

Omnichannel Intelligence Will Catapult Your Data-Driven Business Strategy

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY NIQ, SEPTEMBER 2023



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Project Team:

Mandy Polacek,
Senior Market Impact Consultant

Steve Mullahoo,
Associate Market Impact Consultant

Contributing Research:

Forrester's [B2C Marketing](#) research group

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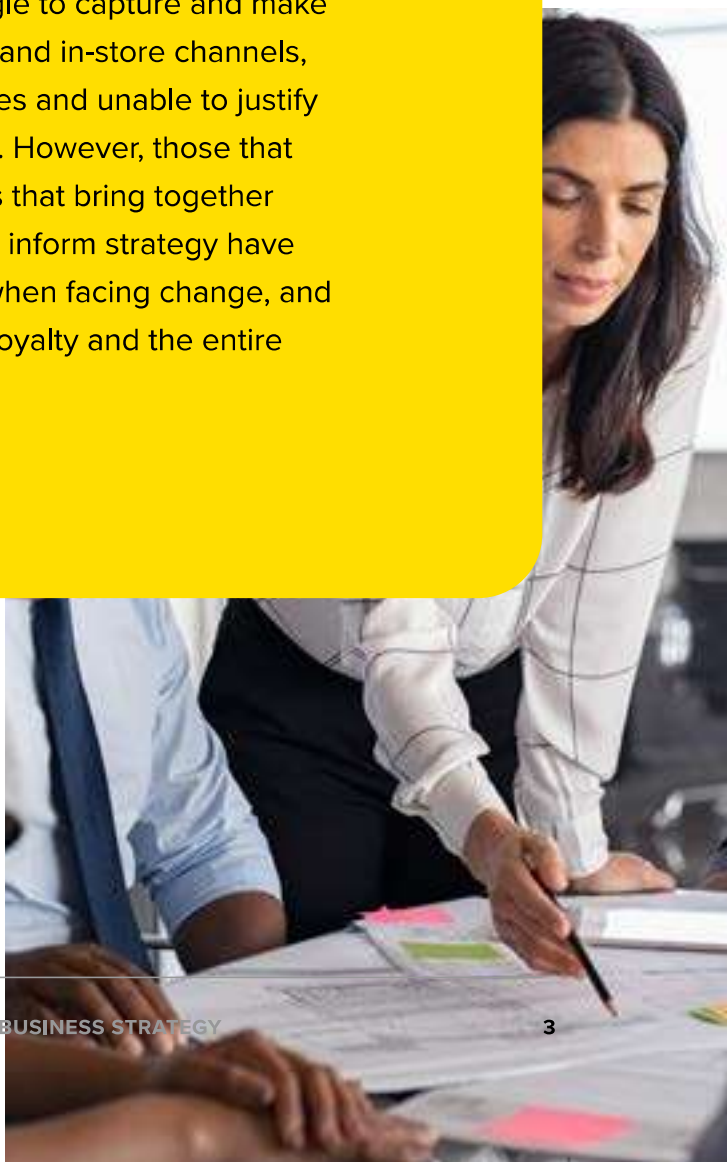


Executive Summary

Leaders face tough investment decisions during a time of economic uncertainty and continuing declines in customer experience (CX) quality.¹ As they strive to improve CX to drive business results, a harsh environment of increased competition, fast-changing consumer journeys, and the evolution of new touchpoints has added more complexity to managing business in the omnichannel marketplace. Executives need to keep up with the high-paced environment or their organizations will erode their market performance, penetration, and customer loyalty and fall short of growth objectives.

In June 2023, NIQ commissioned Forrester Consulting to evaluate how leaders are evolving their use of technology and insights to improve CX and business performance. To explore this topic, Forrester conducted an online survey with 202 North American omnichannel leaders at organizations in the retail, CPG, and financial services industries.

We found that most respondents' companies struggle to capture and make sense of consumer-behavior insights across online and in-store channels, and this makes them slow to react to market changes and unable to justify decisions to drive significant organizational change. However, those that have invested in omnichannel intelligence solutions that bring together cross-channel data to understand performance and inform strategy have more developed strategies, can more easily pivot when facing change, and have actionable insights they use daily to improve loyalty and the entire consumer experience.



Key Findings

Most companies lack a clear, complete picture of the consumer experience. Cobbling together a clear picture of consumer behaviors is challenging. Ninety-five percent of respondents said their company uses six or more data sources to obtain an omnichannel measurement. Most use multiple tools to piece together the journey and only 24% track behavior across both e-commerce and brick-and-mortar channels.



Companies with omnichannel intelligence solutions better understand the omnichannel experience and are much better equipped to empower change. Tools that provide holistic insights drive quicker business decisions and influence growth. Companies with omnichannel intelligence tools have a better understanding of the full CX and their own marketplace performance, which makes them twice as likely to have omnichannel strategies and roadmaps. They are very equipped to drive change beyond measurement: They're four times more likely to have improved messaging and nearly three times more likely to have improved marketing. Meanwhile, firms without omnichannel intelligence tools are twice as likely to be slow to react to changing consumer behaviors.



Ninety-nine percent of leaders plan to invest in omnichannel intelligence. Respondents understand the value that data and technology brings to business strategies. Those from companies with omnichannel solutions have already seen more consistent CX (61%); improved ability to create long-term, data-driven strategies (47%); and improved customer loyalty (36%).



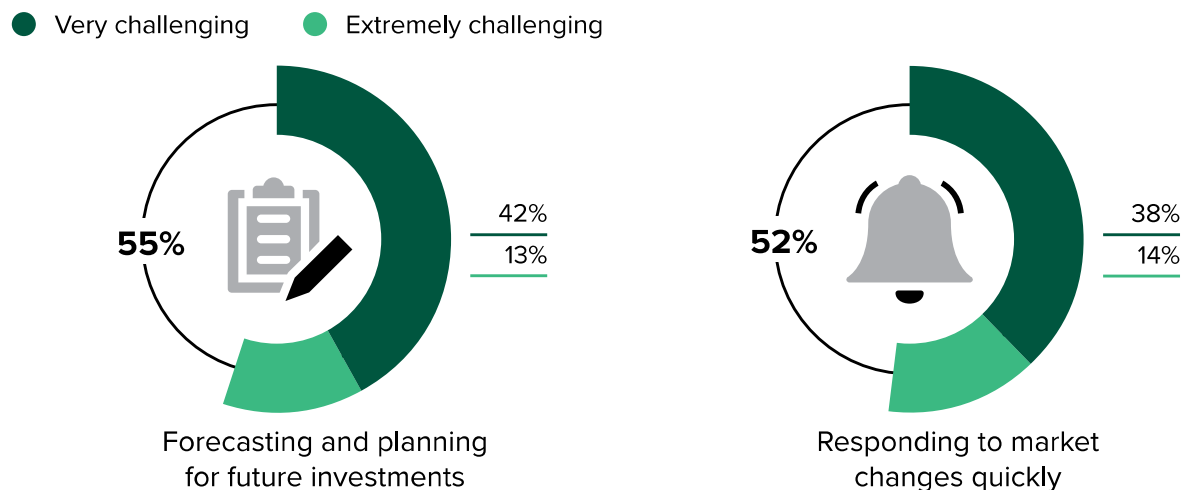
Limited Insights Produce Limited Change

Improving market performance requires a full picture of ever-fluid market dynamics combined with a deep understanding of evolving consumer behaviors across touchpoints. But it's challenging to piece together this picture because of disparate data, conflicting business objectives, and an overabundance of tools that prevent companies from fully understanding and improving CX delivery. In our survey, we found that omnichannel leaders:

- **Struggle to keep pace with changing market, consumer, and business needs.** Various headwinds like economic uncertainty, rise of touchpoints, and changing business needs create a difficult environment for companies to swiftly pivot on their business strategies. In our survey, 52% of respondents said it's very challenging or extremely challenging to respond to market changes quickly, and because of this, 55% said it's challenging to forecast and plan for future investments (see Figure 1).

FIGURE 1

“How challenging are the following tasks for your organization?”



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

- **Lack visibility of consumer behaviors and, therefore, data across online and in-store channels.** Data quality and connecting data sources are challenges that leaders face when trying to develop and use analytics.² In this survey, 95% of respondents said their company uses six or more data sources for omnichannel measurement, and that data still isn't inclusive of the entire consumer journey. Only 24% said their company tracks behavior across both e-commerce and brick-and-mortar channels today (see Figure 2).

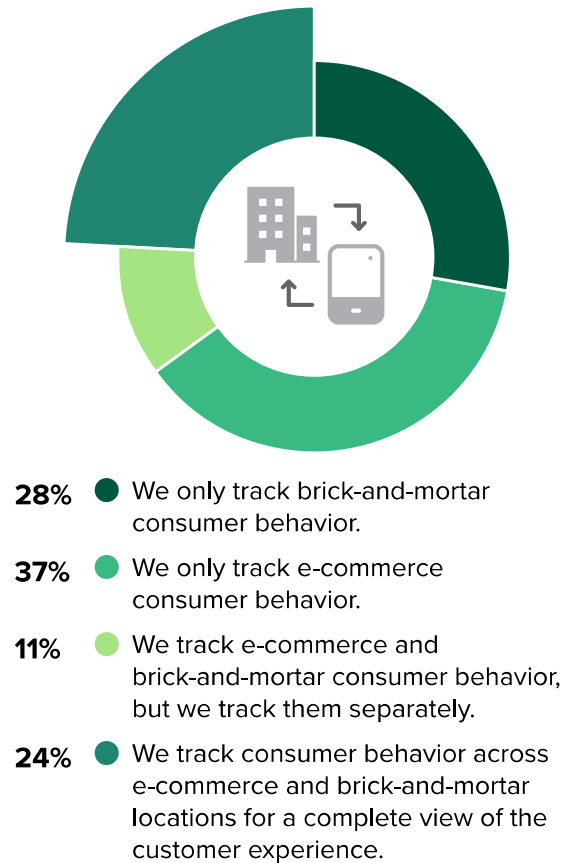
FIGURE 2

Number Of Data Sources Used To Obtain An Omnichannel Measurement

- 3% ● More than 20
- 24% ● 16 to 20
- 37% ● 11 to 15
- 31% ● 6 to 10
- 5% ● 1 to 5



How Organizations Are Tracking Consumer Behavior To Understand The Omnichannel Customer Experience



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
 Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

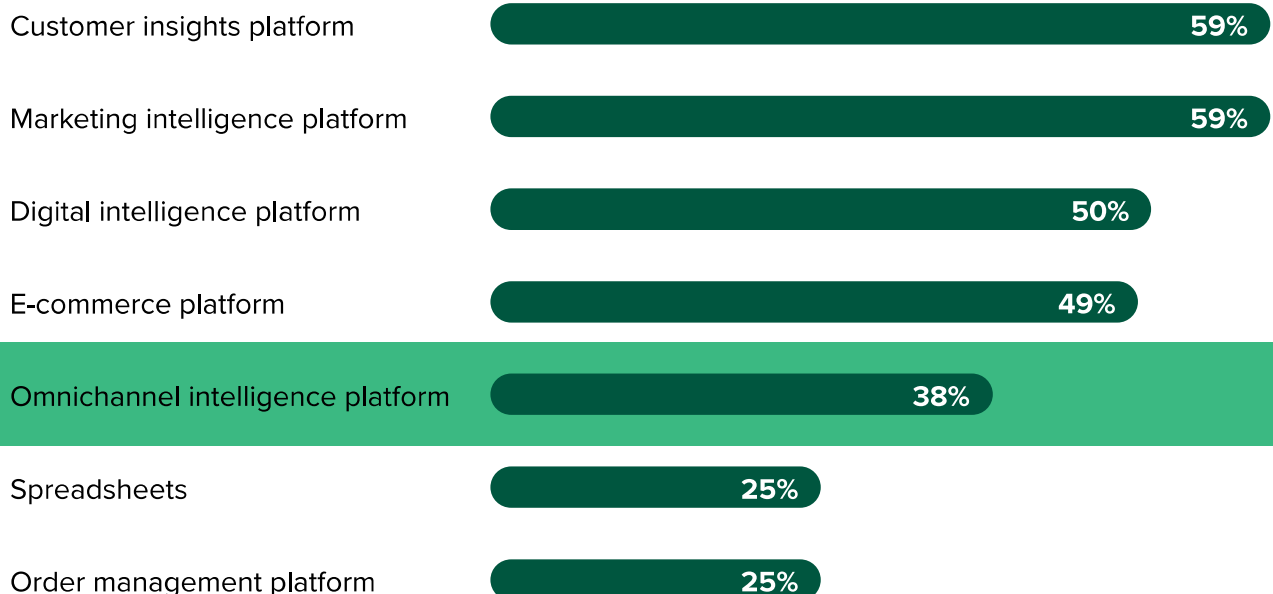
- **Use disparate tool sets that don't even provide a complete picture of the consumer experience to understand the omnichannel experience.**

Many survey respondents said their company still uses multiple tools for omnichannel measurement, and these include everything from spreadsheets to customer insights platforms, marketing intelligence platforms, and e-commerce platforms. Only 38% of respondents said their organization has adopted a purpose-built omnichannel intelligence platform that integrates cross-channel online and in-store data to understand market performance and to inform strategy (see Figure 3).

An omnichannel intelligence platform is a product that integrates cross-channel online and in-store data to understand market performance and to inform strategy.

FIGURE 3

“What solution(s) or platform(s) does your organization use to collect, aggregate, and/or analyze omnichannel data?”



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

Omnichannel Intelligence Platforms Connect Consumer Behaviors And Drive Strategy

You can't manage what you can't measure, so omnichannel leaders must prioritize tracking consumer behavior across channels to enhance experiences and drive down costs. Our survey revealed a strong correlation between respondents whose companies have invested in an omnichannel intelligence tool and their ability to track and make sense of full journey data and turn that into an action plan. Specifically, we found companies with an omnichannel intelligence solution:

- **Better understand CX because they better track behavior across channels.** Fifty-six percent of respondents from companies with an omnichannel intelligence platform in place said their organization is very effective at tracking behavior to understand the full CX, compared to only 33% from companies without a platform. Organizations that use omnichannel intelligence tools are also nearly five times more likely to track e-commerce and brick-and-mortar behavior and marry the insights. Those without tools tend to track and analyze channel behavior separately or only in some channels (see Figure 4).

FIGURE 4

“How effective are your organization’s efforts to track consumer behavior data to better understand the omnichannel customer experience?”

● Very effective ● Somewhat effective ● Neutral ● Somewhat ineffective ● Very ineffective

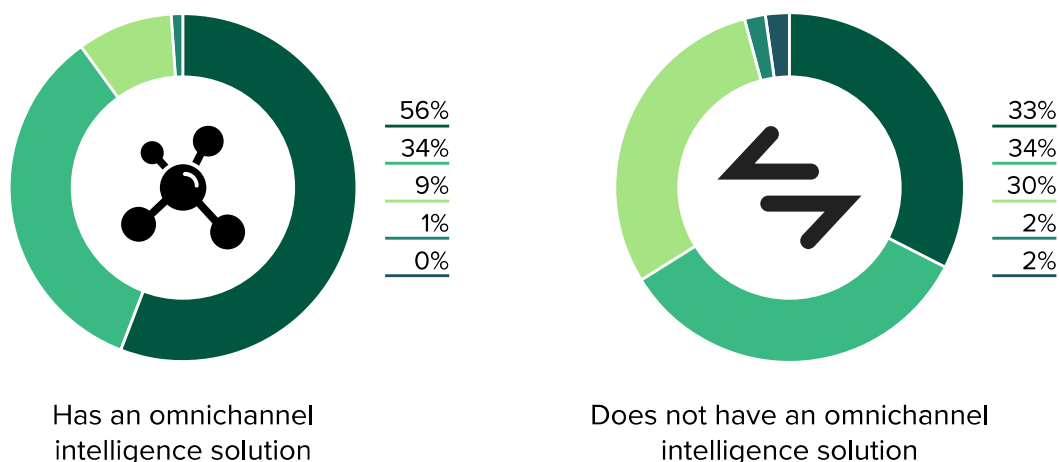
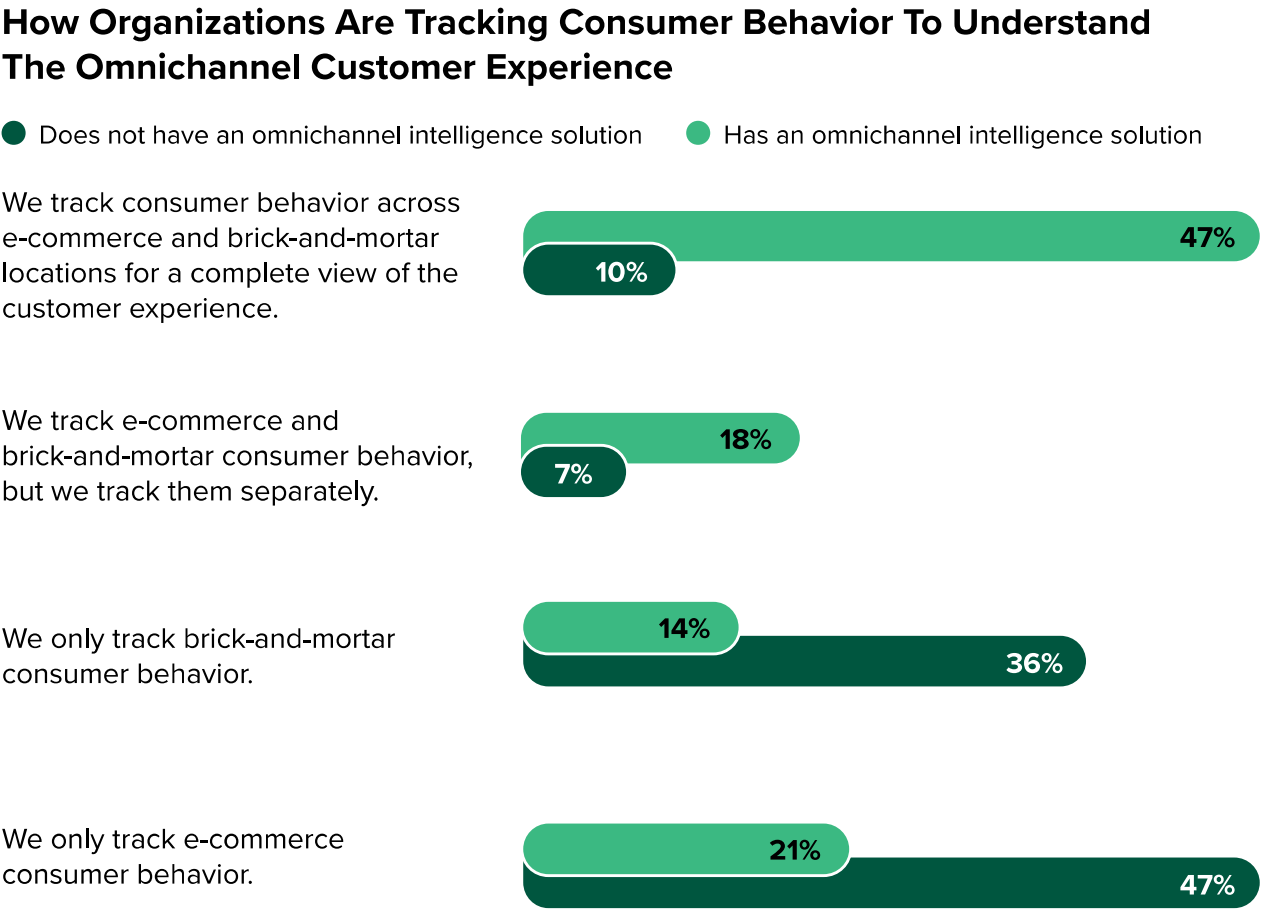


FIGURE 4, CONT.



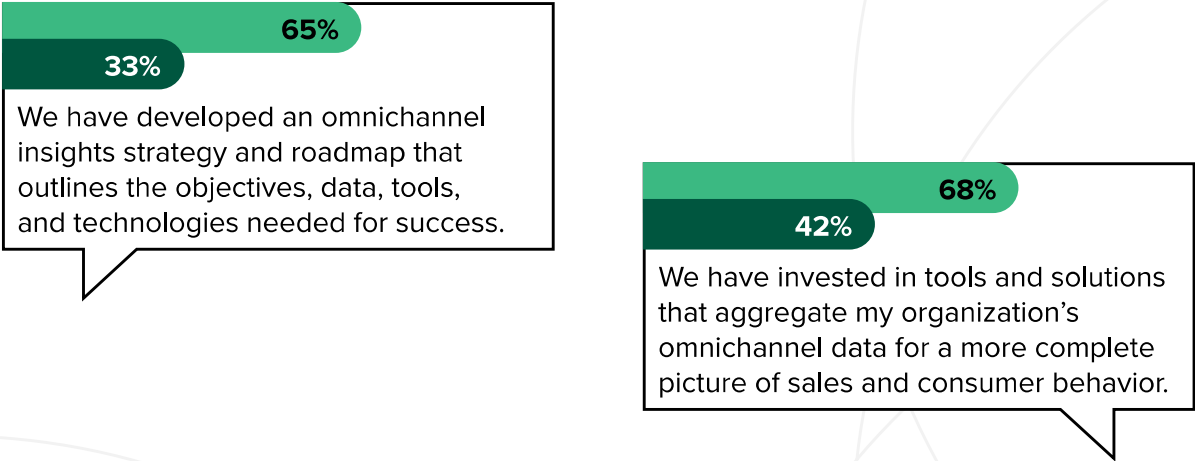
Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
Note: Percentages may not total 100 due to rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

- **Have a more complete view that informs a more confident strategy.**
Sixty-eight percent of respondents from companies with omnichannel intelligence tools in place said their organization has a more complete picture of sales and consumer behavior (compared to only 42% from companies without tools). This contributes to their ability to develop an omnichannel insights strategy and roadmap, and they are twice as likely to already have these in place when compared to companies without tools (see Figure 5).

FIGURE 5

“Consumer behavior has changed as a result of economic instability and the COVID-19 pandemic. How has your organization responded to these changes?”

● Does not have an omnichannel intelligence solution ● Has an omnichannel intelligence solution



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

Companies With Omnichannel Intelligence Tools Are Smarter, Faster, And Drive More Growth

Not only do companies with omnichannel intelligence tools have more confidence in their understanding of the CX and in their strategies, the change they've enabled permeates the entire business. We found:

- **Companies with omnichannel intelligence tools are faster to act.** In a highly competitive environment, companies need real-time insights to swiftly adjust business strategies. Sixty-three percent of respondents from organizations without solutions in place said their company is slow to react to changes in consumer behaviors and trends, compared to only 30% of those from organizations with solutions (see Figure 6).

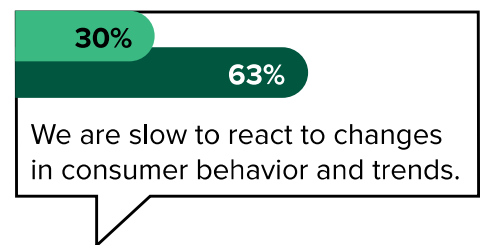
Companies that use omnichannel intelligence tools can more confidently measure omnichannel performance and are much better equipped to empower change beyond measurement via improved marketing, stronger messaging, and the ability to swiftly pivot strategies to keep up with changing consumer expectations.

- **Omnichannel insights help businesses make big decisions with confidence.** In addition to being better able to measure and understand the CX, companies with solutions in place can better measure performance within and outside their four walls. They excel at measuring and sharing sales performance (34% vs. 25%) and measuring competitive

FIGURE 6

“Please rate your level of agreement with the following statements about your organization’s omnichannel data.”

- Does not have an omnichannel intelligence solution
- Has an omnichannel intelligence solution



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations

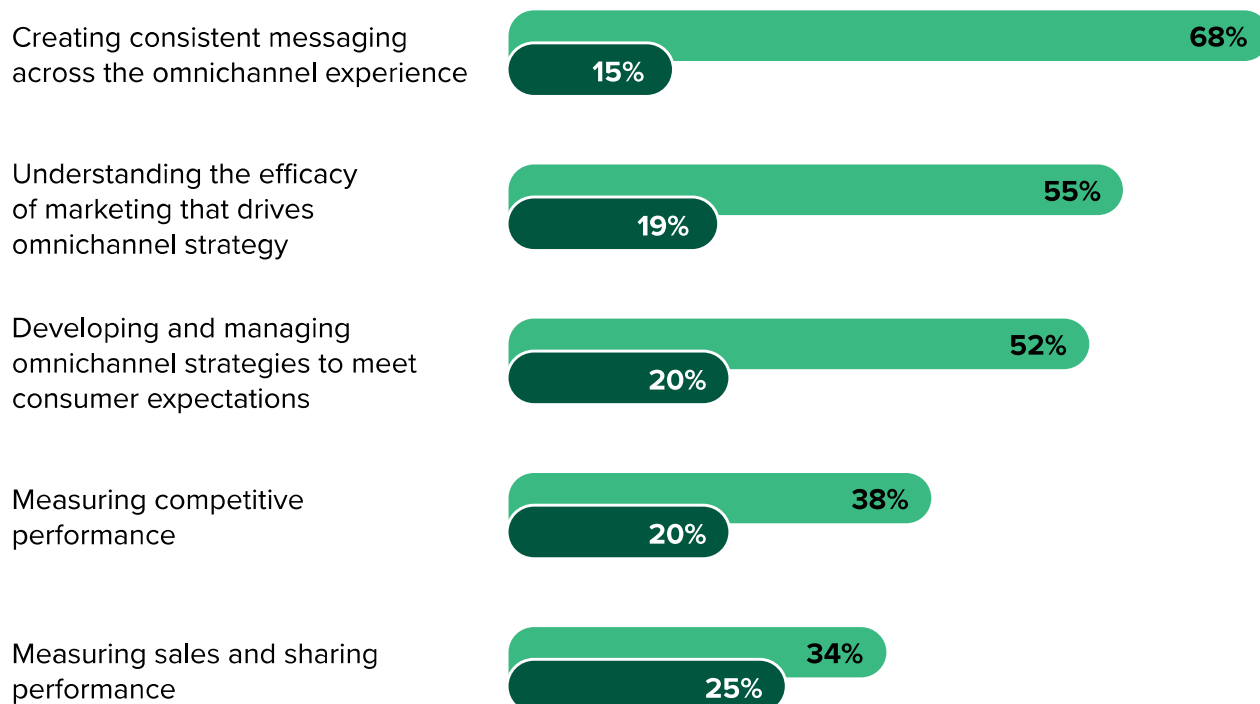
Note: Showing “Agree” and “Strongly agree”
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

performance (38% vs. 20%). These insights empower them to confidently drive change. Respondents from companies with solutions in place were two to four times more likely to say their company has improved messaging, improved marketing, and the ability to evolve its omnichannel strategies to meet consumer expectations (see Figure 7).

FIGURE 7

“How does your organization use omnichannel data and insights?”

● Does not have an omnichannel intelligence solution ● Has an omnichannel intelligence solution



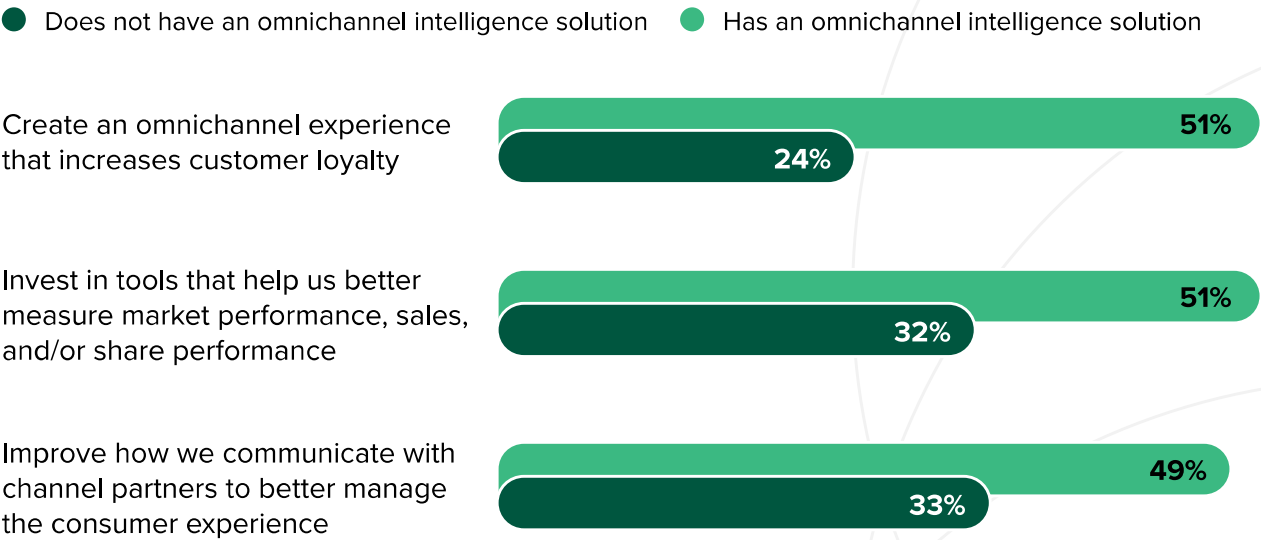
Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

- **Companies with solutions in place are better equipped to improve loyalty and the entire CX.** Respondents from organizations with solutions said their company is focused on driving loyalty (51% vs. 24% of those from organizations without solutions) and improving the entire experience by better communicating through channel partners (49% vs. 33%) (see Figure 8).

FIGURE 8

Top Omnichannel Initiatives In the Next 12 Months



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

It's (Virtually) Unanimous: Leaders Plan To Invest In Omnichannel Intelligence Tools To Drive Business Results

The survey respondents from companies that excel at tracking the full CX said their organizations are transforming this into long-term strategies and successfully driving wide-reaching change using omnichannel intelligence tools. While respondents from companies that use omnichannel intelligence tools said their organizations have their own challenges (e.g., 40% cited cost of data solutions as a top omnichannel challenge) and although tools are only one piece of the people, process, and systems equation, it's clear tools help companies overcome common challenges and accelerate their omnichannel journeys. So, it should come as no surprise that almost all respondents (99%) said their organization plans to increase investment in omnichannel intelligence tools to drive business results (see Figure 9).

FIGURE 9

“How likely is your organization to invest/increase investment in omnichannel intelligence platforms during the next 12 months?”

- 59% ● Very likely
- 40% ● Likely
- 1% ● Somewhat unlikely
- 0% ● Not at all likely



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

Speaking of results, respondents from companies with tools already in place said their organizations experience the following benefits: an improved ability to build long-term, data-driven strategies (47%); increased customer retention and loyalty (36%); more consistent CX (61%); and happier customers (64%) (see Figure 10).

They'll likely also experience higher growth.³ Forrester research shows that advanced, insights-driven firms are five times as likely to grow revenue by 20% or more. A holistic vision of CX across physical and digital channels is the main line that divides successful, empowered organizations from their sightless competitors — if they'll even still be around to compete.

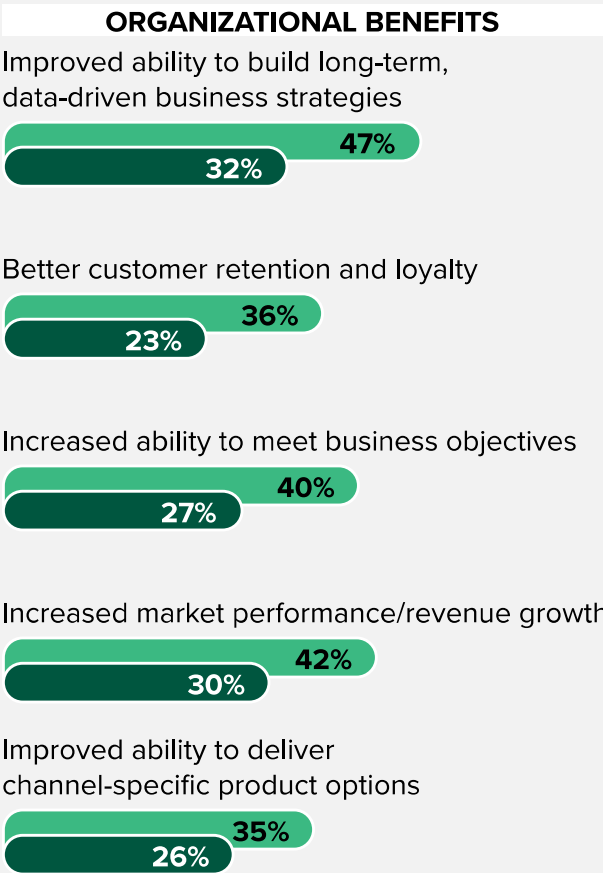


Forrester research shows that advanced, insights-driven firms are five times as likely to grow revenue by 20% or more.

FIGURE 10

Benefits Respondents Have Seen Or Expect To See From Investing In An Omnichannel Intelligence Platform

Does not have an omnichannel intelligence solution Has an omnichannel intelligence solution



Base: 202 North American omnichannel measurement and strategy decision-makers at retail, CPG, and financial services organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of NIQ, June 2023

Key Recommendations

Omnichannel intelligence enables companies to pinpoint pain points and bright spots across the entire CX and act immediately to enhance those consumer interactions. Companies must adopt best practices across people, technology, data, and partnerships that are essential in developing an omnichannel intelligence strategy. Doing this will allow companies to effectively evaluate how the dynamics of markets, consumers, and competition will impact business growth.

Forrester's in-depth survey of 202 North American omnichannel leaders at retail, CPG, and financial services organizations yielded several important recommendations:

Build a data strategy to gas up the omnichannel intelligence engine.

Firms must prioritize building a data strategy to connect the right data sources to analyze omnichannel behaviors and experiences. It's important for omnichannel leaders to work with internal data teams and partners to identify how data is collected across platforms, the frequency and cadence of data collection, and analytics deployment on top of its data assets. Doing this will allow business leaders to identify success areas and gaps in the data-collection process.

Invest in technology that will span across your omnichannel touchpoints.

Omnichannel leaders must work closely with internal technology teams to outline the business parameters of their omnichannel tools. Outline short-, medium-, and long-term objectives that your company needs in an omnichannel intelligence tool and include such functions as consumer behavior analysis and online and offline sales conversions and identify how your company can maximize revenues while optimizing cost to serve.

Build a cross-functional analytics, strategy, and technology team to forge your omnichannel efforts.

Omnichannel intelligence teams are the gatekeepers to uncovering consumer behaviors that impact business value. There is a need for greater collaboration between digital, e-commerce, finance, and other external teams. Analytics teams can provide detailed information about the type of analytical methods they can use to uncover consumer journeys and behaviors. Finance teams can guide your efforts to measure how omnichannel impacts business metrics. And business teams (e.g., marketing, sales, product teams) can help build out omnichannel intelligence scope that can help with specific go-to-market efforts.

Take stock of your existing and future tech-stack needs.

Outline your omnichannel intelligence solution tech requirements with specific short-, medium-, and long-term objectives in mind. Audit your existing intelligence platforms across marketing, digital intelligence, commerce, and internal insights systems. Where are the gaps? What's serving you well? What's redundant? Do the technologies you bought seven years ago still support your omnichannel intelligence needs or do they fall short? Once you outline your current tech capabilities, document your future omnichannel objectives to determine if your tech stack can manage your goals and changing omnichannel and data ecosystem. This holistic approach to managing your omnichannel intelligence needs will help you prioritize your objectives and streamline costs to deliver insights.

Appendix A: Methodology

In this study, Forrester conducted an online survey with 202 North American omnichannel leaders at organizations in the retail, CPG, and financial services industries to evaluate how their companies are evolving their use of technology and insights to improve CX and business performance. Survey participants included senior omnichannel strategy decision-makers in e-commerce, sales and trade, customer analytics, CX, and marketing roles. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began and was completed in June 2023.

Appendix B: Demographics

COUNTRY	
United States	51%
Canada	49%

COMPANY SIZE (ANNUAL REVENUE)	
\$5B+	9%
\$1B to \$4.99B	91%

INDUSTRY	
CPG	49%
Retail	47%
Financial services	4%

RESPONDENT LEVEL	
C-level executive	10%
Vice president	56%
Director	34%

DEPARTMENT	
Innovation and growth	12%
E-commerce/digital experience	15%
Sales and trade	16%
Customer analytics/insights	16%
Customer experience	19%
Marketing/advertising	22%

OMNICHANNEL STRATEGY RESPONSIBILITY	
Final decision-maker	73%
Part of team making decisions	24%
Influence decisions	3%

Appendix C: Endnotes

¹ Source: [“The US Customer Experience Index Rankings, 2023,”](#) Forrester Research, Inc., June 12, 2023.

² Source: [Global Marketing Survey](#), Forrester Research, Inc., March 2021.

³ Source: [“Forrester Infographic: Advanced Insights-Driven Businesses Stand Apart,”](#) Forrester Research, Inc., February 11, 2021.

Appendix D: Supplemental Material

RELATED FORRESTER RESEARCH

Sharyn Leaver, [“2024 Annual Planning: Don’t Let Caution Become Complacency,”](#) Forrester Blogs.

[“Architect Beyond Web And Mobile For Digital Experiences,”](#) Forrester Research, Inc., April 7, 2023.

Keith Johnston, Ted Schadler, [“Annual Planning 2024: Now Is The Time For Tech Leaders To Reinvigorate Their Role In The Growth Agenda,”](#) Forrester Blogs.

[“Illuminate The Digital Experience With Customer Insights,”](#) Forrester Research, Inc., August 9, 2022.

[“Marketing Measurement Morphs Into Insight-Driven Business,”](#) Forrester Research, Inc., November 3, 2022.

[“Defining AI’s Role In Decision-Making,”](#) Forrester Research, Inc., August 3, 2023.

[“Find The CX Collaboration Strategy That’s Right For Your Company,”](#) Forrester Research, Inc., October 20, 2022.

[“The Secrets To Becoming An Effective Change Catalyst,”](#) Forrester Research, Inc., September 29, 2022.



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