



# 2023 Digital Trends

## Experience Index





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# Foreword

Welcome to Adobe's 2023 *Digital Trends* report. Now in its 13th year, our annual global survey, produced in collaboration with Econsultancy, continues to be a constant in the customer experience landscape. And as today's digital economy evolves, driving growth for businesses around the world, this much is clear—cutting-edge technologies are empowering individuals, transforming businesses, and connecting people more than ever. Above all, dynamic customer expectations continue to dominate the conversation.

We've charted a course through this shifting digital economy, to help businesses uncover opportunity by delivering experiences that connect on a personal level. Against a backdrop of geopolitical and economic uncertainty, our study has found that businesses continue to make tough choices. They're reevaluating what matters most, making strategic investments to set up for future success, all while striving to deliver experiences that dazzle their customers.

As we look to the future, one thing is apparent—as customers continue to raise the bar for great experiences, it will be critical for business to respond with creativity. They will need to be creative thinkers and problem solvers. They'll need to find ways to quickly solve both the problems of their businesses and their customers. And above all, they'll need to imagine creative ways to inspire their teams, boost efficiency, and improve the workstream. All by aligning their people, processes, and technology.

In short, the word of the year is **creativity**. As Adobe CEO Shantanu Narayen recently declared, "Everyone is creative and has the right to share their story." And you can help make that a reality.



**Alvaro Del Pozo**  
*VP, Marketing, Adobe International*

But rather than jumping to quick fixes or short-term strategies, think of this as a chance to stop for a moment, take stock of your situation, get creative, and chart the course ahead for long-term growth in the digital economy. Our survey revealed that a whopping 73% of senior executives agreed that focussing on immediate needs at their organisations has come at the cost of longer term planning and strategy.

By evaluating the state of your business, you'll begin to identify current challenges. In turn, this will help you understand whether increased automation and improved workflow solutions might help overcome friction in the delivery process and meet customer expectations across channels.

One telling statistic from our survey is that 89% of senior executives agree that the demand for content has increased significantly—but only 28% of practitioners consider their organisations as good or very good at delivering content. This disconnect is troubling, and it goes to show that there are huge opportunities to speed up asset deployment, automate execution, use data to personalise content, and track insights. After all, as Shantanu pointed out, “At the heart of every great experience is an emotional connection. Great content plays a big part in making that happen.”

You may also find that it’s time to reimagine your data relationships. Our survey showed that although many organisations are able to collect data, their ability to immediately enhance that data with human insight—and then turn it into meaningful interactions—comes up short. Notably, 50% of client-side practitioners and senior executives use multiple technologies or vendors for customer experience management, all without a unifying platform. As a result, they end up holding themselves back, because seizing the massive opportunity of the digital economy

hinges on whether business can deliver relevant, consistent, interactions bursting with value. And doing it all in a way that proves they respect their customers’ perspectives and privacy.

Ultimately, as we march into a brand-new year full of opportunity, we believe it’s time to embrace the spirit of discovery. Success in the new frontier of experience won’t come to those who lift and shift existing ideas and techniques into a different space. But it will come to those that dare to reimagine the ways they operate to **make the digital economy personal**. This means combining creativity with strong experiences and meaningful connection to help your brand stand out. And most importantly, amaze customers and keep them coming back.

And this year’s *Digital Trends* report will give you all the insights you need to move confidently into 2023 and beyond.

**Alvaro Del Pozo**

*VP, Marketing, Adobe International*

# Introduction

After two years of seismic behavioural change, we find ourselves in a new world of limitless possibilities, where the way we engage in digital spaces is becoming deeper and more immersive. As we look to the future, one thing's for certain: the Digital Economy is set for growth.<sup>1</sup>

The Adobe Digital Trends study has run since 2006; we've charted shifting digital landscapes, ballooning customer expectations, and rising customer experience (CX) leaders. We've also observed the emergence of customer data platforms (CDPs), accelerating content velocity to meet demand and integrated customer experience platforms.

The one constant: *the bar for customer experience expectations keeps on rising.*

Customers' experience expectations are not only boundless, but they're central to building customer trust. Companies need to

deliver amazing experiences not only to meet customers' needs in milliseconds, but to also earn their loyalty.

This year's study has further underlined that the strongest experiences will demonstrate empathy, imagination, and creativity to create rock-solid, trust-building connections. Then, and only then, will organisations be able to stand out from the pack and thrive.

So, what are the characteristics of today's CX leaders? How are they doing it? What are their secrets? We surveyed 9,247 marketers and CX professionals from around the globe to find out more.

Indeed, throughout this study, we compare 'leaders' or 'leading organisations' and 'laggards' or 'lagging organisations'. Doing so helps us spot links between commercial performance and customer experience maturity.

When asked about their organisation's performance compared to its primary sector and competition in 2022, senior executives and practitioners at:

**Leading organisations** agreed they had **significantly outperformed** in their sector

**Lagging organisations** agreed they had **slightly or significantly underperformed** in their sector.

<sup>1</sup> Adobe, Adobe Digital Price Index, 2022.

# State of Digital Experience

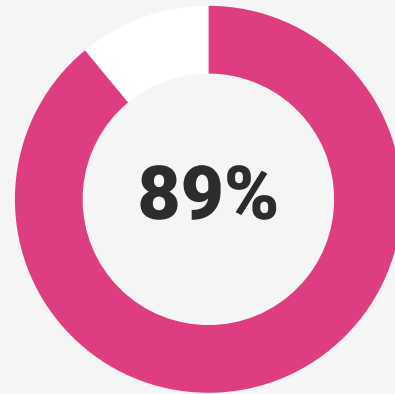
## The customer experience bar is rising – and organisations need to keep up.

Events over the past two years catalysed a dramatic digital shift, and as customers became all too familiar with world-class digital experiences, expectations across the board skyrocketed. Today, nine out of ten (89%) senior executives believe customers are constantly resetting their expectations to match their best omnichannel experiences.

Customers judge their experiences against their last best experience, and most organisations understandably struggle to meet the standards set by the world’s digital leaders. Only 7% of practitioners consider their organisation’s digital CX to be exceptional and able to surprise and delight customers, while 42% of organisations believe their customer experience sometimes falls short of customer needs.

FIGURE 1

Thinking about your organisation’s experience over the last three years, do you agree or disagree with the following?

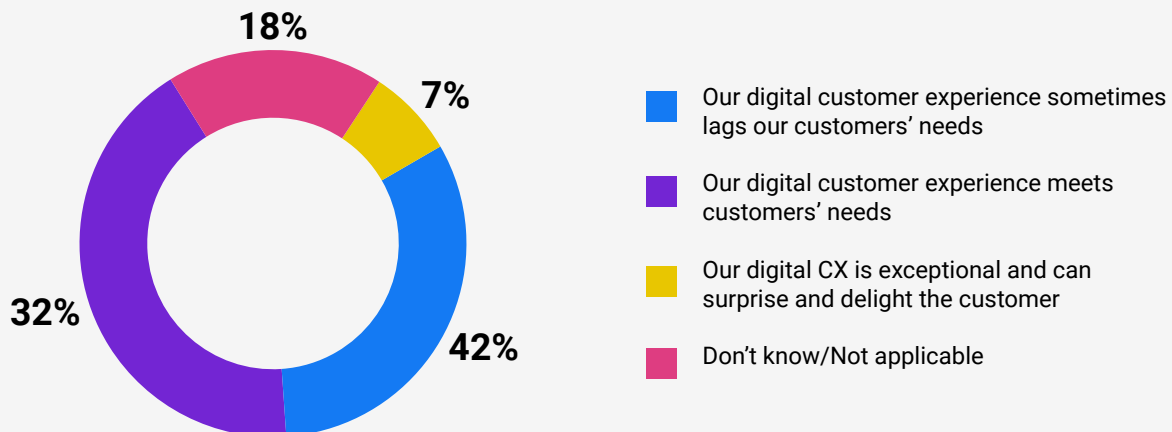


**of senior executives believe customer expectations are constantly resetting to match their best omnichannel experiences**

Sample: 379 senior executives (global)

FIGURE 2

How would you describe your organisation’s digital customer experience?



Sample: 379 senior executives (global)

The latter point is concerning because having a disappointing CX is a business risk in 2023. Recent research has found that digital experiences are critical to building customer trust, especially for younger Millennial and Gen Z consumers. Customers will spend more with trusted brands, and over half of customers vow that they'll never buy again from companies that violate their trust.<sup>2</sup> When customer trust is earned – and lost – with every experience, the CX stakes are high.

### Pioneering brands will 'wow' their customers

In 2023, the strongest experiences will come from organisations that use data coupled with rich human insight to anticipate customers' needs and translate insights into actions with emotion and feeling. Importantly, these experience leaders will allow their teams the time, process and conditions to design experiences that ignite the magic in customer relationships and joy in their craft.

However, in an uncertain market context, some organisations may find themselves facing

employee headcount and budgetary constraints. In the midst of those challenges, closing the gap between themselves and the experience leaders can feel like a seismic task.

The good news? When organisations are pressed to do more with less, creativity becomes an organisational superpower. By being creative with their people, processes and technologies, even the most resource-strapped teams can outmanoeuvre competitors and deliver experiences that 'wow'.

**Defining creativity**

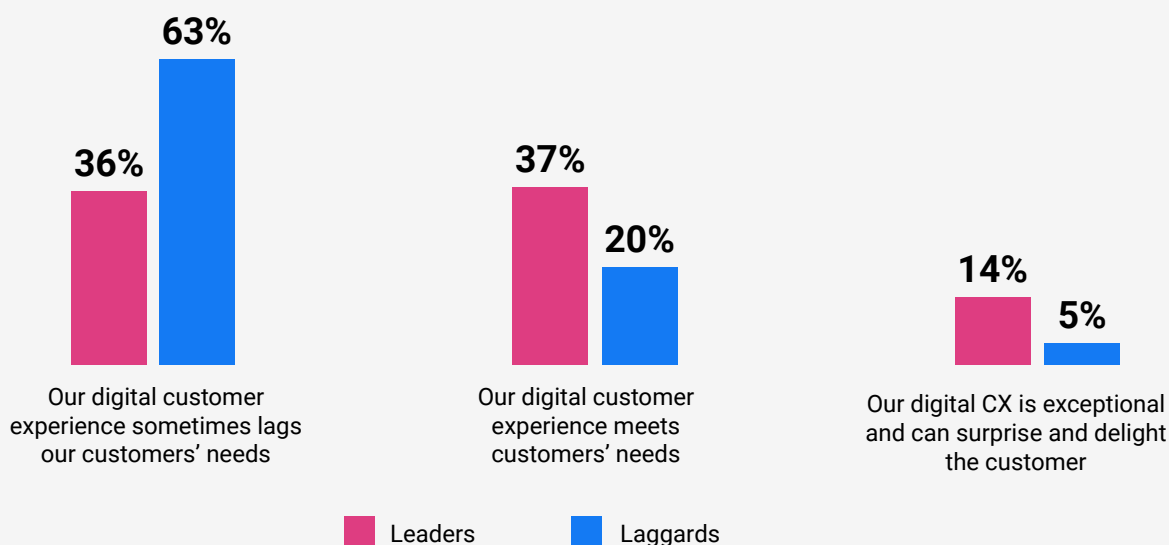
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Creativity refers to the interplay of actors, actions, audience, artefacts and affordances.<sup>3</sup> Put simply, creativity is the people, workflows, tools and technology that come together to create something new.

<sup>2</sup> Adobe, *Adobe Trust Report: The Digital Economy is Personal*, 2022  
<sup>3</sup> Vlad Petre Glăvenau, *Rewriting the Language of Creativity: The Five A's Framework*, 2013

**FIGURE 3**

How would you describe your organisation's digital customer experience in 2022? (By organisational performance)



Sample: 2,691 practitioners (global)

# Look Ahead, Then Look Further

## Senior executives prioritise short-term gains over long-term planning

Nearly three-quarters of senior executives (73%) agree 'an emphasis on immediate challenges has come at the cost of longer-term planning and strategy.' While short-termism is more pervasive among lagging rather than leading organisations, it's a common problem (see Figure 4 on the next page).

Short-term measurement strategies are a factor. As many as 76% of agency executives report that their clients focus on vanity metrics or quarterly revenue goals to determine success rather than longer-term indicators such as brand saliency or customer lifetime value.

Short-termism is understandable in a world of change and anxiety. As many as 85% of senior executives in our study feel uncertain or very pessimistic about the geopolitical outlook, while 81% of them feel uncertain or very pessimistic about the economic outlook.<sup>4</sup>

In the face of troubling market conditions, it's tempting for senior executives to batten down the hatches and focus on incremental operational efficiency plays. But planning for the future is even more critical when markets are challenging, and survival depends on fending off competitors and defending market share. To set up for success, organisations must make sure their CX is in the best possible shape to protect the existing customer base and build brand loyalty.

**"Reactive is the name of the game... we are customer-centric without thinking about the roadmap for the future as much as we should."**

*VP/SVP/EVP survey respondent from the Technology sector*

## Organisations aren't making the most of their technology investments

This study finds that there's plenty of room for organisations to be more creative with their existing tech stacks. About half (49%) of agency-side staffers – who have a window on how their organisations are trying to transform and grow – say their clients have artificial intelligence (AI) and/or machine learning (ML) functionalities but either don't use them or are using them without realising.

Positively, nearly half (48%) of senior executives plan to change the way they use existing marketing or data technology to maximise its impact in response to macroeconomic issues. Success relies on organisations plotting a clear CX course with well-defined plans to make the most of these investments.

<sup>4</sup> Senior Executives were asked to rate their feelings on 10-point scale, with 1 being very pessimistic and 10 being very optimistic. 'Very optimistic' is defined as Senior Executives scoring between 8-10. 'Uncertain' is defined as Senior Executives scoring between 4-7. 'Very pessimistic' is defined as Senior Executives scoring between 1-3.



For Rebecca Wooters, Chief Digital Officer at Signet Jewelers, this is critical to maintaining its position as the world's largest diamond retailer.<sup>5</sup>

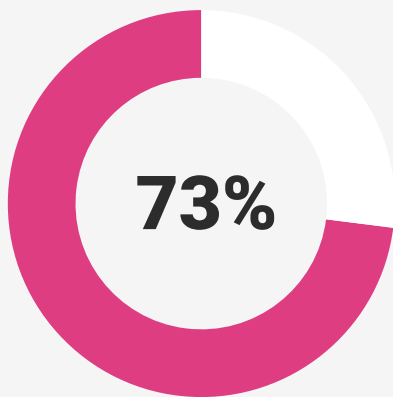
"We are innovating and enhancing our customer experience at near real-time speed and we're doing it at each step of the customer journey so that we're there for them wherever, whenever and however they choose to engage with us. We're already looking ahead to what's next, including the use of AI to support next-best decision-making and enrich our Connected Commerce experience even further."

**"Too many organisations spend time 'getting their house in order' and not focussing on meaningful customer moments. While they are doing operational things... their competitors are taking their share."**

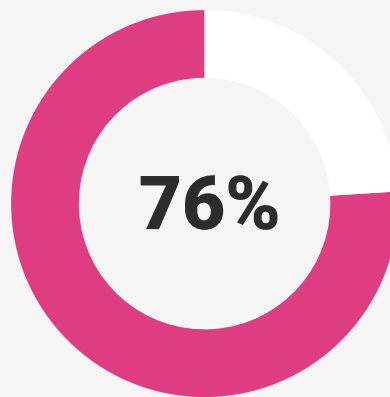
*C-suite level survey respondent from the technology sector*

<sup>5</sup> <https://www.signetjewelers.com/our-company/default.aspx>

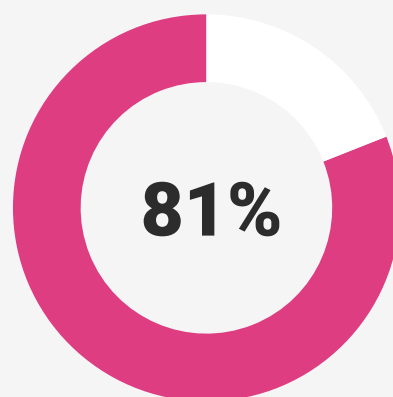
FIGURE 4



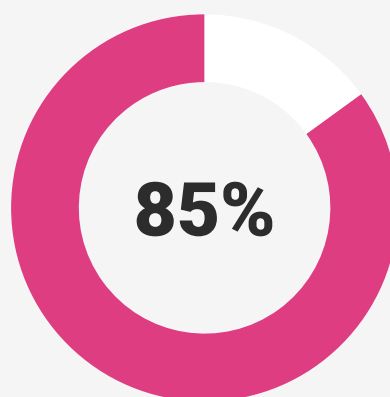
of **senior executives** agree an emphasis on immediate needs has come at the cost of longer-term planning and strategy



of **agency executives** agree their clients focus on short term vanity metrics/revenue goals to determine success



of **senior executives** are uncertain or very pessimistic about the economic outlook



of **senior executives** are uncertain or very pessimistic about the geopolitical outlook

**Questions:**

- Thinking about your organisation's experience over the last three years, do you agree or disagree with the following? "An emphasis on immediate needs has come at the cost of longer-term planning and strategy" Sample: 453 senior executives (global)
- Thinking about the brands you work with, to what extent would you agree or disagree with the following statements? "They focus on short-term vanity metrics/revenue goals to determine success" Sample: 1,881 agency executives (global)
- How would you describe your feelings when it comes to the impact of the following on your business next year? "The economic outlook" Sample: 464 senior executives (global)
- How would you describe your feelings when it comes to the impact of the following on your business next year? "The geopolitical outlook" Sample: 464 senior executives (global)

# Find the Perfect Beat

## Organisations struggle to meet mounting content demands

Against rising customer expectations, creating and distributing content has become a key challenge. Brands face difficulties sustaining their presence across their audiences' preferred channels, responding meaningfully to real-time customer interactions, and reacting to new opportunities and disruptions. As many as 89% of senior executives indicate the demand for content has significantly increased.

Personalised, emotionally-resonant experiences rely on a wealth of content produced at warp speed. People, processes, and technology must be fully aligned to translate customer insights into creative content, drive collaboration across teams, and minimise inefficient creative administration and edits. Importantly, the organisation must be configured to correct course if conditions change.

## Few plan and prioritise content effectively

However, our study suggests content operations are not always humming smoothly:

- Only a third of practitioners (33%) consider their organisation to be 'good' or 'very good' when planning, scoping, prioritising, and assigning content tasks to achieve measurable outcomes.
- Leaders are more than twice as likely as their laggard peers to view their content planning as 'good' or 'very good' (44% versus 20%).

Nevertheless, there's plenty of opportunity – even for leaders – to be more deliberate in their content strategy.

Demand for content may be growing, but organisations shouldn't fall into the trap of producing content for its sake. Crystal-clear understanding of the role of content for each stage of the buyer's journey is required as is a strong understanding of the relationship between content and business strategy.

Companies also need to understand their customers' preferences to tailor the cadence and substance of each interaction carefully, serving content across the most relevant and helpful channels at the right moment.

## Most organisations' content operations are inefficient

When it comes to accelerating content production times and increasing content speed to market, most organisations have room for improvement:

- Only 32% of practitioners consider themselves 'good' or 'very good' at producing and streamlining content that eliminates rework, duplication of effort, and administrative minutia.
- Only 28% of practitioners consider their organisations 'good' or 'very good' at delivering content – deploying assets quickly, automating execution, using data to personalise content, and tracking insights.

Leaders are ahead of laggards in their content production speed and efficiency, but most still struggle:

- Only 34% of leaders consider their organisations 'good' or 'very good' at producing and streamlining content efforts compared to 19% of laggards.

- Only 37% of leaders consider their organisations ‘good’ or ‘very good’ at rapid asset deployment, automated execution, and data-led personalisation, versus just 20% of laggards (Figure 5).

## Content and workflow management applications drive operational efficiencies

Workflow challenges continue to affect organisations’ ability to keep pace with customers’ needs. Almost half (43%) of practitioners consider workflow issues to be a critical internal barrier holding back their marketing organisation.

Paul Nicholson, Senior Vice President Production and Technology at Showtime Networks, feels this pressure acutely. Home to more original programming than at any stage in its history, his marketing team can be working on 600 to 800 pieces of promotional content at any given time.

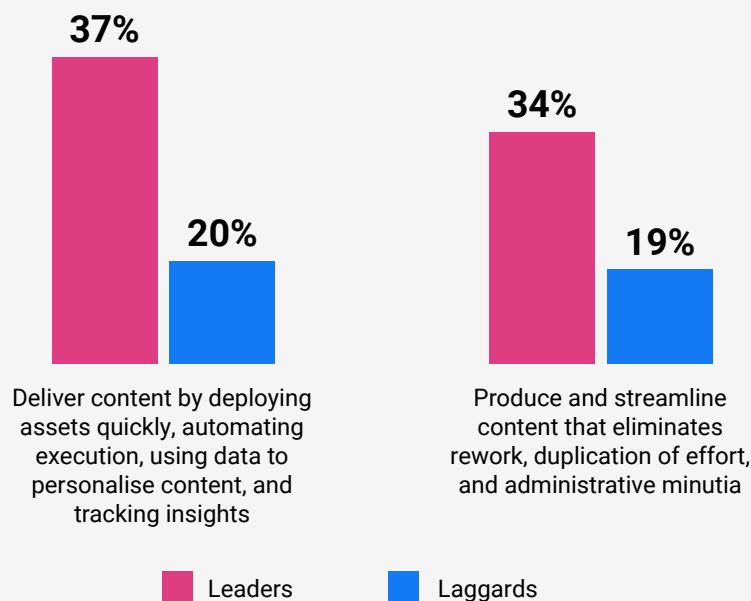
To streamline operations and bring shows to market faster, says Nicholson:

“We just went through an audit of all of our production workflows. We looked at every process, and also our operational and human resource structure... we went out to different departments to find out, ‘What’s the pain when working with our department? What are the things we’re doing well?’”

Our study suggests that some companies already use integrated, user-friendly applications to accelerate their workflows. Further, those that do are significantly less likely to come up against workflow issues than those who report their usage of such technologies is ‘poor’ or ‘very poor’ (33% vs 56%, respectively). (See Figure 6 on the next page.)

**FIGURE 5**

Thinking about workflow and content management in your organisation, how would you describe your ability to do the following? (Percent ‘Good’ or ‘Very good’)



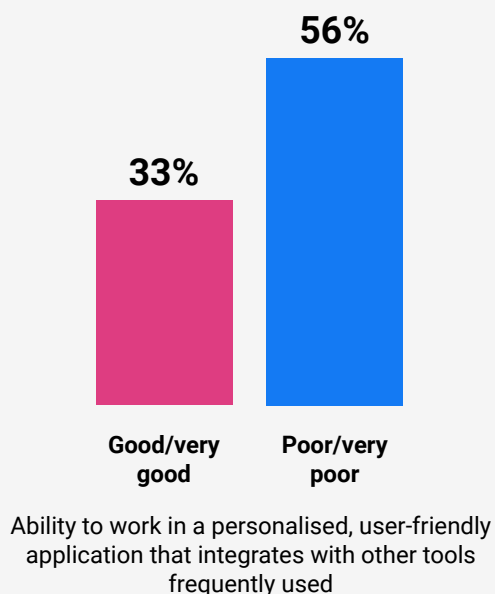
Sample: 285 leader practitioners, 202 laggard practitioners (global)

Given the promise of improved process and resource management in increasing commercial productivity, it's encouraging that 41% of senior executives consider work and work management to be a top technology priority in 2023.

For Australian fashion retailer Cotton On Brands, content workflow management technology has been vital as its store footprint expanded across the Asia Pacific region. According to its Head of Customer Experience, Robert Hede, "Having something that can bring all that together – we can talk to each other in the platform and our creative geniuses can then work in their own platform and not have to jump out and talk to each other."

**FIGURE 6**

What is holding your marketing / customer experience organisation back, if anything? Please check any internal barriers that your organisation is experiencing. (Percent citing 'Workflow issues')



Sample: 514 practitioners who consider their organisation 'poor' / 'very poor' when working in a personalised, user-friendly application that integrates with other tools they frequently use.

578 practitioners who consider their organisation 'good' / 'very good' at working in a personalised, user-friendly application that integrates with other tools they frequently use.

# Reimagine Your Data Relationships

## Most organisations do not know their customers at an individual level

The ability to collect, organise, govern and surface critical customer insights is the foundation for the well-informed, split-second actions that make experiences personal and valuable. Yet almost half of organisations (46%) do not have access to this vital real-time data.

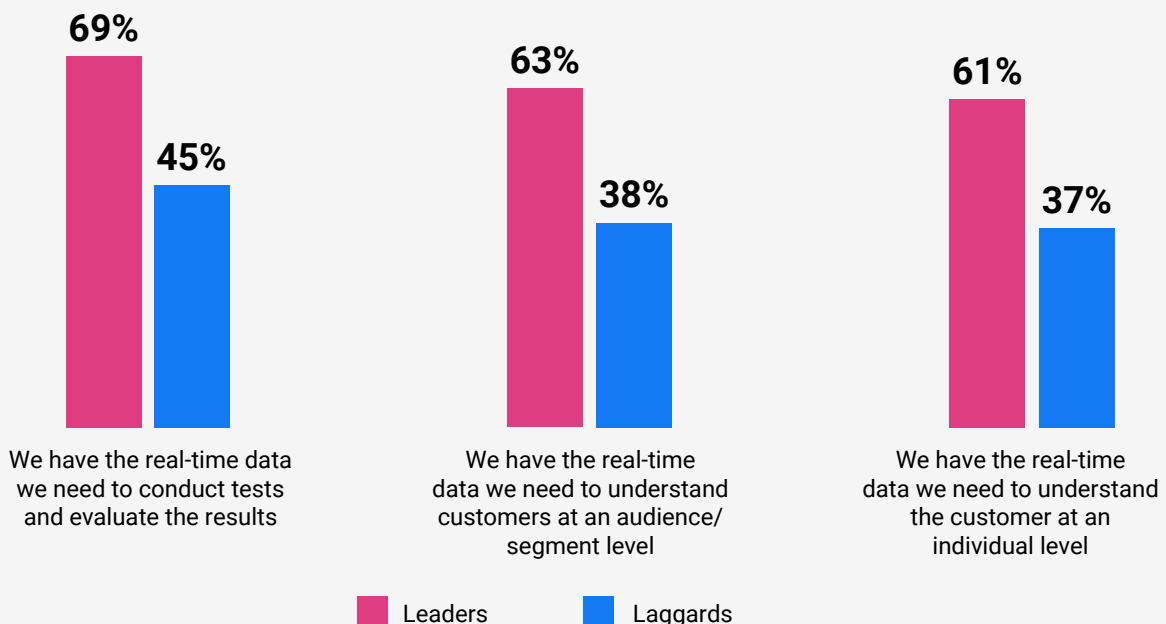
Lagging organisations are particularly prone to lack such a valuable resource. Figure 7 illustrates that just 37% of these organisations have the real-time data they need to understand the customer at an individual level versus 61% of

leading organisations. As a result, they are half as likely to be able to conduct real-time, individual-level tests compared to leading competitors.

Worryingly, our research shows these organisations are at risk of falling further behind. Less than a quarter of senior executives consider the real-time activation of customer data a top operational priority in 2023, which may prove a hindrance when coming up against brands better equipped to serve customers' needs in the moment. Organisations need to make sure they understand their customers' real-time needs to spot new opportunities to drive the business forward.

FIGURE 7

To what extent do the following describe your organisation?



Sample: 124 leader practitioners, 96 laggard practitioners (global)

For Save the Children UK's Head of Digital Experience, Atanu Roy, it's only by recognising previous interactions that the charity can engage with potential donors appropriately: "Staying relevant for donors depends on where they are in their journey. For instance, if they've previously contributed to a similar cause, or if they're a high-value supporter who donates regularly, we need to set different rules for engaging with them than a first-time visitor."

### Few brands can target customers based on intent and prediction

By harnessing customer data and AI-fueled predictive modelling, organisations can pre-empt how their customers will behave in the future and design experiences to anticipate their needs. By being proactive, customer experience professionals can transcend expectations with in-the-moment, just-for-them brand interactions that 'wow.'

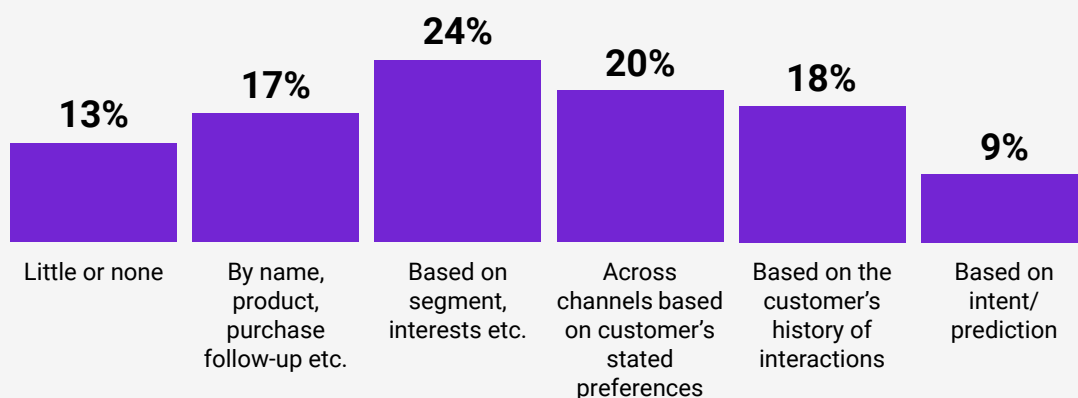
However, this study finds that only a tiny minority, just 9% of organisations, are currently personalizing content based on intent or prediction. For 18% of organisations, targeting based on historical customer data reflects their highest level of CX personalisation. For 24% of organisations, tailoring experiences based on broader segment generalisations is the limit of their personalisation capabilities.

While personalisation based on intent or prediction rises to 17% of leaders, compared to 4% of laggards, the numbers are still meagre.

These findings suggest that even leading organisations are still making their way up the personalisation maturity curve. The good news is that the data shows we will likely see some serious progress soon.

FIGURE 8

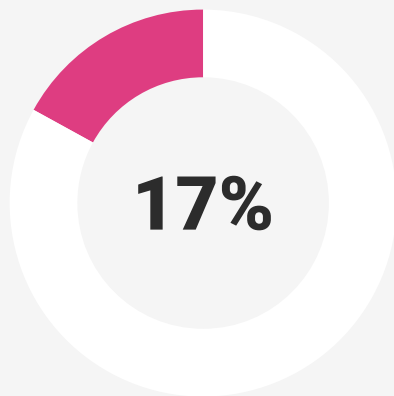
Which of the following best describes your organisation's highest level of customer experience personalisation?



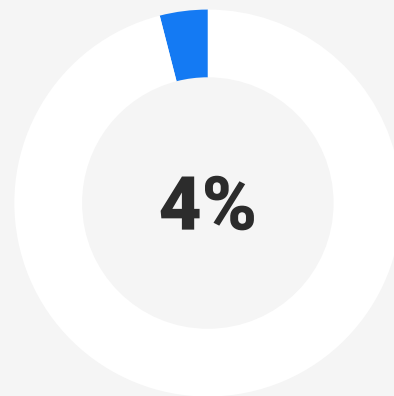
Sample: 2,036 practitioners

FIGURE 9

Which of the following best describes your organisation's highest level of customer experience personalisation? "Based on intent/prediction"



of **leading** organisations



of **lagging** organisations

Sample: 330 leader practitioners, 218 laggard practitioners (global)

A recent study of experience leaders found that 75% were expanding their existing personalisation at scale efforts.<sup>6</sup> For less sophisticated organisations, the future is still bright. Advances in customer data platform (CDP) technologies, with 'out-the-box,' low code capabilities, make it much easier for organisations to fast-track their CX maturity and achieve higher-order personalisation if they are successful at connecting their unified data from a CDP to their systems of engagement that can deliver on what the data tells them when the customer wants it.

**"When you think about what matters to individuals, whether it's a product, service, content, or messaging, you soon realize that personalisation — at our scale of hundreds of millions — is going to quickly overwhelm you. You need help from technology to orchestrate content and messaging to land with individuals in exactly the right moment and context."**

*Matt Harker, VP of Global Marketing Strategy and Transformation, Walgreens Boots Alliance*

<sup>6</sup> Adobe/Forrester, *Personalisation At Scale: Bring Forth The Customer And Business Benefits Of Experience Excellence*

### **Personalisation in Sports: The Gen Z Expectation**

In a recent sports marketing study<sup>7</sup>, younger Gen Z consumers made it clear that they expect brands to personalise content and do so at speed while respecting their preferences and privacy.

- When prompted with the definition of real-time personalisation in sports, respondents overwhelmingly felt this is a "must have." It's mission-critical to keeping them engaged and happy fans.
- When Gen Z shares their preference data, 83% expect to reap the benefits of personalisation in communications within a day.
- Gen Z prefers personalised push notifications for highlighting time-sensitive big sports moments. Still, they will quickly opt out if they receive too many notifications or feel the information is irrelevant.

<sup>7</sup> Adobe/Knit, *Gen Z Study on Sports and Live Entertainment, 2022*

## Outdated experience infrastructure holds back half of organisations

For companies to be able to manage customer data in real time and take advantage of AI-generated signals on intent and prediction, they need a solid base to work from. Our study finds that organisations are still grappling with first-party data activation. Customer data platforms (CDPs) are a must-have to fast-track CX maturity, yet some businesses still struggle to transition from outdated data management platform (DMP) solutions.

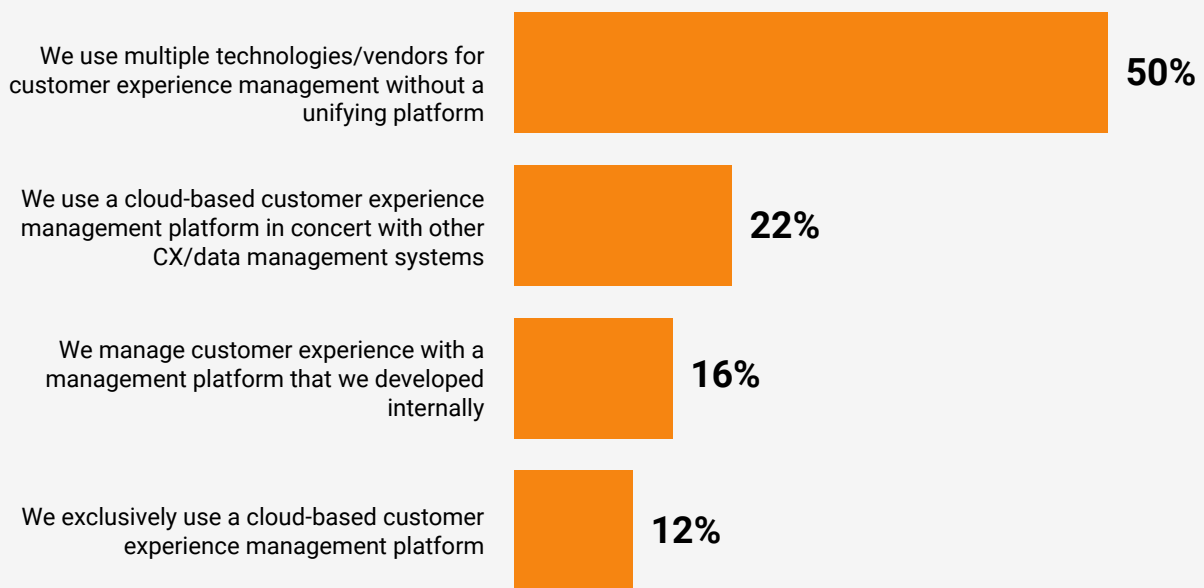
Half of the surveyed practitioners and senior executives continue to use multiple technologies

for their customer experience operations without a unified platform. So, while these organisations may be able to collect customer data, their ability to assimilate, interpret, and activate that data is significantly impaired.

The resurgence of physical retail will make it harder for organisations to connect the dots across customers' journeys. Today's CDPs need to aggregate real-time customer behavioural data from online, offline, and third-party sources into rich customer profiles that can serve as the foundation for meaningful in-the-moment one-to-one customer interactions. An outdated experience infrastructure will make this virtually impossible.

**FIGURE 10**

Which of the following best describes your organisation's approach to customer experience technology?



Sample: 2,732 senior executives and practitioners (global)



# Create Time for Creativity

## Almost half of organisations lack time for creativity

Exceptional, value-driven experiences are realised when creative problem solvers have the time to overcome frictions in the creative process, maximise their technological toolset, and collaborate. Equally, to direct creative energies in the strongest possible direction, team members involved in the creative process need time to interpret real-time data, overlay data points with rich human insight, and explore innovative solutions to customers' problems.

Yet this study finds that many organisations don't have the time to be creative. Indeed 62% of senior executives agree that their organisations have

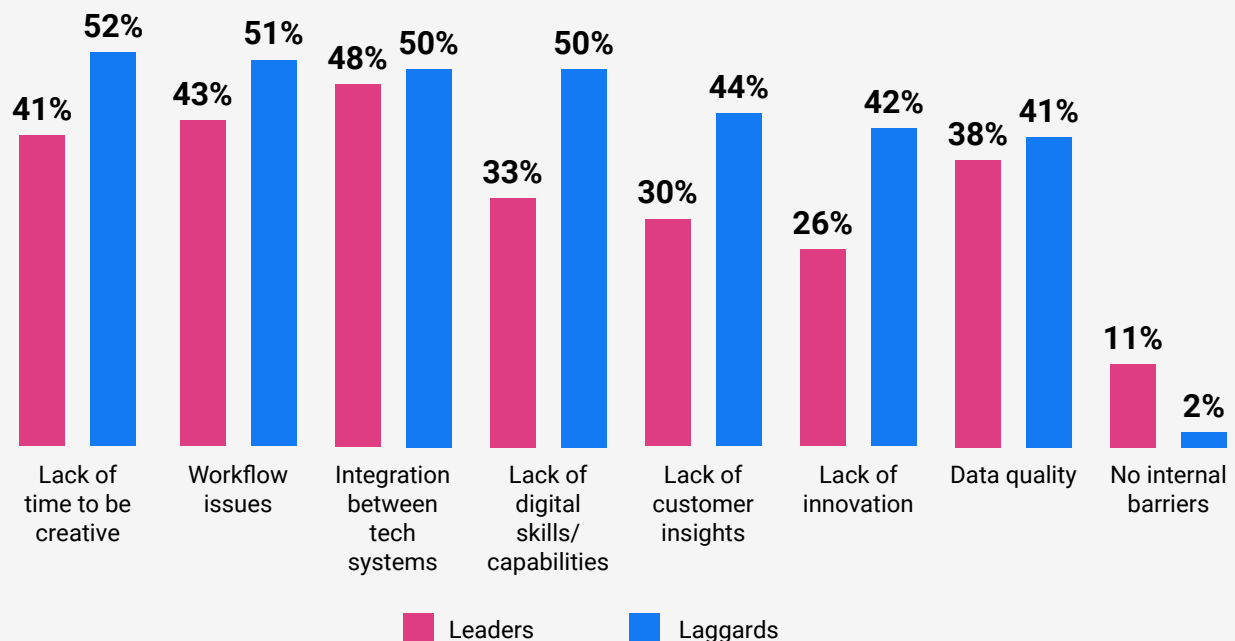
become more efficient, but at the cost of time or freedom to be creative and design unforgettable experiences. Practitioners agree, with 44%, citing lack of time to be creative as a CX barrier.

The challenges are even more acute for lagging organisations. Figure 11 reveals over half (52%) of laggard practitioners consider the lack of creative time a key internal CX barrier. They're also more likely than their leading competitors to be held back by a lack of customer insights and innovation.

Employees' creative energies are some of the most valuable yet under-utilised organisational resources. Fortunately, help is at hand to unleash those powerful creative capabilities.

FIGURE 11

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



Sample: 292 leader practitioners, 205 laggard practitioners (global)

## Very few organisations excel at the 'wow' factor

Weaving customer insights into content and campaigns is critical to creating that 'wow' factor. Yet just 22% of practitioners excel in balancing the emphasis on data/algorithmic 'truth' with human insights. Equally, just 22% of practitioners excel in combining a deep understanding of the customer, via data and empathy, with creativity.

As the box to the right illustrates, there's also a gulf between leading and lagging organisations. The ability to collect data about a customer, even the ability to recognise the customer at the individual level, doesn't by itself yield creativity.

Creativity comes from establishing meaningful, emotional relationships with the customer, grounded in a solid understanding of the context in which they find themselves. Creativity relies on marketers and CX professionals enriching customer data points with human truth, insight, and empathy. Doing so requires customer insights, time, and dedicated creative focus.

## Content automation offers a creativity lifeline

Fortunately for time-crunched marketing and CX teams, content workflow automation is attracting new levels of executive attention.

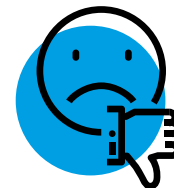
Some 39% of senior executives consider streamlining or automating collaboration and processes to get work done faster and better to be a top CX priority for 2023. Similarly, 38% of senior executives consider achieving greater efficiency through automation a top operational priority for marketing or CX in 2023.



Leaders are nearly four times more likely to **bring deep customer understanding into experience design** than their laggard counterparts (37% leaders versus 10% laggards)



Leaders are also three times more likely to **excel in balancing algorithmic data with human insights** (35% versus 11%).



Yet, even among leading organisations, almost two-thirds admit they **do not excel in designing 'wow' experiences.**

Advances in AI mean that automated tools can take on the burden of dynamic sizing, versioning, essential edits, and optimisation. Content asset smart tagging frees teams from the pain of trawling through reams of marketing material. Automating time-intensive creative minutiae off to-do lists creates time for higher-value creative thinking.

## Creating time for creativity: Spotlight on Cotton On Brands

Cotton On Brands has recently overseen a shift in content focus. To better engage the brand's young audience across multiple markets, the retail brand needed to interact in a more natural, authentic and conversational way.

**"[We're] shifting the focus to create content that feels really appropriate... and feels like we're not a corporate brand.... It feels like we're really trying to have a conversation with you.... [and be] part of your life."**

— Robert Hede, Head of Customer Experience, Cotton On Brands



To do so, Hede needed to create the time for team members to empathise with their customers and flex their creative muscles.

But carving out time for creativity first meant liberating the team from trivial design tasks. To manage this, Hede leaned on automated design tools.

**"We want to get them focussed again on doing amazing work and creating and not just duplicating artwork or repeating the files out to multiple currencies or doing the manual stuff."**

— Robert Hede, Head of Customer Experience, Cotton On Brands

# Embrace the Spirit of Discovery

## Senior executives are still learning about opportunities along the experience frontier

When it comes to customer experience frontiers, most senior executives are in the early stages of understanding and integrating these into their strategies.

Figure 12 illustrates how one-fifth (22%) of senior executives say their organisation is still learning about marketing into the metaverse, while 36% do not believe it will apply to their organisation in 2023. Similarly, 19% of them say their organisation is still learning about using NFTs in marketing and customer experience. In comparison, over half (52%) do not think such blockchain innovations will apply to their organisation in 2023.

Our findings reflect how the future of customer experiences remains a challenge for organisations but also a dynamic opportunity.

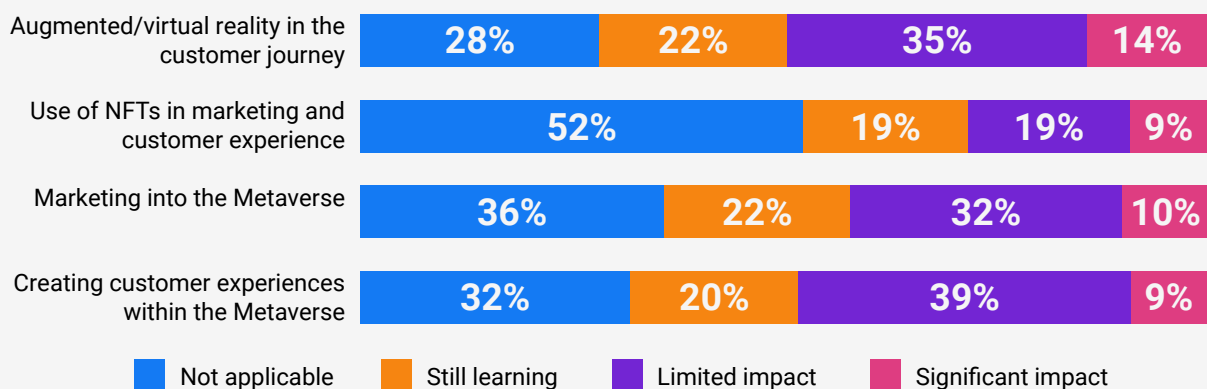
On the one hand, McKinsey predicts the metaverse has the potential to generate up to \$5 trillion in value by 2030, while private equity and venture capital investments in Web3 deals overall have grown by around 70% per year from 2017-2022.<sup>8</sup> For some, Web3 technologies (a decentralised internet based on blockchain, NFT, and cryptocurrency models) generally have the power to fundamentally change our relationship with the internet, upending traditional commercial and institutional power structures.

On the other hand, we've also seen disruption among major metaverse players and cryptocurrency exchanges. As these nascent technologies continue to evolve, many questions – and concerns – remain, and the future is still yet to be written.

<sup>8</sup> McKinsey, *Value creation in the metaverse: The real business value of the virtual world, 2022*

**FIGURE 12**

How would you describe the impact of the following emerging trends on your organisation in 2023?



Sample: 234 senior executives (global)

## Early success is coming for the bold

What is clear at this early stage is that success won't come to those who lift and shift existing ideas and techniques into a different space, nor those who pursue innovation for innovation's sake. It will come to those who commit to understanding customers' changing preferences and meet their needs in new and exciting ways.

## For now, organisations need to ready themselves for unimagined possibilities

The first brand explorers at the customer experience frontier still treat their metaverse and Web3 endeavors as early co-creative tests with customers and partners. At the point of writing, Starbucks' Odyssey platform is in a beta test phase. Disney's exploratory Web3 efforts involve accelerator program initiatives<sup>9</sup> and tentative NFT steps in partnership with the digital collectible marketplace Veve.<sup>10</sup> Nike has described its Web3 efforts as a long, messy, and experimental journey.

These early pioneers are dipping their toes in Web3 waters to experiment, learn, and create

their way toward new customer relationships and revenue streams. Successful brands in 2023 should take note and remember that this is yet another arena in which customer experience expectations will continue to rise.

To prepare for future possibilities at the customer experience frontier, successful organisations will keep a close eye on their customers' evolving preferences and behaviours. They'll approach these steps as experiments, gathering important learnings to prepare their business for the future. Importantly, they'll create the conditions – including the time – for true creativity and divergent, exploratory thinking.

Bold experimentation is best achieved from a solid technological foundation, and platforms that bring existing channels and new channels under one umbrella are the ideal launchpads for discovery. The good news? These technological foundations are now easier to use than ever before. Fast-tracking progress and catching up with the forerunners is more than possible.

<sup>9</sup> Ledger Insights, *Web3 firms make up two thirds of Disney accelerator participants, 2022*

<sup>10</sup> Ledger Insights, *Disney planning own metaverse?, 2022*

### Nike

In October 2022, Nike announced that it was dialling up its Web3 strategy. Designed for the "Web3 curious", the brand's .SWOOSH initiative is its new Web3 platform and ecosystem. A hybrid blend of creator economy, virtual marketplace, and VIP community, the platform allows Nike customers to unlock unique access, co-create new products, and wear and trade physical and virtual products.



### Starbucks

Starbucks is also testing new ways to create customer value, rethinking its loyalty program for a Web3 future. On its Starbucks Odyssey platform, users can play interactive games, earn, buy, and trade digital collectibles, and 'win' new experiences – from virtual espresso martini classes to real-life trips to Starbucks' Hacienda Alsacia coffee farm in Costa Rica.

# Conclusion

The opportunities in the Digital Economy are limitless. In this dynamic digital future, there are significant gains to be made and spoils to be won. Organisations must deliver exceptional experiences rooted in emotional connections with their customers to succeed. This calls for imagination, staying attuned to customers' needs, overcoming obstacles, rethinking processes and bringing humanity to bear in new and creative ways.

So, what advice can we offer brands this year and beyond?

- 1. Focus on your current and future experience:** Success in 2023 relies on organisations looking beyond what's happening today and having the confidence and clarity to press on into the future. Rally the business around focussed long-term customer goals, cut distracting extraneous projects, and make deliberate plans to maximise the value of CX technology investments.
- 2. Plan, prioritise, and streamline content teams and workflows:** In the face of rising content demands, be clear on your content's purpose for customers. Don't create content for content's sake. Make sure content objectives align with business strategy. Lean on technology and sharpen processes to translate customer insights into content collaboratively and efficiently.
- 3. Get in step with your customers:** Leading brands in 2023 will stay in perfect step with their customers' ever-changing needs, emotions, and contexts and respond with warmth, empathy, and understanding. To bring this to bear, improve real-time, individual-level data access and enrich data points with customer insight.
- 4. Create time for creativity:** The Digital Economy calls for creative solutions to overcome stagnation and drive innovation and growth. Lean on existing technology, automated tools and capabilities, workflow management, and AI/ML to put a stop to trivial design tasks and liberate your teams for higher-value creative thinking.
- 5. Prepare for new possibilities:** Make sure your technological foundation is compatible with new channels and platforms. Create a culture comfortable with imperfection across new mediums and ready to learn from experimentation. Most of all, create the conditions – including the time – to test new ideas and prepare for the future of CX.

# Methodology

The 2023 Digital Trends Report is based on an online survey fielded to select Econsultancy and Adobe lists. The survey was launched on the 20th of September and closed on the 30th of November 2022, with 9,247 qualified respondents.

- 58% of all respondents are client-side marketers. The remaining sample of 3,888 respondents is made up of executives at agencies, consultancies, and marketing technology/services vendors.
- 26% of respondents are senior director level or above, followed by 74% of practitioners (comprised of junior executives, managers, and director-level respondents). Throughout the report, we compare these two groups.
- As defined by the target market, the sample is split between B2B (38%), B2C (24%), and those addressing both markets equally (38%).
- The sample is global, with Europe providing the largest share of respondents (45%), followed by North America (29%) and the Asia-Pacific region (17%). The survey was translated into eight languages.
- Every business sector is represented, with most concentrations in Technology (12%), Manufacturing (10%), and Financial Services (8%).

## Leaders, mainstream and laggards

This study draws comparisons between leading and lagging organisations. Leading and lagging organisations are defined based on practitioners' and senior executives' responses to a survey question relating to their 2022 company performance versus sector competitors. Focussing on leaders' and laggards' insights allows us to explore the issues that most differentiate between commercially successful and unsuccessful organisations.

- *Leaders or leading organisations* are senior executives and practitioners who agreed they significantly outperformed their sector in 2022 (20% of all respondents).
- *Mainstream organisations* are defined as senior executives and practitioners that agreed they had either kept pace with their sector or slightly outperformed their sector in 2022 (68% of all respondents). While they are not called out specifically in this report, their responses are included in all the respondent's figures.
- *Laggards or lagging organisations* are defined as senior executives and practitioners that agreed they had slightly or significantly underperformed in their sector in 2022 (12% of all respondents).



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