

The background of the slide is a complex, abstract geometric composition. It features a central, large, faceted red shape that resembles a flower or a starburst. This central shape is surrounded by numerous sharp, angular lines and planes in shades of blue, cyan, and orange, creating a sense of depth and movement. The overall effect is a high-tech, digital aesthetic.

Four Advantages of a Planned Approach **TO DIGITAL MATURITY**

2015 Digital Marketing Survey Results

July 2015

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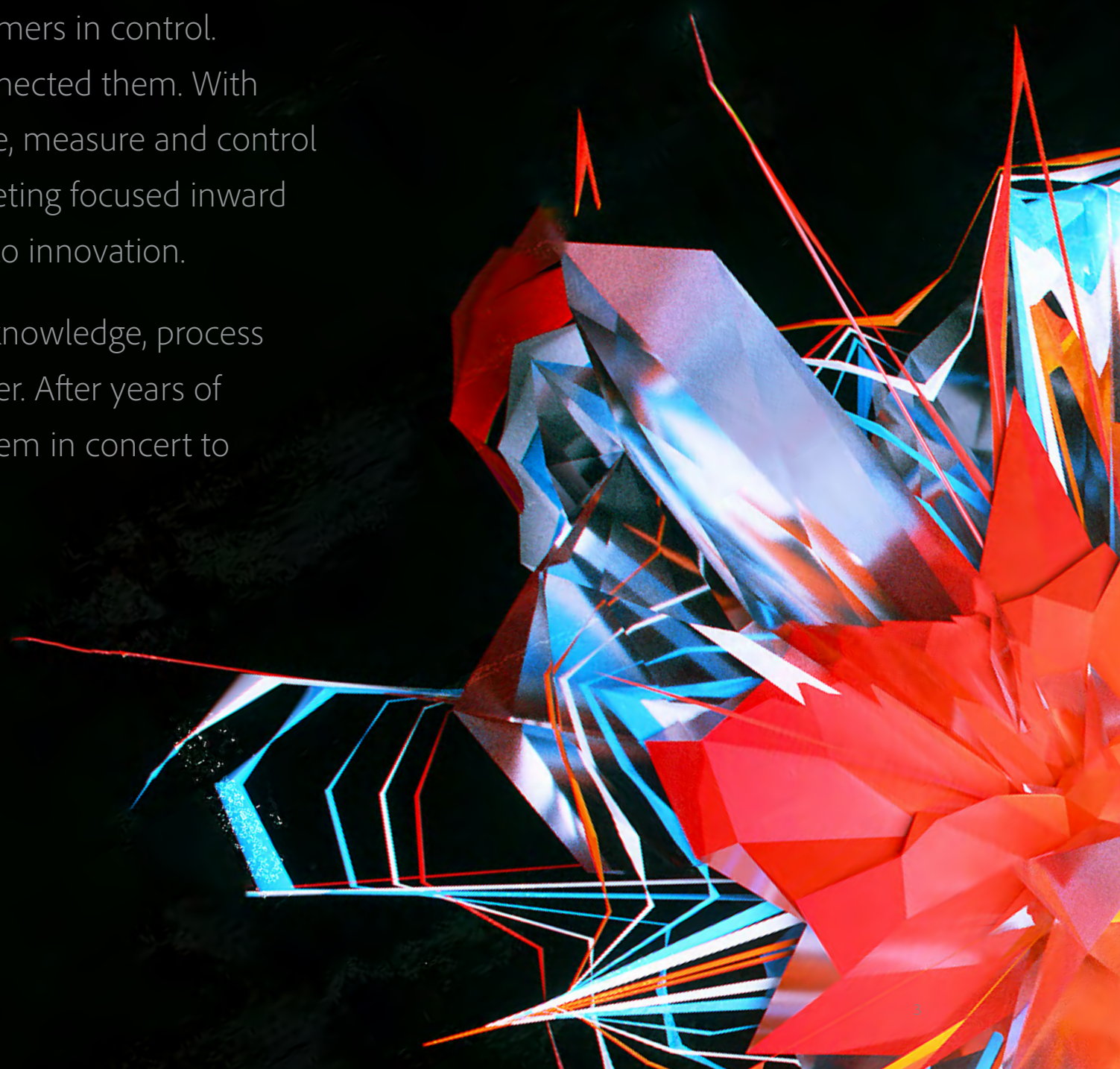
Summary.



Digital marketing is moving **INTO A NEW ERA.**

First came the era of innovation. Search put consumers in control. Mobile devices set them free. Social networks connected them. With each revolution, technology was invented to create, measure and control new and old ways of reaching the customer. Marketing focused inward as the industry formed and reformed in response to innovation.

The second era is just taking shape, but it's about knowledge, process and maturity. Above all it's focused on the customer. After years of assembling new capabilities, marketers can use them in concert to achieve business goals.



Digital marketing has grown up.

Over the past 6 years, Adobe has conducted this annual study to understand and report on key strategies and tactics being deployed in digital marketing. While in past studies we've reported on the rising importance and success of individual tactics such as optimization, process automation and deepening analytics for mobile and personalization, this year we noticed something deeper. The data clearly shows companies that have consciously invested in holistic improvements to their digital marketing program, or digital maturity, are seeing a bigger payoff across a range of tactics—compared with those that have taken more of a one-off approach with digital strategies and tactics.

All marketing organizations evolve over time. Whether that change is successful in the long run depends on whether it's planned or reactionary.

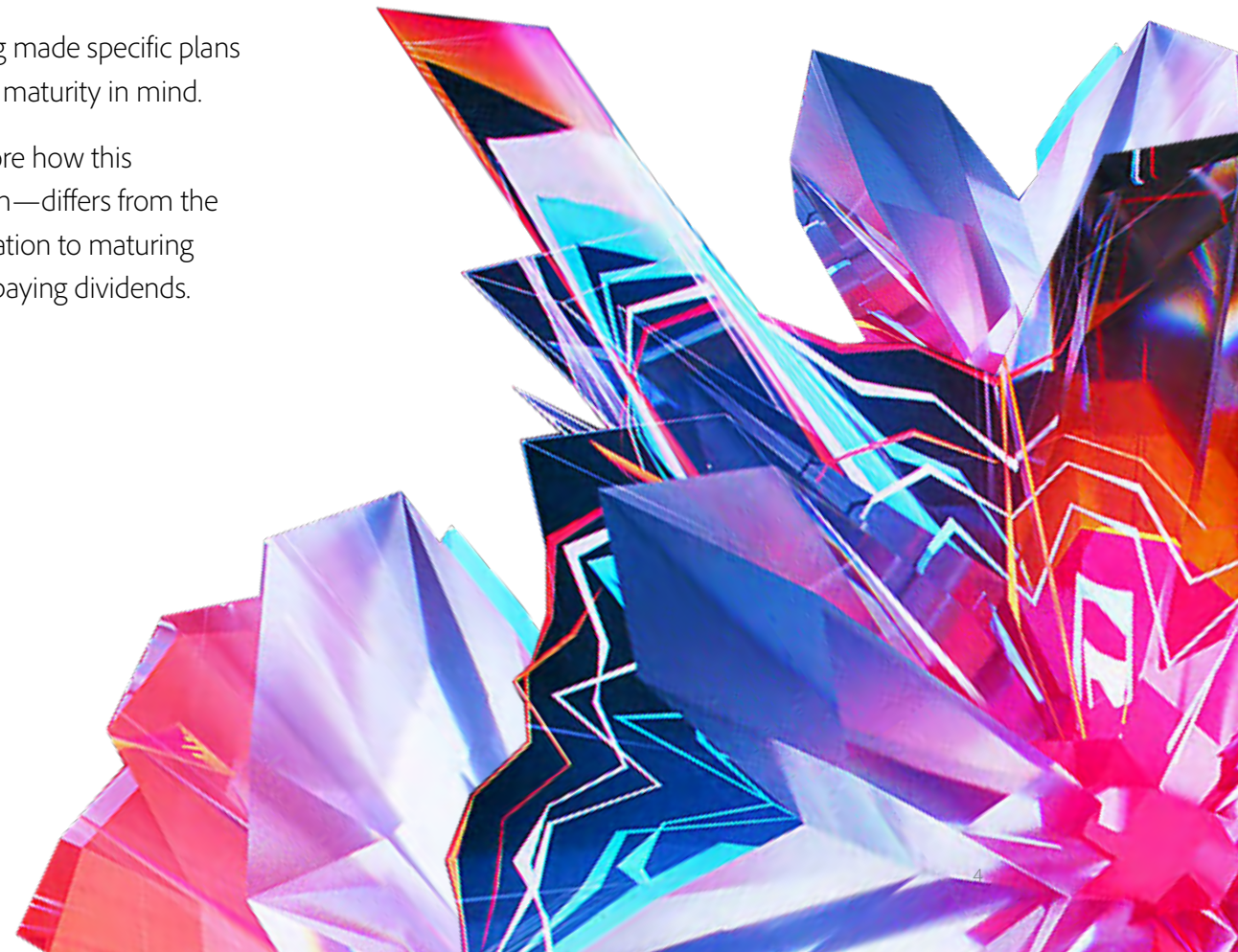
The organizations in this study are split into several categories of digital maturity.

The largest group, comprising 45% of companies, takes an organic approach, with no formal plan for maturing their digital marketing capability. They respond to new conditions but don't plan ahead for them.

Second is a large minority (36%) that sees elements of their strategic plan as moving them to greater maturity, but these elements are not linked. Digital maturity is a byproduct, not an overarching goal.

Finally, an elite 19% reports having made specific plans and investments with their digital maturity in mind.

Throughout this report we'll explore how this group—with its planned approach—differs from the mainstream, and how their dedication to maturing their digital marketing practice is paying dividends.



The elements of maturity

Organizations evaluating their future digital maturity may find it useful to think in terms of four broad categories.

Each area is important in its own right, but research suggests that organizations are most profitable when these four elements work in tandem. They are the foundation of strategic capabilities for understanding the market (holistic view), adapting to new conditions (agility) and creating value in new ways (innovation).

- **Structure**—How are divisions, departments and teams organized to best reflect market conditions?
- **People**—What is the company's approach to building skills? How are people hired, trained and retained?
- **Process**—How do things get done? How are they resourced, managed and supported by technology?
- **Technology**—What platforms, systems and tools are available, and how have they been integrated?

Often organizations will find that they are further along in some dimensions than others. The challenge is to build in areas of weakness without losing momentum in areas of strength.

Does your organization have initiatives in place to mature your digital marketing?

My organization does not formalize plans

45%

We make specific plans and investments to mature

19%

There are priorities in place this year that will help

36%

1 Mature organizations invest in people, process and tools.

Digital marketing asks a lot of its practitioners. Every emerging opportunity comes with technologies to integrate, strategies to adapt and tasks to fit into an already strained schedule.

Mature organizations are strong at adopting and nurturing new capabilities and picking up the responsibilities that come with them, which reflects their work in all aspects of maturity.

Many companies think of new capabilities narrowly, in the context of technology. But those with a planned maturity approach understand that it also means integration into existing processes, sufficient staffing and alignment with strategy.

One sign of a maturing market is that variation decreases. Prices level out, features become standard and moving the needle relies more on small steps than great leaps.

Similarly, maturing digital marketing organizations recognize that optimization is achieved in small ways on many fronts. This is true for every tactic, channel and customer initiative. For example, huge returns on paid search in the middle part of the last decade gave way to incremental gains based on repetition, analytics and testing.

The journey toward optimization is one that many start but few complete. By its very nature, digital optimization is ongoing, with no true end point. But as we enter this customer-focused marketing era, optimization should be seen as an organization-wide mindset that involves continuous, iterative improvement of digital experiences to achieve business goals.

An organization with a culture of optimization uses data to identify areas for improvement on their digital properties, tests ways to make those improvements, and makes frequent and iterative changes based on what works and what doesn't. By further aligning these efforts with business goals, the organization maximizes conversion lift and generates greater ROI from all its visitors' digital experiences. In fact, when multiple departments are involved in testing, average conversion was shown to increase by 14%.

For an organization to have established a true culture of optimization, this continuous, iterative work occurs across all its digital properties and is driven by multiple departments. Doing this requires an optimization toolset with robust, comprehensive capabilities. Equally essential is a cultural shift in the organization that involves establishing a new mindset, along with new processes and potentially new roles.



19%
Companies with maturity plans in place



60%
Likelihood of those companies to be active across the range of digital optimization activities

Organizations with a planned approach to maturity tend to be much more effective at adding new capabilities than organizations with a more haphazard, organic approach. Any plan for digital maturity forces marketers to confront investment and resourcing as they seek to add systems and specific capabilities. In contrast, companies with a non-planned approach often implement a new technology without putting the support in place to take full advantage of it.

The challenge is not simply to engage a variety of techniques and practices, but to be effective and efficient in using them.

Organizations that take the planned approach to their digital maturity are not simply stacking tools on the shelf, they're using them to make steady improvements and gain on their competitors.

Deployment of tactics by firms that invest in digital maturity vs. those that don't.

Mature firms are:

200% more likely to have mobile app analytics

330% more likely to be doing multivariate testing

250% more likely to do attribution modeling

200% more likely to have automated behavioral targeting



2 Mature organizations adapt to the customer. They think and do mobile.

Companies of all sizes, in every sector, think of themselves as “customer-centric.” The reality is that many don’t have the processes in place to listen to customers or to meet them where, when and how they want.

This disparity exists anywhere the brand and customer interact, but it’s most evident in a mobile setting. The rise of mobile is the biggest catalyst of change in marketing today, and 86% of US marketers say mobile channels are extremely or very important to their marketing strategy.¹ Yet, despite the fact that industry averages for mobile traffic and revenue keep climbing, many companies have been slow to adopt comprehensive mobile strategies—and thus slow to create the sites and applications their mobile customers need. In fact, in some of our recent related research, only one-third of firms report having a defined mobile strategy in place in 2015.

Planned maturity organizations recognize the advantages of strategic planning for mobile and reap the rewards. They far outperform their peers, achieving a mobile conversion rate 12% better than the average. And those organizations with an organic approach to digital maturity see a 21% lower mobile conversation rate.

The reasons for this success tie back to fundamentals; how companies approach mobile is an indication of the larger pursuit of maturity.

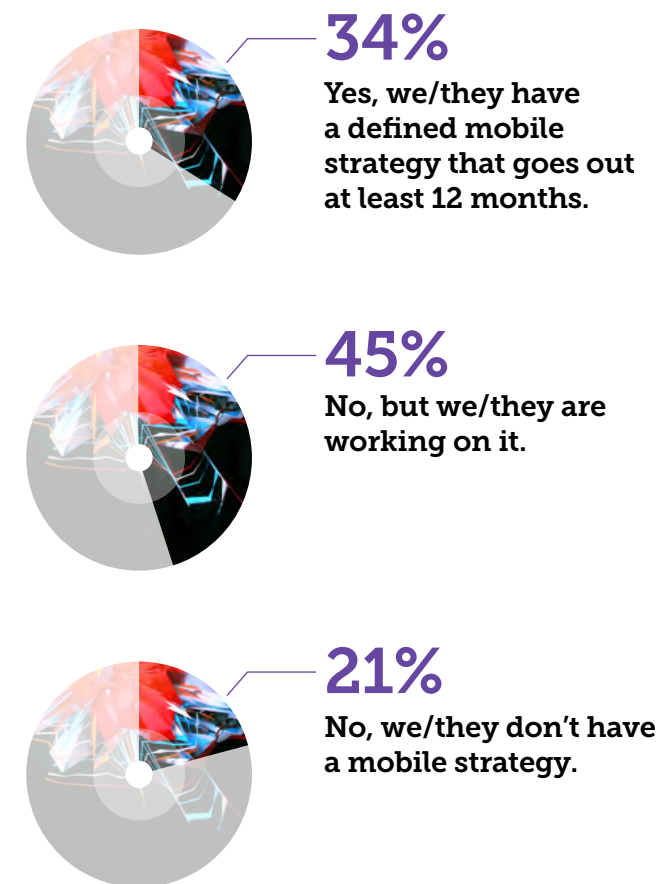
Mobile isn’t a channel. It’s a platform for interaction, engagement and sales that is quickly moving to rival the desktop. To treat mobile as standalone silo is a mistake of structure. Like digital itself, mobile should be woven into the fabric of every marketing strategy and tactic and aligned to key business goals.

To achieve that level of integration means examining processes across the board, from the long-term thinking of new product design to the immediate demands of campaign planning. Every process should at least include the question, “How does mobile affect the end user?” Companies should strive for a more strategic approach with experiments and initiatives contributing to greater mobile maturity in every area.

With the processes in place, the people may follow, but planned maturity companies achieve their improved conversion rates because they align human resources with technology and media investments. Mobile is a new frontier of measurement, customer experience and technology—all of which require training and ongoing education.

Mobile isn’t a channel. It’s a platform for interaction, engagement and sales that is quickly moving to rival the desktop.

Does your organization (or do your clients) have a mobile strategy?



Source: April 2015 Econsultancy / Adobe QDIB

Technology ties together the people and their processes. Mobile marketing technology and tactics have progressed quickly in recent months, but companies vary widely in what they've adopted and just as importantly, how well they're integrated.

For instance, one of the first questions organizations have to address is whether responsive web design meets the needs of their mobile site strategy or not. For some, it may be the magic bullet. But for others—especially when customers expect different experiences across their various devices—it can be their downfall.

To app or not to app? That's another question. Generally, customers who download and visit apps do so in exchange for some value or utility. Apps are used to drive engagement with loyal customers. Visitors typically find mobile sites through search, display ads, social media and other similar avenues, so mobile sites should be designed to engage new and occasional repeat visitors. These are questions that can and should be answered by data insights and optimization. Organizations with a planned maturity approach are nearly twice as likely to be increasing their optimization budgets in 2015 40%.

Mobile optimization and personalization are key to ensuring the designed experiences meet not only

customer expectations and needs, but also key business goals. Last year, only 23% of digital marketers planned to optimize their mobile experiences with A/B testing, multivariate testing or segmentation.² But these are key marketing tactics that can help inform and define mobile strategies as a whole, not just the interaction at hand.

Customizing mobile content is another leading indicator of a company's commitment to provide value on an individual basis. Overall, it's an area where marketing practice hasn't caught up with technical capability. Even among companies with a maturity plan, only 36% are optimizing content on the user level. And that's twice the number of those without a maturity plan.

Recent research shows 69% of marketers agree that consumers are more accepting of behavioral targeting in mobile channels.³ 84% of respondents to this survey said they do not or are uncertain if they automate personalization on mobile. But those that do achieve a 66% increase in mobile conversion rate from the average.

No mobile element stands alone. If the processes aren't there or the people aren't ready, the technology for mobile will be underutilized.

Support for mobile channels of firms investing in maturity versus those that do not.

Responsive site:

58% vs. 44%

Mobile app:

32% vs. 12%

Dedicated mobile site:

28% vs. 17%

Adaptive:

21% vs. 17%

Desktop:

18% vs. 36%



3 Planned maturity companies build an advantage through learning.

There's no finish line in digital marketing. The pace of change in people's lives and work shows no signs of slowing—leaving most brands behind.

Smart marketing organizations recognize that they'll never achieve technical perfection or mastery over every corner of digital. Instead, they try to put the systems in place to learn from many sources of information and act on those lessons.

The figures on the next page suggest that the pursuit of maturity and the pursuit of knowledge go hand in hand. Companies with a planned approach are significantly more likely than their peers to use each of the tools on page 11, and in many cases the difference is dramatic.

Even with tried and true methods there's an enormous gap. Those with a maturity plan are far more likely to invest in mobile analytics (36% versus 14%) and A/B testing (34% versus 14%) than companies with an organic approach.

In most cases, companies building their digital marketing maturity have benefited by starting with foundational capabilities and adding to them. These include the fundamentals of email and search marketing, web analytics and content management, among others.

Even among the planned maturity companies, there is work to be done. While most are practicing web analytics (78% compared to 65% for those with an organic approach), that still leaves a sizable minority flying blind.

Another fundamental capability is the efficient management of site tags, which tie together virtually every internal and external digital marketing technology. Every larger marketing goal depends on these tiny pieces of code and the ability to implement and modify them quickly and accurately.

Less than a quarter (24%) of companies without a maturity plan can gather data from site tags.

More than twice as many (57%) of planned maturity companies can efficiently manage their site tags, and the results are plain: these companies enjoy a 16% edge in conversion rates.



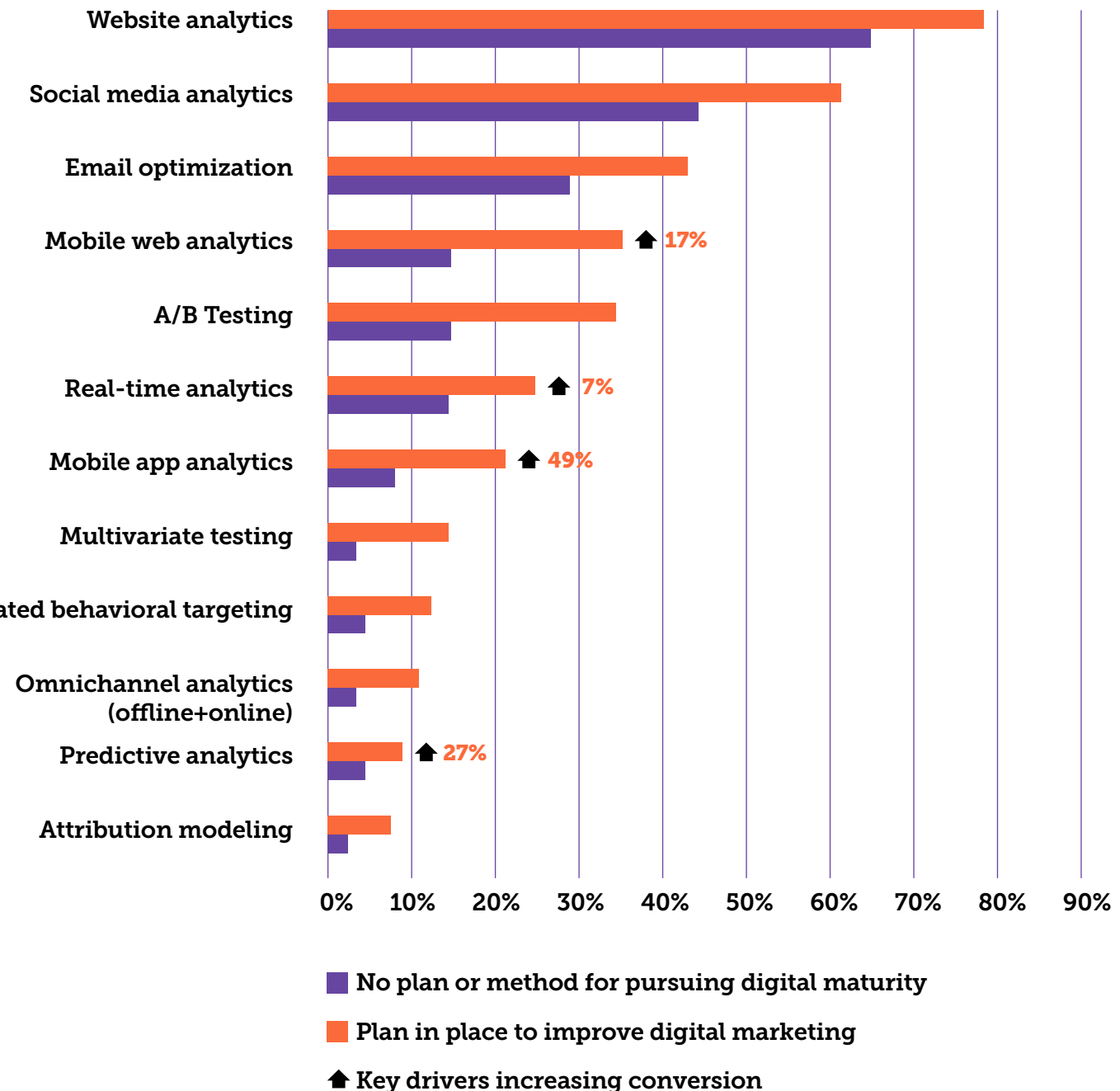
There is also a sharp disparity in some of the more powerful means of testing and analyzing digital programs. For example, those with a maturation plan are at least three times as likely to have mobile application or omni-channel analytics in place, at least three times as likely to use multivariate testing as an optimization tactic, and twice as likely to use automated personalization.

Knowledge is never more powerful than in areas where it is scarce. Emerging digital capabilities give the companies that master them early a decided advantage—for instance, automation of the testing process alone was shown to increase conversion by 15% for all respondents. That kind of advantage is one of the principle goals for those with a planned maturity approach.

In the short-term, organizations with this approach see even greater improvements in conversion rates. For example, digitally mature respondents report mobile app conversion rates nearly 50% higher than those with an organic approach.

But the most important impact of their investment in knowledge may well benefit planned-maturity organizations in the long term. By staking their claim to emerging opportunities like mobile customer experience, real-time and location marketing, brands are ensuring growth. Usage and budgets in these areas are still in their infancy, making this the time to learn, make mistakes and build expertise. As they come into their own, mature brands will be ready to profit.

Use of tools for analysis and optimization



4 They think ahead.

Strategic initiatives without funding are little more than good intentions. Most organizations want to build their digital business and marketing practices, but they're not all willing to extend their budgets to do so. Despite steady increases in most areas, the time spent with digital channels still outpaces the investment.

Collectively, the tactical budget plans highlight the clearest difference between those companies with a plan for their digital maturity and those with an organic approach. The first group is far more likely to increase budget, in all but one category. The most significant differences are in overall marketing management, optimization and analytics.

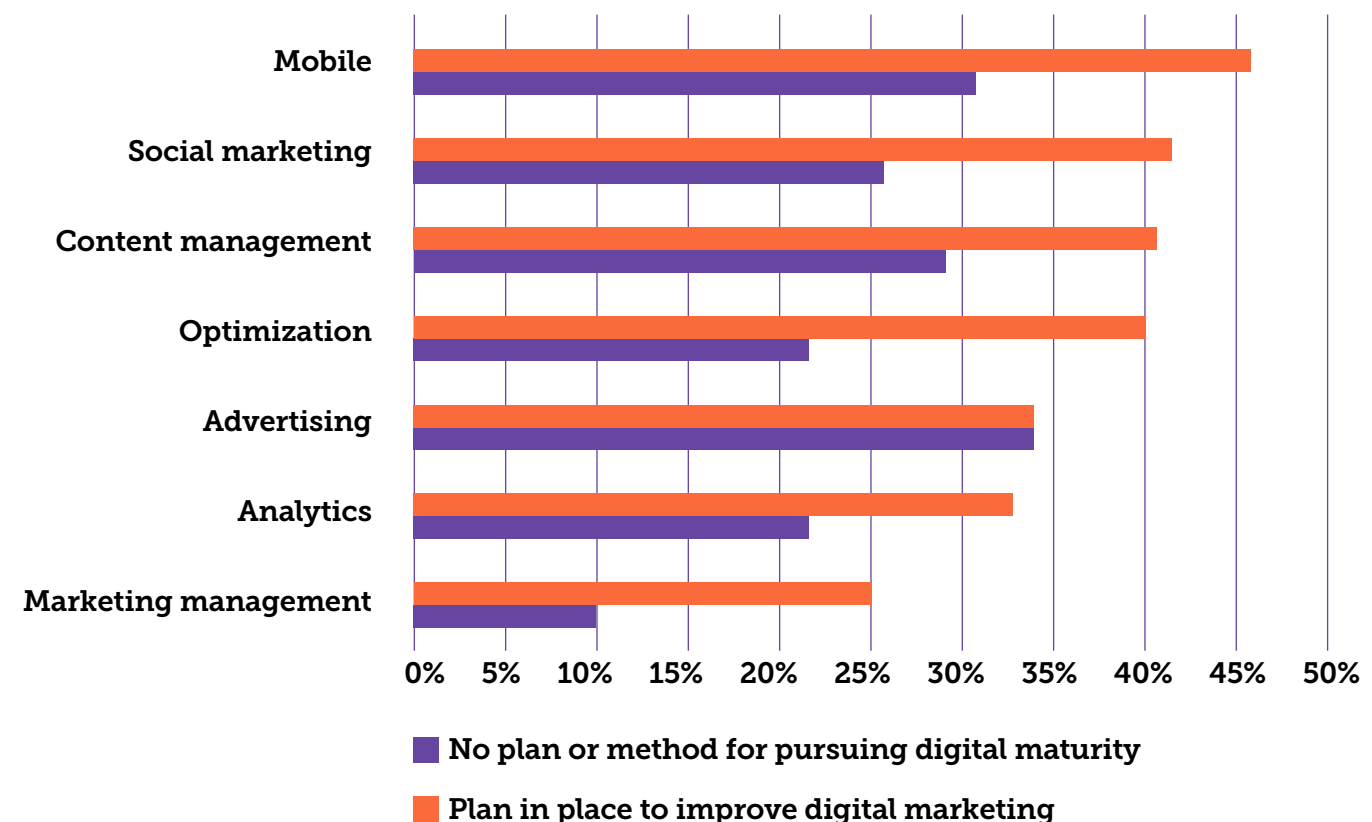
The lack of investment in these areas suggests a concern with short-term goals at the expense of long-term growth.

Digital marketing has embraced a number of inbound marketing techniques to complement (and in some cases replace) paid channels. Companies building this side of their capabilities have to look farther out to evaluate success and justify investment. Building content and optimizing its delivery is not a campaign-to-campaign practice. This approach works in tandem with investment in analytics, social and marketing optimization.

For those companies responding to change instead of leading it, push advertising plays an inflated role in their digital programs. It is a thread to the past, one area where they understand what they're buying, how to buy it and roughly what they might get in return.

For companies pursuing digital maturity, advertising is part of the story, a piece of a larger and more diverse mix that better reflects the complexity of how people behave and how digital marketing is evolving.

Share of organizations increasing budget by area



SUMMARY.

None of the respondents to Adobe's 2015 Digital Marketing Survey have achieved complete digital maturity. Given the dynamic state of consumer behavior and marketing innovation, it's unlikely any ever will.

What's important is their approach. When we compare the companies in the sample, we see consistent and important differences. Companies with a plan for their digital maturity:

- Adapt or build their structures to allow teams and individuals to be quickly organized around a goal instead of a narrow set of goals.
- Hire the people they need to get the most from their technology, but first they seek to train and advance the skills of their existing workforce. They think ahead about how to keep good people from becoming stagnant, focusing beyond their role—on their career.
- Invest time and technology resources in optimizing processes to minimize simple tasks and work to provide data at the points in the process where it's most useful.
- Implement and integrate technology with both the customer and performance in mind. They want to understand what people are doing, what they want and how best to provide it.

These behaviors and priorities allow the kinds of investment, adaptation, learning, and thinking ahead that are the hallmarks of digital maturity.

Investments made by those with the planned approach show the kind of forward thinking that allows focus on what's working and what's likely to work rather than what has always worked. Those with the planned approach know what's working, as they're ahead of the curve in analytics and testing.

In the midst of adapting to a new world of digital marketing, the companies with the planned approach remember to keep the customer first—not only responding to customer wants and needs, but trying to keep ahead of what the customer is likely to want and need tomorrow.

For those without the planned approach, there are some powerful indications that it's time to start strategizing. And even within the planned approach, there are gaps in knowledge to be explored and opportunities to be grasped. This report offers an impetus for investigating those, by showing that they are associated with concrete results. In this new era of marketing, the most successful teams are those that understand the target is moving, but keep moving towards it—as well as keeping an eye beyond it.

To learn more about how you can increase your digital maturity, visit www.adobe.com/go/data-driven-marketing.



Methodology.

In February 2015, Adobe surveyed 957 digital marketers in the United States and Canada to learn priorities and tactics to be deployed in 2015. Industries surveyed included Media, publishing, & entertainment (15%), Marketing agency (14%), Business services (11%), High Tech (10%), Financial Services 7% and Retail (6%).

Adobe Marketing Cloud empowers companies to use big data to effectively reach and engage customers and prospects with highly personalized marketing content across devices and digital touchpoints. Eight tightly integrated Solutions offer marketers a complete set of marketing technologies that focus on analytics, web and app experience management, testing and targeting, advertising, audience management, video, social engagement and campaign orchestration. The tie-in with Adobe Creative Cloud makes it easy to quickly activate creative assets across all marketing channels. Thousands of brands worldwide including two thirds of Fortune 50 companies rely on Adobe Marketing Cloud with over 30.4 trillion transactions a year.

1 Adobe US Marketers Research, February 2015

2 Adobe 2014 Mobile Marketing Survey

3 Adobe US Marketers Research, February 2015



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