

THE FUTURE OF MARKETING REPORT

# 7 trends changing the status quo



## TABLE OF CONTENTS

### 03 Executive summary

MarTech 2.0 will change everything

Key takeaways

### 06 Trend 1: It's getting (even more) personal

Why you need enhanced personalization

Goodbye campaigns, hello one-to-one!

With new landscapes come new KPIs

### 10 Trend 2: Omni-channel everything, everywhere

Is your omni-channel really multi-channel?

The future of distributed messaging

### 13 Trend 3: A remapped buyer's journey

The triumph of customer success

Customer lifetime value is finally measurable

The growing importance of the digital-only (or mostly digital) buyer

The expanding capabilities of MarTech

### 16 Trend 4: Great content is everything!

Content that always speaks to the customer

Everyone is a thought leader

The race to maximize search engine placement

Long live the content producer!

### 19 Trend 5: Are you ready for the next iteration of the internet, Web 3.0?

What's Web 3.0?

Opportunities and challenges of Web 3.0

Creating your Web 3.0 strategy

### 22 Trend 6: Own your ESG messaging

ESG is the message

Integrating ESG into marketing

### 25 Trend 7: It's time for a skills shift!

The skills you'll need for success

Adaptability is essential

### 27 Conclusion

### 28 Survey scope and methodology

# Executive summary

Marketing has always had to navigate continual change. But in recent years, the velocity of that change has increased: **emerging marketing tech, new marketing channels, the pandemic, the end of the third-party cookie, the increasing shift to a primarily digital buyer's journey.**

The marketer's playbook has been upended – and will continue to be over the next three to five years. We sought to understand the emerging developments that will impact businesses in the future – so you can prepare for them today.

Our survey of 750 marketing leaders from 11 countries and a range of roles (marketing leadership, data and analytics, customer experience, and MarTech), found that almost 30% believe the function will look radically different in the future, with B2C companies (30%) and those whose marketing is evenly targeted at both B2B and B2C audiences (32%) expecting to see the biggest transformation. Some even suspect traditional marketing techniques will become obsolete.

“When we make any kind of major implementation, we’re generally seeing at least a 10% to 30% increase in revenue.”

AVP, MARKETING, FINANCIAL SERVICES

# MarTech 2.0 will change everything

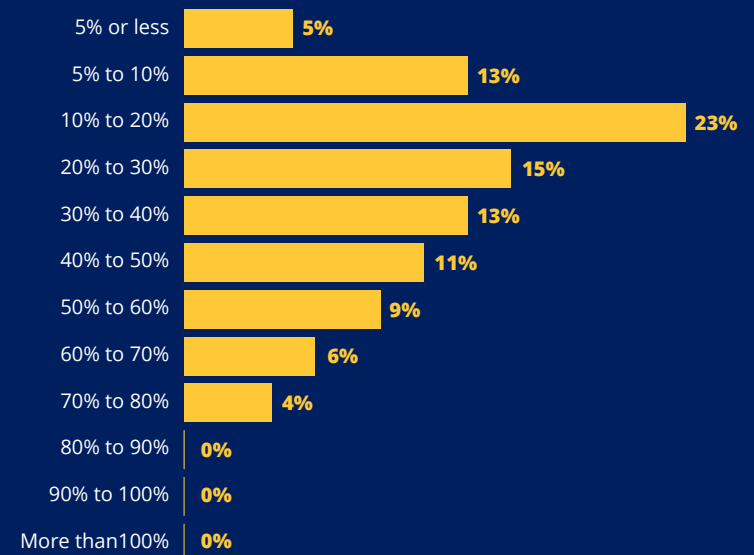
Evolving digital technologies (automation, AI, and machine learning) – often referred to as MarTech 2.0 – **will help drive that shift by creating more personalized, omni-channel customer engagements.** Approximately 30% of companies we surveyed have already adopted this suite of advanced digital technologies.

In the next three to five years, that will practically double to 60%. Deploying these innovative tools will help increase loyalty, maximize customer lifetime value (CLV), and ultimately transform companies' bottom lines. It will change everything from the key performance indicators (KPIs) marketing leaders must meet to the kinds of relationships customers have with companies.

**Everything you thought you knew about marketing is set to be disrupted.**

**Are you ready to adapt, engage, and maximize long-term value?**

**What impact will investment in marketing tech have on revenues in the next three to five years?**



# Key takeaways

Seven key trends will transform marketing in the next three to five years.

## Here's what to expect:

01

AI-powered decisioning and real-time data signals will be key to great one-to-one personalization.

Personalized marketing isn't new. What will change is the degree and scope of personalization as AI and automation take one-to-one marketing to new heights, powered by increasingly rich customer data.

02

Everything will be omni-channel – not to be confused with multi-channel.

Customers want unified, contextually relevant experiences across all channels. Businesses may have only just started to implement their omni-channel strategy or have struggled to deliver a connected customer experience. In the future, they will need to intensify their efforts to increase customer satisfaction and improve conversion.

03

It's the end of the buyer's journey as you know it.

MarTech's increasing ability to offer more personalized and dynamic journeys, along with the ubiquitous move to digital channels, has remapped the buyer's journey. Expect it to be customized to each buyer in the future.

04

Quality content will be business critical.

Excellent content won't just be a part of marketing – it will be absolutely integral. Expect intensifying competition for SEO rankings and buyer attention.

05

Everyone will need a strategy to adapt and engage with customers in the next iteration of the internet, Web 3.0.

Want to know more? Don't worry – we'll give you a more robust definition of how Web 3.0 might work on page 20. Suffice to say, marketing will need a good grasp of Web 3.0 options and informed, agile approaches to utilize them.

06

Environmental, social, and governance (ESG) and corporate social responsibility (CSR) will need to be part of your marketing DNA.

Marketing's ESG deliverables won't just be once-a-year reports. As these metrics become increasingly important, we'll see ESG integrated throughout all marketing activities.

07

More skills and knowledge of tech will be needed.

The marketer of the future will be adaptable and comfortable using AI to power more decision-making. Creativity, problem solving, and strategy will also be key to navigating the changing marketing landscape.

## TREND 1

# It's getting (even more) personal

Personalized marketing is not a new concept. But its scope and degree of personalization will change in the next three to five years. By combining volumes of customer data and advanced technologies, companies can unleash an unprecedented capacity for customized engagements.

# Why you need enhanced personalization

Most customers encounter dozens of marketing messages a day. And while those programs are sometimes personalized, they can't cut through the noise. **True personalization demonstrates that your company understands and empathizes with customers' needs.**

True personalization means tailored content pieces and personalized messaging – but they must also be contextually relevant and perfectly timed. This will be fueled by technologies that can better interpret customer data, faster.

But personalization will also need to be privacy friendly. Marketers will have to pay close attention to shifting market norms and standards regarding data governance, as well as customers' expectations around how their personal data should be used. Given these developments, our survey found that data privacy and security will be an even bigger challenge for marketers over the next three to five years than it is today.



## Goodbye campaigns, **hello one-to-one!**

One-to-one marketing is ascendant! The future is real-time, AI-powered decisioning that always suggests the right next action to increase customer loyalty and spend.

In the future, AI will decide what messaging to send to a customer based on their past actions, real-time signals, and contextual data, including how other buyers like them have reacted. Think engagements that have multiple journeys depending on how the buyer interacts with each stage. One-to-one engagements allow brands to adapt instantly, engage with empathy, and maximize long-term value – all while improving conversion rates.





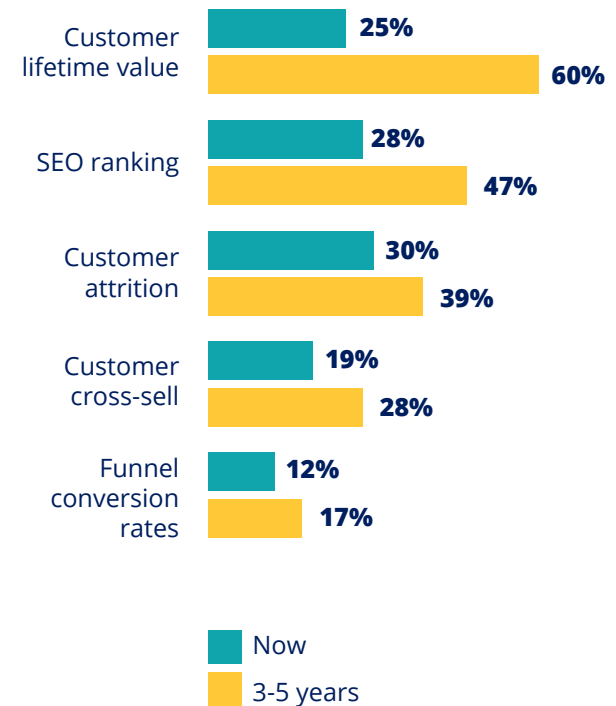
## With new landscapes come new KPIs

Key performance indicators (KPIs) like customer retention, cross-sell, and CLV will **increase in value to better gauge the success of personalization and one-to-one marketing.**

“We already do personalized marketing, but we continue to trend towards that more and more. Every year, I feel like we’re expanding our reach.”

**SENIOR MARKETING MANAGER, LIFE SCIENCES**

Compared to now, how will the importance of the following KPIs increase in the next three to five years?



## TREND 2

# Omni-channel everything, everywhere

Our study found that the importance of social, experiential, mobile, video, and influencer marketing is set to increase, which is linked to the growing importance of omni-channel. But are you doing omni-channel correctly in your business?

Marketing leaders in sectors such as Healthcare and Manufacturing are only just starting to focus on omni-channel, or have struggled to deliver on their omni-channel vision because they don't have enough data on all their customer interactions. But this is where advanced tech like AI can help. AI-driven, orchestrated approaches help you do omni-channel better by unifying all your strategies and customer touchpoints – all to add additional value to the buyer.

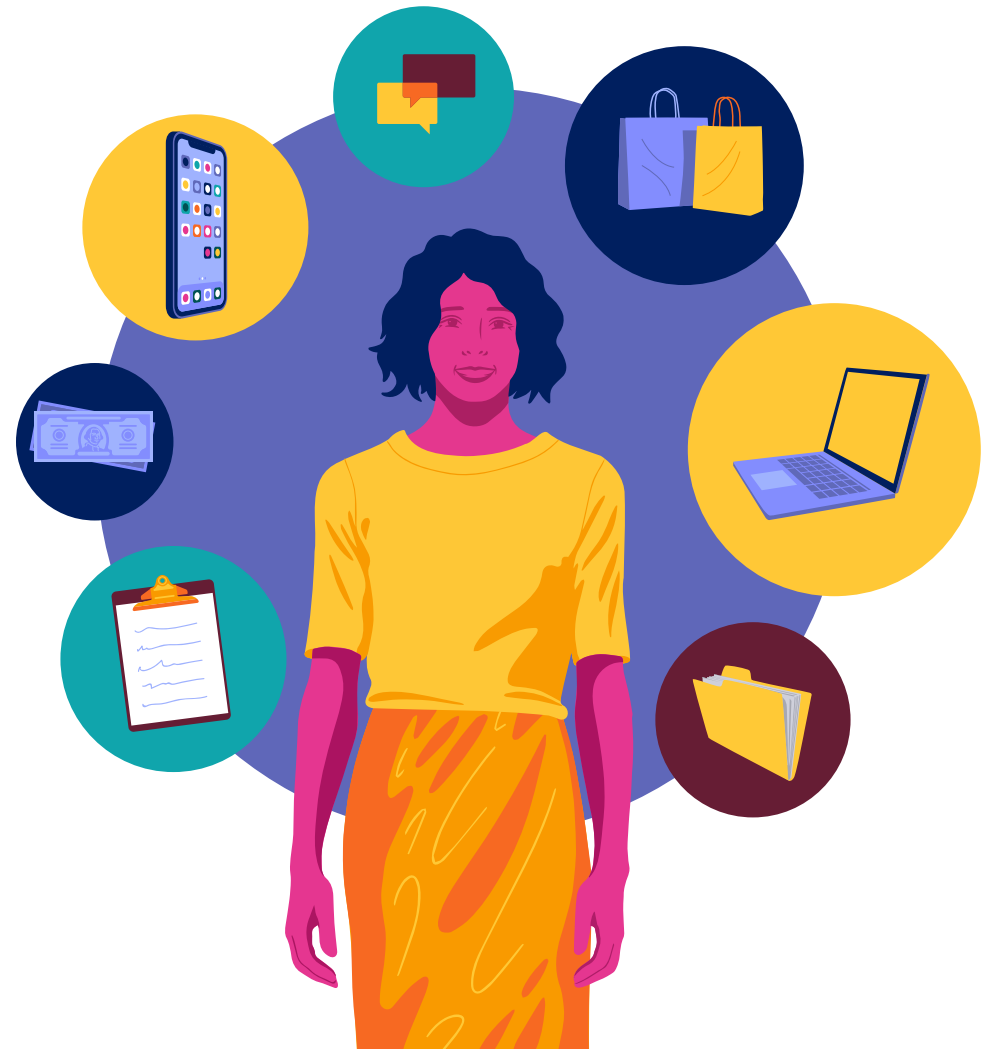
# Is your omni-channel really multi-channel?

Omni-channel marketing is often confused with multi-channel marketing, where businesses connect across a number of platforms like email, social media, webinars, mobile, and in-person engagements. With multi-channel, those engagements are unconnected. **Omni-channel provides a unified customer experience filled with contextually relevant, real-time engagement across all brand channels.**

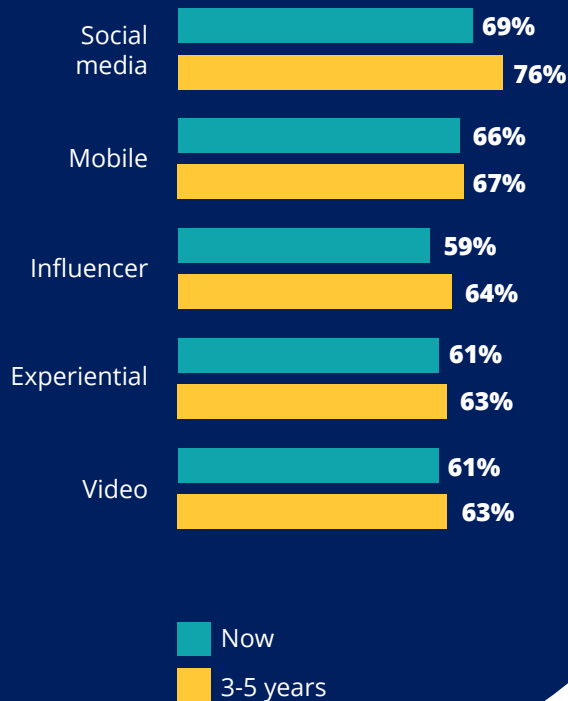
If you don't have a marketing strategy that can engage with a customer making a purchase on a website, serve ads for add-on products on social media, text to ask if they're satisfied with their purchase, or send a follow-up email, you are not taking full advantage of the omni-channel capabilities available to you.

**Don't delay.**

**In the future, this kind of coordination will be even more critical to compete.**



What types of marketing are a top or high priority now and in the next three to five years?



## The future of distributed messaging

While the demise of the third-party cookie might seem to imperil omni-channel's future, **marketers are finding new ways to activate their data.**

Omni-channel's unified messaging will help companies optimize their customer experience and improve their brand perception through targeted communications.

"In the future the data provided by the customer will become more valuable, and organizations will have to focus on this when third-party cookies are no longer available. This brings new challenges for many organizations; for example, how to collect this data, or how to use it correctly in order to communicate with consumers in a relevant and personal way. In order to implement a true one-to-one customer engagement strategy across channels, most organizations will need to seek help from tech companies who can help construct this in an automated manner. The manual element is going out: Machine learning and the use of AI models are becoming the new norm."

**LIZ SLEYFFERS, CUSTOMER ENGAGEMENT CONSULTANT, PEGA**

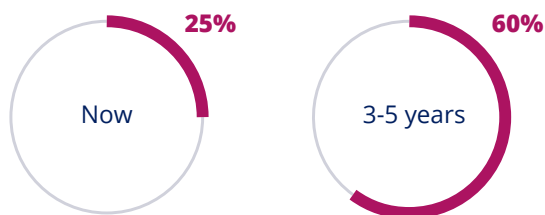
## TREND 3

# A remapped buyer's journey

The future won't have one buyer's journey but a proliferation of them – with a unique path for each buyer. In three to five years' time, four forces will remap customer trajectories, creating a nearly infinite range of distinctive, self-directed experiences.

# The four forces disrupting the buyer's journey

Is customer lifetime revenue a KPI  
for your company now? What about  
in three to five years?



## 1. The triumph of customer success

With the shift from customer service to customer success, companies have finally recognized the value of investing in customers long after a sale is closed. From opportunities to cross-sell to improvements in customer retention, building a customer relationship over the long term pays dividends. The future will see marketing get more involved in stewarding post-sale customers through strategies like account-based marketing and a constant stream of high-quality content that nurtures and adds value.

## 2. Customer lifetime value is finally measurable

From the outset, marketing has attempted to track CLV with limited success. But easily trackable metrics like clicks and page views can't be linearly tied to revenue or growth. MarTech 2.0 has the capabilities necessary to establish, maintain, and track lifetime relationships with customers. No wonder, then, that CLV is the metric our respondents said will most increase in importance – from a key metric for just 30% of respondents today to a key metric for 57% in three to five years' time. This significant shift expands the focus of marketing from the buying lifecycle to the customer lifecycle – and marketers can finally track their long-term results.

“In order to improve customer lifetime value, you have to give a lot up front. It’s not always promised that they’re going to stay. But finding that connection and creating greater value for your customers, that’s key when you talk about retention.”

AVP, MARKETING, FINANCIAL SERVICES

### **3. The growing importance of the digital-only (or mostly digital) buyer**

Before the pandemic, B2C and B2B customers were increasingly turning to digital channels to find, research, compare, and purchase products. But the pandemic accelerated a more radical shift to digital, compressing a trend that might have played out slowly over the next decade into just a couple of years. The new buyer’s journey is much more self-directed, with fewer in-person touchpoints – to the point where many buyers prefer digital-only buying experiences for B2C – and even for B2B purchases that used to be sold via relationships. But don’t worry, the right marketing strategy can still foster a deeper and more meaningful customer-company relationship.

### **4. The expanding capabilities of MarTech**

Many of the shifts we are anticipating in the buyer’s journey – like greater automation, improved one-to-one engagements, AI-powered decisioning, and omni-channel – wouldn’t be possible without the expanding capabilities of MarTech. In the future, brands will need to offer these capabilities to be successful over the long term.

## TREND 4

# Great content is everything!

While content is an essential part of most marketers' toolkits today, in the next three to five years the shift to maximize CLV will increase. That makes quality content that adds value the perfect vehicle to help companies support the customer's journey or brand relationship.





## Content that always speaks to the customer

What's great content? It puts the audience at the center, answers customer questions or solves their problems, plays off key search terms, introduces a new perspective, is action-oriented, and is delivered at the right time to the right customer. **In the future, content on its own won't be enough.**

It's when it is combined with AI-driven, real-time customer insights that it will really shine. In three to five years, most companies will be using AI-driven decisioning to match customers with content they need at every step in their buying journey.



## Everyone is a thought leader

Thought leadership in the form of whitepapers, research studies, webinars, podcasts, and reports will remain critical for establishing companies as trusted experts in both B2B and B2C marketing. But stuffy thought leadership is out.

In B2C and B2B, the goal of thought leadership will be to provide engaging insights – in a tone that's enjoyable to read. Expect brand voices to become more relatable.

### Which roles will you need more of in three to five years?

- 73%** Content developers
- 65%** Data analysts
- 59%** User experience professionals
- 47%** SEO specialists
- 41%** Customer strategists
- 40%** Application developers
- 35%** Interactive/digital designers
- 32%** Systems engineers/architects
- 31%** Thought leadership specialists

“Content creates lifetime value with the customers. It helps with retention, as you’re going back, continually connecting with them, and providing value.”

AVP, MARKETING, FINANCIAL SERVICES

## The race to maximize search engine placement

With all that content being produced and the shift to a digital buyer’s journey, **expect increasing competition around SEO ranking in the next three to five years.**

SEO optimization specialists will be even more sought after – and their work will cover more than just search engines like Google. They’ll be helping companies rise in the rankings on YouTube, social media, and voice search via assistants like Alexa and Siri.

## Long live the content producer!

The future will see quality content producers shine. Whether in-house, freelance, or agency-affiliated, **good content producers will be in growing demand.**

It’s no surprise content producers are the top position companies we surveyed say they will be hiring for in the future – and the best among them will be able to command high salaries.

## TREND 5

# Are you ready for the next iteration of the internet, Web 3.0?

Web 3.0 is set to be all the rage in three to five years' time. But many marketers aren't even sure what Web 3.0 is, let alone how to use the power of the new web. Don't worry. There's time to learn and create a strategy!

# What's Web 3.0?

Web 3.0 will be defined by a type of digital experience that's not controlled by a single entity and will be more immersive. In the case of marketing, **content creators could reign supreme, and no single social media platform will be dominant.**

Web 3.0 also refers to an increasingly digitally tailored future where individuals have more control over their data, and companies are empowered to create new or different forms of marketing collateral to drive brand loyalty. Think the wonders of the metaverse, virtual reality (VR), and augmented reality (AR), but also practical digital assets like a bank branch in a virtual world or the ability to buy Nike shoes for your avatar.

## Opportunities and challenges of Web 3.0

Many marketers will use Web 3.0 technologies to **captivate customers and meet them where they are in the metaverse.** Others will use it to augment existing strategies with more exciting content.

For example, marketers could create apps customers can point at products in-store to tell them that product's features or the environmental, social, governance (ESG) details relevant to its manufacturing. The current challenge is predicting which technologies will be adopted widely – and which will fall into the dustbin of marketing history.



# Creating your Web 3.0 strategy

Maybe you'll use AR or VR tools in the metaverse to create a more enriched and interactive user experience. Or maybe you'll do a digital giveaway connected to the metaverse.

Whatever you choose, Web 3.0 has the potential to transform and challenge how you reach and engage with customers – so implementing a robust strategy will be important from the get-go.

## Who will invest the most in Web 3.0 in the next three to five years?

### BY MARKETING TYPE



### BY INDUSTRY SECTOR



### BY ROLE



"If Web 3.0 takes 10 years to develop and you were in it in the first year, think about all the things that you've learned and done before other companies even get in. The worst case is you'll fail and learn a lesson, the best case is that you'll be seen as the innovator."

## TREND 6

# Own your ESG messaging

In the future, marketers won't just be working on their company's ESG report, they'll be integrating ESG, diversity, and corporate social responsibility (CSR) messaging throughout their marketing programs – and even impacting their company's policies.

# ESG is the message

## **ESG isn't a "nice to have" anymore. It's a necessity.**

Many B2B customers are focused on reducing their impact throughout their supply chain. Meanwhile, B2C customers – especially younger generations – are increasingly making buying decisions based on diversity, ESG, and CSR metrics.

Our survey found that, in the future, marketing teams (specifically, marketing leadership and data and analytics roles) will be even more responsible for getting the word out about their company's commitments and understanding how ESG impacts their brand and customer loyalty.

*"As brand owners, we need to understand the full impact of our brand. This includes the different ways our brand is interacting with consumers and with the environment."*

**HEAD OF MARKETING, MANUFACTURING**



# Integrating ESG into marketing

**ESG marketers will assume responsibility for collaborating** with operations, external partners, and other stakeholders to get the messaging right.

Some ESG marketers might focus on listening to customers and then helping shape the future of their company's ESG projects. Other ESG marketing strategies could be as simple as the integration of ESG messages into sales, product collateral, product packaging, and advertising. But, in some companies or sectors, ESG marketing could involve ESG-specific channels and tactics.

In Manufacturing, for example, marketing leadership will not only focus on brand image and consumer perceptions, but also on developing content that clearly communicates and supports actions that are being taken in the rest of the business to build in greater sustainability.

These sectors will have a transformational or big impact in sustainability and CSR within the next three to five years.



Manufacturing



Telecoms



Public Sector



Financial Services



Healthcare



Retail Insurance



Life Sciences

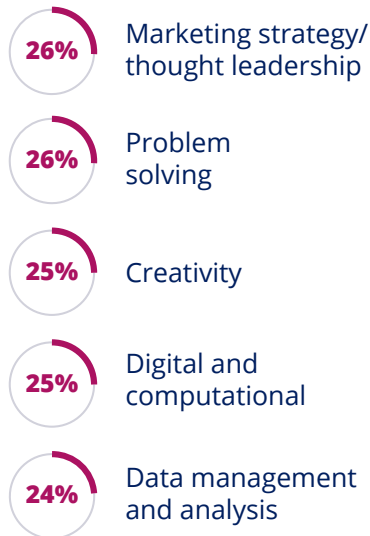


## TREND 7

# It's time for a skills shift!

Marketing is set for a tech-fueled transformation focused on delivering better customer experiences and maximizing CLV. Future marketers will require a broader skillset and need to be more tech-savvy if they are to use AI-powered decision-making and workflow automation effectively.

What skillsets will you need in three to five years?



“One skill that’s important is adaptability. You will also have to work with different customer profiles. In that, you need to be empathetic. You need to listen to your consumer’s needs and feedback.”

HEAD OF MARKETING, MANUFACTURING

## The skills you’ll need for success

**Cultivating new capacities will be essential**, since a broader scope of skills will be called for in most marketing roles.

Marketers in the future will have to use their strategy, problem solving, and creativity skillsets to find innovative ways to engage customers across their lifecycle. Plus, they’ll need to find ways to utilize new forms of data and technology, like coming up with strategies for how best to use automation and AI-derived insights to add value to the customer experience. Meanwhile, digital, computational, and data management skillsets will be key to using AI-powered marketing tech, requiring existing practitioners to up level.

## Adaptability is essential

With the speed of change accelerating in marketing, **evolving digital and computational proficiencies, interpersonal aptitude, collaboration, adaptability, and resilience are gaining in importance.**

The marketer of the future will not only need to be well-acquainted with AI to enhance customer value, they must also be able to adapt easily to change and collaborate better cross-functionally.

# Conclusion

In the next three to five years, marketing leaders will gain power as a larger scope of customer relationship management falls on their shoulders. But with that power will come pressure to quickly develop winning strategies and demonstrate value, all while they gain proficiency in new tech and understand shifting customer needs.

## Marketing leaders will have to:

### Adapt to the new buyer's journey.

Now's the time to shift strategies to better encompass the focus on a longer lasting relationship with customers. Rearchitect your buyer's journey by automating the parts that used to exclusively be human touchpoints. Then, ensure those automated touchpoints are orchestrated by AI to offer only relevant content on channels and at intervals that a particular customer responds best to. It's about letting customers drive their own journey based on real-time behavior.

### Adopt the right tech.

MarTech is set to make a big revenue impact by maximizing customer lifetime value in the form of revenue per customer, but only if you invest in the right platforms. Focus on the ability of the technology to interpret and activate data and solutions that use AI-decisioning and automation – so your team can spend less time on marketing operations and more time innovating your strategy.

### A/B/C test.

You're used to testing messaging – now it's time to test everything else. Potential buyer's journeys, technology, new touchpoints, and more. Try out different strategies to see what works. With the nature of marketing in a state of flux, there's no clear path forward. You'll need to iterate to find what converts.

### Unify your messaging.

The future of marketing is about better personalization and consistency. Each customer's experience of your company should be targeted to their needs, be contextually relevant every time, and unified across channels.

### Make the right hires.

Content producers, thought leadership specialists, and SEO optimization experts will be more in demand in the future. Digitally savvy hires can help marketing teammates navigate change as teams try to effectively use their data and AI. Make sure your company is investing in the people who will help it win in the future.

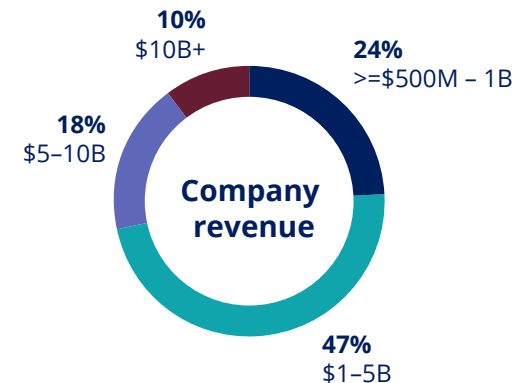
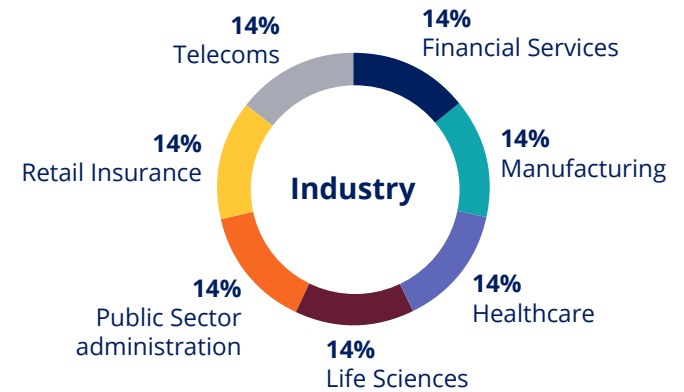
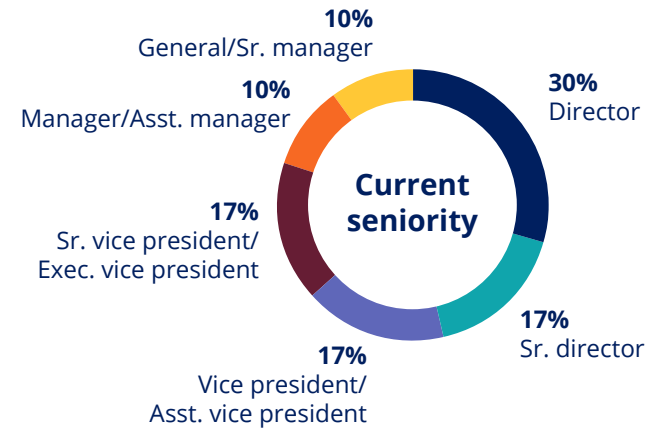
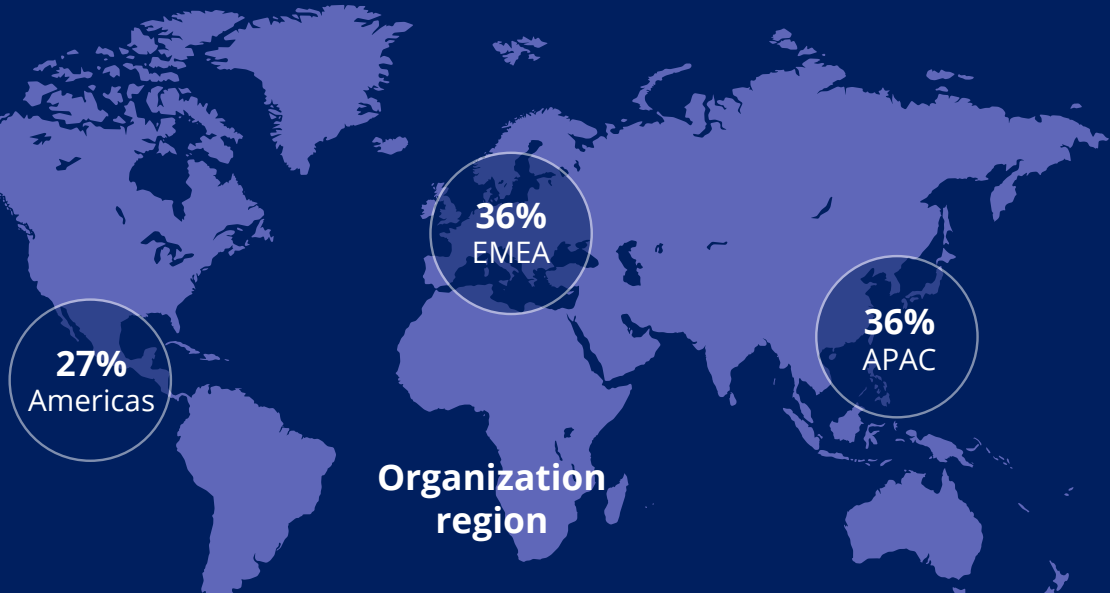
### Marketers are used to thinking outside the box.

The future of marketing needs adaptable professionals willing to take risks to see which strategies and technologies will set their companies apart.

# Survey scope and methodology

To understand how marketing is changing in response to MarTech 2.0 and other disruptions, we surveyed 750 marketing senior vice presidents, vice presidents, senior directors, directors, senior managers, and managers across key sectors, including Financial Services, Life Sciences, Healthcare, Retail Insurance, Manufacturing, Telecoms, and the Public Sector.

Respondents answered 17 multiple-choice questions, which delved into how marketing is expected to change in the next three to five years. We also conducted qualitative interviews with marketing executives from the worlds of Manufacturing, Life Sciences, and Financial Services.





## About Pegasystems

Pega is the leader in cloud software for customer engagement and operational excellence. The world's most recognized and successful brands rely on Pega's AI-powered software to optimize every customer interaction on any channel while ensuring their brand promises are kept. Pega's low-code application development platform allows enterprises to quickly build and evolve apps to meet their customer and employee needs and drive digital transformation on a global scale. For more than 35 years, Pega has enabled higher customer satisfaction, lower costs, and increased customer lifetime value.

For more information, please visit us at [pega.com](https://pega.com)

© 2022 Pegasystems, Inc. All rights reserved. All trademarks are the property of their respective owners.