

Quarterly
Digital
Intelligence
Briefing

Econsultancy
Achieve
Digital
Excellence™

2016
Digital Trends



in association with **Adobe**

Quarterly Digital Intelligence Briefing

2016 Digital Trends



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Foreword by Adobe

It's official. Customer experience is in charge.

In 2014, it emerged as a top priority for marketers. In 2015, it gained momentum. Now, in 2016, it's so important, it pulls other priorities into its orbit.

This year's Digital Trends report – part of the Quarterly Digital Intelligence Briefing series that Econsultancy publishes in partnership with Adobe – tells the customer experience story. When the 7,000 professionals who participated in the survey talked about their most exciting opportunity, the top three answers were 'optimising the customer experience', 'creating compelling content for digital experiences' and 'data-driven marketing that focuses on the individual'.

So businesses are investing in experiences, but there's more to it than that. This customer experience mandate is permeating everything else these businesses are doing.

Take data. It should be the underpinning of any customer interaction, from advertising through to service. And strategically, decisions about data-driven marketing should be made with customer experience in mind. In this year's study, marketers show they understand both the opportunity and the obstacles to achieving it.

When asked to identify their strategic priorities for 2016, more organisations (53%) chose data-driven marketing with their top vote. That's a huge majority, but again, when you look at this information in the context of the larger study, it becomes apparent that marketers are prioritising data-driven marketing *because* of customer experience, not instead of it.

Without a mastery of data, they simply cannot provide the experiences they aspire to.

But there are obstacles. The report explores the challenges in turning data from raw material into useful insight, and they often come down to people and processes. As in 2015, only 37% are satisfied in their ability to attract and keep analysts to make sense of their data. But there is some improvement when it comes to technology. Forty-one percent report having a good data collection infrastructure, which is up 10% from 2015.

On the other side of data is content. It's a fundamental part of the customer experience and that fact is shown in this year's results. I mentioned earlier that marketers see creating content as one of their most exciting opportunities, but that proves true both for 2016 and throughout the next five years. At the same time, the top of respondents' priority list is dominated by personalisation and content optimisation.

Of course, experiences only work if businesses can create and deliver this content efficiently and effectively. But because this content is so much more abundant and complicated today, people, teams and companies need to work together better.

Clearly the respondents agree. Ninety-four percent say that improving the process behind content creation and delivery will be important in delivering a great customer experience. Further, 91% say the same about the importance of improving collaboration between creative and marketing teams.

Marketers in every sector are embracing this new customer experience reality. And while it brings new challenges, it inspires creativity, enthusiasm and success.

As you begin your 2016, we hope this report is useful to you, and perhaps even inspires you with ideas about what marketing can mean for your organisation.



John Travis
VP, EMEA Marketing
Adobe



2

Introduction and a look back at 2015

Having a large number of people respond to a survey is important for the depth it gives the data. Researchers are able to go further in comparing and contrasting regions and other groups.

Participation is also a measure of interest.

This year's Digital Trends survey benefits from the input of more than 7,000 marketing, digital and ecommerce professionals, giving us a rich pool of data and confirming that the community is very interested indeed in how their peers view digital trends.

Thanks to a geographically diverse sample, this briefing is global, highlighting key differences between North America, Europe and Asia where relevant. These are the regions with the most participants, but many of the trends highlighted in the report are as relevant in Brazil or South Africa as they are for the US, UK or China.

This study provides a useful counterpoint to the opinions that rain down from industry experts at the start of the New Year. Opinions have to be startling or controversial to warrant attention, but studies like this one benefit from the grounding of data.

This is the fifth annual trends study conducted by Econsultancy and Adobe, and as in any research that spans a number of years, there is more similarity than difference in many of the findings.

The drumbeat of customer experience continues to sound, though it is increasingly accompanied by an emphasis on data. Increasingly, a goal of the former sets the priority of the latter.

So too we see some of the enduring challenges of digital remain almost intact. Trust in digital measurement and metrics remains an issue at many organisations, as does their ability to attract talent and overcome the drag of legacy technologies.

But there is enormous enthusiasm and hope for the future buried in the numbers as well.

The drive to better understand and serve customers is real and evident in the data. Companies aren't simply paying lip service to being customer-centric; they're investing in technology, reworking strategy, making mistakes and achieving success.

A new area of inquiry in this year's study is in breaking down some of the important elements of customer experience and exploring their challenges and opportunities through the eyes of our respondents.

One aspect of the digital shift that hasn't enjoyed enough attention in the past is the need and possibility for improved collaboration. With marketing departments everywhere pressed for time and resources, the need to work together has never been greater, across teams, departments and even organisations.

As in 2015, the priorities that sit atop marketers' lists are tied together by their focus on the individual. Personalisation, content optimisation and social media engagement are overlapping capabilities with the customer at the centre of their Venn diagram.

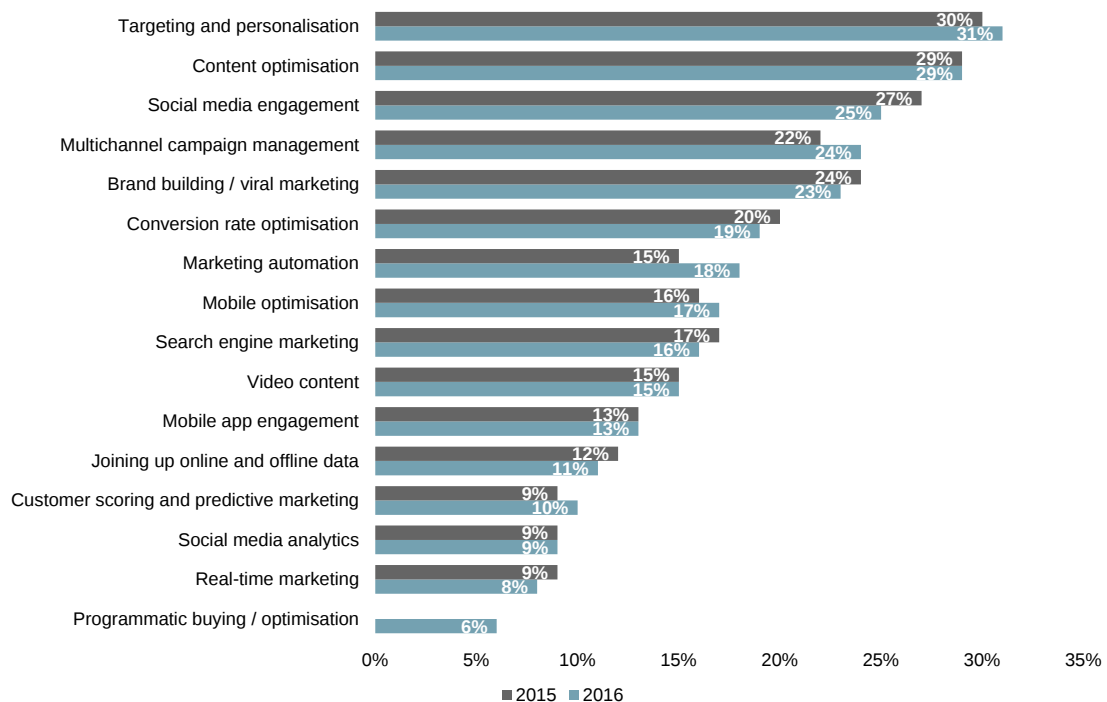
To us, that suggests that digital marketing is headed in exactly the right direction.

The priorities that sit atop marketers' lists are tied together by their focus on the individual



Company respondents

Figure 1: Which three digital-related areas are the top priorities for your organisation in 2016?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 3,167
Respondents 2015: 2,748

Although some priorities rise to the top each year, the reality for digital marketers is that every item on this list is on theirs. Many of the capabilities called out in *Figure 1* are complementary and some are dependent on one another. That so many needs are pressing reflects the whole cloth change in the mission and requirements for the modern marketing department.

Any tensions in the results relate to that complementary relationship between different techniques. For example, social

media analytics ranks relatively low compared to the engagement it's designed to measure. Similarly, while much of personalisation must be performed in real time, that capability ranks near the bottom of the list.

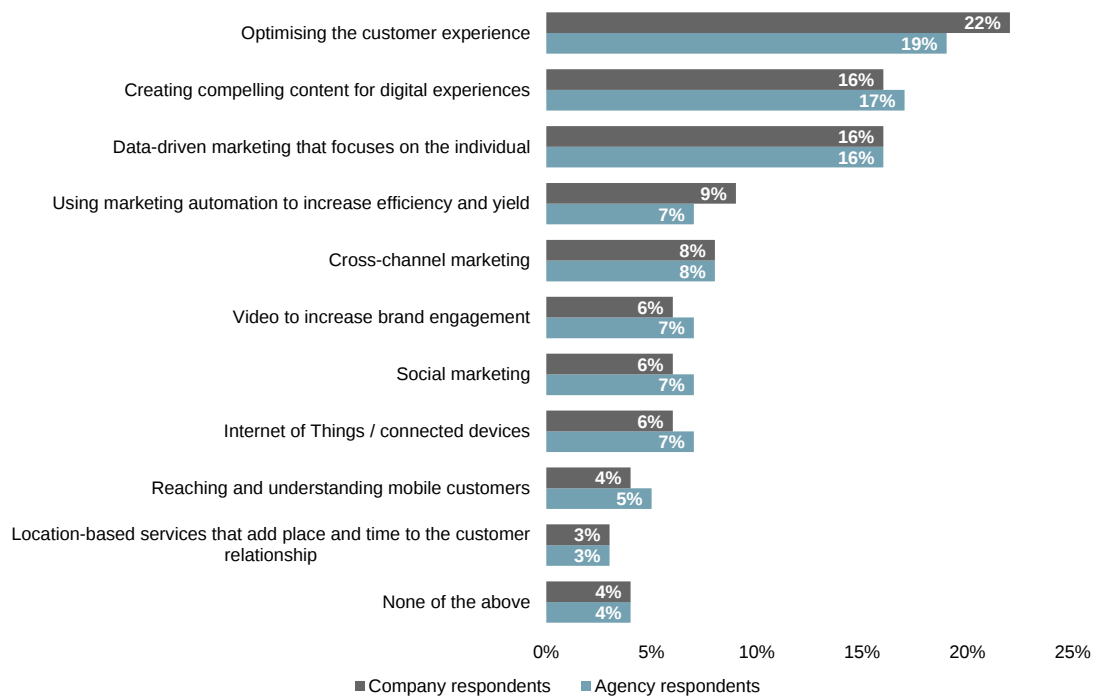
The point is not that marketers are missing these implications, but that skills, technologies and processes are less independent every day. The data they produce and require is the bonding agent.





The customer's experience and the content to support it continue to be top opportunities

Figure 2: Which one area is the single most exciting opportunity for your organisation (or your clients) in 2016?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 3,013
Agency respondents: 2,653

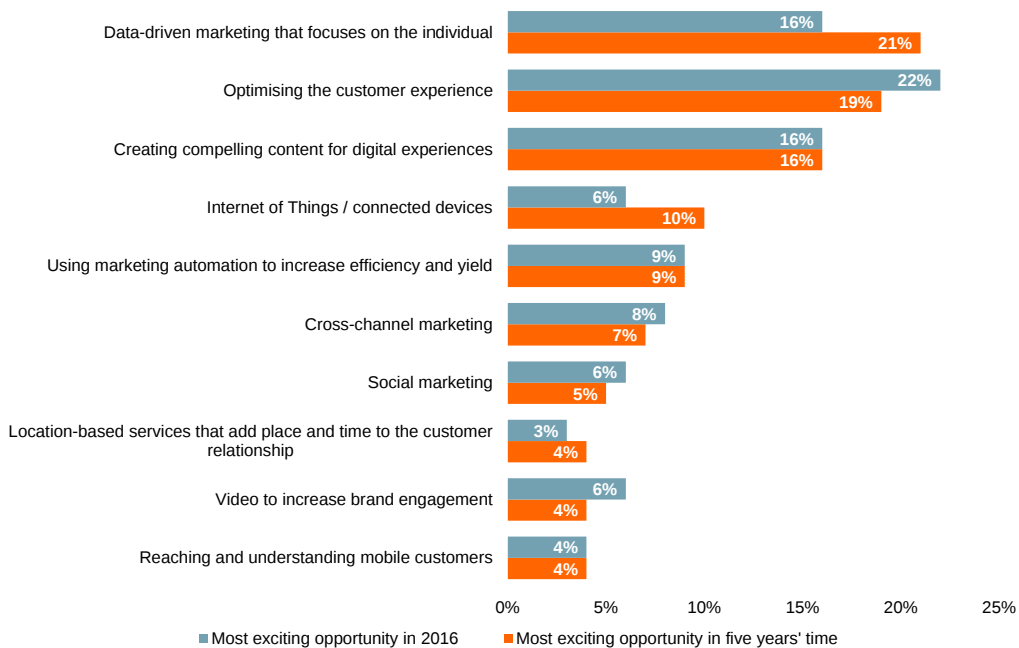
The customer's experience and the content to support it continue to be the top priorities for both marketers and their agencies when they think about where opportunity lies. Underpinning those activities is the data necessary to provide individual, relevant messaging and service.

As we'll see in the next section, however, citing customer experience is citing an array of goals and capabilities. Many of the lower-scoring opportunities on this list are required for a great CX, or at least complement one.



Company respondents

Figure 3: Most exciting opportunity – 2016 vs ‘five years’ time



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 3,013

How do marketers view their discipline in five years? As more mature. With the exception of a rise in the importance of connected devices, the future they describe isn't one of media or channel innovation, but of a leap forward in taking advantage of the opportunities they have today, but are still striving to perfect.

By a significant margin, the potential for data is seen as the key to the future. Marketers know that they aren't making the most of their technologies because the pieces are

still being put in place. Over the next five years, the industry believes it will move from innovation to mastery.

The interest that marketers have for the Internet of Things / connected devices is largely future-looking, with only 6% citing them as important today. But it should be noted that their agency partners are seeing more possibility and impact from the practice, with nearly 20% saying that these everyday digital connections will be their clients' most exciting opportunity.



3

The many priorities within CX

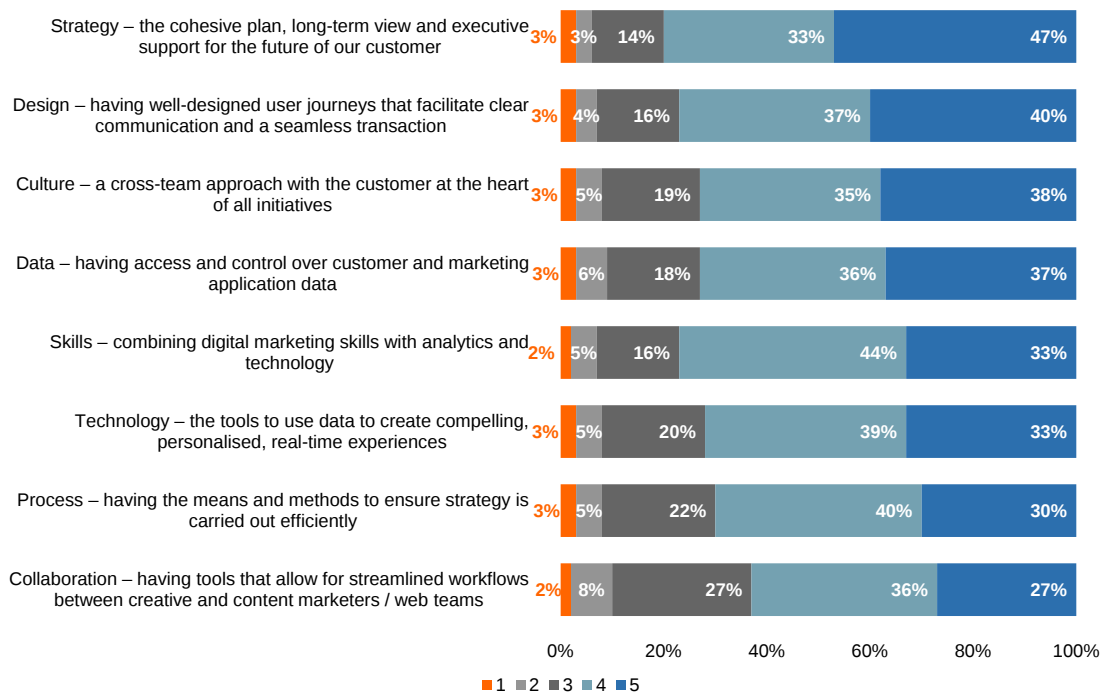
Throughout this report we see that customer experience can't exist as a single discipline or set of goals. It depends on a wide array of capabilities, tools, teams and systems.

But even within the discipline itself, many elements compete for attention. Approaching CX requires that organisations look at their

business from a variety of dimensions, to ensure that all of the different parts of the system work together for the good of the customer. *Figure 4* provides some insight into how client-side marketers perceive the various elements that make up the customer experience.

Company respondents

Figure 4: Please rank the importance of these elements of the customer experience from 1 to 5, where 5 is 'most important to success'.



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 1,237

Culture

The transformational nature of the internet has brought the disjointed nature of many organisations to the fore. The process of attempting to unify existing practices with new digital realities has revealed the differing goals, values, attitudes and more that exist within any given organisation. Deviating from this to a culture that is uniformly concerned with the customer is difficult. Regardless, it is a crucial foundational element to achieving a personalised customer experience that must be pinned down.¹

Strategy

A manifestation of a customer-centric culture is the long-term plan to enable and incentivise all parts of the organisation to focus on the experience of the customer. In many cases, the customer strategy is still owned by marketing or cross-departmental teams, which is to be expected, especially given the size and complexity of some organisations. However, it will be incumbent upon organisations over time to reorganise around stakeholder input and create processes which enable the entire organisation to play their part in customer experience.¹

Technology

The ability to disentangle customers from the aggregate and address each one as an individual with incredible speed at minimal, if any, marginal cost is an extremely powerful commercial capability that starts with technology. Implementing such technology will take considerable, but necessary upfront investment into an infrastructure that will facilitate addressing the customer with the

right experience at the right time.

Design

From new consumer devices and a growing number of touchpoints, to mapping out a non-linear customer experience, design goes far beyond an optimised new website. Bearing in mind design budgets are likely to remain the same², converging design pattern standards³ will allow designers to spend more time identifying and implementing around a customer's contexts, wants and needs when building or changing products. Such insights will require collaboration to unify what customers truly care about.

Process

While strategy is most likely to be ranked as most important (47%), process (30%) is one of the least likely elements to achieve this distinction according to client-side respondents. Given the likelihood of organisational change being quite severe due to shifting incentives, an impetus should be put on ensuring that the strategy is being carried out effectively.

Data

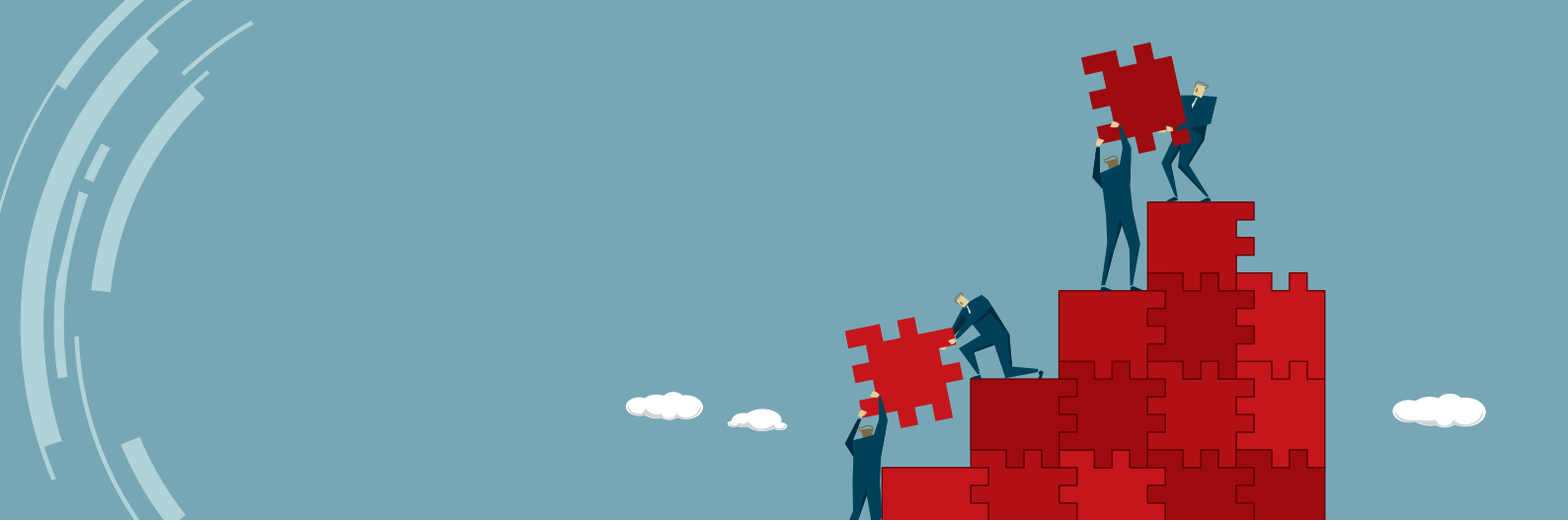
The key to understanding customer journeys, cross-platform identification and personalised experiences, data's value to the customer experience puzzle is clear. However, just as important is having the tools and personnel to understand and manipulate datasets, with the purpose of revealing something new. Collecting data is extremely important, but is useless without the analysts to make sense of it.

¹ <https://econsultancy.com/reports/understanding-the-customer-journey/>

² <https://econsultancy.com/reports/quarterly-digital-intelligence-briefing-the-cx-challenge/>

³ <https://econsultancy.com/blog/67308-15-crucial-web-design-trends-for-2016-beyond/>





Skills

From new technologies and capabilities, to re-understanding business fundamentals in a new digital world, skills continue to be a vital piece of the puzzle many are missing. Skills shortage is the biggest barrier to digital programmes⁴, as older employees struggle to get to grips with waves of new technology and although digital natives are naturally savvy with technology, there is typically an inability to apply this with sound commercial understanding.

Collaboration

The least likely to be ranked as most important to success (27%), collaboration is perhaps the most underestimated element. While it may be difficult to measure its overall impact, collaboration is fundamental to having a cohesive customer experience. Without teams working together, the experience becomes disjointed as the customer flows through the different parts of the journey, invariably interacting with different teams with potentially no idea of previous activity.

Growth may be born of strategy but it dies in the trenches, when collaboration is slow or inefficient. Companies that place an emphasis on design should consider collaboration a parallel priority.

One area where it's easy to see the importance of collaboration is in design, which is ranked as the second most important factor in CX success. Design processes have grown more complex along with the digital landscape, involving more minds on more teams at more organisations with each new channel, platform and device.

Consumers are only more demanding of good design, and yet it's increasingly difficult to deliver it across a panoply of media.

Brands recognise that design is integral to growth and retention, but haven't all connected the dots to understand that design is dependent on collaboration. Content today is rarely the product of one team, let alone one person. Strategists, writers and graphic designers must work with coders, UX experts and platform specialists even to create relatively simple interactive content or applications. A more likely scenario also involves digital marketers and teams from outside partners.

Considering the role of collaboration, perhaps it is not surprising that 'optimising the customer experience' is much more likely to be the single most exciting opportunity for organisations in the automotive (37%) and retail (29%) sectors compared to the average organisation surveyed (22%), given that these sectors have had traditionally disjointed experiences between their brand experiences and their points of sale or transaction experiences.

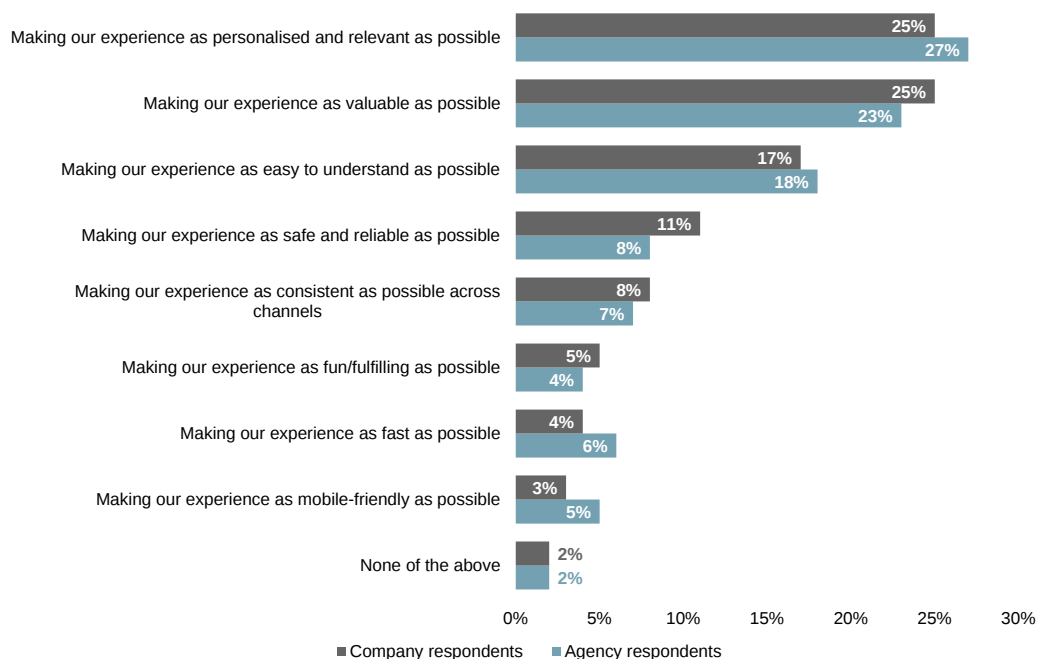
However, this assumes that optimising the customer experience is primarily considered with joining together disparate experiences. While this should be the case for every organisation, priorities differ on a case-by-case basis and this may manifest in different points of emphasis in terms of improving the customer experience.

⁴ <https://econsultancy.com/reports/effective-leadership-in-the-digital-age/>

Skills continue to be a vital piece of the puzzle many are missing



Figure 5: Where does your organisation / do your clients place the highest emphasis in terms of improving the customer experience?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 2,179
Agency respondents: 1,893

The speed and immediacy of the internet have made **ease of use** fundamental when improving the customer experience, particularly in consumer markets. A poor experience when onboarding is a key reason for churn in mobile app usage.⁵ On the flipside, Apple's relentless focus on the ease of use for their iOS platform is one of the key reasons behind its high levels of loyalty and retention, despite having arguably fewer features than customers.⁶ This approach goes beyond the product; marketing campaigns, payment forms, anywhere the customer interacts with the brand, presents an opportunity to make life easier for the customer.

While the above can be perceived as predominantly focused on the UI rather than the UX, focusing mainly on **value** is more likely to involve the organisation at large. Pre and post-purchase information, a useful customer care team and effective feedback mechanisms⁷ all contribute to providing value to customers.

If making the customer experience **personalised** is truly applied throughout the business, organisations would create products and services geared towards leveraging an opportunity that has never been present at this scale; to serve every

⁵ <https://econsultancy.com/blog/66851-five-tips-for-reducing-mobile-app-churn/>

⁶ <http://exponent.fm/episode-060-beyond-disruption/>

⁷ <https://hbr.org/2015/08/great-ux-doesnt-guarantee-a-great-customer-experience/>





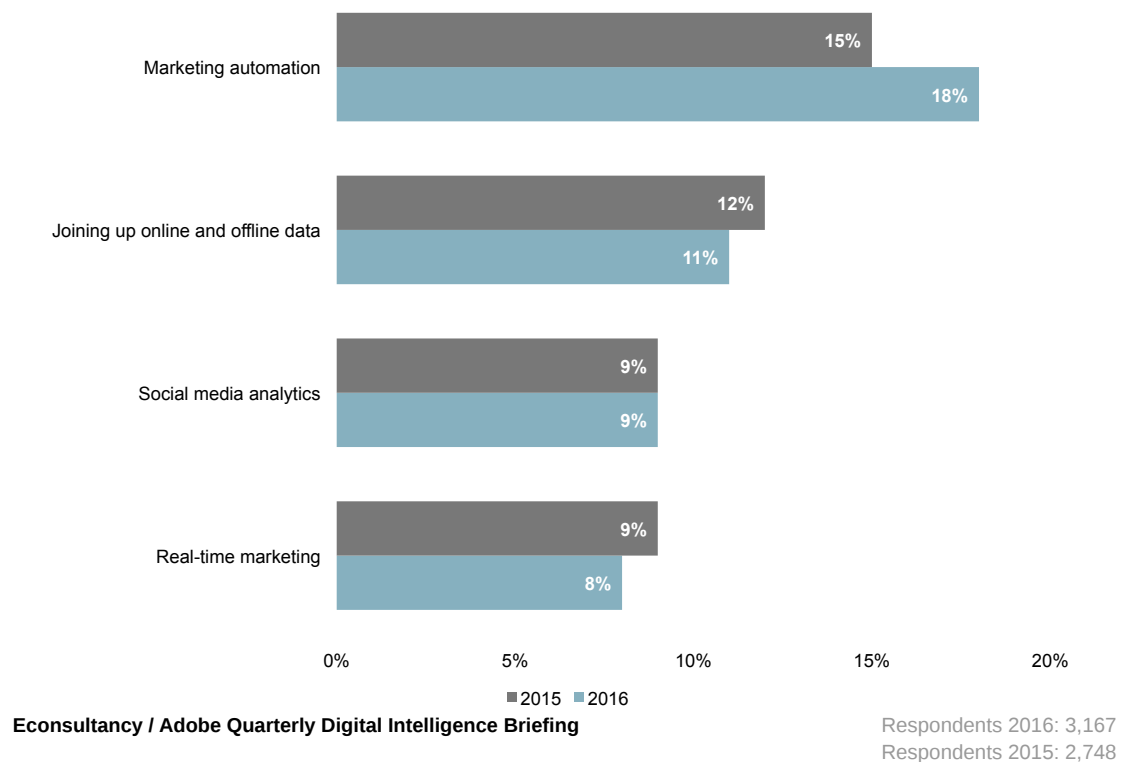
Collaboration is least likely to be ranked as most important to CX success

customer at no marginal or transactional cost.⁸ This transformative opportunity to serve any given customer, regardless of their profile, is at the heart of some of the most disruptive organisations. However, in most

instances, organisations have an extensive journey in front of them as they aim to realise the potential behind any of these approaches.

Company respondents

Figure 6: Most under-valued capabilities for customer experience excellence



Note: The full list of ranked priorities for 2016 can be seen in *Figure 1*.

⁸ <https://stratechery.com/2015/beyond-disruption/>

When respondents were asked to identify the top digital priorities for 2016, the results were emblematic of the disparity between the strategy and process/collaboration elements highlighted in *Figure 4*. The top priority for company respondents was 'targeting and personalisation' (31%), with the next two priorities being 'content optimisation' (29%) and 'social optimisation' (25%). While the first is well in line with strategic aspirations, the latter areas are relatively basic and are not so well aligned.

In contrast, some of the areas that are truly required to target and personalise experiences are the focuses for a minority of

organisations, as seen in *Figure 6*. It is not feasible for organisations to effectively target and personalise without being proficient in cross-functional areas like automation, social analytics, real-time marketing and joining online and offline data, if applicable.

Of course it is important that organisations are competent in delivering fundamental individual elements of the customer experience. However, if they are truly going to make considerable strides in improving CX in 2016, it will be critically important to prioritise the cross-functional capabilities that allow businesses to engage with customers in the most valuable way.



4

Culture, politics and the push to improve CX

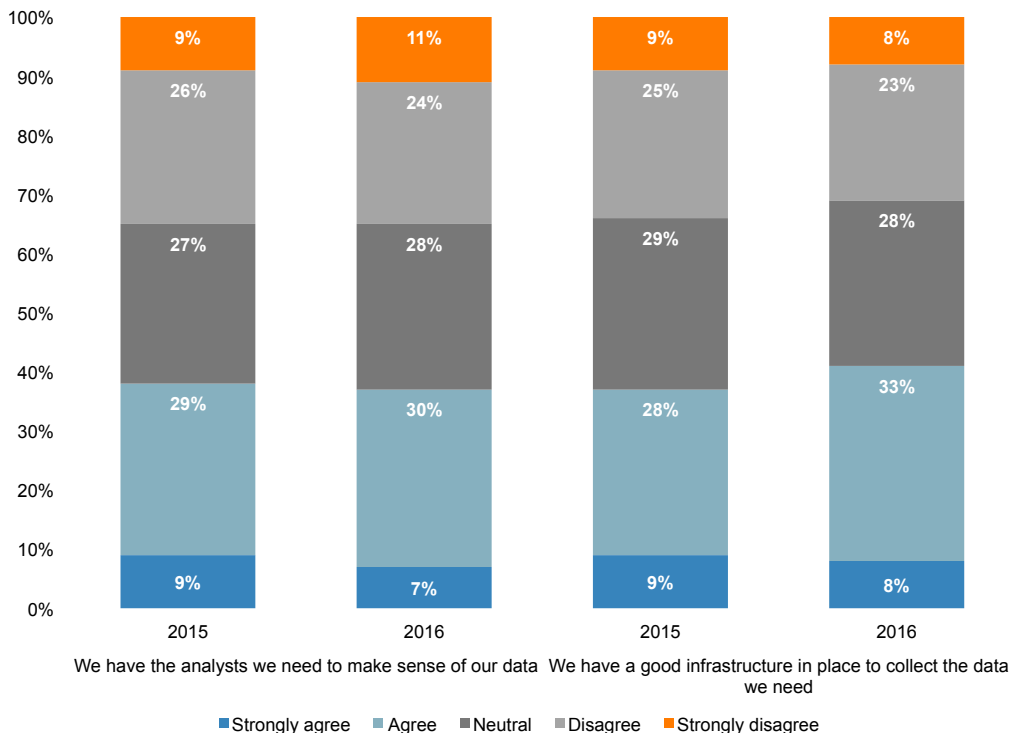
The last few years have seen such rapid innovation that many organisations find themselves at a point where the possibilities have outstripped their ability to take advantage of them. The issue in 2016 is not technology but people.

True technical innovation demands parallel infrastructure changes to support implementation and utilisation, and this can be a challenge to corporate culture.

In this year's study, we asked respondents about their infrastructure with respect to data collection; a process essential to bring about customer experience improvements. The chart below shows limited progress in the proportion of companies which have an effective infrastructure in place to collect the necessary data.

Company respondents

Figure 7: Do you agree or disagree with the following statements?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 2,635
Respondents 2015: 2,368



Likewise, *Figure 7* shows that data skills remain elusive, with 2016 seeing no improvement in the proportion of those organisations who have the analysts they need to make sense of their data: 38% in 2015 and 37% in 2016. Hiring these analysts can be met with budgetary and organisational challenges within companies, and a talent gap has existed in the industry for the last couple of years in the availability of analysts able to utilise the quantities of data available and draw actionable insights from it.

A recent Econsultancy report on digital leadership⁹ highlighted the importance of organisational culture in enabling, supporting and catalysing change. The report found that many saw a clear difference between companies with a digital culture and those without (termed ‘analogue companies’ in the report) in their ability to adapt, innovate and create.

For many, a change in culture would enable the key priority for marketers in 2016 – customer experience – to be improved. Many industry commentators would in fact claim that culture comes above all other elements in truly successful companies, because without the support of the various stakeholders, strategy is unlikely to impact day-to-day operations.

The survey suggests that a culture conducive to digital innovation is difficult to achieve. The data reveals that 46% of respondents rank the process of creating a cross-team approach with the customer

at the heart of all initiatives as 4 or 5 on the difficulty scale. When the data is split by region, it appears that respondents in North America find culture less of a challenge than in APAC and Europe (40% rated it as 4 or 5 compared to 48% in APAC and 49% in Europe), though it remains in the top three most difficult elements to achieve.

Customer experience is impacted by every channel and interaction, and therefore almost every department within a company, whether digital or not. A good CX requires the linking of technology, data and teams so that experiences are consistent and seamless, and requires a culture and organisation that reflects the fifth stage in Econsultancy’s digital maturity model¹⁰; a fully integrated structure. In the Econsultancy / Adobe CX Challenge report¹¹, the difficulty in achieving this structure is illustrated. Even among those companies who rated themselves as advanced in terms of customer experience maturity, only 33% said that responsibility for CX spanned the entire organisation.

Cultural change is arguably the hardest to engineer when it comes to digital transformation. Even with a limitless budget, without the full buy-in and support of all management employees, it can be difficult to elicit meaningful change, with common objectives and incentives. This research shows that marketers are focusing on this goal despite its difficulty. Many of the qualitative responses to a question on capitalising on digital opportunities were around creating a more complementary culture.

⁹ <https://econsultancy.com/reports/effective-leadership-in-the-digital-age/>

¹⁰ <https://econsultancy.com/reports/digital-marketing-organisational-structures-and-resourcing-best-practice-guide/>

¹¹ <https://econsultancy.com/reports/quarterly-digital-intelligence-briefing-the-cx-challenge/>

Capitalising on digital opportunities: the importance of culture

Survey respondents

“We need to create a culture where we can fail fast. We need to always be thinking through a digital lens.”

“We’re a legacy business that is struggling with shifting our culture to a ‘digital’ culture; this has the follow-on impact of making technology and capability a challenge to build a case for. We’re very much a traditional trading-led organisation and as such still see digital as secondary or a service rather than a core part of the business.”

“Our internal culture is outdated. We live in a modern, dynamic, digital world, but our corporate culture lacks room for innovation and 360-degree feedback between executive team, management and other staff.”

“The organisation needs to adopt a customer-focused culture. The biggest challenge is getting other members of the organisation on board with what we are doing.”

5

Data-driven... everything

Data-driven marketing is increasingly seen as the heart of the new customer-centrism. To improve customer experience, customer data is needed. To improve user experience, data is needed. To personalise and optimise, data is needed. Companies which can effectively capitalise on the data they collect will be able to tailor communications based on customer habits and contextual factors.

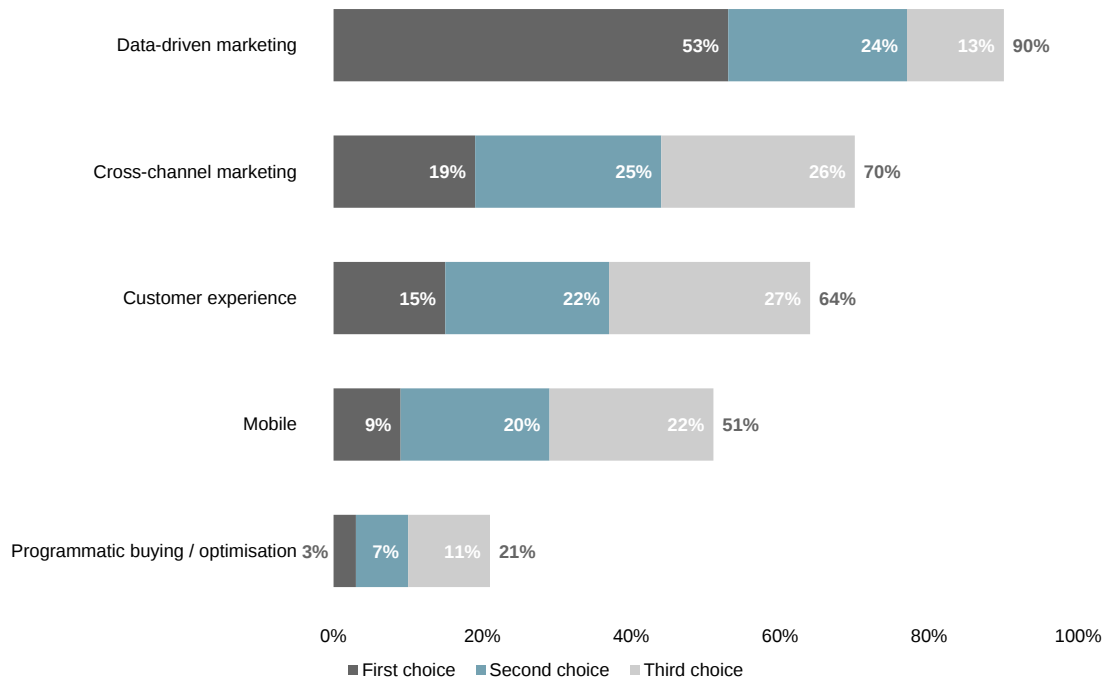
In *Figure 3*, we saw that over a fifth (21%) of marketers believe that in five years' time the single most exciting opportunity will be 'data-driven marketing that focuses on the individual'. This shows awareness of the vital nature of data in improving customer

experience, and indicates marketers are aware this importance will not dwindle. In fact, given that data and customer experience are indivisible, the two may be considered a single, overarching priority.

When asked to rank five strategic marketing priorities, data-driven marketing comes out on top by a significant margin. In fact, over half (53%) of respondents ranked this as their first choice. A case could easily be made for saying it is integral to the next four items in *Figure 8*. Each of these activities is driven by data, and improved through use of the data a company has on its processes and customers.

Company respondents

Figure 8: Please rank these five areas in order of priority for your organisation in 2016.



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 2,716





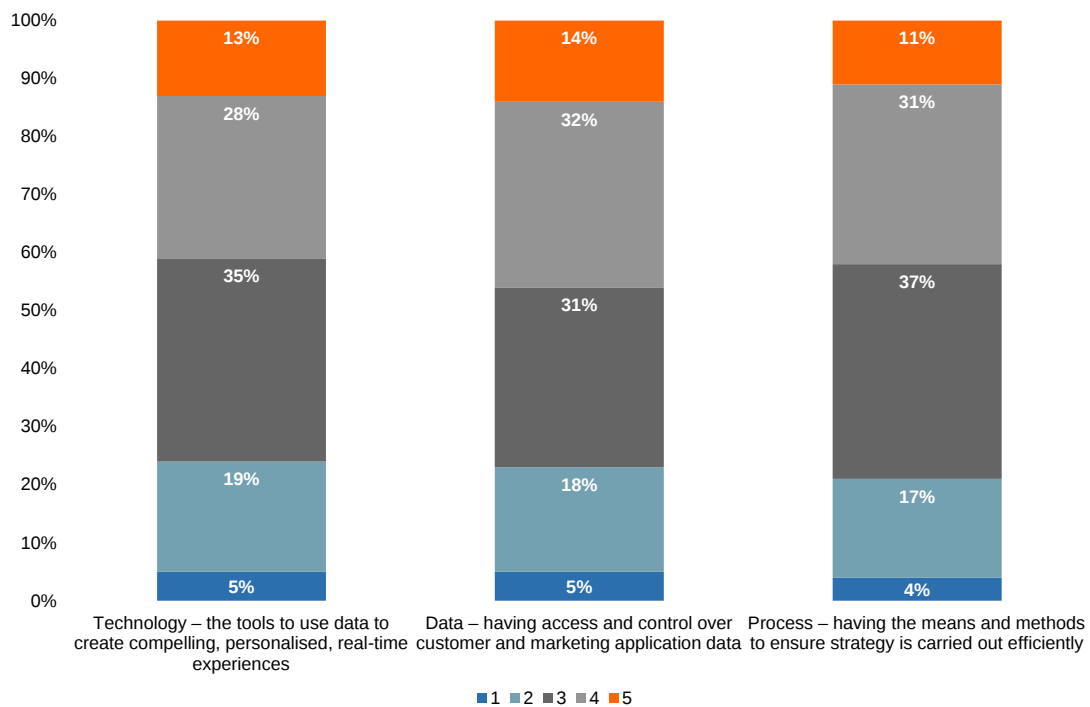
There are still multiple challenges when it comes to data

The importance of data may be well-known, but there are still obstacles to its collection, understanding and use. Companies report time and again that there are barriers due to lack of training, resources and involvement or understanding from those higher up in the business.

Respondents were also asked to rank the difficulty levels in mastering certain elements of customer experience, and it is evident from the top three 'most difficult' factors shown in *Figure 9* that there are still multiple challenges when it comes to data.

Company respondents

Figure 9: Please rank the difficulty in mastering the following elements of customer experience from 1 to 5, where 5 is 'most difficult'.



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 1,203



Accessing, defining and using customer data is one of the most difficult challenges faced by the modern marketing organisation. If marketers are facing difficulty when it comes to the collection and selection of the data itself, it of course carries through that there will be difficulties in deploying this data.

In a data-driven marketing trends briefing¹², based on the issues discussed by marketers at Econsultancy's Digital Cream 2015 event, it was emphasised that *"before embarking on a fully-fledged data-focused programme, marketers need to have an in-depth understanding of their business requirements"*. The report goes on to say that *"the prospect of having so much data to work with is exciting"*, but it can quickly become overwhelming. The risk here is losing sight of the bigger picture, and not being clear enough of the exact business case for each activity.

Of almost equal difficulty, with 13% of respondents ranking it as 'most difficult', is technology. As mentioned earlier, this refers to the tools which interpret and manipulate data, in order to power data-driven marketing activities. Not only does the technology need to be fit-for-purpose, but there also needs to be the skillset within the team or externally to use the tools correctly. With so many tools and programmes available to marketers, the choice and functions can be overwhelming, and the selection of the correct tools problematic.

There are also many companies of all sizes struggling with legacy systems. As a short-term solution, bolt-ons can be added but legacy systems are often unfit for purpose, and can lead to problems when trying to push forward with a new data-driven strategy.

This leads directly to the third element shown in *Figure 9*: process. Behind any tools, technology and data, must be processes to use, select and interpret it. With over 40% citing this as one of the most difficult elements of customer experience, it is clear that while technology can help assist companies in their process challenges, it's not a solution in and of itself.

Process is a reflection of culture over time. Long-standing companies of any size are inevitably slowed by processes that were designed for a set of circumstances that have since changed. Any important innovation should be accompanied by a review of associated processes, but that's rarely the case. Yet, when transformation efforts are examined, we find that many failures owe to the small but persistent ways in which processes don't conform to new conditions.

In marketing, for example, many creative departments still have slow, largely manual processes for handling creative assets, reviews and authorisations. The time taken up by these activities erodes the opportunity for rapidly deploying or optimising campaigns, undermining the responsiveness that should be a strength of digital communications.

¹² <https://econsultancy.com/reports/data-driven-marketing-trends-briefing-digital-cream-london-2015/>

6

People are mobile, but brands are standing still

Customers think in terms of a general brand experience. Among their many differences from marketers, they don't differentiate between touchpoints and channels, inbound and outbound. So it makes sense then that brands should attempt to be more integrated across all touchpoints. For the vast majority of people, that experience includes mobile and for many, is defined by it.

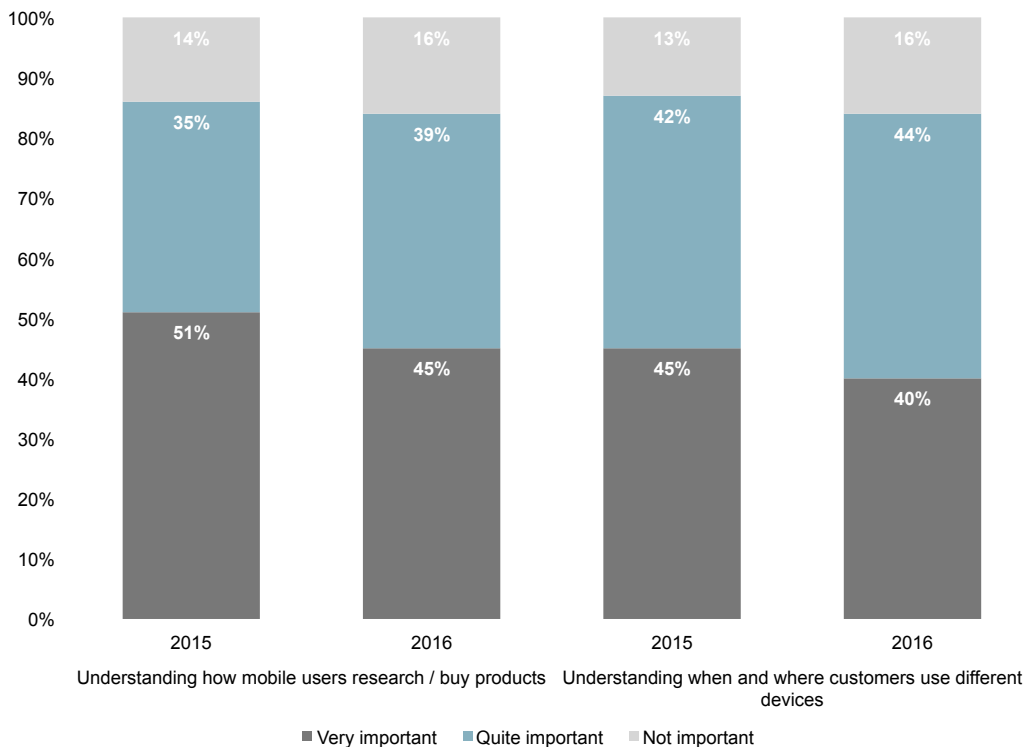
While CX is acknowledged as the single most exciting opportunity for 2016, it is not clear if marketers have fully thought through some of the wider implications on their

mobile capabilities. For example, we see the importance rating of two areas of mobile knowledge drop for the first time (*Figure 10*).

Is this a sign that mobile is becoming part of the everyday operation of many companies and is simply a standard part of strategy? Based on previous years' trends, it's difficult to imagine that the industry has become complacent thanks to their mastery. Perhaps it is semantics, since the overall rating as 'quite important' grew. Everything can't be a top priority simultaneously.

Company respondents

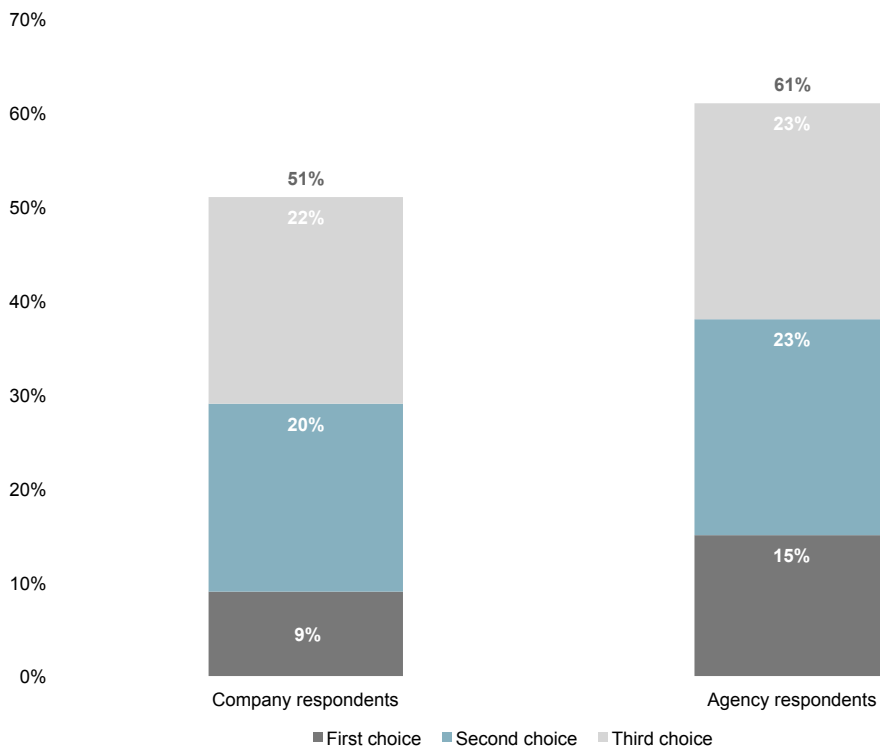
Figure 10: How important will the following be for your digital marketing over the next few years?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 2,355
Respondents 2015: 2,192

Figure 11: Proportion of respondents ranking mobile as a top-three area of priority for their organisation / clients in 2016



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 2,716
Agency respondents: 2,429

Respondents were asked to rank five key digital marketing areas in order of importance for their organisation in 2016 (Figure 8). Mobile was one of these options. Figure 11 shows the breakdown for organisations and how they responded with regard to mobile.

Clearly agencies are prioritising mobile more highly. One hypothesis for the difference in views is that from an organisational structure point of view, companies may not have the same access to skills and technology as agencies do. In fact, according to Econsultancy's Organisational Structures and Resourcing Best Practice Guide¹³, finding staff with suitable digital skills was identified by

40% of respondents as a significant challenge or barrier to digital progress within their organisation. Further, while legacy systems and processes are not as much of a barrier as they were in 2013, 35% of respondents still identify them as being a significant challenge to digital progress.

Agencies may be better positioned to take a more agile approach to integrating and testing new technologies due to a less rigid organisational structure and of course a strategic requirement to stay ahead of the curve regarding new marketing opportunities. This may explain why they can prioritise mobile more highly.

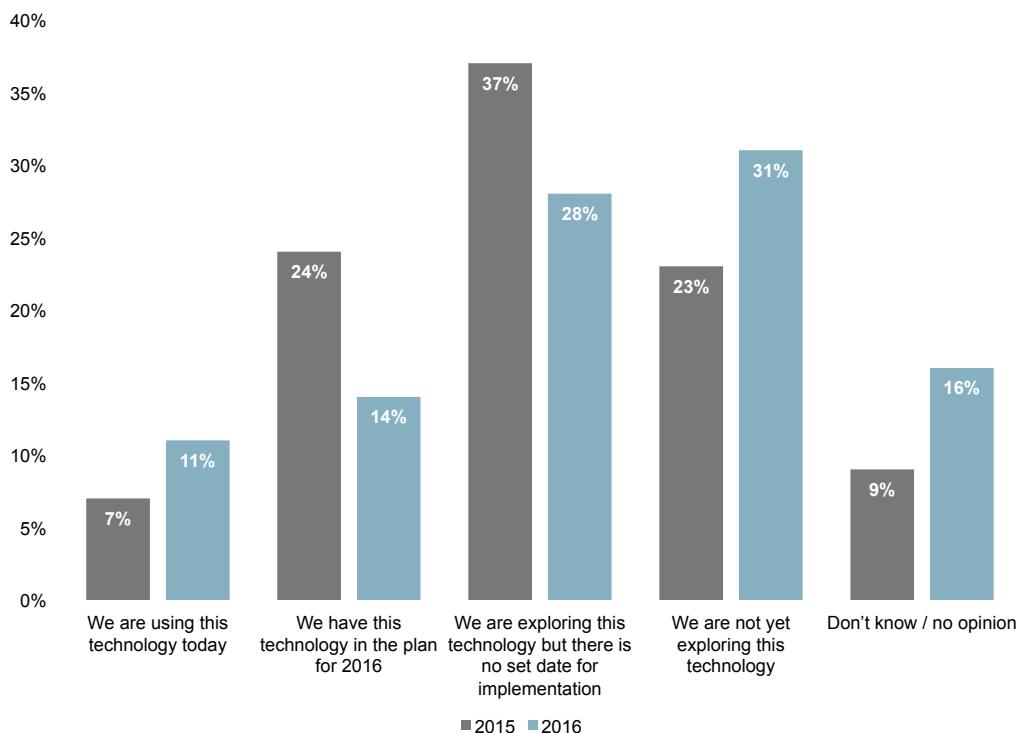
¹³ <https://econsultancy.com/reports/digital-marketing-organisational-structures-and-resourcing-best-practice-guide/>



Half of marketers rank mobile as a top-three area of priority for their organisation

Company respondents – retail sector

Figure 12: What best describes your approach to in-store geo-targeting technology, used for delivering location-based notifications (e.g. iBeacons)?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 178
Respondents 2015: 115

In recent Econsultancy research focusing on retailers, more than half of the respondents see customer service and experience as the primary means of competitive differentiation over the next five years¹⁴. While there is a business case for geolocation for supporting CX, it would appear that the excitement around implementing this kind of technology has waned.

While there are more retail respondents reporting that they are making use of in-store geo-targeting technology than in 2015 (11% in 2016 versus 7% in 2015), there is a clear

decline across every other metric (Figure 12).

With regard to beacon technology¹⁵, it is true that there has been a lot written about its potential in marketing publications but it would appear that retailers have not yet found the right way to integrate and make use of this kind of technology. While a key focus is CX, retailers are very aware of the dangers of creating negative customer experiences purely by targeting customers based on their location. In order to create truly meaningful and impactful experiences, retailers will need to weave personal data with geographic data.

¹⁴ <https://econsultancy.com/reports/the-digital-retailer-trends-opportunities-and-challenges/>

¹⁵ Beacons are hardware transmitters that can wirelessly send communications to mobile devices within a small area such as retail environments, airports, bus stops, concerts etc. An iBeacon is a brand of transmitter developed by Apple. Google has developed its own transmitter which makes use of an open format called Eddystone.

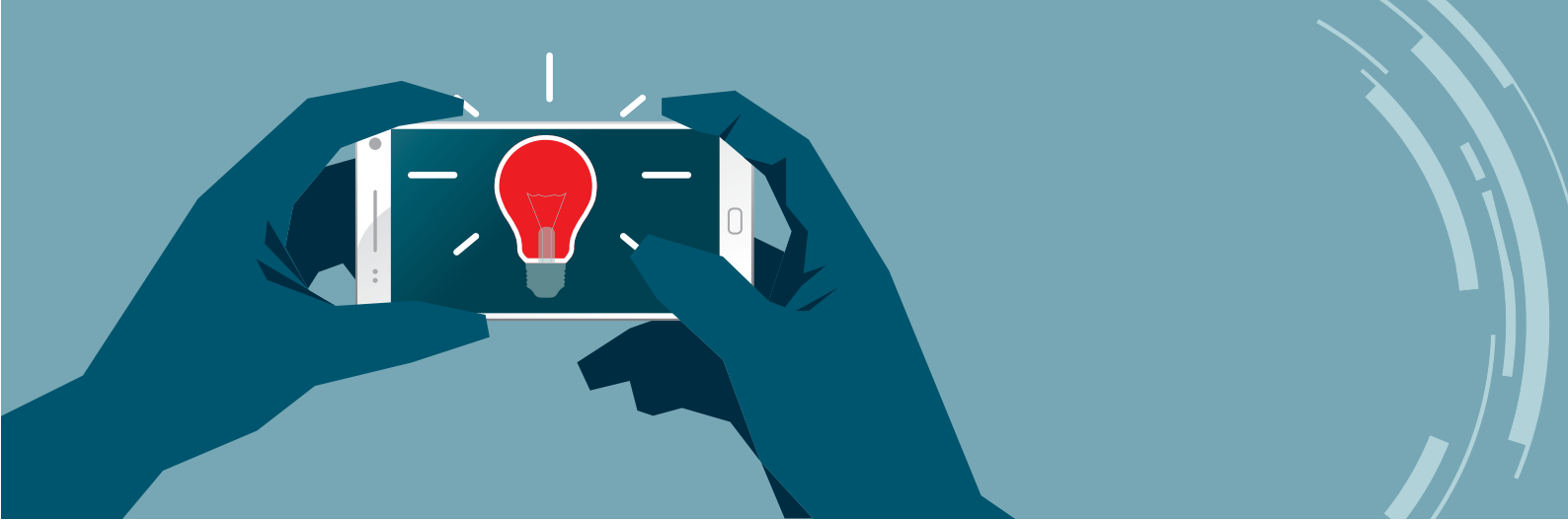
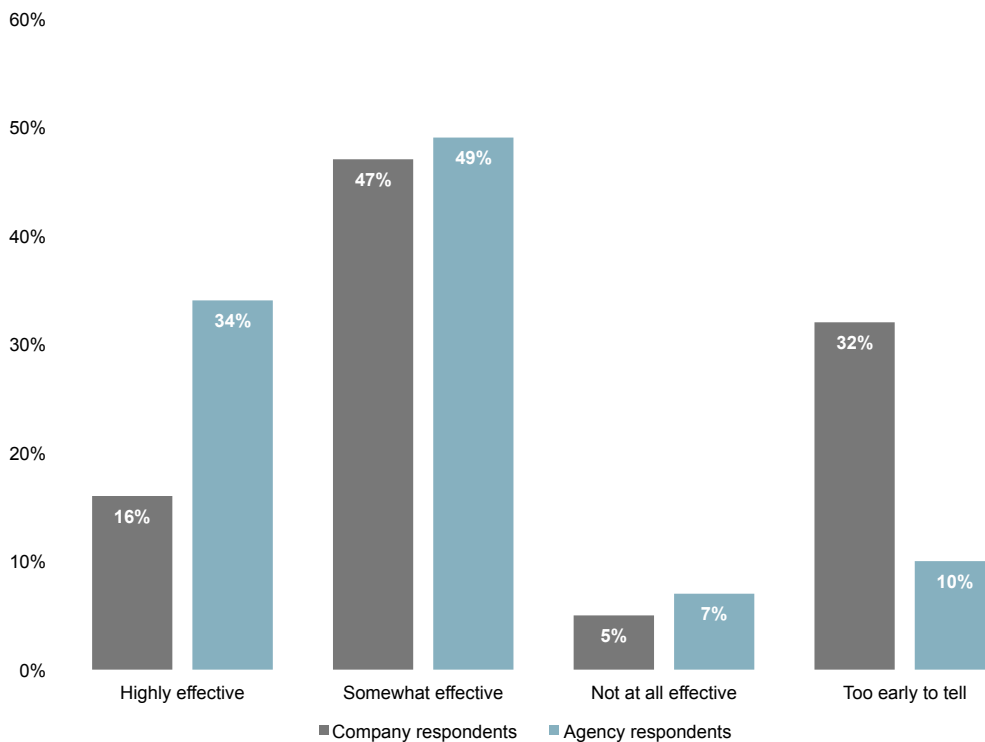


Figure 13: How effective has your organisation (or your clients) found in-store geo-targeting technology to be?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 191

Less than a fifth (16%) of company respondents report that they are finding in-store geo-targeting technology to be 'highly effective' (Figure 13). More than twice that number (34%) of agencies report it to be highly effective. It's not clear why this dichotomy exists although it is possible that agencies have a clearer understanding of how this tech can be deployed and used.

Around half of respondents report that in-store geo-targeting technology is 'somewhat effective'. What is not clear is how well the technology is being deployed. The hype around beacons has certainly died down but there may still be some real opportunities for retailers to create value for their customers.

Beacons may provide a way for physical stores to improve the in-store experience by integrating their digital and physical experiences beyond click-and-collect. This can be done by allowing physical stores to integrate location-sensing technology, mobile apps and data analytics. Having the technology to promote to customers in a hyper-relevant way about the products they're looking at, means that stores can begin to behave like a contemporary website and 'relate' to the customer in much the same way as online stores with millions of products can personalise their offers based on customer preferences.

There are many examples of retailers such as Tesco, Target and Waitrose experimenting with location-sensing technologies. Most of these examples revolve around location-based offers and reviews. Of course one of the biggest challenges to making use of beacon technology is that for them to work, customers may need to download the retailer's mobile app and thereby provide their location in return for a better experience or reward.

The opportunity to deliver valuable personalised experiences is real but shoppers will need to be convinced to download apps and adopt this technology before it can be contextually integrated into their buying habits.



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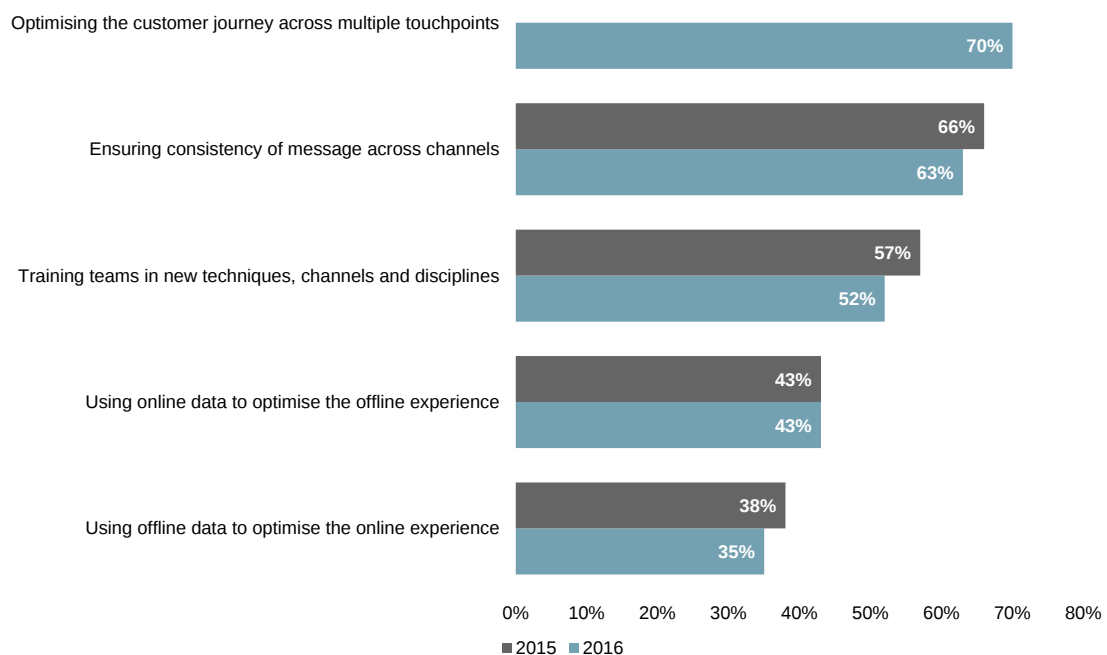
Marketing to changing realities

Transformation isn't easy. Corporations today are grappling with multiple issues in how to become genuinely data-driven and customer-centric, and they're doing so in a context of constant change. Their customers' habits, beliefs and personal technologies are evolving at a faster pace than ever before, and yet marketers have to not only keep pace, but anticipate what's next.

Looking at how survey respondents prioritise their efforts for the medium-term future, it appears that the first order of business is to bring together technology, process and talent in ways that create a seamless, consistent and valuable experience for their audiences.

Company respondents

Figure 14: Proportion of respondents saying these will be 'very important' for their digital marketing over the next few years



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 2,355
Respondents 2015: 2,192

Note: 'Optimising the customer journey across multiple touchpoints' is a new option for this year's survey.





The vast majority recognise the importance of creative workflows and internal collaboration

With customer experience optimisation emerging as the single most exciting opportunity for 2016 (Figure 2), it comes as no surprise that seven in ten organisations consider optimising the customer journey across multiple touchpoints to be 'very important' in the context of their digital marketing efforts (Figure 14). Ensuring consistency of message is very much a part of that and a prerequisite of good CX, but further analysis of the data revealed that awareness of its importance across regions varies: over two-thirds (67%) of North American organisations indicate it's 'very important', compared to around three in five European and APAC organisations (63% and 60% respectively).

As Figure 4 shows, skills are considered to be one of the most important elements of customer experience success (slightly behind strategy and as important as design), so it is encouraging to see that around half (52%) of marketers understand the need for their teams to be trained in new techniques, channels and disciplines. However, the proportion of those rating training as 'very important' has decreased by 9% since last year.

The shortage of skills has been a recurring issue over the last few years and shows no signs of abating. In *'How Google Works'*¹⁶, Eric Schmidt described the type of people that he believes have the greatest potential to impact their organisations. He called them 'smart creatives' – customer or product-focused staff who have a unique combination of skills drawn from three main areas: technical knowledge, business expertise and creativity. He argues that it is the combination of these skills that can shape the future of entire companies: *"when you*

put today's technology tools in their hands and give them lots of freedom, they can do amazing things, amazingly fast".

This seems straightforward enough, but most businesses are run to minimise risk, not maximise agility and freedom. Additionally, it's in focusing too much on one of these three skill areas (largely due to internal politics), to the detriment of the other two, where organisations often fail. The truth is that marketing is in a state of flux: the increasingly dynamic nature of consumer behaviour and competitive pressures has started to tilt the marketing scales more towards technology rather than creativity.

According to a Forrester / Adobe study¹⁷ on how creativity impacts business results, companies fostering creativity enjoy greater market share by a factor of 1.5 when compared to their less creative counterparts, and those companies that embrace creativity are more likely to achieve revenue growth. The good news is that research conducted by Econsultancy and Adobe¹⁸ in late 2015 revealed that just over two-thirds (67%) of respondents indicate that creativity is highly valued in their organisations.

While creativity should arguably be an intrinsic characteristic of organisations of all sizes, the reality is quite different and paints a stark picture of the extent to which creativity is cultivated in the business world. Albert Einstein once said that "creativity is intelligence having fun". To some extent, many marketers have started to neglect that 'fun' element and have lost the ability to create and test hypotheses for better business outcomes.

¹⁶ <http://www.amazon.com/How-Google-Works-Eric-Schmidt/dp/1455582344/>

¹⁷ <http://landing.adobe.com/en/na/products/creative-cloud/185397-design-advantage-multi.html>

¹⁸ <https://econsultancy.com/reports/quarterly-digital-intelligence-briefing-the-cx-challenge/>

We define creativity as the ability to make connections between diverse ideas, concepts and data with the aim to originate new ideas and challenge existing concepts and models. Some might argue that in a lot of organisations, particularly larger ones, a data deluge and an ingrained reluctance to experiment stifle creativity. A common issue indeed, but problems often run deeper than that: agile creation of ideas is only possible if there's a joined-up approach to strategy and creative.

The importance of developing the practices and processes required to nurture untapped creative potential and putting creativity back on the business agenda is widely recognised: as seen in *Figure 4*, having tools that allow for streamlined workflows between creative and content marketers or web teams was ranked as being important to CX success by nearly two-thirds (63%) of responding organisations. However, two in five (40%) rate this as a 4 or 5 on the difficulty scale.

When exploring the perceived importance of various internal factors in delivering a great customer experience (*Figure 15*), none of them emerged as being a stand-out factor. While it's encouraging to see that the vast majority of those surveyed recognise the importance of creative workflows (94%) and internal collaboration (91%), ongoing testing and experimentation are perceived to be 'very important' by less than a third (31% and 29% respectively).

According to Jarek Ziebinski of Leo Burnett Asia Pacific, we live in the era of data-driven creativity: pulling meaningful, actionable insights from your data and using those to drive the creative process and in turn elevate business results might become one of the most efficient approaches to modern marketing.

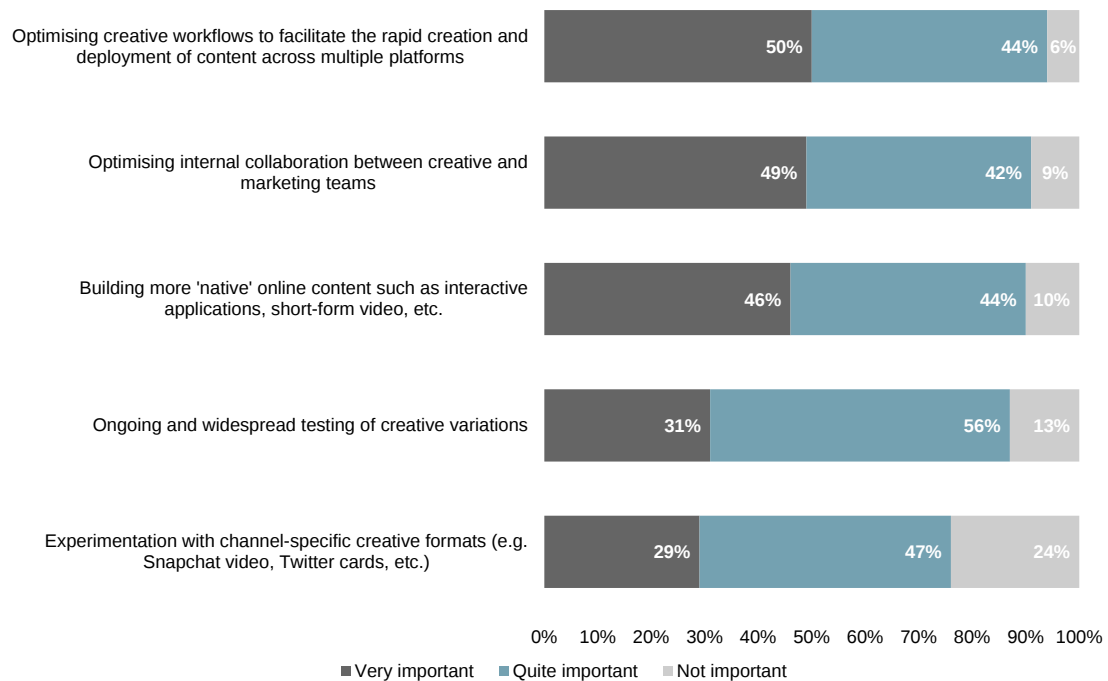




Less than a third perceive ongoing testing and experimentation to be 'very important'

Company respondents

Figure 15: How important do you think the following internal factors will be in delivering a great customer experience over the coming year?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 2,244

Capitalising on digital opportunities: the importance of creativity and design

Survey respondents

“The world is at your fingertips when you introduce creativity into the picture.”

“The digital experience needs to become more real, tangible and agile. This is exciting because of what technology has on offer and it’s up to creatives to find ways to deliver.”

“Organisations need to have a structured plan for both design and marketing that will collect the appropriate data and create a unique user experience for the end user.”

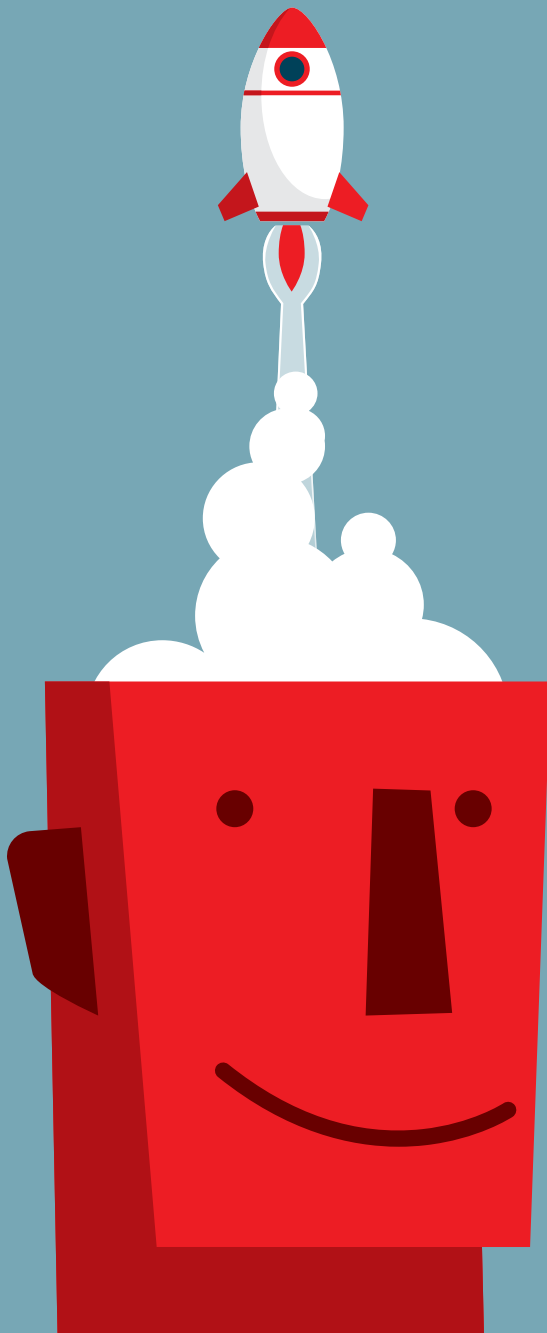
“As content remains the best way to drive a brand forward, creative brilliance is key.”

“Designing for experience is a big shift from designing looks and interfaces. The best experience sometimes requires absence of an interface. This is a big change in thinking.”

“Organisations need to recruit and train creative technologists to capitalise on the digital opportunity.”

8

Planning and execution in 2016



Is the integration of digital at a standstill? At first glance, *Figure 16* suggests that there's been little movement in the level of digital integration across an organisation's marketing activities. Comparing the 2015 and 2016 surveys, the responses are essentially identical. However, now more than ever businesses need to catch up with the reality of how consumers are engaging with brands, and over the last 12 months marketers have been newly dedicated to meeting the rising demands of connected consumers.

How do these contrasting insights coexist?

Econsultancy's recent *Effective Leadership in the Digital Age Best Practice Guide*¹⁹ revealed a key shift in the approach to integrating digital into 'business as usual'. While many organisations have traditionally centralised digital capability to some degree in digital 'centres of excellence', there is now a growing expectation that digital should be the responsibility of a far wider grouping of roles, disciplines and functions.

But there remain challenges on the path to full integration, with 21% of respondents agreeing that digital marketing is very much separate. Companies are making progress in reducing the limiting impact of old technology, either through finding agile workarounds or major re-platforming initiatives. However, in the main, legacy technologies and systems remain a particular challenge.

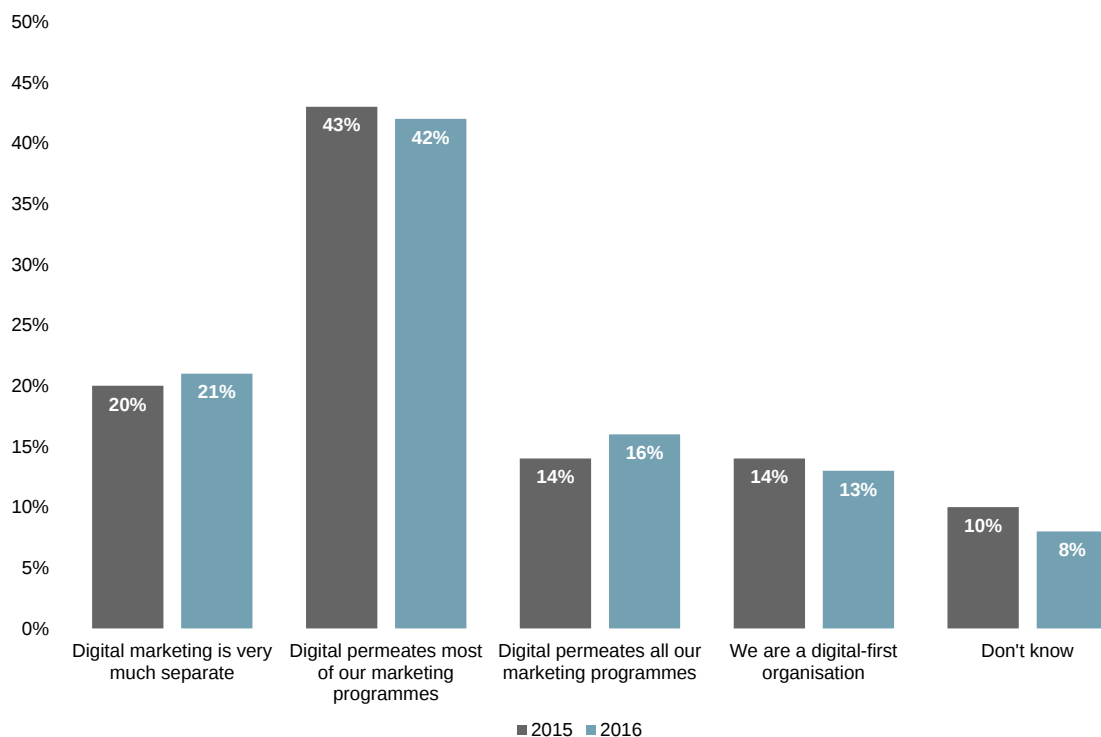
¹⁹ <https://econsultancy.com/reports/effective-leadership-in-the-digital-age/>

Challenges remain on the path to full digital integration



Company respondents

Figure 16: To what extent does digital permeate your own organisation's marketing activities?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 2,638
Respondents 2015: 2,245

A continuing trend from last year is that marketers still struggle to know the ROI from their investments. Digital platforms have facilitated practitioners' efforts to collect data about customer behaviours and overall campaign performance.

However, online is still largely dominated by proxy metrics such as clicks or ad impressions. This makes it challenging for marketing departments to show what these measures mean for their organisation and connect the dots. Further confounding marketers' self-evaluation is that as they

push forward in their analytic capability, so do their goals, making confidence in measurement something of a moving target.

A significant proportion of marketers are still in the process of working out the correct metrics to measure ROI. Monitoring the cost per engagement of a campaign and integrating data-driven insights on user journeys can provide marketers with more definable, actionable insights. However, greater transparency is still required in the industry for there to be progress around the standardisation of measurement in 2016.



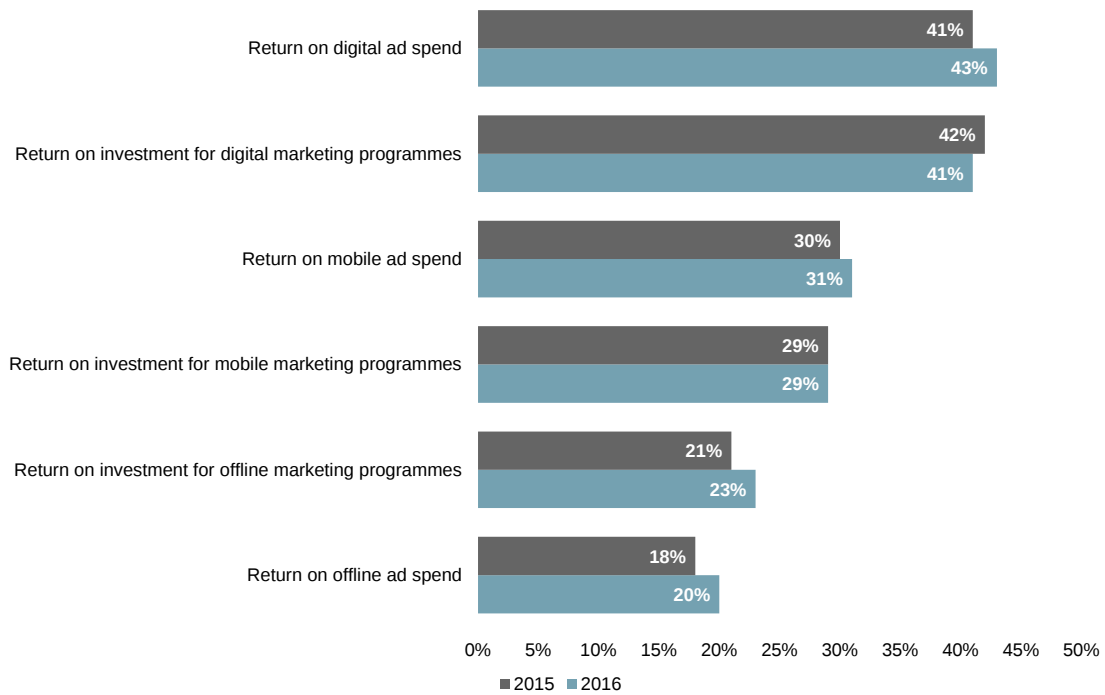


According to *Figure 17* less than a quarter of companies are confident in their ability to measure ROI for offline programmes. According to Econsultancy's Measurement and Analytics report²⁰, companies are not just growing their in-house analytics

capabilities, but also merging digital and non-digital teams into single teams to combine both online and offline metrics. This is crucial for firms looking to engage and connect with today's omnichannel consumer.

Company respondents

Figure 17: Proportion of company respondents saying they're confident in their ability to measure these



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents 2016: 2,158
Respondents 2015: 1,894

²⁰ <https://econsultancy.com/reports/measurement-and-analytics-report/>

Companies continue to grapple with ROI measurement



Digital offers marketers the opportunity of actionable data, and understandably the majority 'strongly' or 'somewhat' agree with the statement 'our marketing will be more measurable this year'. The proportion of companies agreeing with this statement declined by four percentage points this year (Figure 18), perhaps reflecting the continuing challenges companies have measuring ROI, as discussed earlier in the section.

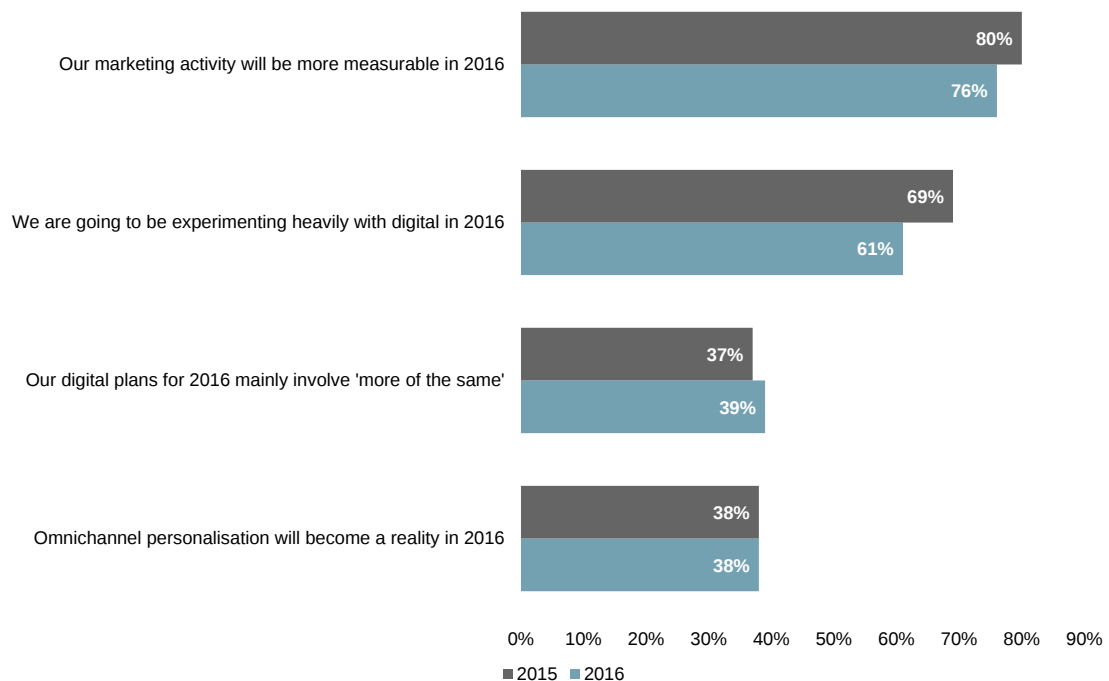
This has also impacted on appetites to invest, with an eight percentage point reduction in the number of marketers agreeing that they are planning to

experiment heavily with digital this year. Not a negative for some: marketers grappling with the challenge of integrating digital across the wider organisation are better served focusing on longer-term, strategic goals over and above the latest tech gadget-du-jour.

While there has been no change in the rate of respondents agreeing that omnichannel personalisation will become a reality, brands able to build a single customer view and put in place omnichannel strategies will continue to differentiate and engage consumers by blurring the lines between physical and digital experiences.

Company respondents

Figure 18: Proportion of respondents agreeing ('strongly' or 'somewhat') with these statements



9

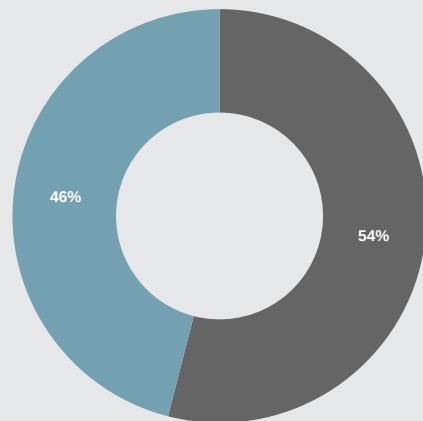
Appendix: respondent profiles

This Quarterly Digital Intelligence Briefing is based on an online survey of 7,000 marketing, digital and ecommerce professionals, carried out in December 2015.

A total of 7,002 respondents took part in the survey, including 54% *marketing professionals from the client-side* and 46% from the *supply-side* (including agency marketers, consultants and those working for technology vendors or other service providers).

The following charts provide further details on the profile of survey respondents.

Figure 19: Which of the following best describes your company or role?

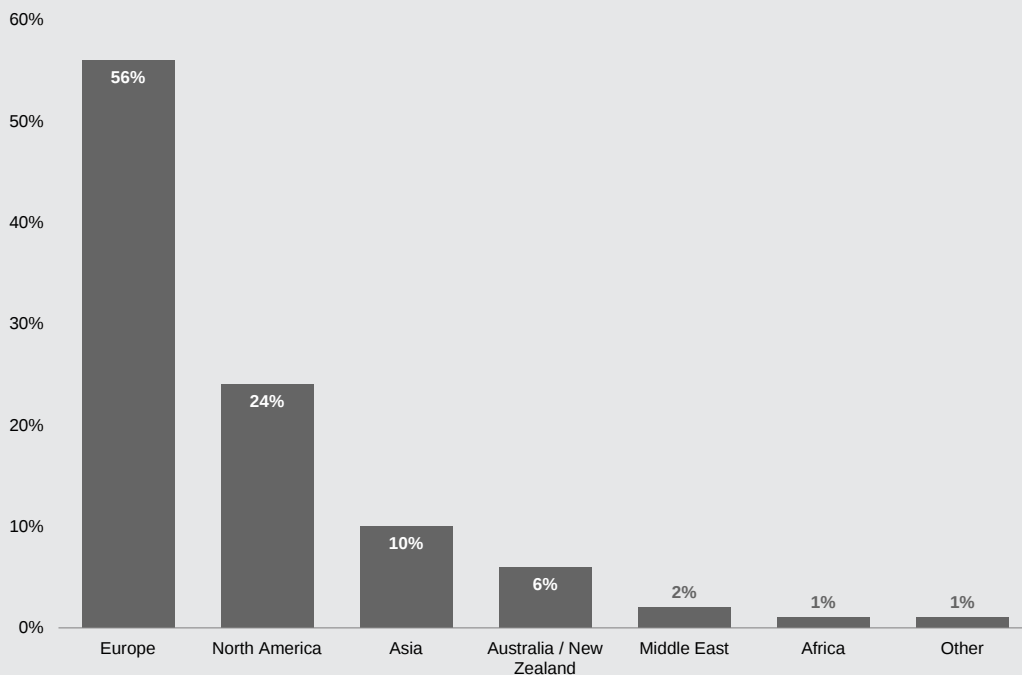


■ Client-side (part of an in-house team) ■ Agency / vendor / consultant

Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 7,002

Figure 20: In which region are you based?

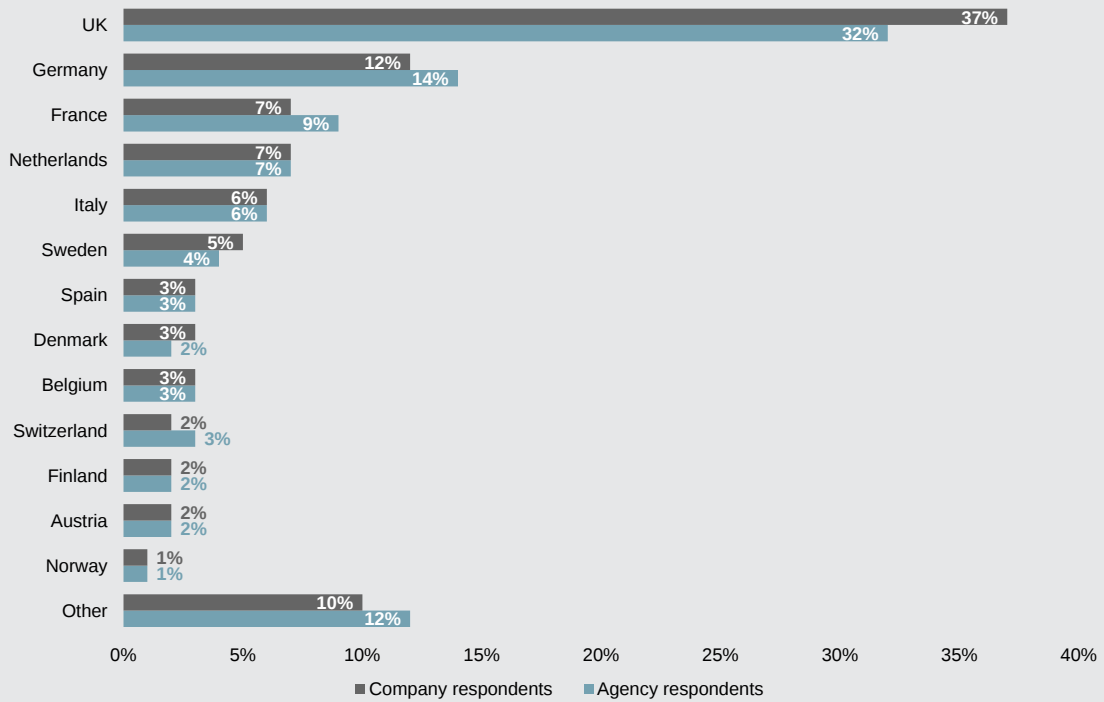


Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 7,002

Respondents based in Europe

Figure 21: In which of the following countries are you based?

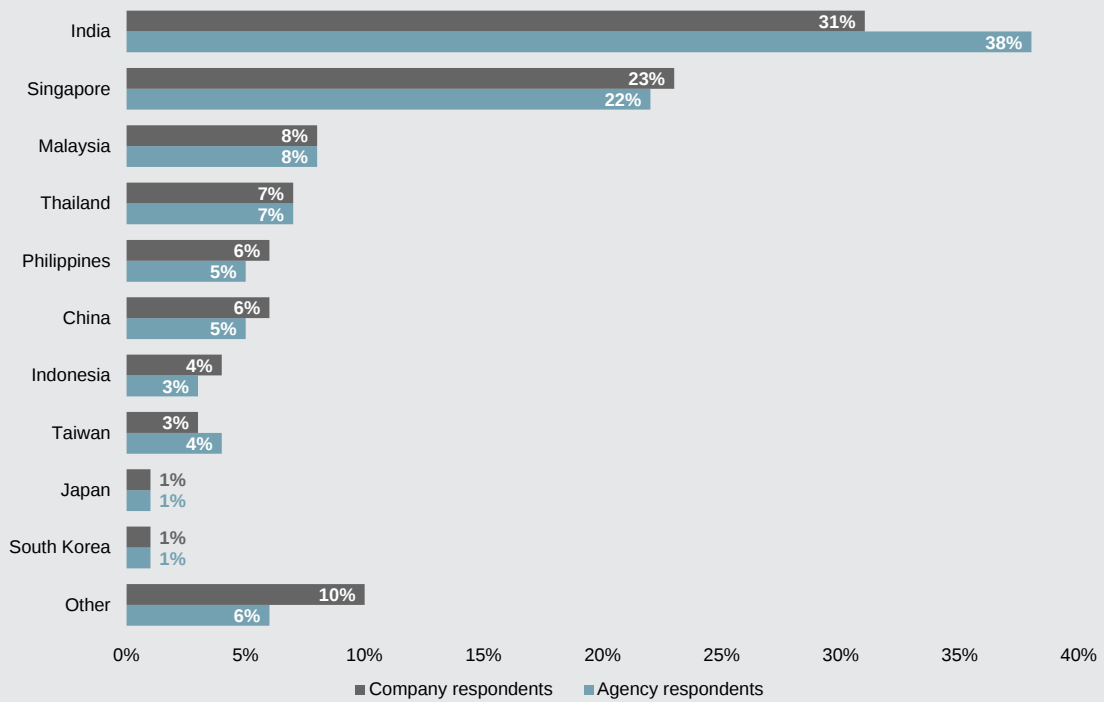


Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 1,933
Agency respondents: 1,784

Respondents based in Asia

Figure 22: In which of the following countries are you based?

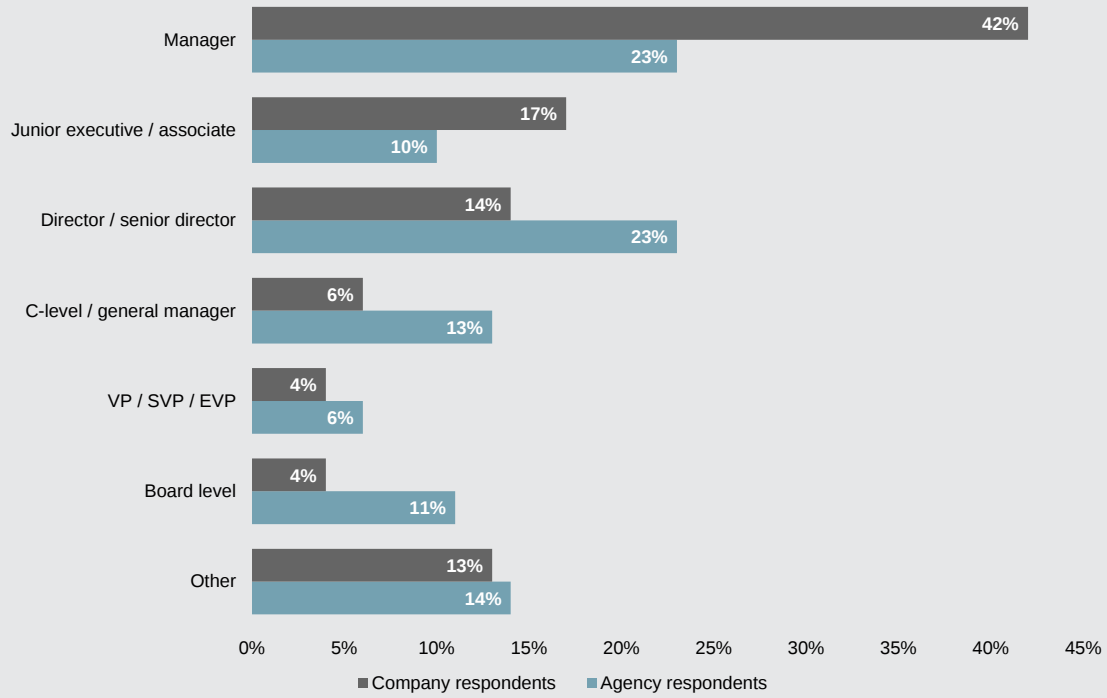


Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 366
Agency respondents: 309



Figure 23: What best describes your job role?

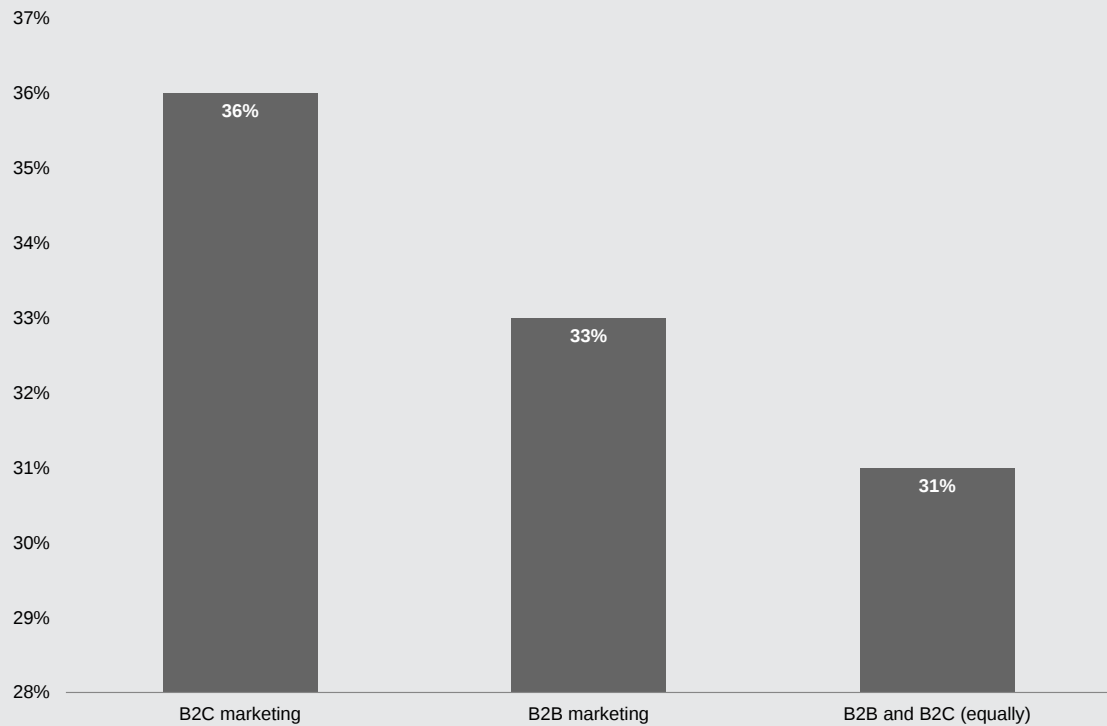


Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 3,481
Agency respondents: 3,115

Company respondents

Figure 24: Are you more focused on B2B or B2C marketing?

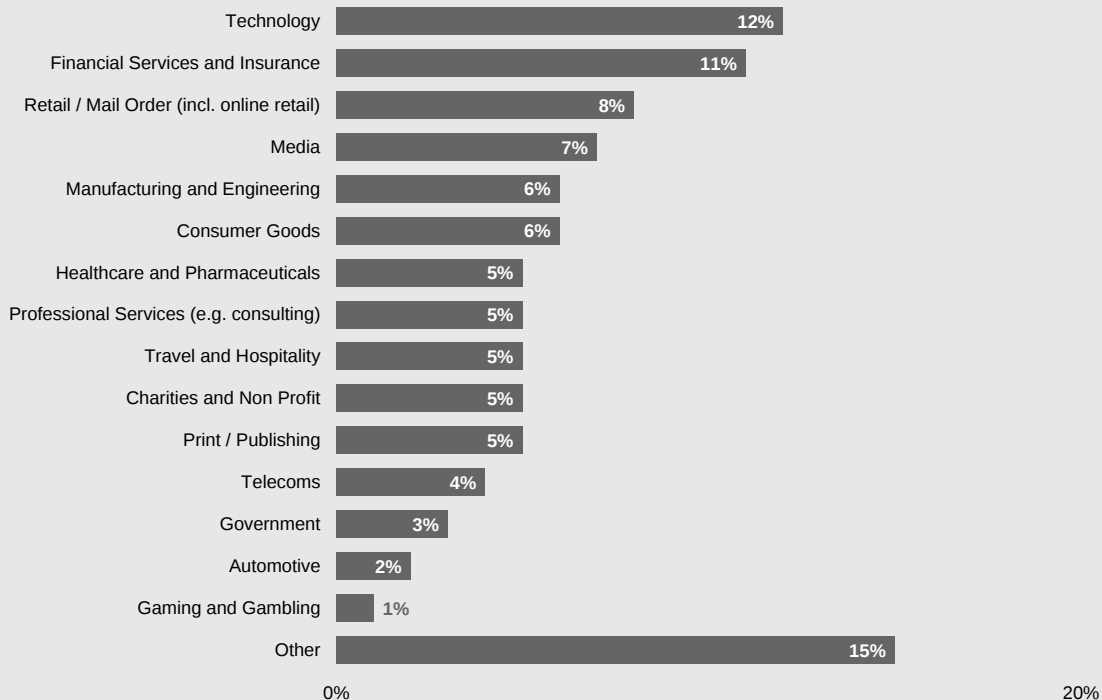


Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 3,474

Company respondents

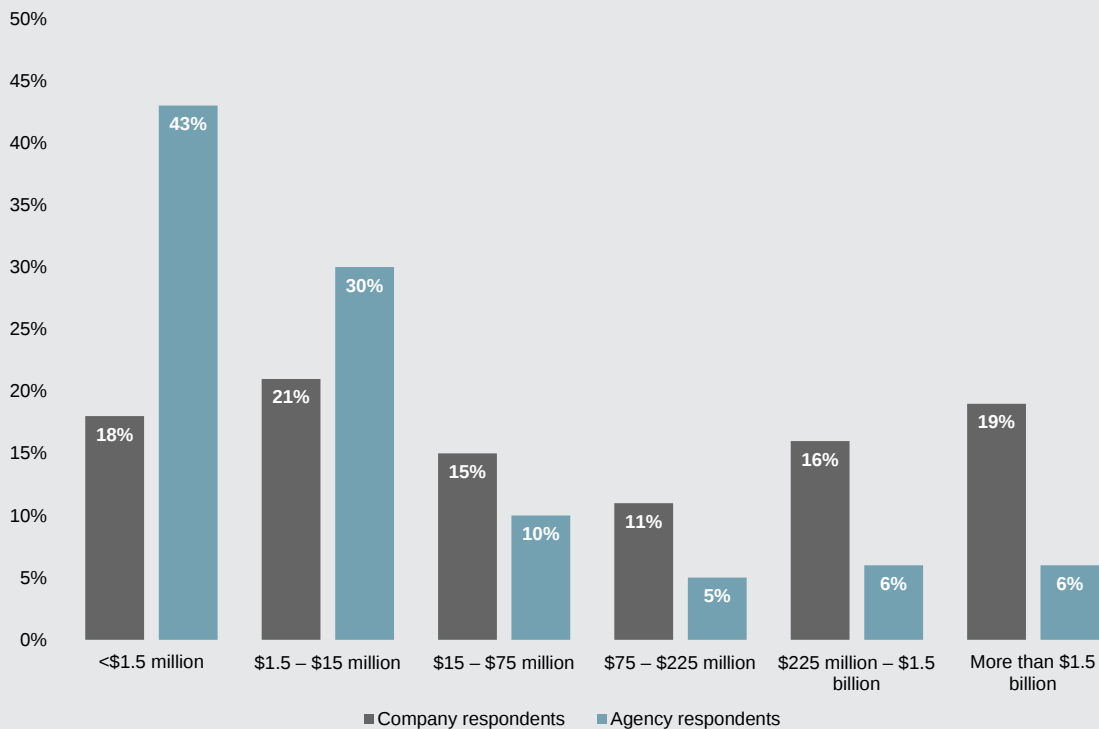
Figure 25: In which business sector is your organisation?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Respondents: 3,407

Figure 26: What is your annual company revenue?



Econsultancy / Adobe Quarterly Digital Intelligence Briefing

Company respondents: 2,139
Agency respondents: 1,876



Quarterly Digital Intelligence Briefing

2016 Digital Trends



in association with **Adobe**



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