



2022 Digital Trends

APAC in Focus



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With nearly 10,000 participants 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 international study of how digital trends are changing the marketing discipline.

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



Foreword

Introducing *2022 Digital Trends - APAC in Focus*.

This annual Adobe survey, produced in collaboration with Econsultancy, captures insights from senior decision-makers and practitioners in the marketing and advertising industries across the Asia Pacific, Australia and New Zealand regions.

The report explores the role of technology and its impact on consumers, businesses and economies and points to opportunities for companies to refine their digital strategies to drive sustained growth in 2022 and beyond.

The past two years have led to extraordinary and profound changes across all sectors and economies worldwide. The COVID-19 crisis has accelerated digital interactions and deepened millions of consumers' online usage. In growing economies like Thailand and Indonesia, government efforts to promote digital transformation, including investments in wireless networks, have led to greater acceptance and adoption of digital services.

At the same time, other markets across the region have propelled their technological prowess and are entering a new era of unprecedented change and innovation. With superior manufacturing capabilities, homegrown specialised talent and a large consumer base of digital enthusiasts, APAC digital leaders set global benchmarks in eCommerce, virtualising services in healthcare and education, smart mobility and digital urbanisation.

The scale and momentum of these digital trends are cementing shifts in consumer behaviours and needs. 77% of our surveyed APAC practitioners experienced a surge in new customers through digital channels, and 76% observed new and changing customer journeys. This rewiring of consumer mindsets in the Asia Pacific region creates opportunities for businesses that embrace an agile mindset, collaboration and speed up time-to-value. Over the course of 2021, companies



Duncan Egan
Vice President, Marketing APAC & Japan, Adobe

that overcame organisational and technology silos and worked across functions to quickly move as one came out in front.

Today, many APAC organisations face a challenge on how to embed the agile methodologies they developed in the crisis “war-rooms” into their long-term business operations. This report reveals that many companies struggle with legacy working cultures, mindsets and practices, limiting their ability to respond to shifting consumer behaviours and evolving market dynamics.

The flow-on effect of outdated working practices, combined with growing employee expectations in the new world of remote and hybrid work, is limited access to digital skills and capabilities. Unsurprisingly, 83% of senior executives are concerned about having the necessary skills levels in their organisation. In fact, despite being home to a large base of technology talent, digital skill shortages are seen as a more significant barrier to successful experience delivery in APAC than in any other region in this study. ▶

In 2022, change will continue to be front and centre in business. In fact, 85% of APAC senior executives expect the pace of change experienced in 2020 and 2021 to persist for the foreseeable future.

The 2022 study reveals that APAC organisations are focused on several approaches:

- **Collaboration:** 77% of senior APAC executives believe that marketing and IT have a shared vision to unlock creativity and innovation. However, only 27% agree that their disparate marketing and technology teams collaborate successfully today.
- **Optimisation:** 54% of APAC practitioners believe that investing in work and project management solutions is crucial to increase team productivity in the new hybrid world of work.
- **Privacy:** APAC organisations are granting their customers more control over their data, with 64% of APAC practitioners considering their organisation 'effective' or 'very effective' in giving customers control over how their data is being used.
- **Personalisation:** APAC organisations are placing a greater onus on using data with consent to create real customer value, with 60% of APAC practitioners considering their organisations to be 'effective/very effective' in using first-party data to personalise the customer experience.

In the face of prevailing disruption, this year's report explores the forces, trends and technologies that business leaders need to consider when crafting their digital strategies to be better positioned to succeed.

"In 2022, change will continue to be front and centre in business. 85% of APAC senior executives expect the pace of change experienced in 2020 and 2021 to persist for the foreseeable future."

2022 Digital Trends APAC in Focus, Adobe

1. Executive Summary

The Asia Pacific region is well positioned to capitalise on its technological leadership and accelerate into a new era of almost unimaginable digital and social change. In advanced Asia Pacific economies, combine improved connectivity, government stimulus, rising technical skills, high research and development spending and an enthusiastic digital consumer base, and you have the perfect conditions for digital transformation and innovation. Burgeoning opportunities are appearing at the very edge of frontier technology, from vehicle-to-everything (V2X) to edge computing.

In emerging and developing economies, the COVID-19 crisis has not only accelerated digital behaviours, but it has also brought millions online for the first time to help negate contact transmission. This new internet user base, unconstrained by historical technology conventions, is leapfrogging in its digital behaviours, opting for mobile-first internet services experiences. Increases in areas such as mobile payments adoption has created opportunities for new lifestyle 'super apps' and banking-centred digital ecosystems to flourish across the region.

Businesses organised for speed, collaboration and innovation are best positioned to turn the seemingly endless possibilities across the region into commercial opportunities. However, this study finds that many organisations are being constrained by outdated working practices and technology, stifling creativity and speed to market. APAC is significantly less likely than other regions to embrace a future of permanent remote or hybrid work, challenging talent acquisition. While India alone boasts ten times the number of software developers and architects found in the US,¹ talent shortages are considered more significant barriers to experience success in APAC than they are in North America.

Day-to-day collaboration, essential for creativity and innovation, is restricted across surveyed Asian organisations, thanks to competing organisational KPIs and legacy management structures. Organisations across Australia and New Zealand, long in the digital game, are coming up against stumbling blocks in system integration, making martech rationalisation an increasing operational priority in 2022. Meanwhile, the regulatory environment surrounding customer data privacy across the region has become extremely complex, prompting organisations across Asia and India to prioritise data sovereignty over innovation in technology infrastructure decision-making. To keep up with an ever-changing APAC customer, organisations must reorient for agility by modernising working practices and technology infrastructure, adapting to a hybrid working world and carefully balancing innovation and regulation imperatives.

¹ McKinsey & Company, How Asia can boost growth through technological leapfrogging, 2020

2. Accelerating into Unprecedented Social and Technical Change

2.1. Capitalising on technical leadership

Early and enthusiastic pioneers in digitisation, APAC nations such as China, Singapore and South Korea are set to take advantage of their technological leadership and propel forwards into an era of almost unimaginable digital change. Already world leaders in 5G connectivity, digital currency adoption, edge devices, IoT, AI and smart cities, according to McKinsey, Asia accounts for more than 50% of global growth in research and development spending, and more than 80% of global filed patents.² IDC predict that by the end of 2022, as much as 65% of APAC's GDP will come from digital products, services, and experiences.³

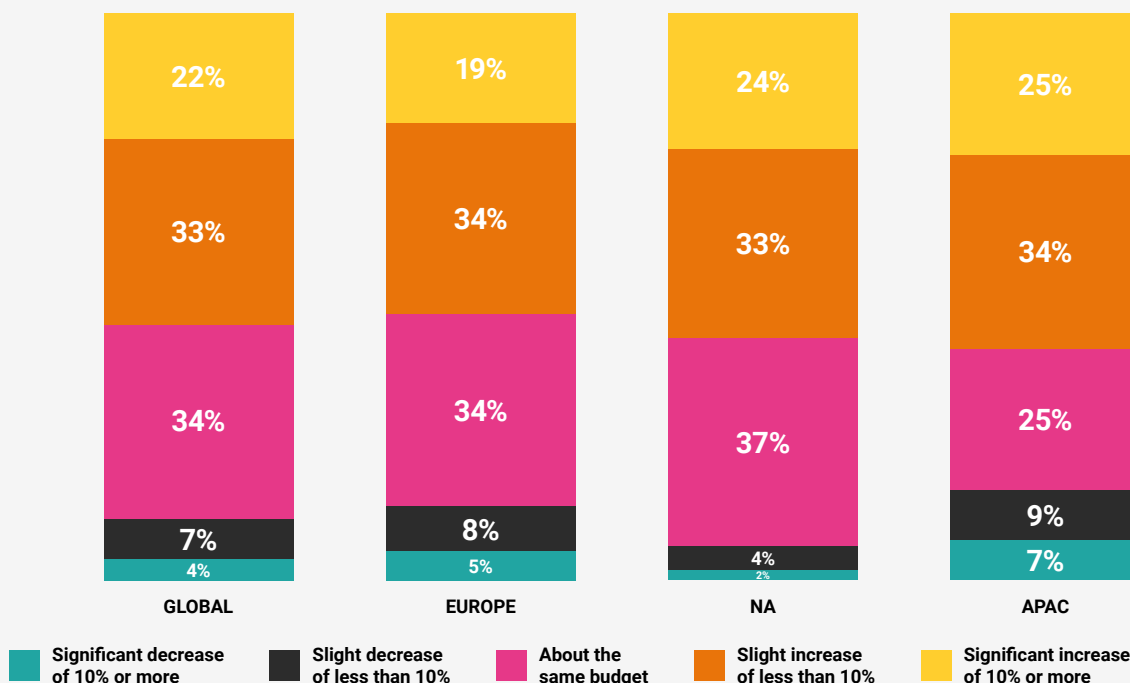
Unsurprisingly, investments in technological spending are ramping up. In 2022 alone, spending on digital transformation is expected to grow across the region by 15.6%, while spending on technology such as cloud, analytics, IoT and AI is expected to grow at a rate of over 20% per year.³ In fact, 59% of surveyed APAC senior executives plan to accelerate spending on customer experience management. Not content to rest on their laurels, APAC investments in technological spending are ramping up. Sixty percent plan to increase spending on customer data technology in 2022.

² McKinsey & Company, How Asia can boost growth through technological leapfrogging, 2020

³ IDC, IDC Asia Pacific leaders share their outlook ahead of 2022 (YouTube), 2021

FIGURE 1

How is customer experience management budgeted for 2022 compared to 2021?



Base: Global senior executives (1,505), Europe senior executives (625), NA senior executives (672), APAC senior executives (167).

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

APAC's leadership is driven by several factors. The region is home to nearly 60% of the world's internet population.⁴ Working age adults in Asia now spend an average of 6 hours and 19 minutes per day using connected devices and services,⁵ and mobile internet traffic represents 65% of total web traffic across the region,⁶ fuelling the rise of social commerce, 'super apps' and mobile wallet adoption. APAC cultivates more homegrown technological talent than anywhere else in the world.⁷

Supportive government policy and significant public spending are accelerating major digital infrastructure projects across the region, exemplified by extensive 5G rollouts.⁸ The combination of improved connectivity, government stimulus, digital skills, research and development investment, concentrated manufacturing capabilities and a large consumer base of enthusiastic digital adopters makes the region well-placed to capitalise on opportunities in frontier technology.

2.2. 'Leapfrogging' new internet users

Yet, while the APAC region is home to global digital pioneers, it is also home to areas currently with limited or unaffordable digital connectivity. At the end of 2020, 4G accounted for 63% of connections in India, versus just 27% in Bangladesh and 38% in Pakistan.⁹ Historically, limited government technological investment, physical infrastructure gaps and few major technological players have limited advances in several countries across the region.

Outside APAC's leading nations, the COVID-19 pandemic has left behind a mixed picture. On the one hand, the crisis has exacerbated regional differences, deepening the divides between APAC's advanced economies and its emerging and developing economies.¹⁰ On the other hand, it has awakened governments to the importance of digital connectivity and inclusion, prompted major digital stimulus initiatives in emerging economies, and driven new audiences online.

In 2021, APAC's internet user population swelled to

1.23 billion people. This included 130 million new internet users subscribing to mobile internet services for the first time.¹¹ On average, across Southeast Asia, around a third of all digital service consumers are new to the service due to COVID-19.¹²

Our study found across the region, 77% of APAC practitioners experienced a surge in new customers through digital channels, and 76% observed the emergence of new and changing customer journeys. While more digitally mature Australia and New Zealand still observed significant surges in new digital customers, the situation was more acute in rapidly developing India. As can be seen in *Figure 2*, 90% of surveyed Indian organisations reported new and changing customer journeys, as both increased urban and rural Indian populations came online.¹³

Not only does this new internet user population access the internet primarily through mobile devices, but it has also contributed to the rapid adoption of more advanced digital 'leapfrogging' behaviours, such as mobile payments. In the latest *GlobalData 2021 Financial Services Consumer Survey*, Thailand emerged as the top nation for mobile wallet adoption, with 93.7% of survey respondents claiming to have used such an app in the last 12 months. Thailand was followed by other Asian markets, including Vietnam, India, and China. In contrast, adoption in western nations is markedly lower. Despite extremely high mobile internet penetration, mobile wallet adoption in the US stands at just 36.5%.¹⁴

4 Data Reportal/GWI, A decade in digital, 2021

5 Ibid.

6 Statista, Mobile internet traffic as percentage of total web traffic in August 2021, by region, 2021

7 McKinsey & Company, How Asia can boost growth through technological leapfrogging, 2020

8 GSM Association, Digital Societies in Asia Pacific: Accelerating progress through collaboration, 2021

9 Ibid.

10 International Monetary Fund, Regional Economic Outlook APAC, 2021

11 GSMA, Digital societies in Asia Pacific: Accelerating progress through collaboration, 2021

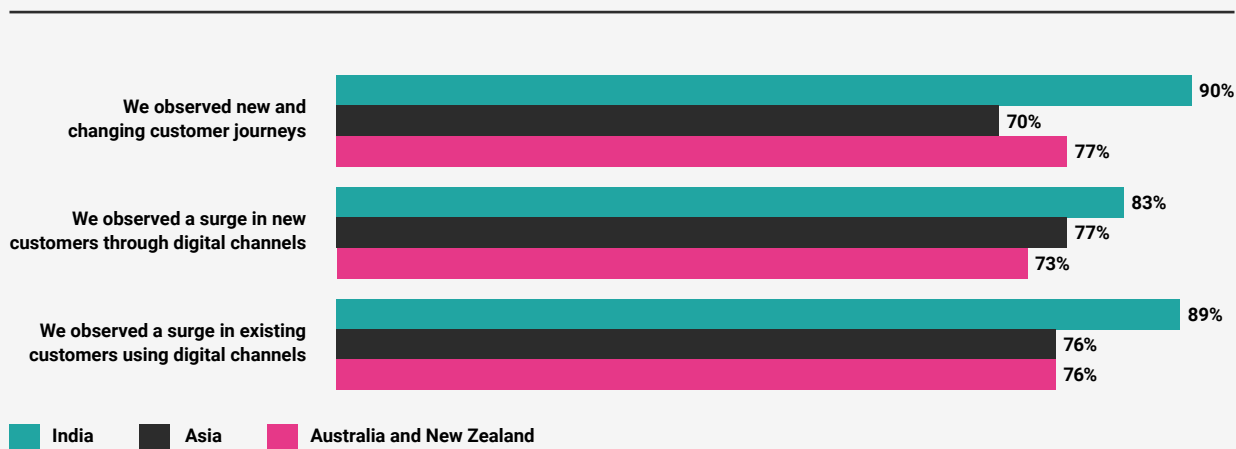
12 Google/TEMASEK/Bain & Company, e-Economy SEA 2020: At full velocity: Resilient and racing ahead, 2020

13 The Economic Times, India to have 900 million active internet users by 2025, says report, 2021

14 GlobalData, Covid-19 accelerates mobile wallet adoption across Asia-Pacific, finds GlobalData, 2021

FIGURE 2

Thinking about the last 18 months, were the following true or false for your organisation? (“True”)



Base: India practitioners (62), Asia practitioners (156), Australia and New Zealand practitioners (162). Note: Asia includes respondents from China, Hong Kong SAR of China, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan region, Thailand and Vietnam.

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

2.3. Preparing for the next internet population

APAC’s new internet user base is tipped for explosive growth. By 2025, an additional 333 million people are predicted to start using mobile internet for the first time.¹⁵ As governments in nations such as Malaysia, Bangladesh, Thailand, and Indonesia roll out connectivity and digital stimulus packages, and new internet users become increasingly allured by digital lifestyles, we can expect many new opportunities for innovation and digital transformation to manifest. Such opportunities will be propelled by 5G rollouts, allowing the region to leapfrog legacy technologies.

Responding to the new opportunities created by a colossal cohort of new internet users relies on understanding and empathy. Recent research on new internet populations in India, for example, identifies unique preferences of the new online population, and places a greater onus on digital technologies to grant new internet users autonomy, independence and self-advancement, without compromising community connections and regional identities.¹⁶ We can equally expect preferences for different modes of digital

interaction from newer internet populations, with increased uptake in voice and video technologies.

Successful organisations will need to arm themselves with an excellent understanding of new user behaviours, preferences, attitudes and address unmet needs. They will also do well to embrace diverse and inclusive teams, combining varied skillsets, personalities, experiences, backgrounds, and opinions, to unleash empathetic and differentiated thinking. However, this study suggests that organisations need to do more to ready themselves for the next internet population. Only a quarter of APAC practitioners (25%) feel they have ‘significant insight’ into the journeys of new customers, while access to insights across the organisation is not considered ‘strong’ or ‘very strong’ for over two thirds (68%) of APAC practitioners. Organisations need to put in place the technological and cultural infrastructure necessary to better profile, visualise, interpret and act upon new customer insights.

¹⁵ GSMA, Digital societies in Asia Pacific: Accelerating progress through collaboration, 2021

¹⁶ Think With Google, Same Same, But Different, 2020

3. Overcoming Internal Constraints

3.1. Challenging legacy working cultures

As leading APAC economies hurtle towards an unimaginably advanced technological future, and emerging and developing economies leapfrog new internet users' digital behaviours, the rate of technological and social progress in the region will be startling. Unsurprisingly, 85% of APAC senior executives expect the pace of change experienced in 2020/21 to persist for the foreseeable future.

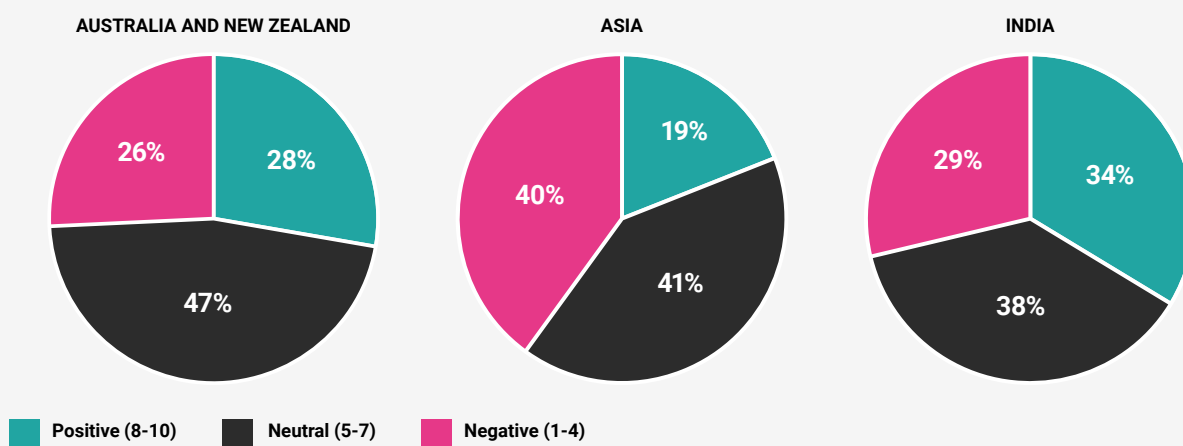
Against this backdrop, the organisations that will lead the charge in APAC will be those configured for speed, experimentation, and innovation. To achieve these ends, organisational agility and cross-departmental collaboration are vital, and yet this study shows that both remain elusive among most surveyed APAC businesses. While 92% of senior executives 'agree' that their ability to be agile will decide their success as a marketing organisation, just 25% of practitioners rate their organisation's agility in responding to opportunities and disruptions that may arise as 8 or more out of 10.

The absence of speed, agility and cross-departmental collaboration hinders organisations' ability to think and plan effectively, jeopardising creative thinking and innovation. Only 31% of APAC practitioners rate their organisation's ability to build experiments to test in the field as 'strong/very strong', while only 25% rated their company's innovation capabilities 8 or higher out of 10. As illustrated in Figure 3, when it comes to innovation, practitioners in India are most likely to rate their marketing organization as positive (34% rated it 8 or higher on a 10-point scale), while only 19% of Asian practitioners assigned a similar rating. Practitioners in Australia and New Zealand were least likely to rate their marketing organization as negative (26% rated it as 4 or lower) versus 40% of Asian practitioners who gave a similar rating.

Businesses that do not create the conditions for experimentation, exploration and innovation are less prepared to capitalise on new opportunities or manage disruption, uncertainty, and change. Given APAC's rapidly evolving social and technological landscape, the lack of such skills could prove highly problematic.

FIGURE 3

How would you rate your marketing organisation on Innovation using a 1 to 10 scale?

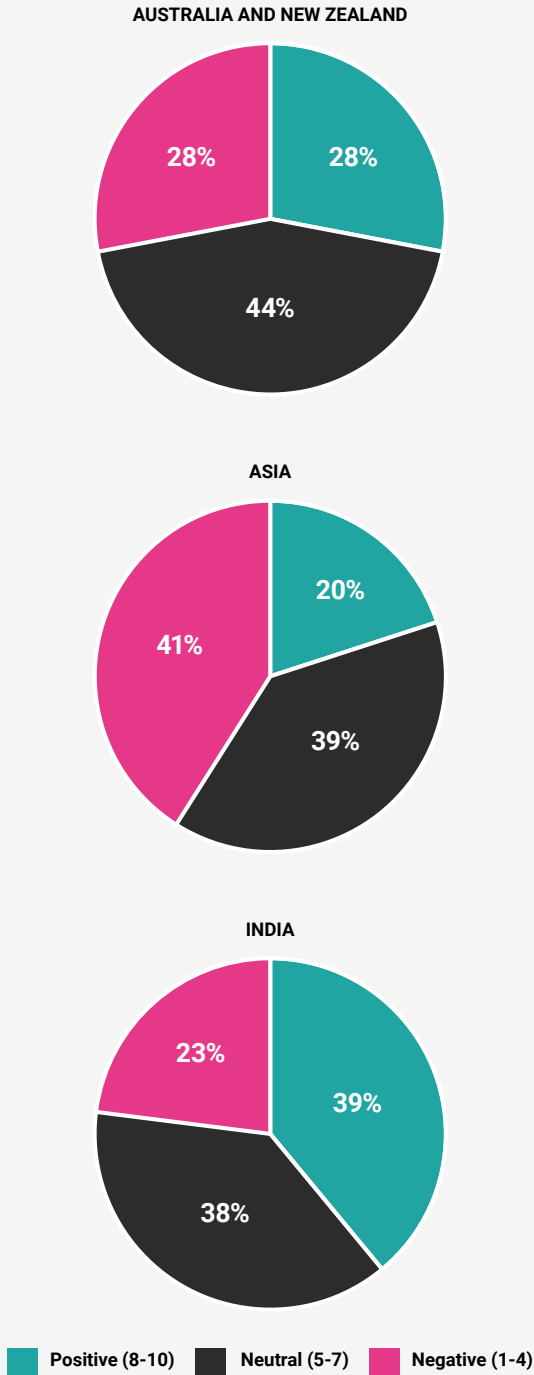


Base: India practitioners (77), Asia practitioners (205), Australia and New Zealand practitioners (180)

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

FIGURE 4

How would you rate your marketing organisation on “Collaboration from the IT/technology team” using a 1 to 10 scale?



Base: India practitioners (77), Asia practitioners (205), Australia and New Zealand practitioners (180)

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

3.2. Shifting from shared vision to day-to-day collaboration

But this is easier said than done and our study suggests that many organisations are coming up against stumbling blocks in the form of organisational and operational silos.¹⁷

Promisingly, this study suggests that CIOs and CMOs are modelling positive collaboration behaviours. 77% of APAC senior executives agree that marketing and IT have a shared vision. However, this study also suggests that senior alliances do not necessarily translate to day-to-day collaborative practices. Under half (47%) of senior executives believe that their marketing or experience teams collaborate successfully with technology or IT teams today. Closer to day-to-day operations, practitioners see collaboration in their organisations in more severe terms. Overall, only 27% of APAC practitioners rate collaboration with the technology/IT group in their organisation as 8 or higher out of ten. While Indian practitioners consider collaboration to be better in their organisations, with 39% rating their collaboration as 8 or higher out of ten, Asian practitioners consider collaboration across departments to be especially weak. 41% rate collaboration in their organisation as 4 or lower out of ten.

Senior executives need to do more to remove obstacles to collaboration on the ground. Removing silos is essential for improved collaboration, creating smaller units of cross-functional, nimble networked teams. However, only 26% of APAC senior executives are consistently reducing silos created by organisational structures or competing KPIs today. While promisingly 63% of APAC senior executives purport to be ‘working’ on silo reduction, organisations need to redouble their efforts to realign cross-departmental skills and organisational goals.

¹⁷ IDC, Four Practical Sources of Agile and DevOps Success for Asia/Pacific Financial Services Institutions, 2021

“Our team understood this would be hard work, but there were going to be opportunities to learn new things. That really built a solutions-first culture and a culture of customer obsession.”

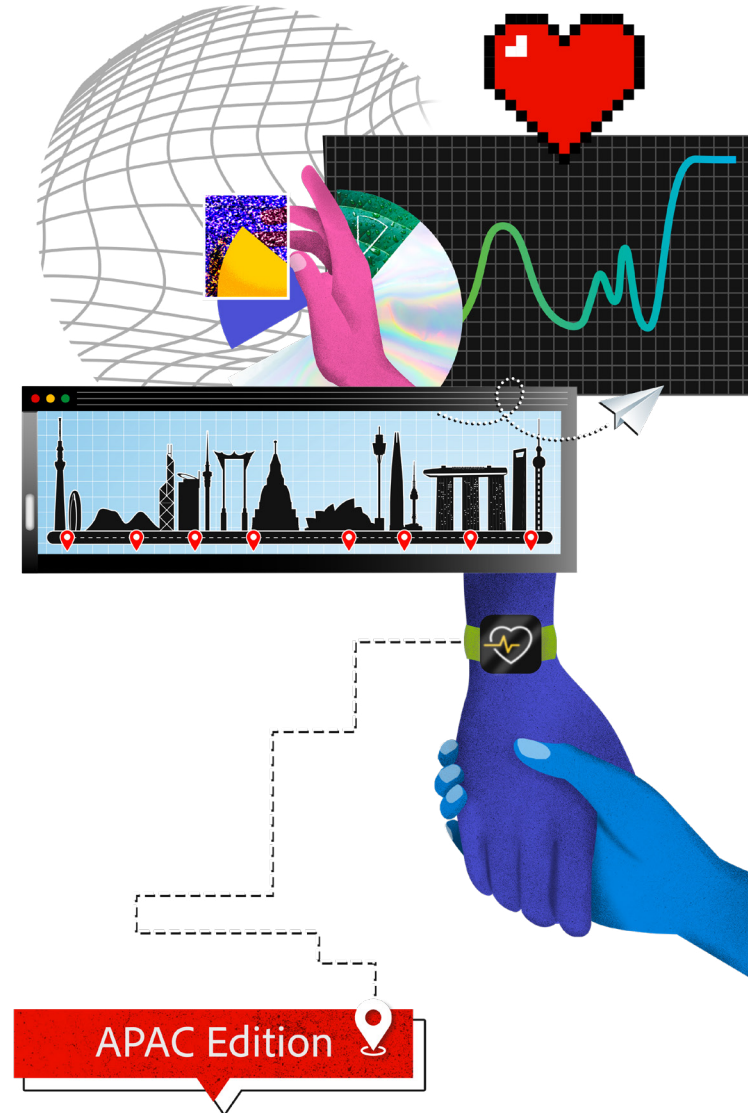
Chris Raimondi,
Head of CRM & Loyalty, Tabcorp

3.3. Future-proofing – and retaining – homegrown skills

The APAC region is home to a significant base of technology talent. Between 2016 and 2018, APAC nations produced 76% of the world’s STEM university graduates. India trains more computer science graduates than any other country in the world.¹⁸ In the next five years, it is expected that at least 60% of APAC enterprises will have a digital-first workforce, where half to two-thirds of all employees are trained in data, coding, agile and advanced technology capabilities.¹⁹

However, APAC nations risk losing much of their top technological talent to other regions, such as Europe and North America. While the pandemic temporarily grounded homegrown talent, as borders reopen APAC is at risk of losing its digital expertise. Prior to the COVID-19 crisis, over 70% of digital experts from India, Malaysia, the Philippines and Singapore were either already working abroad, or were willing to move abroad for work.²⁰

This study suggests that not only do APAC organisations suffer from digital skill shortages, but they also consider those skills shortages a greater hindrance to experience delivery than their counterparts in other regions. 83% of surveyed senior executives in APAC are concerned about lacking the necessary skills levels in their organisations, versus 79% in Europe and 73% in North America. For practitioners, the lack of digital skills is considered the joint top barrier impeding APAC successful experience delivery (along with ‘poor integration between tech systems’), whereas it ranks third globally.



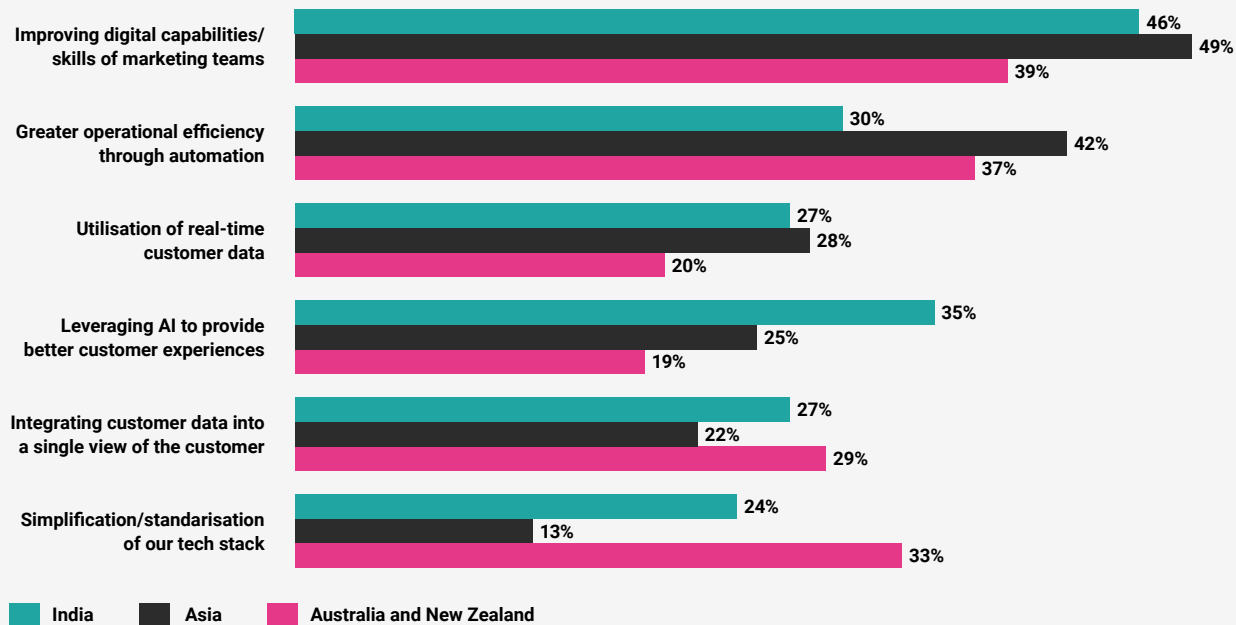
18 McKinsey & Company, How Asia can boost growth through technological leapfrogging, 2020

19 IDC, Asia Pacific leaders share their outlook ahead of 2022 (YouTube), 2021

20 BCG, Decoding Digital Talent, 2019

FIGURE 5

What are your organisation's top operational priorities for improving the customer experience in 2022?



Base: India practitioners (44), Asia practitioners (115), Australia and New Zealand practitioners (95)

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

Our study suggests that organisations could be doing more to retain and future-proof homegrown talent. Only 26% of APAC practitioners rate their organisation’s talent development and education programmes 8 or higher out of 10. For practitioners in Asia, the state of talent and education programmes appears to be far worse. 40% score their internal skills programmes 4 or lower out of ten.

CMOs need to put skills development much higher up their agendas. They should look for opportunities to better automate routine tasks and operations, freeing up key personnel for higher value work. They should then invest in structured programmes of continuous

learning that blend department-wide, team-specific and role-specific training courses, and redouble their efforts to build capabilities in data analysis, strategy and creative thinking. Positively, practitioners in Asia appear to be heading in the right direction in 2022. Achieving greater operational efficiency through automation and improving digital capabilities and skills are top operational priorities for Asian practitioners this year.

Nearly half of Asian practitioners consider improving digital capabilities/skills of marketing teams a key operational priority in 2022. 42% consider driving operational efficiencies through automation to be a key focus for 2022.

3.4. Adapting to a hybrid working world

A notable challenge for APAC companies lies in adapting working practices to meet employees' expectations and demands in a new world of remote and hybrid work. Issues, such as unreliable connectivity, infrastructure gaps and multigenerational living arrangements, have made remote work more difficult to implement in certain areas of the region. As such, only 40% of APAC businesses will make remote work permanent, compared to 70% globally.²¹ Our study found that only 25% of APAC senior executives expect their organisation to make use of hybrid work at much higher levels than prior to the pandemic, while only 19% expect hiring remote workers at much higher levels, potentially constraining talent acquisition.

Today's agile teams need to work autonomously, at pace from any location and over any time difference. In the absence of a clear vision, strategy and roadmap, such autonomous, distributed working arrangements

could quickly turn to chaos. To keep focused, organisations need to do more to connect vision to strategy, strategy to delivery, and leadership to employees across a distributed workforce.

To better adapt to a hybrid working world – and thus capitalise on a geographically dispersed, rich talent pool – APAC organisations need to reimagine remote-first ways of working. Workflow optimisation is a case in point. Managing work across distributed teams using conventional workflow methods slows progress. As *Figure 6* shows, according to this study's surveyed practitioners, tackling workflow issues, along with providing training/learning programmes, are considered the two most crucial steps organisations can take to improve productivity. In a new world of work, workflow management software helps agile, distributed teams better connect delivery to company strategy, and experimentation to strategic initiatives.

²¹ Forrester, Predictions 2022: Edition APAC, 2021

FIGURE 6

Which of the following steps, if any, is your organisation taking to increase the productivity of the marketing/ecommerce group?



Base: APAC practitioners (521)

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

3.5. Rationalising martech stacks

Our study suggests that practitioners in Australia and New Zealand are facing similar challenges to other digitally mature regions, such as EMEA and North America, shining a spotlight on the potential drawbacks of long legacies in digitisation. As *Figure 7* shows, practitioners in Australia and New Zealand are more likely to cite poor integration between technology systems as a significant barrier to marketing and customer experience success than are their peers in Asia and India. As such, the simplification or standardisation of technology stacks is a greater operational priority for practitioners in Australia and New Zealand than it is for their counterparts elsewhere in the APAC region.

For companies long in the digital game, martech stacks can evolve over time eventually becoming a mismatch of point solutions. Unwieldy martech stacks

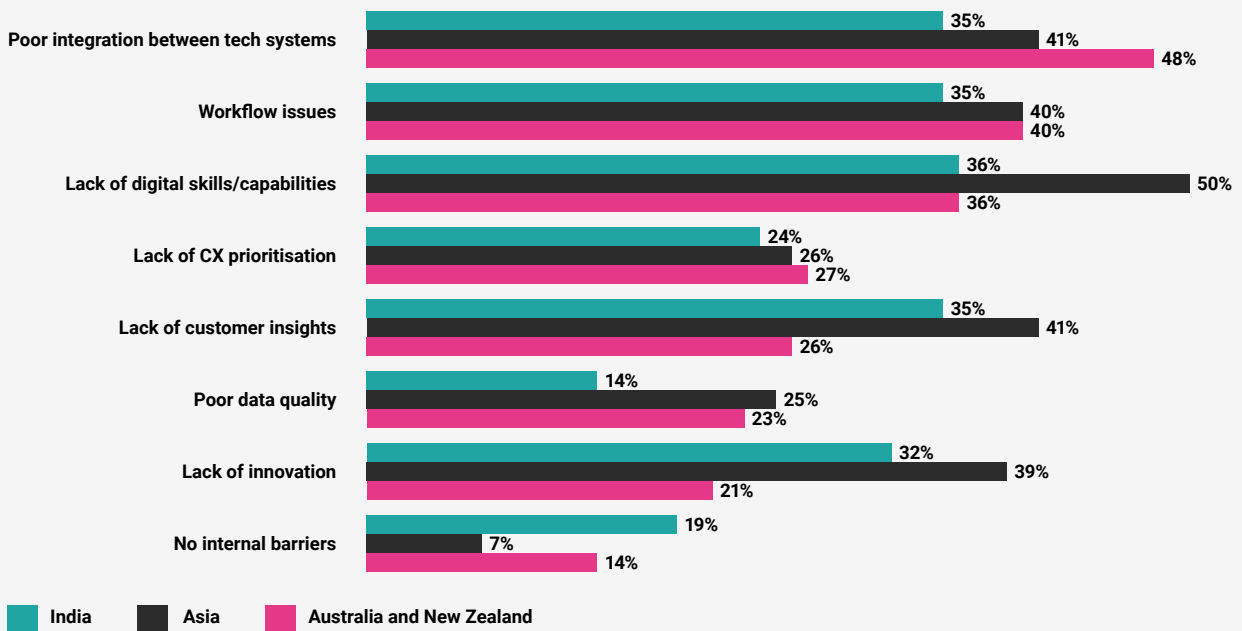
can lead to technical debt in complexity, crossover, and poor value. This makes it more difficult for legacy digital organisations to compete with emerging players. Adopting integrated, scalable and flexible automated marketing platforms, versus disparate point solutions, can not only reduce the total cost of ownership by 25-35%, but it can also increase speed to market by 30 percent.²²

This means that digital maturity isn't always advantageous – and in some cases it can prove costly and cumbersome. Rationalising technology stacks by pruning systems, modernising applications, and bringing technology together under a unifying platform can help legacy organisations enhance the customer experience, reduce costs, streamline marketing workflows, minimise code maintenance, end data silos – and ultimately compete with companies unburdened by legacy technology.

²² Adobe, Rationalise to modernise your martech stack: How to get the most value from your marketing technology investments, 2021

FIGURE 7

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



Base: India (103), Asia (253), Australia and New Zealand practitioners (208)

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

4. Data Sovereignty Versus Innovation

4.1. Navigating the complex compliance landscape

In 2021, China became the 17th country to introduce a new customer data privacy law akin to Europe's GDPR.²³ Businesses operating in China, whether headquartered domestically or internationally, are now subject to much tougher privacy measures. Not only do organisations need to give users greater rights over their personal data, they also need to tighten data security measures and respect new limitations on cross-border data transfers. Failure to do so could result in fines, penalties and the revocation of business licenses.²⁴

The regulatory environment across APAC is becoming increasingly fragmented and complex. In recent years, Australia, New Zealand, Japan, South Korea, Thailand, and China have all introduced far-reaching privacy regulations, or otherwise introduced amends to existing legislation. Despite a series of extensions, India's Data Protection Bill is still in the pipeline and could be implemented soon. As more APAC nations set their own privacy standards, the regulatory landscape across the region becomes much more challenging for businesses to navigate.

On a promising note, these regulatory shifts have spurred APAC organisations to grant their customers more control over their personal data. 64% of surveyed APAC practitioners consider their organisation 'effective/very effective' in giving customers control over how their data is used. They have also placed a greater onus on businesses to use data respectfully to create real customer value. 60% of APAC practitioners consider their organisation to be 'effective/very effective' in using first-party data to personalise the customer experience.

To keep in step with political and popular data expectations, 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 partners. More importantly, the C-suite must recognise that data governance excellence cannot be achieved manually, especially for organisations operating across geographic boundaries. Technology is essential to scale and apply privacy rules across customers, brands, and regions.

4.2. Balancing innovation with regulation imperatives

The fragmented regulatory environment is driving renewed fervour for data sovereignty. This, in turn, is making some APAC organisations hesitant to embrace cloud solutions, especially since cloud data centres and managed services teams can often be dispersed across geographic boundaries. Only 16% of surveyed APAC senior executives exclusively use cloud-based customer experience management platforms.

"On a promising note, 64% of surveyed APAC practitioners consider their organisation 'effective/very effective' in giving customers control over how their data is used."

2022 Digital Trends APAC in Focus, Adobe

²³ TechCrunch, Navigating data privacy legislation in a global society, 2021
²⁴ The National Law Review, China's New Personal Information Protection Law, 2021

As Figure 8 shows, attitudes towards cloud technologies split on regional lines. Practitioners in Australia and New Zealand are significantly more likely to opt for cloud-based customer experience platforms, alongside other CX/data management systems, than their peers elsewhere across the region, nodding to greater cloud hesitation in Asia and India. Meanwhile, the preference for multiple technologies/vendors for customer experience management without a unifying platform in India and Asia could constrain fundamentals for effective customer experience delivery, such as unified enterprise data and streamline martech stacks.

When considering technology and data investment decisions, the temptation in an increasingly complicated regulatory context may be to double down on data sovereignty at the expense of innovation and agility. While regulatory compliance is essential, so too is positioning organisations for success in an era of edge computing, V2X and IoT. Unfortunately, the

adoption of container-based, serverless, microservice architecture cloud solutions is expected to be slower in APAC compared with other regions.²⁵ This could be a missed opportunity, as cloud-native solutions can help organisations better scale, automate, integrate, and innovate in an era of significant social and technical change. To thrive, businesses need to balance innovation and regulation imperatives in key technological infrastructure decisions.

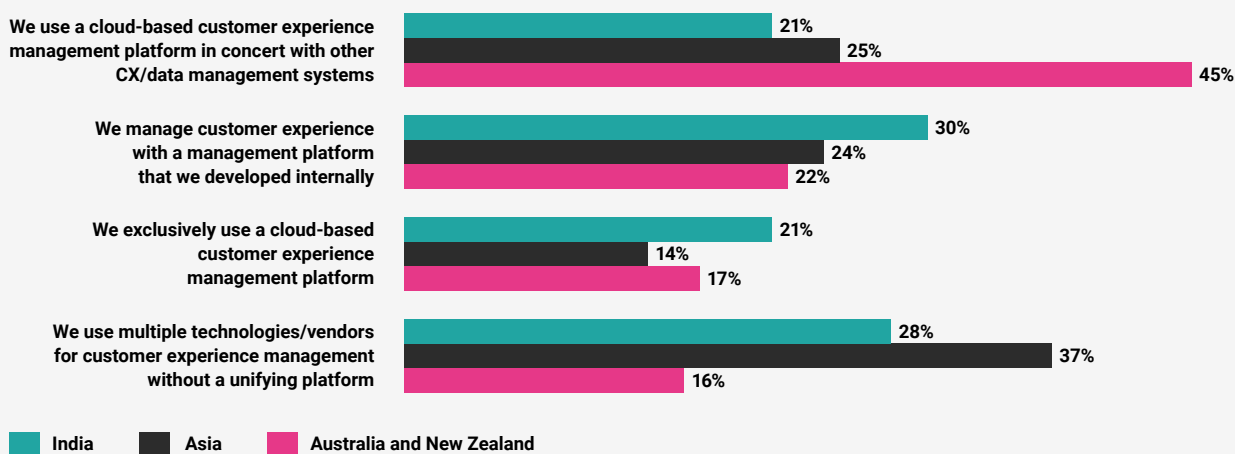
“There’s a concept of villages now, and across the world, you can’t come with one monolithic approach, especially about how you’re going to understand and interact with your customers and the personalisation, whether it’s through regulation through the government agencies in each country, or region, or just the expectations of the customers, we have to be much more adaptable.”

Shaun Braun,
Senior Vice President, Digital Transformation, 3M

²⁵ Forrester, Predictions 2022: APAC Edition, 2021

FIGURE 8

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



Base: Asia practitioners (159), India practitioners (57), Australia and New Zealand practitioners (148)

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

5. Conclusions

PREPARE FOR THE NEXT INTERNET POPULATION

By 2025, a further 333 million people are expected to start using mobile internet in APAC for the first time – and they're likely to behave differently than legacy internet users. Already demonstrating 'leapfrogging' digital behaviours, we can expect 5G rollouts to accelerate new digital lifestyles and interactions. Organisations need to do more to better understand new customer preferences, attitudes and unmet needs to capitalise on a new period of unprecedented technological and social change.

UNLEASH YOUR TEAMS

Successful APAC organisations will empower their 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. Senior executives must ensure that the headway made in C-suite collaboration filters down to day-to-day operations by removing organisational silos and competing KPIs. As new internet populations come online, organisations would do well to build diverse and inclusive teams, combining varied skillsets, personalities, experiences, backgrounds, and opinions to unleash empathetic and differentiated thinking.

STAY AHEAD OF THE REGULATORY CURVE

APAC's customer data privacy landscape is likely to become even more complicated and fractured with India's Data Protection Bill waiting in the wings, while the full ramifications of China's PIPL are yet to be realised. To be on the front foot, organisations should ready themselves now before any further legislation comes into play or is otherwise more aggressively enforced. Regulatory compliance today cannot be achieved manually, especially if organisations operate across multiple APAC nations. Businesses should lean on technology to stay ahead of the regulatory curve.

BALANCE REGULATION AND INNOVATION

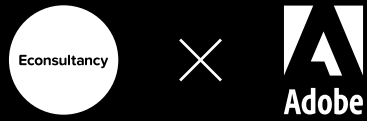
In APAC's complicated and fractured regulatory environment, it's tempting to double down on data sovereignty, opting for on-prem over more geographically distributed cloud solutions. As APAC leads the charge in edge computing, V2X and IoT, cloud-native organisations are better placed to scale, integrate and innovate in line with broader social and technological advances. When making technological infrastructure decisions, CMOs and CIOs should strike a careful balance between regulatory compliance versus agility and innovation.

6. Methodology

2022 Digital Trends: APAC in Focus is based on a survey of over 943 client-side marketers in Asia, Australia, New Zealand, and India. The survey was launched on November 11th, 2021 and closed on January 6th, 2022. Information about the online survey was emailed to Adobe and Econsultancy's user base of experience, marketing and technology professionals. Respondents included 200 senior executives (defined as Senior Directors and higher) and 743 practitioners (defined as Directors and below). Throughout the report, we include comparisons of the survey responses of senior executives versus those of practitioners.

DEMOGRAPHICS PROFILES:

- By seniority, the largest groups include managers (37%), junior executives / associates (27%), C-level (9%) and Director (8%).
- In terms of the industry sector, technology held the most significant share of respondents (14%), followed by manufacturing (11%), retail (10%) and financial services & insurance (also 10%).
- Other significant industry sectors included education (9%), consumer goods (7%), government / public sector (6%), and healthcare (6%).
- Those addressing both B2B and B2C markets equally accounted for 37% of respondents, followed by B2C (32%) and B2B (31%).



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