entertainment
- Not-for-Profit
- Retail and E-Commerce
- Technology (B2B)
- Technology (B2C)

**N=121 Panelists**

**WHAT IS  
“OMNICHANNEL”?**

“Omni” means “all.” “Channel,” in this context, is a “means of communication.”

And so, at its most foundational level, the “omnichannel” approach would seem to mandate the development of an “all channels” dialogue capability. Logically that would include those media outlets—television and digital video, online display advertising, direct mail and others—commonly used to promote awareness, interest and consumer response. So, too, would it integrate those informational, transactional and customer service vehicles—email, mobile, e-commerce portals, physical point-of-sale platforms and more—that provide a means of interacting directly with an individual who has made the leap from *consumer* to *customer*.

But omnichannel is about more than just standing up a set of outreach capabilities that span media. And it’s about more than integrating the basic components of marketing communications—cadence, branding, offer—so as to present a unified identity to would-be customers. Instead, it speaks to the development of a true customer-centered promotional approach, one that’s driven by the contiguous needs to identify and engage with ideal customer audiences, optimizing that dialogue over the long term so as to align with the overarching business strategy (all while providing meaningful value to the customer).

The approach borrows substantially from a number of disciplines, including “multichannel” marketing (which promotes the need to maintain a balanced media mix), “customer experience management” (which elevates the importance of convenience, choice and ease-of-use across all transactional touchpoints) and “integrated marketing communications” (which stresses the need to coordinate the content and timing of messaging across channels). But omnichannel is unique in three important respects:

- As an actionable concept, it’s designed to support the strategic business aims of the *enterprise* more than the day-to-day tactical needs of the *marketer* (though it elevates the role of the latter by leveraging his position at the intersection of media, customer insight and transactional touchpoints). Likewise, it typically requires wholesale transformation of the marketing and media infrastructure (requiring the appropriate business processes, incentive structures and supporting toolsets)
- It has been made possible only recently, primarily through the development of media, data and technology resources that allow for holistic insight into consumer audiences; and
- Its ultimate mission is *informed engagement* with consumer audiences, with the goal of optimizing the lifetime value of those relationships in a way that is distinct from the tactical needs of any one media channel.

“For a company to be truly omnichannel, they really do have to plan, execute, measure and optimize their efforts through every customer touchpoint,” said one panelist, the director of digital customer experience at a major retailer. “They have to optimize and align a consistent voice, an offer strategy and product assortment mix. They have to think about a strategic approach to both selling *and* servicing the customer, no matter the channel.”

## INFORMED, STRATEGIC CONSUMER ENGAGEMENT

Engagement is about building a relationship that is credible, authentic and grounded in mutual values. It has the power to build loyalty that transcends points, miles, incentives and short-term rewards. To diminish sensitivity to premium pricing and competitive offers. To deliver long-term value that is realistic, meaningful and defensible.

It benefits the marketer who understands her customer and works to deliver value—through products that meet fundamental needs, brand messages that align with individual aspirations and offers that address real-time, dynamic motivations.

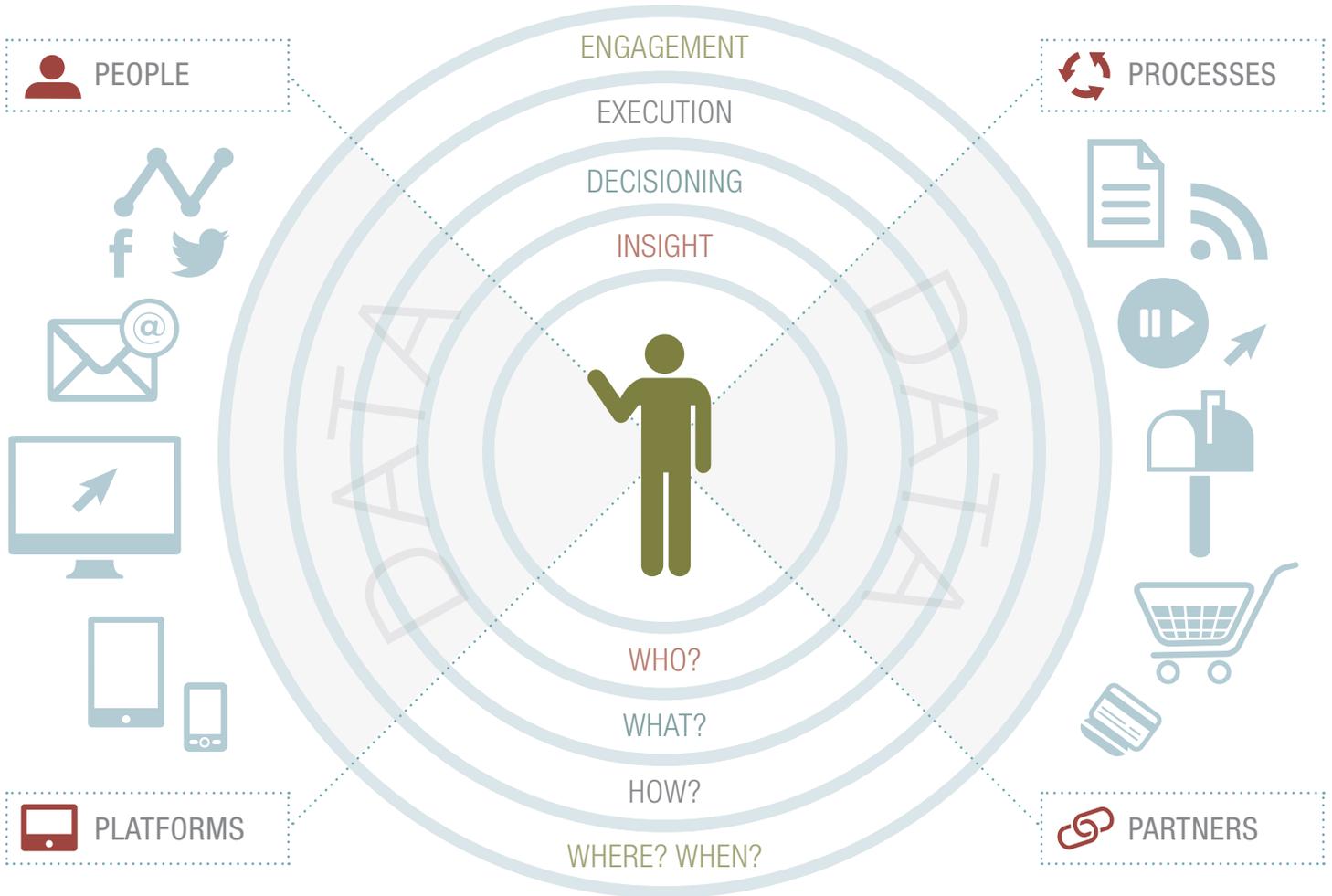
Informed, strategic consumer engagement is, in short, an ideal marketing end state. But because consumers are by nature curious, fickle and transient in their interests and motivations, it's also woefully difficult to accomplish through most media alone.

Omnichannel, therefore, promotes a rethinking—and reorientation—of the strategies, infrastructure and allocation of resources that dictate how brands activate their addressable media. That begins with recentering the marketing organization—away from its legacy focus on products and delivery channels, and toward a more complex (but far more potentially lucrative) orientation on the customer as the centerpiece of the interaction. Drilling deeper, it calls on the practitioner to:

- Develop customer strategies—addressing a combination of brand, offer, messaging and pricing elements—that are *informed* by the broader corporate strategy and *driven* by the need to meet underlying consumer need at the most granular identifiable level
- Provide a mechanism to exercise continuous proactive (direct and unsolicited) and interactive (responsive and conversational) communication with customers across a dynamic range of media platforms; and
- Build a deeper base of intelligence into those consumers—including both “converted” customers and “unconverted” prospects—so as to inform the above efforts.

Unlike movements that call simply for the alignment of basic elements that happen to be common among parallel media efforts, the omnichannel approach reorients the underlying center of attention. The goal, ultimately, isn't so much to drive enhanced marketing performance (although that's also a benefit that practitioners say they enjoy). Instead, panelists said, it's driven by the realization that *smarter marketing*—informed by cues that consumers themselves provide—ultimately serves to benefit the brand, media provider and consumer in equal proportion.

## The Omnichannel Continuum



At the heart of the omnichannel approach resides an infrastructure designed to support customer development through four contiguous processes: **insight** (reinforcing an understanding of *who* the customer is), **decisioning** (the application of tactical business rules—informing *what* product, offer, creative and media treatments are optimal), **execution** (the seamless deployment of messages through appropriate media, dictating *how* the dialogue will be developed) and **engagement** (the cultivation of an interactive relationship focused on creation of value—*wherever and whenever* it stands to benefit both marketer and customer).

For many organizations, that infrastructure will require a basic rethinking of the way that resources are deployed to power marketing and media. Rather than supporting these efforts through a dedicated emphasis on promotional channel or line of business, the true omnichannel organization will focus on development and optimizing the “New 4Ps” of marketing, including:

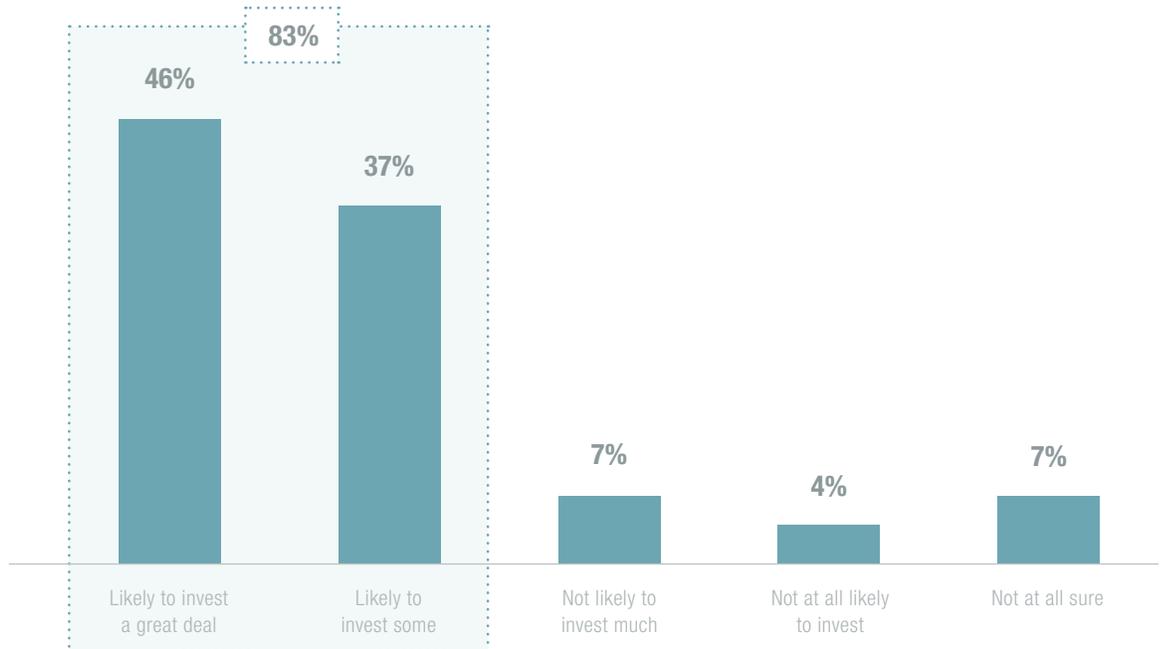
- **People:** the continuous recruitment, education and performance-driven compensation of talented individuals whose work powers the four contiguous processes that support customer engagement
- **Processes:** the development, refinement and alignment of internal workflows, handoffs and informational feedback loops designed to promote the optimal flow of resources (including insights), both within the organization and among key partner stakeholders
- **Platforms:** the technologies and tools that support a continuous customer dialogue across each of the four key engagement processes, including analytical platforms, recognition/match engines and multiplatform attribution tools (*insight*); data management platforms, campaign management and real-time offer management tools (*decisioning*); content management systems, variable-content deployment engines and demand- and supply-side real-time media buying tools (*execution*); and customer messaging/CRM management platforms and channel-specific optimization tools (*engagement*); and
- **Partners:** the network of advisers and other third-party solution providers whose support—through consultation on creative, process management, use case development/validation and other best practices—will be critical to ensuring a “continuous improvement” capability is built into the overarching infrastructure. May include agencies, database management vendors, management consultancies and other stakeholders.

## WIDELY POPULAR, BUT ELUSIVE

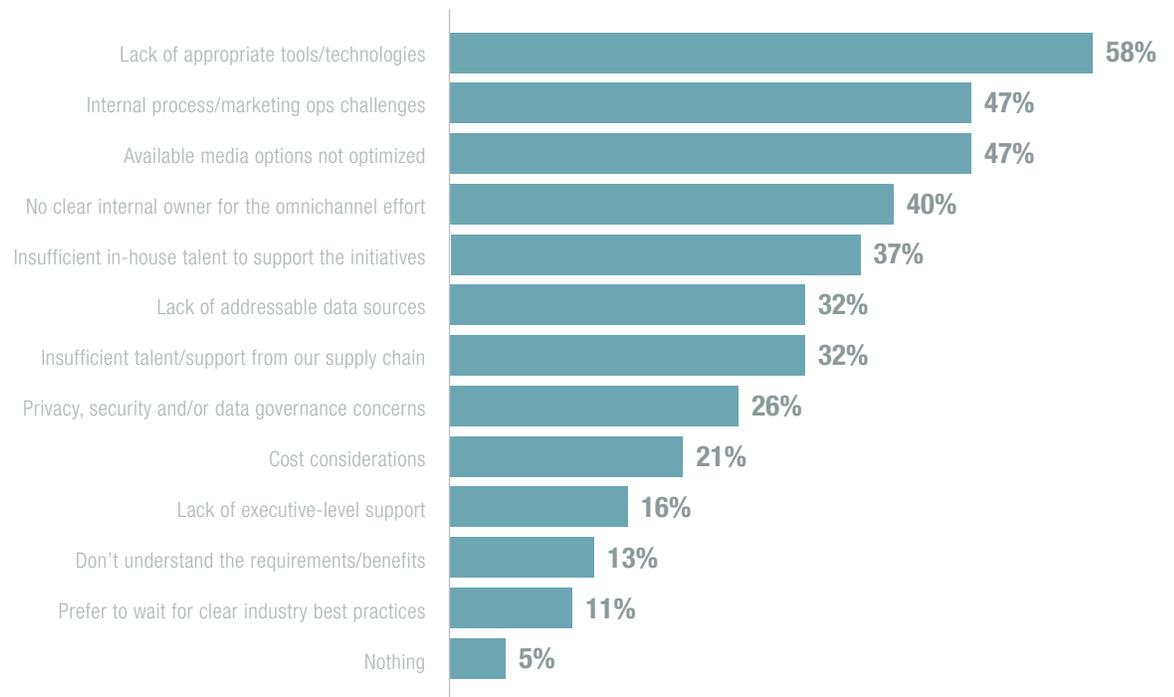
Almost across the board, when asked to share their perspective on the omnichannel approach and its potential benefits, panelists agreed on two essential themes: They embrace, both intellectually and viscerally, the fundamental need to develop better strategies for engaging customers across media. And when it comes to making progress toward that ultimate goal, they’re almost universally embarrassed at the lack of progress their organizations have achieved to that end.

“If we had this ability, it would be nothing short of amazing,” said the senior marketing associate from one top-five insurance carrier. “We’ve looked at this opportunity from several angles, but we’re only in the infant stages of thinking about what we could do by acting on information in concert with media. We understand the importance behind it, and we know we need to do something. We just haven’t done it yet.”

To what extent would you say that omnichannel represents an area of likely future effort and investment?



Which of the following are inhibiting your ability to implement an omnichannel approach?



Among those who are working toward broader omnichannel objectives (but have yet to fully “go omnichannel”), the constraints most commonly cited include lack of appropriate tools (to manage the integration of complex, interdependent media and message management efforts), disjointed internal business processes (that neither align with broader customer strategies or reward integration efforts aimed at growing long-term value) and, paradoxically, competition from existing efforts at optimizing media, audience development and targeted messaging—which overlap with many omnichannel aims, but are commonly orchestrated in independent channel, product or geographic silos.

“We have several work streams designed to get us closer to this view of omnichannel,” said the executive director of digital marketing for one top-five financial services company. “But I certainly wouldn’t say that we’ve articulated or are working toward a single massive plan to support our customer interactions across channels, and across the company.”

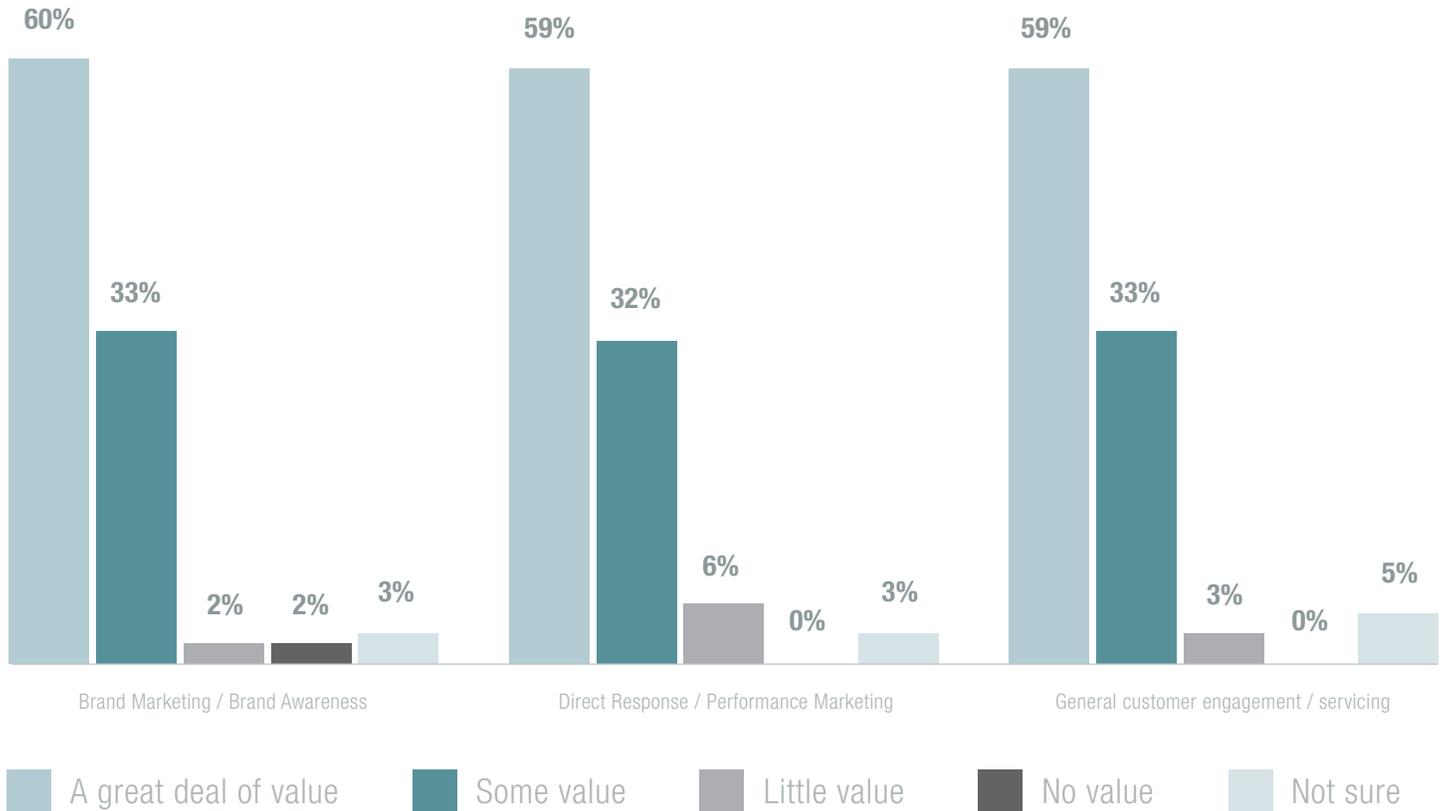
Among media companies, several panelists drew parallels between the long-term potential offered by audience buying—whereby advertisers are able to target specific audience segments, as based on digital behavioral data, rather than buying impressions strictly on the basis of brand or gross ratings—and their advertisers’ interest in maintaining an “always-on” customer engagement capability. But they cautioned that most marketers have yet to make the same association, and even fewer have managed to achieve measureable performance improvements at a scale that would support a wholesale departure from traditional media-buying approaches.

“We’re already in a good position to offer something unique, but our clients aren’t pushing it,” said one panelist, a senior executive at a large global advertising network. “We propose more comprehensive [omnichannel] options all the time, but find that advertisers still want to swap out channels for simple budgetary reasons. They’re so siloed that they don’t see the opportunity, and it’s hard to start doing things differently.”

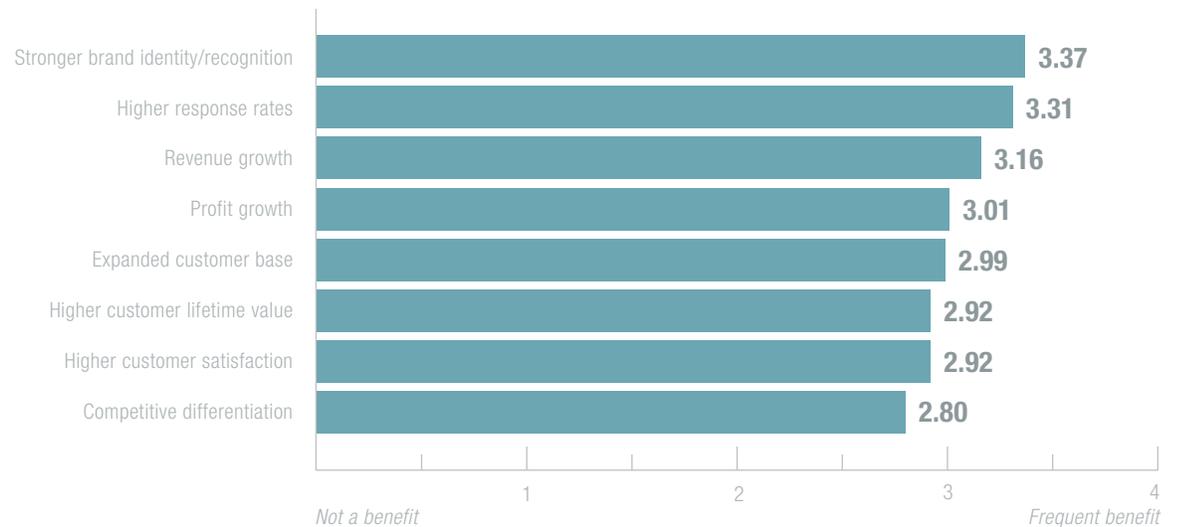
## REAL VALUE THROUGH STRATEGIC ALIGNMENT

With great consistency, panelists were bullish in their outlook for the potential of the omnichannel approach to deliver significant results. Across three high-level objective categories (brand awareness, direct response and general customer engagement), a vast majority of panelists—over 91 percent in each case—agreed that the practice has the potential to offer at least “some” value to marketer practitioners. Of those in the “91 percent camp,” almost two-thirds said an omnichannel approach would offer “a great deal” of value.

To what extent do you believe that “omnichannel” efforts can drive value across the following marketing goals?



To what extent do you associate the following benefits with the successful application of an omnichannel approach?



That value, it seems, is not limited to engineering the “right message, to the right person, at the right time” so as to enable incremental performance improvement. Instead, panelists said that a whole range of business objectives—including, most prominently, enhanced brand identity—could be expected from the alignment of media, messaging and strategic intent. That should come as a revelation to “above-the-line” marketers looking for new approaches to power the influence of their brands in a mature marketplace—and an even more promising development to data- and technology-driven digital marketers who have long been seeking a platform to deploy their capabilities to a wider array of enterprise purposes.

**IN THEIR OWN WORDS** “What Omnichannel Means to Me...”

**BY ANY NAME, IT’S A CORE PART OF THE CUSTOMER MARKETING APPROACH...**

“The term is new to me, but the concept resonates. It describes the approach, the goals and the end-state that most marketers are trying to achieve”

– PRODUCT MANAGER, REWARDS-FOCUSED MARKETING SERVICES PROVIDER

“Our industry is always coming up with new words—‘integrated ads,’ or whatever—but omnichannel is the right way to look at the future. It encompasses everything we’ve been working towards”

– SENIOR EXECUTIVE, GLOBAL ADVERTISING NETWORK

“It’s about integration and cross-channel harmony and impact. But we use the term ‘omnichannel’ because ‘e-harmony-interactive-integrated-channel-agnostic’ doesn’t sound good”

– ONLINE SURVEY RESPONDENT

**IT’S NOT ABOUT CHANNELS, BUT ABOUT REACHING AND ENGAGING AUDIENCES...**

“The language I prefer is ‘converged media.’ It’s easier in talking to clients about concerns across the paid, owned and earned universe and the way customers are interacting with information”

– CEO, DIGITAL MARKETING AGENCY

“Advertisers want to reach audiences. They don’t care what channel, as long as they are reaching the correct audience, but they have to optimize the message to the channel”

– VICE PRESIDENT OF INTEGRATED MARKETING, DIGITAL MEDIA COMPANY

“When I think about omnichannel, I’d say it’s about meeting our customers wherever they interact with our content”

– ONLINE SURVEY RESPONDENT

“To me, omnichannel means more than the number of media deployed. It’s about leveraging what you know about the customer to meet their needs”

– FOUNDER, DATA ANALYTICS PLATFORM PROVIDER

“Omnichannel success is all about understanding how and when our customers want to communicate with us and then messaging them appropriately”

– ONLINE SURVEY RESPONDENT

**WHAT'S  
REQUIRED TO  
SUCCEED?**

## Table Stakes: Three Prerequisites for Getting in the Omnichannel Game

**Customer Analytics and Multiplatform Attribution...** the foundations of a deeper understanding of the customer and the engagement strategy best tuned to her needs

**WHAT TO DO?**

- Elevate the role of customer analytics to a strategic enterprise competency, with a focus on leveraging data—sourced from both digital and “traditional” sources—to develop the richest practical view of the consumer and their interactions across owned, affiliated and third-party media
- Develop and deploy multiplatform attribution models—based on a combination of universal industry standards and bespoke models that are aligned to support select business needs—leveraging insight to understand how individual touchpoints impact consumer behavior at a granular segment level
- Capitalize on customer insight to inform a range of go-to-market functions, including product development strategy, media mix modeling, campaign/offer decisioning, content development and message targeting

**WHY DO IT?**

Understanding the customer is fundamental to the development of products, brand messages and offers that promote an ongoing, meaningful dialogue

**HOW?**

- Create a unified data structure that leverages multiple streams of data (online and offline, expressed and inferred, CRM and prospect, PII and non-PII, etc.) to fuel a robust view of the consumer and its relationship with the brand (bearing in mind that a “360-degree” view may not be possible, economically practical or actionable)
- Maintain an ongoing “data sourcing” capability that is tasked with identifying and assessing the potential contributions of first-, second- and third-party data sources
- Deploy best-in-class data integration, visualization and segmentation tools—such as a data management platform (DMP)—to develop custom audience segments that may directly feed into campaign execution tools
- Develop and/or source multiplatform attribution models (and supporting technologies) that are closely aligned with enterprise strategy and that are continuously reviewed and updated as the strategy evolves

**IS THE MARKET  
MATURE?**

**Somewhat.** As a discipline, customer analytics is deeply engrained into the business processes of many large enterprises—especially those with deep roots in traditional direct marketing, those in highly regulated industries and/or those who rely on such insights as fundamental drivers of product and offer management (the credit card, mortgage and insurance sectors present especially relevant models here). Across other vertical segments, though, analytics often serves to *inform*—but not necessarily *drive*—the marketing function, and is often functionally distinct from brand, product and campaign decision makers

**IN THEIR OWN WORDS:**

“When anyone talks about the future of marketing, you get this ‘pie in the sky’ view where everything is coordinated and run by data to deliver personal relevance”

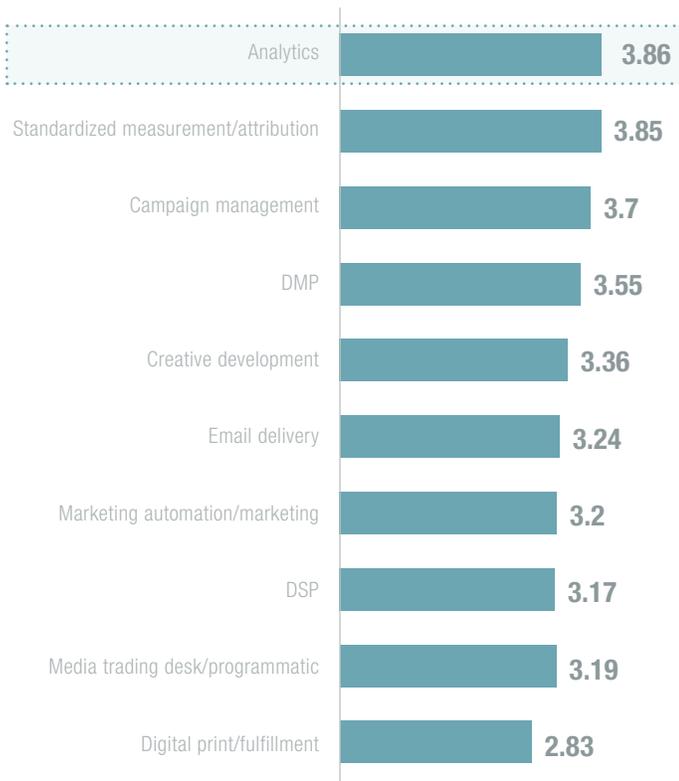
– EXECUTIVE DIRECTOR OF DIGITAL MARKETING, TOP 5 FINANCIAL SERVICES PROVIDER

“Today most marketers still don’t know how to integrate data from multiple sources to develop a deeper level of insight. They’re still looking for that incredible silver bullet that can tell them a person watching a particular video is the same individual who saw a particular ad in another environment a few days ago”

– MANAGING DIRECTOR OF GLOBAL MEDIA, TOP 10 ENTERPRISE TECHNOLOGY PROVIDER

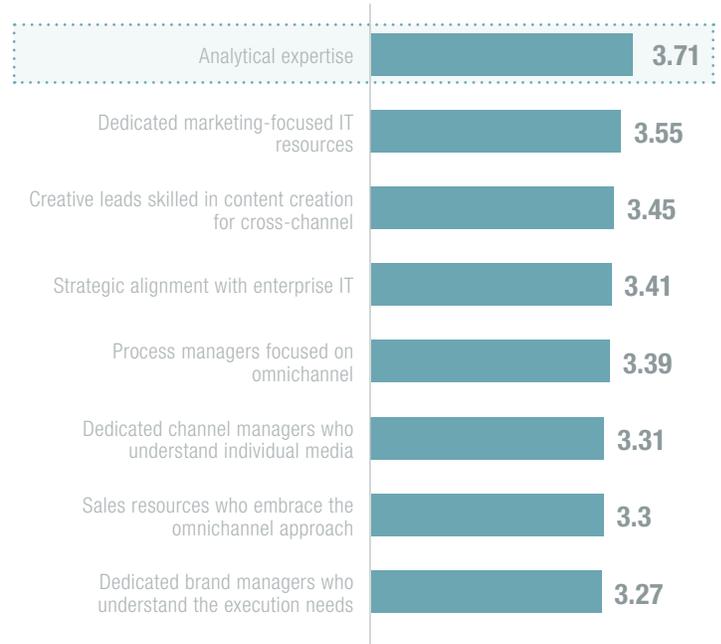
To what extent are the following tools/ platforms important in supporting a fundamental omnichannel capability?

Scale of 1-4 with 4 being “critically important”



To what extent do you believe the following skill sets are important in supporting a fundamental omnichannel capability?

Scale of 1-4 with 4 being “critically important”



**Rich Content—Optimized for Context and Strategic Intent...** enhancing the value of every consumer interaction, and supporting a range of tactics addressing both branding and performance marketing priorities

**WHAT TO DO?**

- Focus resources on the development of rich creative and informational content that is geared to the needs of the customer (as a first priority), business strategy (second) and medium (third)—guided by the need to deliver relevance and user engagement across all platforms
- Integrate delivery of interactive content (i.e. user-generated media, social media, live and digital promotions, etc.) into mainstream branding and direct response marketing efforts, recognizing that consumers are increasingly coming to value credible, contextually appropriate interactions that address their needs

**WHY DO IT?**

Consumer engagement begins with user experiences that deliver value—either through brand messages that fulfill individual aspirations, information that addresses consideration gaps or offers that provide demonstrable worth. As consumers become more adept at proactively locating product and offer information that meets their needs—as they “take control of the dialogue,” as some say—the need for marketers to expand the breadth, quality and relevance of their targeted content will grow ever more acute. So, too, will the need to deliver content with enough underlying value to offset lingering concerns about potential hazards associated with data compilation and audience segmentation

**HOW?**

- Leverage content repositories, libraries and personalization engines geared to orchestrate the dynamic management (i.e. the storage, accessibility and sharing) of digital resources
- Automate the execution of targeted content (and offers) wherever possible. But be mindful that the dual demands to create variable content for targeting—while providing the ongoing “content credibility” that’s critical for fostering consumer engagement—are not always congruous. Where necessary, this may require reallocating resources to strategic creative development (and away from manual tasks, like creative production, that may be automated more easily)
- Leverage emerging media formats, such as “native advertising,” to reinforce the holistic value of a user experience that seamlessly blends editorial and paid content

**IS THE MARKET MATURE?**

**Somewhat.** Variable content engines, dynamic publishing systems and automated creative production tools have been in use by marketers for decades, in some cases. The emerging challenge, though, requires overlaying the execution of targeted content with a deeper level of rules-driven personalization (and then balancing that with intelligent, optimized message placement)—with the goal of delivering a level of consumer engagement that would otherwise be possible only through direct personal interaction

**IN THEIR OWN WORDS:**

“We used to build content for specific channels. Everything was in its own silo and it was simple. Now all content needs to be produced in 30 different ways. From a production level, the new requirement is massive for us”

– DIRECTOR OF DIGITAL MARKETING, MAJOR AUTOMAKER

“It’s about focusing on the customer first and the channel last. Customers are interacting with the brand at multiple touchpoints and it’s our job to make their experience best, regardless of channel”

– HEAD OF CUSTOMER ENGAGEMENT AND MEDIA, GLOBAL RETAIL CHAIN

**Operational Infrastructure Geared to the Needs of Customer Engagement...** including media buying and selling tools that support various channels (and metrics), as well as business processes, incentive structures and key performance indicators aligned with the same

<p><b>WHAT TO DO?</b></p>	<p>Build, re-engineer or optimize internal business processes—including key marketing workflows, talent incentive structures, investment case requirements, performance benchmarks and supply chain/technology utilization strategies—to ensure that the enterprise maintains a customer-centric operating foundation</p>
<p><b>WHY DO IT?</b></p>	<p>Despite the vast potential offered by technology and digital media, an organization’s ability to maintain pace with rapid change will depend more substantially on its <i>internal</i> readiness—its scalability, flexibility and capability to embrace new objectives, methods and performance measures—than its willingness to invest in <i>external</i> solutions presented by the marketplace. Since most enterprise marketers and media companies have been built upon deep foundations centered around legacy communication channels, this commonly requires the re-engineering of processes as a critical prerequisite for success</p>
<p><b>HOW?</b></p>	<ul style="list-style-type: none"> <li>• Assemble a cross-disciplinary steering committee that includes key customer-facing stakeholders from across the organization</li> <li>• Define a phased implementation plan that is realistic, yet informed by the need to deliver speed-to-market as key consideration</li> <li>• Identify a series of preliminary “quick wins” that will be attainable (as a means of reinforcing senior-level buy-in from an expanded panel of stakeholders within the company)</li> <li>• Assess existing resources (data, creative assets, media commitments, supporting technologies, etc.)—plus the business processes that undergird their utilization—so as to better understand current-state gaps and crystallize an ideal future state</li> <li>• Outline a series of channel-agnostic use cases that collectively support the organization’s customer engagement goals</li> <li>• Investigate internal and partner-provided options for addressing those objectives—with the goal of building a modular solution “stack” that includes technologies and service-driven solutions that collectively address enterprise business needs</li> </ul>
<p><b>IS THE MARKET MATURE?</b></p>	<p><b>No.</b> Though many marketers and media professionals struggle with the day-to-day burden of addressing new business needs through organizational structures that were engineered to meet obsolete communications objectives, only a handful of enterprises have identified holistic process renewal as a needed precursor for advancement</p>
<p><b>IN THEIR OWN WORDS:</b></p>	<p>“What’s needed for omnichannel? It depends on organizational readiness. There are so many organizational silos. Companies need to say: ‘We’re going to be customer-centric, restructure our organization, our processes and systems to reach our customer, regardless of channel.’ And that takes time”</p> <p style="text-align: right;">— DIRECTOR OF DIGITAL CUSTOMER EXPERIENCE, MAJOR RETAILER</p> <p>“A challenge right now is that channels steal money from one another. We need to elevate the conversation to the corporate level and discuss how changing our overall approach to channels could contribute to the overall marketing goals of the organization. Talking strategically is better—but folks still tend to think in very siloed ways”</p> <p style="text-align: right;">— SVP MARKETING, REWARDS-FOCUSED MARKETING SERVICES PROVIDER</p>

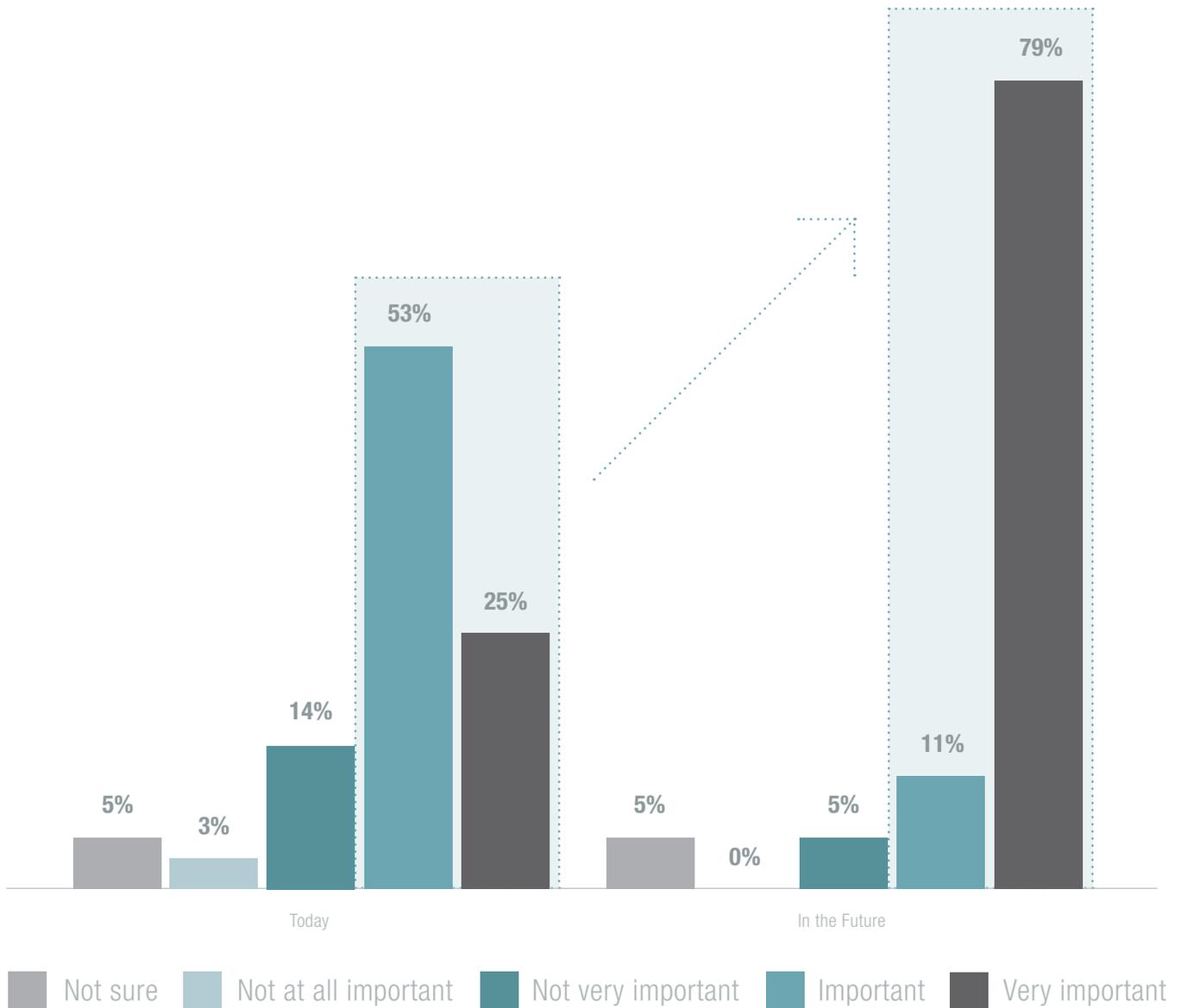
**BUILDING UPON  
THE FOUNDATION**

## The Three Requirements for Best-in-Class Performance

**Cross-Platform, Audience-Driven Media Products...** allowing advertisers to more readily identify and engage with customer segments through their chosen platforms

<p><b>WHAT TO DO?</b></p>	<p>Embrace audience-centered media—particularly including those programs that offer the ability to identify and engage audiences across media platforms and properties</p>
<p><b>WHY DO IT?</b></p>	<p>To the marketer, the ability to identify, target and engage with specific audience segments across properties represents a potentially transformative means of driving meaningfully effective engagement (and should, in the short run, deliver notable cost efficiencies). To the media company, the shift to an audience-centered sales paradigm represents an opportunity to refocus marketer interest in its most lucrative asset—the audience—and should, in the long run, deliver a deeper set of intelligence for use in valuing those interactions (as well as building a more robust basis for engaging the audience through its own content)</p>
<p><b>HOW?</b></p>	<p>Expand the audience-driven media paradigm beyond its current narrow scope to encompass a range of addressable media—TV, digital video, mobile promotion platforms, direct mail, etc.</p>
<p><b>IS THE MARKET MATURE?</b></p>	<p><b>Somewhat—though it's changing fast.</b> Though audience buying represents a definitive growth area in the world of digital media (especially with respect to display advertising, of which 19 percent of inventory is expected to be purchased through “programmatic” means this year, according to eMarketer—up dramatically from 13 percent in 2012), the lack of economically-balanced valuation benchmarks (through which the marketplace may identify pricing points that would allow publishers to migrate more fully away from traditional selling approaches) has mitigated more rapid transformation. The growing influence of pure interactive media (such as video, mobile video, social and digital promotions) should serve to accelerate this shift</p>
<p><b>IN THEIR OWN WORDS:</b></p>	<p>“The media industry hasn’t made it easy for brands. Media agencies, ad networks and a number of premium publishers are all out to give you their own slant about who you can talk to. It’s time for brands to take control of their own data and technology and get into the driver seat and send out their own ad serving code and have their ads appear only in places where the data is telling you to put them”</p> <p style="text-align: right;">– DIRECTOR OF DIGITAL MARKETING, MAJOR AUTOMAKER</p> <p>“We’ve shifted our thinking to deliver audiences that the advertisers are looking to reach. To do something with a brand, though, you have to get them onboard. And in a big media company like ours, you have to socialize this across dozens of different brands. So it becomes a process issue as much as it’s a sales issue”</p> <p style="text-align: right;">– VICE PRESIDENT OF DATA ANALYTICS, LIFESTYLE PUBLISHER</p> <p>“Media companies are still organizing sales around print teams and digital teams and that doesn’t help marketers or agencies comprehensively engage with that media company. If I want to run a program through everything [a major publisher] can offer, I want to work with someone that can provide that—not a different person at every touchpoint”</p> <p style="text-align: right;">– CEO, DIGITAL MARKETING AGENCY</p>

How important are omnichannel advertising formats (whereby media companies offer the ability to buy cross-platform, audience-driven, targeted impressions) as drivers of customer engagement, purchase activity and lifetime value?



**Integration of Deeply Engaging—Yet Effectively “Disconnected”—Media Channels...**

including addressable television, mobile video, out-of-home media and others

**WHAT TO DO?**

Recognize that digital media have brought about a new phenomenon: the “dynamic media mix.” Maintain a diverse array of consumer touchpoints—and identify a leader to qualify potential new channels as an ongoing organizational competency—so as to keep pace with a competitive market. Engage a broader array of channels (including high-potential emerging channels such as video, and deeply data-dependent traditional channels such as direct mail) to build a competency that truly spans all media

**WHY DO IT?**

To deliver customer engagement that is truly agnostic with respect to channel demands the development of a channel portfolio that’s responsive to customer demand—with special focus on those emerging and interactive vehicles that offer the potential to compel consumer contributions (as well as consumption)

**HOW?**

- Regularly assess media mix with an eye on identifying opportunities to leverage emerging media channels, as well as those that offer the potential for interactive customer engagement—digital and live promotions, for example—that may now be managed through parallel organizational silos
- Apply the same infrastructure—grounded in customer insight, powered by continuous data analysis and furthered by automated and/or rules-driven execution—to those new and experimental media
- Cast aside legacy distinctions between the value of “digital” and “traditional” media—with the goal of leveraging a combination of tools to foster a robust level of engagement

**IS THE MARKET MATURE?**

**Increasingly, yes. But there is much room for improvement.** Though many organizations have developed strong competencies to successfully incubate the testing and integration of new media channels, few have made the move to “reverse-engineer” the same process to existing channels that have high engagement potential, but may be managed independently from other core marketing levers. Likewise, few organizations have made strides to develop a robust cross-channel data management and rules-driven execution capability (and where such platforms exist, they typically do not integrate purely “traditional” and promotional media that may not have been considered well suited for programmatic execution)

“We are in a great position because we have so many channels—we could do a true omnichannel campaign, but we don’t have these touchpoints coordinated in any meaningful way. Budgets and the silos are so different on the advertisers’ side so we aren’t being asked to do all of it”

– SENIOR EXECUTIVE, GLOBAL ADVERTISING NETWORK

“Our biggest opportunity to engage customers and build loyalty is in-person, with the guest. But we need to be able to connect that experience to our marketing practice (and vice-versa), so that we can support and grow the relationship”

– LOYALTY MARKETING MANAGER, GLOBAL HOSPITALITY NETWORK

“In our world each channel is still intended to live by itself, from a delivery perspective, but we still need to integrate how we think about the touchpoints upstream. TV and social have figured out how to complement each other pretty well, but we need to recognize all channels—traditional as well as online—play together, as part of the same customer journey. We need to integrate them as such”

– HEAD OF CUSTOMER ENGAGEMENT AND MEDIA, GLOBAL RETAIL CHAIN

**IN THEIR OWN WORDS:**

**Elevation of the “Omnichannel Strategist” as a Senior Role...** ensuring accountability and coordination of customer decisioning, product development, pricing and other critical functions.

<p><b>WHAT TO DO?</b></p>	<p>Entrust a senior stakeholder with the responsibility of coordinating omnichannel strategies across the organization. Task this manager (and team) with broad responsibility for customer strategy and insights, channel coordination, data management, marketing technology and other functions essential to the maintenance of a true <i>enterprise</i> engagement capability—and identify the performance benchmarks and incentive structure that will enable them to succeed</p>
<p><b>WHY DO IT?</b></p>	<p>If omnichannel is to succeed as an enterprise focus, then it must be backed by the right resources and influencers within the organization. (And management-by-committee in this case would almost certainly be destined to fail, so long as contributing stakeholders maintain “day jobs” through which their principal compensation is determined)</p>
<p><b>HOW?</b></p>	<ul style="list-style-type: none"> <li>• Determine the interdisciplinary stakeholders whose contributions would best support the expansion of an omnichannel strategy for the enterprise, and task one among them to lead the effort</li> <li>• Identify a series of clear performance objectives (and associated timelines) for the “senior strategist” to pursue, with the goal of elevating the role to “C-suite”-equivalent</li> <li>• Assign broad organizational oversight to the strategist and her team, including responsibility for customer strategy and insights, channel coordination, data management, marketing technology and other functions</li> </ul>
<p><b>IS THE MARKET MATURE?</b></p>	<p><b>Not at all.</b> Few organizations (especially outside the retail vertical, where these strategies largely originated) have charged single individuals with the development and activation of omnichannel strategies. Where an understanding of such need exists, it is usually included among the broad portfolio of responsibilities that sits on the CMO’s plate—and in that case, is often subjugated to business-as-usual concerns presented by existing product, channel or budgetary circumstances</p>
<p><b>IN THEIR OWN WORDS:</b></p>	<p>“Today people are experts by channel and that causes huge limitations in thinking holistically about consumer behavior. And there needs to be these people, these generalists, that can weave it all together”</p> <p style="text-align: right;">— CMO, LOYALTY MARKETING SERVICES COMPANY</p> <p>“It’s hard to find those hires—people who can be flexible and stand above their discipline”</p> <p style="text-align: right;">— HEAD OF DIGITAL INNOVATION, MEDIA HOLDING COMPANY</p> <p>“Practitioners today are enslaved by their tools. They use a multitude of technology platforms for disparate functions rather than thinking creatively about constructing a better system. This evolution—thinking beyond the particular platform—will get us to the next stage”</p> <p style="text-align: right;">— MANAGING DIRECTOR OF GLOBAL MEDIA PRACTICES, TOP 10 ENTERPRISE TECHNOLOGY PROVIDER</p>

## THE RISK AND THE REWARD Five Considerations to Guide the Omnichannel Transformation

They snickered in 1972 at the announcement of Y&R's "The Whole Egg." And they'll snicker again almost every time an organization professes commitment to the ideals of omnichannel (or any other movement that can be reduced to a "buzzword"). But tongue-in-cheek criticisms aside, marketers and media companies have much more to worry about when it comes to pursuing transformation to a complex, customer-centered marketing paradigm. Among other considerations, future omnichannel practitioners will see their efforts amount to little unless they:

- **Guard against the disruption to business-as-usual needs...** ensuring that the organization does not lose short- or medium-term competitive ground while it pursues the strategic objectives that should provide a platform for long-term success
- **Identify and capture opportunities for "quick wins"...** reinforcing support and buy-in from a broader spectrum of organizational stakeholders
- **Continue delivering best-in-class performance across any (and all) individual channels...** allaying concerns that a focus on "all" channels will necessarily diminish the marketer's skill with respect to individual media outlets (in fact, channel specialists will very likely still be required to execute holistic programs at high performance levels)
- **Elevate data governance to a high strategic priority...** ensuring that the critical ingredients needed to further omnichannel practices—access to customer data, ongoing consumer engagement with the brand and positive general brand equity—are not harmed by misuse of privileged assets or missteps that otherwise cause privacy, security or customer engagement issues
- **Defend against poor decision making.** Ultimately, all the intelligence, insight and automation technologies in the world won't be able to correct for poor decision making when it comes to customers and the products, offers and treatments best suited for them. Though the omnichannel approach can offer a number of safeguards to protect against harmful *inadvertent* interactions, it will be incumbent on each organization to constantly evaluate its business strategies (and tactical treatments) to ensure alignment with business strategy—and its customers' best interests.

## IN CONCLUSION **Toward a Programmatic Future**

Omnichannel is difficult.

It calls for the careful orchestration of owned and independent media, data, technology, creative assets, workflows and other overlapping resources. It requires fundamental changes in behavior from marketers (and media providers, and technology suppliers, and agency partners) who've been accustomed to—and often dependent on—a wholly different working approach for decades. And it seeks to achieve value through a premise that's so simple—*“Let's actually think about how we interact with our customers”*—that it typically presents little in the way of tangible next steps for practitioners to use as a roadmap for transformation.

For all the challenges it presents in execution, there has never been a better time—or a greater need—to embark on the paradigmatic change represented by the omnichannel approach. The reasons are myriad:

- Because it presents a platform for delivering credible, thoughtful content—for driving a “human” level of customer engagement, in the words of one panelist—that aligns with the expectations and needs of a consumer base increasingly comfortable with the norms of a “social media society”
- Because it presents an opportunity to streamline, standardize and optimize a number of back-end functions associated with analytics, measurement and marketing operations—presenting the marketer and media provider alike with a credible plan for improving performance in a number of important respects
- Because it sets the stage for the even more extensive integration of strategy and promotional execution through an automated, “programmatic” capability; and, finally
- Because it offers the opportunity to elevate marketing—and with it: advertising, media, customer insight and all associated functions—to a level of substantially higher insight, influence and importance within the enterprise.

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**MARKET INTELLIGENCE:** Comprehensive industry trend, vertical market and value chain research provides in-depth analysis of customers, market developments and potential opportunities as a precursor to any growth or transaction strategy.

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