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New Study Reveals Asia Pacific Marketers Struggling with Digital, but Holding High Hopes for the Future

Singapore marketers are the region's strongest digital marketing advocates, planning the largest investment increase.

SINGAPORE — Nov. 20, 2012 — Marketers in the Asia Pacific (APAC) region are putting their faith in the benefits digital marketing can bring to their business, driven by customer preference and dependence on digital engagement, according to new research released today by the CMO Council in partnership with Adobe Systems. Regional senior management is widely supportive of the move to digital, motivated by a desire for greater accountability from the marketing functions. At the same time, APAC marketers are struggling with low budgets, skills shortages and other obstacles to effectively execute, and measure return on their investment.

These and more in-depth findings were released today in the [APAC Digital Marketing Performance Dashboard](#). A six-month in-field program comprising quantitative and qualitative surveys, the inaugural study benchmarked the levels of adoption, traction and success of digital marketing in Australia, China, Korea, Singapore, Hong Kong and India. 295 senior marketers from a range of industries took part.

Liz Miller, Vice President, Global Programs and Operations for CMO Council, said "The majority of Asia Pacific's marketers are in exploring and testing mode, taking their first steps forward. But they're keen to start running, with the clear goal of meeting the digital expectations of their consumers, and also to catch up to the digital directions of their global counterparts."

Adobe's Senior Director of Marketing, APAC, **Mark Phibbs** said "Interest and optimism in digital marketing is high, but investment levels across Asia Pacific are still low. The majority of APAC marketers spend less than 25% of their total budget on digital. However, the number of APAC's marketers who expect to allocate over half their budget to digital marketing is set to double in the fiscal year ahead. The commitment to digital is clearly happening."

Speaking about the state of play in Singapore, Mr Phibbs said "Among all the APAC countries surveyed, the belief in the benefits of digital is staunchest among Singapore marketers. Their budget projections for digital marketing investment in the coming fiscal year also ranked the highest."

Optimism High

The study revealed more than 90% of marketers believe digital marketing could create competitive advantage for their company, and 52% felt that digital marketing was crucial in helping create a customer-centric, responsive organization. More than half of them felt that digital marketing helped boost the effectiveness and efficiency of their overall marketing program. Nearly 63% said that customer preferences were driving the move to digital marketing activities, acknowledging that their audiences now expect and prefer digital engagement.

However, only 6% of respondents said they rated their own digital marketing operations as 'highly evolved'. 44% rated themselves as still 'evaluating and exploring', 19% felt they were 'followers', and 11% said they were struggling. The view that digital marketing holds high potential for business value is shared by APAC's executive teams. 38% of respondents said they had at least one strong digital marketing champion on the APAC leadership team of their organizations. An aggregate 60% of APAC respondents said they had a supportive leadership team; and that the team was receptive to piloting and testing new marketing channels and programs. This sense of optimism is strongly

Asia Pacific Marketers Move Confidently Toward the Digital Future, Driven by Customer Preference

echoed by Singapore marketers – over 40% of them believe their senior leaders are supportive of digital marketing, the region's highest result after China.

However, leadership interest and support comes with clear expectations. Nearly 60% of APAC respondents said the promise of greater accountability from the marketing function was driving their leadership team's interest in digital marketing strategy and programs.

Investment Low, But Set to Rise

The greatest obstacle facing APAC marketers as they make the transition from traditional to digital marketing appears to be low budgets, with 53% of respondents citing budget limitations as a significant factor preventing them from undertaking critical activities such as testing and analysis. Across APAC, 72% of respondents are spending less than 25% of their total marketing budget on digital marketing initiatives; and of that group, 37% are spending less than 10%. This budget definition includes website development and content, email marketing, search engine optimization, online advertising, social media community management and advertising, and more.

In spite of the current low spend, APAC marketers expect to increase investment in the fiscal year ahead. 47% of respondents said they would increase allocation to digital marketing to between 10 – 24% of their total marketing budget, and 22% said they would increase spend to 25 – 49%.

Singapore expects the most dramatic increase in digital investment of all APAC countries. Close to 30% of Singapore marketers surveyed plan to increase digital marketing spend to between 25 – 49 percent while 14% wants to dedicate more than two-thirds of their marketing budget to digital marketing in the fiscal year ahead.

Skills Shortage

Skills shortage also appeared to be a significant issue across APAC. Nearly 49% of respondents said their current marketing teams didn't have the right skills, experience or talent needed to take on digital marketing strategy, and 38% said they had insufficient budget to bring on the right level of senior talent. The right candidates were also not easily found, with 27% saying that they were unable to find the right staff with the right skills. Outsourcing is not the solution, with 32% of respondents saying their agencies' capabilities were limiting their ability to execute effectively.

Compared to the rest of APAC, marketers in Singapore have the most confidence in their skillsets – 11% expressed strong belief in their capabilities compared with the APAC average of 6%. 30% of Singapore marketers surveyed cited an experienced, dedicated in-house team to tackle analytics versus the APAC average of 13%. Budgets, on the other hand, were a stumbling block for Singapore marketers with 58% saying they had insufficient budget to recruit the right level of senior talent to run digital marketing programs.

Widespread Use of Analytic and Reporting Technologies but Challenges in Measuring Return on Investment

APAC marketers understand the urgent need to demonstrate Return on Investment (ROI) on digital marketing spend but are hampered by lack of systems and skills to get the data and analysis they need. 72% of respondents are using analytic and reporting technologies. However, of those actively measuring digital marketing programs, only 3% feel they are excelling in their ability to measure value and return. "APAC marketers are struggling to move beyond surface-level KPIs that simply report clicks, views and baseline consumption," said Mr Phibbs. "Leveraging data to generate analytical insights is critical to help the region's marketers move ahead of the curve in terms of tracking and mapping customer insights and behavior."

However, Singapore marketers were the most sophisticated users of analytic and reporting technologies, typically being the greatest users of each measurement metric as seen in the infographics below¹. In fact, the skillful and strategic use of these technologies has enabled nearly half of Singapore's marketers to claim that it is the "proven delivery of greater productivity, visibility, and accountability" that has been the main driver of interest in digital marketing among their executive leadership teams.

¹ The infographic shows APAC statistics in terms of metrics usage. For Singapore statistics, please refer to the factsheet "Singapore Key Findings"



Mr Phibbs said the research was significant in understanding how Asia Pacific's marketers are leading their organizations into the digital future. "It's not only important in terms of reaching and engaging domestic markets. Asia Pacific's companies are competing globally, and digital marketing is a critical factor in identifying and qualifying new markets, reaching out to new customers, building brands, and maintaining strong business opportunities internationally."

Helpful Links and References

- [APAC Digital Marketing Performance Dashboard Report 2012](#)
- [APAC Digital Marketing Performance Dashboard Infographic](#)
- [APAC Digital Marketing Performance Dashboard ROI Measures Infographic](#)
- [Adobe Digital Marketing Blog](#)
- [Adobe Digital Dialogue blog for APAC Marketers](#)
- Join the Adobe Digital Dialogue LinkedIn group for news and views from APAC Marketers
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APAC Digital Marketing Performance Dashboard Methodology

The 2012 APAC Digital Marketing Performance Dashboard was compiled through qualitative interviews conducted via phone with 23 marketers throughout the region. An online quantitative survey was distributed to the APAC members of the CMO Council. A total of 295 marketers from Australia, Korea, China, India, Hong Kong, Singapore

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and other countries responded and completed the online survey. All interviews and summaries included in the report have been reviewed and approved by each interviewee.

About the CMO Council

The CMO Council is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 6,000 members control more than \$300 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include more than 20,000 global executives in more than 110 countries covering multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia-Pacific, Middle East, India and Africa. The Council's strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), LoyaltyLeaders.org, Marketing Supply Chain Institute, Customer Experience Board, Market Sense-Ability Center, Digital Marketing Performance Institute, GeoBranding Center, and the Forum to Advance the Mobile Experience (FAME). More information on the CMO Council is available at www.cmocouncil.org.

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