



Reignite Growth With Hybrid Customer Experiences

Why Multi-Location Businesses Must Break Down Silos
To Deliver Seamless Experiences

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY UBERALL | MARCH 2022

Providing Hybrid Customer Experiences Is More Critical Than Ever

Customers no longer distinguish between digital and physical channels — they expect seamless experiences regardless of where they interact with a business. The COVID-19 pandemic only intensified this expectation.¹ To best serve customers throughout their hybrid journey, firms must provide seamless hybrid customer experiences (CX). Hybrid CX comprises all the relevant and contextualized experiences that span devices, applications, and touchpoints throughout the customer journey.

In December 2021, Uberall — a provider of hybrid CX solutions — commissioned Forrester Consulting to explore how businesses adapt to consumer demands for a seamless buying journey. Forrester found that decision-makers set the right priorities, but siloed approaches may impede progress.

Key Findings



While most businesses set priorities with initiatives that support hybrid customer experiences, few feel confident in their ability to conduct marketing and CX tactics that support those initiatives.



Challenges with departmental alignment, reliance on legacy technology, and a fragmented view of customer journeys stifle progress and can cause fragmented experiences and inconsistent brand presence.



Most organizations are interested in a platform that unifies various standalone solutions to address multiple marketing and customer experience needs.

Organizations Prioritize Initiatives That Will Support Hybrid CX

For organizations that rely on physical locations, the COVID-19 pandemic exacerbated preexisting challenges and accelerated the need to execute on key priorities, primarily:

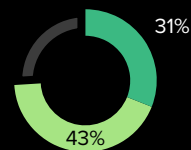
Improving customer understanding. Businesses that have traditionally had an in-person relationship with their customer are placing more importance on obtaining customer understanding across all touchpoints, both physical and digital.

Creating hybrid CX journeys. Most businesses are accelerating their efforts to connect journeys that cross digital and physical touchpoints and build digital capabilities in physical locations.

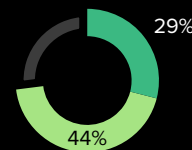
Building long-term customer engagement. Seventy-four percent find connecting with customers via social media and 72% increasing retention and loyalty more important than before the pandemic.

“Thinking about your company’s physical locations, how has the focus on the following priorities changed compared to before the pandemic?”

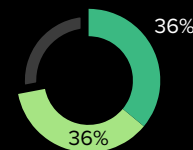
- Significantly more important than before the pandemic
- More important than before the pandemic



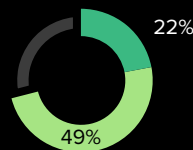
Building connections with customers via social media



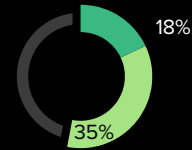
Building digital capabilities in physical locations



Increasing customer retention and loyalty



Improving customer understanding



Connecting and managing customer journeys across digital and physical touchpoints

Advanced Marketing And CX Activities Have Lower Adoption

To achieve their priorities, organizations conduct a broad range of marketing and CX activities. Most of the focus is on conversion funnel activities that start with awareness like local search engine optimization (SEO) and social posts, and also include later conversion activities like paid social offers and inventory.

However, fewer businesses spend time on more advanced activities such as using customer data and analytics in relation to customer journeys (41%), social listening (32%), or intelligent communications management (e.g., AI-powered chatbots) (31%).

In addition, adoption levels ranged between just 31% and 51% across all activities. On average, companies perform only four of these marketing and CX activities, indicating that very few companies address the full customer lifecycle.

“Which of the following activities does your company currently do in relation to your physical locations?”



Most common activities

- 51% ● Local SEO management (e.g., Google Maps and Google Local 3-Pack)
- 49% ● Inventory promotion (e.g., indicating product availability at physical locations)
- 49% ● Social media communications/posting

Least common activities

- 41% ● Customer data and analytics in relation to customer journeys (that include visits to physical locations)
- 38% ● Digital advertising
- 37% ● Provide store locator functionality
- 32% ● Social listening
- 31% ● Intelligent communications management (e.g., chatbots)

Base: 209 senior decision-makers at companies in Europe and the US with a strong focus on physical locations (more than 150 physical locations globally)

Note: Eight out of 11 response options shown.

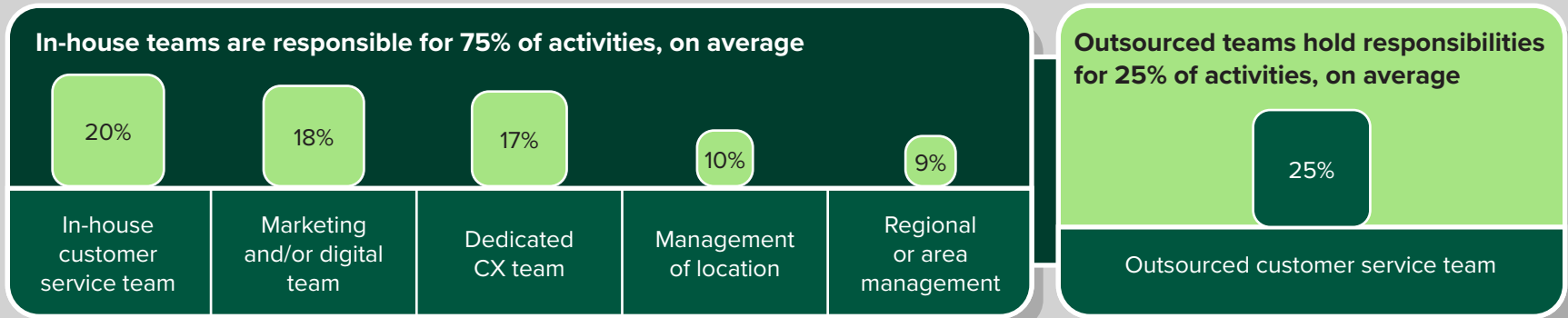
Source: A commissioned study conducted by Forrester Consulting on behalf of Uberall, December 2021

Without Alignment, Fragmented Teams Create Fragmented Experiences

Organizations distribute the responsibilities for marketing and CX activities across various internal and external teams. Activities related to different stages of a customer journey are often separated across teams, creating a potential disconnect and making consistent customer experiences more difficult to achieve. This is further complicated in highly distributed business models like franchisee networks.

In addition, organizations outsource many activities — more than a third rely on external partners to manage tasks such as intelligent communications (42%), customer journey data analytics (39%), social listening (36%), and ratings and reviews (34%). Without alignment and collaboration across those various departments, partners, and stakeholders, businesses risk fragmented customer experiences and inconsistent brand presence.

Primary Responsibility For Activities In Relation To Physical Locations



Standalone Solutions Further Fragment CX

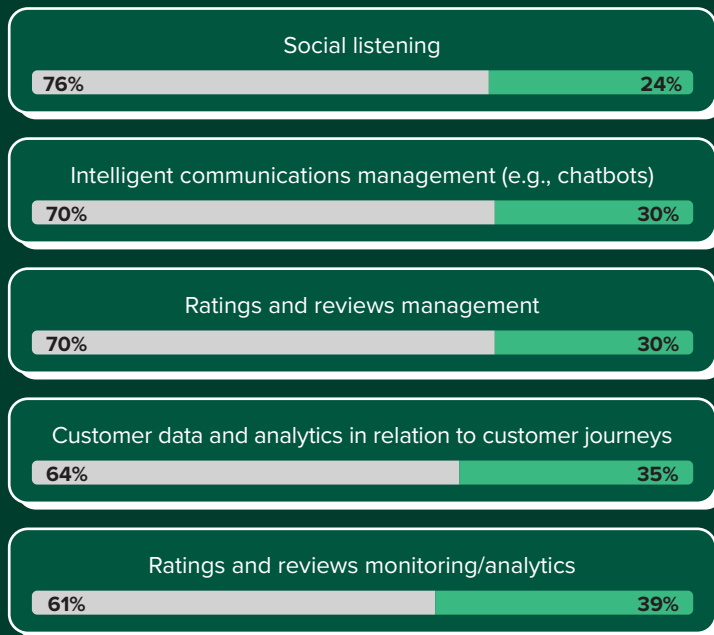
There is a technology market to help companies with marketing and CX activities that bridge digital and physical experiences.² However, most companies use a collection of standalone solutions. This can hinder progress with important hybrid CX priorities. For example, customer data analytics could help improve customer understanding, but insights can't be effectively harnessed if data remains siloed across separate systems. If the technology to manage ratings and reviews is separate from the technology used to analyze them, it becomes more difficult to take advantage of new opportunities to engage with customers across the customer lifecycle.³

Without connection between solutions, such technology siloes can further exacerbate organizations' fragmented approach to managing the end-to-end customer experience.

“What type of technology does your company use for the following activities in relation to your physical locations?”

(Showing top 5 for standalone technology solution)

- Standalone (single-point) technology solution
- Part of a suite of solutions provided by one platform



Base: Base sizes vary for each answer option. Total base is 209 senior decision-makers at companies in Europe and the US with a strong focus on physical locations (more than 150 physical locations globally)

Note: Five out of 11 response options shown.

Source: A commissioned study conducted by Forrester Consulting on behalf of Uberall, December 2021

Challenges With Data, Alignment, And Legacy Technologies Hold Back Progress

When implementing their objectives, organizations find improving customer understanding most challenging (55%).⁴ This comes as no surprise, with almost two-thirds of organizations rating their ability to track and understand their customers as average, fair, or poor.

Challenges with data security, team alignment, and legacy technology are the biggest barriers to creating a seamless hybrid CX. In addition, siloed approaches take their toll: More than 60% of organizations struggle to get a holistic view on end-to-end customer journeys and to connect data across multiple systems. Firms that don't tackle these challenges risk missing out on the opportunity to win and retain customers by creating experiences that meet their needs in context — whether physical or digital.

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Challenges with data, alignment, and technology stifle process

Top 3 most challenging objectives to implement

55%

Improving customer understanding (i.e., data analysis from customer feedback)

47%

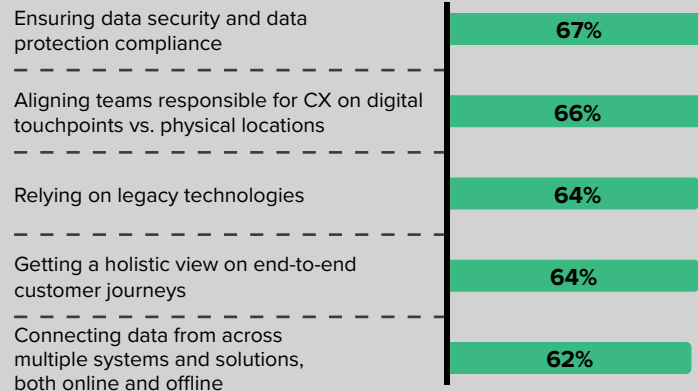
Connecting and managing customer journeys across digital and physical touchpoints

45%

Increasing ROI

Top 5 challenges with managing hybrid CX

Extremely challenging + Very challenging



Base: 209 senior decision-makers at companies in Europe and the US with a strong focus on physical locations (more than 150 physical locations globally)

Note: Top figure shows three out of 15 response options. Bottom figure shows five out of 15 response options

Source: A commissioned study conducted by Forrester Consulting on behalf of Uberall, December 2021

Organizations Lack Confidence In Their Ability To Create Hybrid CX

More than half of companies are confident they are good or excellent at table stakes activities, such as making it easy for customers to find the closest in-store location online (62%) and responding to customers' feedback, ratings, and reviews on their own (55%) or others' channels and touchpoints (54%).

However, the vast majority of organizations struggle with more advanced —but essential— aspects of hybrid CX: About 70% rate themselves as average, fair, or even poor at providing seamless customer journeys and consistent brand presences across all online and offline touchpoints. This shows most organizations have matured to a certain level but still need help keeping pace with hybrid customers.

“How would you rate your organization’s ability to do the following?”



Excellent



Good



Average

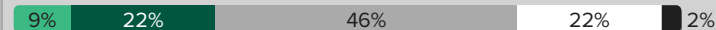


Fair

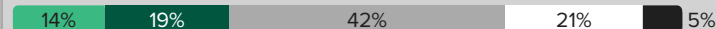


Poor

Providing seamless customer journeys across all online and offline touchpoints



Providing a consistent brand presence and image across all online and offline touchpoints



Tracking and understanding customer behavior across end-to-end customer journeys



Responding to customers' feedback, ratings, and reviews posted on the sites not owned by organization



Responding to customers' feedback, ratings, and reviews posted on the organization's own touchpoints



Making it easy for customers to find us and the closest in-store location online



Base: 209 senior decision-makers at companies in Europe and the US with a strong focus on physical locations (more than 150 physical locations globally)

Note: Six out of nine response options shown.

Source: A commissioned study conducted by Forrester Consulting on behalf of Uberall, December 2021

Organizations Turn To Technology To Bolster Their Hybrid CX Capabilities

When decision-makers think of the ideal technology solution to support their marketing and CX activities for physical locations, most value capabilities that help track performance across all locations, with a strong focus on customer feedback and interactions:

Understanding customers. The most critical feature is the ability to connect data and analytics from customer interactions and feedback across the customer journey (39%).

Interacting with customers. To engage with customers in their moments of need, 79% find email alerts for ratings and reviews and the ability to manage local social media pages to be important features.

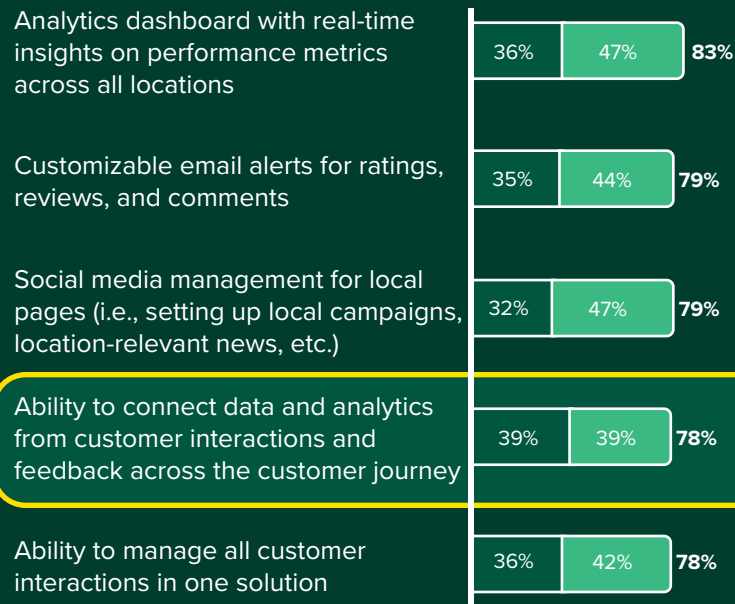
Monitoring progress to keep pace. Having an analytics dashboard that shows how physical locations are performing can help detect and address pain points in customer journeys.

“Thinking of the ideal technology solution to support your marketing and customer experience activities for physical locations, how important are the following features and capabilities?”

(Showing top 5)

● Ranks highest for “Critical”

○ Critical ● Very important



Base: 209 senior decision-makers at companies in Europe and the US with a strong focus on physical locations (more than 150 physical locations globally)

Note: Five out of 15 response options shown.

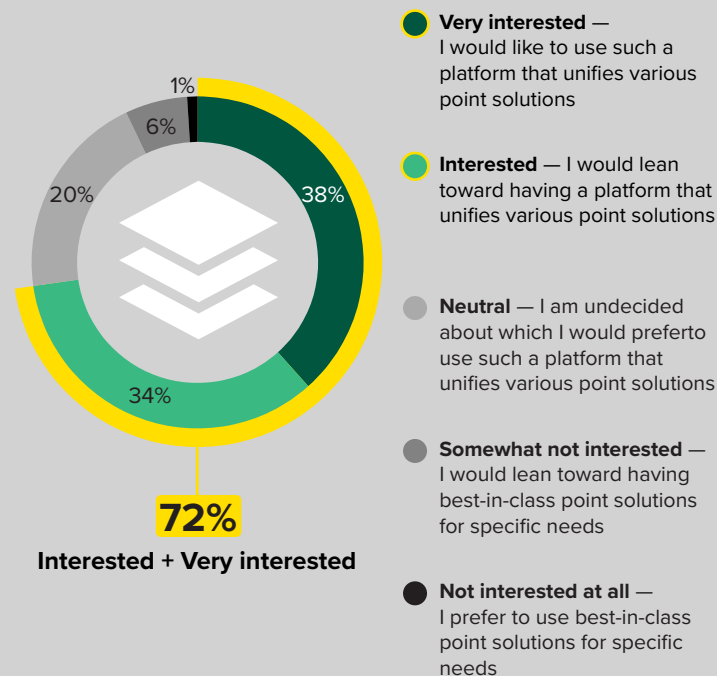
Source: A commissioned study conducted by Forrester Consulting on behalf of Uberall, December 2021

A Unified Approach And CX Platform Can Strengthen Hybrid Experiences

The majority (72%) of decision-makers we surveyed would be interested or very interested in a platform that unifies various standalone solutions to address multiple marketing and CX needs. A unified platform can help solve challenges that organizations face with providing seamless hybrid experiences. For example, it can make it easier for organizations to connect the dots across the customer journey and thus improve their customer understanding. In addition, it enables them to increase operational efficiency, as organizations are no longer forced to manage interactions between systems.

When they envision the ideal technology solution, 78% of organizations find it critical or very important to have the ability to manage all customer interactions in one solution — a feature that can help create seamless journeys and experiences for customers.

“Envision a platform that unifies various point solutions to address multiple marketing and customer experience needs when it comes to your physical locations. How interested would you be in using such a platform?”



Organizations Expect A Wide Range Of Benefits From A Unified Marketing And CX Platform

Firms expect to benefit from a platform that unifies various point solutions for marketing and CX activities. Three of the top five benefits are related to customer experience, including: 1) improved customer experience across physical and digital channels, 2) increased customer loyalty, and 3) improved customer engagement.

Unified platforms also offer help with organizations' most challenging objective to implement — improving their customer understanding. Organizations look forward to gaining a holistic view on the customer journey across physical and digital channels and more actionable insights from location data and analytics.

Top Eight Expected Benefits From Using A Unified Platform



Improved customer experience across physical and digital channels



Increased customer loyalty



A holistic view on the customer journey across all channels



More actionable insights from location data and analytics



Improved customer engagement



Revenue growth



Increased efficiency



Easier data interoperability between internal and external systems

Conclusion

While businesses recognize the importance of providing hybrid CX and have set the right priorities, most lack confidence in their ability to execute and are slow to adopt more-advanced marketing and CX activities. To advance on the path to seamless hybrid CX, they must:

- **Align teams to support end-to-end customer journeys.** Drive alignment and collaboration across teams to take advantage of how customer acquisition activities are connected to driving longer-term customer engagement and value.
- **Connect technology and systems.** Create a unified view of customer interactions across digital and physical touchpoints to improve customer understanding and provide better experiences.

Technology vendors need to innovate alongside these businesses. A strong partnership is critical to help solve the most acute points of friction along the hybrid customer journey.

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Contributing Research:

Forrester's Customer Experience
research group

Methodology

This Opportunity Snapshot was commissioned by Uberall. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of senior decision-makers in departments responsible for business development, customer experience, digital, IT, marketing and brand, strategy, and retail/physical locations at companies in Europe and US that rely primarily on their physical locations to drive business. The custom survey began and was completed in December 2021.

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Demographics

COUNTRY	
United States	26%
France	25%
Germany	25%
United Kingdom	24%

INDUSTRY	
Financial services	22%
Entertainment, restaurants, and hospitality	21%
Retail	21%
Business or professional services	20%
Healthcare	16%
Consumer services	1%

REVENUE (USD)	
\$400M to \$499M	16%
\$500M to <\$1B	40%
\$1B to <\$5B	42%
\$5B to <\$10B	2%

POSITION	
Director	56%
Vice president	32%
C-level executive	13%

Note: Percentages may not total 100 due to rounding.

ENDNOTES

¹As stores reopen, customers are eager to return to physical locations, all while staying digitally connected to the brand. Just one example: In 2021, 30% of European online adults told Forrester they are more confident about their purchases when they use a smartphone to do research while they are in a store. Source: Forrester Analytics Consumer Technographics® Benchmark Survey, 2021.

²Source: "Marketing Technology (Martech)," Forrester Research, Inc. (<https://www.forrester.com/blogs/category/marketing-technology-martech/>) and "What Is A CX Tech Portfolio?," Forrester Research, Inc., May 13, 2021 (<https://www.forrester.com/what-it-means/ep217-cx-technology-portfolio/>).

³Source: "The Social Technology Convergence Stalls Out," Forrester Research, Inc., June 4, 2021 (<https://www.forrester.com/report/the-social-technology-convergence-stalls-out/RES165825>).

⁴Businesses do not just need more customer data but customer understanding — actionable insights that inform and differentiate products and customer experiences. Customer understanding is key for organizations, as it underpins their ability to maximize their relevance to what their customers value most, and therefore to drive long-term customer relationships and loyalty. Sources: "Customer Obsession Explained," Forrester Research, Inc., May 3, 2021 (<https://www.forrester.com/report/customer-obsession-explained/RES165778>) and "Build An Insights-Driven Business," Forrester Research, Inc., January 27, 2022 (<https://www.forrester.com/report/build-an-insights-driven-business/RES139876>).



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