

The state of omnichannel marketing in 2023

Navigating changing consumer behavior, overcoming barriers and optimizing measurement



The state of omnichannel marketing in 2023

Navigating changing consumer behavior, overcoming barriers and optimizing measurement

What's in this report

[Goals in 2023 and how teams are organizing to achieve them](#)

[What challenges remain top of mind for marketers in 2023](#)

[Solving challenges around scale, accurate measurement and ROI](#)

[How marketers are approaching and improving measurement](#)

[How marketers are selecting the right tools and solutions](#)

In 2023, omnichannel marketing will continue to evolve. Even as omnichannel strategies have become the baseline for marketing, continued shifts in consumer habits coupled with the ever-increasing array of digital channels will require marketing teams to innovate and keep pace with their audiences. The vectors are numerous, and the opportunities to lose critical consumer attention are multiplying.

But it's not just the proliferation of channels and touchpoints — which, in 2022, reached [22 connected devices on average per U.S. household, according to Deloitte](#). Challenges related to advertising identity will continue to evolve, disrupting how marketers reach audiences and measure program effectiveness. And budgets are once again in play, as rising inflation and economic concerns are prompting some advertisers to [reconsider upper-funnel spending](#).

"This year, we will see a renewed focus on the fundamentals," said Angela Jones, global director of marketing effectiveness and intelligence at Amazon Ads. "Marketers will be expected to take a critical approach to identify which of their efforts are most closely aligned to the most important business objectives, to invest accordingly, and to measure effectively to demonstrate the true impact of their work. In 2023, expect marketing teams to become even more closely aligned with other teams and step up as a driver of both brand awareness and growth."

To provide hardworking marketing teams with insights into the opportunities related to omnichannel marketing in 2023, this new State of the Industry report from Digiday and Amazon Ads explores how teams are approaching strategies, spend, measurement and more.

With the help of expert insights and a survey of 116 organizations, including brands (49%), agencies (23%) and organizations that work with omnichannel marketing (28%), this report highlights the ways advertisers are addressing changing consumer behaviors, industry shifts, challenges related to measurement and the growing business imperative to deliver greater impact for every dollar spent.



Omnichannel goals and approaches — framing the changes from 2022–23

Omnichannel strategies have become an essential part of marketing. Marketing teams implementing strong omnichannel tactics are three times more likely to see a significant increase in revenue growth, [according to a 2021 survey by Mitto and Demand Metric](#). Furthermore, [according to a 2021 analysis](#), marketers that use three or more channels in their campaigns earn a 494% higher order rate than marketers that use just one channel.

These outcomes are in line with the primary objectives of marketing teams in 2022, which remain unchanged in 2023. According to our survey, the top two goals our respondents looked to achieve with their omnichannel campaigns last year and this year are nearly tied: building trust and loyalty with customers and increasing sales.

Fifty-four percent of marketers cited growing customer trust and loyalty as a goal in 2022, and 56% said this is still a goal in 2023. Not too far behind, increasing sales/conversions was a desired outcome of 53% in 2022 and will remain a goal of 52% of marketers this year. Boosting brand awareness comes in third, at 45% and 41% in the two years, respectively.

Q. What outcomes did your company look to achieve with its omnichannel marketing strategy in 2022, and what are the goals for omnichannel in 2023? Select all that apply.

● 2022 ● 2023

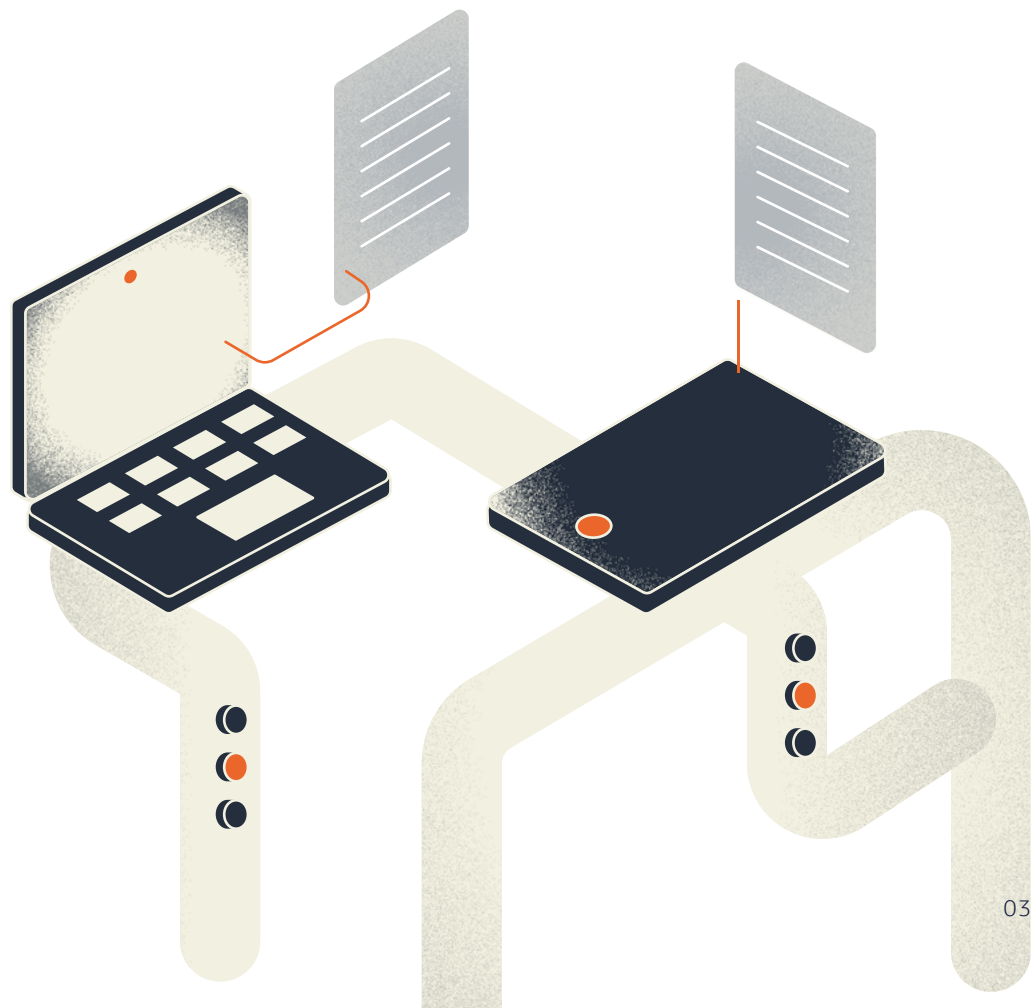


The state of omnichannel marketing in 2023

The survey results indicate that, despite changing economic conditions, marketers remain consistent in the outcomes they prioritize — specifically revenue, customer relationships and brand awareness.

To improve in those three areas, advertisers must appear in the right place, at the right time, with the right message — a longstanding mantra for marketing teams. Omnichannel strategies are about understanding the different online and offline channels with which consumers engage — and meeting them there. Given that fact, it is notable that only 16% of respondents cited testing new channels as a goal in 2022, but that number increases in 2023 to 21%. Even in a budget-sensitive environment, more marketers are prioritizing testing as a way to optimize omnichannel programs to meet customers where they are.

"Marketing is the team that often provides the first opportunity for a customer to interact with a brand," said Jones. "As such, building credibility, positive perception and trust will always remain an important aspect of what marketers do as a way to cultivate customer relationships. At the same time, and especially now, marketers are responsible for contributing to both short- and long-term growth. With this in mind, it's not a surprise that building trust and loyalty are the two most important outcomes that marketers are looking to drive in 2023."

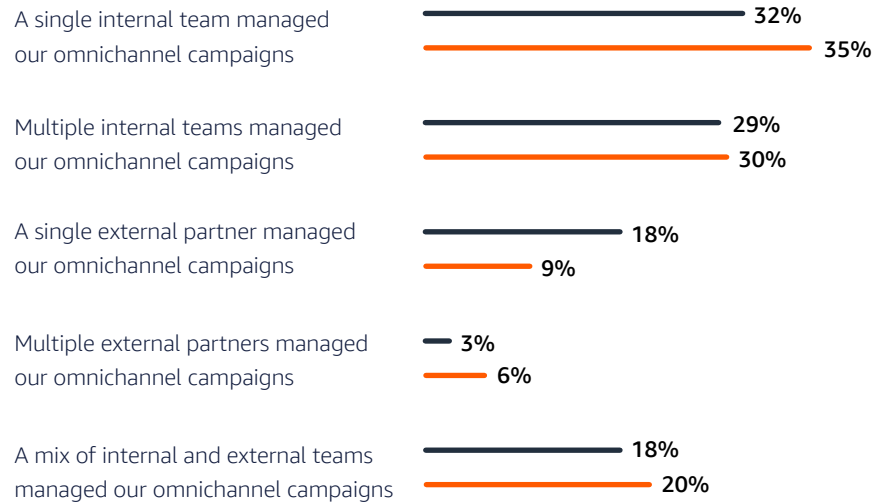


The state of omnichannel marketing in 2023

In addition to identifying goals, the survey explores how teams are organizing their efforts to pursue these objectives. The majority of marketers said that their internal teams are responsible for managing omnichannel campaigns, with 61% using either one or multiple internal teams. In 2023, that number ticks up slightly to 65%, indicating that most teams mainly rely on in-house resources for executing omnichannel plans.

Q. What team structure did you use to manage your omnichannel campaigns in 2022, and how will you manage your omnichannel strategies in 2023?

● 2022 ● 2023



The results show shifts in how marketing teams plan to use external resources. Teams that report using only one external partner are set to drop by half, from 18% in 2022 to 9% in 2023. In contrast, [there is a rise in teams using multiple external partners](#) or a hybrid internal-external structure for managing omnichannel campaigns (from 21% to 26%, taken together).

Even with the primary goals and team structures remaining relatively constant from 2022 to 2023, the challenges that marketing teams may face this year will differ from those in past years. For instance, economic conditions may affect teams in 2023. According to [PwC's February 2023 Global Consumer Insights Pulse survey](#), 42% of adults plan to reduce nonessential spending due to growing concern, with 96% planning cost-saving behaviors within the next six months.

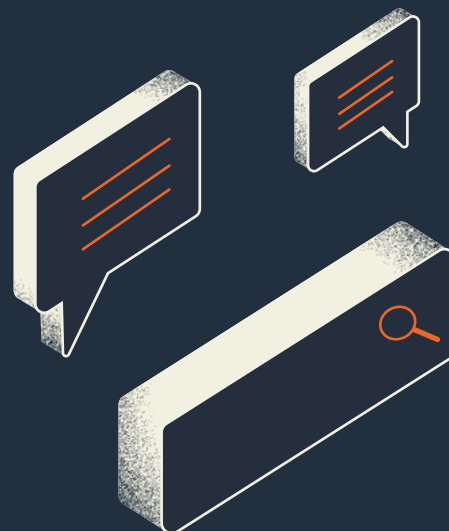
"As economic uncertainty continues, marketing budgets face increased scrutiny, resulting in a greater need to prove return on investment," said Jones. "However, this certainly doesn't mean marketers should play it safe, as that can lead to poor outcomes. Instead, teams should embrace innovation to avoid stagnation. If they remain agile, they can test and learn new ways to reach and engage audiences in more cost-effective ways to maximize their budgets."

Challenges and opportunities for omnichannel marketers

As consumers increasingly engage with a greater diversity of channels, including emerging ones, it poses new challenges for marketers as they work to identify the channels that best resonate with their audiences during this time of change.

"Given the proliferation of media channels, how marketers should reach their audiences can seem like a net-new challenge," said Kat Dykeman, head of global customer measurement and insights at Amazon Ads. "However, it's just a variation on the fundamental challenge that marketers have always faced: understanding who their audience is, where they spend their time and how best to reach and engage them."

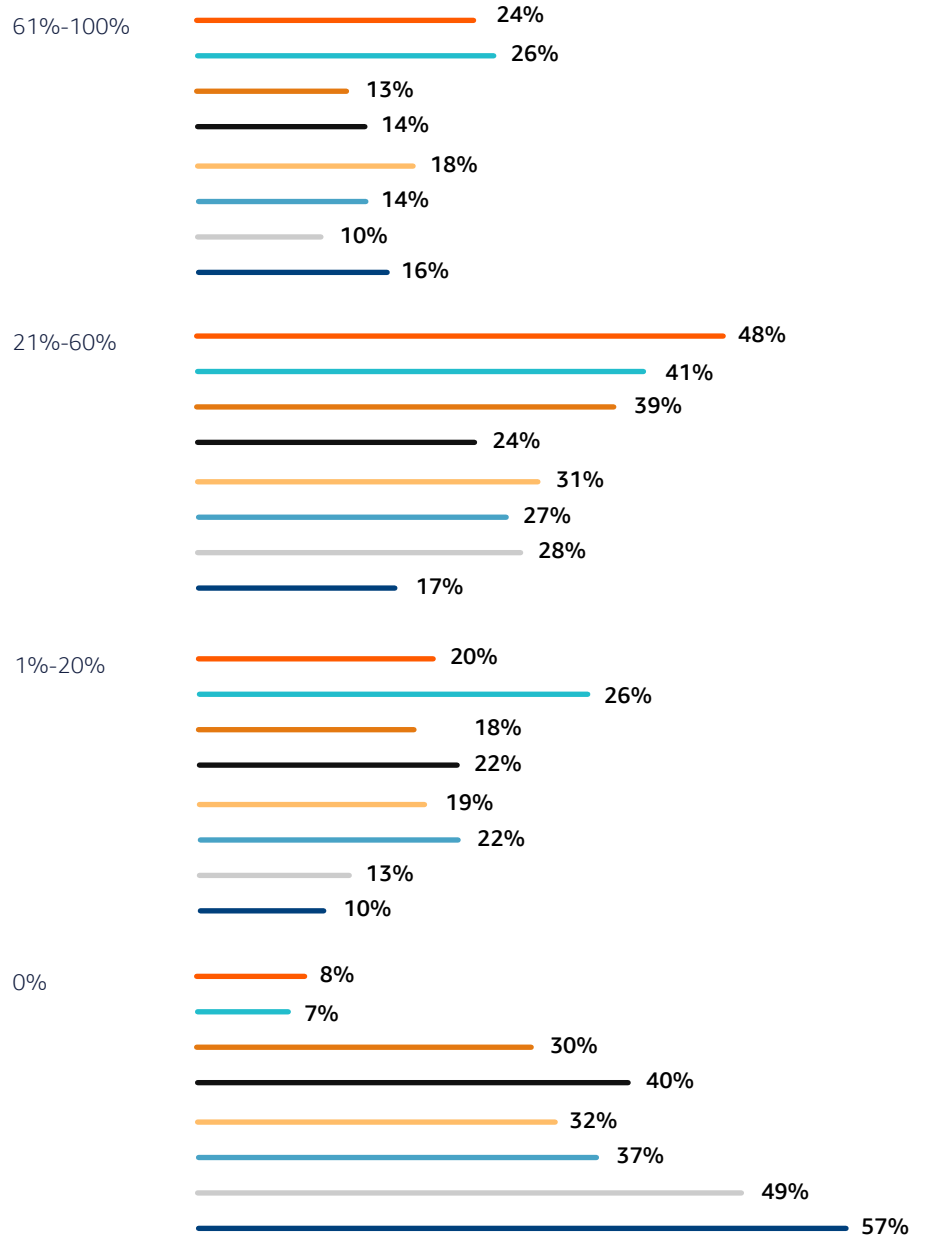
To be effective, marketers must meet their audiences where they are. When customers are engaging with a wide range of channels — online and offline, established and emerging — brands must also maintain a presence across as many of these channels as possible to remain relevant and top of mind. In our survey, respondents are trying to broaden their reach by increasingly investing in emerging channels — specifically retail media, streaming TV and audio.



The state of omnichannel marketing in 2023

Q. What percentage of your annual budget was allocated to each of these channels in 2022?

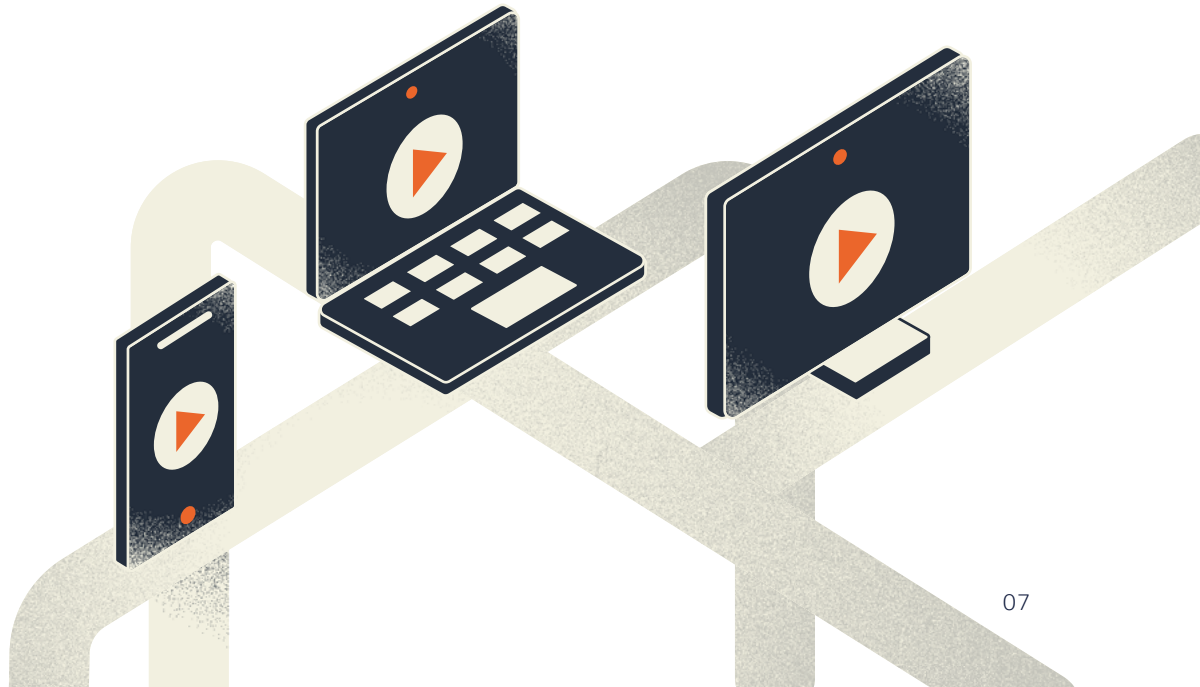
- Search
- Social
- Retail media
- Linear TV
- Streaming TV
- Audio
- Out of home (OOH)
- Digital out of home (DOOH)



While social media and search remain important channels in respondents' media mix in 2023, the most dramatic shifts between 2022 and 2023 involve emerging channels. Compared to 2022, the percentage of marketers who plan on investing in retail media jumps 86%, while those planning to commit budget to streaming TV increases 200% — from just 9% in 2022 to 27% in 2023. Other emerging formats like audio are spiking more than 500%.

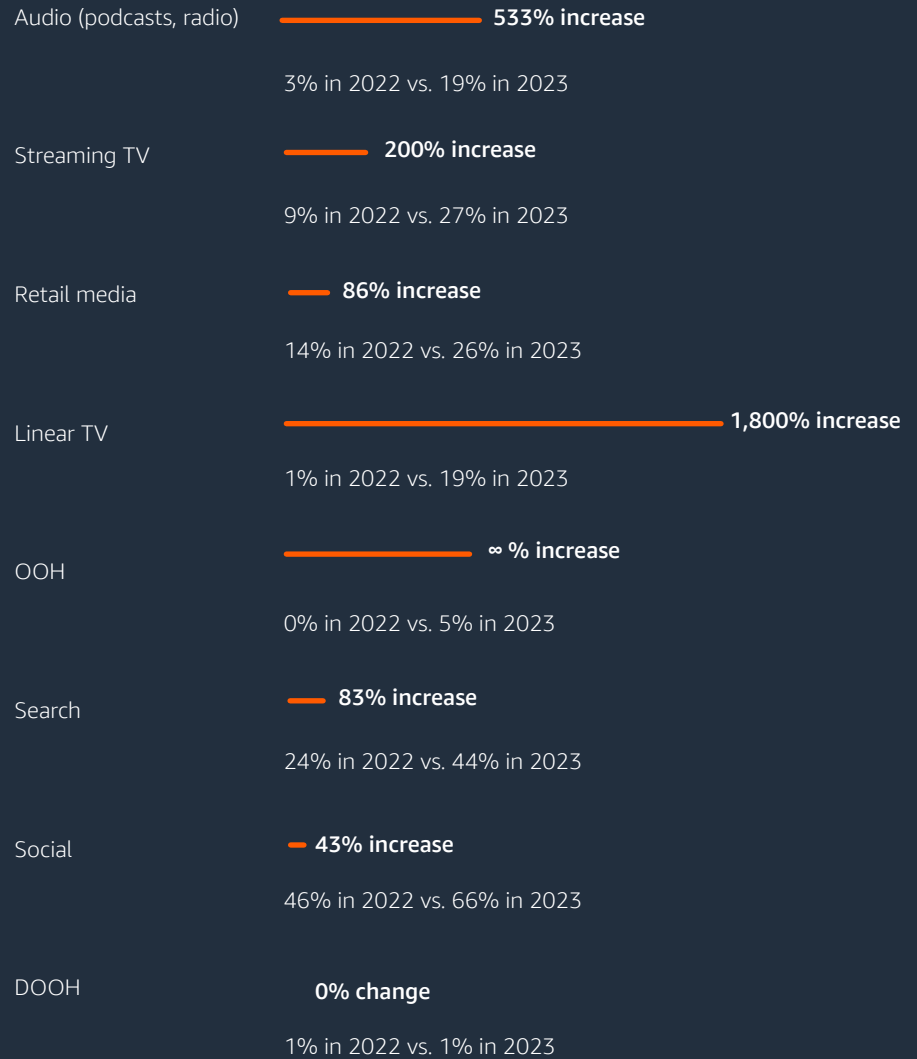
"One of the key findings in this survey is the growing importance of streaming TV and the emergence of retail media as a destination for ad dollars," said Danilo Tauro, product lead for streaming TV adtech at Amazon Ads.

"This is a big change from a few years ago when these channels were still proving their viability," Tauro continued. "Over the past decade, search and social were most prevalent, and linear TV — while declining — was still seen as the primary wide-reach awareness channel. Now, the balance across search and social is shifting, and the same is true for linear TV, which has sunk as advertisers start to recognize the cross-funnel potential and measurability of streaming TV and retail media."



The state of omnichannel marketing in 2023

Q. How much focus did you place on the following channels in 2022 and how much do you plan to focus on them in 2023?



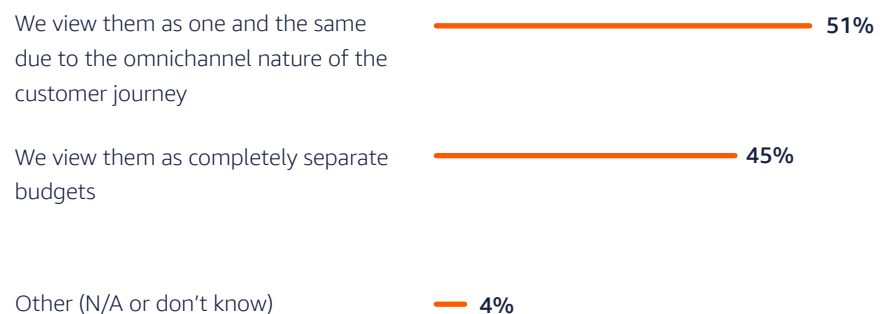
What accounts for these significant changes? Traditionally, advertisers have relied on search and social due to the low cost of entry and because they have allowed advertisers to demonstrate return on ad spend (ROAS). Similarly, linear TV has been a critical upper-funnel channel due to its broad reach.

However, retail media, streaming TV and audio are introducing new opportunities related to performance ads and the measurability of upper- and full-funnel campaigns. Retail channels, including many Amazon Ads offerings, signify an emerging opportunity for lower-funnel performance ads, allowing marketers to better understand the [impact](#) of advertising on sales, both on and off Amazon, through solutions like omnichannel measurement and metrics like new-to-brand, advertising cost of sales, and ROAS.

Equally significant is the change that streaming TV, among other streaming media, represents as it brings together the best of two worlds: the reach and effectiveness of large TV screens and the measurability of digital. In other words, media providers like Amazon Ads are presenting a new approach to upper- and full-funnel campaigns by offering the reach of the linear TV of the past while delivering deeper insights related to performance. As a result of that convergence, the category of "performance STV" is growing, allowing enterprise brands, as well as small and medium businesses (SMBs), to tap into the power of big-screen ads while optimizing for ROAS.

It's also noteworthy that more than half of respondents (51%) said they viewed performance and brand budgets as effectively the same, based on how consumers move through their omnichannel journey. This represents a shifting approach to marketing from the past, continuing a trend toward integrating upper- and lower-funnel campaigns and teams, given the impact that, for example, awareness campaigns can have on conversion.

Q. How are you thinking about performance budget versus brand budget within your omnichannel campaign strategy?



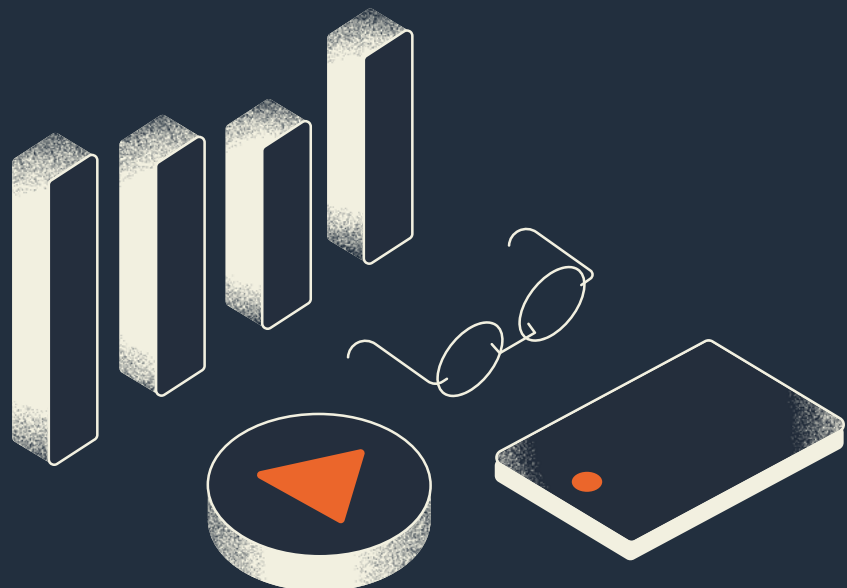
The state of omnichannel marketing in 2023

For our respondents, the concept of how brand and performance intertwine — at least in the realm of budgets — appears to be trending toward fusion. This supports the [connected.TV \(CTV\)](#) value proposition, and the responses in this survey may well dovetail with increased marketer attention to CTV's blending of brand and performance, especially in 2023.

As many teams move away from siloed structures and seek to improve omnichannel outcomes, both performance and brand marketers can work together and learn from one another to strengthen campaigns and integrate performance and branding aspects into each campaign, aligning with the evolving nature of the customer journey, which is becoming less and less linear.

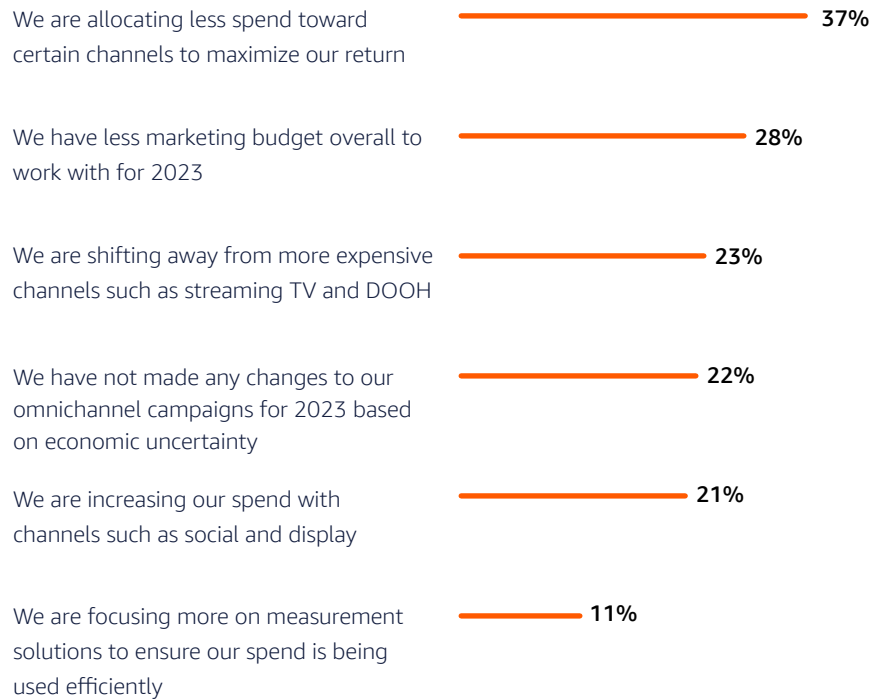
Economic uncertainty and its impact on marketing budgets

Even as marketers are anticipating changing consumer behaviors and industry shifts, economic considerations are emerging as a significant factor for marketing budgets in 2023. Respondents report that they are replying to economic challenges by reallocating budget to more productive channels (37%) and that their budgets have been reduced. In 2023, marketing teams are planning for more scrutiny and a renewed imperative to deliver greater impact for their investments.



The state of omnichannel marketing in 2023

Q. Have recent economic conditions in 2022 affected your team's marketing budget in 2023? How so? Select all that apply.



It is worth noting that the least popular choice was related to finding better measurement solutions to ensure efficiency in marketing spend. This echoes one of the least popular goals for marketers in 2023 — testing for a better understanding of new channels. While innovation can play an important role in unlocking greater value for static or declining marketing budgets, marketing teams are often more focused on what's working now instead of experimenting or seeking new solutions.

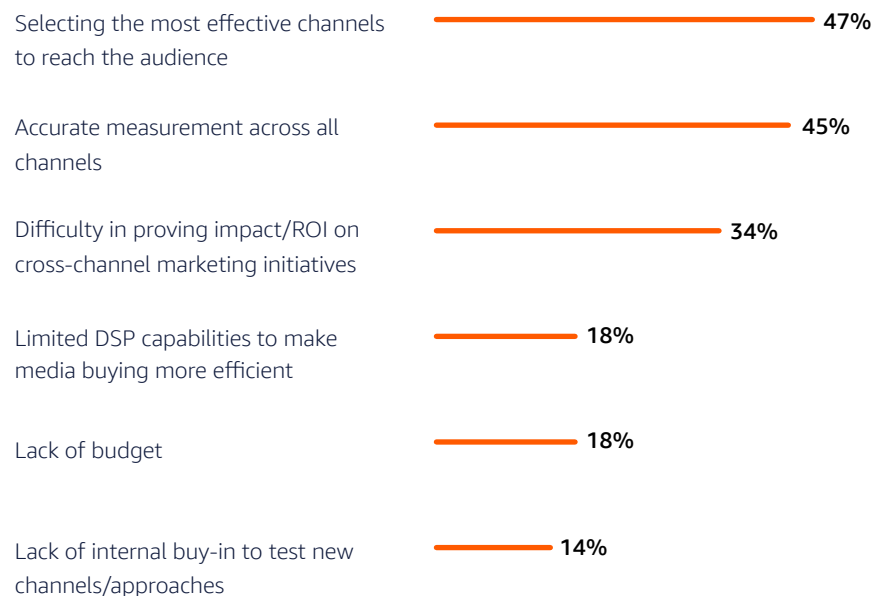
"The advertising landscape is continuously changing, which challenges advertisers to quickly learn what works and what doesn't across channels," said Dykeman. "Metrics-driven optimization approaches allow marketers to gain a significant edge over peer sets and set themselves up for ongoing success. While only 11% of respondents indicate they are looking at optimizing measurement solutions to maximize spend efficiency, I think businesses that do that will come out ahead."

Challenge point: Achieving scale, effectiveness and precision

As marketers respond to new consumer habits and work around budget constraints, they are also focused on another set of challenges related to scale, accurate measurement and ROI.

Respondents identified the top three challenges they face when running omnichannel programs: determining the most effective channels (47%), achieving accurate, comprehensive measurement (45%) and proving the impact of their efforts (34%).

Q. What challenges do you face around effective omnichannel campaigns? Select all that apply.



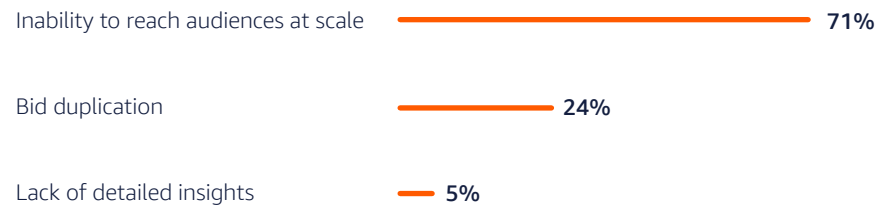
As channels proliferate and consumers adopt and engage with a shifting mix of channels, the top challenge — selecting the most effective channels — will likely remain a critical test for marketers in the coming years. However, it is notable that, despite that challenge, only 17% reported that optimizing channel mix for better ROI is a top goal for them in 2023, especially in a year where they reported an increasing need to prove the impact of their efforts.

The state of omnichannel marketing in 2023

"This discrepancy can be attributed to the sweeping changes that confront marketers as new channels emerge and addressability changes," said Dykeman. "Until now, social and search have been the main digital marketing channels, but that's changing. Marketers cannot assume approaches that worked in the past will work in the future and expect them to succeed. Testing and optimization will only grow in importance as marketers work toward establishing a more effective channel mix to deliver the greatest possible impact for their spend."

Marketing teams have traditionally leaned on tools such as demand-side platforms (DSPs) to aid with such obstacles. Some are also struggling with this approach and with similar outcomes as the overall challenge indicated in the preceding chart. For the 18% who identified their DSP as a part of their omnichannel campaign issues, the majority said it was also due to an inability to reach audiences at scale.

Q. What specific challenges are you facing with your current DSP?



The role of connected TV

Over the past several years, the average time spent watching linear TV has decreased, and now CTV is even surpassing mobile when it comes to video impressions. CTV accounted for 46% of impressions in 2021, with mobile at 39%, [according to Innovid](#) — growing at two times the rate of mobile, and establishing itself as a mainstay in the marketing mix instead of the experimental and emerging channel it's thought to have been for the past couple of years.

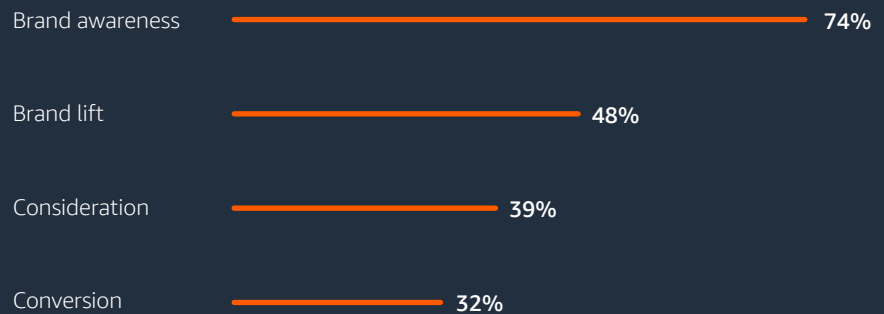
Connected TV is poised to be the most remarkable addition among the channels transforming omnichannel marketing. CTV viewership has seen consistent year-over-year growth, reaching [over 85% of U.S. households, according to Insider Intelligence](#).

The state of omnichannel marketing in 2023

Our survey shows that 39% of respondents spent up to 40% of their annual budget on streaming TV in 2022. This year, 20% of respondents expect to increase their streaming TV budget.

However, our respondents tell us a story that suggests a gap between promise and practice. A significant element of the potential surrounding CTV is its performance metrics capabilities. In our survey, though, most respondents still use the channel for awareness and consideration-based tactics.

Q. If streaming TV is a part of your team's marketing strategy, what function or functions does it serve? Select all that apply.



"Streaming TV is still growing in adoption, so it's natural that advertisers using it for the first time see this as a sort of one-for-one exchange with linear TV," said Tauro. "With the migration of viewership to streaming, advertisers are finding similar broad-reach awareness advantages with streaming TV as they once did with linear TV. But as more marketers adopt streaming TV, we expect them to take greater advantage of the insights and measurement capabilities of streaming, which are a lot deeper than what linear TV was ever able to offer. When that happens, we'll see more advertisers realize that streaming TV isn't just for upper-funnel campaigns, but that it's also a powerful tool for lower-funnel conversion."

The state of omnichannel marketing in 2023

For instance, Amazon Ads brings its first-party shopping and streaming signals to streaming TV media, allowing advertisers to reach more relevant audiences and gain insight into performance across the entire funnel.

Despite the growth in streaming TV, some marketers are yet to be convinced. Two concerns stood out for those who haven't yet incorporated streaming TV into their mix: uncertainty around performance and effectiveness (voiced by 48% of respondents) and the perception that the channel is too costly or that the team doesn't have enough budget (35%).

Q. If you have not yet added streaming TV to your omnichannel mix, have any of the following reasons prevented you from working with the channel? Select all that apply.



There may also be an element of industry education in play. Newer technologies, such as dynamic creative optimization, offer teams more cost-effective ways of producing and optimizing CTV creative by allowing marketers to tap into existing content, quickly and easily create variations, perform A/B tests, and more.

Optimizing measurement for omnichannel campaigns

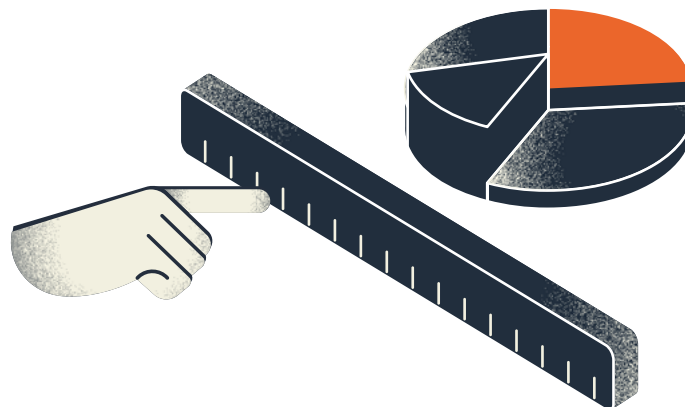
Meanwhile, 19% of the responses highlighted advertisers' concerns over the measurement of, exposure to and familiarity with CTV solutions. For example, a growing number of interactive ad formats that can be measured directly, [such as shoppable ads and gamified ads, where teams can measure assisting touchpoints](#) instead of simply relying on last touch for attribution — may well change the nature of challenges, perceived and otherwise, in the months to come.

As omnichannel marketing teams develop strategies and approaches for their campaigns, they understand that measurement is vital in achieving marketing effectiveness.

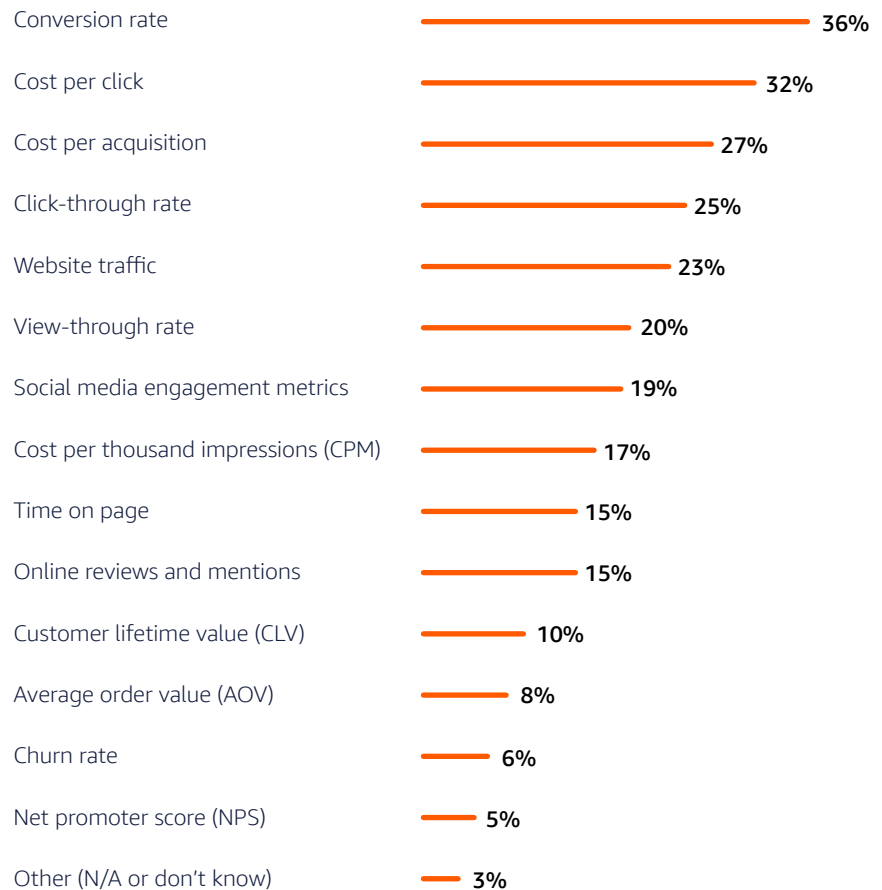
“Without measurement, you don't have actionable advertising insights, and you don't have a way to continually improve your advertising strategy,” said Shruti Agarwal, senior product marketing manager of global measurement at Amazon Ads, “and in an omnichannel world, effective measurement helps advertisers understand which channels are working for them and how they may be better together.”

To effectively measure the results of [omnichannel marketing](#), teams first need to determine what they're trying to achieve with a campaign and, based on that information, form a hypothesis that will inform what they should measure. After that, marketers set qualitative goals and track key performance indicators (KPIs) to measure progress against those goals.

In our survey, respondents provided the top two KPIs they use to gauge the effectiveness of their omnichannel strategies: conversion rate (36% of respondents) and cost per click (32%). Cost per acquisition (CPA), click-through rate (CTR) and website traffic vied for third place.



Q. What are the key performance indicators for your business currently and in 2023? Select your top three.



While customer lifetime value, average order value and churn rate have previously been KPIs of focus for many businesses — namely media companies — these metrics remained toward the bottom in importance in the omnichannel marketer's toolkit, garnering 10%, 8% and 6% among our respondents.

Meanwhile, the way teams are handling the measurement of their omnichannel campaigns remains the same as how they are structuring their omnichannel programs generally — internal teams are the structure of choice at 53%.

Q. How are you handling the measurement of your omnichannel campaigns currently?



Tools and solutions

Given the growing complexity of marketing — media fragmentation, changing consumer habits and industry shifts mentioned above — marketers are relying on ad-buying, analytics and other digital solutions to conduct marketing efforts at scale and achieve a view of overall effectiveness.

“Modern marketing is complex, and ad technology is the way in which modern marketers gather and synthesize signals from many different channels and touchpoints,” said Agarwal. “This helps with gaining a comprehensive view of all of your signals in one place. And, it helps ensure your measurement is non-duplicative and privacy-safe.”

On top of this, marketers must adopt an agile measurement strategy to optimize continuously and get the most out of their campaigns.

For example, a solution that can help reach the right audiences, buy media across a wide range of channels over the full funnel, and both measure and attribute the impact of ad investments will serve advertisers well.

In regards to reach, any solution that can provide pre-defined or pre-built audiences — such as those informed by shopping, browsing and streaming signals or based on in-market, demographic, geographic and lifestyle signals — will help advertisers reach more relevant audiences with their campaigns.

“Amazon DSP, for example, helps eligible advertisers efficiently buy ads, including display, video and audio formats, which helps them reach audiences over the course of the shopping journey — both on and off Amazon,” said Agarwal. “Crucially, Amazon Ads then enables advertisers to measure the overall impact of their omnichannel ad buys — including impact on and off Amazon — and optimize mid-flight.”

When asking respondents how they plan to solve the obstacles highlighted in this report, just over half of our respondents indicated that they are already working with or planning to work with a media solution to address those challenges.

Q. Are you planning to engage with a media solution to help you tackle these challenges?



"Approaching campaigns with a measurement-first mentality is crucial," said Pete Burton, vice president director of decision sciences at Publicis. "Design and set out with hypotheses and questions that you're trying to answer through your measurement, as opposed to trying to figure out everything on the back end. Starting there will allow you to then understand and ask the right questions of vendors and understand how those integrations are working to ensure that you're going to maximize your ability to measure."

Before engaging with a vendor, ensuring that the marketing team understands the goals regarding the omnichannel strategy or campaign — and effectively explaining the hypotheses to a potential vendor — is crucial. Knowing what the team is specifically looking for in a tool or vendor will help when choosing one.

In 2023 and beyond, omnichannel marketing is just marketing. Consumers now have various channels and formats comprising their media diets, and advertisers will need to evolve how they reach and engage their customers to achieve their goals.

Our survey found that while omnichannel tactics are aiding teams in building loyalty, as economic uncertainty remains, marketers face challenges as they work with reduced budgets and cut spending across more expensive and higher-risk channels. While streaming TV and retail media saw a bit of a boost this year, some teams are unsure of what to do within those emerging channels just yet.

And while omnichannel marketing has undoubtedly become a mainstay in advertisers' strategies, there's still room to grow and improve in [measurement and optimization](#) as teams realize their goals and challenges aren't quite lining up. To overcome barriers, marketers are identifying tools and partnerships to help them along the way as teams work toward strengthening omnichannel approaches throughout 2023 and set themselves up for success in the years to come.

About Amazon Ads

Amazon Ads helps brands design ad experiences that delight customers and deliver business impact. With innovative ad technology powered by first-party shopping, streaming and browsing signals, advertisers can reach audiences across Amazon and non-Amazon channels; create meaningful engagement through display, streaming TV, audio and other media; and measure overall effectiveness of their full-funnel campaigns.

DIGIDAY | amazon ads