Econsultancy ✕ Adobe

2022 Digital Trends
## Experience Index

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With nearly 10,000 participants in the 2022 study, in the 2022 study, more than 95,000 businesspeople from every continent (including Antarctica) have contributed their time and insights to this research since its inception in 2010. Their contributions make this the largest and most durable study of how digital trends are changing the marketing discipline.

Adobe and Econsultancy would like to thank everyone for their effort and insight.
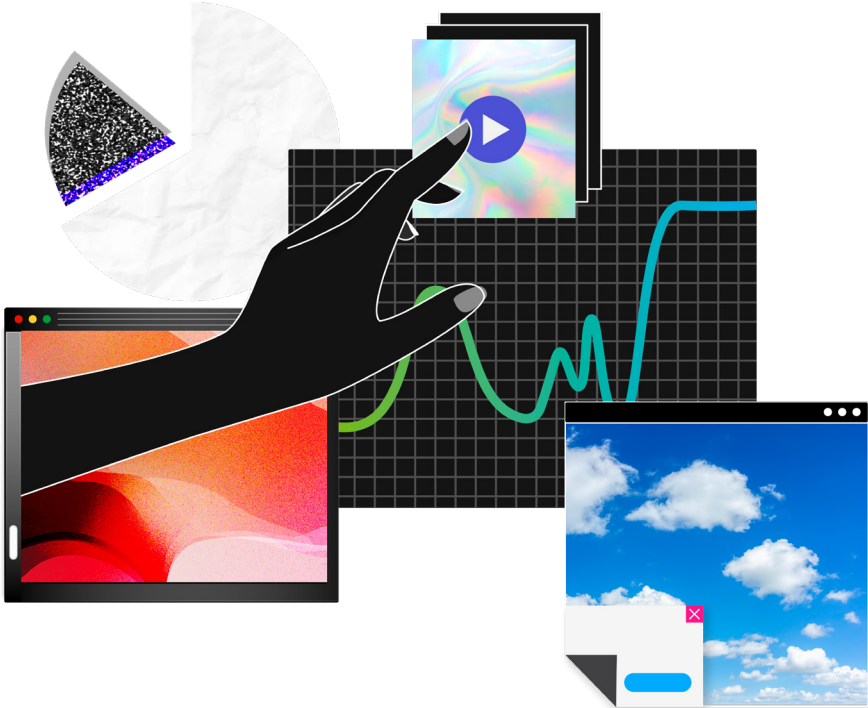
Foreword

Welcome to the 2022 Digital Trends report! This annual Adobe survey, produced in collaboration with Econsultancy, captures insights from nearly 10,000 marketers, consultants and practitioners to map the evolution of marketing, advertising, content, commerce, and customer experience trends around the world. It identifies key opportunities for companies to refine their digital strategies and drive sustained growth in the new year and beyond.

There's no doubt that the global events of the past two years have accelerated the digital transformation for companies of all sizes and across all industries. Eighty-seven percent of our surveyed senior executives agreed that the events of 2020-2021 have re-wired customers to be digital-first. In this new reality, every business is rethinking how they engage with consumers and business buyers alike. The pandemic raised the bar on the need for firms to be more agile, collaborative and speed up the time-to-value. It prompted companies to turn to real-time data and insights to handle the unexpected. It also forced them to bridge functional silos – across sales, marketing, product, IT, finance and support – to understand how to run a digital business end to end. As customers fluidly switched between channels of interaction, the need for omnichannel personalization, automation and scalability took on greater urgency.

Companies that were able to overcome organizational and technology silos and work across functions to quickly move as one, came out in front. Over the course of 2021, we saw a widening gap between those that were able to pivot and capitalize on the shift to digital and those who were caught flat-footed.

The challenge that many organizations face today is how to incorporate the agile methodologies developed in the crisis 'war-rooms' of the pandemic into ongoing business operations. Our study shows that many companies are struggling with implementing the necessary cultural and operational changes to stay

David Carrel
Vice President, Marketing, Adobe Experience Cloud

nimble and respond to rapidly evolving market dynamics.

Our study uncovered a yawning chasm between leading marketing organizations and the rest of the pack. Leading marketing organizations, as identified by our Marketing Organization Performance Index (see Methodology) place customer relationships at the heart of their operations. They build processes, systems and culture around evolving customer needs. At a time when it has never been more critical for companies to act fast and respond to rising customer expectations, leading marketing organizations are much better placed for success in 2022 and beyond. Mainstream and laggard organizations must double down to close the gap before the leaders pull even further ahead.

Notable areas of disparity between marketing organization leaders and their mainstream and laggard rivals include:

• **Insight:** 50% of marketing organization leaders have 'significant insight' into the journeys of new customers, versus just 20% of mainstream and 6% of laggard organizations.

- **Agility:** 65% of marketing organization leaders rate their speed of acting on insights as 'strong/very strong', versus just 22% of mainstream and 5% of laggard organizations.
- **Experimentation:** 61% of marketing organization leaders rate their ability to build experiments to test in the field as 'strong/very strong', in contrast with just 21% of mainstream and 5% of laggard organizations.
- **Personalization:** 85% of marketing organizations consider themselves 'effective/highly effective' when it comes to using first-party data to personalize the customer experience, versus 66% of mainstream and 22% of laggard organizations.

With customer expectations continuing to rise, the importance of developing and nurturing direct relationships with customers has never been more important. How companies gather and extract insights from customer data will become more critical, especially as marketers shift from relying on third-party data and embrace first-party strategies. Our findings suggest that there is much work to be done here as executives see their organization as more effective at *collecting* first-party data than *using it* to personalize experiences. Artificial intelligence (AI) is a key area of opportunity that not enough organizations are taking advantage of to drive real-time business decisions and improve customer experiences.

As companies move from one moment of uncertainty to the next, grappling with inflation, global supply chain problems, a tight labor market and shifting pandemic conditions, data-driven customer insights and the ability to quickly adjust strategies will be more important than ever. The gap between leaders and laggards will only grow over 2022. Companies that can successfully operationalize rapid decision making and act on customer insights will be better placed to achieve customer-centric experience innovation and sustain business growth.

The 2022 Digital Trends report explores a wide range of trends impacting companies' ability to successfully navigate the highly dynamic global environment, including changing customer expectations, trust, escalating complexity and competition, training and development and the realities of hybrid work environments.

With the world in a constant state of flux, this year's report offers timely insights to help marketers and business leaders hone their strategies to drive sustained success in 2022 and beyond.

Methodology

The 2022 *Digital Trends* Report is based on an online survey fielded to select Econsultancy and Adobe lists. The survey was launched on November 11th, 2021 and closed on January 6th, 2022 with 6,584 qualified respondents. In addition, 2,871 third-party panel participants were added to meet quota requirements in some sectors and regions, for a total of 9,455 responses. Third-party panelists were given an incentive for their time.

- 65% of all respondents (6,724) are client-side marketers. The remaining sample of 2,731 respondents is made up of executives at agencies, consultancies, and marketing technology/ services vendors.
- 28% of respondents are senior director level of above, followed by 72% of practitioners (comprised of junior executives, managers and director-level respondents). Throughout the report, we compare both groups.
- As defined by target market, the sample is split between B2B (33%), B2C (26%) and those addressing both markets equally (41%).
- Organizational revenues run the gamut from SMBs (44% have revenues under $65M) to larger organizations (32% have revenues between $65M and $1 billion) and the world's largest enterprises (22% have revenues over $1.3 billion).
- The sample is global, North America providing the largest share of respondents (43%) followed by Europe (39%) and the Asia-Pacific region at 15%. The survey was translated into French, German and Chinese.
- Every business sector is represented, with concentrations in Technology (15%), Manufacturing (12%) and Financial Services (9%).

Marketing Organization Performance Index

In addition, we developed a Marketing Organization Performance Index (MOPI) based on practitioners' respondents' answers to one of the survey questions. This question asks respondents to rate their marketing organizations on a 10-point scale along five distinct measures:

- Agility in responding to opportunities and disruptions that may arise
- Innovation
- Collaboration from the technology/IT group
- Talent development and education
- Ensuring diverse and inclusive teams

We selected these five measures because, as you will see in the report, they are each related to building successful organizations that can survive and thrive in the complex and fast changing business environment. Our thinking in developing this index was that a composite measure that incorporated all five measures would provide an additional level of insight above and beyond the individual measures.

Since respondents rated their marketing organizations on a 10-point scale on each of five measures, the highest possible score was 50. We then assigned each respondent to one of three categories based on their index score:

- **Leaders**, comprising 33% of the respondents are those whose scores ranged from 37 to 50. They rated their marketing organization highly across most, if not all, five measures.
- **Mainstream**, comprising 60% of the respondents are those whose scores ranged from 16 to 36.
- **Laggards,** comprising 7% of the respondents are those whose scores ranged from 1 to 15. They rated their marketing organizations as very low on most, if not all, five measures.

1. Introduction

The events of 2020/21 transformed relationships between customers and companies, employees and employers. It forced a reckoning – new needs, new behaviors, and new expectations. There's not going back – and there's no slowing down.

Our new era is shaped by customers who view their world through a digital lens years ahead of when they otherwise would have. Accelerated digital behaviors have raised customers' experience expectations from brands across the board. Customers don't just judge their digital experiences against other providers in the same industry. They rate their experiences against their last, best interaction. Today's experience bar is set by the world's leading digital platforms. The standards – and the stakes have never been higher.

To stay competitive, organizations must co-develop a new future with their evolving customers. This means moving beyond the tactics and makeshift solutions that saw businesses through 2020/21. Organizations must reorient operations completely around their customer relationships. Success relies on comprehensively creating the conditions for speed, experimentation, innovation and personalization at scale.

CHANGE ACCELERATED

The way that customers work, communicate, socialize, shop and consume media has transformed. The relationships between customers, businesses, their employees, partners, suppliers and competitors will never be the same again. As customers' experience expectations heighten and competition intensifies, it has never been more vital for organizations to build processes around customer needs.

TRUST EARNED

Today's businesses have a fragile social contract with their customers. They have a responsibility not only to protect customers' data to the highest standards, but also to use that data to provide truly valuable experiences. To earn customer trust, businesses must deliver on both fronts in an increasingly complicated regulatory environment.

AGILITY UNLOCKED

It's time to move agile operations out of reactive mode into day-to-day practice. To create the right conditions for agility, organizations need stronger data access, improved training and workflow management solutions. They need to do more to connect strategy and experimentation, aligning the business to the customer, delivery to the vision and leadership to the employees. Companies that empower their teams for strategically-led, data-driven decision-making and experimentation are set to win in this new era.

COLLABORATION UNLIMITED

With digital experiences vital to business growth and innovation, CMOs have earned their seat at the boardroom table. Relationships between CMOs and CIOs have cemented. But harmony on the ground needs more than senior alliances; it must filter down to the day-to-day business operations of the two departments.

CUSTOMER EXPERIENCE ELEVATED

Contextual, relevant and helpful personalization at scale is the imperative in 2022. But customer experiences can only be elevated from a foundation of customer trust and strong fundamentals, from integrated data architecture to insight-focused analytics to effective marketing automation.

2. Change Accelerated

I. Today's fast pace of change is only going to accelerate

Over the past two years, businesses of every stripe have been forced to accelerate their digital evolution at breakneck speeds. On average, organizations have driven seven years' worth of digital progress in just a matter of months. Companies have reported acting 20 to 25 times faster than expected.[1]

This dizzying pace of change is not going to slow down. Eighty-seven percent of senior executives believe we're in a new world where digitally-rewired customer expectations define fulfilment.

To keep pace, businesses are scaling investments in experience management solutions and customer data technology. Competition is intensifying, while experience barriers are escalating. As they transition from digital innovation driven by crisis to planned innovation simply to stay in the mix, companies need to reorient for speed – generating actionable insights in the milliseconds between interest and opportunity.

> **"Marketing, I think, has changed forever. Because in many ways, the intersection between marketing strategy, customer experience strategy, and business strategy has become very much intertwined. And so, the insights that we have as marketers are informing the way we need to build experiences, and the way that we're building experiences is actually becoming the business strategy ..."**
>
> **Patrick McLean**
> *SVP & Chief Marketing Officer, Walgreens*

II. Customers' expectations have been digitally rewired

Customer behaviors have changed over the last two years, many for good. With the physical world restricted, digital channels became lifelines for shopping, working, socializing, and entertainment. Customers rapidly became accustomed to interacting and transacting with brands in new, more convenient ways, driving digital behavior change at an unprecedented rate.

While some digital indicators are slipping back to pre-pandemic levels, overall adoption has durably increased across multiple sectors – from travel to entertainment to grocery retail.[2] In PWC's latest Global Consumer Insights Survey, 41% of respondents report shopping daily or weekly via smartphone – compared with 39% six months ago – and just 12% five years ago. Mobile shopping behaviors are now closing in on in-store shopping – with just six percentage points separating the two.[3] These shifts in consumer behavior have had a cascade effect on B2B companies, accelerating existing trends in B2B ecommerce and self-service. The global B2B ecommerce market size is now forecast to grow 18.7% (CAGR) to 2028.[4]

Eighty-seven percent of our surveyed senior executive respondents agreed that the events of 2020/21 have rewired customers to be digital-first. For practitioners (i.e., those at director level and below), this means attention needs to stay fixed on optimizing customers' digital experiences. Eighty-two percent of surveyed practitioners say their digital experience emphasis will either remain steady or accelerate, even as customers return to offline channels.

> **"Five years ago, we couldn't have predicted Covid, but we could see a need for a more omnichannel experience. We knew two-thirds of consumers would be open to buying a vehicle online, and so (we) focused on building out our ecommerce offering. When the pandemic hit, it became a central part of our plan, integral to how we kept selling."**
>
> **Claire Hepworth**
> *Head of Customer Engagement, Ford*

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1 McKinsey, How COVID-19 has pushed companies over the tipping point and transformed business forever, 2020
2 McKinsey, What's next for digital consumers, 2021
3 PWC, December 2021 Global Consumer Insights Pulse Survey, 2021
4 Grand View Research, Business-to-Business E-Commerce Market Size, Share & Trends Analysis Report By Deployment Model (Intermediary-orientated, Supplier-orientated), By Application, By Region And Segment Forecasts, 2021-2028, 2021

III. Customers' experience demands are heightening

The cautious reopening of the physical world makes it more challenging to interpret and handle customers' wants and needs. For their part, customers do not care about the logistical barriers between the physical and online worlds. World-class digital experiences in their everyday lives, from retail to entertainment, set the bar and relentlessly drive ever more exacting demands. Customers expect organizations to allow them to shift seamlessly from one interaction mode to another, remember their preferences across all touchpoints and create excellent experiences at every step of their journey.

To meet customers wherever (and whenever) they need, businesses need to reconfigure to collect hybrid interaction data. Then connect the journey dots and create compelling, value-added experiences at each key stage in the path to purchase. What's more, they need to do this while instilling trust. That means engaging in ways that feel contextual and intuitive rather than invasive or surveillant.

> **"As today's work is driven by a digital-first mindset, there's an added urgency for a compelling experience at each step in a customer's journey."**
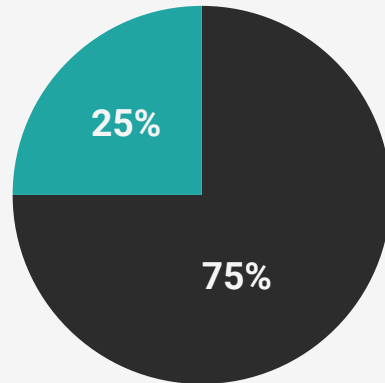>
> **Susie Emmerling**
> *VP of Marketing Operations at ServiceNow*

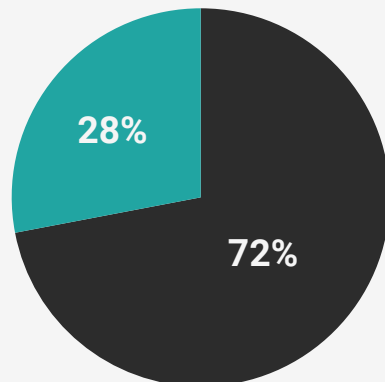
FIGURE 1

■ True ■ False

Thinking about the last 18 months, were the following true or false for your organization?

75% of practitioners have observed surge in existing customers using digital channels

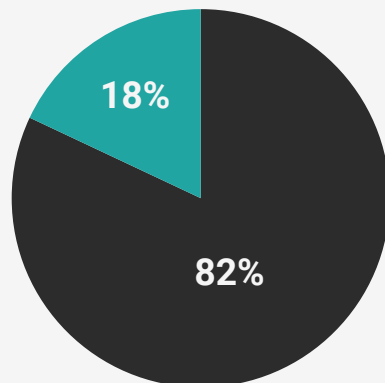Base: Practitioners (3,141)

72% of practitioners have observed a surge in new customers using digital channels

Base: Practitioners (3,110)

82% of practitioners have observed new and changing customer journeys

Base: Practitioners (3,208)

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

IV. To overcome escalating experience barriers, organizations must reduce frictions in the employee experience.

The disruptive forces that have affected brands aren't going away – many will only intensify. The 'Great Resignation,' enduring travel restrictions and new skill demands, make it more difficult for organizations to attract and retain necessary experience hires.[5] Supply chain issues challenge businesses' ability to satisfy demand and add pressure to marketers' communication strategies.

Putting customers at the heart of operations, while simultaneously grappling with staffing and supplier issues, is no simple task, yet it is mission critical. To make sure customer experience standards continue to rise, businesses must reduce frictions in the employee experience, remove internal barriers, optimize technology stacks, automate workflows and upskill employees.

Poor systems integration, workflow issues, and the lack of digital skills and capabilities affect organizations across the board. However, in contrast with their mainstream and laggard rivals, one in three marketing organization leaders do not come up against any internal barriers to hold them back in experience delivery.
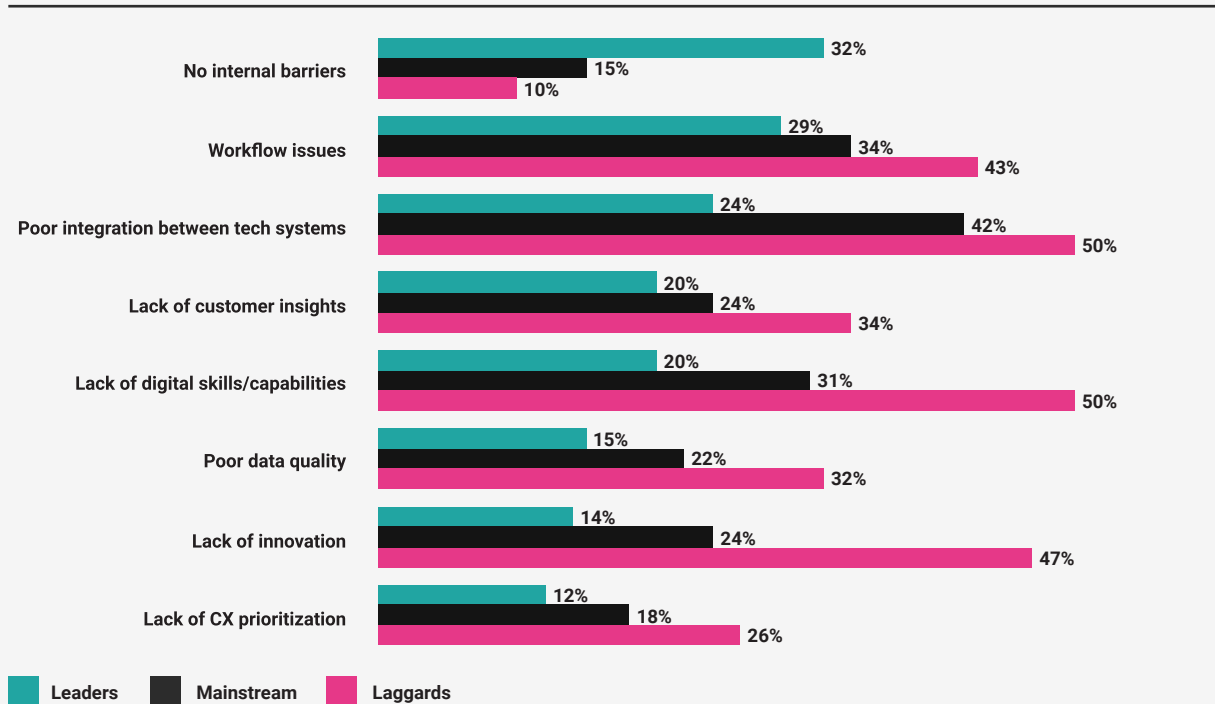
Retail giant Walmart was ahead of the curve in recognizing the importance of smooth internal operations to drive impactful customer experiences.

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5   Deloitte, *The global labor shortage: How COVID-19 has changed the labor market*, 2021

FIGURE 2

What is holding your marketing/customer experience organization back, if anything? Please check any internal barriers that your organization is experiencing.

Please check any internal barriers that your organization is experiencing.

Barrier	Leaders	Mainstream	Laggards
No internal barriers	32%	15%	10%
Workflow issues	29%	34%	43%
Poor integration between tech systems	24%	42%	50%
Lack of customer insights	20%	24%	34%
Lack of digital skills/capabilities	20%	31%	50%
Poor data quality	15%	22%	32%
Lack of innovation	14%	24%	47%
Lack of CX prioritization	12%	18%	26%

■ **Leaders**   ■ **Mainstream**   ■ **Laggards**

Base: Leaders (1,235), Mainstream (2,279), Laggards (287)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

Led by excellent foresight into how employees' relationships with technology were changing, Walmart overhauled its internal communications technology solutions, consolidating several intranets into a new platform – OneWalmart.

When COVID-19 struck, OneWalmart was already in place, helping remove frictions in the distributed employee experience to make sure customer relationships didn't suffer. Today, OneWalmart serves a global community of over two million people. Whether at work or at home, any employee can access what they need to feel supported, informed and equipped to do their job effectively.

> **"Megatrends are reshaping the dynamics of our industry. Content, community, and offerings have to be personalized. The consumer has to have the same experience along the various touchpoints with you, whether online or offline. Digital is a unity of effort. You have to be able to master the complexity of technology but, even more important, is that you manage the cultural transformation which is coming with the digital transformation."**
>
> **Michael Nilles**
> *Chief Digital and Transformational Officer, Henkel*

V. Experience competition is intensifying

Simply keeping pace with customer expectations isn't enough. The rising digital tide means that today's experience differentiator is becoming tomorrow's commodity. Given that experience is crucial for brand differentiation, organizations need to better predict customer behaviors and serve unmet needs with personalized, valuable, and distinct experiences and innovation. According to Accenture, organizations that have fully reoriented operations, delivery models and technology investment to meet new experience demands grow their profitability year on year by at least six times their industry peers.[6]

Indeed, this study has found a chasm between those organizations that can flex their agility to keep up with the pace of change as it accelerates and the mainstream. Our Marketing Organization Performance

Index (see Methodology) highlights how marketing organization leaders are well situated to drive home differentiated experience.

The chasm between leaders and the mainstream will only grow over 2022. Armed with more decisive customer insights and organized for rapid decision-making, these companies will be better placed to achieve customer-centric experience innovation and customer growth.

What does a marketing organization leader look like?

Marketing organization leaders are better organized for agility because they are more likely to :
- **Have removed internal barriers** to customer experience delivery (32% of leaders report no internal barriers in experience delivery, versus 15% mainstream and 10% laggards)
- **Have more robust data and insight capabilities** (50% of leaders have significant insight into the journeys of new customers, versus 20% mainstream and 6% laggards)
- **Leverage AI for improved personalization** (29% of leaders consider using AI to improve the customer experience an operational priority, versus 19% mainstream and 13% laggards).
- **Invest in talent and skill development** (59% of leaders are improving training and learning programs to increase productivity, versus 49% mainstream and 42% laggards).

> **"There's a concept of villages now, and across the world, you can't come with one monolithic approach, especially about how you're going to understand and interact with your customers and the personalization, whether it's through regulation through the government agencies in each country, or region, or just the expectations of the customers, we have to be much more adaptable."**
>
> **Shaun Braun**
> *Senior Vice President, Digital Transformation, 3M*

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6 Accenture, Evolution of Customer Experience, 2021

VI. Experience technology investments are ramping up

While it negatively affected most business spending, the COVID-19 pandemic shocked some organizations into accelerating their transformation initiatives and into boosting digital experience-related technology investment. Before 2020, enterprises spent an average of 4.25% of revenues on technology investments, but this increased to 10% in some sectors in 2020/2021.[7]

One might assume that CFOs would now want to tighten the purse strings for technology investments and encourage divisional heads to maximize the value of their existing technology. Yet, over 50% of senior executives are increasing their 2022 investment in platforms that will empower their organization to serve customers across increasingly complex omnichannel customer journeys. As *Figure* 3 indicates, customer data technology and experience management platforms are key spending priorities for 2022.
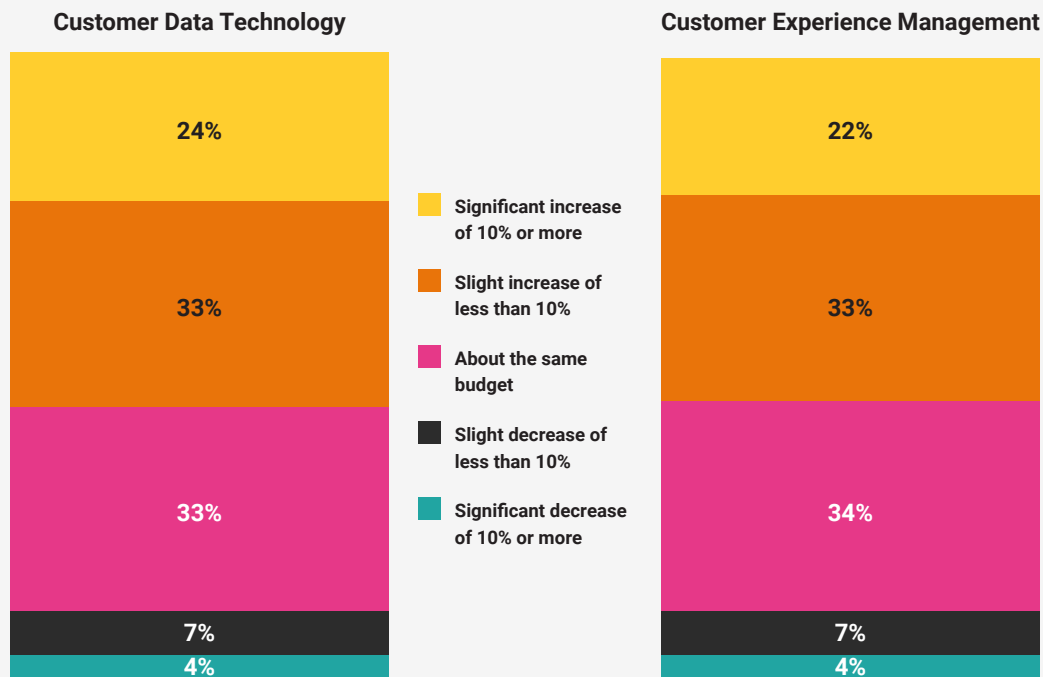
> **"We doubled down on investment during the pandemic across digital, technology, and innovation, and saw a number of our customers do the same. The benefits are there: we've seen customers roll out new applications in six weeks rather than six months."**
>
> **Vinod Kumar**
> *CEO, Vodafone Business*

7 Deloitte, Maximizing the impact of technology investments in the new normal, 2021

FIGURE 3

How are the following being budgeted for 2022 compared to 2021?

Customer Data Technology

24%	Significant increase of 10% or more
33%	Slight increase of less than 10%
33%	About the same budget
7%	Slight decrease of less than 10%
4%	Significant decrease of 10% or more

Customer Experience Management

22%
33%
34%
7%
4%

Base: Customer data technology (1,505), Customer experience management (1,506)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

VII. Customer acqusition and retention are considered equally important

As the marketing landscape continues to evolve, senior executives are just as likely to be prioritizing customer *retention* as they are customer *acquisition*. More than half (59%) plan to increase their budgets for online media spending in 2022 compared with 2021. But the inevitable shift resulting from the demise of cookies (and its impact on multitouch attribution) requires leaders' immediate attention across the organization.

The end of third-party cookies will limit access and insight into the audiences on which brands rely for customer acquisition, forcing advertisers to turn to new methods for prospecting while increasing their reliance on walled-garden advertising environments. We're likely to see both CPC (cost per click) increases and efficiency decrease in this context. In a cookieless future, acquisition will be more complex and costlier. This increases the onus on customer retention, maximizing first-party data to reduce churn and increase value from within the existing base.

> **"The problem is, everything that we have done over the last 10-15 years has been based on cookies. It's the technology that everybody knows. That's what we have done. That's what we are good at. And then suddenly, we have been asked, hey, how do we do this without cookies."**
>
> **Ajit Sivadasan**
> *Vice President, Lenovo*

3. Trust Earned

I. Ethical data stewardship has never been more important – or more complex

2021 saw heightening public and political fervor in the battle for consumer data privacy protections. Apple's iOS14.5 update led to an astonishing 85% of worldwide iPhone users opting out of app-tracking.[8] The reason is not surprising: 66% of global consumers are concerned about how customers use their personal data[9] and there's evidence to suggest that such privacy concerns are mounting. According to PWC's December 2021 Global Consumer Insights Pulse Survey, 59% of global consumers reported becoming more protective over their data in the past six months.[10]

In response to shifting public opinion and high-profile corporate data scandals, the data privacy regulatory context also continued to evolve in 2021. Last year, China became the 17th country to introduce a new customer data privacy law akin to Europe's GDPR.[11] According to the United Nations Conference on Trade and Development, 69% of countries (183) now have data protection and privacy legislation, and a further 20 countries have draft legislation in the pipeline.[12] As individual regions, nations, and indeed states set their own privacy standards, the regulatory landscape becomes more challenging for businesses to navigate.

Organizations need to take their data stewardship role extremely seriously, both to satisfy an increasingly privacy-conscious customer and to meet data compliance standards in a highly complex regulatory environment. CIOs need to create strong cultures of trust, embedding security imperatives into increasingly complex digital ecosystems, education and processes – both internally and across third-party ecosystem partners. Moreover, the C-suite must recognize that data governance excellence cannot be achieved manually, especially for organizations operating across geographic boundaries. Technology is essential to scale and apply privacy rules across customers, brands and regions.

II. Responsible data actions are vital in strengthening customer relationships

The fragile social contract between customers and businesses relies on more than just excellent data protections. Businesses must earn customer trust as a condition to sway them to exchange personal data in return for greater value brand relationships. While concerns abound, not all customers object to sharing their personal data with businesses, especially if they can see the value in doing so. Customers need assurances that the benefits of sharing their personal information will outweigh any possible downsides.

When it comes to the effective use of customer data, the stakes have never been higher. As we discovered in our previous Digital Trends report[13], the ability to leverage data to anticipate and meet customer needs is vital in mitigating churn. Organizations that fail to meet customer expectations at the right moment and in the right context risk losing business to the competitor that does. Customer data must be used responsibly, effectively and creatively to unlock valuable, timely and relevant customer experiences.

Simply stockpiling any and all customer data does not achieve these ends. Instead, organizations need to question why, and what, customer data they're capturing in the first place. They need to think about how that data will translate into insights and actions that create real customer value. However, this study suggests that more emphasis is being placed on data collection, and not enough thought is being given to the use of data to drive meaningful customer interactions.

8   Flurry, iOS14.5 Opt-In Rate – Daily Updates Since Launch, April 2021
9   Deloitte, Are data privacy concerns driving consumer behaviour? Not yet., 2021
10 PWC, December 2021 Global Consumer Insights Pulse Survey, 2021
11 TechCrunch, Navigating data privacy legislation in a global society, 2021
12 UNCTAD, Data Protection and Privacy Legislation Worldwide, 2022
13 Adobe/Econsultancy, 2021 Digital Trends: Experience Index, 2021

> **"We do things more simply and don't overcomplicate things when we work together, and that's what customer wants; they just want simplicity, transparency, and trust."**
>
> **Belinda Finch**
> *Chief Information Officer, Three*

Practitioners are more likely to regard their organization as effective in collecting first-party data (74%) than they are in using that data to personalize experiences (68%). Alarmingly, the effective use of data falls to just 22% of marketing organization laggards (versus 85% of marketing organization leaders). More promisingly, 72% of practitioners consider themselves 'effective' or highly effective' at giving users control over how their data is used. However, this falls to just 36% of marketing organization laggards versus 86% of leaders.

For Walgreens' SVP and Chief Marketing Officer, Patrick McLean, it is imperative that the organization takes its data governance responsibilities very seriously. Managing highly sensitive health information, Walgreens must strike a very fine balance. On the one hand, they need to make sure that data is protected to the highest standards. On the other, they need to make sure they're using patient data to surface timely, relevant content to help patients lead healthier lives. Communicating effectively and making patients aware of their data protections is key for the business, "We are critically focused on making sure they know what we're using their data for, and when we're using it. If they don't want us to use it, then that's their choice. And we give them every opportunity to make that choice."

III. Post-cookie preparedness is alarmingly low

Following related moves by other browser providers, Google will sunset its third-party Chrome cookies in late 2023, having added more than a year of grace to the original January 2022 deadline. Despite the extension, a shifting regulatory context, and a tide of media coverage, a significant minority of practitioners (38%) are still not prepared for their cookieless futures. For marketing organization laggards, the situation is all the more burning. Only 21% consider themselves prepared for the end of the third-party cookie. New partnerships and ecosystems are urgently needed to keep up.

First-party and zero-party data are essential in a cookieless future. Marketers need to get ready now, deriving insights from existing data sets to inform and test new campaign ideas and targeting approaches. While creating moments to capture first-party data is essential, marketers also need to humanize that data – and divine insights from those owned data sets to inform and test new campaign ideas and targeting approaches. Marketers need to spend 2022 honing their new prospecting models, building lookalike audiences, and conceiving engagement initiatives from their first-party data.

> **"Here we have to think long-term: Cookies will soon be a thing of the past, which is why we are planning to use a big data system."**
>
> **Andreas Pauschert**
> *Senior Consultant Analytics, SSI Schäfer Shop*

4. Agility Unlocked

I. Organizational agility has never been more vital

Organizations are moving from one moment of uncertainty to the next, buffeted by inflationary headwinds, wildly variable pandemic concerns, a challenging labor market, and global supply chain problems. Just as protracted waterfall processes weren't able to keep pace with the demands of the COVID-19 crisis, they can't keep pace today.

In a bid to respond to adversity, cut through red tape, and make quick decisions, many companies turned quickly to agile methods in 2020 and 2021. One of the world's largest brand franchise operators, Alshaya, had to accelerate the rollout of its sites to meet new online shopping needs as COVID-19 hit. According to CTO Marc van der Heijden, there was no time for bureaucracy or questions about roles and responsibilities. Everyone pulled together to achieve a common goal. "People just wanted to get the job done. We learned that when we work as a team, without falling into the trap of overthinking things, we can make good decisions. Even when we made mistakes, we were able to come together remotely, learn, and adapt on the fly, knowing that we would get there in the end." Alshaya managed to roll out 30 ecommerce sites and two mobile apps in just 12 months, driving 268% year-on-year growth in online transactions.

The challenge for organizations today lies in shifting agile ways of working out of crisis 'war-rooms,' away from one-off special projects and into day-to-day practice. This is easier said than done, and this study shows that many companies are struggling to drive such a significant cultural and operational change. While 92% of senior executives agree that 'our ability to be agile will determine our success as a marketing organization,' only 31% of practitioners rate their organization's agility in responding to opportunities and disruptions that may arise 8 or higher out of 10.

While it might feel like a seismic task, embracing agile ways of working is key to keeping pace with customer expectations, delivering better experiences, and responding to uncertainty. Marketing organization leaders are leading the way in embedding agility more meaningfully and permanently across their businesses.

> **"Everybody has embraced an agile mindset and we are getting them up and running remotely, collaboratively, and in adherence with regulatory requirements in (just) a few weeks – unheard off before the pandemic."**
>
> **Vinod Kumar**
> *CEO Vodafone Business*

II. Training and development to unlock agility

Cross-functional marketing teams with a wide variety of skills are the foundation of agile marketing operations. As digital transformation initiatives accelerated over the past two years, so did the demand for new and evolving skills in digital marketing and customer experience management. In the first six months of 2021, marketing job vacancies on LinkedIn increased by 63%, with a clear skew towards digital specialist skillsets.[14] The quest for top cross-functional, internal experience hires has been complicated by a challenging labor market and the shift to bring key capabilities in-house, rather than outsourcing to external agencies.

Rather than waiting for 'unicorn' cross-functional and specialist hires, agile experience organizations need to first evaluate the automation capabilities already available in their existing stacks. In a difficult labor market, offloading routine tasks and operations to automated systems can free up key personnel for higher value work. CMOs can then redouble efforts to build these team members' capabilities and skills in the areas needed most in experience-driven organizations, such as analysis, strategy and creative thinking.
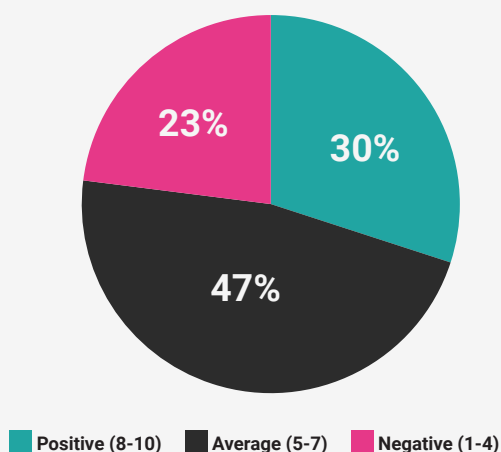
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14 The Drum, Exclusive LinkedIn data shows marketers are in demand – especially in the digital realm, 2021

Continuous talent development and training are critical at both general and role-specific levels and need to be at the top of CMOs' agendas. However, many learning and development programs have room for improvement. Only 30% of practitioners rate their organization's talent and education programs 8 or higher out of 10. The situation is particularly acute for marketing organization laggards. The lack of digital skills among this subgroup is tied for first (with poor integration of technical systems) as the top barrier holding back their customer experience organization.

FIGURE 4

How would you rate your marketing organization across the following dimensions from 1 to 10?

Talent development and education

- Positive (8-10): 30%
- Average (5-7): 47%
- Negative (1-4): 23%

■ Positive (8-10) ■ Average (5-7) ■ Negative (1-4)

Base: Practitioners (3,801)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

Fortunately, senior executives recognize that there are skills gaps in their businesses. Seventy-seven percent are concerned about their employees having the key skills necessary to deliver effective digital experiences. Hopefully, senior executives will be more receptive to increasing training and education programs resources in 2022.

> **"We're really looking for unicorns that can straddle technology, and data, and creative and all of the channel dynamics that we now deal with as marketers, but also really be advocates for how we're delivering the experience for the customer. So that's a lot. And I think it's becoming increasingly challenging to find the right talent for these modern organizations."**
>
> **Patrick McLean**
> *SVP & Chief Marketing Officer – Walgreens*

III. Diverse opinions are needed to unleash creativity and innovation

Agile organizations must be well-configured for innovation in an uncertain and rapidly evolving landscape. There's ample research to show that combining varied skillsets, personalities, experiences, backgrounds, and opinions unleashes creativity and differentiated thinking.[15] To find new solutions to problems, businesses need to ensure that they're hiring and welcoming a diverse range of views on committees and project teams.

However, most practitioners and senior executives recognize that they have more work to create truly diverse and inclusive companies. Only 37% of practitioners rate their organizations 8 or higher out of 10 for ensuring a diversity of backgrounds. Encouragingly, 51% of senior executives percent of senior executives describe their organizations as actively pursuing diversity and inclusion today, with a further 41% say they are working on diversity and inclusion initiatives.

> **"If folks are not in the office, we still need to make sure that we have that connection, to make sure that we're taking care of those employees. And that if we're onboarding employees, that we find very effective ways to make sure that the culture and the values of the company can be shared and adjusted, and really understood effectively through different digital apparatus."**
>
> **Shaun Braun**
> *Senior Vice President, Digital Transformation, 3M*

15 World Economic Forum, The business case for diversity in the workplace is now overwhelming, 2019

IV. With teams distributed, work management software connects delivery to strategy

Today's agile teams need to work at pace from any location and over any time difference. Fifty percent of senior executives say they will use hybrid work much more in 2022 than pre-pandemic. Fourty-four percent plan to use remote workers in 2022 to a greater extent than pre-pandemic. As remote, flexible working becomes a permanent feature of working life, companies need to think beyond digital facsimiles for in-office working, such as video conferencing software, to replace the in-person meeting. Permanently distributed, asynchronous workforces need to reimagine ways of working and adopt remote-first solutions.

Workflow optimization is a case in point. Managing work across dispersed teams using conventional workflow methods slows progress. Workflow issues are rated the second most significant barrier holding back practitioners' customer experience organizations. Workflow management software is vital for agile businesses in a new world of work, helping distributed teams connect work delivery to organizational strategy, goals, and KPIs. Asked about the steps their company is taking to increase the productivity of the marketing/ecommerce group, investing in work and project management is practitioners' top response (55%). However, senior executives are out of step with work issues on the ground, ranking work and project management solutions as a relatively low technological priority in 2022.

> "I'm passionate about changing and improving the way people work. Suppose I can make their everyday processes more efficient. In that case, I can give them more time to focus on what's most important to them: whether that's training employees, talking to vendors, or developing new chemical additives that will revolutionize the construction industry."
>
> **Peter Simon**
> *Head of Web & Digital Solutions, Sika*

> "As the world goes digital, teams across Vodafone need to be aware of how their roles are changing and becoming more data-centered, everyone involved in customer experience should know how to look at data, form insights, and use those insights to optimize the experiences of our customers across digital channels."
>
> **Will Harmer**
> *Global Product Owner, Digital Marketing, Vodafone*

V. Decentralized decision-making needs democratic data access

Successful agile organizational cultures connect vision to strategy, and, in turn, strategy to delivery and experimentation. For decentralized teams to work and experiment in line with strategic initiatives, they need universal access to a single source of data truth.

However, most practitioners don't have the data access they need to excel. When asked about access to marketing insights across the business, 41% of practitioners agree they are 'average' while 23% agree they are 'very weak/weak'. A little more than one third consider their data access to be 'strong/very strong'. However, leading marketing organizations paint a different picture. Not only are they more likely to rate their access to insights as 'strong/very strong' (67%), they're also more likely to be expanding data access across their organizations (47% versus 38% laggards).

VI. To tackle organizational blindspots, data needs translating into insights

Delivering excellent experiences relies on organizations' solid grasp of customers' behaviors, motivations, preferences, and needs. This can only be achieved by translating customer data into meaningful insights enabling the identification of potential value-adding moments on the path to purchase.

Marketing organization leaders have pulled ahead in this area. The vast majority (82%) of practitioners observe new and changing customer journeys. However, only 20% of mainstream and 6% of laggard practitioners feel they have 'significant insight' into the journeys of new customers – in comparison with 50% of leaders.

Leaders are also far more likely to have a significant understanding of customers' journeys, frictions, loyalty and retention drivers, and drivers of purchase. This means they are much better organized to create and extract value from these relationships – and they're much better positioned to beat the competition with a superior customer experience.
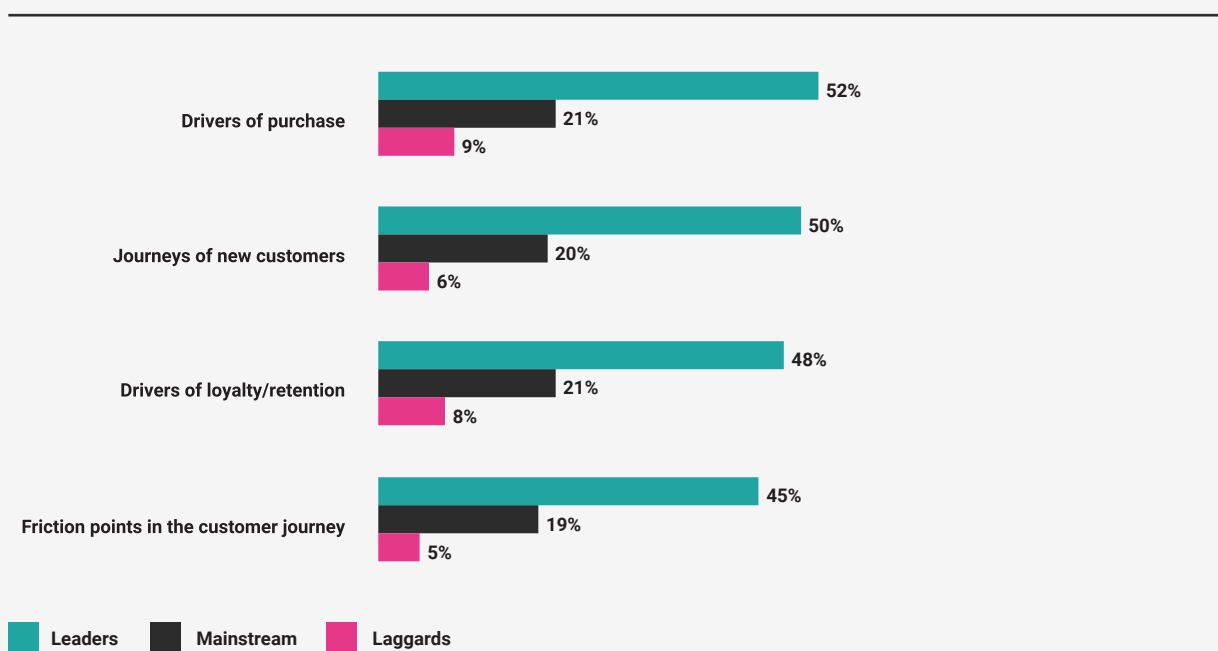
> **"You know, we used to talk about how data is the new oil, right? Well, I sort of evolved that thought process to getting oil out of shale; it's harder to get value than anyone thought originally."**
>
> **Avery Worthing-Jones**
> *Senior Vice President of Product, Gap Inc*

FIGURE 5

To what degree does your organization have insight into the following?

Percent 'very significant' insight

Drivers of purchase
- Leaders: 52%
- Mainstream: 21%
- Laggards: 9%

Journeys of new customers
- Leaders: 50%
- Mainstream: 20%
- Laggards: 6%

Drivers of loyalty/retention
- Leaders: 48%
- Mainstream: 21%
- Laggards: 8%

Friction points in the customer journey
- Leaders: 45%
- Mainstream: 19%
- Laggards: 5%

Legend: Leaders / Mainstream / Laggards

Base: Leaders (1,128), Mainstream (1,999), Laggards (251)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

VII. Fast, responsive agile operations rely on fast, responsive insight actions

Organizations don't just need to translate data into insights – they need to do it at speed to keep up with rapidly shifting customer preferences and demands. However, just 35% of practitioners consider their 'speed of getting customer insights' as 'strong/very strong' – and 34% regard their 'speed of acting on customer insights' as 'strong/very strong'.

The speed of both getting and acting on insights is an area where we can see a yawning chasm between those leading in experience delivery versus those behind the curve. Sixty-five percent of marketing organization leaders rate their 'speed of getting insights' as 'strong/very strong', while 64% rate their 'speed of acting on customer insights' as 'strong/very strong'. In sharp contrast, just 5% of laggards get insights at speed – and just 5% act on their insights with speed.

This suggests that not enough organizations are taking advantage of AI to action insights and deliver valuable customer experiences at pace. This is a missed opportunity. Accessing AI-driven insights does not rely on scarce skillsets or cumbersome technology. Sales forecasting and audience micro-targeting solutions are available out of the box – and can be readily used by non-technical practitioners, helping lagging businesses pick up the pace, meet customer needs, leapfrog competitors and overcome skill shortages.
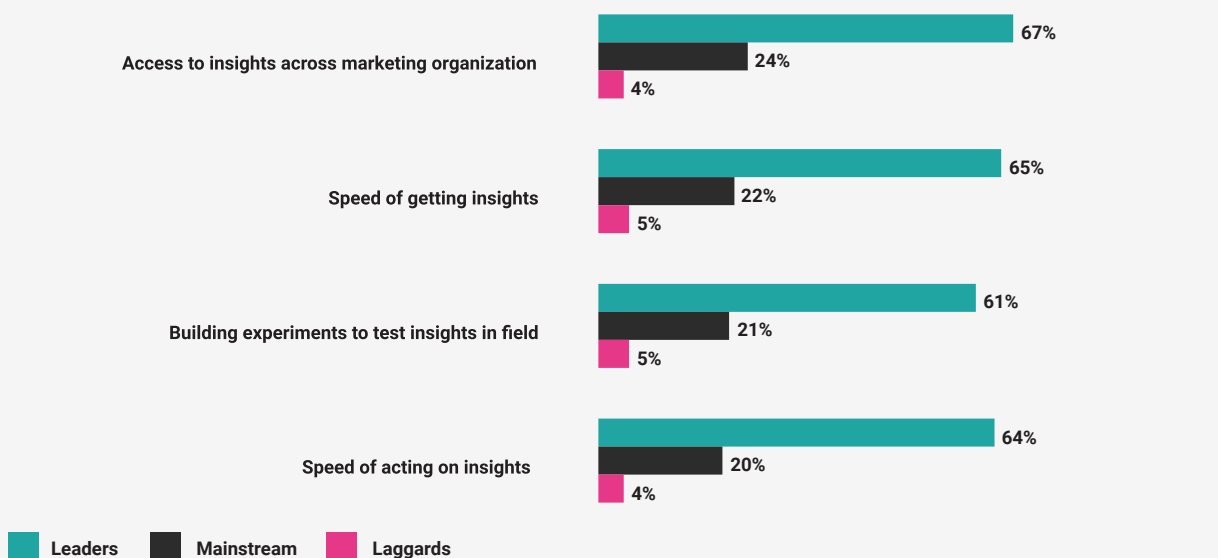
> **"It's still pretty massive trying to deal with personalization, trying to understand customer behavior, trying to figure out how we assort products, how we put a creative in front of a customer. Mistakes can happen without having the data to look at things objectively. The wrong creative can lead to organizations losing millions of dollars in revenue."**
>
> **Ajit Sivadisan**
> *Vice President, Lenovo*

FIGURE 6

Thinking about key marketing insights in your organization, how would you rate the following?

Percent 'strong/very strong'

Access to insights across marketing organization
Leaders 67%
Mainstream 24%
Laggards 4%

Speed of getting insights
Leaders 65%
Mainstream 22%
Laggards 5%

Building experiments to test insights in field
Leaders 61%
Mainstream 21%
Laggards 5%

Speed of acting on insights
Leaders 64%
Mainstream 20%
Laggards 4%

■ Leaders ■ Mainstream ■ Laggards

Base: Leaders (1,141), Mainstream (2,032), Laggards (247)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

VIII. Data-driven organizations are better placed to test, learn and manage uncertainty

Agile marketing relies on learning through iteration, supported by a rapid cadence of testing. Teams need to be encouraged to test, fail fast, fail small, and fail visibly. However, with limited access to data, insights and empirical evidence, it is tough to determine the success or failure of experiments in the field, making it difficult for organizations to adopt true test and learn practices.

This constrains companies' ability to think and plan bi-modally, jeopardizing creative thinking and innovation. Those that do not create the conditions for experimentation, exploration and innovation are less prepared to manage disruption, uncertainty and change. And, given the fast-paced events of the past two years, the lack of such skills could be catastrophic to any business, as seen by the many companies that couldn't adapt quick enough and then failed.

Many of our surveyed practitioners report challenges in accessing and acting on customer insights, so it's unsurprising that most give low ratings to their businesses' experimentation capabilities low. Only 33% of practitioners consider their organization's ability to build experiments to test in the field as 'strong/ very strong'. However, once again, we can see a gap between marketing organization leaders and laggards. While 61% of leaders consider their organization's experimentation capabilities to be 'strong/very strong, just 5% of laggards claim the same.

> **"2022 will be a volatile year. I expect us to have supply chain issues. At the same time, continued customer hesitancy to come to physical locations as we continue to figure out how to live as a world with the reality that we're facing."**
>
> **Avery Worthing-Jones**
> *Senior Vice President of Product, Gap Inc.*

5. Collaboration Unlimited

I. A strong CMO and CIO relationship is essential in a rapidly changing customer context

While CIOs have long worked with executive management and finance teams, the CIO and CMO relationship has emerged and cemented over the last few years. Since most customer interactions come through marketing, it's marketing's job to make sure every prospect or customer touchpoint is as effective as possible. To carry out this job successfully, they need to draw on customer insights in creative ways. Since CIOs manage the technology that collects, governs and secures that data, they're also responsible for making that data accessible across the organization and helping unlock new opportunities in advanced data analytics and marketing automation.

The demands that have forged the new CMO and CIO partnership have intensified over the past two years. As customer behaviors and preferences evolve, CMOs and CIOs need to collaborate more closely to keep pace with crucial customer shifts and needs. The two need to work in concert, ensuring they combine CX and tech strategies to best enable agility, creativity, and innovation. Fortunately, 83% of senior executives agree that marketing and IT have a shared vision. Given that the technology choices in 2022 will decide companies' success, turning that shared vision into collaborative execution has never been more significant.

> **"If IT can provide the right data then marketing can take that data and use it in the right way. Being able to do that in real-time together to understand the customer journey, and end-customer experience is absolutely key."**
>
> **Belinda Finch**
> *Chief Information Officer, Three*

II. The CMO has a louder voice in the boardroom

With the distinction between marketing strategy, customer experience, and business strategy blurring, CMOs continue to gain credibility in the boardroom as primary growth specialists, hybrid creatives, and business leaders that drive meaningful customer interactions.

Last year's study found that three quarters of senior executives said that the role of marketing in setting strategy had expanded in 2020. There's evidence to suggest that the CMO's role has grown further in importance over the last year. 91% of surveyed senior executives in this year's study recognize the importance of digital experience in driving growth. At the same time, 90% 'agree' or 'strongly agree' that the CFO recognizes the importance of marketing.

But true success will be measured by the CMOs partnership with the CIO: the technology, experience, and data gatekeeper. It's critical one side doesn't drown out the other. Fortunately, the majority (86%) of senior executives 'agree' or 'strongly agree' that marketing has an equal voice with other divisions in defining the customer experience.

FIGURE 7

Thinking about your organization in 2022, how strongly do you agree or disagree with each of the following statements?

90% of senior executives agree/strongly agree that the CIO/CTO recognizes the importance of marketing
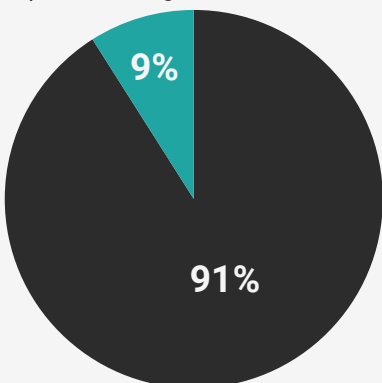

10%

90%
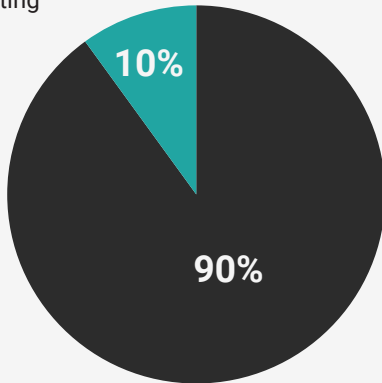
Base: Senior executives (1,503)

86% of senior executives agree/strongly agree that marketing has an equal voice with other divisions in defining the customer experience

14%

86%
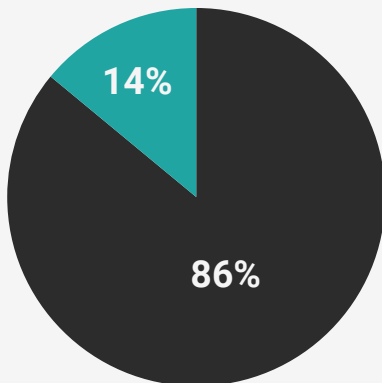
Base: Senior executives (1,534)

91% of senior executives agree/strongly agree that the C-suite recognizes the importance of the digital experience for growth

9%

91%

Base: Senior executives (1,505)

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

"CMOs and CIOs really need to be working hand in glove. It is not just alignment to roadmaps and technology needs, but in how customers respond and their expectations and how we're adapting to their needs in real-time. If there's a change in the marketplace, if there's a change in customer expectations, we need to be able to respond to that."

Patrick McLean
SVP & Chief Marketing Officer – Walgreens

III. Harmony on the ground needs more than senior alliances

While senior executives and practitioners recognize the importance of cross-functional collaboration, most senior executives accept that true partnerships are still a work in progress. Under half (47%) of senior executives believe that their marketing or experience teams collaborate successfully with technology or IT teams today. Only 35% of senior executives agree that their organizations are consistently reducing the silos created by organizational structure or competing KPIs today. Similarly, just 34% of practitioners score collaboration between marketing and technology/IT at 8 or higher out of 10.

Cultural change is the number one barrier to agile transformation.[16] To drive impactful collaboration, senior leaders need to seek counsel from practitioners, understand on-the-ground pain points, communicate agile aspirations with clarity – and clearly show how agility helps individual team members and the overall business.

"We had five editors, two product owners, a content specialist, a designer, 12 developers, service architects, our support services team, and the IT guys who run our infrastructure all working collectively to get this over the line. When you're that collaborative and the result is this successful, you come out the other end with a sense of euphoria."

Matte McMahon
Digital Product Owner, BT Sport

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16 McKinsey, Doing vs being: Practical lessons on building an agile culture, 2020

6. Experience Elevated

I. Unified data is table stakes for agile operations

Most organizations want to know their customers better through data, and this is where having access to intelligent automation is critical to success. But while new technology has the potential to empower brands in new dimensions, executives must not neglect to make foundational investments enabling them to take advantage of these opportunities in the first place.

It's positive that data and insights platforms, such as data management and customer data platforms, rank as senior executives' key technological priorities for 2022. These can enable organizations to corral data sitting across different hardware platforms, operating systems, legacy systems and applications.

Obtaining clean, reliable, auditable, cohesive, contextual, and timely data is one thing. Organizations also need to ensure that it is accessible, easily and quickly accessed and activated to support real-time decision-making. Ultimately, the aspiration should be to provide a connective data tissue, allowing different business functions to access a single source of data truth on an as-a-service basis.
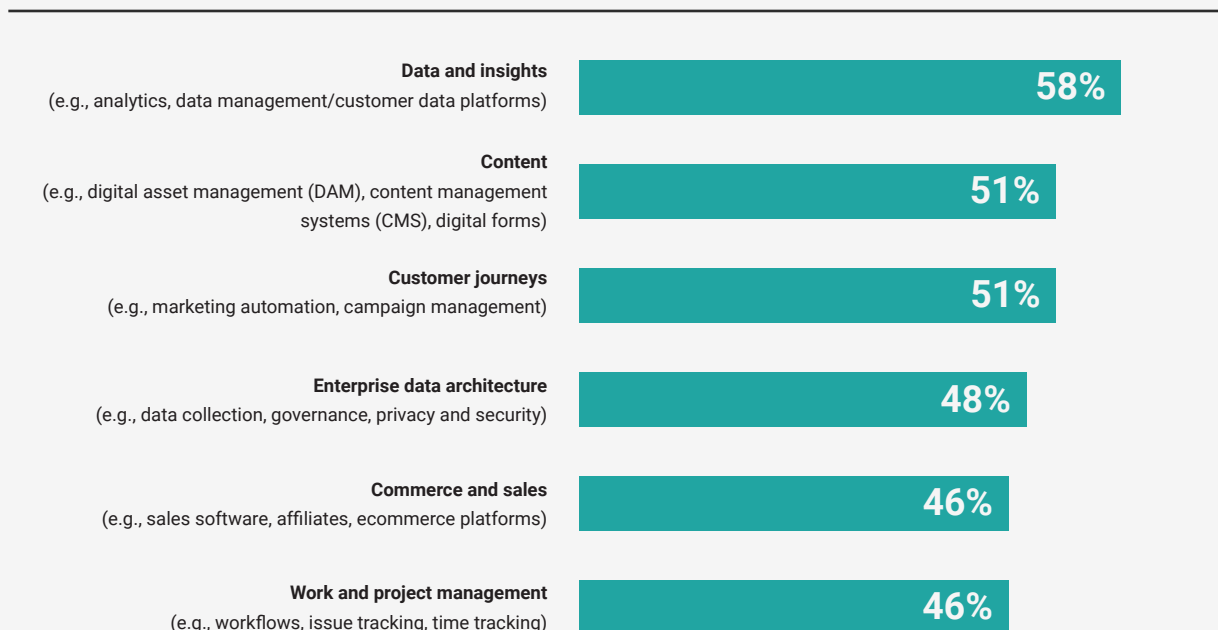
> **"Our mission is to deliver extraordinary experiences that enrich our customers' lives. Possessing the ability to combine previously disparate customer data sets – including information from more than 100 million members of our loyalty programs – into more singular, unified view of the customer will enable us to truly personalize our omnichannel healthcare and retail offering."**
>
> **Rich Corbridge**
> *CIO, Boots*

FIGURE 8

Senior executives' key technological priorities for 2022

Percent ranking as a 'top-three' priority for 2022

Priority	Percent
Data and insights (e.g., analytics, data management/customer data platforms)	58%
Content (e.g., digital asset management (DAM), content management systems (CMS), digital forms)	51%
Customer journeys (e.g., marketing automation, campaign management)	51%
Enterprise data architecture (e.g., data collection, governance, privacy and security)	48%
Commerce and sales (e.g., sales software, affiliates, ecommerce platforms)	46%
Work and project management (e.g., workflows, issue tracking, time tracking)	46%

Base: Senior executives (1,476)

Source: Adobe/Econsultancy Digital Trends Survey, Q4 2021

> "We need to stay mindful of what distinguishes the different audiences we serve, not just from one industry to the next, but also from one job role to the next. That's what personalization looks like in B2B marketing — the ability to roll out creative content in a way that's highly targeted and relevant."

Joerg Hufschmid
Marketing Manager for Panasonic Business Europe

II. A streamlined, unified martech stack is critical for ongoing success

While a single source of data truth is essential, it's not enough by itself without a broader system to understand and interpret online and offline customer behavior. This is where the martech stack has a huge role to play, creating ways to automate and optimize marketing spend and feed sales engines.

However, martech stacks can morph over time, eventually becoming a mismash of point solutions. According to client-side practitioners, the biggest perceived barrier holding back customer experience is 'poor integration between tech systems' (37%). This could be a problem because 42% of practitioners either use multiple technologies or vendors for customer experience management without a unifying platform or internally developed solutions.

Unwieldy martech stacks can lead to technical debt in complexity, crossover, and poor value. Rationalizing the stack by pruning legacy systems, modernizing applications, and bringing technology together under a unifying platform can help organizations enhance the customer experience, reduce costs, streamline marketing workflows, minimize code maintenance and end data silos.

In fact, by leaning into integrated, scalable and flexible automated marketing platforms, versus disparate point solutions, businesses can reduce the total cost of ownership by 25-35% - and increase speed to market by 30 percent.[17]

III. The ultimate goal? Real-time personalization at scale

In getting closer to the needs of individuals, real-time personalization represents an opportunity for leaders to differentiate and drive more substantial commercial outcomes. Personalization at scale, the holy grail of modern marketing, allows marketers to give each customer tailored experiences, offers, and content across channels at critical moments in their path to purchase and to do so without appearing invasive or overbearing.

However, unlocking personalization at scale relies on substantial foundations. Businesses need technology that provides an excellent digital architecture, advanced analytics, centralized content and digital asset management, and fully integrated and automated cross-channel campaign management tools. They also must foster a culture that champions data-driven decision-making and agile marketing operations supported by agile workflow software solutions.

Marketing organization leaders are more likely than their mainstream or laggard rivals to be effective at personalization initiatives with first-party customer data (85% leaders, versus 66% mainstream and 22% laggards) – and they're more likely to be augmenting personalization projects with AI (29% leaders, versus 19% mainstream and 13% laggards). In contrast, many mainstream and laggard organizations are still working out the systems, technology, and how to implement them to achieve this reality. As the pace of change accelerates, those faster out of the gate will be better positioned for wins this year and next.

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17 Adobe, Rationalise to modernise your martech stack: How to get the most value from your marketing technology investments, 2021

7. Guiding Principles

Reorient fully around customer experience

Marketing organization leaders are reorienting operations completely around their customers. They're building a more sophisticated and holistic view of behaviors, preferences and needs. They're organizing to translate data into insights – and to act on those insights with speed and agility. They're prioritizing personalization, innovation and embracing experimentation. To close the gap on leaders, senior executives need to build a better understanding of their evolving customer. They need to reorganize and rebuild processes and culture around customers' constantly shifting needs, motivations, expectations, preferences and behaviors.

Unleash your teams

Marketing organization leaders are fully equipping teams to make decisions, learn from mistakes, iterate and experiment with autonomy and speed. To compete, senior executives must leverage tools and processes to connect vision to strategy, strategy to delivery, and strategic initiatives to experimentation. They must redouble efforts to build diverse and inclusive teams and grant those teams universal access to a single source of data truth. Senior executives should liberate their team members from routine and mundane tasks by capitalizing on existing intelligent automation and by investing in the most valuable skills for an experience-driven future.

Think data action before data collection

Rising privacy consciousness is leading customers to question the trust they place in the data-value exchange. Organizations have a responsibility not only to protect customer data to the highest standards, but to use the data respectfully to create valuable customer experiences. Businesses need to take their role as data stewards very seriously, leveraging technology to ensure compliance across an increasingly fragmented and complex regulatory landscape. Data must be collected with the customer firmly in mind. How will the data captured today contribute to responsible, meaningful and helpful experiences for that customer tomorrow?

Organizations across the board are missing out on opportunities to maximize AI for improved audience understanding, faster insight to action and enhanced, personalized experiences at scale. This is major oversight. What's more, AI-driven sales forecasting and micro-segmentation solutions aren't the preserve of the most advanced or the most skilled organizations. They can be readily accessed and maximized by any savvy business to leapfrog the competition.

In this new era, shaped by customers' digitally-rewired expectations and dictated by their new behaviors, businesses that get on the fast track, reorganize around the customer, empower their teams, instill trust and prepare the foundations for personalization at scale will be the ones that thrive.

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