



Market Data / Supplier Selection /
Event Presentations / User Experience
Benchmarking / Best Practice /
Template Files / Trends & Innovation



Quarterly Digital Intelligence Briefing: 2014 Digital Trends

in association with Adobe

Quarterly Digital Intelligence Briefing: 2014 Digital Trends

in association with Adobe



Published January 2014

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording or any information storage and retrieval system, without prior permission in writing from the publisher.

Copyright © Econsultancy.com Ltd 2014

Econsultancy London
Wells Point
79 Wells Street
London W1T 3QN
United Kingdom

Telephone:
+44 207 269 1450

<http://econsultancy.com>
help@econsultancy.com

Econsultancy New York
350 7th Avenue, Suite 307
New York, NY 10001
United States

Telephone:
+1 212 971 0630

Contents

1. Customer experience is the single most exciting opportunity for 2014.....	5
2. In the world of B2B, content is king.....	8
3. A year of experimentation and agility	11
4. Consumer expectations outpace corporate innovations	14
5. Evolving role for email as marketers seek to engage with millennials	16
6. Technology brings efficiency and immediacy to display advertising	18
7. Marketers fit for the future need to find the balance between extremes	21
8. Companies focus on harmonising cross-channel messaging and experience	24
9. Mobile has won ... the time for procrastination is over	25
10. Content, mobile and social will become business as usual	27
11. Appendix – Respondent Profiles.....	29
11.1. Geography.....	30
11.2. Business focus	31
11.3. Business sector	32
11.4. Job roles.....	33
11.5. Size of company by revenue	34



Foreword by Adobe

The 2014 Digital Trends report from Econsultancy and Adobe is based on a global survey of more than 2,500 marketers and internet professionals carried out at the end of 2013. The huge response to this research¹ gives us confidence that this study is a trustworthy bellwether for an industry which is always hungry for data and insights.

As well as thanking those who took the survey, we would especially like to acknowledge the help of those who took the time to give comprehensive feedback in response to our open-ended questions. This amounted to more than 60 pages of valuable input from the coal-face of marketing and ecommerce, and the authors have done their best to distil a representative selection of these comments within the report.

As well as drilling down into more detail than in previous years, we have sought to understand which areas companies are prioritising in 2014. Customer experience, mobile and content marketing emerge as major imperatives, but a significant number of businesses are homing in on other areas such as personalisation, social, data and multichannel campaign management.

Since last year, it is clear that companies are attaching increased importance to understanding customer behaviour on mobile devices, and also prioritising the use of data from different channels to optimise the overall experience (*Figure 14*).

We passionately believe that a unified approach to digital marketing is what today's world-class brands require. And over the last few years, we have been refining the Adobe Marketing Cloud to enable marketers to finally have a complete, integrated solution for all their marketing efforts – ensuring they can both maximise and measure their impact on consumers.

However, despite the great technology that is now available, only 23% of company respondents believe they have the marketing technology they need to succeed. On the plus side, this represents an opportunity for organisations to gain a competitive advantage, by getting the right technology in place for this new era of marketing.

But while technology is a key building block for digital success, it is by no means a panacea. More than ever, organisations need the right mix of skills within their marketing teams to get the most out of their technology and data, while ensuring they are sharing a compelling brand story that is delivered consistently across the many marketing channels.

Within the following pages are key findings that enable us all to better understand the mindset, needs, and concerns of today's digital marketing professionals – so that technology, process and people will continue to evolve and improve. We hope to continue this discussion not only throughout 2014, but in the years to come. Let's never stop finding new ways to improve.

Mark Zablan
President, EMEA
Adobe Systems

¹ See appendix for details about methodology and profile of respondents.



1. Customer experience is the single most exciting opportunity for 2014

This year, for the first time in our annual digital trends briefing, we asked both client-side and supply-side respondents to identify the ‘single most exciting opportunity for 2014’, with the results shown in *Figure 1* below. Looking at the client-side data with the darker blue shading, *customer experience (CX)* is most commonly selected as the foremost opportunity, narrowly ahead of *mobile* in second place.

If last year was about recognising the importance of customer experience, 2014 is about actually doing something. For an optimal customer experience, various business functions and customer-facing touch points need to be working in harmony, from customer service and advertising to online user experience, content management and email messaging. All of the other areas covered as options in the chart below are themselves key building blocks for a great customer experience.

Organisations need to ensure they have the right data, technology and culture to act as the foundation for a great customer experience, with a focus on multichannel marketing and campaign management also required to underpin a successful approach. *Section 7* explores some of the skills-related challenges companies are facing, while *Section 8* looks at *multichannel*.

Something which is self-apparent but worth noting is that many marketers regard CX as a positive opportunity to make a difference, something which is ‘exciting’ as well as a complex challenge which can be fiendishly difficult to get right.

Figure 1: Which one area is the single most exciting opportunity for your organisation (or for your client) in 2014?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Company respondents: 980
Agency respondents: 1,202



Another topic inextricably linked to customer experience is *mobile*, the second most exciting opportunity in the eyes of client-side respondents and first on the list for supply-side participants.

For many organisations, mobile continues to be the glue which holds together the customer experience, a great opportunity to bridge the gap between the physical and digital worlds, most obviously in the world of retail where brands, for example, can target customers based on location and engage with them while in-store. Wearable technology will only accelerate this trend.

Despite the importance of mobile and prominence of smartphones and tablets in our lives, many companies are still trying to work out how they optimise their websites for mobile, for example, whether they should go down the ‘responsive’ route or not.

Figure 2 below also shows a pecking order for different areas of digital, but with the focus here more explicitly about ‘digital-related priorities’, and with an opportunity for respondents to select up to three options.

Figure 2: Which three digital-related areas are the top priorities for your organisation (or for your clients) in 2014?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Company respondents: 981
Agency respondents: 1,202

Note: Respondents could select up to three options.



If *Figure 1* was about themes and the big picture, *Figure 2* is more about specific disciplines.

It is worth noting that the top five options are in exactly the same order as for last year's survey, respectively *content marketing*, *social media engagement*, *targeting and personalisation*, *conversion rate optimisation* and *mobile optimisation*.

Multichannel campaign management, a new option, comes into the list in sixth place, usurping *brand-building / viral marketing* which occupied this position a year ago.

It seems that marketers and digital professionals are clear on what the priorities are, and this has not changed markedly in the last year.

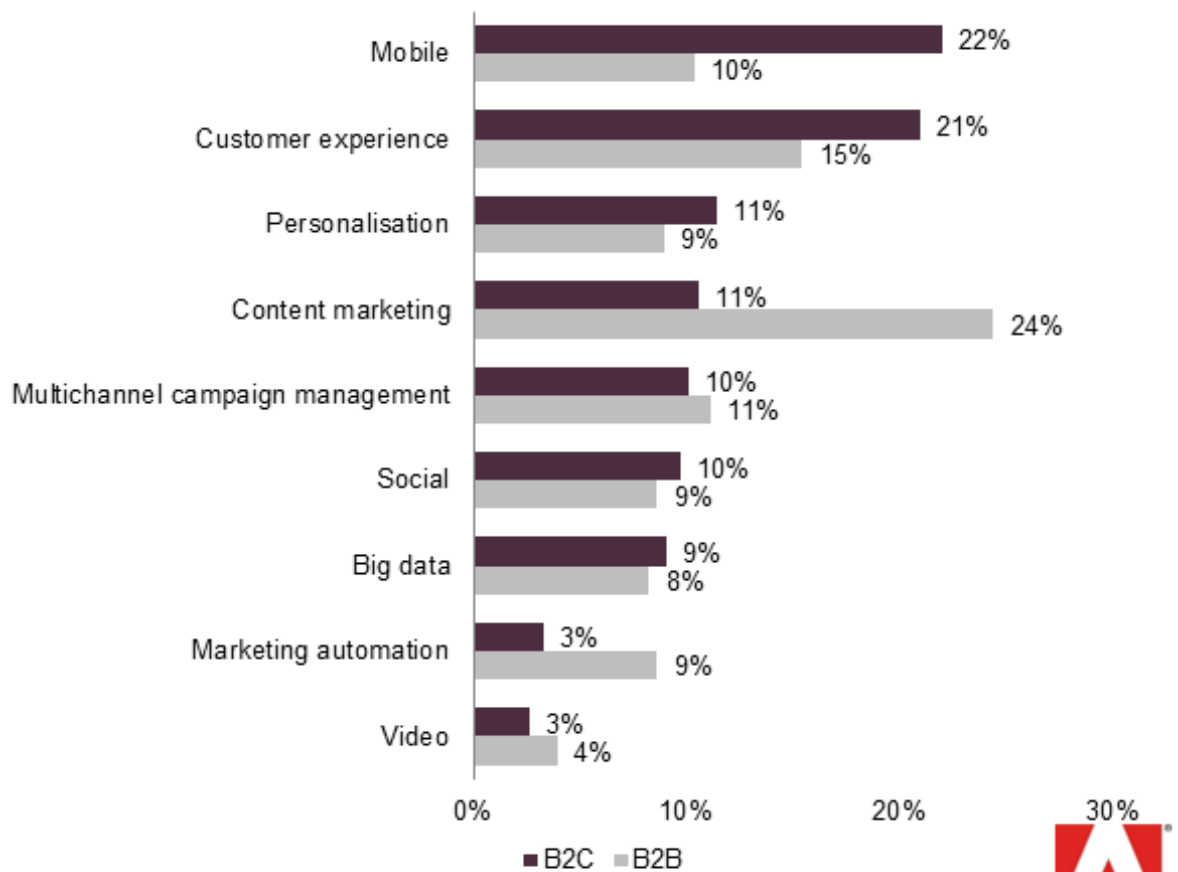
2. In the world of B2B, content is king

In this year's research, we have included breakdowns for B2B and B2C to illustrate some points of difference in how marketers and digital professionals in these sometimes fairly distinct spheres view the world. The differences in perspective are writ large in *Figure 3* and *Figure 4* below, with the most apparent distinction being the particular emphasis applied to content marketing within the world of B2B.

While its importance in the world of B2C should not be understated, content's status as 'king' in the world of B2B is very clear, ahead of *customer experience* which was seen to be first and foremost for the combined B2B and B2C sample². A quarter of B2B respondents view *content marketing* as the single most exciting opportunity in 2014 [*Figure 3*], compared to just 11% of B2C-focused marketers who share this view.

Company respondents – B2C vs B2B

Figure 3: Which one area is the single most exciting opportunity for your organisation in 2014?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



B2C respondents: 453
B2B respondents: 278

² See *Figure 18* in the appendix for breakdown of respondents by B2B and B2C.

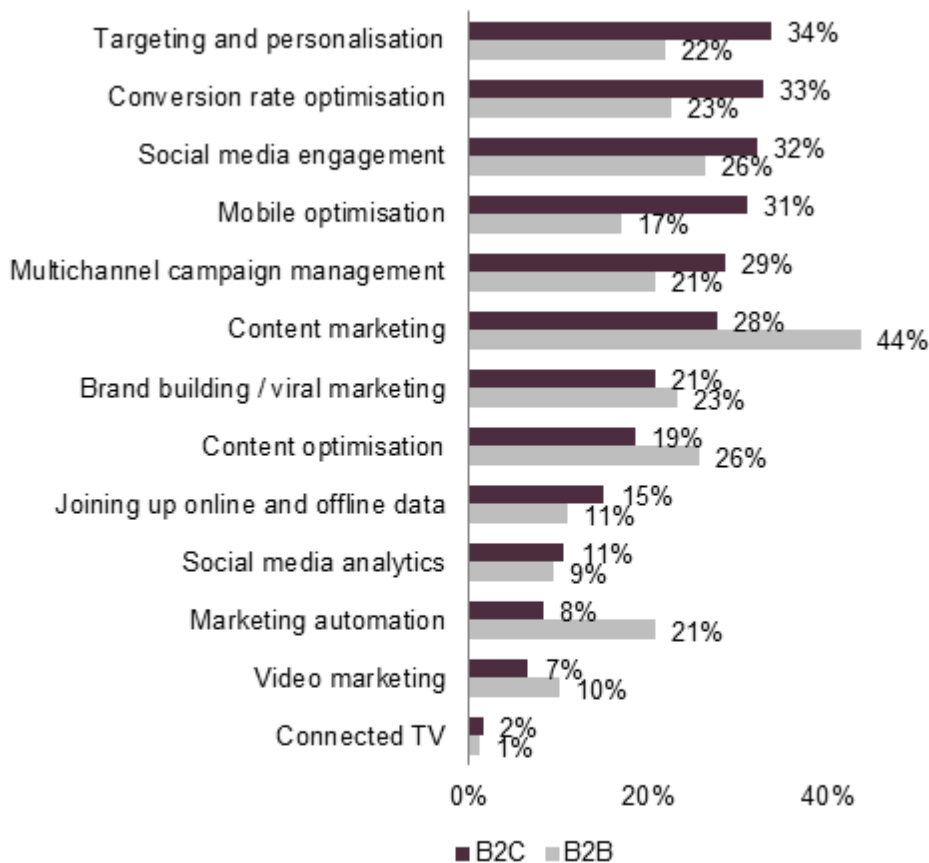
As more companies grasp the importance of high-quality and original content for their marketing, it will become even more important for both B2B and B2C organisations to offer a distinct and original voice in a world where more and more companies are competing for attention. As *Figure 4* shows, B2B marketers are also significantly more likely to call out content marketing as one of their top-three priorities for the year ahead (44% for B2B compared to 28% for B2C).

It is also apparent from this chart that *marketing automation* is more of a priority for B2B marketers, with more than twice as many respondents from the B2B sample citing this as a top priority (21% for B2B compared to 8% for B2C). Of course, content is the oil which lubricates a great deal of marketing automation activity, for example helping to engage prospects and then playing a central role in nurturing them along the path to becoming sales-ready leads.

Marketing automation has historically been more a focus for B2B marketers, but the lines between multichannel campaign management and marketing automation are blurring, with messaging programmes based around customer lifecycle and website behaviour triggers, for example, becoming increasingly important areas of marketing activity in the world of B2C as well.

Company respondents – B2C vs B2B

Figure 4: Which three digital-related areas are the top priorities for your organisation in 2014?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



B2C respondents: 496
B2B respondents: 319

Note: Respondents could select up to three options.



B2C marketers are significantly more likely than their B2B counterparts to be focusing their efforts on *targeting and personalisation* and *conversion rate optimisation* (CRO). Companies targeting consumers are more likely to have transactional websites where small and incremental improvements in conversion rates can have a significant impact on the bottom line.

It is no wonder that companies see CRO as a top priority, as investments made in this area can result in quicker and more tangible benefits than money spent acquiring potential customers at the top of the funnel.

For consumer-focused companies operating at scale, *targeting and personalisation* is also a no-brainer due to the improvements it can bring to marketing effectiveness, and something which in itself can help to improve conversion rates. Marketing technology platforms are becoming more adept at helping companies to understand more about website visitors, and then helping to target them with the right messaging at the right moment, whether via on-site content targeting, display advertising or email.

2014 will also be the year when more companies will start using more of the functionality available within their marketing platforms to ensure that they are targeting and personalising their activities more effectively.

3. A year of experimentation and agility

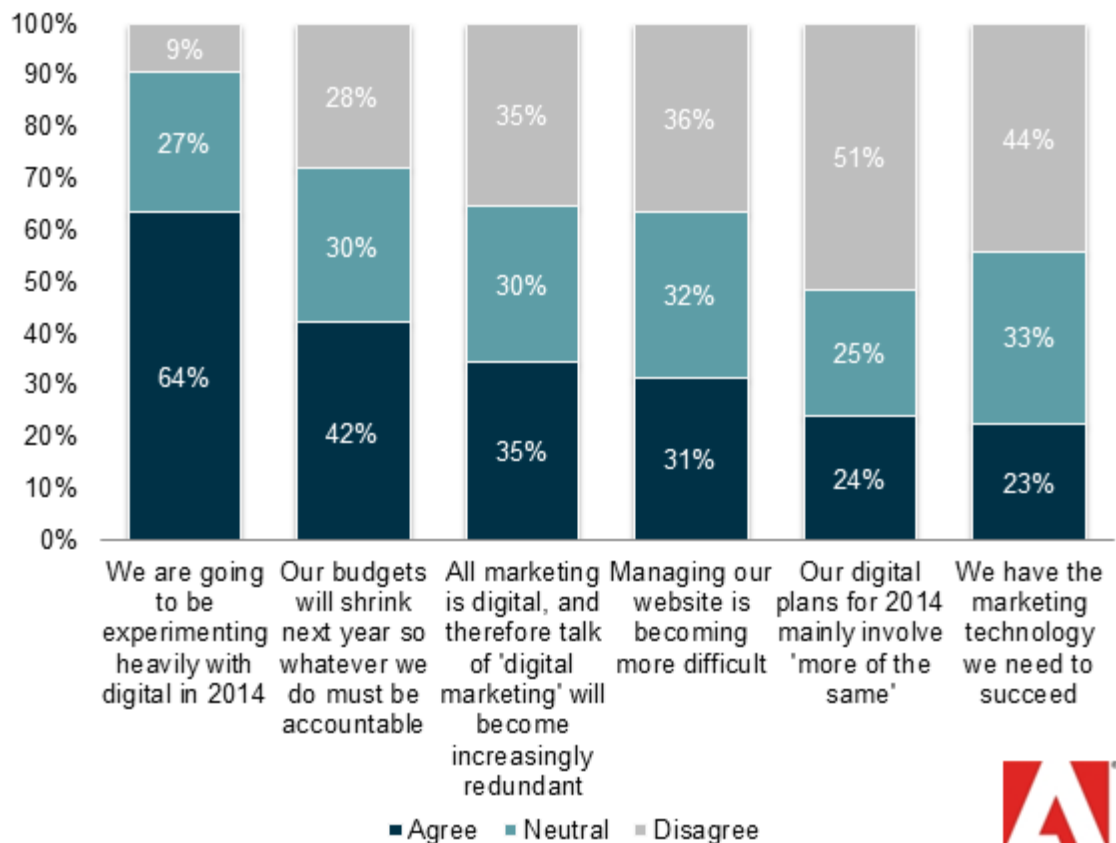
Experimentation is one of the key tenets of agile marketing and although the value of test-and-learn approaches is more widely appreciated, establishing the appropriate culture (particularly removing the fear of failure) is what is holding most companies back.

Greg Linden, who led one set of experiments at Amazon, has emphasised the importance of embracing failure: *“To find high impact experiments, you need to try a lot of things. Genius is born from a thousand failures. In each failed test, you learn something that helps you find something that will work. Constant, continuous, ubiquitous experimentation is the most important thing.”*³

Adobe’s Digital Distress⁴ study published last year found that most marketers agree that digital marketing approaches at their organisation are in a constant cycle of trial and error, highlighting the importance of a business culture that allows for experimentation. However, according to research by the Chartered Institute of Marketing (CIM), only a quarter of marketers strongly agree that their senior team support an experimental approach to digital and social media and less than one in five believe such efforts are highly effective.

Company respondents

Figure 5: Do you agree or disagree with the following statements?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Respondents: 917

³ <http://www.theatlantic.com/business/archive/2011/11/the-big-data-boom-is-the-innovation-story-of-our-time/248215/>

⁴ <http://www.images.adobe.com/www.adobe.com/content/dam/Adobe/en/solutions/digital-marketing/pdfs/adobe-digital-distress-survey.pdf>



Therefore, it is encouraging to see that almost two-thirds (64%) of company respondents have a strong appetite for digital experimentation (up by 3% compared to last year) and more than half (51%) disagree that their digital plans for 2014 will involve 'more of the same'. However, for two in five (42%) marketers, declining budgets are still a thorn in their side and experimentation will continue to be inhibited by the need for accountability.

When asked in a free-form question which areas they plan to be experimenting most heavily in the next 12 months, survey respondents identified some key areas, including **mobile, social media, content** and **data** (see *Figure 6*). Out of more than 600 answers, we've selected some quotes that highlight the importance of each of these areas.

In which areas are you going to be experimenting most heavily in the coming year?

- “With the large, and growing, base of smartphone users around the country and the world, it only stands to reason that the focus should be to leverage this opportunity. So first focus will be mobile. The best way to improve is to have an ear glued to the ground.
“Given the ease with which data can be captured, and the breadth that can be captured in this medium, it is important to analyse, understand the trends, catch them early and adjust to leverage. And finally look at usage to deliver appropriate content in a usable format that is pleasing to the eye.”
- “Content marketing, which is not something my organisation has tried before. We'll be pushing for better, more fulfilling engagement with our target audience.”
- “Huge expansion into social – identifying different social platforms to target certain audiences and creating content specifically for social channels for sharing and engagement.”
- “I am not a fan of the phrase 'big data' – it feels too much like a marketing sound bite. What stands behind it is relevant across the business, from supply and manufacturing to marketing and sales. It is only going to get more important and unless companies start getting used to using it now, they will be overwhelmed in a few years' time when it becomes a business hygiene factor. As McLaren put it: 80% NASA, 20% Disney.”

Client-side respondents

A popular theory that has emerged in the last few months is that all marketing is inherently digital and that talk of “digital marketing” will become increasingly redundant, but *Figure 5* shows that the respondents' views are quite mixed. Marketers are distributed evenly between those who agree with this statement and those who disagree.

Executives from large brands (such as Diageo's CMO, who spends a fifth of the company's \$3 billion marketing budget on digital channels⁵) have been proclaiming that all marketing is digital, while others have completely dismissed this, saying that different forms of marketing need to be kept separate. Has digital become the norm because the role of offline marketing has diminished? Or has digital become so ingrained in traditional marketing that differentiating between the two no longer makes sense?

The debate around the distinction between online and offline marketing will continue during 2014, but the key takeaway is that they'll no longer be seen as separate disciplines when digital marketers can fully embrace traditional marketing (and vice versa) and when organisations can properly integrate both. The need for a distinction is not essential. What matters is the experience your customers receive, whether it's online, offline or both.

⁵ <http://www.mandmglobal.com/global-accounts/25-03-13/diageo-cmo-andy-fennell-all-marketing-is-digi.aspx>

Figure 6: In which areas are you going to be experimenting most heavily in the coming year?



Powered by Wordle.net

4. Consumer expectations outpace corporate innovations

In 2004 there were one million Facebook users and the first iPhone was three years in the future. In the intervening decade, there have been many meaningful changes to the ways in which products and services are bought and sold, so respondents were asked to identify the key difference in today's customer.

From more than 300 verbatim responses we've chosen five quotes that create a picture of a consumer that's been radically remade by digital, and take marketing to task.

Control moves from marketing to the market ...

"Consumer choice is continually expanding at a rapid pace. Consumers can very easily decide what content they want, where, how and on what device. So it's now a battle for brands to provide a continuous flow of ever-engaging content for customers to digest. The supply of this content is going to cause strain on the resources allocated to marketing as digital fights for more share."

Brand loyalty fades with increased opportunity ...

"Customer stickiness is a mirage. With so much information and personalisation of offers, getting customers to remain loyal to brand is increasingly difficult."

Expectations for service outpace brands' imaginations and investment ...

"Customer expectations in the digital arena are increasing all the time. It's up to the brand to provide digital experiences that are personalised and efficient."

We don't know how social is going to evolve ...

"The trend of siphoning off friends and connections through social media that you want to 'hear and see less of' will impact B2C marketing. People are curating their feeds more and more and it is becoming harder to be seen as a business among this. There's also the constant churn of social media platforms – and less interest by younger people in Facebook."

Marketing departments will be pressed to evolve as fast as their consumers...

"The creative use of technology coming through the generations [is a key trend]. The 40-year-old marketing director doesn't have the understanding and natural intuitiveness of the digital natives and so can't imagine what is coming next. The hyper-connected generation and all its baggage is fast on the horizon."

Trend	Tips and Tactics
Reaching the empowered consumer with content	Most companies are still trying to get the inbound, content-driven model to fit into a traditional box, producing content that serves the brand's purposes. That doesn't work nearly as well as serving the customer's purposes, but you have to invest in the tools to be able to listen and the people to do something about it.
Fading loyalty	Affinity for specific brands may be eroding as choices proliferate, but all of



Trend	Tips and Tactics
	those choices are confusing and time-consuming. Companies that excel at bringing personalisation together with service and reliability will have excellent retention because they make life simpler and better for their customers.
Expectations and reality	Consumers are increasingly going to expect the kind of service they get from elite digital-only brands (Zappos, Amazon, etc.) from all types of vendor. While that raises the bar to uncomfortable levels, it's also an opportunity for those that move quickly and effectively. Simply keeping up with competitors isn't sufficient, because the most dangerous competition is from unmet customer demands and frustrations.
Evolving channels	With the media mix in flux, smart marketing organisations are doing three things. Firstly, they are investing in research to understand how the mix is changing, how quickly and for what audience segments. Secondly, they aren't waiting for tipping points before exploring new ways of communicating with customers. Thirdly, they are looking at everything through the lens of mobile; no channel new or old is unaffected by this large-scale shift in platforms.
Changing with the customer	There's nothing more difficult than identifying the changes to come. Predictions are notoriously inaccurate, but we do know that change is inevitable and accelerating. The answer, then, is to build an organisation that's flexible and responsive. In marketing, that means a flat structure with digital skills distributed throughout, and an emphasis on testing, learning and training.

5. Evolving role for email as marketers seek to engage with millennials

No channel is more popular with marketers than email; it's used by over 90% of businesses and provides a cheap but powerful way for both broadcasting news and more one-to-one communications. But no topic was more popular among survey respondents than the changing dynamics for email and consumers.

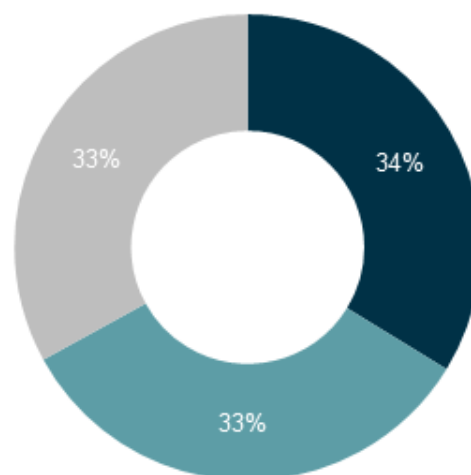
Digital marketers are concerned about email and its ongoing relevance;

- *"Email is less and less effective, putting UX and face-to-face marketing at the top of priorities."*
- *"Email is losing (or has lost already) its importance. Social networks, IM, push notifications, all mixed with precise personalisation and location-based services – these are the future communication channels."*
- *"We have noticed that many users are creating multiple email accounts to separate personal use from marketing use."*
- *"Peer-to-peer sharing and recommendation will challenge the way we get our message out to a younger, future customer. We have to generate a channel into younger demographics that is part of their everyday experience."*

Of course, the demise of email has been a regular topic of industry pundits for over a decade, so it's difficult to differentiate a real shift from a false alarm. The reality, as usual, is more grey than black and white. Performance of individual channels is unique to brands and to the different audiences they serve. The most drastic differences lie between companies in different sectors, but we find unique customer journeys even within similar product sets.

Company respondents

Figure 7: Agree or disagree – 'As young people enter the job market, email will become a more effective way of communicating with them'



■ Agree ■ Neutral ■ Disagree

Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Respondents: 422



Page 16

So, then, the first challenge for marketers is to define how their customers use email today and build a case for how they will use it tomorrow. To be sure social channels will grow in importance for some activities, but email is private, individual, easily referenced and easily findable. There's no question that the role of its role in customer service and account level communications will only increase. The worry, however, is around broader communications, especially for younger consumers. Multiple studies suggest that those under 25s are significantly less likely to regularly access their email accounts or to subscribe to email that is not required for their personal and commercial needs.

One possibility is simply that the behaviour of young is more influenced by their life status than by their technology adoption. The theory goes that as millennials enter the workforce they will, by necessity, participate in the networks of the work world and broaden into the use of email for personal and consumer communications.

Marketers are undecided. They are distributed almost evenly between the view that email will be effective for reaching young people as they mature, that it won't, and those that are just not sure.

The answer, it seems, is that email will fade for many consumer marketing functions, but remain robust for others. Based on this and other studies from Econsultancy and Adobe, we believe that email's future will be long, but that its role is in flux;

- For consumer marketers that sell to a youth market, email will remain a central tactic but its efficiency will erode. Instead of representing the single best channel for customer communications, email will be one of several channels – including social, apps – that consumers rely on.
- The primary challenge for many will not be that their customers don't use email, but where they use it. Mobile email usability has improved dramatically in the last 24 months, but email on the small screen doesn't do the same things it does on the desktop. For example, it's difficult to present multiple products effectively. Investment in technology and design that improves the mobile site experience will have high returns.

Email will continue to be the foundation of business to business marketing, especially as it remains the primary conduit for content distribution. The slow, general decline of open and click rates will continue, but individual organisations will be able to far surpass industry averages weighed down by poor practice.

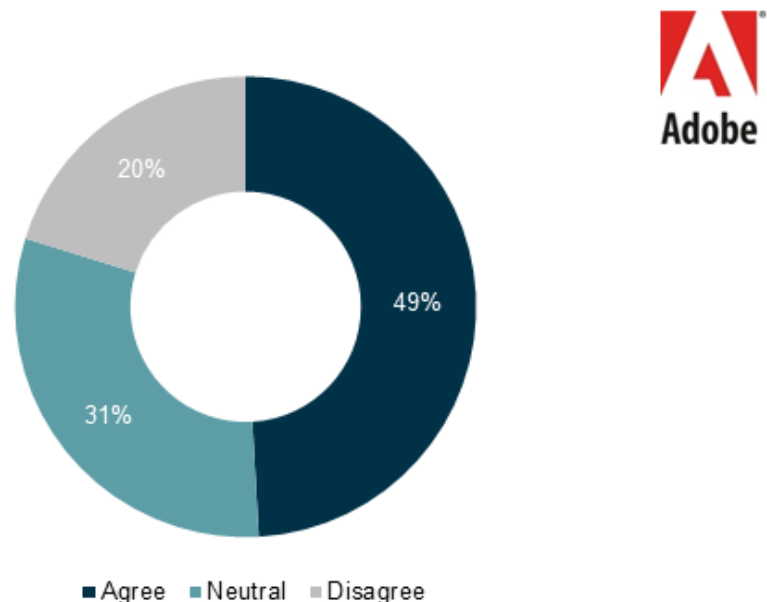
6. Technology brings efficiency and immediacy to display advertising

Brand marketers have known for some time that **the efficiency of television is dropping**. That process began with the fragmentation of cable, but accelerated in the digital era with dwindling audiences and multiplying methods to avoid advertising. Ironically, the costs of television advertising have risen as the supply of awareness drops; the CPM for network primetime in 2013 was \$25, up roughly 40% since 2003.⁶

The issue for marketers is that newer, digital channels haven't been effective at creating awareness and building demand. The fractional nature of digital audiences and restrictions in creative format have limited brand spending despite growth in usage.

Company respondents

Figure 8: Agree or disagree – 'Mass reach via TV ads won't be an effective tactic within five years'



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Respondents: 420

For marketers who need to reach large audiences, the clock is ticking. Today, half of respondents report that television simply doesn't work any longer. Worse, only one in five disagrees with the statement that television won't be an effective tactic in five years (*Figure 8*, above).

One answer lies in the advancement and automation of digital display advertising. Technology is bringing efficiency and immediacy to what has been a chaotic landscape for media buying. As the inventory available for programmatic buying expands to include more premium space, brands will be able to effectively cobble together large audiences made up of the right people, albeit from many different sources. Meanwhile, increased video ad inventory and more ads built specifically for online video should help address the "impact gap" of digital creative.

Paid media isn't the only option. For many, **content marketing** presents the best digital or digital hybrid route for finding new customers and engaging with existing ones. The vast majority

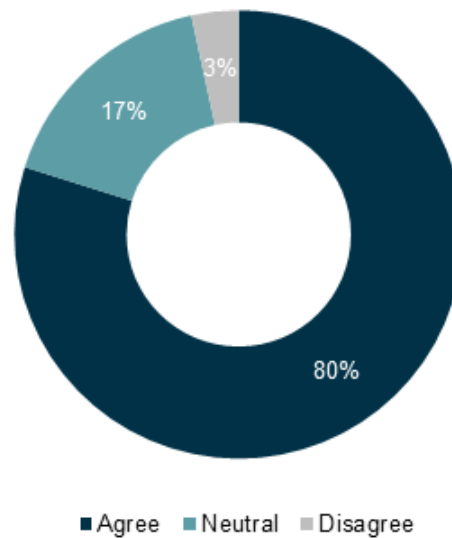
⁶ Nielsen Media Research, February 2013

(80%) of client-side survey respondents agree that the role of content will only continue to grow as all push media effectiveness diminishes (*Figure 9, next page*).

However, the focus and investment in content marketing is creating its own issues; 34% agree that the efficiency of branded content is dropping, while 24% disagree, with 42% undecided. Fortunately, collective opinions don't tell individual stories, and for the time being, content marketing appears to have ample room to grow and evolve. But truly viral content is rare, impossible to plan for and the window for content on social networks is notoriously short. This suggests that a key part of building awareness through content for larger brands will be learning the best practices for marrying it with paid media.

Company respondents

Figure 9: Agree or disagree – ‘The role of content will continue to grow as push marketing becomes less effective’



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

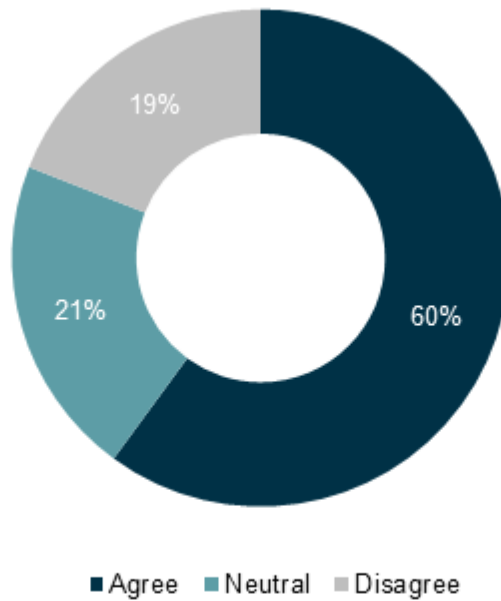
Respondents: 421

Underlying every other trend in media is the well documented **shift of audience from the desktop to mobile devices**. While there is room for debate as to whether tablets and smartphones should be considered together given their different user experiences, there's no doubt that this shift affects marketers at every sort of organisation. The only question is when that effect becomes acute, not if it will.

For many organisations, there is already an imperative to become “mobile-first”. Publishing, gaming and consumer financial services are sectors leading the way. But few industries can afford to wait and see. Today, 28% of companies report that over half of their digital visitors are via mobile devices, but that rises to 60% when respondents look out five years.

Company respondents

Figure 10: Agree or disagree – ‘More than 50% of our digital visitors will be via mobile by 2015’



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Respondents: 412



7. Marketers fit for the future need to find the balance between extremes

Anyone working in or being familiar with the marketing world is aware of the key themes and issues that have been shaping the landscape over the last few months, particularly around the growing need for marketers to be comfortable with and adept at using technology while keeping their creative focus.

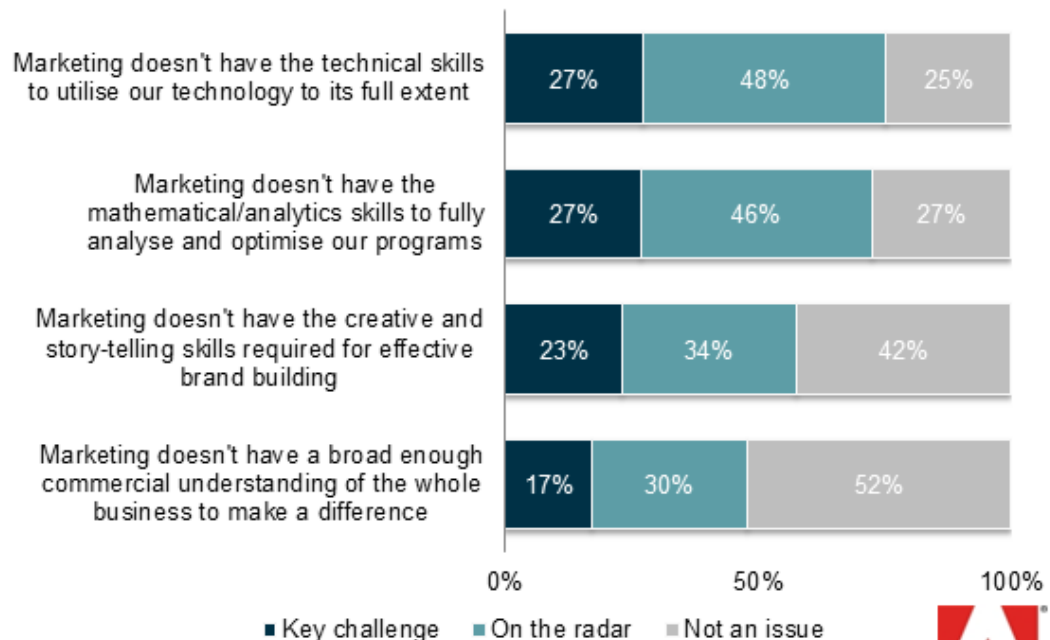
Twenty years ago, it was all about creative strategy and execution or the so-called art of marketing. Fast forward to today, and it's not uncommon to see CMOs with engineering degrees and a strong technology background. There's no doubt that the marketing profession has changed dramatically, as separate Adobe research⁷ has found that two-thirds of marketers think marketing has changed more in the last two years than the past 50.

As one respondent highlighted, companies (particularly enterprises) are increasingly hiring *"geeks who will eat, sleep and breathe the technology"* into their marketing teams.

This special mix of talents and attributes (roughly categorised as 'left-brain' and 'right-brain' abilities) will be in more demand than ever during the course of 2014 because businesses increasingly need people who can create brilliant customer experiences through a fusion of technology, creativity and commercial acumen. Econsultancy CEO Ashley Friedlein has aptly described pi-shaped marketers (as in the Greek letter Π) as those who are *"analytical and data-driven, yet understand brands, storytelling and experiential marketing"*.

Company respondents

Figure 11: How does your organisation regard the following challenges as it goes into 2014?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Respondents: 834

⁷ <http://blogs.adobe.com/conversations/2013/09/digital-distress-what-keeps-marketers-up-at-night.html>



While some companies have started to address the lack of both technical and mathematical skills in their marketing departments, this is still something that plagues a significant proportion of organisations. Just over a quarter of client-side respondents (27%) say that these are key challenges for them, both up by six percentage points since last year's survey.

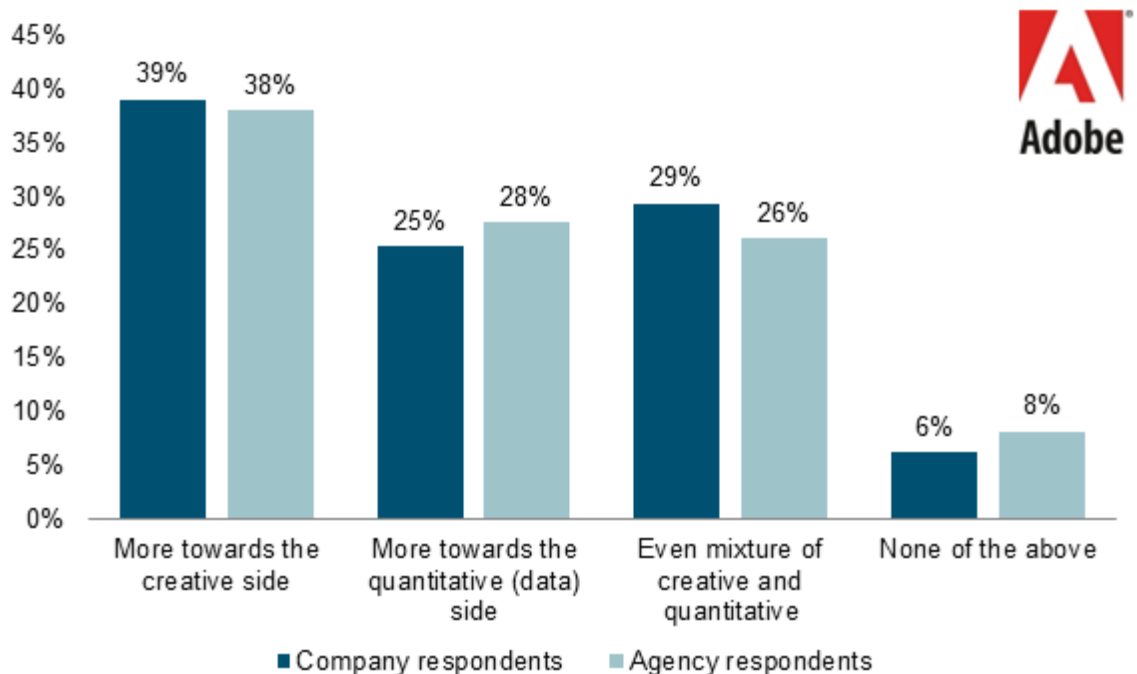
Perhaps more worryingly, 23% of respondents indicate that their marketing teams lack creative and storytelling skills, which represent the key building blocks for effective brand building. Isn't this what marketers should, first and foremost, excel at?

The Digital Distress study published by Adobe also revealed that the second biggest gap between perceived importance and actual performance (after brand building) is creativity and innovation in marketing programmes. While three-quarters state that creativity is important to their company, only a third believe that they are performing well in this area. With more than half of marketers surveyed by Adobe expressing doubts about their skills and not feeling they're proficient in digital marketing, it's not surprising that the lack of creative skills surfaces again.

We also explored the differences in perception based on seniority and interestingly, those in senior executive roles are significantly more likely to identify the lack of technology and analytical skills as a key challenge in their organisations. The lack of creative skills is a more significant source of anxiety among senior executives, with 28% (compared to an average of 23%) saying that this is a key challenge.

When looking at how organisations describe the balance of creative and data-driven skills, less than a third (29%) say there's an even mixture of creative and quantitative abilities. The creative extreme weighs more heavily than the quantitative one: almost two in five are more inclined to focus on creative, compared to a quarter of those focused on data.

Figure 12: How would you describe the balance of creative and data-driven marketing skills within your organisation?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Company respondents: 371
Agency respondents: 318

Marketing teams fit for the future need to have and strike a balance between five key skills:

- While this is fairly dependent on the organisation's ability to accept marketing as a strategic partner who has control over technology choices, not just as an end user of technology, modern marketers need to be able to **understand how technology can be used to improve marketing performance**, identify the best solution for the company's needs and drive any cultural change that's required.
- In a world overloaded with data, addressing the requirement for analytical skills needs to happen sooner rather than later. Being aware of the data available at their fingertips and **unveiling and using data patterns** to optimise marketing programmes is a key skill in any marketer's toolbox. Data and creativity should no longer be far removed from each other, but pull the same rope.
- The increased focus on technology and data doesn't mean that creativity is less important than it was 20 years ago. Behind great digital experiences lies a significant amount of creative talent, so **thinking creatively and having a willingness to experiment** are key.
- Marketers need to **be business savvy** and understand how marketing impacts the bottom line. Commercial acumen is a key ingredient when trying to build credibility for the marketing function and is probably the shortest route to win the CEO's heart.
- And finally, an overarching skill that can help build the foundation for the previous four: **being agile and embracing collaboration**. Working in tandem with people that have different skill sets and even contrasting views, dropping the silos, finding new ways to co-operate and ultimately enjoying the process as much as possible is what will help build great marketing campaigns.

All these areas need to be tied together to deliver outstanding customer experiences. Without getting hung up on the semantics, marketers who span multiple disciplines and know how to seize this opportunity will lead the charge in 2014 and the years to come.

8. Companies focus on harmonising cross-channel messaging and experience

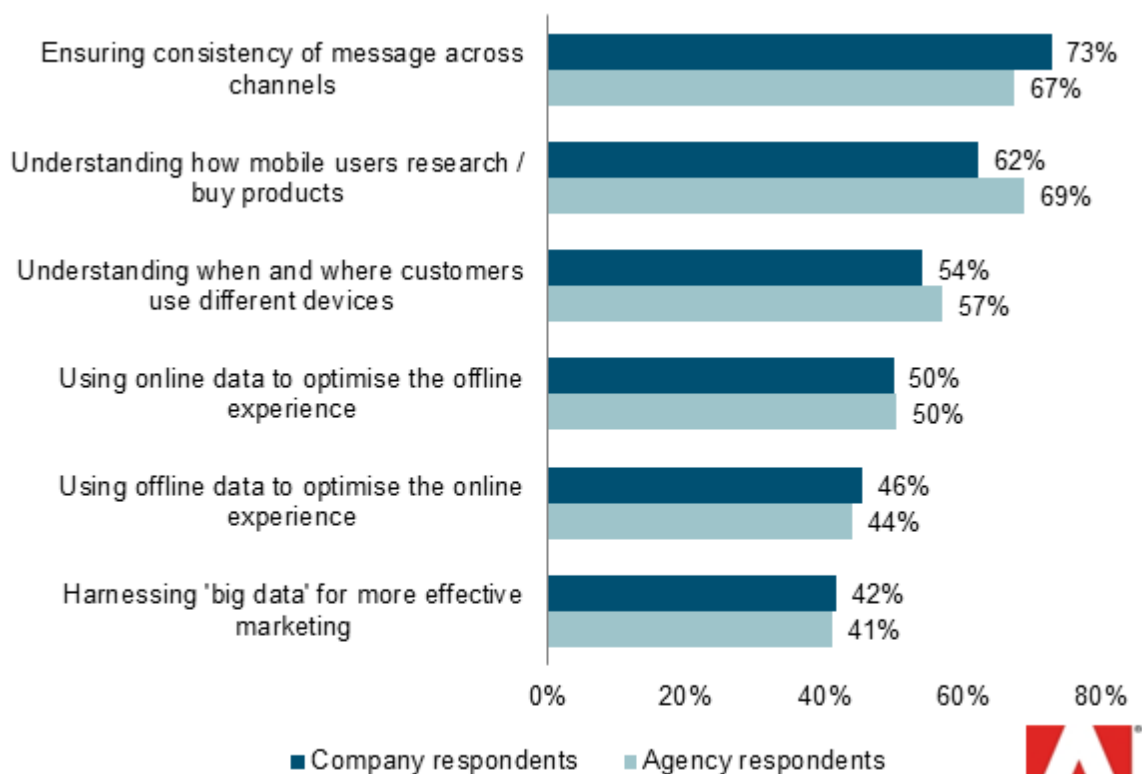
It is clear from *Figure 13* below that 'ensuring consistency of message across channels' will be a key area of focus over the next few years, with almost three-quarters of client-side respondents (73%) saying this is 'very important'.

Multichannel campaign management is becoming an increasingly crucial discipline for both digital and traditional marketers, with the former starting to break out en masse from an email-only mindset and the latter recognising that their companies can no longer afford to have non-complementary content and messaging across different channels.

2013 was a year in which a critical mass of email service providers started to shy away from describing themselves exclusively in these terms, reinventing themselves as channel-agnostic platforms just as able to disseminate information by SMS and social media as through old-school email.

Such a platform, with the ability to draw on data from integrated customer profiles, can certainly help organisations adopt a more consistent approach to their cross-channel marketing activities. In 2014 we will see more companies addressing something which must be in place before this type of customer-centric technology can be harnessed, namely senior executive buy-in for an integrated approach and inter-departmental co-operation rather than siloed marketing activities.

Figure 13: Proportion of respondents saying that the following will be 'very important' for their or their clients' digital marketing over the next few years.



Adobe / Econsultancy Quarterly Digital Intelligence Briefing



Company respondents: 848
Agency respondents: 1,029



9. Mobile has won ... the time for procrastination is over

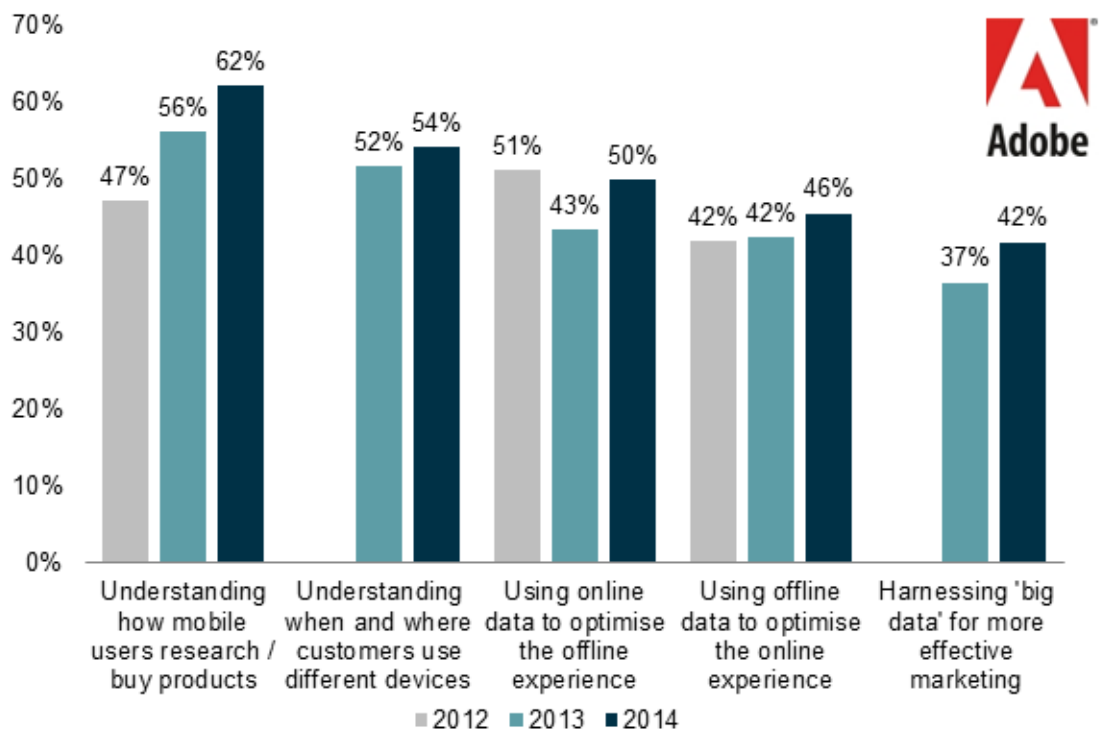
Huffington Post Co-Founder Arianna Huffington argues that the technology revolution embodied by smartphones has been detrimental to our personal well-being, writing⁸: “*Big data, unfettered information, the ability to be in constant contact, and our growing reliance on technology are all conspiring to create a noisy traffic jam between us and our place of insight and peace.*”

While it is hard to disagree that connectivity is an addiction for many people, it should also not be forgotten that mobile communication can make our lives easier, more productive and more enjoyable, creating opportunities to do more things we like. Although some may make a conscious effort to use their phones less, the reality is that mobile is here to stay. As Google CEO Eric Schmidt said in his predictions for 2014: “The trend has been mobile was winning. It’s now won.”

There couldn’t be a safer bet than to predict that mobile will continue to grow in significance for businesses as more customers adopt tablets and smartphones (and wearable technology) to surf the web and, increasingly, shop online. 2014 will continue to see businesses work harder to improve the mobile experience, and to understand of what mobile means for their customers.

Company respondents – change since 2012

Figure 14: Proportion of companies saying that the following will be ‘very important’ for their digital marketing over the next few years



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Respondents 2014: 848
Respondents 2013: 235 | 2012: 192

Note: There is no 2012 data where it is not shown in chart. ‘Ensuring consistency of message across channels’ (shown in Figure 13) was added as a new option for this year’s survey.

⁸ <http://www.theguardian.com/media-network/media-network-blog/2014/jan/08/smartphones-addicted-technology-arianna-huffington>

It is encouraging to see that 62% of company respondents now believe that ‘understanding how mobile users research and buy products’ is very important for their digital marketing over the next few years, up from 56% last year and 47% in 2012.

Though the jump is less pronounced, more companies now similarly ascribe a high level of importance to ‘understanding when and where customers use different devices’, up from 52% last year to 54% this year.

Moving away from the mobile theme specifically, there are also higher proportions of marketers who think the following data-related areas of focus will be very important moving forwards as we move to a more multichannel world:

- Using online data to optimise the offline experience.
- Using offline data to optimise the online experience.
- Harnessing ‘big data’ for more effective marketing.

In the context of ‘big data’, 2014 will be a year in which companies continue to cut through the hype and build their understanding of what can actually be done to make a difference to their businesses rather than being seduced but confused by a concept which is hard to translate into meaningful and actionable changes to the business.

10. Content, mobile and social will become business as usual

2014 will undoubtedly be full of buzzwords and phrases which will inspire and annoy marketers in equal measure. The more astute businesses will be preparing for the coming year with an eye on the future. While the pace of innovation and change make this increasingly difficult, building and maintaining a sustainable competitive advantage can hinge on assumptions made years prior.

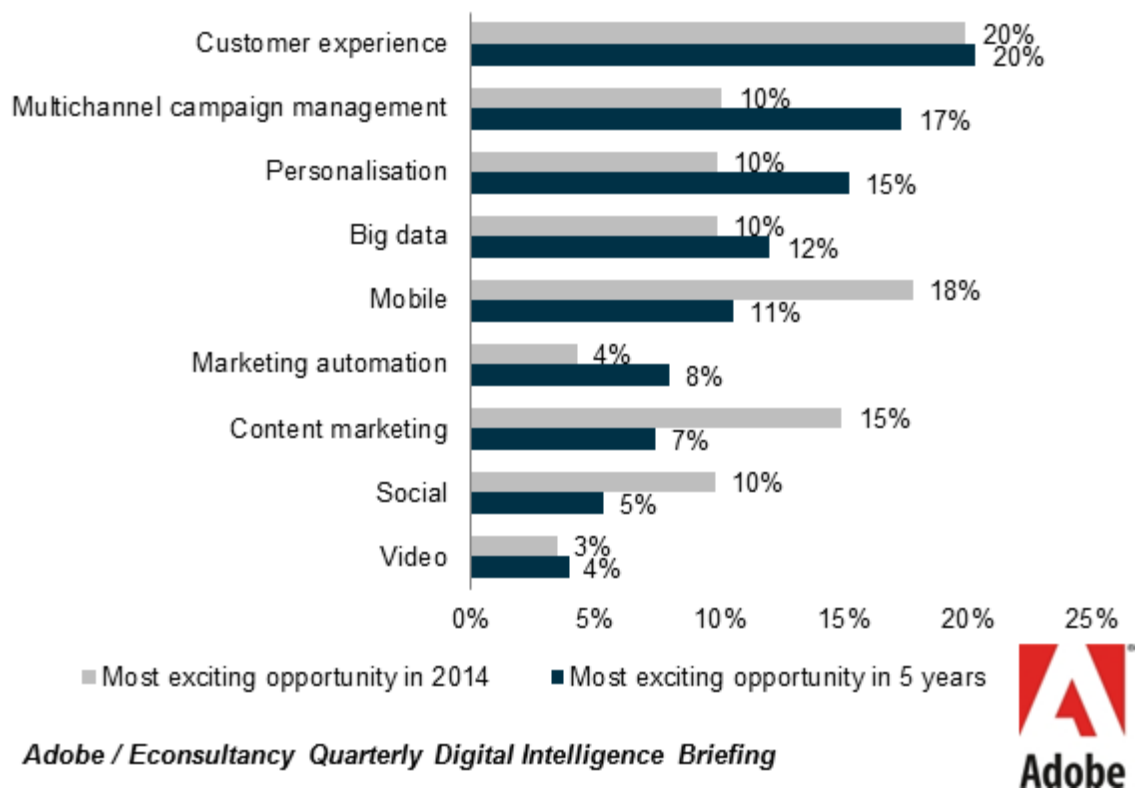
As part of this research we asked marketers to give their view on the most exciting opportunity in five years' time from the survey (which was carried out at the end of 2013). The chart below compares the results for 2018 and for 2014, showing that the development of customer experience will be the most exciting opportunity in both the short-term and medium to long term.

The Modern Marketing Manifesto by Econsultancy and Marketing Week stated that *"improving the customer experience must be the relentless focus of modern marketing"*. With 76% of businesses attempting to differentiate through customer experience, many organisations appear to have started pursuing customer experience excellence. However, it seems that most companies are still building the appropriate capabilities to create these experiences.

It is no surprise to see *multichannel campaign management* and *personalisation* as opportunities that will be more exciting to marketers in 2018 than in 2014. The two trends were heralded to take off last year⁹ and although there was positive traction for both in 2013, many companies have still not successfully implemented these capabilities.

Company respondents

Figure 15: Most exciting opportunity – 2014 vs 'five years' time'



Respondents: 980

⁹ <http://econsultancy.com/blog/61806-17-digital-marketing-and-ecommerce-trends-for-2013-by-econsultancy-ceo-ashley-friedlein>

A significant part of the reasoning for this is that most organisations do not have the technological infrastructure to capitalise on these opportunities. Only 23% of respondents believe their organisations are equipped with the marketing technology they need to succeed, as seen in *Section 3*. As organisations continue to invest in their technological capabilities, such opportunities will become more viable and appealing to marketers.

While data has been heralded as the “the new oil” as far back as 2010¹⁰, big data has been consistently polarising opinion, with many claiming that its impact is negligible.¹¹ It appears that this perception may continue in the coming years, as marketers consider big data only marginally more exciting in 2018, despite the likelihood of being in a better position technically to maximising the opportunity. The use and interpretation of data will only grow in importance, as organisations seek to create relevant customer experiences across multiple platforms.

With businesses developing more sophisticated ways of engaging with customers, today’s brightest opportunities will become commonplace. Among these are mobile, content marketing and social, which marketers consider to be more exciting now than in 2018, perhaps because these areas of focus will have become ‘business as usual’ in the interim.

As marketing moves towards being a more integrated function, the impact of these trends in isolation will diminish, with greater value being derived from an overall customer experience and corporate strategy.

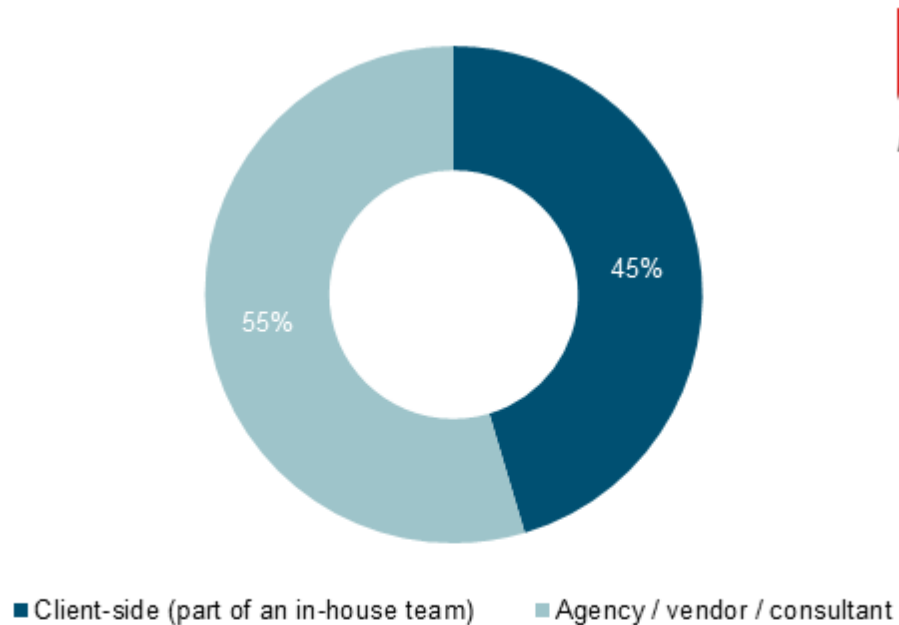
¹⁰ <http://econsultancy.com/blog/7014-digital-marketing-trends-2011-by-econsultancy-ceo-ashley-friedlein>

¹¹ <http://econsultancy.com/blog/63011-big-data-causes-big-frustrations-for-marketers-report>

11. Appendix – Respondent Profiles

This 12th Quarterly Digital Intelligence Briefing is based on an online survey of 2,523 client-side and agency respondents, carried out in December 2013 and January 2014. The survey was promoted by Econsultancy and Adobe to our respective databases of marketing and digital professionals.

Figure 16: Which of the following best describes your company or role?



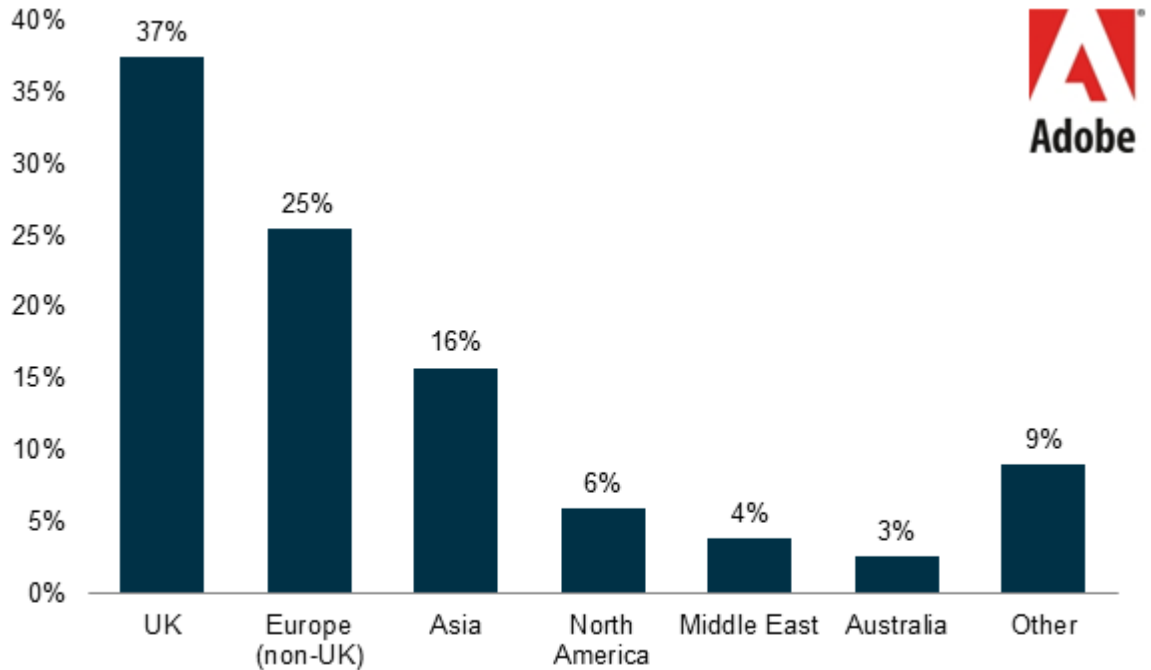
Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Respondents: 2,523

11.1. Geography

Just over a third (37%) of respondents are based in the UK. A quarter are based elsewhere in Europe, 16% in Asia and 6% in North America. Other countries and regions represented include Australia, South America and the Middle East.

Figure 17: In which country / region are you based?



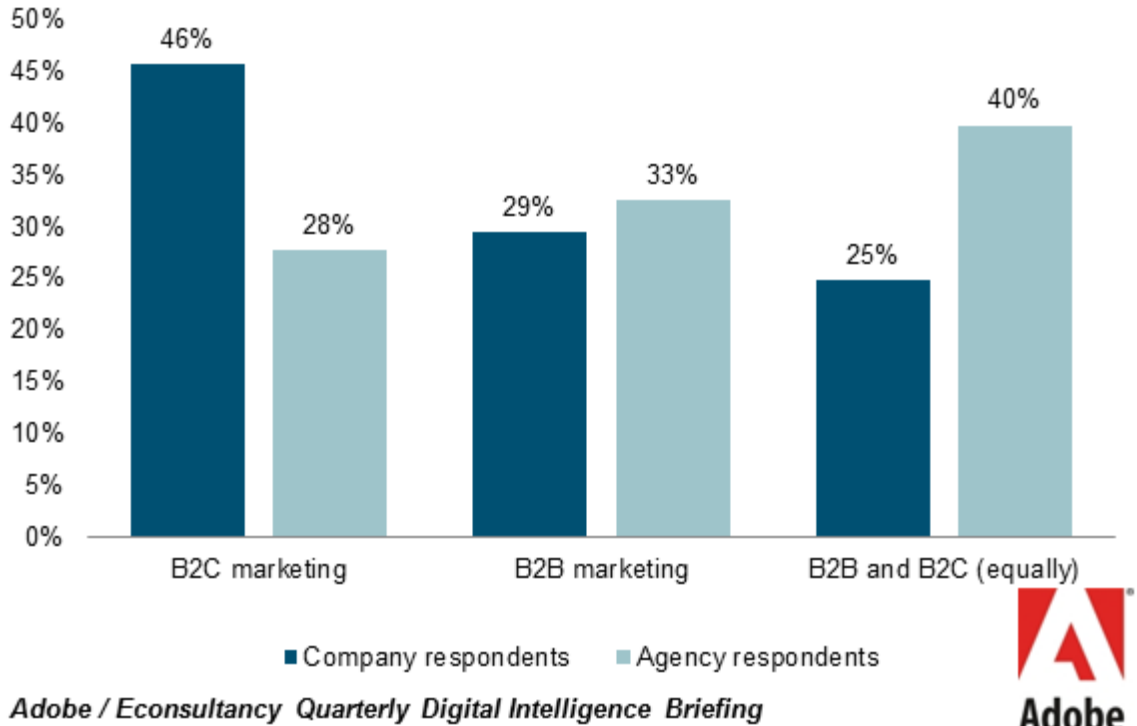
Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Respondents: 2,413

11.2. Business focus

Just under half (46%) of company respondents are focused exclusively on B2C, while around a third (29%) are B2B-focused. A quarter (25%) are focused equally on both B2B and B2C.

Figure 18: Are you more focused on B2B or B2C marketing?



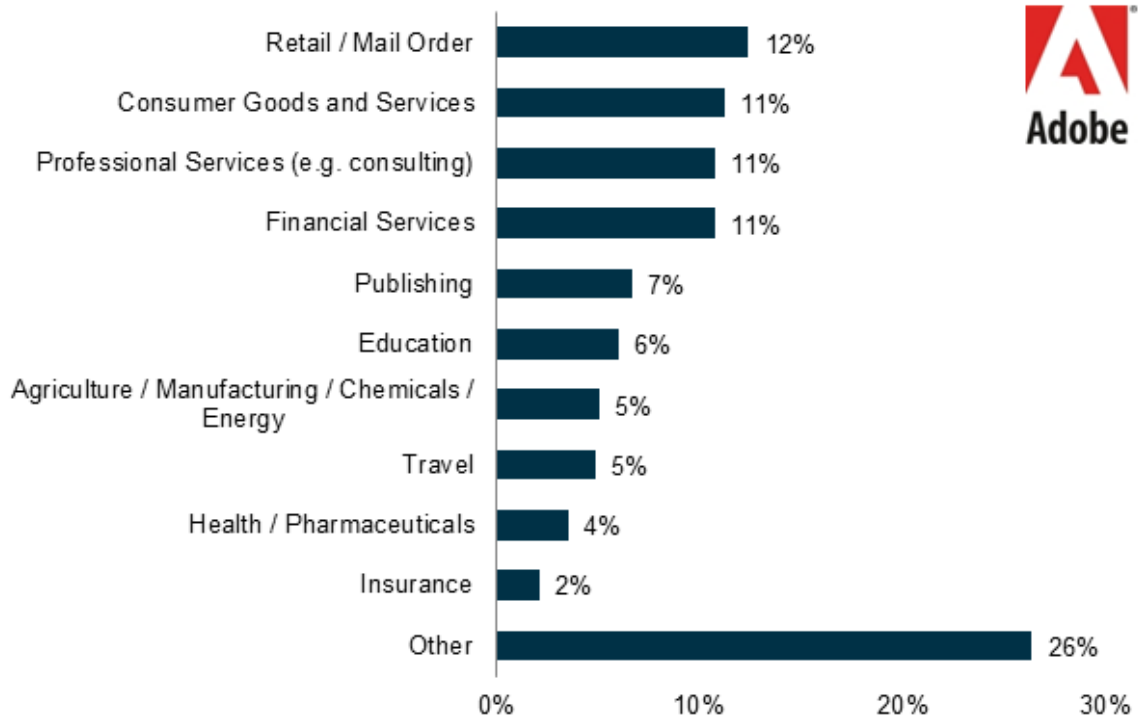
Company respondents: 1,085
Agency respondents: 1,327

11.3. Business sector

Respondents work across a wide range of different industry sectors. The best represented sectors are *retail and mail order* (12%), *consumer goods and services* (11%), *professional services* (11%) and *financial services* (11%). Just over a quarter of respondents (26%) specify 'other' as their sector. Other sectors included *public sector/not-for profit* and *IT*.

Company respondents

Figure 19: In which business sector is your organisation?



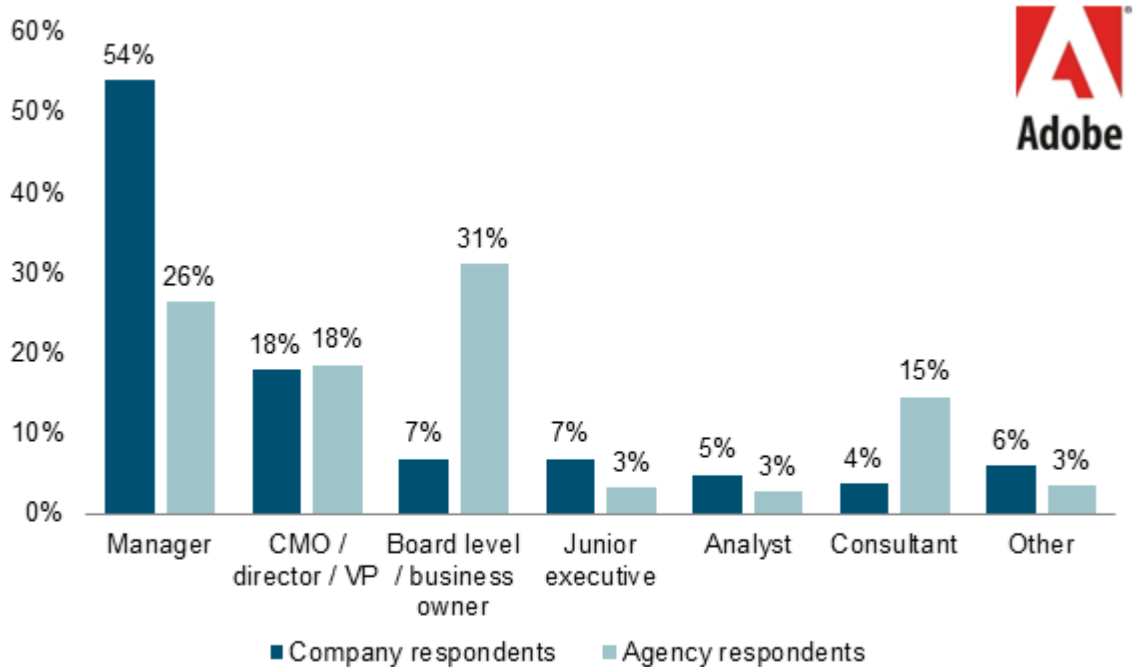
Adobe / Econsultancy Quarterly Digital Intelligence Briefing.

Respondents: 838

11.4. Job roles

The survey had a senior audience, as shown in the chart below. Just over half (54%) of responding organisations are *managers*, while 18% hold *CMO, director* or *VP* positions. Additionally, 7% are *business owners* or have *board level* roles.

Figure 20: What best describes your job role?



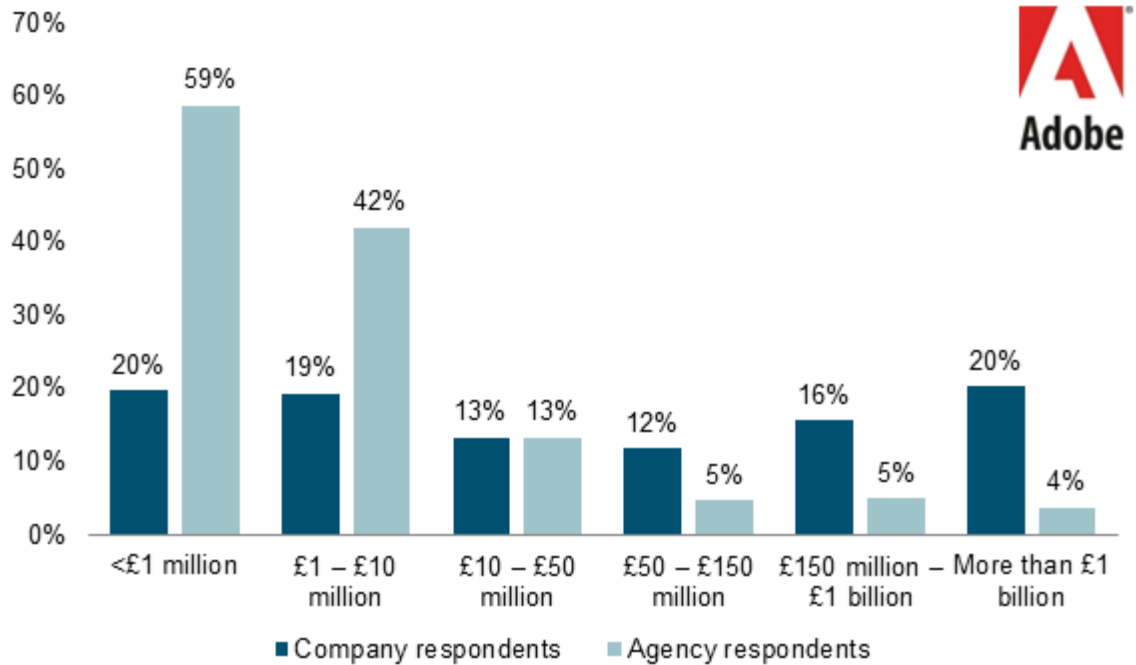
Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Company respondents: 1,081
Agency respondents: 1,325

11.5. Size of company by revenue

The chart below shows the annual revenue of survey respondents. At the upper end of the scale, around half (48%) of company respondents have revenues of more than £50m each year.

Figure 21: What is your annual company revenue?



Adobe / Econsultancy Quarterly Digital Intelligence Briefing

Company respondents: 835
Agency respondents: 1,013