

Omnichannel for Consumer Products:

10 Ways to Build Consumer Engagement

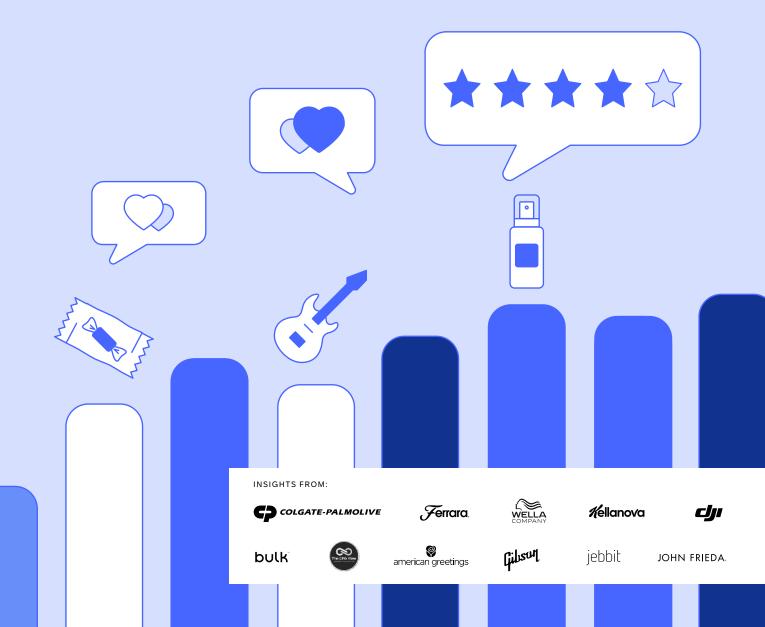


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Direct Engagement for Consumer Products

Today's market is highly competitive and digitally driven, with consumers demanding personalized experiences across channels. Your consumers' attention is difficult to capture, as they seek out product information, reviews, and offers whether they're in store or online. Consumers also expect you to respect their privacy, support sustainability, and understand who they are as individuals.

Isn't that too much to ask of a consumer products (CP) brand? Well, consumers certainly don't think so.

According to <u>SAP Emarsys' Customer Loyalty Index 2023</u>, the percentage of global consumers who said they were "loyal" to certain retailers dropped from 76% (2022) to 66% (2023). This show of decreased confidence has been ushered in by price hikes, continued supply chain issues, and ongoing volatility in the global economy.

First-party data has become the key to creating tailored, relevant consumer engagement, giving brands direct influence and control over driving consumer loyalty. But what are CP brands to do, when they've traditionally relied on partner retailers and third parties to provide them with insights into consumer behavior?

Direct engagement with the consumer is centered around building direct relationships with consumers.

68%

Only 2% of consumer products companies surveyed said that raising price would receive the most emphasis in their 2024 strategy, whereas 68% said they would increase advertising and marketing spending

Deloitte, 2024 Consumer Products Industry Outlook

Traditionally, engagement between CP brands and consumers has largely been a one-way conversation, wherein brands pushed advertisements to consumers to drive awareness and purchases. The goal of direct engagement, on the other hand, is creating an interactive, two-way conversation, in which your brand drives engagement across channels, at multiple touch points along the customer journey.



"The backbone of DTC is obviously data. Many CPG brands face challenges today on limited transaction visibility, but one of the challenges is finding ways to collect data and leverage that data at scale."



Don BrettHost, The CPG View Podcast

This guide lays out tactics and best practices for building direct engagement that is highly personalized and relevant, using omnichannel strategies to reach consumers where they are. Discover how you can better understand your consumers without direct sales, so that you can foster long-lasting relationships and ultimately increase customer lifetime value.

Current Trends and Challenges for Consumer Products

Creating direct, personalized engagement with your audience is easier said than done. CP brands are facing new challenges as they enter into today's era of customer-centric marketing:



First-Party Data: Collecting and integrating first-party consumer data into marketing campaigns is a top challenge. When the majority of purchase data and many other behavior data points are unavailable or difficult to access, it becomes difficult to identify and reach consumers, let alone tailor messaging to their individual needs.



Retail Media Spend: Consumer packaged goods (CPG) brands are dedicating more of their budget to retail media (Retail media refers to advertising capabilities within a retailer's platform, whether online or offline.) Retail media capabilities provide new opportunities, such as access to first-party data, campaign optimizations, and campaign analytics. eMarketer forecasts that by 2028, nearly 1 in 5 of ad dollars in the US will be spent on retail media.



Soaring Costs All Around: Consumers are facing price hikes everywhere they turn, while marketers have to contend with increasing costs for digital ads, among other budget concerns. Brands are struggling to limit the pass through of price increases onto consumers, and consumers are looking for value. In their quest for value, consumers might change their habits or even channels, decreasing basket size or switching from expensive deliveries to low-cost club or dollar stores. Marketers must seek out new means to market to consumers efficiently, driving greater outcomes with less budget and effort.



Digital Transformation: Consumers have gone from shopping in store to shopping for their desired products at any time and on any channel they prefer. Brands are feeling the pressure to adapt to meet consumers where they are and engage with them on their own terms.



Supply Chain Disruptions: Supply chain disruptions continue to impact forecasting and inventory. Brands have realized that they can't be resilient without a strong business network; with partners like copackers, third-party manufacturers, and last-mile delivery options. Similarly, marketers must be agile, ready to adapt and provide real-time updates about product availability based on sudden shifts in supply.



Market Saturation: The wide range of products on the market means that differentiating from competitors is crucial. This is an especially steep curve for new brands, but it also impacts mature brands looking to launch new products or enter new markets and stay relevant.

Creating a direct line to the consumer is a powerful opportunity, one that helps brands rise to meet each of these challenges. To create that direct connection, the best place to start is with a first-party data strategy.

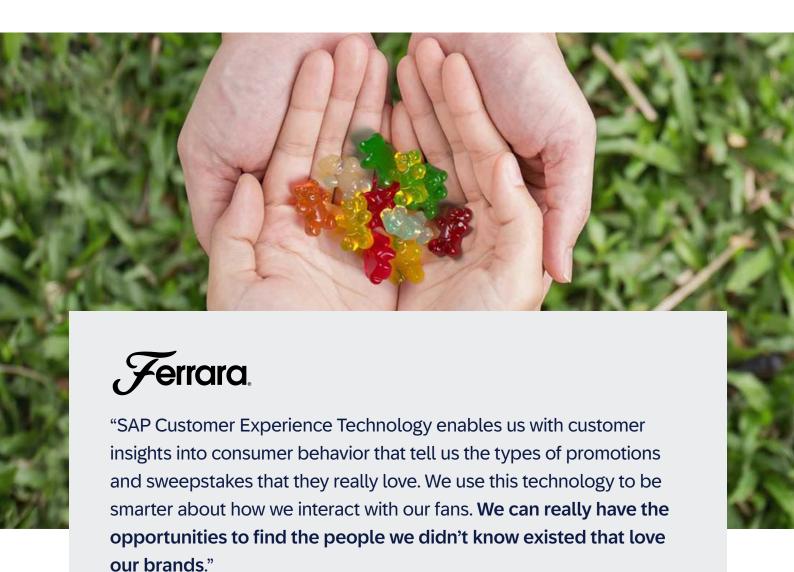


COLGATE-PALMOLIVE

"Retail media is the transformation area that's got a lot of buy-in from my team. By 2028, omnichannel retail media is going to be about 25% of total media spend in the US. If you think about that, coupled with the emergence of marketing clouds, the visibility and potential of the consumer journey is being enabled and empowered with retail media, and how we can leverage that is a must-focus area."



Jamie SchwabVP, Global Digital Commerce, Colgate-Palmolive





Dan Bartelsen

IT Director, E-Commerce and Marketing, Ferrara Candy Company

Watch Ferrara's Story ()

The Importance of a First-Party Data Strategy

With the increase in consumer data privacy regulations over the past several years, brands are gradually being pushed away from third-party data. Now more than ever brands must rely on first-party data — data they collect and own themselves, such as behavioral data, transactional data, or data that consumers explicitly and willingly share, such as an email address.

That might sound like a challenge at first, but consider this: the pressure to rely on first-party data is a good thing. First-party data is more accurate, more cost-effective, and of a vastly higher quality than second- or third-party data.

The biggest benefit of first-party data is how it can help you create 1:1 personalized experiences across any channel and in real-time. It empowers you to actively build an ongoing conversation with the consumer, creating better experiences that lead to repeat revenue and a higher customer lifetime value.

Whilst planning which solutions you need to capture meaningful data that drives omnichannel personalization, think about these questions:

What do you know about your consumers?

What don't you know about your consumers that would be helpful to know?

What use cases do you need to solve for in the next year?

Will your data strategy build trust and satisfaction?

Are you offering value that consumers want in exchange for their data (i.e. are you offering a value exchange)?

Consider different points in the customer journey where it's appropriate to ask for data. A few examples of this include when consumers are registering a new user, signing up for your mailing list, after a purchase, etc.

If you don't have that first-party purchase data on hand right now, don't sweat it. Start small and decide what you need first, and then start collecting and analyzing it (i.e. birthday data, warranties, demographics, etc.). After you set your goal, focus on connecting with consumers in engaging, rewarding ways to build brand affinity and generate the kind of data you need in order to understand them and create personalized experiences.

That's where the art of the value exchange comes into play.





"One of the big initiatives that I've been driving within Wella is a concept of Wella One. And what that means is the consolidation from an operations perspective of connecting the data across all different experiences into one location. This allows us to build a much stronger profile knowledge of those individuals, and therefore allows us to make sure that we're leveraging that data to build the best experiences."



Aaron Bradley

Vice President, Technology & GTM Innovation, Wella Company

Experience the Wella Journey (•)



Creating Value Exchanges throughout the Customer Journey

The most effective way to obtain first-party consumer data is by creating a "value exchange" to incentivize consumers to give you their data.

There are several things you can do to create value exchanges, including:

- Strategic initiatives, which involve creating new programs and opportunities
- Digital experience initiatives, which involve optimizing digital channels (website, mobile app, Mobile Wallet, social etc.) for two-way engagement
- Stores and services initiatives, which can be anything from optimizing packaging to enhancing benefits from product registration or even creating special in-store displays

Great value exchanges (like the ones that appear later in this guide) are about activating the right data and building brand relevance and awareness. When consumers walk into the store to buy soda, vitamins, or a new microwave, your brand is the one that stands out.



"One of the things for us is how you create a value exchange that really resonates and is dynamic over time. The relationship with the consumer will change. How do we evolve our personalized content as that relationship with our consumer evolves?"



Powering Direct Consumer Engagement with Omnichannel Personalization and AI

With the proliferation of technology throughout every aspect of our lives (mobile phones, AI, the Internet of Things, social platforms, etc.), consumers are increasingly in control of how, where, and when they engage with brands.

Omnichannel personalization is fundamental to driving consumer growth and revenue. The consumer products brands that are innovating their strategies around personalized omnichannel campaigns are getting an edge over their competition.

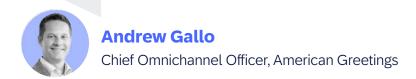
Creating Seamless, Personalized, Cross-Channel Journeys

A personalized omnichannel journey unifies multiple channels, creating a seamless experience with consistent messages and offers. Consumers are able to transact in the moment, on their preferred channel.

Every time a consumer receives a personalized communication from your brand, one based on a true understanding of their preferences and needs, you differentiate yourself from competitors who either lack the knowledge (data) or marketing sophistication (customer engagement platform built for omnichannel personalization) to do the same.



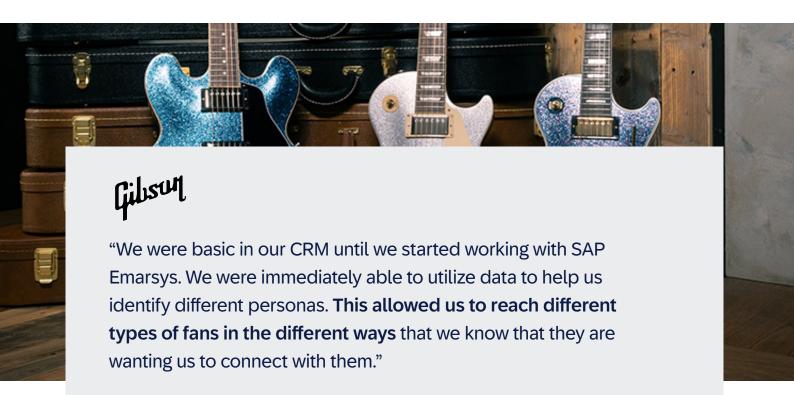
"We have a unique product category in that it's almost always purchased to be given to someone else. It gives us a natural ability to address customer pain points. The number one reason a customer doesn't use our products is forgetfulness. This gives us a natural way to ask our customers, hey if you're celebrating a birthday this year, let's set up a reminder so you don't forget. It's the number one pain point we can serve. We've been able to create interactions that are very authentic and very personal."



Don't underestimate the engagement power of your website! This is where the real opportunity lies for CP brands. When you get a consumer's email address, you need a destination point, and your website is premium real estate for value-added content to engage consumers — and keep them coming back for more. At the same time, you'll gain greater insights into their interests and motivators.

As you create personalized experiences, the consumer begins to see your brand as the one that consistently offers the most relevant products and insights, as well as the greatest value. When personalized experiences are consistent across touchpoints and relevant to your consumers, they feel seen and understood.

Doing this time and time again, at scale, requires the right technology. With loyalty and retention as the goal, and personalized omnichannel marketing as the strategy to get you there, you need a solution that allows you to personalize everywhere and consistently across channels.





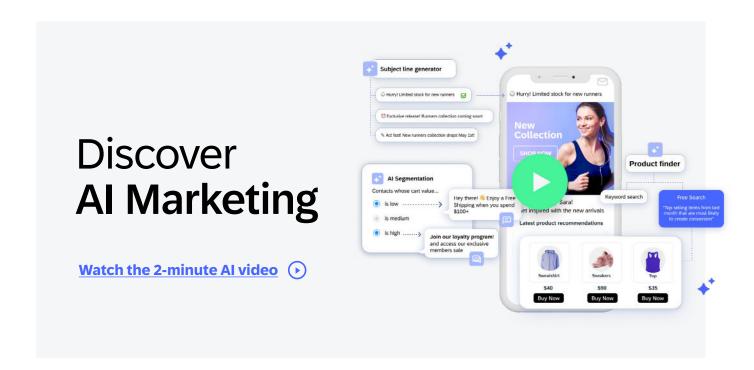
Using Generative Al

According to our own research, **72% of US marketers have increased their investment** in **AI in 2024.**

Al is on everyone's minds, and generative Al (or GenAl) has shown great potential to transform business processes and save marketers time and effort.

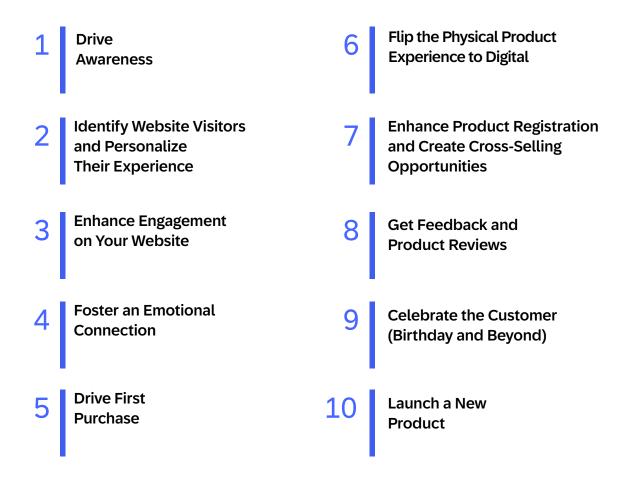
Marketers can use natural language prompts as an input, making the creation of subject lines more intuitive and more streamlined, while still allowing marketers to maintain creative control. With just a few baseline instructions to get it started, AI can analyze campaign content and then generate a selection of engaging and contextually relevant subject line options.

Another great benefit of GenAI is that it can help you scale content and campaigns across brands and regions. It helps with localization and empowers you to reuse content across regions. For example, subject lines can be easily re-created in-region and with language-specific context.



10 Ways to Drive Omnichannel Customer Engagement

Did you skip straight to this section because you couldn't wait to read the marketing tactics first? No one will blame you for that! Dive in and get inspired, and you can always go back to the top.



Tip: Focus on the strategies that are a good fit for where your business is right now. What works for you will depend on various factors, especially the first-party data you currently have available and the technology you use to make it actionable. When in doubt, you can always stay agile by trying a pilot program first. Building your database to better understand your consumers is part of an ongoing, continuous process.

1 Drive Awareness

"Driving awareness" is no longer just about making the consumer aware of your product — it's also about establishing your awareness of the consumer. Ultimately, you want to build awareness through your digital ad networks and then get to a point where you can identify your consumers so that you can begin delivering targeted messages.

TRY THIS JOURNEY







SOCIAL AD

You create a social media promotion for your line of essential oils, with an email signup to learn more.

EMAIL

Consumer Francis Fragrance receives your email with a coupon for the product. For a more exclusive experience, consider offering limited access to early samples.

EMAIL & APP

Francis later receives a follow-up email invitation to download your mobile app to access offers and content.



Identify Website Visitors and Personalize Their Experience

The moment a potential customer lands on your website and starts to browse, your objective is identifying them.

"Identifying" website visitors doesn't necessarily mean having them log in to give you an email address. (Although if they're willing to, that's great!) Sometimes identification means profiling visitors based on their actions. When you understand what they're searching for based on their clicks, you can guide their exploration.

Of course, you can't personally guide every consumer. That's why your customer engagement software needs to do it for you, tailoring the experience on the fly.

TRY THIS JOURNEY







WFF

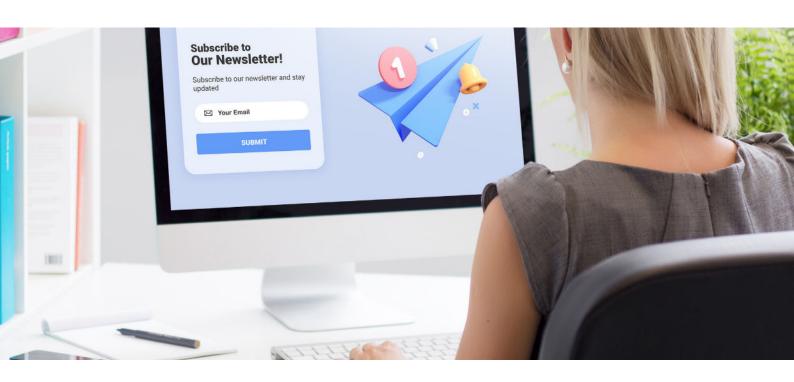
Sally Forth visits your website to learn more about a product. Sally sees the default homepage at this stage.

SEARCH

Sally uses the website to search for instructions to care for a specific product.

WEB PERSONALIZATION

When Sally returns to the homepage, she sees personalized images related to her search, as well as an invitation to join a mailing list for new product updates.



3 Enhance Consumer Engagement on Your Website

You've identified a repeat visitor to your website. Great! Now, take it one step further and start actively engaging them based on their interests. To do this, you need to present them with content that's relevant to their interests.

TRY THIS JOURNEY



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BROWSER SEARCH

Bill Browser searches on Google for health supplement drinks.

WEB

Bill reads a blog about the top five health supplement drinks and clicks to learn more on your website.

QUIZ

On your website, you provide Bill an interactive quiz.



INSIGHTS

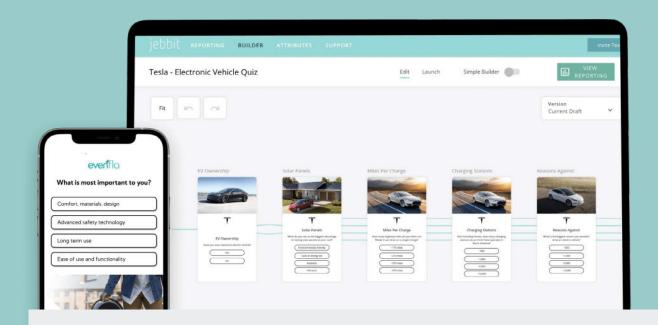
Bill takes the quiz, giving you insights into his preferences.



PERSONALIZED OFFER

At the end of the quiz, Bill sees a tailored offer for a coupon to use instore, which he can claim by providing his email address.





jebbit

"I think it's imperative that when you get [data] and consumers are willing to take that time to engage with you, to actually interact with you, to share information about themselves, you've got to act on it.

When you [...] show them that you care and that you're listening thoughtfully, and you're using their data truly to just enhance their experience and make it better, that's what starts to build trust. And trust is really foundational to loyalty. [...] Offer genuine value, show them you care, show them you're listening, be thoughtful and be actionable."



Taylor DonnellVP, Content & Partner Marketing, Jebbit

Get real examples of how brands are using Jebbit

4 Foster an Emotional Connection

Long-lasting relationships are more than just fleeting transactional encounters. When you can develop emotional bonds with consumers and drive that connection, you reap benefit after benefit, from increased customer lifetime value to customer referrals and glowing reviews. Building a real relationship is how you develop genuine brand fanatics.

Emotional connection can be based on factors such as nostalgia, dependability, corporate social responsibility, personality, and much more.

TRY THIS JOURNEY



SOCIAL INFLUENCE

SOCIAL AD



Pablo Planet notices that a non-profit associated with you promotes your coffee company's social impact initiative on its social channels. Pablo sees a social ad encouraging him to participate in a contest by sharing his favorite coffee rituals.

EMAIL

You send Pablo a sequence of nurture emails that includes an offer for ethically sourced premium coffee beans.



Drive First Purchase

Driving repeat purchases from loyal consumers is critical, but every loyal buyer starts with that all-important first purchase.

One great way to drive first-time purchases is by using lookalike audiences, which are groups of people to target who are similar to the people currently engaging with your business. The great news is that marketing automation technology can use algorithms to identify these lookalike audiences.

TRY THIS JOURNEY







SOCIAL AD

Trevon Traveler sees a Facebook ad for tires because he matches a lookalike audience.

WEB & EMAIL

Trevon goes to the website and signs up with his email to receive a rebate coupon.

EMAIL & APP

He receives a welcome email with the rebate coupon and an invitation to download your mobile app.

bulk

"With SAP Emarsys, we are creating personal 1-to-1 experiences for our 1.5 million customers globally. We have automated 500 unique journeys, which resulted in 70% retention."



Mark Sherwood

Global Head of Trading and Marketplaces, Bulk

Watch Bulk's Story (>)



6 Flip the Physical Product Experience to Digital

The in-store experience has a huge impact on awareness. Seeing the cereal box, picking it up, comparing nutritional values, and even seeing special product displays — these are key parts of the journey.

However, the physical experience shouldn't be the end. As a marketer, you can guide the consumer on a truly omnichannel journey, leading them from in-store to online. And the way you accomplish this is by offering value. It always comes back to a value exchange! Your product knowledge holds a great deal of value: how to's, recipes, tips, deep-dive product articles, inspirational listicles — all of these can lead to deeper engagement.

TRY THIS JOURNEY



QR CODE

The QR code on a package of organic plant food for vegetables leads to an article with more information about the product.



PERSONALIZED OFFER

Parker Planter scans the QR code and gets an offer for a 15% off coupon with email signup.



EMAIL & CONTENT

Parker receives an email with the coupon and links to how-to articles on organic gardening.



Enhance Product Registration and Create Cross-Selling Opportunities

When it comes to higher-price consumer durables — appliances, guitars, electronics, etc. — products might have a warranty. Having the consumer register the product directly with you is a golden opportunity to get them directly engaged. Even if there is no warranty, consider inviting consumers to register the product with you for other perks, such as free software or firmware updates, maintenance tips, and so on.

When the consumer registers their product, the discovery phase begins. Based on their purchase and follow-up activity, you can find out what they want to do with their product. You can then use that data to present them with relevant, personalized content. Show them unexpected and creative uses for the product, such as how others are using it, and give them tangible and attainable objectives.

TRY THIS JOURNEY



PERSONALIZED NEWSLETTER

Jaz signs up to receive a new juicing recipe each week. Recipe emails include product recommendations that go with the registered product, based on personalization rules.







"SAP Emarsys has been a valuable partner in strengthening customer relationships. Their platform empowered us to create personalized campaigns, driving engagement and loyalty. The platform's interface and tactics capabilities facilitated launching campaigns and making decisions. We appreciate SAP Emarsys' technology and expertise, and recommend their platform for elevated marketing efforts."



8 Get Feedback and Product Reviews

Give your consumers a voice. Encourage them to provide public reviews, and create opportunities to solicit their direct feedback. You can do this across channels, including social, email, and web. If your product is something like an appliance or electronic, customer support may also be a great avenue to collect feedback.

TRY THIS JOURNEY



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WEB

Jaz Juicer previously registered her blender on your website.

PERSONALIZED EMAIL

After Jaz has had time to try her blender, she receives an email inviting her to review it on your site to get a 15% off coupon for a companion juice jug.

MOBILE WALLET OFFER

Jaz completes the review, and she receives the 15% off coupon in her mobile wallet offers.



SMS REMINDER

Jaz receives an SMS reminder that her coupon is waiting for her.

If you get a negative review or social post, remember that it doesn't spell doom. Actually, it spells opportunity. Address the customer's concern, showing that you're truly committed to building personal relationships. Where it makes sense, incorporate the feedback to improve your product and marketing tactics.



9

Celebrate the Customer (Birthday and Beyond)

If you have data for a customer's email and birth date, it's pretty much a no-brainer to engage them for their birthday with an irresistible offer.

But you don't need birthday information to find new and fun ways to celebrate your customers. Subscription anniversaries, competitions, tie-ins to national holidays — all of these present opportunities to engage. Even taking a survey can be a reason to celebrate.

TRY THIS JOURNEY







SEGMENTATION

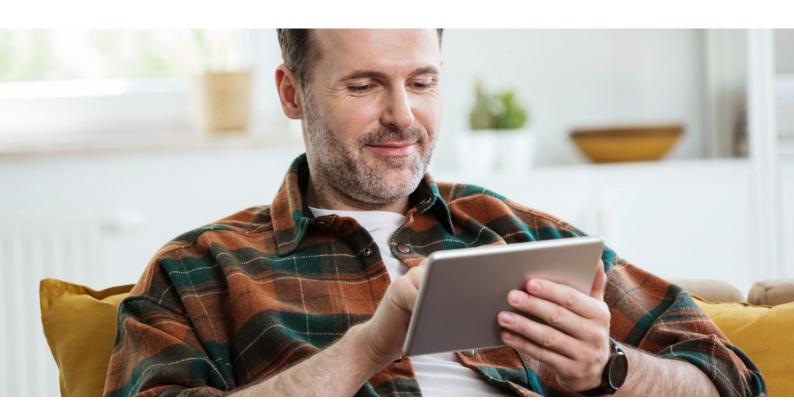
Remi Reader has been subscribed to your newsletter for 6 months and clicked through on multiple articles. This activity lands Remi in your "highly engaged" audience segment.

AI PREDICTION

Based on Remi's click-through history, AI makes predictions about products Remi is interested in.

PERSONALIZED ADS & EMAIL

Remi sees targeted digital ads for a recommended product along with a "Thanks for being a loyal reader!" email that has a corresponding offer.



10 Launch a New Product

Launching a new product is an opportunity for growth and expansion with existing customers and new customers alike.

In-store displays with QR codes, social ads, augmented reality (AR) experiences, pop-up stores, influencer promotion — the possibilities for driving awareness of your launch are endless. Ensure each moment is connected and relevant, and keep the touchpoints as close to the transaction as possible.

TRY THIS JOURNEY



WEB

Edith Cookie searches your website for dessert recipes that use your original cookies.

TARGETED WEB POP

Edith sees a pop-up ad for your newly launched cookies, along with a limited-time BOGO coupon to get a package of the new cookies along with the original.

QR CODE

Edith buys both kinds of cookies and uses a QR code on the package to sign up for a weekly recipe via email.

JOHN FRIEDA.

"John Frieda had four main goals for our UltraFiller+ launch: identify new audiences, educate customers, create buzz before retail launch, and refine the messaging to find the right messaging for our audience."



Lyla HoltGlobal Digital Marketing Manager, Consumer Care, John Frieda

Conclusion

In a landscape defined by digital transformation and evolving consumer expectations, establishing direct engagement is imperative for CP brands. By leveraging first-party data, along with the strategies and tactics for personalization described in this guide, CP brands can forge deeper connections with their audience, offering tailored experiences that resonate at every touchpoint.

Embracing these strategies isn't just about adapting — it's about building meaningful, enduring relationships that drive sustained growth and customer satisfaction.

SAP Emarsys has the power to help you create the consumer experiences described in this guide, establishing personalized, omnichannel engagement directly to your consumers and bridging the gap between the online and offline worlds. No matter where you currently are with direct engagement, we'll take a consultative approach to help you get to where you want to be. Our platform has been built from the ground up to help you achieve business outcomes.



Discover what's possible!

SAP Emarsys is Consumer Products tailored, including pre-built, best practice Tactics to help marketers accelerate time to value.

Request a 1:1 demo with an expert now



About SAP Emarsys

SAP Emarsys is the customer engagement solution of Intelligent CX from SAP, empowering businesses to deliver personalized, AI-driven, omnichannel experiences. Built for scalability and extensibility, Intelligent CX from SAP integrates commerce, sales, service, marketing, and customer data, enabling businesses to exceed customer expectations with real-time, relevant engagement. From digitally native disruptors to global enterprises, SAP Emarsys helps bring out the best CX in every business by meeting customers where they are with the products, information, and experiences they need, exactly when and where they need them.

For more information, visit <u>www.emarsys.com</u>



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