



# Marketing Futures

INNOVATE. ACCELERATE. GROW.

2020 Edition

## CMO Trend Brief

# Digital Transformation

**ANA Marketing Futures** focuses on the innovations and trends that will shape the future of marketing to prepare brands for the challenges and opportunities that lie ahead.

### What is Digital Transformation?

eMarketer defines digital transformation as the process by which business leaders harness the capabilities and advances of emerging technologies to digitally reinvent their company's operations, products, marketing, culture, and goals for future growth. Digital transformation is not merely the adoption of new technology, but rather a way of orienting a business toward success in an increasingly digital business and consumer environment.

## **Why Should Marketers Care?**

In the past decade, new industries have emerged while old ones have crumbled, almost entirely due to changes brought about by advancements in digital technology.

For marketers, embracing digital transformation is no longer optional; it is vital for a brand's survival and growth. Those who embrace digital transformation position themselves for success.

## **How Can It Help Your Business?**

Digital transformation is a two-sided coin: on one side is digital disruption, while on the other is digital opportunity. Marketers can disrupt, rather than be disrupted, by understanding their customers better than ever before, crafting and tweaking personalized creative more efficiently, and reaching consumers in the ideal place, time, and context to drive engagement and, ultimately, sales.





## Behnam Tabrizi

Harvard Business Review

“Why do some [digital transformation] efforts succeed and others fail? Fundamentally, it’s because most digital technologies provide possibilities for efficiency gains and customer intimacy. But if people lack the right mindset to change and the current organizational practices are flawed, [digital transformation] will simply magnify those flaws.”

## Five Trends in Digital Transformation in 2020

1

**Quality data plus quality analytics will give companies the best picture yet of their customers.**

Companies that rise to the top using digital transformation understand that each customer has a unique digital identity.

Those who pair the seemingly infinite amount of data available with excellent analytics can truly make sense of those digital identities and market personalized products and services to them.

2

**Connectivity will be better than ever.**

Daniel Newman, a principal analyst of Futurum Research and CEO of BroadSuite Media Group, calls 2020 “the year of 5G,” explaining that faster broadband and more reliable mobile networks will not just improve the consumer mobile experience, but 5G will also boost the growth of smart cities, smart vehicles, and smart devices.

3

**Evolving technologies will offer new opportunities for marketers.**

Paul Daugherty and Marc Carrel-Billiard specify DARQ as a key set of tech that will be a differentiator: distributed ledger technology (DLT, Blockchain), artificial intelligence (AI), extended reality (XR), and quantum computing. Already, companies have incorporated these technologies into their digital transformations.

## FIVE TRENDS IN DIGITAL TRANSFORMATION IN 2020

4

### Connected devices and hardware will continue to break new ground.

Smart devices, homes, vehicles, and even cities will become more and more capable. The Internet of Things (IoT) will continue to expand as more devices become “smart” and integrated with the devices consumers already rely on daily.

5

### Business digital ad spending will increase.

In 2018, business marketing accounted for only 4.6% of total digital ad spend. Geoff Ramsey of eMarketer says, “Forty percent of business marketers plan to increase their spend for digital display advertising, online content marketing, and social media.”

#### Want to learn more?



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