

2023 Global Marketing Trends





Trend 1

**Brands answer economic instability
with marketing investments**

What are the top priorities of chief marketing officers in navigating economic downturns?

Marketing has gone through a renaissance over the past 10 years, but while much has changed, there is likely much more change still to come. Where there was once only a promise of marketing acting as a driver of accountable growth, today that promise has been realized. This promise is partly due to capabilities such as dynamic, one-to-one personalization, where each customer has the right message at the right time and place; or through better ways of running a marketing organization, where teams and partners can spend more time focused on strategic delivery across the business versus executing on tactics. The introduction of technology and data has forever changed marketing, giving it a seat in the boardroom.

The past two years spent in a global pandemic have only deepened marketing's impact. There has been growth, innovation, and agility in the way marketing has reacted to help navigate and thrive through dramatic and unprecedented times. However, we are now transitioning into a period of economic uncertainty that will test marketing's resolve once more. Based on a global survey of chief marketing officers (CMOs), we identified three ways CMOs are leading the charge and driving impact beyond cutting costs. Investing in marketing during a downturn could contribute to future growth. A CMO can think like a chief financial officer but still apply their own unique mindset.



CMOs' top priorities to consider during economic instability

Many brands surveyed have indicated that navigating the current state of economic instability and rising inflation is their top concern for the coming year. But rather than hedging their bets and cutting costs, brands are answering this instability with an investment mindset: growing their organization's capabilities and capacity to endure whatever tribulations an economic downturn may bring.

Innovative companies are likely to reduce costs, increase customer engagement, and pioneer entirely new offerings for a piece of the budding market.

In a series of interviews with over 20 CMOs across the globe, we explored what they are doing to secure their companies against current and anticipated economic instability. Their responses indicated that their top three priorities are:

1. Accelerating the move to new digital technologies or platforms
2. Expanding into new markets, segments, or geographies
3. Implementing systems or algorithms to enhance customer personalization (figure 1)

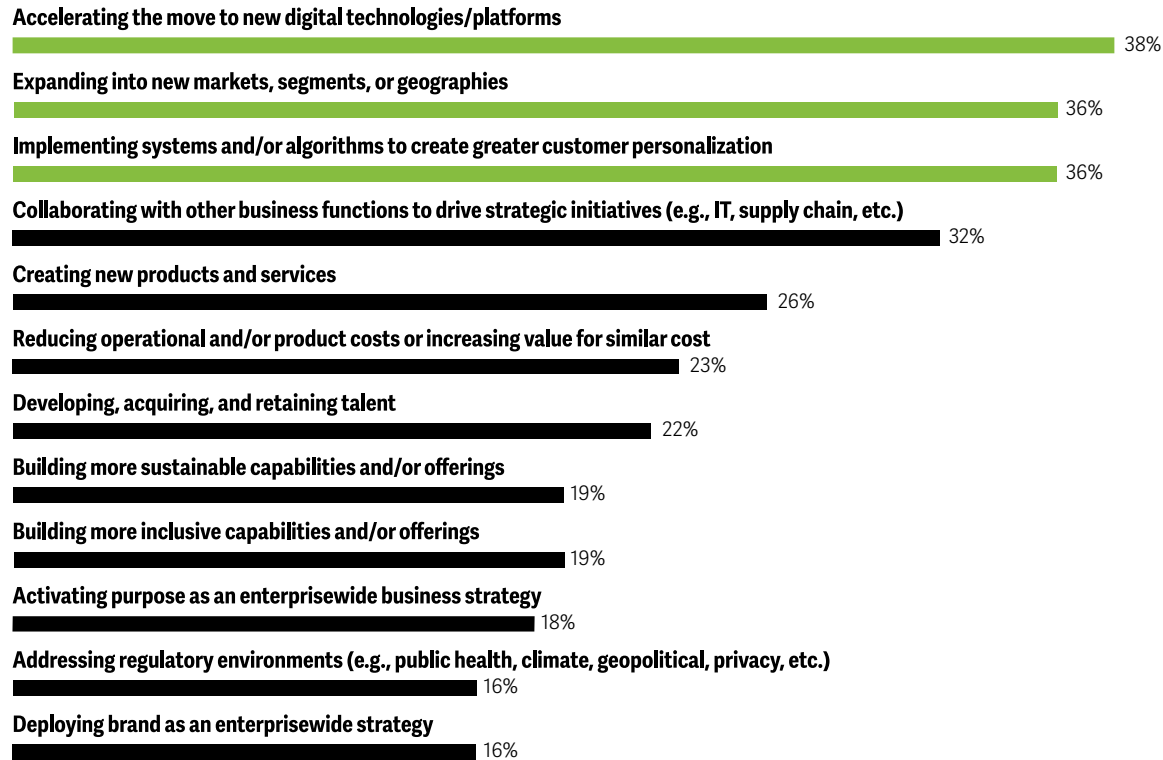
While we examine each of these investment areas in depth, our conversations with CMOs reveal that these top three priorities are often linked.

Accelerating the move to new digital technologies or platforms

Digital platforms and technologies offer a long list of use cases and benefits for marketing. Well-designed digital platforms can streamline and simplify the customer experience, incentivizing customers to engage more deeply on digital platforms and capturing valuable customer data. Capitalizing on this data can offer opportunities to improve customer loyalty, satisfaction, and lifetime value through better personalization and decreased friction at every step in the customer journey.

Our CMO survey respondents shared which technologies they have their eye on. Some marketers are prioritizing artificial intelligence (AI) and analytics to help orchestrate better experiences and paint a more holistic picture of the customer. Other frequently cited technologies and platforms include virtual reality, augmented reality, social platforms (such as through social

FIGURE 1: Chief marketing officers’ top priorities for the next 12 months



Source: 2023 Deloitte Global Marketing Trends executive survey, conducted in June 2022.

commerce), and digital currencies. While the use cases and benefits of these technologies and platforms vary, we still wanted to understand why CMOs now see a need to accelerate their adoption.

Stephanie Nägeli, chief marketing and innovation officer of SV Group, helps illustrate a crucial underlying trend: “What we are seeing is that our guests are much more digitally savvy than they were before. Everybody knows how a QR code works these days, so for us it’s really important to leverage technology and digital in order to create a much more seamless customer journey.”¹

While technologically savvy consumers may expect more from their digital experience, meeting and exceeding these expectations could help brands capture an entirely new customer base on top of building and retaining loyalty within their existing base. Expanding the customer base is also the second-most important priority for CMOs in the coming year.

Expanding into new markets, segments, or geographies

As a degree of attrition can be expected during an economic downturn, tapping into new markets can dampen this impact and help set the business up for future success.

While there are many avenues to expanding the customer base, our interviews with CMOs revealed that their efforts often directly tied the digital landscape with market expansion. Gregor Eicher, head of marketing and sales for Bank Cler, says his organization is using a strategy of expansion by refocusing on digital channels: “We’re a young brand, so we’re still in a growth phase. We are decreasing physical touchpoints and moving to digital touchpoints. We want to increase product awareness and bring in new customers for our smart banking app. We want to use this as a key channel for the bank.”²

Bank Cler is not alone; as Nägeli mentioned earlier, an increasingly digitally savvy world can bring a new set of opportunities for capturing customer segments but can also reset expectations as customers begin to view a seamless digital experience as table stakes.

Improvements in digital capabilities may also help enable a new level of precision in marketing that could open new growth opportunities for the company. Microsegmentation of customer cohorts is maturing, and investments provide new ways to sense and help react to changing market conditions in more precise and relevant ways. It’s no longer about reaching as many customers as possible, but instead reaching the right ones. These digital capabilities and systems that can improve customer targeting go hand in hand with enhancing CMOs’ final top priority.

Implementing systems or algorithms to enhance customer personalization

The third-most important priority our respondents shared is using systems or algorithms, such as data platforms and machine learning, to enhance customer personalization. New platforms and systems that integrate first-party data from customers with information about geographic, sociopolitical, and even weather and climate data can assist CMOs in uncovering new insights into customer behavior and preferences from larger sources of data. The evolution in personalization brings data directly into the hands of marketers and arms them with a detailed understanding of the factors that drive consumer behavior, helping to predict a customer’s likelihood of purchasing or churning, or their lifetime value.

It's important to note that these types of detailed segments are fluid and evolving, so dynamic segmentation becomes critical. However, through AI and machine learning, combined with experimentation and a test-and-learn culture, brands can dynamically tune their marketing and messaging based on ever-changing consumer behavior.

Implementing these systems successfully can require coordination and end-to-end integration within the organization. Antonia Lepore, CMO of AXA, stresses this point: "If you want to do really good personalized and automated marketing, you need help from your IT colleagues, you need data colleagues, and the systems have to talk together."³

While AI and other algorithms can help improve personalization at scale, these capabilities should also be paired with other human-centered methodologies, such as behavioral science or ethnography, to build a complete picture of the customer and uncover the *why* behind the data. Cristian Cabello, CMO of main Latam car dealer Derco, stressed the importance of a joint methodology: "Data will lead us to the points of contact with advertising [that] are increasingly personalized and more relevant—but here I also have to be emphatic that artificial intelligence isn't enough for us to put together models, if we don't combine or accompany it with a deep human knowledge through ad hoc research of our clients. The key to generating this personalization is with a correct understanding of the client, mixing data with research on the client's experience."⁴

Our survey results indicate that the majority of CMO respondents currently do not have such capabilities in place—but this is set to rapidly change. Thirty-eight percent of CMOs are looking to deploy the capabilities that enable this type of personalization within the coming year, with another 12% within two years⁵—signaling a major shift for the field of marketing.

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**—Antonia Lepore
chief marketing officer, AXA**



How can other CMOs navigate these same priorities?

- **Partner well—or integrate completely.** Having leading tech alone will only get you so far. To accelerate your brand's move to new digital technologies and platforms, Lepore stressed the need for CMOs to work closely with key partners across the organization. Identify and confer with stakeholders on how to optimize these technologies for everyone's benefit, and to help ensure a seamless back-end integration. Some of the most progressive companies are working to break down these walls entirely, establishing data science and technology as core functions of marketing.

- **Test often.** With an increasingly digitally savvy society, Nägeli observes that expanding into new markets can correspond directly with expanding operations onto digital platforms. However, a difficult customer experience on a hastily rolled-out website or app can discourage both current and potential customers from engaging with your brand. CMOs should consider carefully testing and honing platforms to accommodate customer needs and help facilitate a seamless customer experience before leaning into this strategy.
- **Combine data science with a human touch.** Data science provides an important but incomplete piece of the puzzle. As Cabello notes, brands should blend data with human-centered methodologies to create a more complete picture of the customer, prevent mistakes an algorithm can't always understand, and cultivate connections with the customer.



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Endnotes

1. Interviews conducted between July and September 2022 as part of research for *2023 Global Marketing Trends*.
2. Ibid.
3. Ibid.
4. Ibid.
5. 2023 Deloitte Global Marketing Trends executive survey, conducted in June 2022.

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