salesforce research

Leading the Customer Experience in the

Consumer Products and Retail Sector

Findings from 600 consumer products and retail marketing leaders worldwide

A Note from Salesforce Industries

Empowered by technology, today's customers are reshaping entire markets. Smart businesses and brands are quickly pivoting to meet their demands. How are consumer products and retail marketers changing their strategies to engage today's connected customers? To find out, we surveyed 600 global consumer products and retail marketers.

We found that today's customers expect seamless interactions across every channel. Whether they're shopping online or in store, customers want to feel known, remembered, and understood by the businesses, brands, and manufacturers of their favorite products. They rely on technology and are always connected, yet they still want deep emotional connections with brands. They expect seamless interactions across every channel and device.

To be successful in the age of the connected customer, consumer products and retail marketers must put the customer at the center of every interaction. They must consider the moments that matter most – every touchpoint along the customer journey – and apply the technology and tools that make it easy to deliver personalized customer experiences that meet every shopper's unique needs and preferences.

No two consumers are alike, so the marketing messages targeted toward them should be as individual as they are. Now, more than ever, these 1-to-1 communications are the standard.

The following research highlights how high-performing consumer products and retail marketing teams are focusing on building personalized relationships and creating cohesive customer journeys to develop personal, emotional connections with their customers. We identified high-performing marketers as those who are extremely satisfied with the current outcomes realized as a direct result of their company's marketing investment. For more information about high, moderate, and underperformers, see page 27.

Today consumer products and retail marketers have an unprecedented opportunity to lead their companies forward by personalizing the experience of new customers and brand loyalists alike. We hope you'll use the findings in this report as a guide for shaping exciting new experiences for your customers.

Introduction

Today's consumers have an endless amount of information and choices at their fingertips. They're empowered to control their own customer experiences like never before.

Armed with smartphones, shoppers can access information from a variety of sources – including third-party apps and websites – from any location and at any time. As they use multiple devices and channels to read and write product and retailer reviews, communicate with brands, compare prices, and conduct product research, they demand a seamless customer experience across all digital and physical channels that are part of their buying journeys.

To meet customer needs, consumer-facing industries are undergoing a seismic shift. Retail stores are evolving into sleek showrooms, fulfillment centers, and experience hubs. Online experiences are expanding to integrate emerging technologies such as artificial and predictive intelligence. New players are establishing themselves as leaders in well-defined micro-niches. Manufacturers are retooling their promotional strategies and supply chains to more efficiently meet customer demands. And brands of all sizes are distinguishing themselves by communicating directly with individual customers via social platforms.

To understand how leading consumer products manufacturers and retailers market to consumers, Salesforce conducted a global survey of nearly 600 consumer products and retail marketing leaders.[1] This research shows how leading marketers are boosting their customer outreach arsenal with personalized, 1-to-1 journeys that enable them to create emotional connections with their customers.

As customers demand more from consumer-facing businesses and brands, marketers that understand how to remain agile, drive innovation, and reinvent the customer experience will be best positioned to capture and maintain customer loyalty.

[1] *"2016 State of Marketing," March 2016, Salesforce Research. Data includes 598 marketing leaders in the consumer products and retail sector worldwide.*

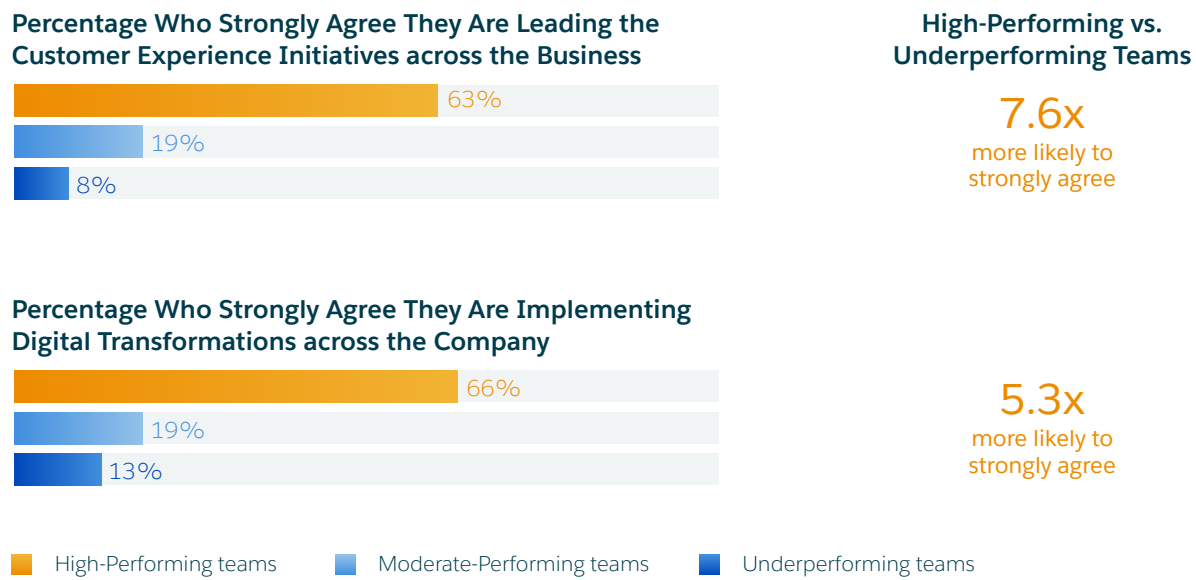
Finding 1
High-Performing Marketers Lead the Customer Experience

Touchpoints of the customer experience often exist outside of marketing (for example, in the hands of store associates or call center agents). To gain a single customer view and deliver a unified, personalized customer experience that traverses both in-store and online channels, leading marketers are knocking down silos. Top performers lead the shift to attain a single view of the customer.

In fact, high-performing retail marketing teams are 7.6x more likely than underperformers to strongly agree they're leading customer experience initiatives across the business.
High performers are also 5.3x more likely to strongly agree that they're implementing digital transformations across the company.

High-Performing Marketers Lead the Customer Experience

Although the customer experience encompasses multiple business units, top retail marketers are paving the way and owning this single, shared view of the customer.



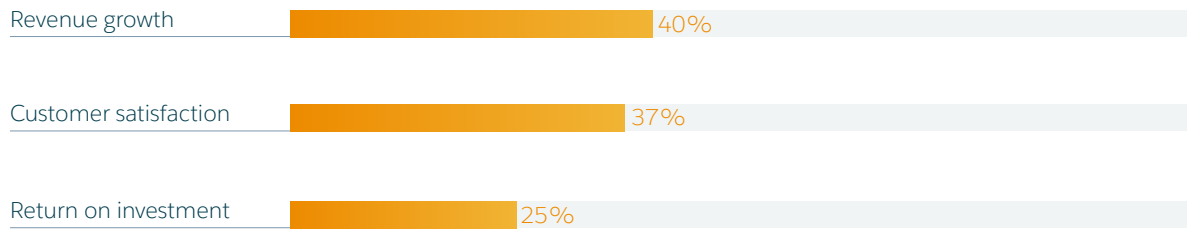
Finding 2
Revenue Growth Is Marketers' Highest Measure of Success

The breadth and depth of the CMO's role is gradually expanding to include core business tenets like customer satisfaction. At the same time, measures and priorities for marketing success reflect the rising emphasis on customer experience.

Customer satisfaction – historically, the domain of service teams – is the number-two success metric for consumer products and retail marketers today. This is further evidence of the blurring lines between marketing, customer service, store operations, e-commerce, and other retail functions. Marketing is more than the touchpoints that occur prior to purchase – it's about building and sustaining customer relationships.

Revenue Growth Is Marketers' Highest Measure of Success

Revenue growth is the top measure of success for the consumer products and retail industries, closely followed by customer satisfaction.



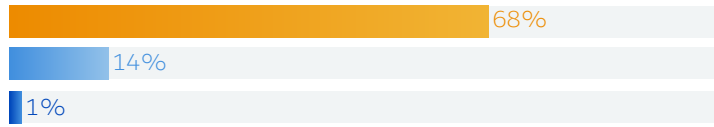
Finding 3
Top Teams Are Agile, Pivoting to the Customer's Needs

This swing in responsibilities requires agile marketing teams that can pivot to meet the shopper's needs at every turn. Top retail marketers are 48.9x more likely to rate their marketing agility as excellent compared to underperformers. Top performers are also 5.7x more likely than underperformers to employ lean or agile methodologies as part of their overall marketing strategy.

Top Teams Are Agile, Pivoting to the Customer's Needs

High performers understand that their customers are dynamic and their expectations change rapidly. They stay ahead by being agile, driving innovation, and reimagining the entire retail experience from in-store to online and beyond.

Percentage Who Rate Their Marketing Agility as Excellent

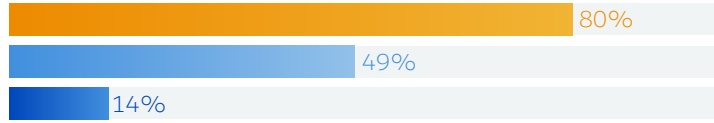


High-Performing vs. Underperforming Teams

48.9x

more likely to rate their marketing agility as excellent

Percentage Who Employ Lean/Agile Methodologies



5.7x

more likely to employ lean/agile methodologies

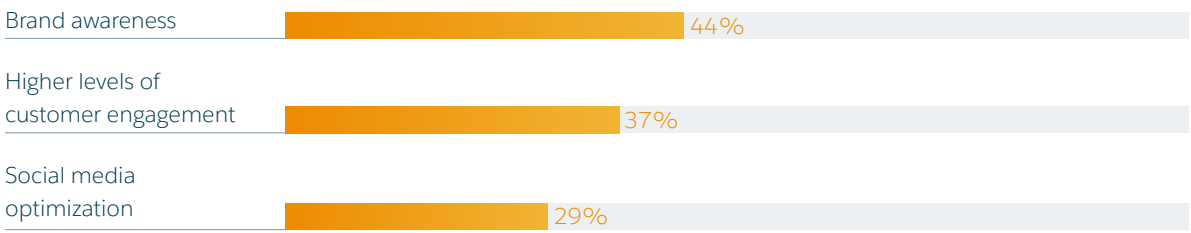
High-Performing teams | Moderate-Performing teams | Underperforming teams

Finding 4
Retail Marketers Make Customer Engagement a Top Priority

It's not surprising that retail marketers rate creating higher levels of customer engagement as a top priority this year. While brand awareness is a longstanding marketing objective that implies one-way B2C broadcasts, customer engagement indicates the growing importance of personalized, 1-to-1 experiences that match individual shopper preferences and purchase history.

Retail Marketers Make Customer Engagement a Top Priority

Since the golden age of advertising, brand awareness has been the holy grail of marketing. However, customer engagement is now becoming the modern marketer's benchmark as shoppers seek to have personalized experiences rather than another logo.



Finding 5
Social and Advertising Claim Top Spots for Spending Growth

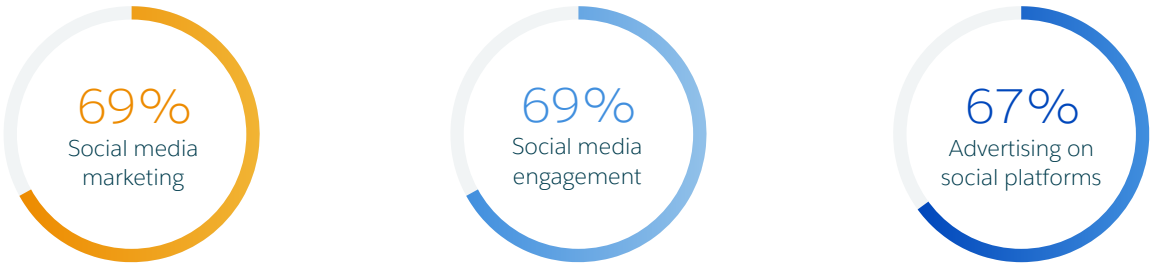
Retail marketers plan to increase social spend to listen, engage, publish, and synthesize conversations and harness the data into more meaningful relationships with shoppers. Social is one of the most valuable tools a retailer can leverage. New entrants and established brands alike are using social media as a primary marketing channel. Retailers can leverage shoppers' authentic conversations about and with their brands on social platforms to create enduring personal relationships and emotional connections.

With the right tools, retail marketers can execute their entire social strategy entirely from their mobile devices, analyzing results from product launches, approving time-sensitive content, and monitoring social campaigns in real time.

Social and Advertising Claim Top Spots for Spending Growth

Social continues to dominate marketing channels for increased spending over the next 12 months.

Percentage Who Are Increasing Spending in Each Area over the Next 12 Months



Finding 6
Collaboration Is Key to the Customer Experience

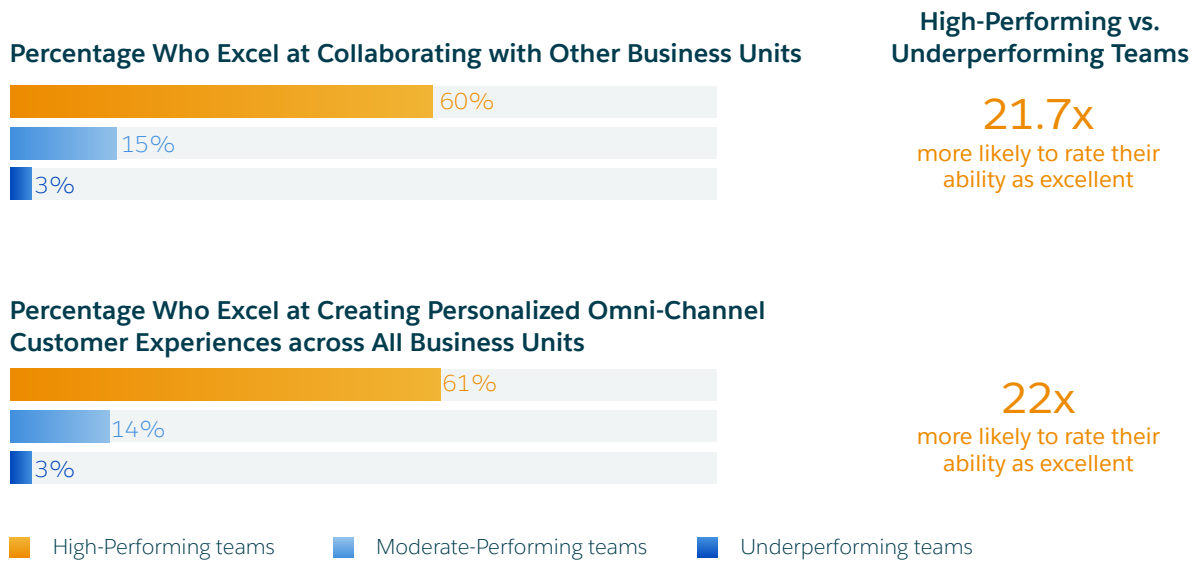
To drive the customer experience, consumer products and retail marketers require company-wide support and collaboration. To ensure a holistic customer experience, the corporate mindset is gradually shifting to emphasize interdepartmental bridge building.

Among high-performing marketing teams, 60% rate themselves as excellent at collaborating with other business units – bringing together marketing, store operations, service, IT, and other executives. **High performers are 22x more likely than underperformers to say they are excellent at creating personalized omni-channel customer experiences across all business units.**

A unified customer experience across multiple retail functions, channels, and touchpoints is more important than ever. In the eyes of their customers, companies that successfully create a cohesive experience have a jump on the competition.

Collaboration Is Key to the Customer Experience

The most successful marketing leaders are working across business units to deliver a personalized omni-channel experience for customers.



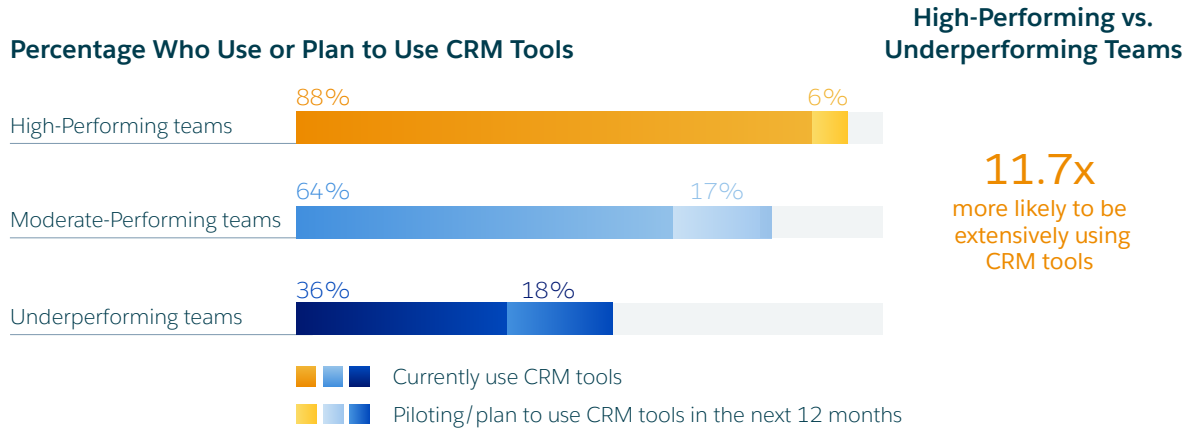
Finding 7
Top Retail Marketers Lean on CRM Tools

To boost initiatives among business units, companies must deploy the right tools to encourage collaboration. When it comes to marketing, top teams stand out in a crucial way.

High performers are 11.7x more likely than underperformers to use CRM tools extensively, giving marketing and other retail teams a shared single view of the customer – the foundation for creating personalized customer experiences. Increasing the gap between performance levels, 46% of underperforming marketing teams say they have no plans to use CRM tools in the future.

Top Retail Marketers Lean on CRM Tools

Since a single purchase is only a small part of the customer journey, it's increasingly important for marketing and sales teams to work together to manage the customer relationship.



Finding 8
Top Retail Marketing Teams Create a Single View of the Customer

High performers are 44.7x more likely than underperformers to strongly agree they've integrated business systems to create a single view of the customer. **Fifty-nine percent of high performers say they are excellent at creating a single view of the customer compared to only 1% of underperformers.**

This single view allows retail marketers to better understand their customers' purchase histories and preferences, as well as shopping behaviors – allowing companies to stand out from their competitors.

Top Retail Marketing Teams Create a Single View of the Customer

High performers don't see channels as barriers and are more likely to obtain a single view of the customer.

Percentage Who Strongly Agree They Have Integrated Business Systems to Create a Single View of the Customer

High-Performing vs. Underperforming Teams

44.7x
more likely to strongly agree

Percentage Who Excel at Creating a Single View of the Customer

42.6x
more likely to rate their ability as excellent

High-Performing teams | Moderate-Performing teams | Underperforming teams

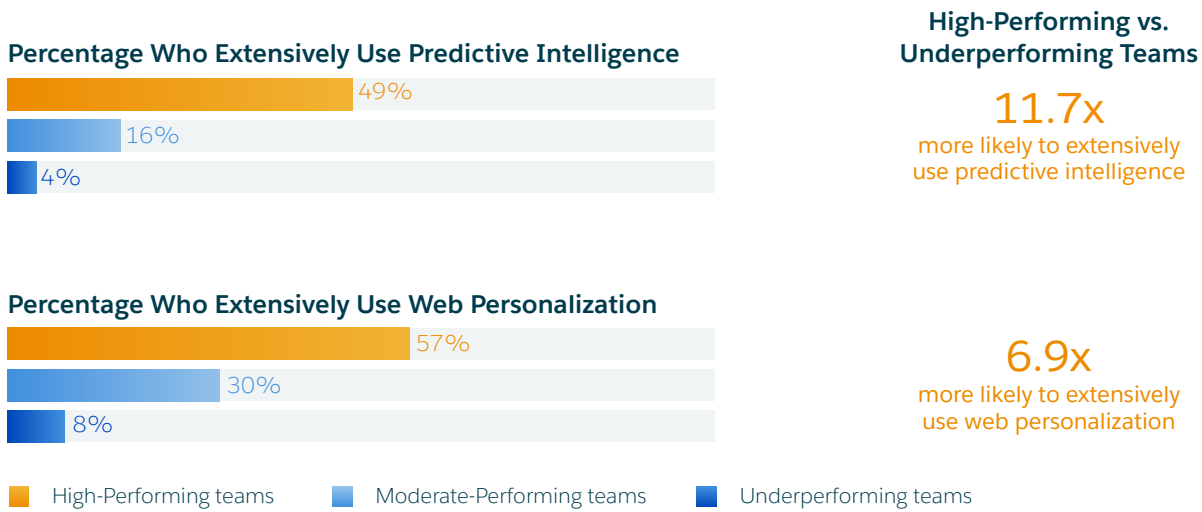
Finding 9
Predictive Intelligence and Web Personalization Fuel Personalized Shopping

Predictive intelligence tools make it easier for retail marketers to track shopper behavior and use insights to create highly-personalized interactions. **Eighty-two percent of high performers currently use predictive intelligence – and 49% report extensive use.**

Top teams are also 6.9x more likely than underperformers to extensively use web personalization. By collecting customer data in real time, these marketers apply what they know about individuals to tailor the online customer experience.

Predictive Intelligence and Web Personalization Fuel Personalized Shopping

High performers are using predictive intelligence to understand customer behaviors and inform future marketing communications, and they're gathering real-time customer data and preferences to create more personalized web experiences.



Finding 10
Top Marketing Teams Commit to the Customer Journey

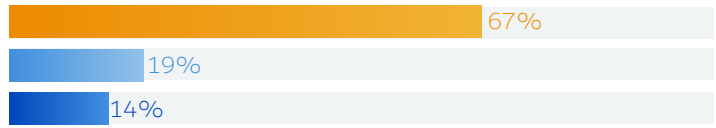
Collaborating across departments and deploying the right tools create a solid foundation for success. But top consumer products and retail marketers understand that to effectively lead customer experience initiatives across the business, they must adopt a customer journey strategy.

Eighty-nine percent of high performers agree that a customer journey strategy is critical to the success of their overall marketing strategy, compared to only 46% of underperformers. Well-executed journeys must be contextual to the moment and personalized to individual shoppers.

Top Marketing Teams Commit to the Customer Journey

From adopting strategy to actively mapping touchpoints, high-performing retail marketing leaders make the customer journey a priority.

Percentage Who Strongly Agree They Have Adopted a Customer Journey Strategy as Part of Their Overall Business Strategy



High-Performing vs. Underperforming Teams

4.8x
more likely to strongly agree

Percentage Who Strongly Agree They Are Actively Mapping the Customer Journey

11.2x
more likely to strongly agree

High-Performing teams | Moderate-Performing teams | Underperforming teams

Finding 11
Customer Journey Adoption Drives Powerful, Positive Results

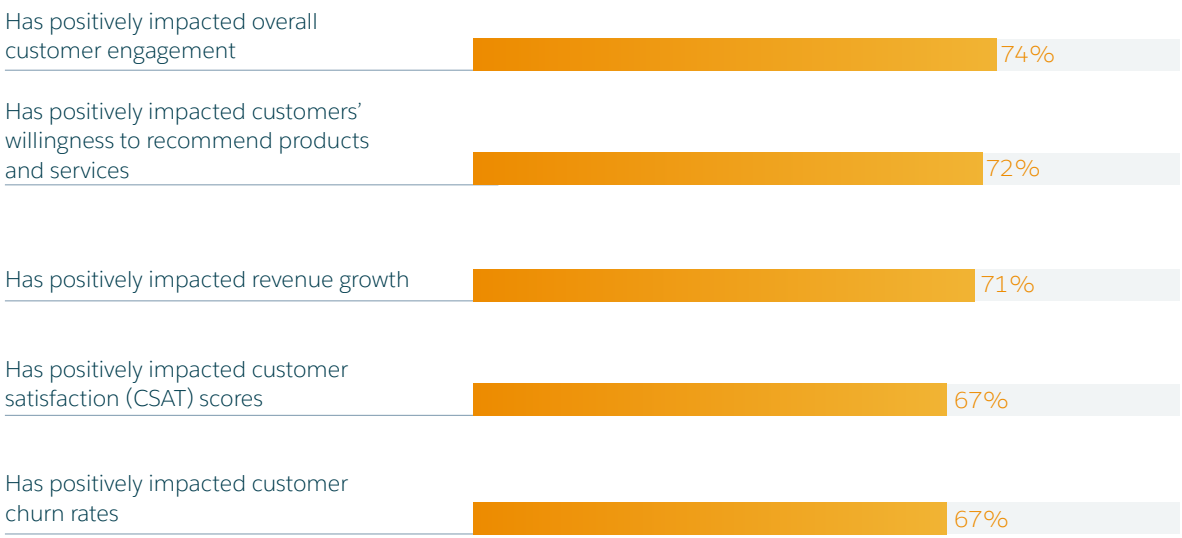
More than two-thirds of marketers who have implemented a customer journey strategy say that it has had a positive impact on their businesses. From improving customer satisfaction to increasing revenue growth, a customer journey strategy is a rising tide that lifts all marketers' boats.

Seventy-two percent of marketing leaders have seen a positive impact on their customers' willingness to recommend products or services, and 74% agree that a customer journey strategy has positively impacted overall customer engagement – the second biggest priority for consumer products and retail marketers this year.

Customer Journey Adoption Drives Powerful, Positive Results

Adopting a customer journey strategy has overwhelmingly positive business impacts for the majority of marketing leaders.

Percentage Who Have Adopted a Customer Journey Strategy and Strongly Agree or Agree with Each Statement



Finding 12
Top Teams Prioritize Marketing Budgets

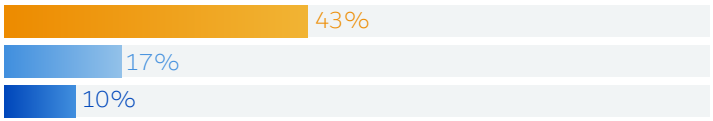
New technology and tools play a significant role in the day-to-day operations of high-performing retail marketing organizations. Sixty-five percent of high performers will increase spend on marketing tools and technology in the next two years. Among this group, 38% will increase spend substantially.

While high performers lead the pack, this trend isn't limited to top teams. **Among consumer products and retail marketers at all performance levels, 62% will increase spend on marketing tools and technology over the next two years.**

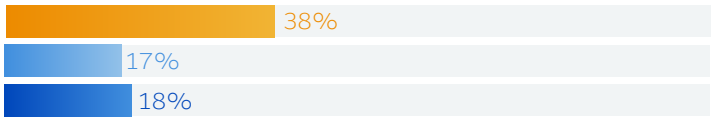
Top Teams Prioritize Marketing Budgets

Over the next two years, high performers are more likely to be substantially increasing spend on digital marketing as well as marketing tools and technology.

Percentage Who Are Substantially Increasing Spend on Digital Marketing Over the Next Two Years



Percentage Who Are Substantially Increasing Spend on Marketing Tools and Tech Over the Next Two Years



High-Performing teams Moderate-Performing teams Underperforming teams

High-Performing vs. Underperforming Teams

4.4x
more likely to substantially increase spending on digital marketing

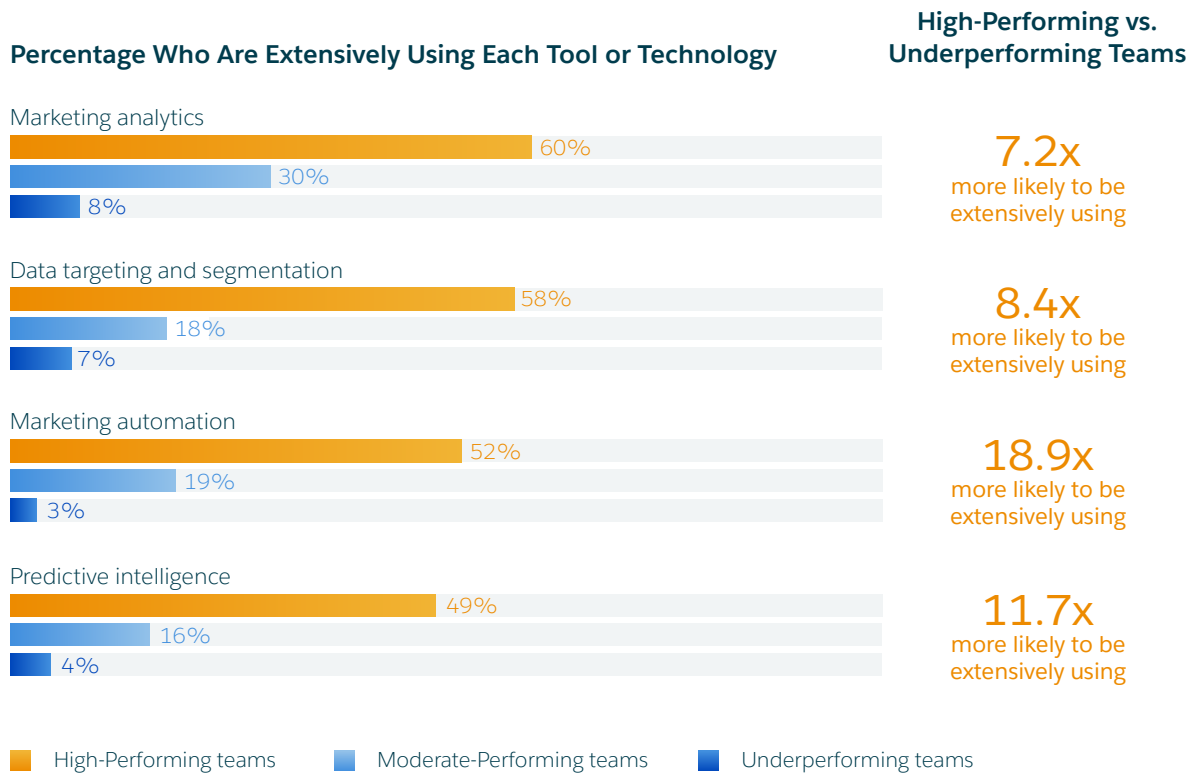
2.1x
more likely to substantially increase spending on marketing tools and technology

Finding 13
High Performers See the Impact of Advanced Tech

Successful retail marketing teams are not only using more tech, they're notably using more advanced types of tech. From marketing analytics to predictive intelligence, high performers are at least 7.2x more likely than underperformers to extensively use these types of tools and technologies.

High Performers See the Impact of Advanced Tech

Compared to underperformers, high performers are significantly more likely to extensively use these tools and technologies.



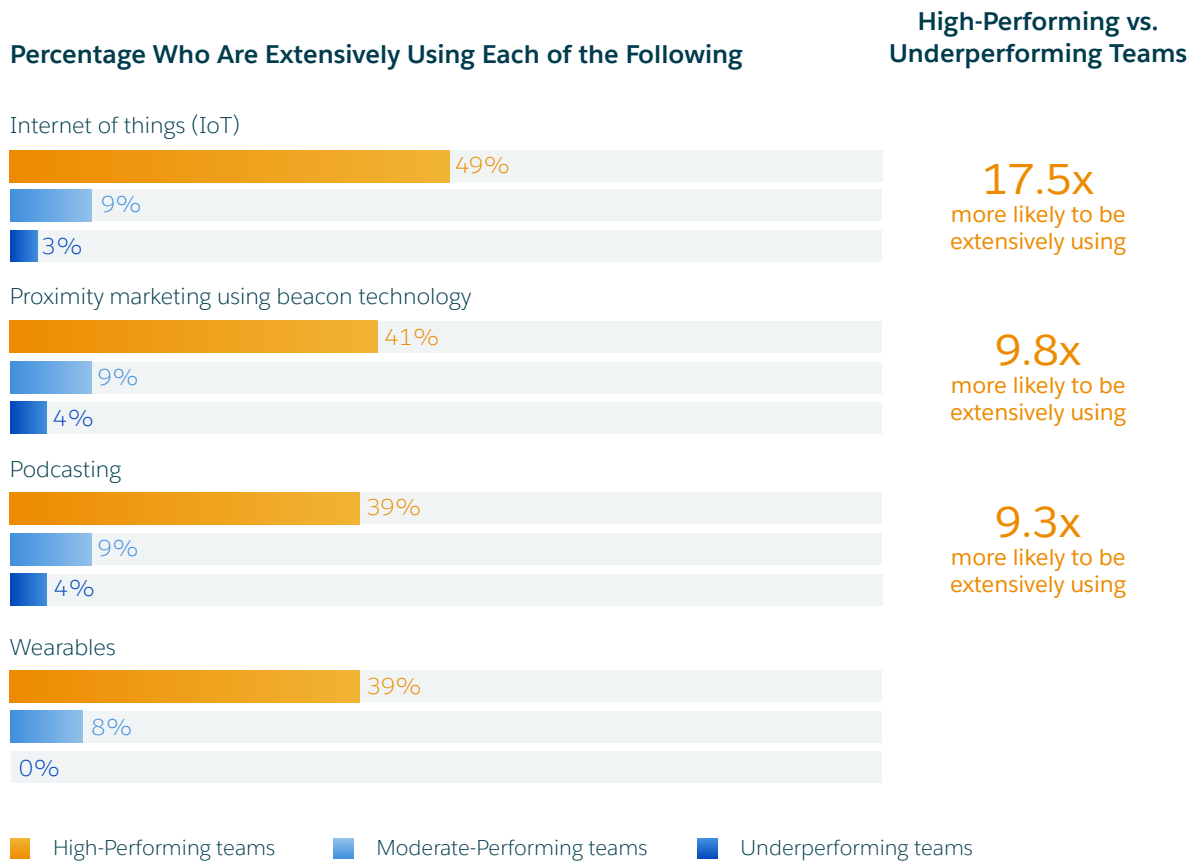
Finding 14
Emerging Marketing Tech Is Proving Worthy of Investment

By leveraging consumer smartphones and wearables, new technologies such as the internet of things (IoT) and beacon-based proximity marketing allow companies to design real-time interactions with customers. For example, by using sensors to track customers' paths through a store, managers can improve store layouts and merchandise placement. And beacon technology allows retailers to interact directly with customers by delivering personalized promotions based on their location in the store.

High performers jump at the chance to experiment with new technologies – and their early adoption habits are paying off. For example, high performers are 17.5x more likely than underperformers to extensively use IoT.

Emerging Marketing Tech Is Proving Worthy of Investment

High-performing teams are at least 9x more likely than underperformers to be pioneering marketing use cases with beacon technology, IoT, podcasting, and wearables.

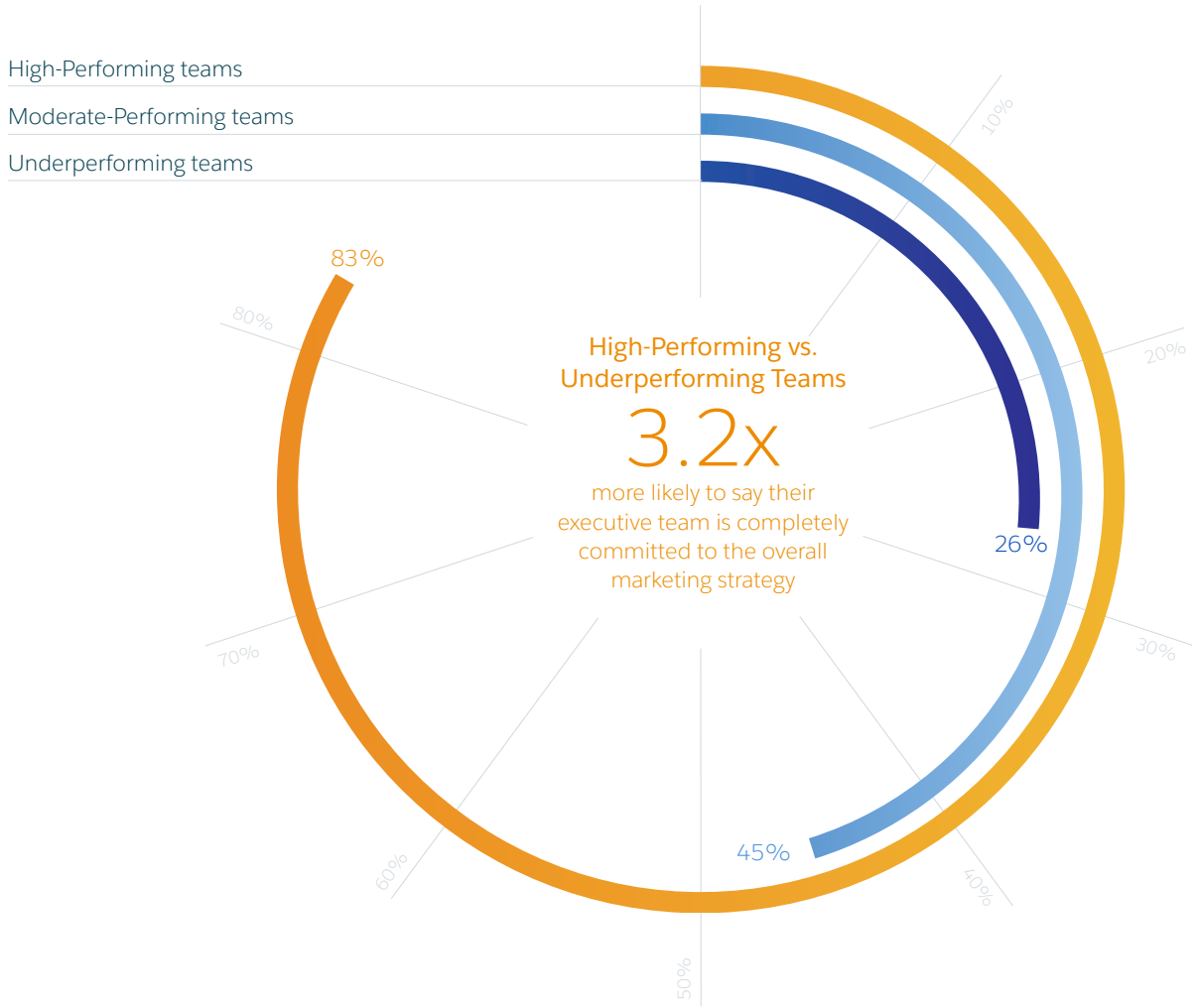


Finding 15
Executive Team Commitment Makes a Difference

The world's best retail marketing teams have buy-in from company leaders. High performers are 3.2x more likely than underperformers to say their executive team is completely committed to supporting the overall marketing strategy.

Executive Team Commitment Makes a Difference

High-performing marketing teams are supported from the top down. Eighty-three percent of top teams have their executive leadership's complete commitment to their marketing strategy.

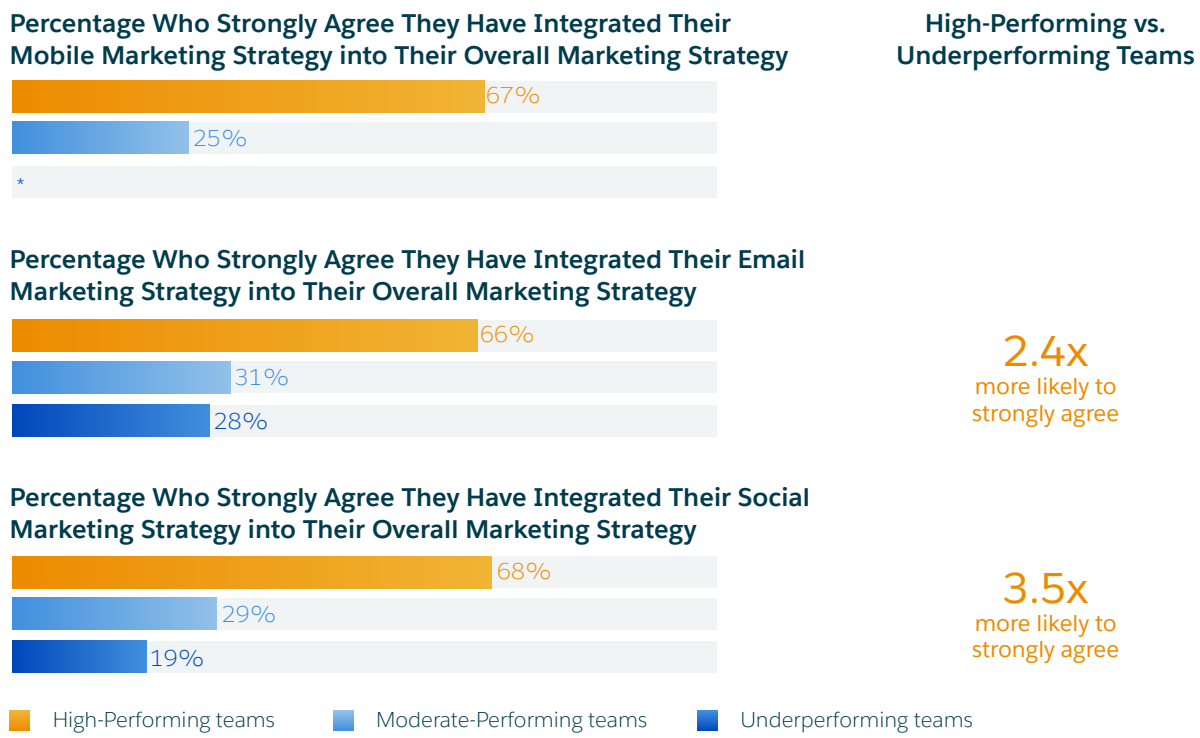


Finding 16
Leaders Understand the Value of a Cross-Channel Approach

Cross-channel marketing is more than a retail buzzword. Taking advantage of all of the ways that customers engage is a highly successful strategy. **A perfect example of this convergence is that 78% of high performers consider advertising on social platforms to be part of their mobile marketing efforts.**

Leaders Understand the Value of a Cross-Channel Approach

Two-thirds of high performers have integrated their mobile, social, and email strategies into their overall marketing strategy.



Data reported in this section comes from abase of respondents who use each of the corresponding digital marketing channels.

** Indicates base size too small to report.*

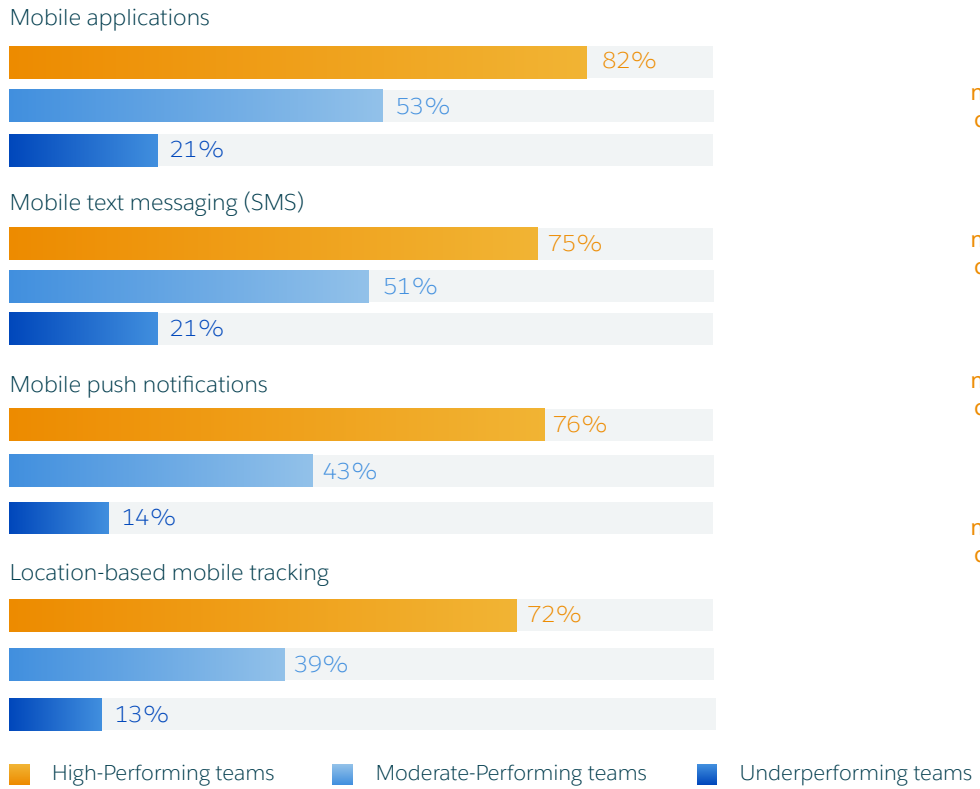
Scorecards

The following scorecards provide a quick snapshot of how consumer products and retail marketers are using various digital channels to create a cohesive, 1-to-1 customer experience.

Mobile Scorecard*

Armed with smartphones and third-party apps, shoppers are connected and social. Top retail marketers leverage this new normal by creating dynamic customer interactions via mobile.

Percentage Currently Using Each Mobile Channel



High-Performing vs. Underperforming Teams

3.9x
more likely to currently use

2.8x
more likely to currently use

5.5x
more likely to currently use

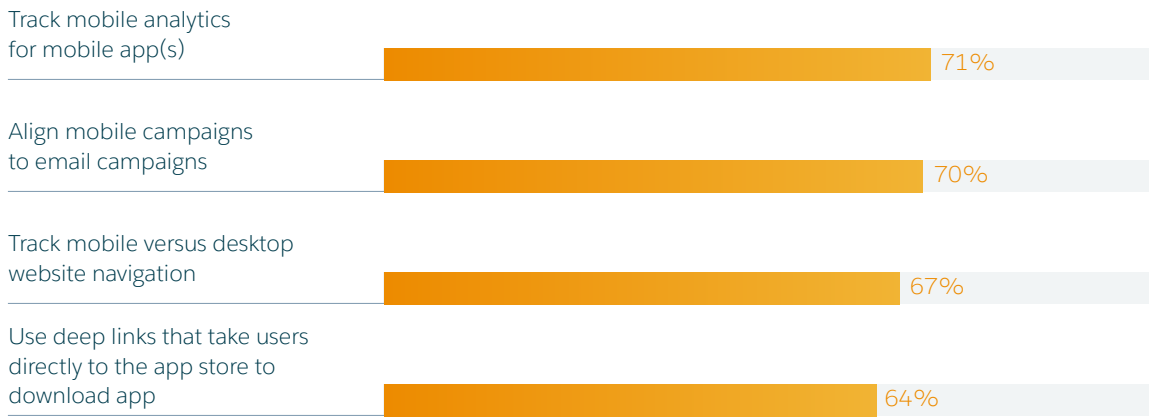
5.7x
more likely to currently use

** Data reported in this section comes from abase of respondents who use mobile marketing as part of their marketing strategy.*

Mobile Scorecard (cont.)*

Retail teams have embraced mobile and are taking a more advanced approach to connecting with their customers by aligning campaigns, tracking analytics, and using deep links that directly driver users to download an app.

Percentage Who Use Each Mobile Strategy



** Data reported in this section comes from abase of respondents who use mobile marketing as part of their marketing strategy.*

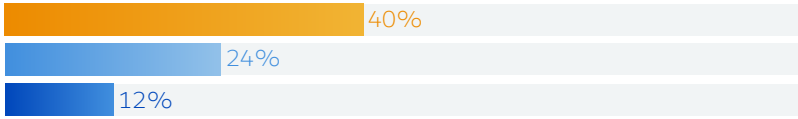
Email Scorecard*

As email personalization capabilities grow more sophisticated, the channel becomes even more integral as consumer product and retail marketers seek to deliver a holistic customer journey.

Predictive technology is breathing new life into established marketing channels such as email. Gaining a deeper, behavior-based understanding of customers allows marketers to be smarter in creating next steps along the customer journey.

Top teams are 3.5x more likely than underperformers to leverage predictive intelligence or data science to create personalized emails.

Percentage Who Leverage Predictive Intelligence or Data Science to Personalize Emails



High-Performing teams Moderate-Performing teams Underperforming teams

High-Performing vs. Underperforming Teams

3.5x

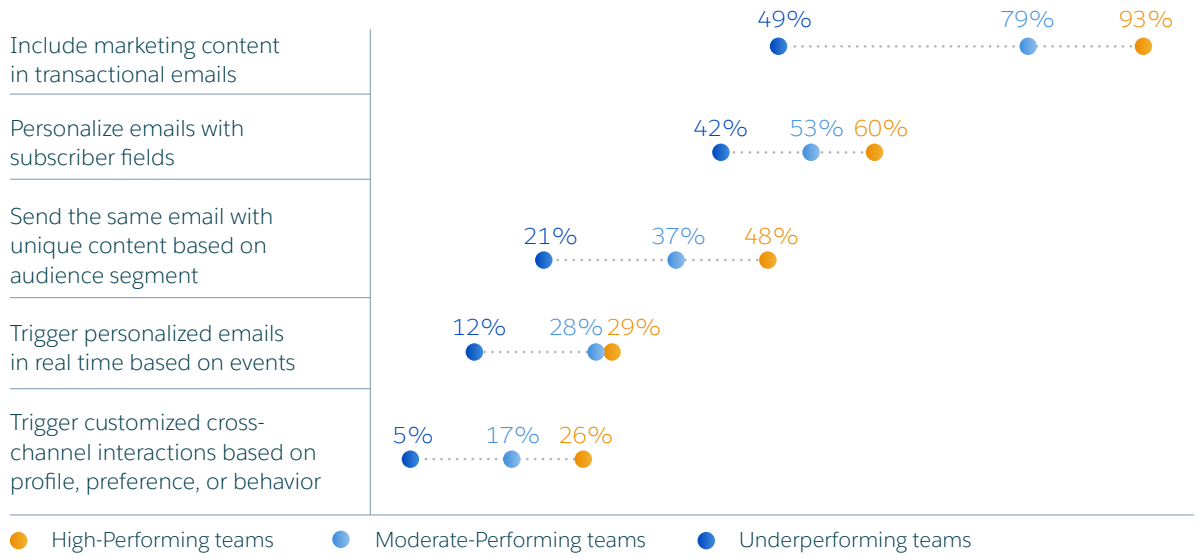
more likely to leverage predictive intelligence or data science to personalize emails

** Data reported in this section comes from abase of respondents who use email marketing as part of their marketing strategy.*

Email Scorecard (cont.)*

Beyond predictive intelligence, top teams are also using personalization and cross-channel inputs to customize messages.

Percentage Who Use Each Email Strategy



** Data reported in this section comes from abase of respondents who use email marketing as part of their marketing strategy.*

Social Scorecard*

Social provides an open platform for two-way communication between retailers and customers that's hard to replicate elsewhere. Top teams understand the need for real-time communication and engagement on social channels, and the most successful marketers excel at replying in a timely manner.

Percentage Who Excel at Responding to Social Interactions in a Timely Manner

High-Performing vs. Underperforming Teams

11.9x
more likely to be excellent at responding to social interactions in a timely manner

High-Performing teams | Moderate-Performing teams | Underperforming teams

High performers are leveraging social listening to better understand both their audiences and the financial market.

Percentage Who Extensively Use Social Listening Tools

High-Performing vs. Underperforming Teams

44x
more likely to be extensively using social listening tools

Percentage Who Extensively Use Social Publishing Tools

13.5x
more likely to be extensively using social publishing tools

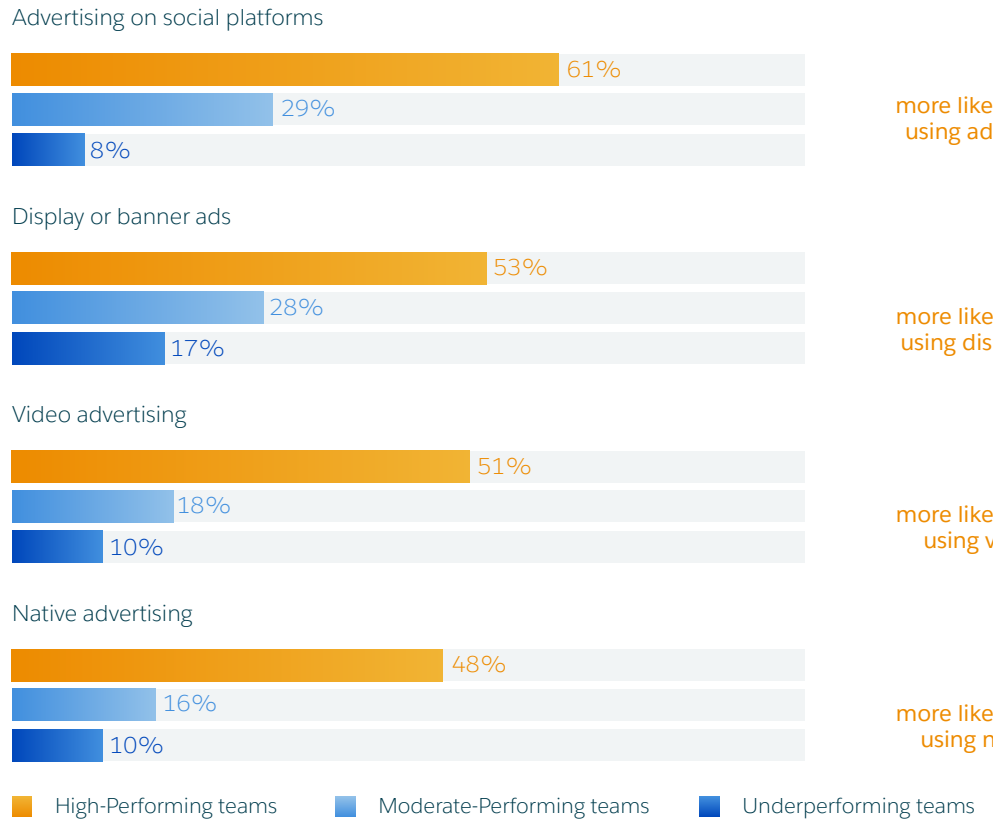
High-Performing teams | Moderate-Performing teams | Underperforming teams

** Data reported in this section comes from a base of respondents who use social marketing as part of their marketing strategy.*

Advertising Scorecard*

More than two-thirds (67%) of retail marketers are boosting budgets for advertising on social platforms in 2016, making it the third-largest area for increased investment. It's also the most popular digital advertising strategy, with 69% of retail marketers currently using it extensively or on a limited basis.

Percentage Who Extensively Use Each Advertising Strategy



High-Performing vs. Underperforming Teams

7.3x
more likely to be extensively using advertising on social platforms

3.2x
more likely to be extensively using display or banner ads

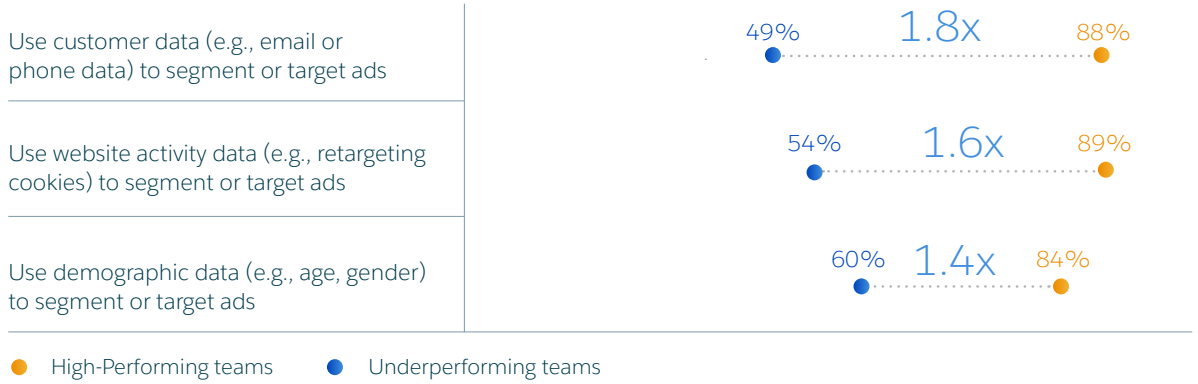
5.3x
more likely to be extensively using video advertising

4.9x
more likely to be extensively using native advertising

** Data reported in this section comes from abase of respondents who use digital advertising as part of their marketing strategy.*

Advertising Scorecard (cont.)*

A large majority of marketers using digital advertising leverage data – shopper, demographic, or website activity – to segment or target their advertising.



** Data reported in this section comes from abase of respondents who use digital advertising as part of their marketing strategy.*

Key Takeaways

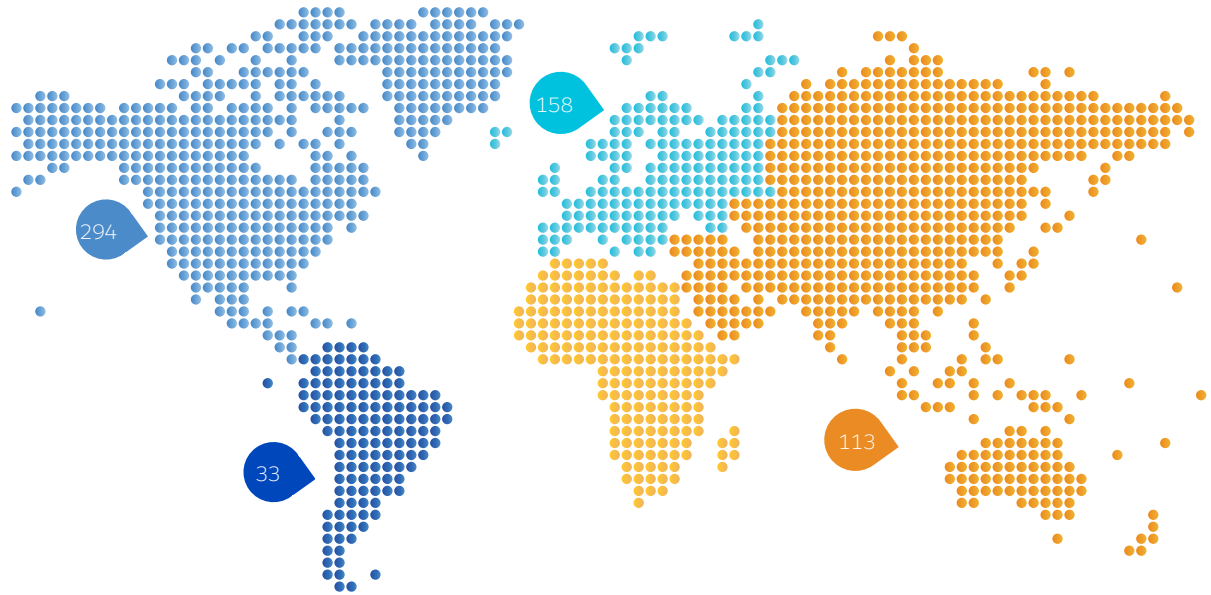
1. **Marketers Must Create Seamless Customer Experiences**
Customers don't communicate with departments, they have conversations with brands. And they use multiple channels – from mobile apps and social platforms to phone calls, online stores, and in-person visits. Their data doesn't belong to any single business unit or product line. Whether they're comparing products, shopping, or seeking customer service, consumers expect their favorite brands to know, understand, and remember them and all of their interactions.

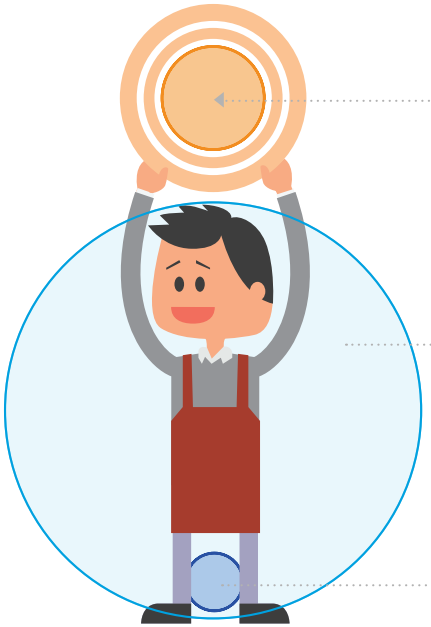
2. **Consumers Expect Personalized, 1-to-1 Brand Experiences**
Top consumer products and retail marketing teams are responding to consumers' need for a consistent customer experience by leading cross-organizational collaboration. This enables companies to develop a single view of the customer that can be shared across the organization, and serves as the foundation for highly tailored and relevant customer interactions. The sum total of these personalized, 1-to-1 interactions is a unique customer journey that helps to nurture emotional connections and increase brand loyalty.

3. **Technology Must Integrate Systems and Data**
A single customer view and personalized customer interactions require consumer products and retail marketers to embrace collaborative technologies that integrate cross-organizational data and automate marketing processes. For example, online shopping data, in-store loyalty programs, CRM technologies, and point-of-sale systems must all be aligned and integrated. And by strategically adding emerging technologies such as the internet of things and beacon-based marketing to their marketing toolbox, marketers can continue to provide an agile response to their customers' always-changing needs and preferences.

Data Collection and Methodology

Data is examined relative to business performance to identify patterns for overall success. High-performing marketing leaders are those who are extremely satisfied with the current outcomes realized as a direct result of their company's marketing investment.





17%

High-Performing teams

are "extremely satisfied" with the current outcomes realized as a direct result of their company's marketing investment

71%

Moderate-Performing teams

are "very or moderately satisfied" with the current outcomes realized as a direct result of their company's marketing investment

12%

Underperforming teams

are "slightly or not at all satisfied" with the current outcomes realized as a direct result of their company's marketing investment

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