TRENDS DISRUPTING THE MARKETING LANDSCAPE

dotdigital

Executive summary

The latest research commissioned by Dotdigital captured insights from over 750 marketing leaders across the UK, US, and Australia spanning 13 different industry sectors, making it its largest CMO research study to date.

The results are reflected in this comprehensive report, which also addresses the global contemporary dynamics and challenges marketers face. This is the beginning of a new trend report defined not by analysts but by marketing professionals themselves, offering unrivaled insights that cannot be sourced elsewhere.

Findings from the report showcase four significant themes: **Adaptability**, **AI divide**, **Engagement**, and **Innovation,** all of which are shaping the strategic frameworks and operational tactics in the marketing sphere.

Milan Patel
CEO,
Dotdigital

"Despite the challenges that come with rapid innovation and stringent regulations, the momentum towards data-driven customer experiences is undeniable. Distinguishing the pioneers from the followers, adoption of AI and sophisticated data practices will form the basis of competitive advantage in marketing."

Major themes

The findings from the survey provide crucial insights for future marketing strategies:

Adapting to regulatory changes

As AI usage increases, marketers must anticipate new regulations and updates to existing acts such as the GDPR. This comes at the same time as the shift towards greater data privacy, and the rise of contextual marketing. Remaining agile in the face of regulatory evolution is imperative.

AI integration and training

Enhancing understanding and capabilities within marketing teams is essential, with AI ingraining itself into the marketing sphere. Nearly one-third (33%) of respondents indicated that they do not feel the team they lead are skilled or confident enough to effectively use AI tools, highlighting the need for comprehensive training and education.

Focus on customer experience and engagement

With consumer expectations and digital noise escalating, cultivating genuine and personalized content to enrich customer interactions will be decisive. Customer experience (CX) is crucial for this, and with 30% of professionals finding personalization challenging, investments in AI and automation could effectively address these gaps.

Innovation

In the rapidly evolving marketing landscape, increased investment in innovation is not just a trend but a necessity for brands seeking to stay competitive and achieve better outcomes. Specifically, automation, influencer marketing, and AI integration are emerging as top priorities for CMOs – especially as many face challenges surrounding content personalization and customer engagement.

Looking ahead, the role of marketing technologies will extend beyond mere data analytics to active engagement creation, including the introduction of more advanced methods to drive direct customer interactions. AI's role will become more structured amidst growing regulatory scrutiny and demands for transparency in AI-generated content.

The insights this report provides will help guide strategic decision-making, assist CMOs and marketing teams with navigating complexities, and leverage opportunities for growth and differentiation in the global marketplace.

Report overview

756
marketing professionals surveyed

Regions

UK   USA   Australia

Average turnover

- £10m -£50m **21%**
- £100m -£500m **29%**
- £50m -£100m **38%**
- £500m+ **12%**

Industries surveyed

1. Architecture, Engineering and Building
2. Arts and Culture
3. Education
4. Ecommerce
5. Finance
6. Healthcare
7. HR
8. IT and Telecoms
9. Legal
10. Manufacturing and Utilities
11. Retail, Catering and Leisure
12. Sales, Media and Marketing
13. Travel and Transport

Average team size

6-10	4-5	11-20	21+	2-3	1
34%	**25%**	**21%**	**14%**	**6%**	**>1%**
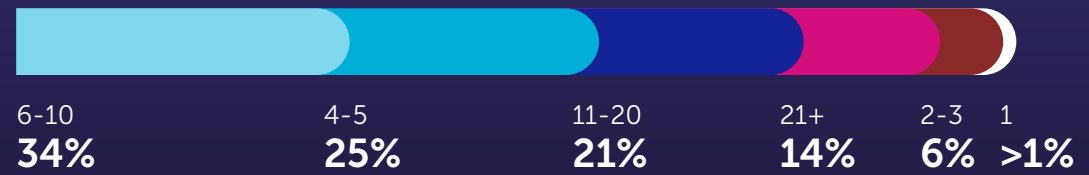
Introduction

In an era marked by the rapid evolution in consumer behavior and emerging technologies, marketers are constantly required to adapt and innovate to stay ahead. Major changes across AI, regulation, and CX are fundamentally altering the way businesses market their products and services, challenging the marketing industry's very fabric.

Recognizing the need for a deeper understanding of the realities faced by today's marketing professionals, Dotdigital commissioned a comprehensive survey designed to uncover insights into the strategies, struggles, and success metrics influencing the field globally.

The survey involved more than 750 marketing leaders from the UK, US, and Australia, spanning 13 different sectors. This report unpacks the survey findings across four central themes shaping the marketing domain today: **Adaptability**, **AI divide**, **Engagement**, and **Innovation**.

750+
marketing leaders from the UK, US, and Australia

13
different sectors participated in the survey

Each theme provides a deep dive into the different facets of the modern marketing environment, highlighting the pressing issues marketing teams face while also unveiling pathways for growth and improvement. By exploring these themes, the report aims to equip marketing professionals with the knowledge and tools needed to navigate their challenges and harness the full potential of their resources in a digital marketing world that is being put to the test.
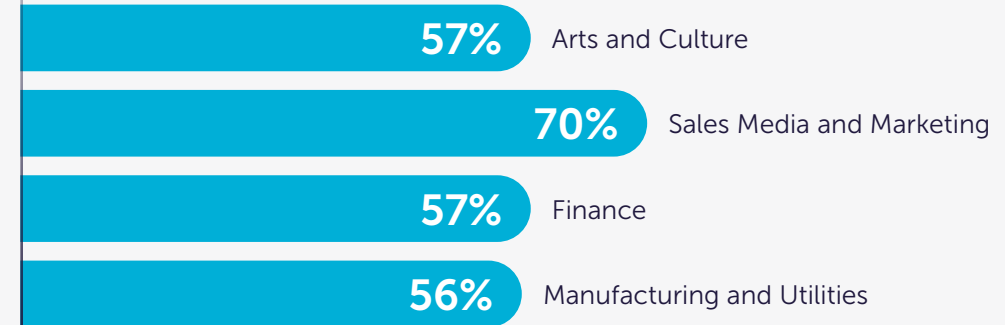
Many industries are grappling with the same challenges and experiencing plateauing performance because of fierce competition. Regulatory compliance is one of the most pressing issues. Nearly half of those surveyed still feel unprepared to deal with the evolving regulatory landscape, with many citing a lack of visibility and control of endpoints as a barrier to maintaining compliance with regulations such as GDPR.

For marketing professionals, the current landscape necessitates a keen awareness of various metrics and strategies to remain effective. For instance, implementing smarter personalization tactics can increase marketers' relevance in customers' inboxes. Additionally, crafting content that fosters engagement can improve the overall success of their campaigns.
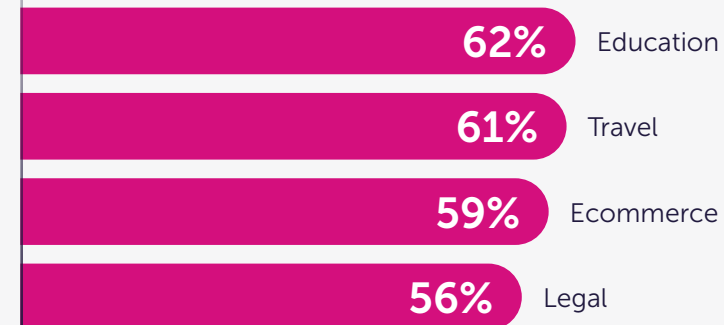
The data from the report shows some sectors are in agreement with each other. Both HR and IT & Telecoms put the adoption of MarTech as the biggest challenge they are currently facing, showing us that some sectors are yet to feel aligned with current technological advancements. Other statistics show that Sales, Media and Marketing are the most prepared industries for data regulation changes, with 69% citing they are fully prepared. In contrast, Travel and Transport are the least prepared for these changes, with 13% citing they haven't addressed them at all in their marketing strategy yet. This tells us that across different sectors, different challenges are being faced, based on how up-to-date it is with current marketing trends and activity.

The data gathered in this report will help CMOs refine their marketing strategies to deal with these trends and shape future decision-making. By clearly identifying where current marketers are succeeding and struggling, the right changes can be implemented to uplift those successes to new heights.

Industries fully prepared for data regulation changes

- **57%** Arts and Culture
- **70%** Sales Media and Marketing
- **57%** Finance
- **56%** Manufacturing and Utilities

Industries NOT fully prepared for data regulation changes

- **62%** Education
- **61%** Travel
- **59%** Ecommerce
- **56%** Legal

Adaptability to rapidly changing landscapes
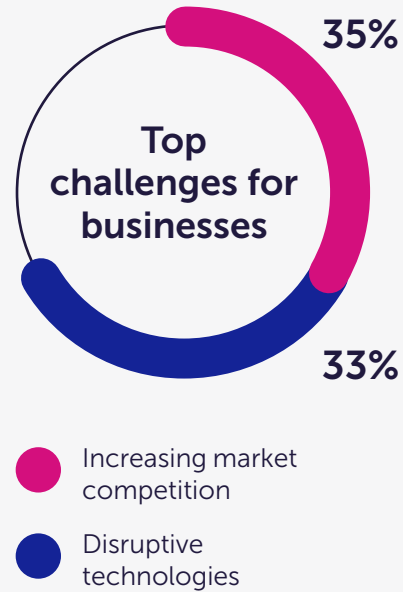
Our research highlighted a prevailing sense of hesitancy among businesses, a shared struggle to which many can relate. Almost half of respondents feel unprepared for the evolving regulatory landscape, particularly around data privacy changes.

More than a third of those surveyed see increasing market competition as a significant challenge, while disruptive technologies such as artificial intelligence (AI) pose a core challenge for 33% of the respondents.

The root causes of this hesitancy seem multifaceted. One major factor is the rapid proliferation of marketing software, which, while streamlining administrative and technical tasks, also blurs the lines of differentiation among competitors. Businesses now face the challenge of distinguishing themselves when the tools at their disposal can seem increasingly ubiquitous, especially as 28% of respondents named a lack of understanding of platforms/tools as their top concern. This scenario raises crucial questions about how companies can leverage these technologies to forge a distinct identity and maintain a competitive advantage in an ever-growing industry.

Top challenges for businesses

35%

33%

- Increasing market competition
- Disruptive technologies

Moreover, the emergence of advanced software (such as instant personalized capabilities from the minute a customer lands on your site for the first time) presents a dual-edged sword; it provides more room for creative, strategic development but also demands swift adaptation to its capabilities and implications. Furthermore, compliance with data privacy regulations like the General Data Protection Regulation (GDPR), which has been effective for six years, continues to be a stumbling block for many companies despite its long-standing implementation. In fact, 32% of marketers have cited regulatory compliance as the biggest challenge within their marketing team.
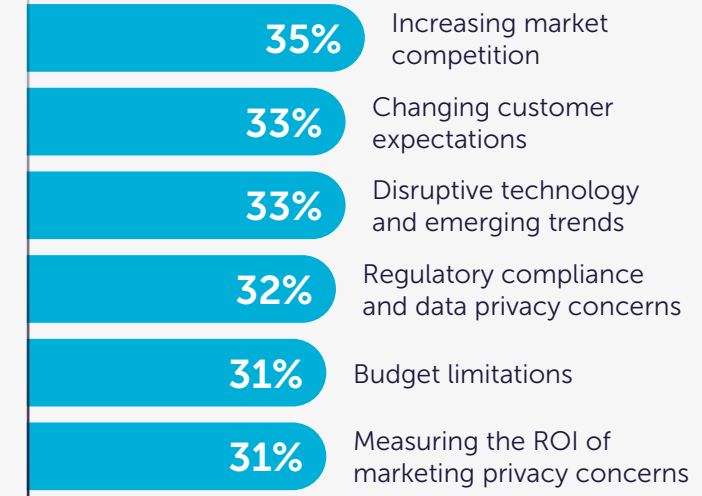
This ongoing challenge may be attributed to the continually shifting legal landscape, including variations in data protection laws across the US and complexities introduced by Brexit.

The US in particular exhibits a fragmented approach, with states like California implementing a Consumer Privacy Act (CCPA). But, while discussions about a federal privacy law gains momentum there, the UK is facing increased disruption as lawmakers prepare to implement a new Digital Protection and Digital Information Bill (DPDI).

The landscape of rapid technological advancements and shifting regulatory demands presents both a challenge and an opportunity for businesses. Those who can adeptly manage their data, embrace technological solutions intelligently, and carve out a unique market position may find themselves at a distinct advantage, poised to capitalize on the creative and strategic possibilities enabled through intelligent data management.

Challenges marketers are facing

Percentage	Challenge
35%	Increasing market competition
33%	Changing customer expectations
33%	Disruptive technology and emerging trends
32%	Regulatory compliance and data privacy concerns
31%	Budget limitations
31%	Measuring the ROI of marketing privacy concerns

Note: Respondents could select more than one option.

Global regulatory changes for the last 10 years

EU

General Data Protection Regulation
Strengthens data protection and privacy for individuals within the EU and the European Economic Area (EEA); includes data transfer outside the EU.

USA

California Consumer Privacy Act
Provides California residents with rights related to the access, deletion, and sharing of personal information collected by businesses.

USA

California Privacy Rights Act
Expands the CCPA by adding new consumer rights, establishing the California Privacy Protection Agency, and increasing compliance requirements.

EU

Digital Markets Act
Introduces regulations for large online platforms designated as "gatekeepers" to ensure fair competition and to prevent anti-competitive behavior.

CANADA

Consumer Privacy Protection Act
Seeks to replace part of PIPEDA with more stringent requirements, focusing on consumer rights over their personal data.

2016 2017 2018 2019 2020 2021 2022 2023

AUSTRALIA

Privacy Amendment (Notifiable Data Breaches) Act
Introduces mandatory data breach notification requirements for entities covered by the Australian Privacy Act 1988.

BRAZIL

General Data Protection Law
Similar to GDPR, governs data processing and grants rights to data subjects.

SOUTH AFRICA

Protection of Personal Information Act
Regulates the processing of personal information by public and private bodies to safeguard personal data.

CHINA

Personal Information Protection Law
Regulates the processing of personal data, enhances individual rights, and imposes duties on data processors.

UK

Data Protection and Digital Information Bill
Aims to reform the UK GDPR while maintaining high data protection standards post-Brexit.

DOTDIGITAL CMO TRACKER

The AI divide

The rapid explosion of artificial intelligence (AI) tools has already changed how most marketing teams operate with 32% using AI for marketing automation and 31% for data analysis – but there are still some factors that are holding marketing professionals back from fully embracing AI.

This hesitance among marketers appears rooted in several concerns. A significant number of these professionals, around 33%, admit to a lack of confidence and skill in utilizing AI tools effectively, while 30% express apprehension due to data privacy issues associated with open-source models.

Even with these challenges, AI is gradually being integrated into various marketing tasks, with 100% of respondents citing AI as a currently used tool in their work. This high uptake is largely due to MarTech providers swiftly incorporating AI into their platforms, making it a usable and integral part of daily marketing activities.

Marketing automation powered by AI has emerged as a top investment priority for 44% of marketing professionals. This trend underscores a strategic pivot towards crafting more nuanced, personalized campaigns. Such technology not only supports

33% of professionals admit to a lack of confidence and skill in utilizing AI tools effectively.

30% express apprehension due to data privacy issues associated with open-source models.

the technical facets of campaign management but also frees up creative and strategic bandwidth, allowing teams to focus more on innovation and originality of campaigns.
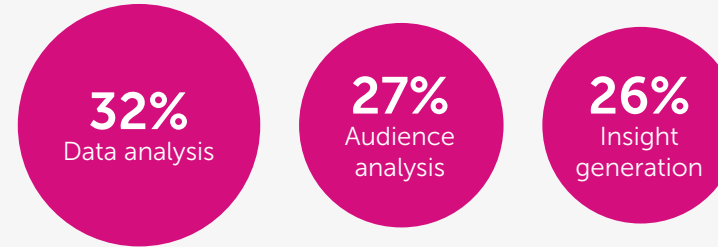
Despite the embrace of AI by CMOs and the broader strategic shift towards its adoption, the adoption of generative AI within creative marketing functions production remains sluggish. For example, only 23% utilize generative AI for copywriting, while 28% utilize it for video creation. This reflects a disparity that could potentially widen into a global digital skills gap, particularly in the content creation ambit.

As the integration of data and marketing intelligence reshapes business communication with customers, there will be a growing need for marketers with diverse and expanding skills. Soon, it will be essential for businesses and their marketing teams to have expertise in analytics, creative thinking, and AI integration.
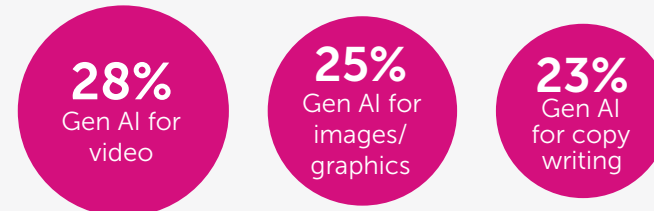
The future impact of AI hinges on how companies deploy the technology and establish guidelines governing its use, shaping what marketing teams can or cannot do with AI tools. It's a dynamic that underscores the need for a balanced approach to integrating AI in marketing strategies, ensuring that while technology advances, it doesn't outpace the skill development of the professionals relying on it.

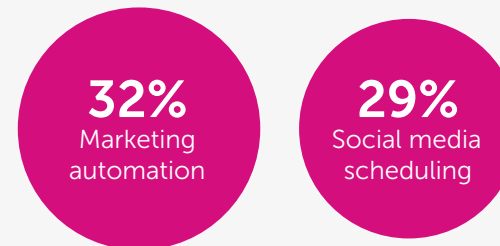## AI tools marketers currently adopt to support their teams

Reporting & analytics

32% Data analysis

27% Audience analysis

26% Insight generation

Generative AI

28% Gen AI for video

25% Gen AI for images/ graphics

23% Gen AI for copy writing

Automation

32% Marketing automation

29% Social media scheduling

Note: Respondents could select more than one option.

The power of engagement

Marketers are finding it increasingly challenging to keep up with ever-evolving consumer expectations and digital trends. Social media and email marketing are the areas where marketers feel they get the best return on investment with 30% of respondents naming these as their channels of choice.

Re-evaluating engagement strategies tops the priority list for CMOs. Yet they often feel like they're being pulled in different directions as they encounter obstacles in almost equal measure. These include increasing market competition (34%), budget limitations (31%), and changing consumer expectations (33%).

Top marketing channels providing businesses with the best ROI

%	Channel
30%	Email marketing
30%	Social media advertising
27%	Website personalization
25%	Content creation
24%	Events
24%	Mobile messaging
24%	Organic social media management

Note: Respondents could select more than one option.

Our challenge is that it takes Gen Z just

1.34s

to lose interest in an advertisment.

Given the escalating market competition, insights from the Dotdigital Global Benchmarking Report reveal some interesting trends: global email sends have surged by 21%, and open rates have increased by 57%, while the click-through rate (CTR) has experienced a decline of 15%. Additionally, traditional success metrics like open rates have become harder to interpret due to features like Apple's Mail Privacy Protection (MPP).

As these statistics illustrate a landscape of disruptive change, it's led to an environment in which brands are increasingly intensifying their digital marketing tactics in an effort to stay competitive. This in turn has led to congested inboxes, making achieving action from customer engagement even more difficult.

So, a key question on marketers' minds is how to create valuable engagement in this environment. For instance, capturing the fleeting attention of Gen Z, who may lose interest in an advertisement in just 1.34 seconds, has become a formidable challenge. In order to grasp the attention of this generation, and others, it's important to create content that is hyper-personalized. By using zero-party or first-party data to tailor ads and emails, and extending this personalization to customized homepages, marketers can offer unique, tailored experiences that help to increase their CTRs.

In a significant shift, marketing teams are increasingly taking ownership of managing CX. Despite the traditional notion of CX teams transcending departmental structures, more marketers (33%) are citing CX as a focus and a key responsibility. This is a testament to the growing importance of customer experience despite CX indexes showing a declining trend. This is due to the increase in leverage given to brand loyalty; when customers have a positive experience with your brand, the potential for organic growth is huge.

Establishing trust and ensuring a positive experience are fundamental, as demonstrated by the "belong effect." Engagement levels soar when a brand effectively integrates into an individual's community. Most community members (79%) are willing to participate in initiatives involving the brand, and an impressive 90% would try to get others to join.

Marketers can build a brand community by creating spaces for customers that aren't about selling them anything. A great example of this includes Sephora's 'Beauty Insider Community' where customers can share beauty looks and tips with others, promoting engagement and harboring a positive network of like-minded individuals.

The interplay between brand and customer communities revolves around engagement and loyalty. Both can energize consumer engagement, with brand communities enhancing emotional bonds through shared values and identity, and customer communities supporting practical interaction and problem-solving.

Who is responsible for the customer experience?

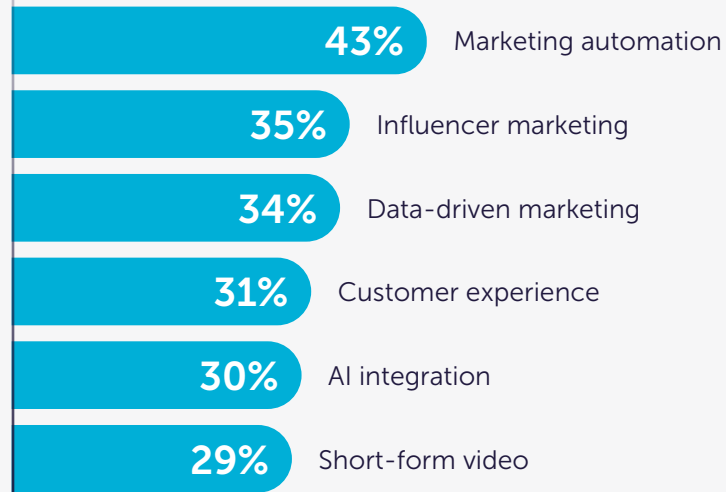|	
33%	Marketing
11%	CX agents across different departments
11%	Customer support
10%	Dedicated CX department
10%	Sales

Innovation

CMOs are increasingly betting on innovation as a key growth driver, with automation now becoming the gold standard in the industry. Marketers reported top investment areas as automation software (43%), influencer marketing (35%) and AI integration (30%), underscoring marketing professionals' intention to liberate their schedules to focus on more creative and strategic initiatives.

By using marketing solutions that unlock and enrich data, brands can deliver more personalized messages at scale, starting from the first moment someone lands on your website. But with this, CMOs need to be adopting new technologies with confidence to have the highest chance of success. By harnessing these technological advancements, CMOs can empower their teams to create the best experiences without the heavy lifting. For example, Dotdigital's website personalization platform, Fresh Relevance, can tailor website content to a visitor based on factors including behavior, location, context and preferences.

Which marketing trends do you plan to invest in?

43% Marketing automation

35% Influencer marketing

34% Data-driven marketing

31% Customer experience

30% AI integration

29% Short-form video

Note: Respondents could select more than one option.

When software can use data and insights to automate the best moments-based marketing and hyper-personalization, you create a CX experience that delivers conversions and ROI consistently.

As we also examine the increasing investment in influencer marketing, it's important to note the transformative changes this industry is undergoing. More influencers now engage in experience-based events that will significantly alter influencer marketing strategies. The rise of 'de-influencing' and the 'micro-influencer' has seen influencers move beyond the traditional approach of product endorsements through videos in favor of in-person events and authenticity. This shift fosters a sense of community and integrates influencers more deeply into the brand's core marketing activations.

Increasingly, influencers are being incorporated into in-house teams as well, where they provide unique insights and consultation that enhance the marketing team's understanding of current trends, as highlighted in the Influencer Intelligence 2024 Report. By getting ahead of this 'de-influencing' trend, bringing influencers in-house, and exploring new ways to turn fans into customers, CMOs can leverage influencer expertise for deeper brand integration and community building while fostering a culture of creativity and innovation within their team.

Key report takeaways

→ For businesses considering implementing AI, the shift represents a **promising advancement that demands a proportionate growth in confidence levels regarding integrating new technologies**. Seasoned CMOs need to embrace these changes, even if they themselves don't feel aligned. The integration of new technology into existing frameworks will take precedence over the next year.

→ Effectively engaging today's consumers requires a strategic approach without compromise to authenticity. Marketing professionals need to **leverage technology to reclaim valuable time**, which in turn might help them keep up with current trends. First-mover advantage is paying off more than ever, making it crucial to stay ahead in adopting innovative technologies.

→ **Investment in innovation is emerging** as a dominant market trend which creates space for more creative strategies and better results. Investing in AI and automation technologies can play a crucial role in addressing specific challenges, such as content personalization – which 30% of marketers find challenging.

Solutions

To address the pervasive sense of hesitancy, CMOs should consider investing in continuous professional development programs focused on emerging regulatory frameworks, particularly in data privacy. Preparing for these integrations involves ensuring data is properly managed and compliant with relevant regulations, avoiding potential fines or complaints.

Adopting AI integration involves more than just investing in the right tools. It's about ensuring a solid understanding of AI across marketing teams and implementing comprehensive AI training. Additionally, implementing clear guidelines and security measures for handling data privacy can address concerns and develop trust in utilizing open-source AI models. This collective effort is essential to tackle any hesitance and ensure a smooth transition. A great place to start is by investing in marketing software that integrates AI from within, giving your team the security and resources they need.

Prioritizing agile marketing practices and continuous learning can enable marketers to dynamically shift strategies, ensuring they remain competitive and compliant. This will create valuable engagement, as it will resonate with evolving consumer preferences.

It's equally important to invest in team innovation, providing training that allows team members to become specialists or experts in specific marketing domains and fostering internal innovation beyond just technological solutions. With the right innovation, businesses can tap into new markets and boost sales and revenue.

The year ahead

Several trends are predicted to shape the marketing landscape. Marketing leaders predict data privacy regulations to be the biggest opportunity for their marketing teams (36%). When discussing AI, the majority expect that a lack of prompting skills is the biggest concern in their team (33%).

Marketing functions are expected to increase their ownership of customer experiences, leading to a shift in expectations from marketing technologies. Rather than treating the marketing automation platform as a mere activation layer, CMOs will expect these platforms to engage in heavy lifting of data such as generating customer insights and analytics.

There's a consensus that these platforms should facilitate two-way communications and extend beyond traditional channels, incorporating tools such as the WhatsApp Business API to reach consumers directly. This means decision-makers will be looking for platforms that display CDP-like capabilities.

AI integration is anticipated to become more consequential and considered. Amidst regulatory scrutiny and the technology hurtling towards Gartner's Hype Cycle term "Trough of disillusionment" – a phase of reduced expectations following initial enthusiasm – businesses are predicted to adopt a structured approach to AI implementation. This comes at a time when AI's role in content creation is under greater scrutiny by consumers who demand transparency regarding the use of AI in the content they consume, alongside an assurance of human-AI collaboration.

Moreover, this trend is anticipated to gain momentum in a context marked by elections and global political shifts, where the risk of AI-generated disinformation could tarnish the technology's reputation. AI also faces a well-documented profitability issue, as exemplified by OpenAI.

Lastly, there is an expected surge in authentic connections with micro-influencers. Brands will likely feel more confident in forging partnerships with these influencers, who typically have between 1,000 and 100,000 followers. Micro-influencers offer significant advantages due to their ability to connect meaningfully with target audiences on subjects that align closely with the brand's values, providing cost-effectiveness and added credibility for higher engagement rates.

Closing statement

Engaging today's consumers demands a strategic approach that balances innovation with authenticity.

The evolving marketing landscape demands that we not only navigate significant shifts, such as the rise of contextual marketing alongside the increased emphasis on data privacy, but also invest in technologies that drive creative, tailored customer experiences.

Ultimately, embracing AI and automation is no longer optional – it's imperative for maintaining a competitive edge. The reality of AI within digital marketing is that we can now offer more dynamic, responsive, and highly personalized consumer interactions than ever before – and it's our responsibility as marketers to embrace these advancements while also ensuring data privacy and ethical considerations are consistently addressed in order to maintain customer trust.

**Juliette Aiken**
CMO,
Dotdigital

"Particularly interesting is the growing percentage of marketing teams now responsible for CX (33%). Marketers we speak to are increasingly looking for a marketing automation platform with CDP-like capabilities. This is key to customer-centricity in marketing which is good for business and consumers alike."

About Dotdigital

Dotdigital is an all-in-one customer experience and data platform (CXDP) that empowers marketing teams to exceed customer expectations with highly personalized cross-channel journeys.

With Dotdigital, marketers can seamlessly unify, enrich, and segment customer data. Breaking down data silos, Dotdigital streamlines decision-making and paves the way for marketing creativity that delivers customer engagement at scale.

With powerful AI capabilities, Dotdigital makes it easy to automate deeply personalized experiences across web, email, SMS, WhatsApp, chat, push, social, ads, and more.
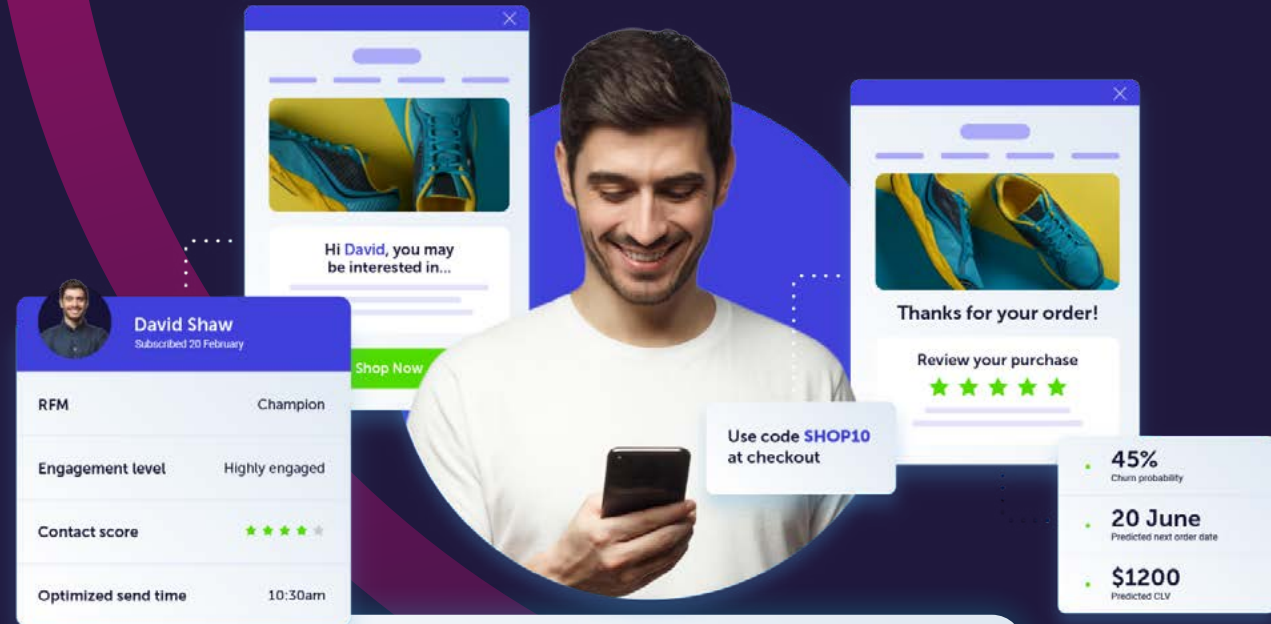
Are you looking to elevate your marketing with personalized customer experiences? Learn how our platform and expert guidance can help you unlock your customer data and maximize your returns.

Watch a quick demo

dotdigital

Discover more at **dotdigital.com**