DIGITAL ROADBLOCK:
Marketers struggle to reinvent themselves.

March 2014
Methodology

- Online survey among a total of 1,004 U.S. marketers
- Data collected February 19-27, 2014 by ResearchNow
- Margin of error at the 95% confidence level for the total sample is +/- 3.1%
- Data was also broken out by the following sub-groups:
  - Companies with (self-reported) below average or average business performance, i.e. had performed similarly to key competitors or had recorded lower sales or revenue than key competitors (n=595) vs. companies with superior business performance, i.e. had out-performed key competitors in terms of sales or revenue (n=409)
  - Companies with high digital spend, or where digital spend was >25% of total marketing budget (n=465), vs. companies with low digital spend, or where digital spend was <10% of total marketing budget (n=153)
Top 10 Findings

Marketers know they must **reinvent themselves, but don’t know how**.

1. Sixty-four percent of marketers expect their role to change in the next year; 81% in the next 3 years.
2. While two in five (40%) marketers surveyed stated that they wanted to reinvent themselves, only 14% of those marketers actually know how to go about it.
3. Lack of training in new marketing skills (30%) and organizational inability to adapt (30%) are cited as key obstacles to becoming the marketers they aspire to be.

Future marketers need to **take more risks**.

4. Fifty-four percent of marketers believe the ideal marketer should take more risks and 45% hope to take more risks themselves.
5. Sixty-five percent of marketers say they are more comfortable adopting new technologies once they become mainstream.

Companies need to **hire more digital talent**.

6. Marketers cite digital/social marketers (47%), data analysts (38%), creatives (38%) and mobile marketers (36%) as the key roles companies need to invest in over the next 12 months.
Top 10 Findings

Marketers recognize the importance of data, but aren’t widely using it to make informed decisions.

7. The majority of marketers (76%) agree they need to be more data-focused to succeed.

8. Forty-nine percent of marketers report “trusting my gut” to guide decisions on where to invest their marketing budgets.

9. Seventy-two percent of marketers agree that long-term success at their company is tied to proving marketing return on investment.

Mobile and personalization are becoming bigger priorities.

10. Sixty-one percent of marketers see social media as the most critical marketing vehicle to focus on a year from now, followed closely by mobile at 51%. When asked to prioritize one capability that will be most important to their company’s marketing moving forward, personalization ranked highest.
Marketers expect their roles to change quickly...and change won't stop

Q4. On a 0 to 10 scale where 0 is NOT AT ALL DIFFERENT and 10 is EXTREMELY DIFFERENT, how different do you think your role as a marketer will be 12 months from now as well as 3 years from now? (0-5 is NO CHANGE; 6-10 is CHANGE) Data will not add up to 100% due to "Don't Know" choices. n=1004

- WILL YOUR ROLE CHANGE IN THE NEXT 12 MONTHS?
  - 33% No
  - 64% Yes

- WILL YOUR ROLE CHANGE IN THE NEXT 3 YEARS?
  - 15% No
  - 81% Yes
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Q24. Please indicate what statement best reflects how you feel about your role? ("I want to reinvent or redefine my role as a marketer") n=1004
Q25. Which of the following statements best describe how you feel? ("I know exactly how to reinvent myself as a marketer") n=406

40% of marketers want to reinvent their role as a marketer.

14% of those marketers know how to do it.

44% High digital spend
33% Low digital spend
Companies with high digital spend are more likely to believe that marketers need to reinvent themselves.

Q3. Please indicate whether you agree or disagree with the following statements:
Summary of Top 2 Box, n = 618

- Marketing is undergoing a revolution: 84% (High), 71% (Low)
- Marketers need to reinvent themselves to succeed: 82% (High), 67% (Low)
- Succeeding today involves a fundamental change in the approach to marketing: 85% (High), 77% (Low)
Changing role of marketers driven by increased channels and platforms, new technologies

WHAT ARE THE DRIVING FORCES BEHIND THIS CHANGE? (RESPONDENTS WHO INDICATED CHANGE IN NEXT 12 MONTHS)

- Expanded number of channels and platforms to reach audiences: 73%
- New ways of thinking about audience engagement: 71%
- New technologies for analyzing marketing effectiveness: 71%
- Challenge of 'breaking through the noise' to reach target audiences: 61%
- The pace of change: 50%
- New responsibilities for the marketing function: 44%
- Increased recognition of marketing's contribution to business success: 40%

Q5. What are some of the driving forces behind the change in the role of marketers? n=850
Beyond the age-old issue of budget and resource constraints, marketers cite lack of training in new skills and organizations’ inability to adapt as key obstacles.

**WHAT PREVENTS YOU FROM BECOMING THE MARKETER YOU ASPIRE TO BE?**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of resources/budget</td>
<td>53%</td>
</tr>
<tr>
<td>Confusion over roles and responsibilities</td>
<td>33%</td>
</tr>
<tr>
<td>Dysfunction and friction over priorities across the company</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of training in new marketing skills</td>
<td>30%</td>
</tr>
<tr>
<td>Organizational inability to adapt</td>
<td>30%</td>
</tr>
<tr>
<td>Not having a seat at the table when decisions are made</td>
<td>28%</td>
</tr>
<tr>
<td>Company resistance to trying new programs that may fail</td>
<td>26%</td>
</tr>
<tr>
<td>Misalignment between company priorities and my professional goals</td>
<td>20%</td>
</tr>
<tr>
<td>Demands outside of work</td>
<td>16%</td>
</tr>
<tr>
<td>Manager expectations</td>
<td>14%</td>
</tr>
<tr>
<td>My marketing skills falling behind</td>
<td>14%</td>
</tr>
<tr>
<td>Risk of failing/losing my job</td>
<td>12%</td>
</tr>
<tr>
<td>My company not experiencing market success</td>
<td>12%</td>
</tr>
<tr>
<td>My marketing specialty becoming less valuable/sought-after</td>
<td>7%</td>
</tr>
</tbody>
</table>

Q20. What are some of the barriers to becoming the marketer that you aspire to be? n=1,004
Real vs. Ideal marketers

Surprisingly, 25% of marketers characterize themselves as CAUTIONOUS (vs. Risk takers).

54% say the ideal marketer should take more RISKS.
Half of marketers ‘trust their gut’ on marketing spend

HOW MUCH DO YOU AGREE WITH...? (AGREE NET)

The line between digital and traditional marketing is not as clear-cut anymore 65%
I am more comfortable adopting new technologies once they become mainstream 65%
I rely more on data and analytics to guide my creative decisions 52%
I am currently using social media to build my own professional brand 51%
I trust my gut to guide my decisions on where to invest my marketing budget 49%
I am making use of new technology even before it's proven 31%

Q12. Below are some statements that may reflect the extent to which your personal approach to marketing may have changed over the last 12 months. Please indicate how much you either agree or disagree with each statement. (TOP BOX) n=1,004
Digital talent seen as most critical for new hires

WHERE DOES YOUR COMPANY NEED TO HIRE MARKETING TALENT?

Q14. Where does your company need to hire more or less marketing talent in the next 12 months? n=1,004
Marketers understand the importance of using data

**Q12.** Below are some statements that may reflect the extent to which your personal approach to marketing may have changed over the last 12 months. Please indicate how much you either agree or disagree with each statement. (TOP BOX) n=1,004

- Capturing and applying data to inform and drive marketing activities is the new reality
- Marketers need to embrace ‘hyper-personalization’ (i.e. using data to provide the right products, services and content at the right time)
- Mobile is a critical element for marketers to get right
- Digital marketing is more about driving and rewarding engagement
- Data (metrics from digital ads, campaigns, website, etc.) is informative in evolving my company’s marketing creative
- Traditional marketing is more about driving brand awareness, brand differentiation & creating demand
- I am more open to experimenting and taking risks
Companies are doing significantly more digital marketing than last year

Q22. Please review the list of activities below and select how much more or less of each activity your company is doing compared to last year. (TOP & BOTTOM BOX) n=1,004

- Social marketing - creating communities on social media such as
- Direct customer engagement through email
- Digital data analytics
- Reevaluating roles within marketing
- Reorganizing marketing department functions
- Digital ads such as display advertising
- Creating mobile apps/campaigns
- Hiring staff with digital expertise
- Events
- PR
- Sponsored content - sometimes referred to as 'native advertising'
- Print advertising
- Broadcast and/or radio advertising

**MUCH MORE**

- Social marketing: 20%
- Direct customer engagement: 14%
- Digital data analytics: 14%
- Reevaluating roles: 14%
- Reorganizing functions: 14%
- Digital ads: 10%
- Creating mobile apps: 11%
- Hiring staff: 9%
- Events: 8%
- PR: 7%
- Sponsored content: 6%
- Print advertising: 5%
- Broadcast/radio: 4%

**MUCH/SOMEWHAT MORE**

- Social marketing: 51%
- Direct customer engagement: 51%
- Digital data analytics: 48%
- Reevaluating roles: 50%
- Reorganizing functions: 48%
- Digital ads: 46%
- Creating mobile apps: 44%
- Hiring staff: 40%
- Events: 36%
- PR: 35%
- Sponsored content: 29%
- Print advertising: 20%
- Broadcast/radio: 15%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%
Social and mobile perceived as most critical areas a year from now

Q30. Please select the marketing tactics you believe will be most critical for marketers to be focusing on a year from now. n=1,004
**What will be most important to your company’s marketing moving forward?**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>High Digital Spend</th>
<th>Low Digital Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personalization</strong></td>
<td>33%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Big Data</strong></td>
<td>22%</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>21%</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Real-Time</strong></td>
<td>14%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td>11%</td>
<td>14%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Appendix: Additional Findings
Marketers need to become skilled in more than one area

Digital tools and channels are fundamentally changing the nature of marketing

Marketing is increasingly accountable for revenue contribution

Succeeding today involves a fundamental change in the approach to marketing

Marketing is undergoing a revolution

Marketers need to reinvent themselves to succeed

Q3. Please indicate whether you agree or disagree with the following statements. (TOP BOX) n=1,004
Marketers not widely using data to make informed decisions; they want to take more risks

Q10. As you work to make marketing more effective, which of the following have you been doing more of in the past 12 months? n=1,004

Q11. As you work to make marketing more effective, which of the following do you hope to do more of in the next 12 months?
Three quarters of marketers believe that success lies in being more data-focused

HOW MUCH DO YOU AGREE WITH...? (AGREE NET)

Marketing is becoming more important in my company 76%
Marketers need to be more data-focused to succeed 76%
The old marketing model (i.e. emphasizing big media buys for TV and print advertising and direct mail) is no longer sufficient 76%
My long-term success at my company is tied to proving marketing return on investment 72%
Marketing success is dependent on organizational change 65%
My company's CEO understands marketing 65%
Marketers have more confidence in their ability to deliver results 63%

Q3. Please indicate whether you agree or disagree with the following statements. (TOP BOX) n=1,004
Marketers identify the ability to work across channels as most important success factor

WHICH SPECIFIC BEHAVIOR WILL MAKE THE BIGGEST DIFFERENCE? (SELECT ONE)

- Ability to work better across channels - web, mobile, social, etc. 21%
- Ability to measure and learn from campaign effectiveness 16%
- Hiring and retaining the right talent 12%
- Elevating the visibility and influence of marketing within the company 9%
- Willingness to take more risks 9%
- Better story-telling 9%
- Openness to engaging directly with customers 7%
- Re-organize the marketing department 7%
- Ability to develop campaigns faster 6%
- Ability to train on new skills 5%

Q28. Which specific behavior do you think will make the biggest difference in determining marketing effectiveness for your company 12 months from now? n=1,004
High digital spend companies are significantly more likely to say that data informs their approach to marketing.

- **High Digital Spend (＞25%)**
  - 38% Say that marketing is making significant advances.
  - 80% Say that marketers need to be more data-focused to succeed.
  - 94% Say that digital tools and channels are fundamentally changing the nature of marketing.
  - 73% Say that data (metrics from digital ads, campaigns, website, etc.) is informative in evolving their marketing creative.

- **Low Digital Spend (＜10%)**
  - 22% Say that marketing is making significant advances.
  - 61% Say that marketers need to be more data-focused to succeed.
  - 82% Say that digital tools and channels are fundamentally changing the nature of marketing.
  - 48% Say that data (metrics from digital ads, campaigns, website, etc.) is informative in evolving their marketing creative.
High-performing companies are more likely to focus on personalizing customer experiences and use data to inform marketing creative.

- **HIGH PERFORMERS**
  - 73% Say that their company's CEO understands marketing.
  - 81% Say that marketing is becoming more important in their company.
  - 63% Say that they are completely or very focused on personalizing experiences for customers.
  - 28% Say that data (metrics from digital ads, campaigns, website, etc.) is strongly informative in evolving their marketing creative.

- **LOW PERFORMERS**
  - 59% Say that their company's CEO understands marketing.
  - 73% Say that marketing is becoming more important in their company.
  - 53% Say that they are completely or very focused on personalizing experiences for customers.
  - 21% Say that data (metrics from digital ads, campaigns, website, etc.) is strongly informative in evolving their marketing creative.
The majority of marketers say “thinking social first” is something they know or say they should do...but don’t

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>High Digital Spend</th>
<th>Low Digital Spend</th>
<th>High Performing</th>
<th>Low Performing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part of our company mindset</td>
<td>22%</td>
<td>30%</td>
<td>15%</td>
<td>28%</td>
<td>18%</td>
</tr>
<tr>
<td>Something we say, but do not do very well</td>
<td>39%</td>
<td>39%</td>
<td>30%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Something we know we should do, but don’t</td>
<td>21%</td>
<td>19%</td>
<td>25%</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Not something we think about at all</td>
<td>18%</td>
<td>12%</td>
<td>30%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Net (Don’t think social first)</strong></td>
<td><strong>78%</strong></td>
<td><strong>70%</strong></td>
<td><strong>85%</strong></td>
<td><strong>72%</strong></td>
<td><strong>82%</strong></td>
</tr>
</tbody>
</table>

Q31. In terms of ‘thinking social first’ (i.e. making sure that engaging with your audiences via social media is at the forefront of all your marketing efforts), please indicate how you would rate your company from the options below. n=1,004