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SAMPLE: Quarterly Digital Intelligence Briefing: Digital Trends for 2012

in association with Adobe

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Adobe

Econsultancy Digital Marketers United™

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1. Foreword by Adobe

This is the fourth Quarterly Digital Intelligence Briefing brought to you by Adobe in association with Econsultancy. We have dedicated this report, the first of our 2012 briefings, to the identification of trends and challenges which are (or should be) at the top of your digital agenda over the coming year.

Since the start of the year, you have no doubt read articles and blog posts by journalists, analysts and bloggers predicting the marketing tactics, web properties and business models which will either hit a tipping point or slide into obscurity during 2012.

For this report, we are pleased to share supporting data from a survey of digital marketers carried out at the end of last year, and hope that our charts and insights enrich your understanding of the fast-changing digital marketing environment and important themes for the year ahead.

There are three findings from this report which we have found particularly striking. Firstly, it is worrying that more companies are not making conversion rate optimization a priority this year when this is something which every business can benefit from.

Secondly, while social media marketing is a strong upward trend, relatively few companies are currently analyzing the return on their social investments, we firmly believe that this is an area where companies will increasingly start addressing in order to build a more detailed understanding around the benefits of social media engagement.

Thirdly, it is clear from the research that many organizations are struggling with a lack of technical skills within their marketing departments. We strongly agree with Econsultancy that companies need to invest in staff who have the ability to get maximum value from marketing technology.

At Adobe, we are excited that 2012 will be the year we bring our new proposition for digital marketing to the fore, with several notable additions to our Digital Marketing Suite and an opportunity to help our clients grow their businesses and optimize their digital performance in the context of a precarious economic environment.

This year has already seen us complete the acquisition of Efficient Frontier, a company that optimizes multichannel and auction-based digital advertising across search, display and social media.

We are excited that this development adds cross-channel ad campaign forecasting, execution and optimization capabilities to Adobe's existing Digital Marketing Suite, along with a social marketing engagement platform and social ad buying capabilities.

Through combining the strengths of this business with our existing digital media and digital marketing platforms, we are confident that we will continue to help marketers to seize the opportunities and meet the challenges outlined by Econsultancy analysts in this briefing.

We hope you enjoy reading this report, and look forward to bringing you more Adobe Quarterly Digital Intelligence Briefings throughout the year.

Kevin Cochrane
VP Product Marketing & Strategy, Web Experience Management
Adobe

2. Introduction – Identifying Marketing Priorities and Trends for 2012

Based partly on a survey of 600 businesses, this report aims to distil a plethora of data and discussion points into some key digital trends, challenges and opportunities which businesses should be paying close attention to during 2012.

The chart below shows a number of emerging disciplines within digital marketing, and whether they are regarded by client-side survey respondents as a top priority for 2012.

While not exhaustive...

Figure 1: Which three digital-related areas are the top priorities for your organization in 2012?

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3. Should Social Be the Top Priority?

Social media remains top of mind for marketers in 2012 and on top of their list of priorities. An explanation for this is in the undiminished passion that many marketers have for social media. As can be seen in *Figure 2*, social media engagement is seen as by far the most 'exciting' opportunity for 2012.

Figure 2: What are the three most exciting digital-related opportunities for your organization in 2012?

Across the full range of verticals, companies are…

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4. The New World of Marketing Needs Techies and Mathematicians

While marketing still needs to obey time-honored principles such as the famous 4Ps of marketing (product, place, promotion and price), there is growing demand for specialist and technical expertise across digital disciplines such as paid search, email and affiliate marketing.

Research for Econsultancy's Digital Marketing: Organisational Structures and Resourcing Best Practice Guide published last year looked at the challenges facing companies who want to ensure they can…

Figure 3: How do you (or your clients) regard the following challenges for 2012?

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5. Online and Offline – a Two-Way Path to Optimization

Most commerce (95% in the United States, and roughly 90% in the UK) takes place offline. At the same time, product and store research is increasingly a digital activity. Consumers' mobile devices give them ready access to information while out in the world, but we're only starting to understand what this means for the customer journey.

Marketers have only begun to…

Figure 4: How important will the following be for your / your clients' digital marketing over the next few years?

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6. Why Not Make Conversion Rate Optimization a Priority?

Figure 8 below contains some worrying evidence that businesses are failing to prioritize conversion rate optimization. CRO should always be a top priority, notwithstanding the fact that it is generally not perceived as a particularly glamorous or exciting discipline.

This is particularly evident from the survey responses of agencies, with…

Figure 5: Is conversion rate optimization among the three top priorities / most exciting opportunities in 2012?

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7. Growing Need for Real-Time Response

In the first years of the data revolution in marketing, there were three basic questions:

1. ***What is the data that can help me?*** – In the sea of numbers that we're producing, where are the islands?
2. ***How do I make sure it's…***

Figure 6: 'Real-time insights now with 80% accuracy are more important than 100% accuracy in three months' time'

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8. The Right Mix –Experimentation versus the Tried-and-Tested

It is encouraging to see in *Figure 10* such an appetite for digital experimentation at a time of rapid change. The majority of companies surveyed agree that they are going to be experimenting heavily in 2012, and disagree that their digital plans for the year will simply involve 'more of the same.'

In 2005, McKinsey & Co released…

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

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9. Mobile Optimization No Longer a Nice to Have

The widespread adoption of mobile means it is essential for companies to adapt their website and marketing messages (including email) for a range of different devices. The evidence shows that consumers engage online using more than one PC or device, and the list includes desktop computers, mobile phones and tablet devices.

The decision to optimize for mobile should initiate from a user perspective. Econsultancy's Mobile Websites and Apps Optimization Best Practice Guide, written by Craig Sullivan, is a useful guide for companies looking to optimize their websites for different devices.

As a starting point…

Figure 8: Which three digital-related areas are the top priorities for your clients in 2012?

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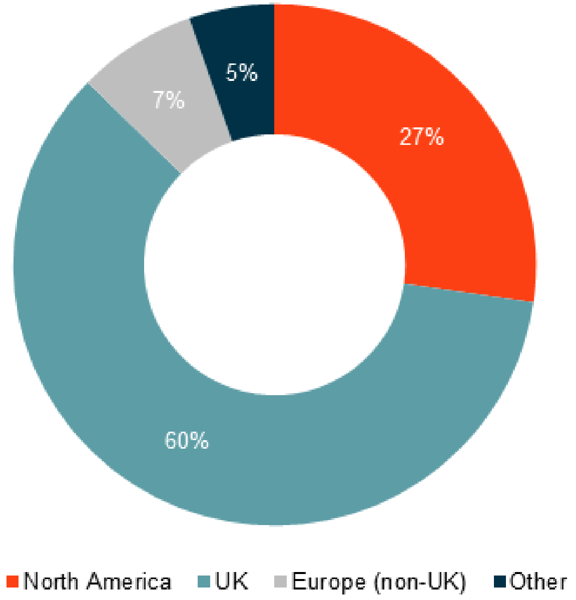
10. Appendix: Respondent Profiles

This fourth Quarterly Digital Intelligence Briefing is based on an online survey of more than 600 client-side and agency respondents. Adobe and Econsultancy promoted the survey to their respective databases of marketers.

10.1. Geography

Just over a quarter (27%) of respondents are based in North America and around two-thirds (67%) in Europe. Other countries and regions represented include Australia, South America and the Middle East.

Figure 9: In which country/region are you (personally) based?



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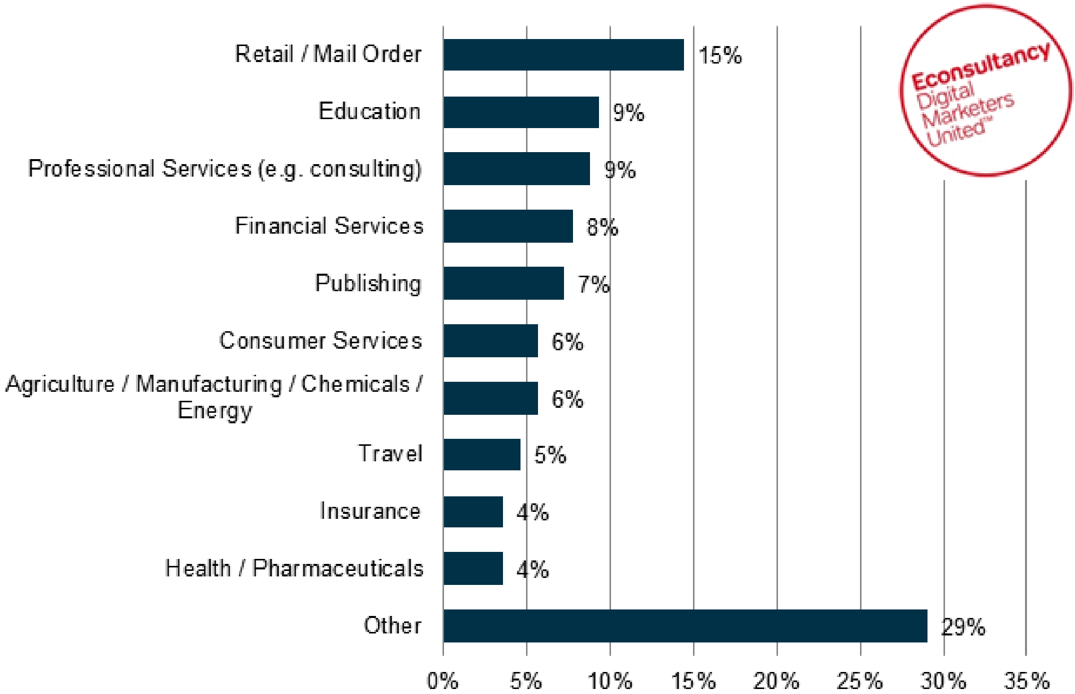
10.2. Business sector

Respondents work across a wide range of different industry sectors. The best represented sectors are *retail and mail order* (15%), *education* (9%), *professional services* (9%) and *financial services* (8%). Just over a quarter of respondents (29%) specify 'other' as their sector. Other sectors included *public sector/not-for profit* and *IT*.

Figure 10: In which business sector is your organization?



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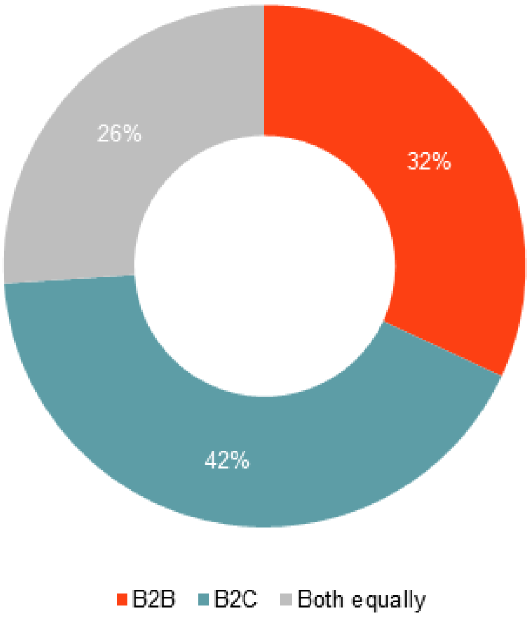
10.3. Business focus

The chart below shows to what extent businesses are focused on B2B, B2C, or both. Just under half of respondents (42%) are exclusively focused on B2C, while around a third (32%) are B2B focused. Just over a quarter (26%) are focused on both B2B and B2C.

Figure 11: Is your business focused more on B2B or B2C?



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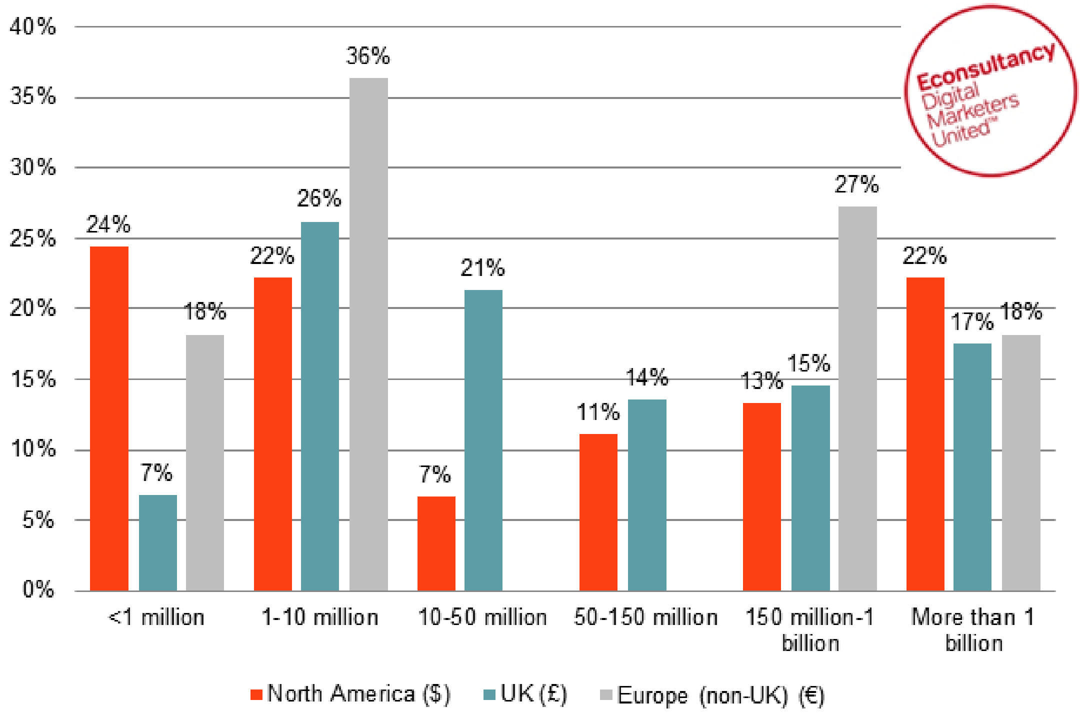
10.4. Size of company by revenue

The chart below shows the annual revenue of responding (client-side) organizations.

At the upper end of the scale, around a fifth of US client-side respondents (22%) work for companies earning more than $1bn.

Just under half (46%) of the respondents based in Europe work for companies with annual revenues of more than 50 million pounds/euros.

Companies
Figure 12: What is your annual company turnover?



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