



iCrossing

CHANGE AS USUAL

**MARKETERS PRIORITY
INDEX REPORT**

2022

A study into consumers' and marketers' priorities for the year ahead, from iCrossing



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FOREWORD

'Markets hate uncertainty', so the adage goes, and at present a perfect storm of factors are creating highly uncertain times for businesses.

The impact of Brexit, COVID and resultant changing shopping habits, as well as an increased focus on equity, equality, and sustainability, have made the past 18 months some of the most disruptive marketers have faced.

At iCrossing, we deliver step change for businesses ready to move faster in digital; often working with those that have struggled to adapt to digital complexity and the pace of change.

So, we were fascinated to explore – through surveys with YouGov and Hearst – the impact this period of intensified change has had on both consumers and the senior marketers trying to keep up.



EXECUTIVE SUMMARY

We found both marketers and consumers in a surprisingly optimistic state of mind; looking forward to 2022 with renewed energy as well as a greater awareness of the changing social and economic landscape.

The research also showed that adapting to uncertainty is increasingly part of creating and delivering marketing plans – change is the new normal.

Some 71% of consumers said they have a positive outlook on life, and many took up new hobbies or pastimes during the various lockdowns. The consensus was that the disruption of COVID should be used as a moment for change in both personal lives and society in general. Some 73% believe the experiences of the past 18 months have allowed people to look at things differently, and that the future will be better because of new ways of living adopted.

Many marketers we surveyed revealed they're responding to this enlightened outlook by doubling down on customer-centricity; looking to 'provide high-quality customer service' by better utilising data to understand current customers and acquire new ones.

While there's greater focus on coping with disruptive external factors, we also found that businesses continue to grapple with digital and data. Many feel they lack a clear strategy to navigate today's multi-channel landscape, and that their organisations are missing key skills or knowledge in digital. A quarter said that, despite it having been a key channel for many years, a greater focus on digital remains a high priority.

25% of those surveyed feel they don't have enough time to dedicate to digital marketing

With digital often wrapped up in a complex web of platforms, data and jargon, it's likely this lack of time will exacerbate challenges around creating and delivering marketing strategy through digital channels.

It's a lot to tackle. Yet despite the difficulties, it's also a challenge that many marketers are relishing. What worked last year is unlikely to work next, so fresh ideas and new ways of thinking are always on the agenda, and 42% of respondents in large organisations said they have a focus on speeding up innovation in 2022.

[Find out what's topping the marketing agenda by digging into the key themes from our research...](#)

PLANNING FOR DISRUPTION: CHANGE IS THE NEW NORMAL

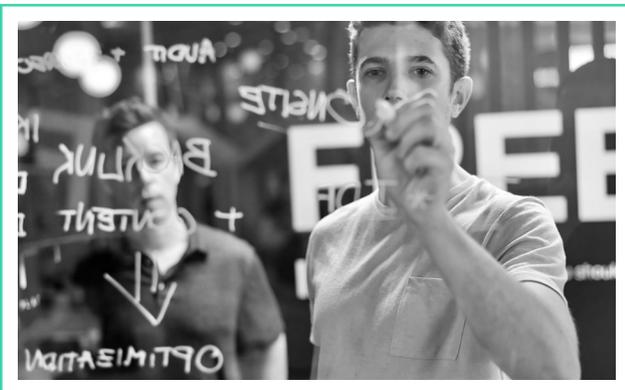
*The pace of change has never been this fast,
and yet, it will never be this slow again.*

Justin Trudeau, Canadian Prime Minister

Digitisation has disrupted many categories over the past twenty years; giving rise to new consumer behaviour, media channels and market entrants.

However, the disruption of the past 18 months also spun into economic, political and societal issues. And the interpretation of marketing messages, as well as the integrity of the brands and platforms delivering them, has never been under so much vocal scrutiny from consumers and the media.

All of which has made the core tenets of marketing – understanding, finding and effectively communicating with your target audiences through media – increasingly difficult.



While flexibility has always been important, **the past 18 months has accelerated existing trends and created new ones.** The change is constant and hits from all angles. There's no more business as usual, and marketers need to continuously adapt.

In the UK, society continues to be shaped and divided by Brexit. Five years after the referendum, nine in ten Leave and Remain voters say they would vote the same way again. And trust in government is nearly twice as high amongst Leave voters than Remain¹.

Within a relatively short space of time there has been increased focus and action in social change; the murder of George Floyd in May 2020 sparked activism within the Black Lives Matter movement and the murder of Sarah Everard focused attention on the safety of, and male attitudes towards, women. As well as directly reacting, brands are also increasingly mindful of these factors when planning marketing strategy.

Empathy in advertising has never been more important.

¹ NatCen of British Social Attitudes

One side-effect of the COVID pandemic has been the widening of financial disparities in society. Whilst those employed on middle and high incomes increased savings in 2020 people on lower incomes, unemployed or furloughed all saw savings decline¹. And whilst millions felt the impact of redundancies, furlough, and economic uncertainty, globally more than 5 million people became millionaires in 2020², billionaires saw their fortunes rise by 27%³. The gap between rich and poor grew.



Many older audiences that went into the pandemic already wealthy found recovering stock markets and rising house prices boosted their finances. As a result, wealth growth continues to outpace wages leaving millennials as the first generation to be earning less in their 30s than their parents did at the same age.

Changing media consumption also led to continued disruption in marketing. Whilst live TV showed viewing increases in lockdown, it is likely video streaming will be the biggest long-term winner. 51% say they watched more from services like Netflix or Disney+, which was launched during the pandemic. Much of this growth came from older audiences and 38% of 45+ said they streamed more, a group previously slow to adopt. In addition, social media usage increased 31% from an already high base⁴, TikTok grew from 3 million U.K. visitors in September 2019 to 14 million in March 2021⁵.

This increasingly fragmented landscape has meant marketers need to plan for change, and over a third said they are placing a greater focus on managing future uncertainty in 2022, rising to nearly half in large organisations. This uncertainty includes market and technological complexity, distribution and supply chains and competitors and new market entrants.

1 2020 Bank of England Household Survey
2 Credit Suisse
3 UBS

4 Global Web Index COVID Survey
5 OFCOM

SKILLS GAPS: MARKETERS' DIGITAL FOCUS HINDERED BY A LACK OF CLEAR STRATEGY AND SKILLS

Digital isn't new; it's been over 10 years since digital ad spend overtook TV to become the largest media channel, but due to the pace of change a quarter of respondents said they'll place an even greater focus on digital next year.

It makes sense. In the mid '90s, shows like Coronation Street regularly pulled audiences of 16 million viewers¹. Yet while those 'watercooler TV moments' still exist, they're smaller and fewer in number; this year's final of Bake Off was watched by just 6.9 million, the final of I'm a Celebrity 14.2 million and Corrie's largest episode of 2021 7.1 million.

With over 460 channels in the UK and time-shifting and on-demand viewing prevalent, fragmented TV viewing has pushed marketers to digital platforms such as Facebook and YouTube for scale. But reaching consumers en masse within the constantly-disrupted social landscape isn't as simple. The past decade alone saw the launch of Snap, Pinterest, Instagram and TikTok, all now mainstay apps.

The need to address the continued digital disruption is apparent.

Due to added digital complexity, a further 20% feel they lack a clear strategy in digital and practical plan of how to implement it.

Part of the reason for this is a perceived lack of skills within their own organisations; a fifth said their teams lack digital knowledge in general, with gaps in knowledge highlighted within SEO (25% said this was a concern), social media (21%) digital strategy (22%) and PPC (21%).

In the face these challenges, marketers are continuing to look at new ways to meet changing demands and deliver effectiveness. Overall, a fifth are looking to increase the pace of innovation in their organisation, rising to 42% of marketers in large organisations and many (63%) are confident they've coped well with disruption to date.

This positivity is reflected in 2022 ad spend forecasts. The overall ad spend forecast is up 7.7%², with search (+11.4%), display (+8.2%) and VOD (+8.6%) showing solid growth. Cinema (+123%) and Out of Home (+27%) are also showing significant bounce back as brands plan to market to consumers living 'normal' lives once again.

20% of marketers we asked said they face challenges navigating the many communication channels available today

CONSUMER OPTIMISM: A MOMENT FOR POSITIVE CHANGE

Optimism was also surprisingly high among the consumers we surveyed. Despite the stresses of the last 18 months, 71% said they have a positive outlook on life and just 12% said they'd had a 'bad' 2021.

Some 37% started a new hobby or pastime over the course of the pandemic: 29% started cooking from scratch and the same amount started a new fitness regime, 14% learnt a new language and 7% even started a new business. 80% of those who started cooking or fitness are still doing it.

The overwhelming feeling from consumers is that this is a moment for reflection and an opportunity for change.

And while some saw a negative impact on finances, the outlook is bright for many; 2020 was the biggest year for savings on record¹, almost 90% think they 'should be fine' financially over the next year as the end of the Government furlough scheme had a smaller impact on unemployment than initially feared.

Those who managed to save are now looking forward to spending on clothes (44%), home improvement (33%), holidays (31%) or expensive meals out (28%) over the next three months². Even younger groups say they had a good 2021: with 54% of 25-34s agreeing with this statement, compared to less than a third of over 55s.

The disruption experienced allowed people time to reflect and look forward with renewed positivity

47% say that most of all they want to feel happy and positive in 2022. Many shared that their personal values have changed too; 45% care more about their own mental wellbeing, 33% their environmental footprint and 21% their local economy. One fifth say they now care less about their career.

People are looking towards 2022 not just with positivity but a greater sense of self; 43% say they're taking nothing for granted and 33% that they want to be a 'better version of myself'. They're willing to make personal changes to achieve this too; 50% want to spend time to inspire and encourage others and 46% are actively 'reducing negative influences in my life'.

A huge 73% said they hoped recent events have allowed people to look at things differently and half (49%) believe the future will be better because of the new ways of living we've adopted. An extremely positive outlook for the new year.

¹ AA/WARC Expenditure report Oct 2021
² Global Web Index COVID Survey

CONSUMER-CENTRICITY IS CRITICAL: BETTER SERVICE, POWERED BY DATA, WILL BE KEY TO SUCCESS

Good marketing has always been about understanding and meeting the needs of target customers, but with more data on consumer behaviour available, brands are looking at the wider implications of the concept.

We found marketers are planning to focus on several elements of consumer-centricity in 2022,

60% saying they are prioritising 'providing high quality customer service'

This focus on service comes as little surprise given the financial uncertainty many have faced. At its peak, 8.9 million people were on the Government furlough scheme and 23% said COVID had a 'big' or 'dramatic' impact on their personal finances¹. 28% began looking for cheaper versions of products from alternative brands during COVID and may need convincing to switch back to higher priced alternates.

¹ Global Web Index COVID Survey

There's also pent-up demand for larger purchases among those who saved; 75% delayed large purchases over the past 18 months, with holidays, cars and clothes the most likely to have been postponed².

Whether postponed, reassessed or now seen as 'rewards' for the traumatic period just past, we can expect these purchases to take on greater emotional value and many to be more considered when making them. Whether consumers are better or worse off financially, this greater level of consideration means brands need to compete on service to both retain and acquire customers.

Consumers are increasingly taking this service into account when making purchase decisions. 52% of companies fall short of customer expectations, generally due to fragmented interactions across channels.

79% now say the experience a company provides is as important as its products and services³

² Global Web Index COVID Survey
³ Salesforce State of the Connected Customer

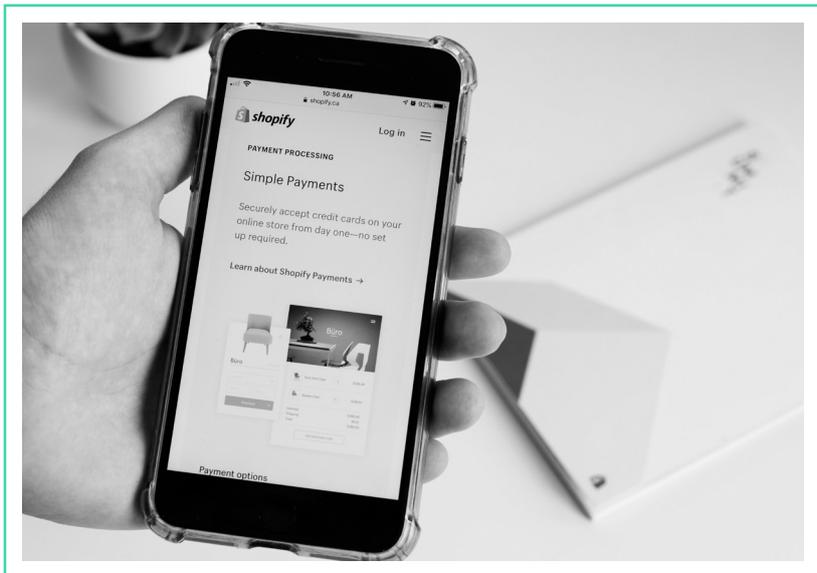
Data-led experiences are vital for brands looking to provide these seamless journeys. Whilst 2020 saw a 12-year high for UK retail store closures, the proportion of retail sales online grew the equivalent of four years in four quarters. This acceleration of ecommerce quickly changed the retail landscape. In 2020, bricks-and-mortar specialists Debenhams, LK Bennett and Bensons for Beds went into administration as ecommerce brand Made.com’s revenue grew 35% and Boohoo.com’s by 50%; the latter even purchased Debenhams.

Two traditional retailers that focused on ecommerce and omnichannel were Dunelm, which saw a 26% increase in revenue, driven by a 115% surge in digital sales, and DFS, which grew ecommerce sales 184%, doubling the proportion of sales it makes via digital channels.

Large organisations in particular are focusing on data to enable customer-centricity and improve purchase journeys:

47% of large organisations are prioritising improved ways of capturing and utilising of data

Yet skills gaps remain and 20% say they lack ecommerce knowledge and skills in their business and 16% say they lack user experience (UX) expertise internally.





MEASURING A MULTI-TOUCHPOINT WORLD: ADDED COMPLEXITY AND COOKIE WORRIES FORCES MEASUREMENT TO THE FORE

Digital has added complexity to channel planning, with advertisers struggling to understand where to reach audiences and the best way in which to communicate with them. Another complication in this multi-touchpoint landscape is understanding complex consumer journeys and effectively measuring marketing activity within them.

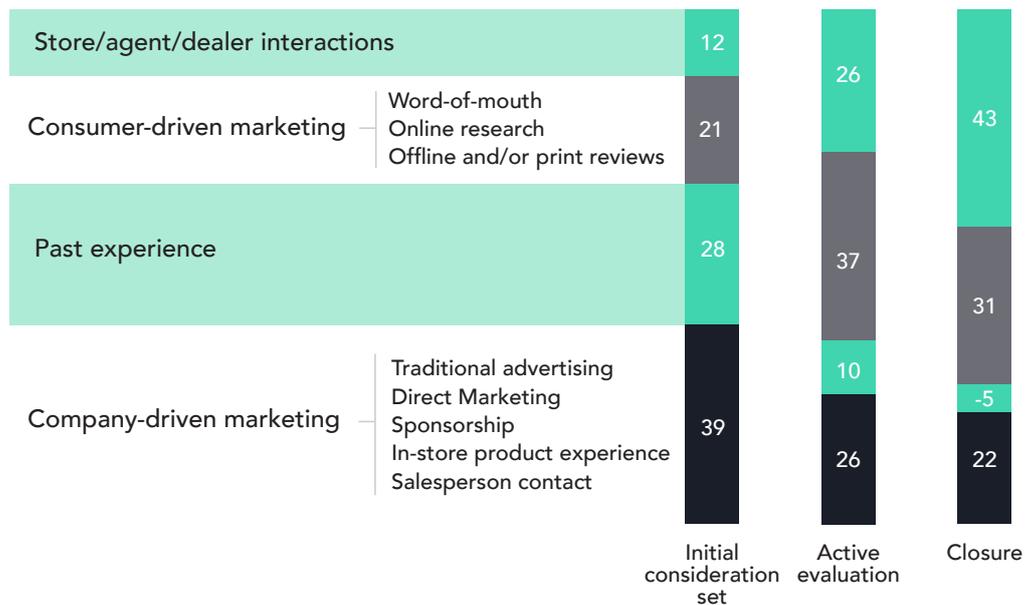
Journeys are now omnichannel and consumers are seamlessly travelling between on and offline worlds. A 2019 Google study identified the number of touchpoints can range between 20+ (for a chocolate bar) and 500+ (for flights).

Traditional marketing remains important, but the empowering influence of the internet has made the research phase more detailed. Two-thirds of touch points during the active-evaluation phase now involve consumer-driven activities such as reviews and word-of-mouth recommendations from friends and family, something that digital marketers can influence¹.

Our survey found a quarter of marketers within large organisations see a challenge in the increasing complexity within their market or in the influence of technology.

Two-thirds of the touch points during the active-evaluation phase involve consumer-driven activities such as internet reviews and word-of-mouth recommendations from friends and family.

Most-influential touch points by stage of consumer decision journey, for competitors and new customers, % of effectiveness².



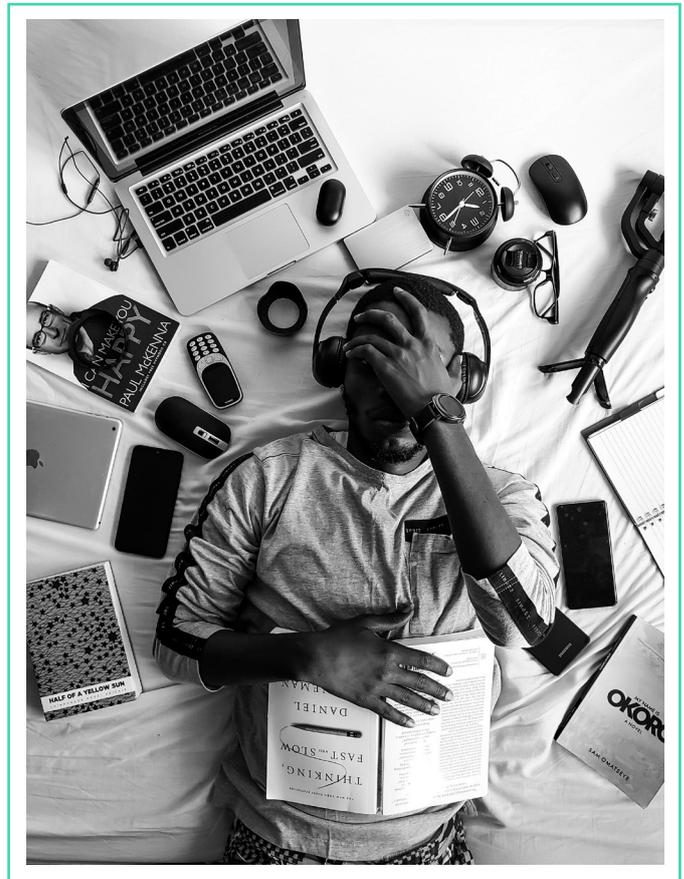
¹ McKinsey: The Consumer Decision Journey
² Based on research conducted on German, Japanese and US consumers in following sectors: for initial consideration - autos, auto insurance, telecom handset and carriers; for active evaluation - auto insurance, telecom handsets; for closure - autos, auto insurance, skin-care and TVs; figures may not sum up to 100% because of rounding.

Marketers are concerned at this complexity and 20% told us they want to focus more on tracking competitors and new market entrants. This rises to nearly half (47%) in large organisations, where threats are more likely to be from smaller, more agile digital brands.

However, the biggest concern is monitoring performance:

31% of all marketers cited measuring performance as a focus in 2022

Undoubtedly a worry within measurement is the impending decline and eventual disappearance of the cookie. Pressure on cookies and protection of personal data has been on the agenda since GDPR in Europe in 2018 and more recently the California Consumer Privacy Act in 2020. However, when Google, the last remaining major browser still allowing cookies and with a leading 65% market share, announced it would phase out cookies by late 2023, marketers have no choice to start to make alternate plans. Cookies are a key part of many elements of the online ecosystem, from user experience to ad targeting, but for marketers it makes the already hard job of measuring a multi-channel digital landscape all the harder.



KEY TAKEAWAYS

- 1** Managing uncertainty is now a necessity for marketers to ensure effective delivery of their strategy

- 2** Digital and data remains a focus for many, with marketers identifying a lack of internal skills as well as time holding organisations back

- 3** Empathy in marketing – understanding the tone, context, and reception of your messages – is more important than ever before

- 4** Consumers are positive about the year ahead and see the COVID pandemic as an inflexion point for change – brands must consider their role in this

- 5** Rapid ecommerce acceleration caught some brands out and marketers are focusing on data and consumer-centricity in 2022 to contend with continued change

CONCLUSIONS

Both marketers and consumers are positive about 2022, though as recent concern about a new COVID strain has shown, it won't be without its challenges. So, what can you take from our findings to keep up with the increased pace of change?

Firstly, though the world is slowly returning to 'normal' (even if this normal is different to that of February 2020), it's clear that the shifts of the past 18 months have been seismic. To survive, brands must take stock of these changes and the impact they've had on consumer behaviour.

Being consumer-centric requires you to understand changing consumer needs and opinions. The Ernst & Young Future Consumer Index uses five different cohorts of consumers to help focus planning: health-first, society-first, sustainability-first, planet-first and affordability-first. We recommend re-engaging consumer research through panels and tools such as social listening to understand where your customers sit and, crucially, how they're feeling.

That empathy is increasingly influential in consumer decisions and needs to translate to your company values and positioning. However, whilst things like diversity and sustainability are incredibly important not all brands need a 'higher' purpose. Instead, yours needs to transmit authentic values that reflect both the company and the consumers you want to attract, not just 'marketing for good' for the sake of it. Marketing thought-leader Professor Mark Riston says any purpose must pass the "three Cs test". That is: does the customer want it; can the company deliver it; can we do it better than the competition?

Your service should embody your brand values, with service being something both consumers and marketers said they'll be focusing on next year.

The key question being: How can your brand translate insights from data to deliver a unified omnichannel experience? Part of the answer can be found in the way digital is re-framing competitors; it's likely you're competing not just in your immediate category but with the last best experience your customer had. Know what best looks like both in and out of class.

Finally, with change unavoidable, having an agile, long-term strategy that keeps you headed in the right direction is vital.

Plan for it, not against it – because this is change as usual.

About the research

All figures, unless otherwise stated, are from YouGov Plc on behalf of iCrossing or Hearst Positivity research.

YouGov and iCrossing research had a total sample size of 1,002 marketing decision makers in Great Britain. Fieldwork was undertaken between 10th - 16th September 2021. The survey was carried out online.

Hearst Positivity research is an annual study with a sample size of 3,483 from the Hearst Customer panel as well as a nationally representative sample of 1,000. The survey was carried out online between 10th and 30th September 2021.

About iCrossing

iCrossing is a digital marketing agency that works with businesses who are ready to move faster in digital to create a real step-change. iCrossing is owned by Hearst, the world's largest independent media, entertainment, and content company. Being part of the Hearst family gives iCrossing access to Hearst audiences, data, consumer research and category experts which allows iCrossing to better spot new insights, trends and inform direction for its clients. iCrossing delivers Change. Made Simple.

<https://www.icrossing.co.uk/>



Are you ready to make a digital step-change?

We believe that moving too slowly in digital is the biggest risk your business faces. If you are ready to move faster in digital, we are here to help.

Get in touch

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