



# Predictions 2023

# Fortune Favors The Bold And Focused

The past two years have necessitated big swings and quick thinking. In 2023, smart business leaders will get focused — pruning efforts that aren't bearing fruit and prioritizing long-term growth. Economic and geopolitical turmoil will sow fear and disruption, yet panic, short-sighted revenue grabs, and poorly planned returns to the office will only make things worse.

Trust will be at the forefront of business priorities in 2023. Customers are increasingly weary of organizations playing fast and loose with their personal data, and regulators aren't far behind. And it won't stop there — fueled by the ire of fed-up customers and employees, regulators will scrutinize greenwashing, misinformation, and employee surveillance.

The interlocking market dynamics of 2023 will require business leaders to stay true to a long-term strategic vision while operating within unknown territory. A laser focus on their organizations' missions and strengths — and a willingness to shed distractions that don't move the needle — will be the defining factor of success in 2023.

# Automation investment turns toward the pragmatic.

The economy will shift 10% of automation budgets from transformation to resilience.

A decorative graphic on the left side of the page. It features a large blue circle at the bottom left, with a white arrow pointing towards the right. Overlapping this are several other circles: a smaller white circle, a medium-sized white circle, and a larger circle with vertical black lines. The background of the left side is a light green gradient.

**D**espite the significant proven benefits of automation over the past several years, 2023 will see a slight dampening of automation velocity. A more rational approach is emerging, which is good. Economic uncertainty will tap the brakes on transformation and focus on core business drivers: resilience and efficiency.

Unable to reach consensus on transformative projects, companies will settle on known issues and risks. For example, some companies will redirect funds from machine-learning-based decision support for loan approvals to risk and resilience efforts that shore up supply chain gaps. Others will invest in physical automation to ensure business continuity in the face of ongoing labor shortages. Efforts will pay off for those with the mettle to adjust to 2023's realities while doubling down on automation to reap overwhelming competitive advantage.

# B2B demand leaders deliver satisfying experiences across the customer lifecycle ... or struggle.

The number of demand teams reporting into sales will jump to 20%.

**A**s demand teams face waning leads-based contributions to revenue results, the number of these teams reporting into sales organizations will spike to 20% by the end of 2023. Too many companies will make this move in a misguided attempt to improve alignment at organizations with underperforming revenue engines. But reconfigured reporting lines alone will not fix alignment issues — nor can they correct for demand organizations that myopically prioritize the delivery of more tactics ahead of generating meaningful value for prospects and customers.

Success, regardless of where demand marketing reports, will depend on demand leaders fully embracing their role in delivering satisfying experiences across the customer lifecycle. That will require marketing and sales to evolve their alignment and integration in order to support buyers and customers. This cannot be achieved until both of their internal operations are [tuned to address buying groups](#) and [multiple opportunity types](#).

# Some B2C CMOs fall into the short-term revenue growth trap.



Half of new B2C CMOs will come from pure-play performance marketing roles.

**C**hasing short-term revenue growth in 2023 will come at the cost of long-term brand building. CMOs with strategic heft managed the pandemic crises, but the need for quick wins in 2023 will induce CEOs to myopically favor CMOs from functional performance marketing backgrounds. Ignoring strategic levers that fuel long-term growth and brand equity in favor of quick-hit sales at this time is an especially bad idea — data depreciation will keep ramping up the difficulty level on targeting, and rising customer expectations will necessitate an undivided focus on building relationships. This means that CMOs should double down on improving the customer experience, which ultimately affects the brand experience.

# Kubernetes investment accelerates and proliferates.

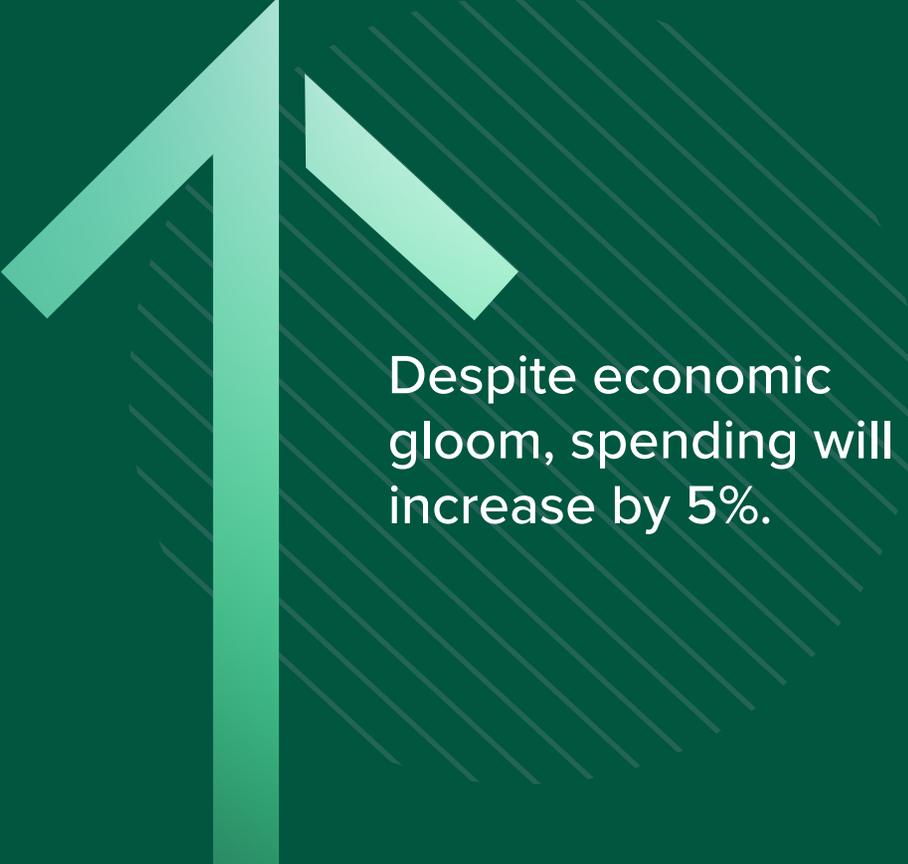


40% of firms will take a cloud-native-first strategy.

**F**orrester's [Infrastructure Cloud Survey, 2022](#), reveals that cloud decision-makers have implemented containerized applications. They now account for half of the total in decision-makers' organizations; Kubernetes (K8s) is orchestrating them at scale. Organizations must now regard virtual machine-centered workloads as legacy.

In 2023, organizations will accelerate investment in K8s as a distributed compute backbone for both current applications and new workloads that can be run more efficiently in K8s' environments. These workloads will span a range of technology domains, including AI/ML, data management, IoT, 5G, edge computing, and blockchain. K8s will also propel application modernization with DevOps automation, low-code capabilities, and site reliability engineering. Cloud leaders should accelerate the shift to containers and Kubernetes.

# Consumers are cautious but don't pull back on spending.

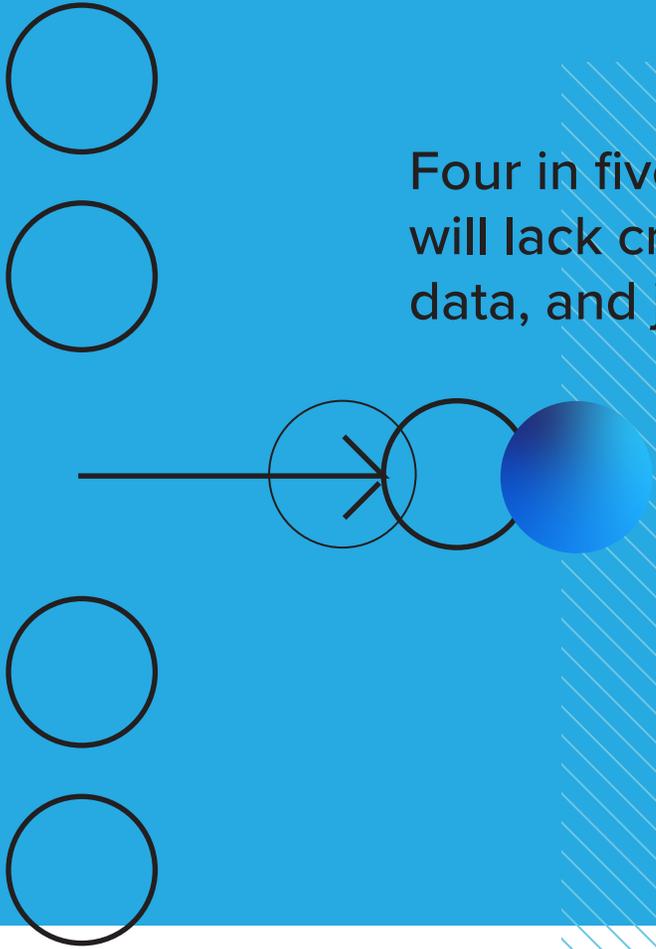


Despite economic gloom, spending will increase by 5%.

The relief of a pandemic brought under control has quickly been subsumed by a fog of economic gloom. According to Forrester's [July 2022 Consumer Energy Index And Retail Pulse Survey](#), the majority of online adults in the US (64%), the UK (59%), and France (55%) are anxious about the possibility of a recession.

But the economic preamble to this downturn is unique. [Consumers have banked significant savings](#) during the pandemic — as much as three to six times compared to pre-recessionary periods going back to the 1960s. [Household cash flow will reverse its declining trend](#) and is expected to rise by 6%-plus by the second half of 2023. While consumers will still signal caution, money in the bank will spur them on to greater spending — we predict that 2023 will see a 5% average increase across categories.

# A skills shortage challenges CX teams' ability to thrive.

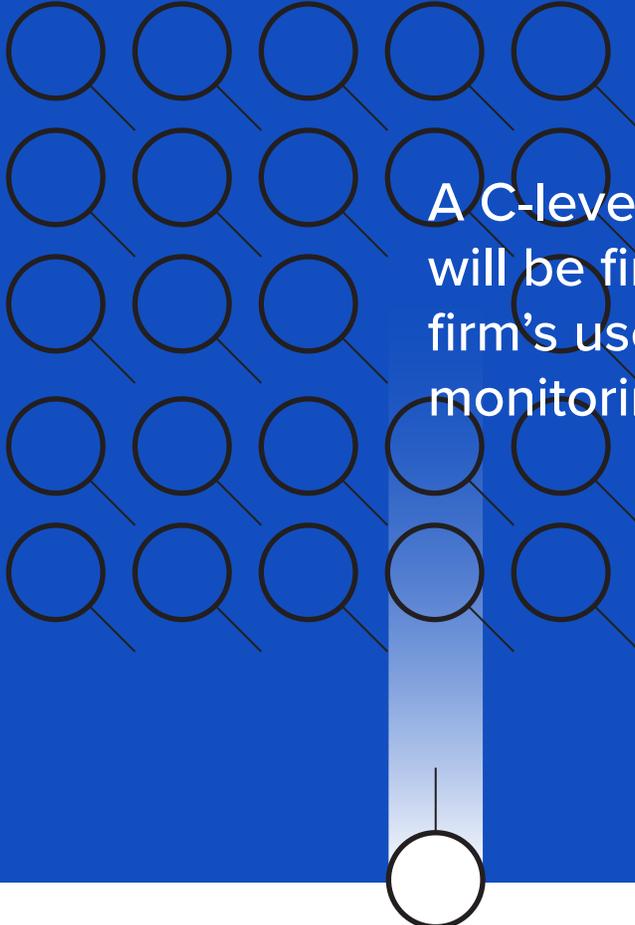


Four in five CX teams will lack critical design, data, and journey skills.

**A**lready, [a majority of customer experience \(CX\) teams lack crucial skills](#) including design thinking, inclusive experience design, survey design, journey mapping, and data literacy and storytelling. CX teams without these skills will remain stuck on basic find-and-fix work, unable to help their organizations innovate to thrive in a challenging business environment.

The skills shortage will contribute to an erosion of CX differentiation in three-fourths of industries. The range between the best and worst CX in these industries will narrow — 25% of below-average brands will improve, while 50% of above-average brands will either decline or stagnate. To stand out from this tightening pack, [embrace customer obsession](#) and pursue CX innovations that differentiate the brand, rather than relying on CX strategies that consumers perceive as similar. Smaller teams can help current employees [build vital design skills](#) and highlight the opportunities for entrepreneurialism that a small team offers.

# Monitoring technology riles the ire of employees.



A C-level executive will be fired for their firm's use of employee monitoring.

**W**ith anywhere work, some employers have turned to electronic monitoring to track employee productivity. Methods range from keystroke recording and desktop snapshots to more invasive surveillance via webcam. These efforts can violate data protection laws such as the GDPR.

In 2023, expect more lawmaker attention on workplace surveillance. Also expect more employee backlash, strikes, and labor organizing in response to surveillance. Whistleblowers may also [demand access to monitoring data](#) to support allegations of labor law violations.

Smart security and risk teams will prioritize privacy rights and employee experience if implementing any monitoring technology, whether it's for productivity, return-to-office strategies, or insider risk management.

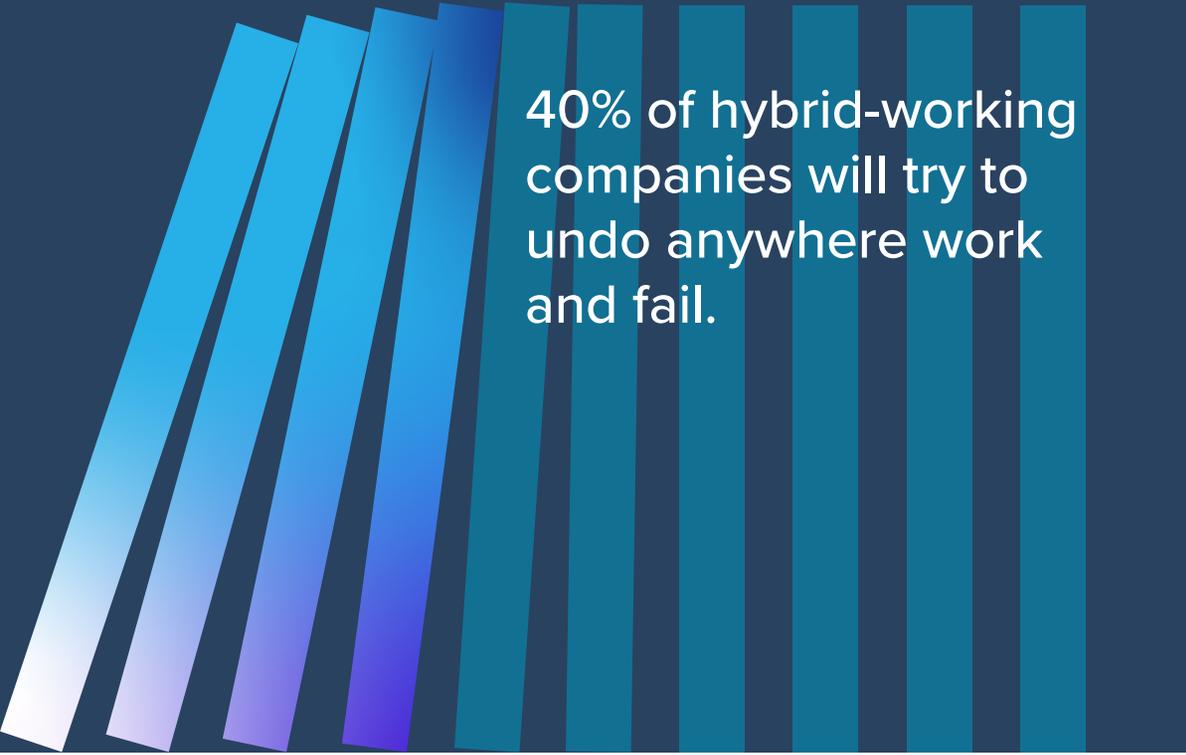
# Greenwashing becomes a serious business risk.

At least 10 companies will incur \$5 million or more in greenwashing fines.

In the past 18 months, firms like [BNY Mellon](#), [Eni](#), Keurig, and [Walmart](#) were [fined between \\$1.5 million and \\$5.6 million](#). In 2021, the European Commission found that [half of green claims lacked evidence](#). Scrutiny from distrustful consumers and empowered watchdogs willing to enforce consumer law — such as the UK's CMA and the FTC in the US — will increase significantly, [pushing regulators to crack down on greenwashing](#).

The fines are just a harbinger of more critical business risks, however, including significant market valuation loss and employee and customer disengagement. The 2022 German police [raid on Deutsche Bank's DWS](#) proved that there are potentially millions more to be lost. To avoid greenwashing, CMOs must actively create sustainability communications messages with integrity.

# Leaders try to force employees back into the office, with disastrous results.

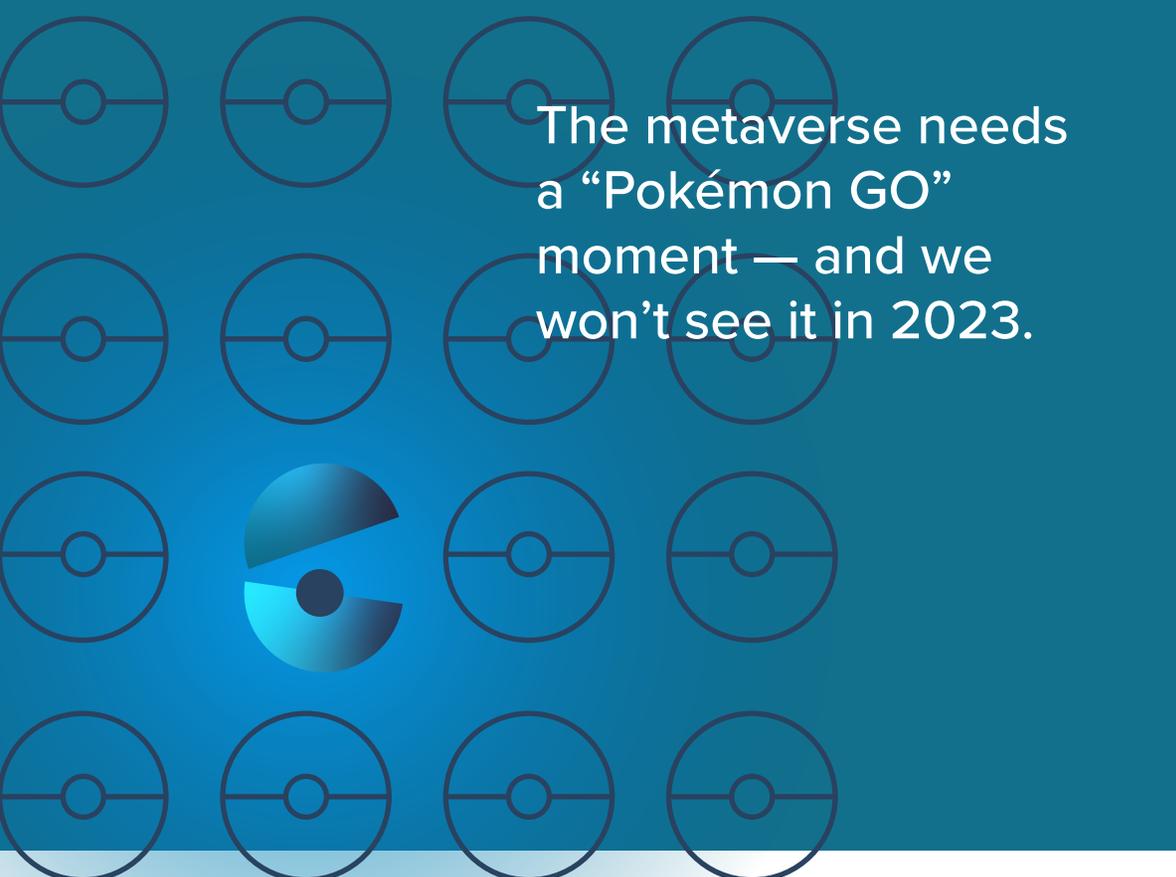


40% of hybrid-working companies will try to undo anywhere work and fail.

Forrester's [Future Of Work Survey, 2022](#), shows that 68% of employees who can work remotely say they hope to work from home more often than they did pre-pandemic. But not all leaders are convinced. Some firms, including Goldman Sachs, are [forcing a return to the office](#). In 2023, we predict acute confrontations within companies that don't listen to and collaborate with employees in shaping hybrid-work policies. Adherence to in-office policies is already sketchy at best, and the threat of attrition looms large.

As economic uncertainty enters the anywhere-work calculus, we predict that 40% of hybrid-working companies will try to undo their anywhere-work policies, telling employees to come into the office more frequently. Expect headlines that a major bank is firing employees who don't comply. Leaders: Don't be one of the 50% of companies that will battle their employees and suffer a loss of productivity due to labor unrest.

# Metaverse experiments fall short of capturing the public's imagination.



The metaverse needs a “Pokémon GO” moment — and we won't see it in 2023.

**A**ugmented reality (AR) was invented in 1968, but it didn't hit the global mainstream until 48 years later with Niantic's 2016 launch of Pokémon GO, which made AR accessible and approachable with a smartphone game. Few consumers see this kind of value yet in the metaverse. According to Forrester's [Media And Marketing Benchmark Recontact Survey, 2022](#), the majority of online adults in the US (65%), the UK (73%), France (67%), and Germany (65%) prefer to have social experiences in person.

In 2023, we'll see lots of “metaverse washing,” but smart brands will bypass simple repackagings of old immersive media experiences and do new things. This will involve reimagining hybrid experiences to seek new sources of revenue, insights, and customer engagement.

# The talent crunch pushes tech executives to seek new sources of candidates.



One in three tech execs will tackle talent challenges with alternative partners.

The technology talent needed to transform businesses, amp up the hybrid cloud, and build new applications that drive growth and differentiation remains in short supply. At any time, there's an average of [200,000 open tech jobs](#) that cannot be filled due to a lack of suitable candidates. To plug the gaps and improve capacity and skills in 2023, one in three tech executives will go beyond their traditional tech service provider partners to source talent more broadly and with an eye on better pipelines.

First, in the Forrester Analytics Business Technographics® [Business And Technology Services Survey, 2021](#), 31% of services decision-makers said they expect to increase their use of freelance talent marketplaces — such as Catalant, Topcoder, Toptal, and Upwork — to support a healthier on-demand talent strategy. Second, they'll do deals with computer science schools. And finally, they'll tap the learning resources of providers like Infosys Springboard and Salesforce Trailhead to upskill teams and build new pipelines for the future. Technology executives will find value in pursuing a mix of all these paths while closely collaborating with hiring managers.

# Scandals at tech companies burn through consumer trust.

Trust in consumer technology companies will shrink by 15%.

**M**ore than 50% of online adults around the world trust consumer tech companies, according to Forrester's [Consumer Trust Imperative Survey, 2022](#). During the pandemic, technology firms reached an unprecedented level of popularity. But the honeymoon is coming to an end.

In May 2022, the software stock market recorded a [dramatic decline in value](#). Meta reported its [first-ever revenue drop](#). Post-pandemic, reduced tech dependency will combine with trust and privacy issues — including an inability to protect users from [emerging risks](#) and a lack of effective ethical measures in digital environments — to progressively erode consumers' trust. We predict that by the end of 2023, consumers' trust in tech companies will shrink 15%.

But the reduction in consumer trust will reach far beyond the consumer tech category. It's already happening: In 2022, consumer trust in banks fell for the first time in several years. Reduced trust carries a negative impact for the entire value chain, so organizations that partner with consumer tech firms will benefit from prioritizing third-party risk assessments and management.

# The uncertainty of 2023 requires a steady approach.

In 2023, successful companies will ensure that all actions flow from their core mission. Eschewing tempting but potentially destructive short-term gains won't be easy in a shaky economy. Moments like these have the power to accelerate the performance of companies that manage to weather the storm.

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