

State of the Connected Customer

Insights from over 7,000 consumers and business buyers on expectations for a smarter customer experience



A Note from Simon Mulcahy, Salesforce Chief Marketing Officer



I'm happy to introduce our latest research in this "State of the Connected Customer" report.

Ours is a culture forged by constant connections – mobile access to everything imaginable, the instant we need it. The result is that customers, consumers, patients, and citizens are supremely empowered with more information and choice than ever before, making it an even greater endeavor to sustain loyalty. As more and more data sources come online with the internet of things, we see many new possibilities (and complexities). As customers' connected boundaries expand, expectations are likewise being elevated.

What does this mean for business? In short, these changes are creating an intelligence imperative – both for companies serving consumers and those serving entire organizations. It's no longer enough for customer experiences to be simple and fast. Increasingly, customers expect every touchpoint to be personalized and proactive. These demands are breeding new business models and upending industries, prompting CEOs to consider the seemingly infinite influences on the marketplace.

In this hyperconnected state, customers continually judge each company's interactions to find the smartest. "Which company knows who I am as soon as I reach out?" or "Which company gives me what I need before I even have to ask for it?" are common questions in the mind of the connected customer. Forward-thinking executives now have the opportunity to inject intelligence into every system to gain a competitive edge – and with powerful new capabilities like machine learning, deep learning, and natural language processing at their fingertips, the disruption will only accelerate.

In analyzing responses from over 7,000 consumers and business buyers worldwide, this study captures what it truly means to be a connected customer and shines a light on the resulting business directives. This research will help you understand the connected customer – what he or she expects and values – and how to best position your business to deliver just that. I hope you'll find this report to be a useful guide.

Sincerely,

A handwritten signature in black ink, appearing to read "Simon Mulcahy".

Simon Mulcahy

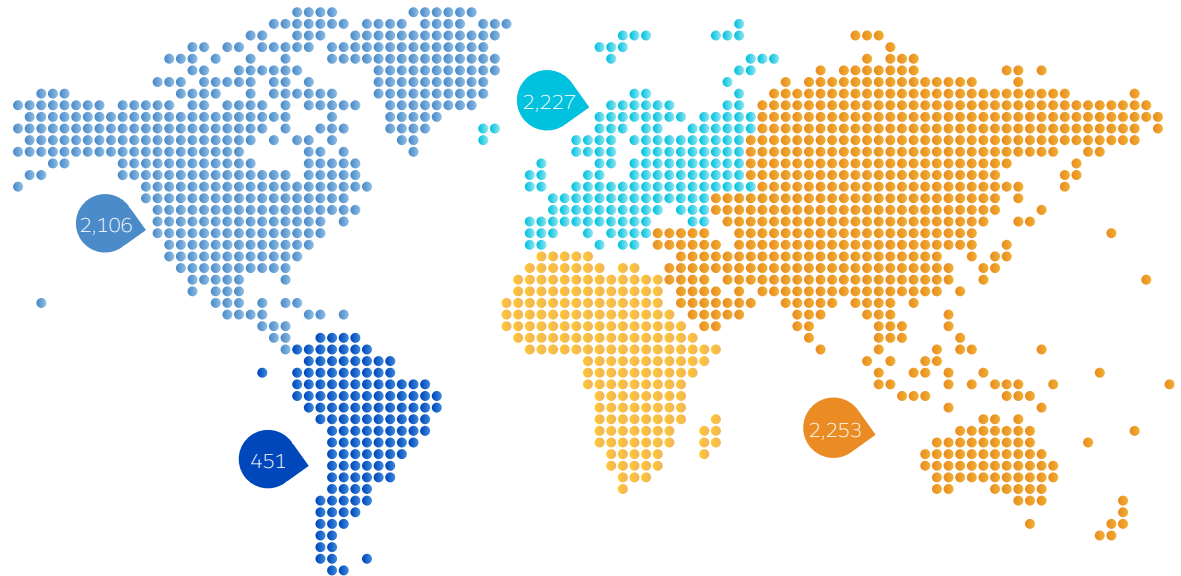
Salesforce Chief Marketing Officer



Salesforce Research surveyed 7,037 global consumers and business buyers to discover:

- What defines the connected customer?
- What are their unique preferences and expectation of companies?
- How is technology changing the way customers consume information, communicate with companies, and purchase and seek service from brands?
- What can today's businesses do to stay ahead of changing customer expectations and avoid disruption?

In this report we examine survey results from both consumers and business buyers. We define consumers as those reporting their personal purchasing, service, technology, and engagement preferences; business buyers self-identified as employees having purchasing power on behalf of B2B companies. This latter group of customers approached the survey with their businesses' more complex needs, lengthier deal cycles, and larger budgets in mind.



Salesforce Research provides data-driven insights to help businesses transform how they drive customer success. Browse all reports at salesforce.com/research.

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The connected customer has emerged as the driving force in a world of constant innovation, mobility, and disruption. New technologies have put customers in the driver's seat of the marketplace – giving them power over which brands sink or swim in the digital age. Companies that treat customers with awareness and intelligence – and put the customer experience at the center of their business strategies – will succeed in this connected world.

What defines the connected customer and how can businesses keep up with his or her evolving expectations? Here's a brief overview of six top findings from our research.

01 | Information-Savvy Customers Now Control the Marketplace

(See page 11)

Recent advances in technology have created an age in which customers are empowered to communicate, research, browse, and purchase wherever they are and whenever they want. Today's customers expect companies to quickly innovate in accordance with their changing preferences – otherwise they'll simply switch brands. **Seventy percent of consumers agree technology has made it easier than ever to take their business elsewhere.**

02 | The Culture of Immediacy Drives Mobile-First Expectations

(See page 14)

Smartphones have become ubiquitous for the modern-day customer, especially for millennials, who came of age in a mobile-first world. This constantly connected lifestyle has created a culture of immediacy in which customers' definition of timely interactions means instant. **Sixty-four percent of consumers expect companies to respond and interact with them in real time.**

03 | Customers Still Value Human Connections in a Tech-Driven World

(See page 17)

Despite their affinity for faster and smarter technologies, connected customers still want to be treated as human beings with unique preferences – not addresses on an email list. In exchange for their loyalty, customers expect to be heard, understood, and appreciated by companies, like they are when they visit a local shopkeeper. **Two-thirds of consumers say they're likely to switch brands if they're treated like a number instead of an individual.**

04 | New Data-Sharing Attitudes Spark Next Era of Marketing Personalization

(See page 21)

Customers want more intelligent communications from brands. The batch-and-blast method doesn't work on these customers. They've grown to expect tailored recommendations and offers, and they're willing to provide trusted brands with the data that enables such personalized interactions. **Sixty-three percent of millennial consumers agree they're willing to share data with companies that send personalized offers and discounts.**

05 | Smarter Use of Customer Information Expands Opportunities for Sales

(See page 25)

Connected customers' desire to not be treated like a number also means they don't want to be treated like a cog in the sales machine. Sales organizations must rethink the traditional product-driven sales pitch and focus on leveraging smart tech and data to become trusted advisors to customers. **More than three-quarters of consumers say it's absolutely critical or very important to work with a salesperson who is focused on achieving customer needs instead of making a quick sale.**

06 | Fast, Personal Service Is Directly Linked to Customer Loyalty

(See page 29)

The connected customer wants a smarter customer service experience – one that is both fast and personal. Gone are the days when customers would settle for extended phone conversations or multiple-day resolutions. **Seventy-one percent of consumers say that customer service provided on any day at any time has an influence on loyalty, and almost as many (69%) say the same about personalized customer care.**

Introduction

The Connected World Has Created a Smarter Customer

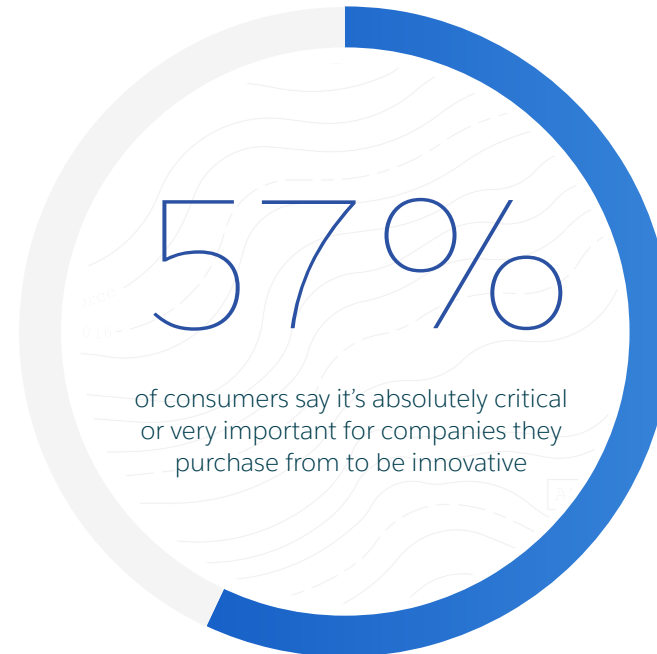
Today the digital world is woven together by millions of connected networks that converge at the customer, who can now navigate from a single smartphone. The ability to browse, shop, text, explore, or map – all from one device – is the norm.

Put simply, these smarter customers expect smarter exchanges with companies. In fact, **58% of consumers agree that technology has significantly changed their expectations of how companies should interact with them.**

Companies are continually seeking new vehicles of innovation – mobile, cloud platforms, and even emerging artificial intelligence (AI) – as they race to put customers in the driver's seat of their business strategies.

Technology Innovation Is Now the Status Quo

New, improved technologies that change the way people work and live are no longer a luxury to customers – innovation is an expectation. In fact, 57% of consumers say it's absolutely critical or very important for companies they purchase from to be innovative.



The Connected World Has Created a Smarter Customer

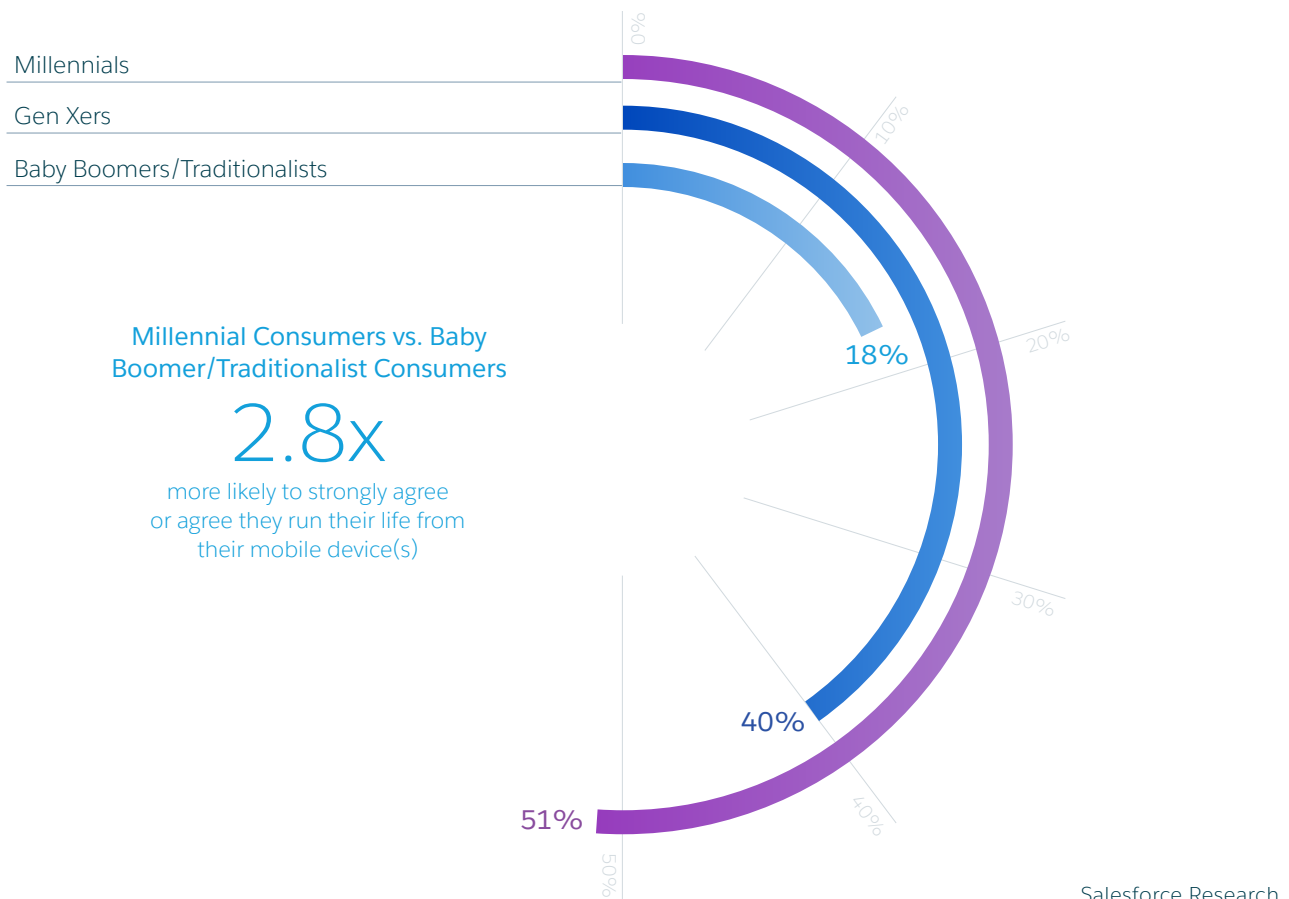
With smartphones in the hands of nearly every customer, mobile represents the single greatest enabler of the constantly connected world. People don't just call, text, or email from their phones anymore. They buy groceries, compare product reviews, solve service issues, follow brands on social channels – and the list keeps growing. As a result, companies that fail to embrace a mobile-first mindset are already behind.

This way of life will only expand as millennials' influence on the marketplace grows. Millennials are the dominant voice of the connected customer – adopting mobile-centric lifestyles more enthusiastically than any other generation. Raised in the digital era, this generation considers it second nature to do virtually anything from their phone. This approach will continue as millennials pass the torch to Gen Z, who are learning to use smartphones as toddlers.

Constant Connectivity Is a Way of Life

We live in a world of constant connectivity. People are now managing every aspect of daily communications from their mobile device(s), especially younger generations. Fifty-one percent of millennial consumers agree they run their lives from their mobile device(s).

Percentage of Consumers Who Strongly Agree or Agree They Run Their Life from Their Mobile Device(s)



The Connected World Has Created a Smarter Customer

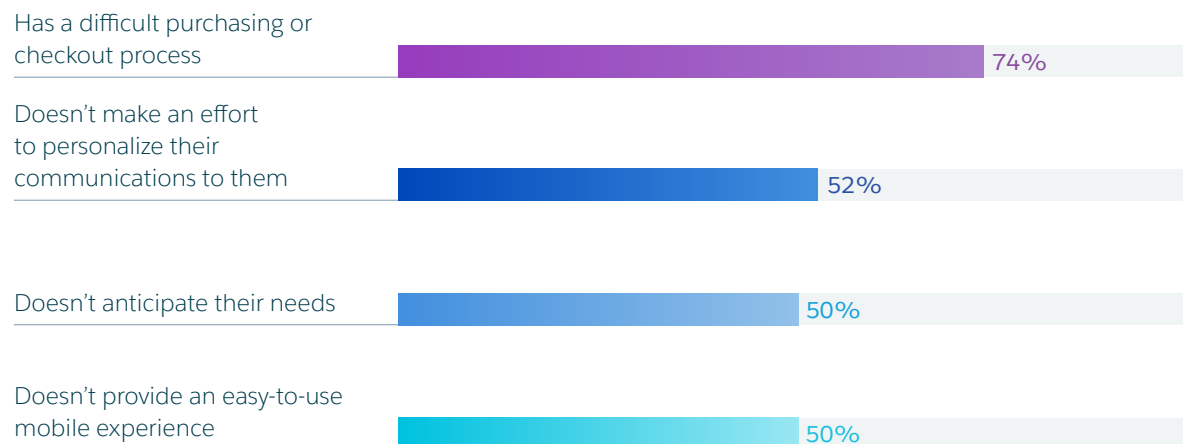
Connected customers don't just expect constant, mobile-first innovation – they also demand that companies cater to their personal needs and desires. Customer loyalty no longer depends on the quality of the offered products or services, but rather on the accuracy and ease of the customer experience. Customers now hold brands to new standards, and they expect companies to use technology that provides more proactive, intelligent exchanges, demonstrating that they understand them. **Half of consumers say they're likely to switch brands if a company doesn't anticipate their needs.**

This seismic shift isn't only happening among consumers. The connected business buyer is also in control – bringing expectations of innovation, humanity, and personalization to the more cumbersome and expensive purchasing processes within their companies. **Sixty-five percent of business buyers say they're likely to switch brands if their company is not treated like a unique organization.**

Customer Churn Is Only One Bad Experience Away

Customers are in charge in the connected world. Fifty percent of consumers say they're likely to switch brands if a company doesn't anticipate their needs, and 74% feel the same if the company doesn't provide an easy checkout process.

Percentage of Consumers Who Are Extremely or Somewhat Likely to Switch Brands if a Company...



Understanding the Connected Customer



01 Understanding the Connected Customer

Information-Savvy Customers Now Control the Marketplace

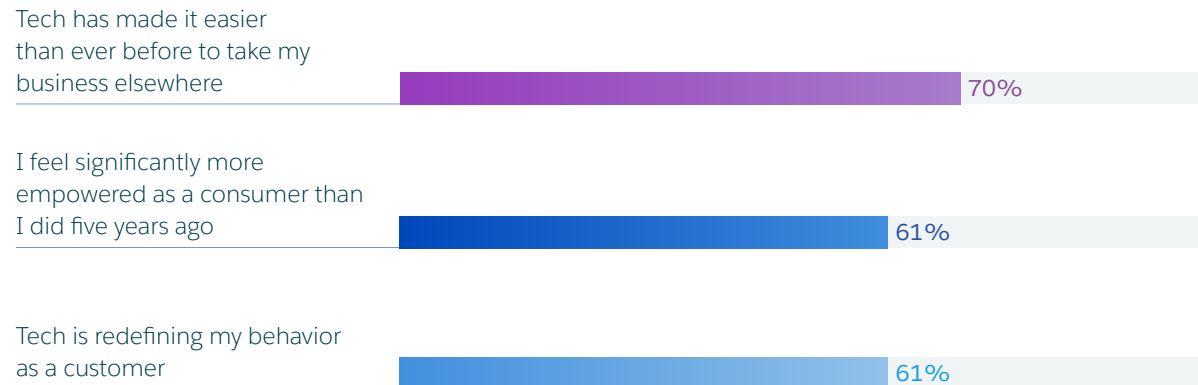
We live in the age of the customer. People no longer passively absorb billboards, commercials, or emails. They leverage omnipresent technology to consume personalized, contextual information, make purchases, and run their businesses on their terms.

Companies that embrace this new dynamic succeed by putting customer expectations at the center of how they innovate, while those that don't are being disrupted. For example, new markets such as ridesharing and music streaming have grown from consumers' desires for personalized and seamless experiences and their dissatisfaction with the standard offerings of companies and industries.

Technology Puts Customers in the Driver's Seat of Their Buying Journeys

In the age of the customer, technology fundamentally changes the way customers interact with companies. Seventy percent of consumers agree technology makes it easier than ever before to take their business elsewhere, and 61% say technology is redefining their behavior as a customer.

Percentage of Consumers Who Strongly Agree or Agree with Each Statement



As customers become more connected, the ability to share and discuss their perspectives and experiences with products, services, and brands becomes easier. In other words, customers don't just drive their own buying journeys but increasingly have the power to influence those of their peers.

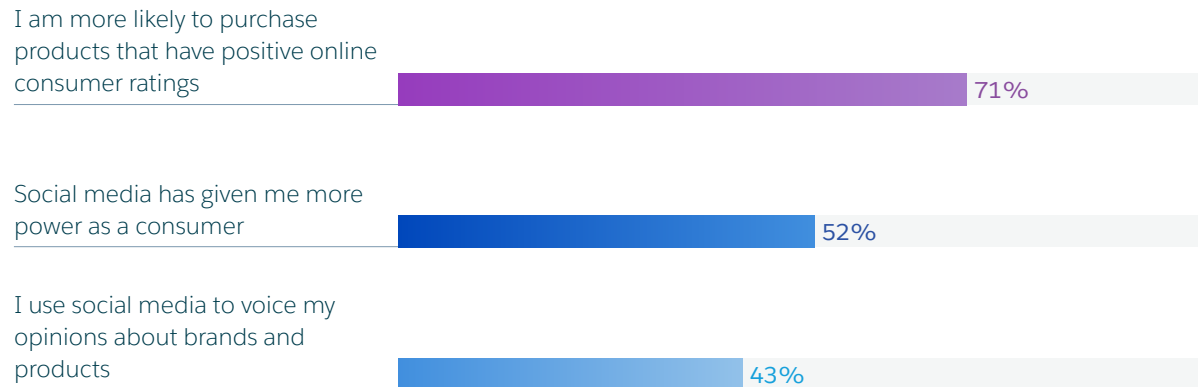
The implications for companies are dramatic, as they no longer maintain control of their brand reputation across the digital landscape – consumer-generated content such as reviews and social media posts are the trusted source of proof of quality for services or products.

As a result, companies must prove their brand value with a customer experience that is worth raving about, rather than with a carefully scripted narrative.

Digital Conversations Can Make or Break Brands

Customers now have boundless access to online content that drives decisions. Seventy-one percent of consumers are more likely to purchase products that have positive online consumer ratings, and more than half say social media has given them more power as a consumer.

Percentage of Consumers Who Strongly Agree or Agree with Each Statement



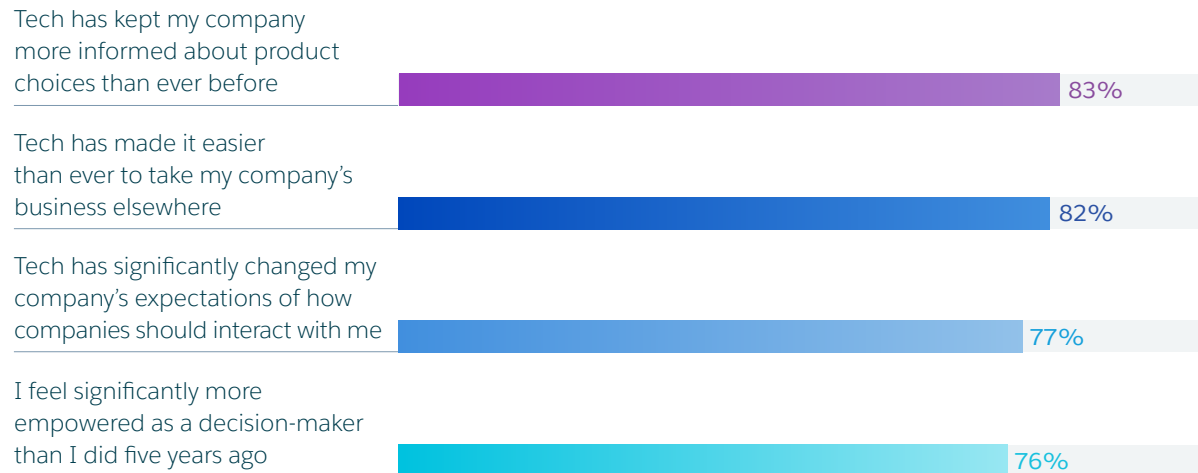
In the age of the customer, the business buyer's decision-making and purchasing power is elevated to an even greater height. Access to reliable information – before making a purchase priced in the thousands or even millions – is critical. Business buyers look for nimble vendors who can easily adapt to their company's changing needs. Slow-moving, legacy-laden vendors are being displaced by smaller, agile companies that provide personalized and seamless customer experiences.

Technology allows businesses to disrupt the traditional buying process. The ability to make hyper-educated decisions prior to purchasing allows business buyers to run their businesses more intelligently, target their customers more effectively, and ultimately, lead in their markets.

Business Buyers Harness Tech to Steer Vendor Relationships

The connected business buyer has upended traditional vendor relationships by harnessing new technologies to be more in control of purchasing decisions. Eighty-three percent of business buyers agree that tech has kept their company more informed about product choices than ever before.

Percentage of Business Buyers Who Strongly Agree or Agree with Each Statement



02 Understanding the Connected Customer

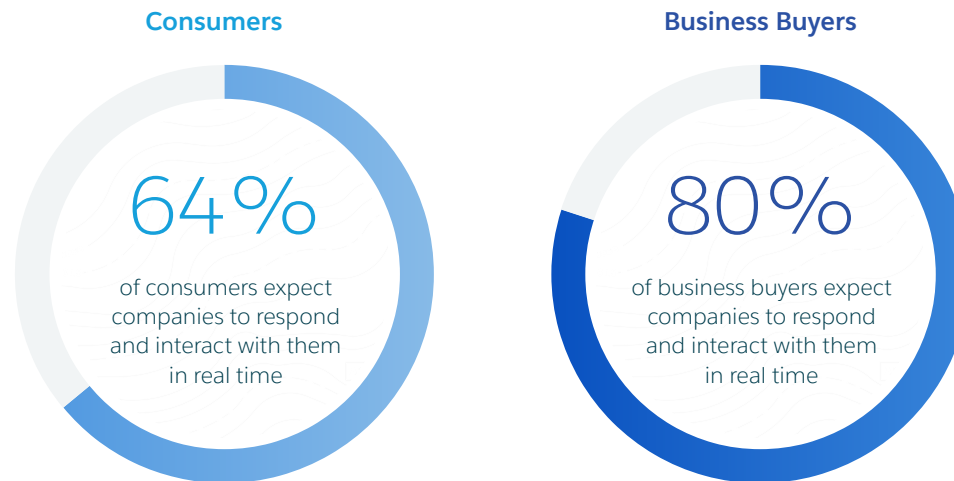
The Culture of Immediacy Drives Mobile-First Expectations

With connected devices comes a new way of life built on the expectation that every interaction and transaction will happen in real time. The concept of waiting is quickly vanishing as customers march to the drumbeat of text messages, push notifications, tap-to-buy buttons, and more. This pervading culture increases customer demands of companies – the connected customer now expects interactions with brands to be instantaneous.

The implications of the culture of immediacy are even greater among business buyers. They have higher expectations as their businesses evolve to instantly meet their own customers' demands. **Eighty percent of business buyers agree they expect companies to respond to them in real time.**

Customers Demand Real-Time Interactions

The culture of immediacy has fundamentally changed the nature of customer interactions with companies. Sixty-four percent of consumers expect companies to respond and interact with them in real time.



The age of the customer, the intertwining of customer worlds, and the culture of immediacy are all byproducts of the smartphone. **Eighty-eight percent of consumers now own a smartphone for personal use.** This small piece of hardware now serves as the nerve center of consumers – not only keeping them constantly informed but also reshaping the definition of timely and elevating the critical nature of context.

For instance, customers can text a representative with a spontaneous product question, or make a purchase at the very moment they reach a decision. This can happen on the bus, during commercials, while walking to the restroom, or from virtually any place at any moment.

Mobile Is at the Epicenter of an On-Demand World

Customers expect companies to participate in the culture of immediacy through instant mobile service and access to information. Fifty-seven percent of consumers say it's absolutely critical or very important that companies have an easy-to-use mobile experience.

Percentage of Consumers Who Rate Each Statement as Absolutely Critical or Very Important



As business buyers become more connected in their personal lives, they bring their tech-driven expectations to work. Because their decisions impact their company's bottom line, it's important for them to be able to conduct research, check on purchase orders, or receive and give approvals quickly. **More than half (57%) of business buyers say they're likely to switch brands if a company doesn't provide an easy-to-use mobile experience.**

Mobile devices have become the command center for business buyers – they enable immediate access to information no matter where they are. Whether flying on a business trip, in transit on a long commute, or in between meetings, business buyers are now able to stay constantly connected with this pocket-sized device.

Mobile Is the Command Center of the Connected Business Buyer

In the workforce, business buyers rely heavily on their mobile devices to run their businesses – 84% of millennials and 76% of Gen Xers agree their mobile device is essential to the work they do.

Percentage of Business Buyers Who Strongly Agree or Agree That Their Mobile Device Is Essential to the Work They Do

Millennials

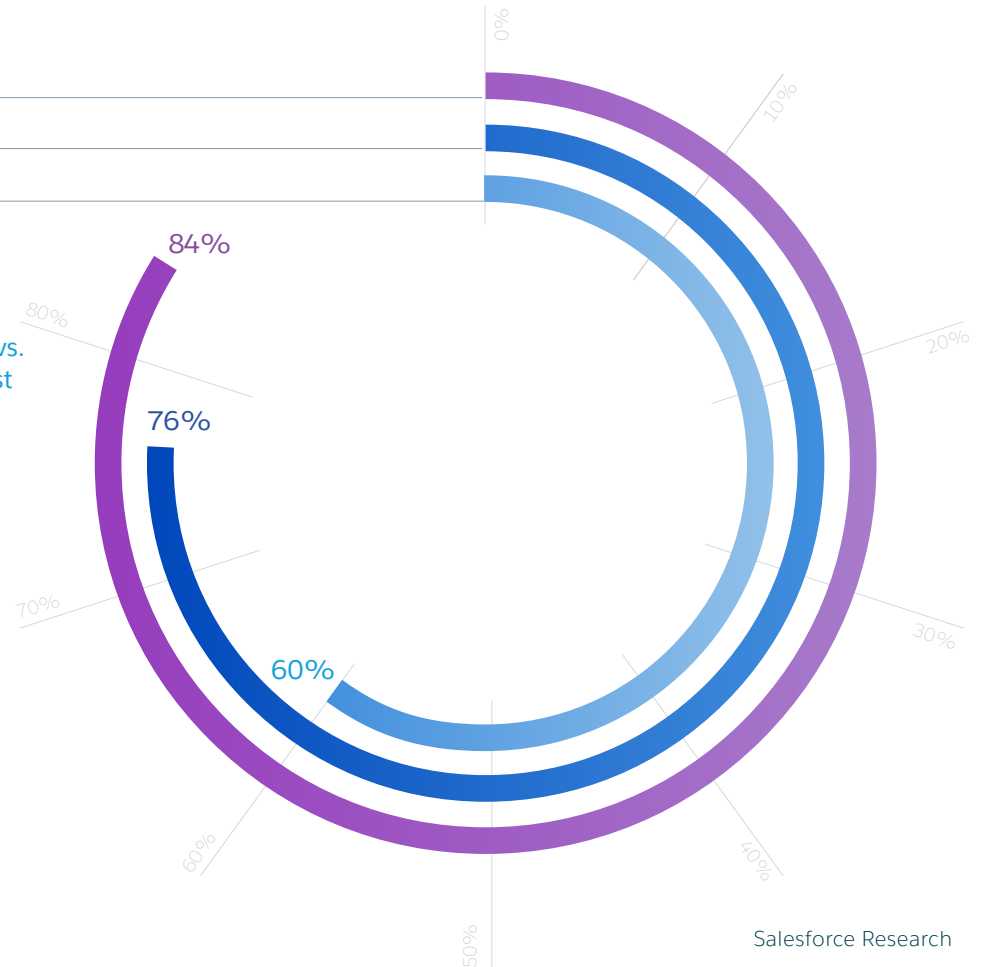
Gen Xers

Baby Boomers/Traditionalists

Millennial Business Buyers vs. Baby Boomer/Traditionalist Business Buyers

1.4x

more likely to strongly agree or agree their mobile device is essential to the work they do



03 Understanding the Connected Customer

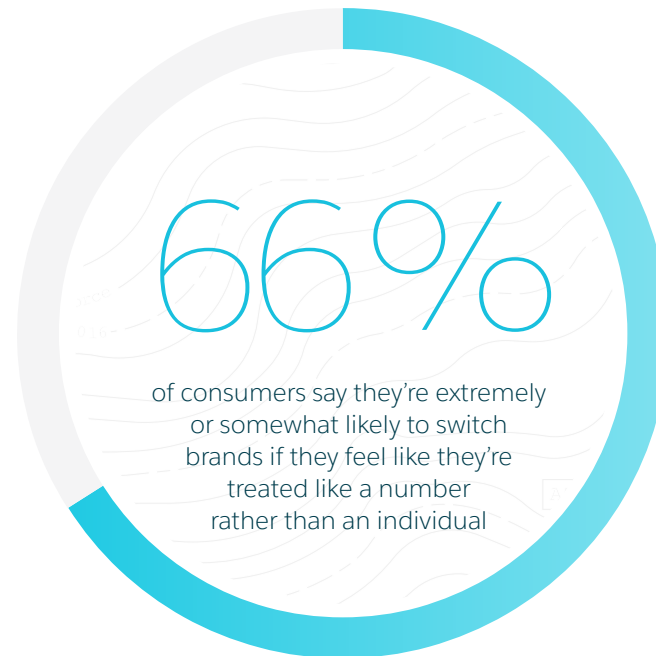
Customers Still Value Human Connections in a Tech-Driven World

Despite the fact that technology has completely restructured the lives of connected customers, they seek more than algorithms and device-driven transactions. Modern customers want to feel a real human connection with brands and want technology to enhance this connection, not to replace sales and service reps.

Connected customers want to be heard, understood, remembered, and respected. Ultimately, they want to be treated like people – and intelligent applications of customer data can help companies deliver experiences with a human touch, at scale. **Seventy-two percent of consumers agree they expect companies to understand their needs and expectations.**

Customers Want to Be Treated Like People, Not Numbers

Connected customers are technology entrenched but are still looking for personal relationships with companies. Two-thirds of consumers say they're likely to switch brands if they're treated like a number instead of an individual.



An important aspect of true human connection to a brand is familiarity. When a local grocer or bookstore owner remembers a customer's name, it means something – it makes that person want to come back. Even now, a simple act – such as a rep on a service line using a customer's first name or an email wishing a customer happy birthday – can increase the sense of commitment to a brand.

On the other hand, that comfort or familiarity can be instantly compromised if the customer then speaks to someone who breaks the chain of personalization. Customers seek to be consistently recognized and remembered across every interaction and communication channel.

Familiarity at Every Touchpoint Defines Brand Commitment

Connected customers expect consistent and intelligent experiences across every interaction or communication channel – and a large part of that is being recognized and remembered.



Business buyers seek a smart, human connection when it comes to their relationships with vendors. In fact, business buyers expect vendors to know their company's needs even better than a local shop, as there is more on the line. To succeed, their companies need products and services that are tailored for their specific circumstances. After all, they're catering to the same empowered, discerning buyers too.

Trust and knowledge are of utmost importance to business buyers, and they want to partner with brands that understand how to bring the most value to their unique business.

Business Buyers Choose Vendors Who Understand Their Unique Needs

The connected business buyer seeks relationships with brands that truly understand and grasp their company's unique needs. Eighty-nine percent of business buyers agree they expect companies to understand their business needs and expectations.





Charting the Business Impact



New Data-Sharing Attitudes Spark Next Era of Marketing Personalization

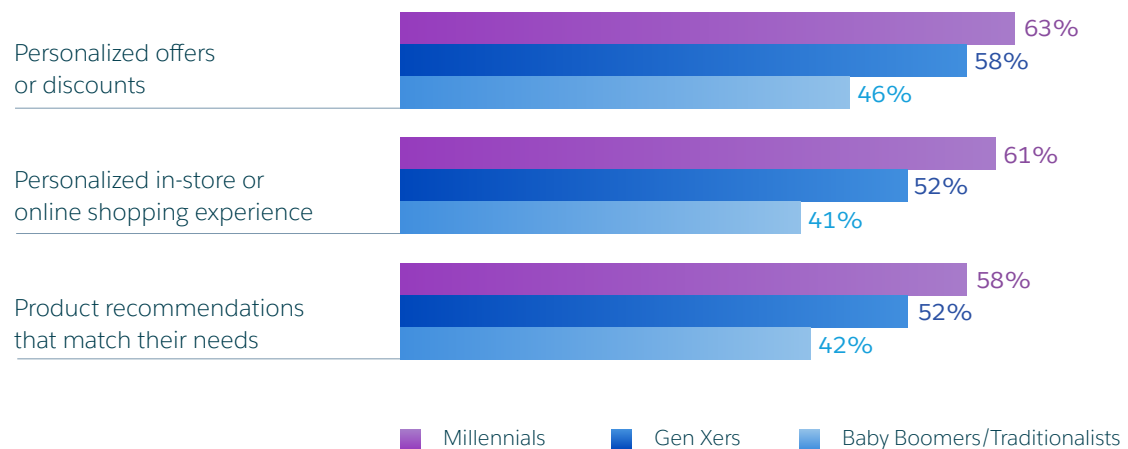
Cautious about running afoul of their customers' desire for privacy, many marketers are wary of using customer data. But customers' attitudes are changing. They understand the value of their data, and in exchange for highly personalized shopping experiences and brand interactions, they're willing to provide it to trusted companies.

In fact, they expect that businesses will leverage their data to create and deliver intelligent, unique customer journeys that cater to their needs. Marketing initiatives that don't take advantage of customized customer communications run the risk of antagonizing more than half of their customers. **Fifty-two percent of consumers say they're likely to switch brands if a company doesn't make an effort to personalize communications to them.**

Customers Are Willing to Share Data for Personalization

Most customers understand that personalized journeys are created by brands that collect and integrate data. Sixty-three percent of millennial consumers agree they're willing to share data with companies that send personalized offers and discounts.

Percentage of Consumers Who Strongly Agree or Agree They're Willing to Share Personal Data in Exchange for the Following



As both technology and personal connections with brands become more important, customer journeys have grown more sophisticated. High-performing marketing teams must work to create tailored, dynamic customer journeys that include personalized and curated emails, social media interactions, landing pages, product suggestions, and more, informed by customer preferences and behaviors. Such personalized customer experiences are a key driver of brand loyalty.

Tailored Interactions Build Customer Loyalty

Customers are committed to brands that understand them – and demonstrate that understanding by providing intelligent, informed, and personalized communications. Sixty-five percent of consumers say that personalized or exclusive offers and discounts influence their loyalty.

Percentage of Consumers Who Say Each Statement Has a Major or Moderate Influence on Their Loyalty



Vendors can improve customer churn by providing business buyers with personalized engagement and experiences through channels such as digital content, social interaction, forum discussions, and user communities. Taking it a step further, companies can offer tools such as online price calculators and product configurators to provide real-time, customized product recommendations, pricing, quote options, and proposals.

Sixty-five percent of business buyers say they're likely to switch brands if vendors don't make an effort to personalize communications to their company.

Business Buyers Value 1-to-1 Marketing

Business buyers appreciate vendors who make the effort to personalize their marketing outreach. Seventy-four percent of business buyers say that sending personalized or exclusive offers and discounts influences their loyalty.



Spotlight: The Marketing Data Gap

Most Marketing Teams Don't Effectively Leverage Customer Data

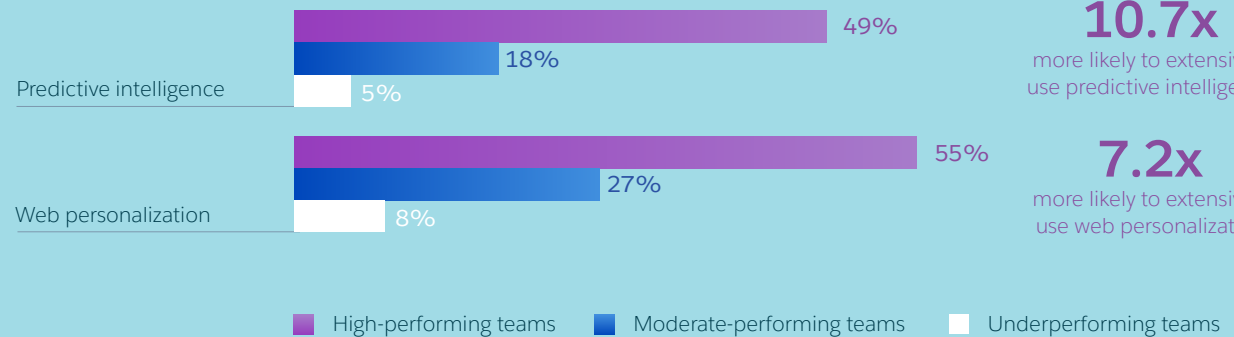
The majority of marketing teams fail to capitalize on customers' willingness to exchange data for personalization. According to Salesforce Research's "State of Marketing," most moderate-performing and underperforming teams aren't collecting and applying customer data to their marketing efforts.

Emerging technology provides marketers with unparalleled opportunities to realign with their customers. For example, predictive intelligence allows marketers to understand and predict customer needs, while web personalization makes it easier to target customers with specific, personalized web content. Yet overall adoption is low. **Even so, high-performing marketers (who represent only 18% of marketing leaders) are 10.7x more likely than underperformers to be extensively using predictive intelligence and 7.2x more likely to be extensively using web personalization.**

Marketers Face a Substantial Data Gap*

Even though most customers are willing to share their data with companies in exchange for personalized interactions, moderate-performing and underperforming marketers are slow to adopt advanced intelligence-driven personalization tools.

Percentage of Marketers Who Say They're Extensively Using Each Technology



* "2016 State of Marketing," March 2016, Salesforce Research.

Smarter Use of Customer Information Expands Opportunities for Sales

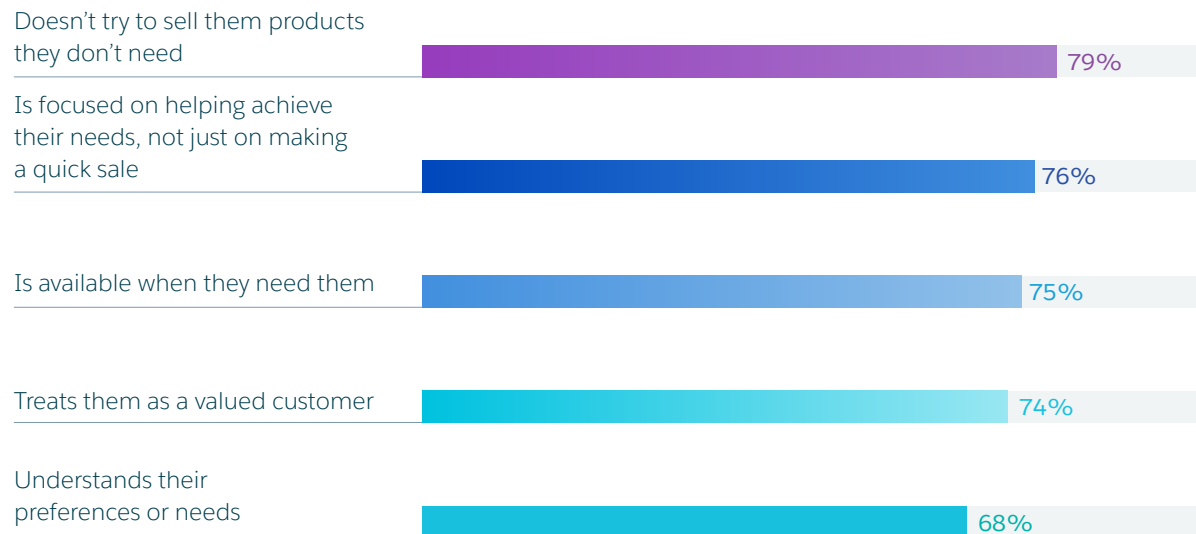
With greater control over purchasing decisions, customers have the freedom to rewrite the rules of sales engagement based on their individual choices and preferences. They want to feel that the information they've shared with salespeople is used to find the smartest solutions.

Under these new rules of engagement, the brand-focused sales pitch is falling out of favor. Customers prefer working with trusted sales reps who leverage customer-oriented, consultative approaches and advanced technologies to understand, anticipate, and meet their needs.

Savvy Customers Expect Made-to-Measure Sales Experiences

Customers don't want to hear sales pitches – they just want to be helped by informed sales reps. More than three-quarters of consumers say it's absolutely critical or very important to work with a salesperson who focuses on achieving their needs instead of making a quick sale.

Percentage of Consumers Who Say It's Absolutely Critical or Very Important to Interact with a Salesperson Who...



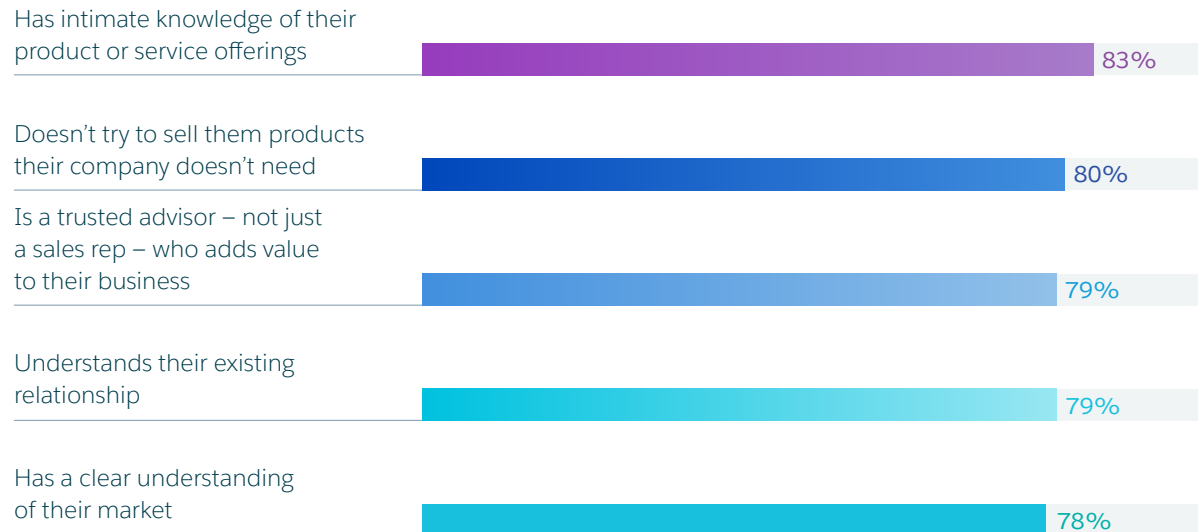
Because business buying is often more complicated than consumer buying – frequently involving significant budgets, multiple decision-makers, and complex purchasing processes – business buyers value companies and salespeople who can help them simplify the task.

Seventy-six percent of business buyers say it's absolutely critical or very important that the sales process not be too complex.

Informed Sales Reps Earn Business Buyers' Trust

Business buyers need sales reps who understand their existing relationships, have market knowledge, and don't try to sell them unnecessary products. Seventy-nine percent of business buyers say it's absolutely critical or very important to have a sales rep who serves as a trusted advisor.

Percentage of Business Buyers Who Say It's Absolutely Critical or Very Important to Interact with a Salesperson Who...



As customers become more demanding about how, when, and why they buy, they've turned the purchasing process on its head to meet their needs. The role of the salesperson has been irrevocably changed by customers' use of technology to evaluate, select, and purchase products and services. Because purchasing information is at customers' fingertips whenever and wherever they want it, the salesperson no longer serves as the gatekeeper.

With easy and immediate access to the tools and information needed to evaluate and make purchases on their own terms, customers are in control of the buying process. **Seventy-five percent of consumers say that technology keeps them more informed about product choices than ever before.**

Mobile Streamlines the Purchasing Process

Mobile's impact on the way consumers evaluate and buy products and services has shifted their expectations of the purchasing process. In particular, mobile devices provide customers with unprecedented access to information and tools that streamline the customer journey.

Percentage of Consumers Who Say It's Absolutely Critical or Very Important to Perform These Tasks via Their Mobile Device



Spotlight: The Mobile Sales Gap

Sales Teams Struggle to Keep Pace with Mobile-First Customers

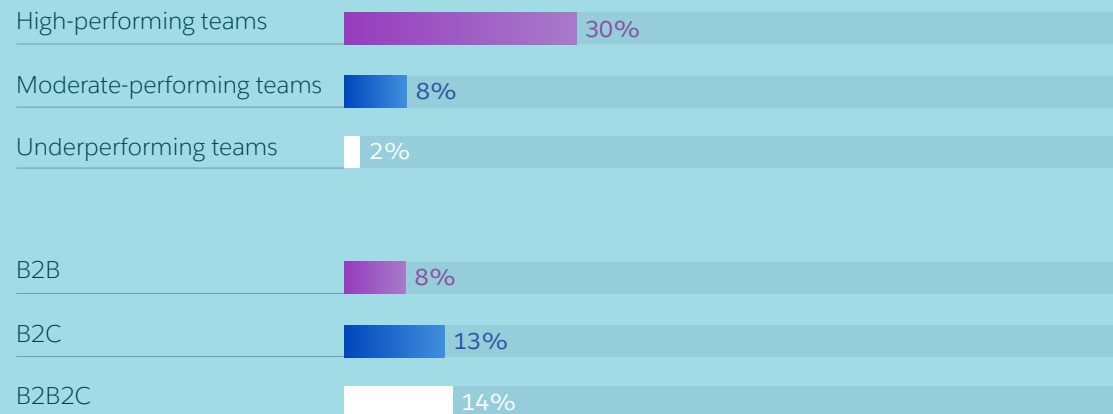
Today's customers value using their mobile devices to conduct key shopping activities, such as price and product comparisons and online reviews. **More than half (52%) of consumers say they wish they could do more with their mobile devices.**

But as the customer shifts toward the use of mobile devices for purchasing products and services, sales organizations haven't been keeping pace. Salesforce Research's "State of Sales" report found that sales teams lag in their ability to provide mobile sales.

Sales Teams Stalled by the Mobile Gap*

In spite of customer preferences for using mobile devices to perform key buying activities, only 8% of B2B sales organizations, 13% of B2C sales teams, and 14% of B2B2C companies rate their ability to provide mobile sales as outstanding.

Percentage of Sales Leaders Who Rate Their Ability to Provide Mobile Sales as Outstanding



* "2nd Annual State of Sales," November 2016, Salesforce Research.

06 Charting the Business Impact

Fast, Personal Service Is Directly Linked to Customer Loyalty

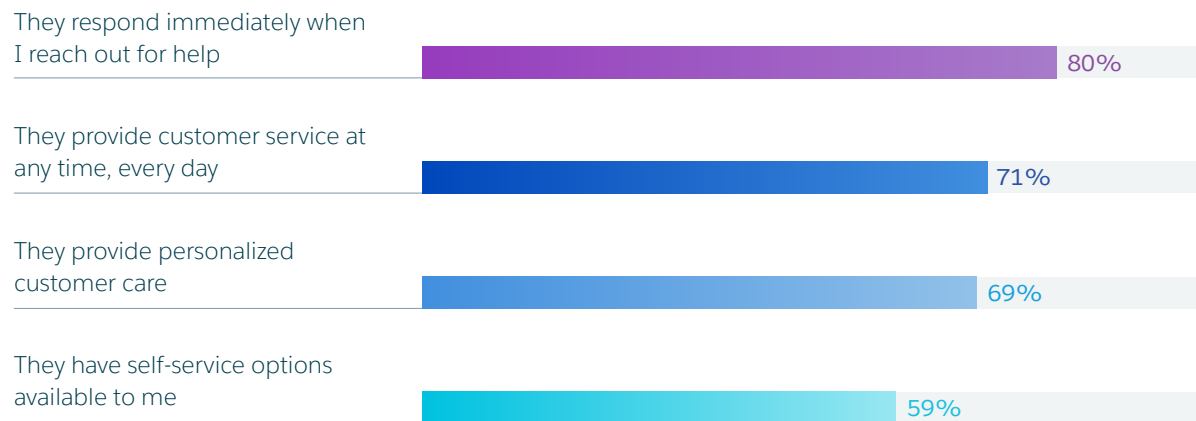
Poor customer service experiences have led many customers to share their dissatisfaction with countless users on Twitter, Facebook, or a myriad of other social platforms. On the other hand, companies that commit to customer-centric service gain customer loyalty.

Customers' mobile-first mindset and heavy use of social media drive their expectations for real-time, on-demand customer service interactions. They expect immediate response via multiple channels, as well as self-service options that allow them to solve their own problems.

Customer-Centric Service Is Personal, Immediate, and Always Available

Customers are more than willing to give their loyalty to companies that provide anytime, immediate, personalized customer service and self-service options. Seventy-one percent of consumers say that customer service provided on any day, at any time influences their loyalty.

Percentage of Consumers Who Rate Each Statement a Major or Moderate Influence on Their Loyalty

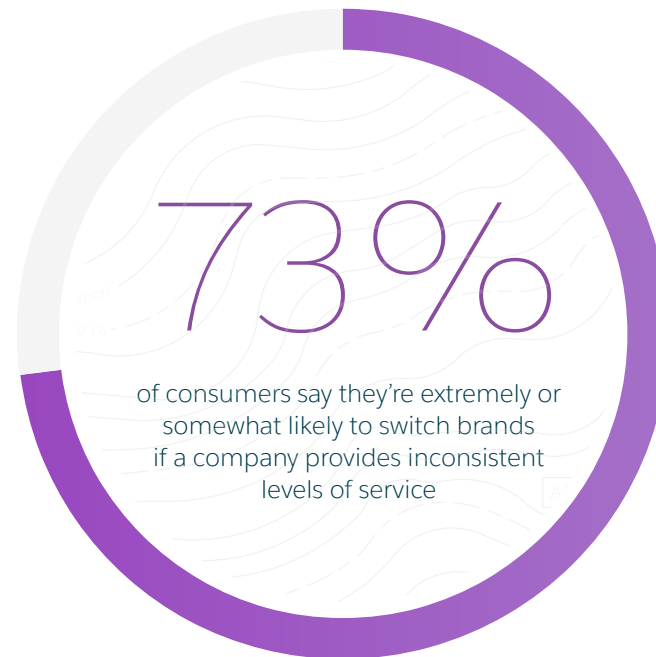


Customers switch among different channels and devices, depending on location and activity. As they interact with a company, they expect an ongoing conversation with contextually informed agents – not a series of disconnected communications with multiple departments. The call center agent they speak with this afternoon should be aware of yesterday’s Twitter exchange and this morning’s text conversation.

Sixty-eight percent of consumers say it’s absolutely critical or very important for customer service agents to know their service history so they don’t have to spend time explaining it to them.

Omni-Channel Service Keeps Customers Coming Back

Customers are prepared to switch brands if companies don’t remember their history and preferences across multiple channels and devices.



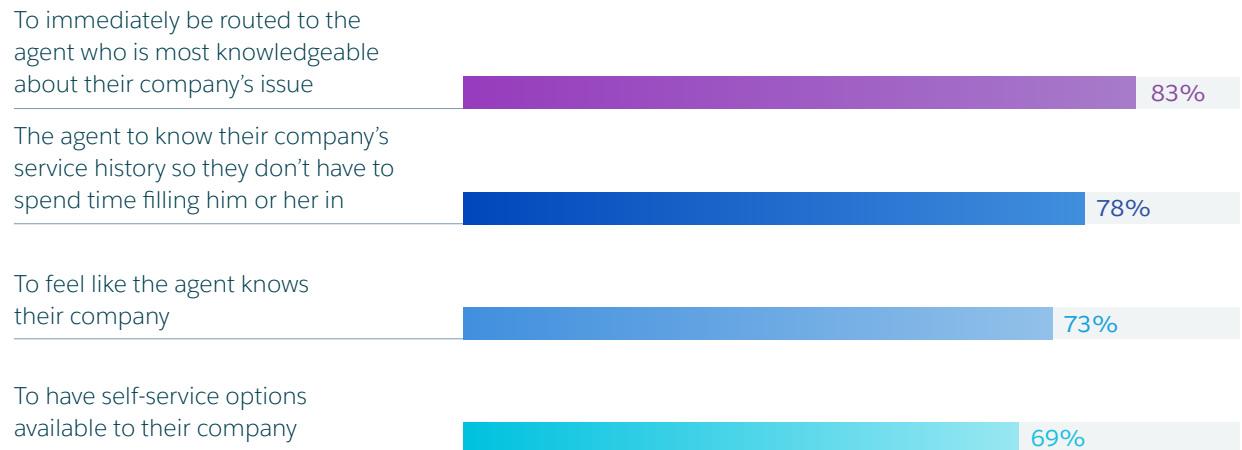
Business buyers frequently contact customer service in high-stress situations, such as user experience errors, lack of access to key systems and data, or other high-stakes business disruptions. Slow resolution is unacceptable; **86% say it's absolutely critical or very important to have issues resolved in a timely manner.**

But business buyers demand more than promptness from customer service. In exchange for purchase orders worth hundreds of thousands or even millions of dollars, business buyers demand a highly personalized service experience from an agent with extensive knowledge of the customer's business, goals, product configuration, and history.

Highly Personal Service Is a Business Imperative

Business buyers want speedy, personalized service from informed customer service agents. Like consumers, they want self-service options – 69% say it's absolutely critical or very important for companies to offer self-service options that allow them to solve their own problems.

Percentage of Business Buyers Who Rate Each Statement as Absolutely Critical or Very Important when Dealing with Customer Service



Spotlight: The Service Channel Gap

Many Service Teams Fall Short of Customer Omni-Channel Expectations

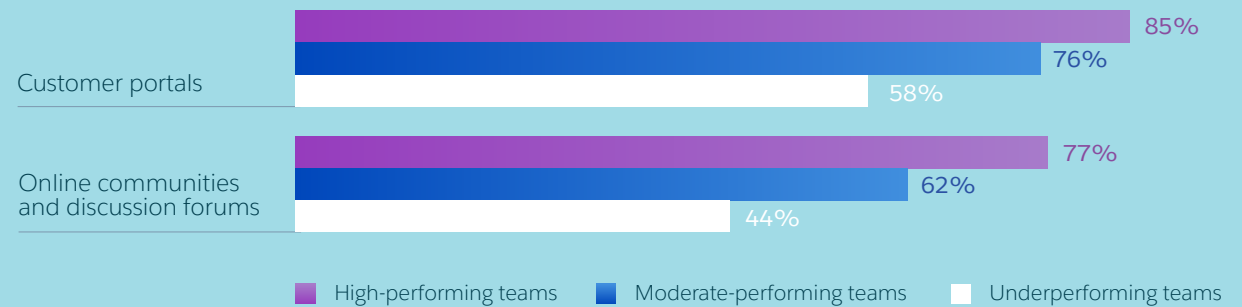
According to Salesforce Research's "State of Service," moderate-performing and underperforming service organizations are not keeping up with customer expectations for seamlessly connected omni-channel customer service, self-service options, and online communities.

In spite of customer demands for faster and more personal service, top service teams – who represent only 14% of service organizations – are 2.4x more likely than underperformers to extensively use customer portals. Online communities are similarly neglected; high performers are 3.5x more likely than underperformers to extensively use online communities and discussion forums for customers to interact with one another. Similarly, **leading service teams are 3.7x more likely to rate omni-channel interaction capabilities as excellent or very good.**

Service Teams Aim to Bridge the Channel Gap*

Moderate-performing and underperforming service teams are lagging in the delivery of self-service options and online communities – while high-performing teams focus on meeting customer channel expectations.

Percentage of Service Leaders Who Say They're Using (Extensively or on a Limited Basis) the Following Service Channels to Connect with Customers



* "2nd Annual State of Service," December 2016, Salesforce Research.

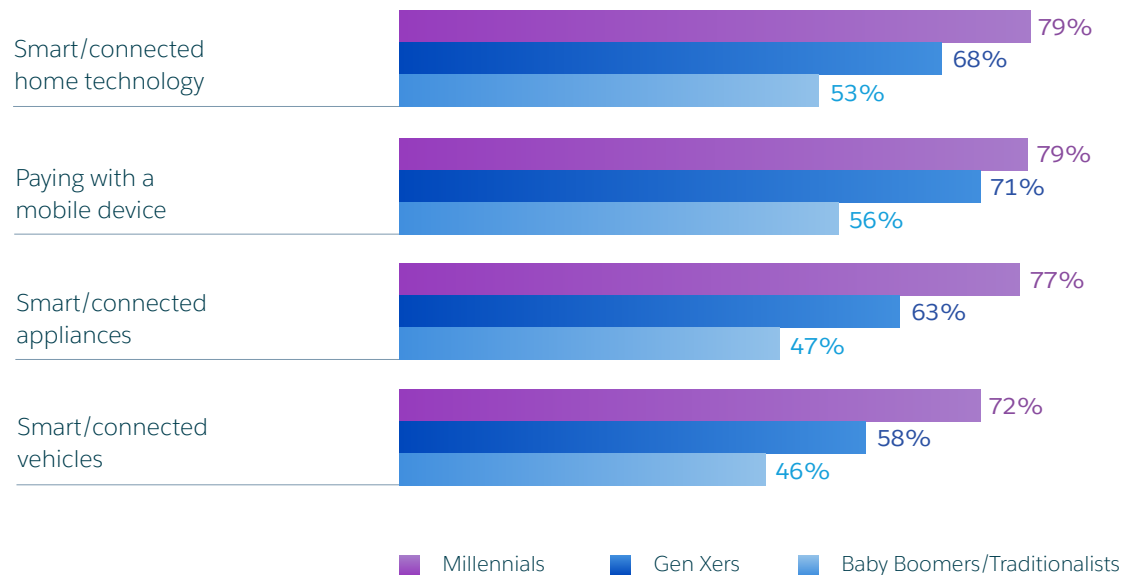
Regardless of generation, customers are confident that they've only seen the beginning of a revolution driven by new technologies. From mobile platforms to AI, customer-focused tech advances will continue to have a profound impact on the way companies approach sales, service, and marketing. Always-on millennials, whose influence and purchasing power have yet to peak, are leading the charge with future expectations that tap into new waves of smart technologies.

Millennials (and their true digital-native successors, Gen Z) will continue to wield considerable cultural influence and purchasing power well into the future, when the internet of things (IoT) and virtual and augmented reality will be as common as smartphones. In the "State of Marketing," Salesforce Research found that strategic use of tech innovations delivers positive results. **For example, 85% of high-performing marketing teams that are implementing IoT-based marketing rate their results as effective or very effective at helping their company to create a cohesive customer journey.***

Consumers Expect Mainstream Smart Tech by 2020

By 2020, forward-looking customers – especially millennials – envision a personal life that's influenced by intelligent technologies such as connected appliances and vehicles.

Percentage of Consumers Who Say the Following Technologies Will Have a Major or Moderate Impact on Their Daily Personal Life by 2020



* "2016 State of Marketing," March 2016, Salesforce Research.

By 2020, consumers foresee technology innovations as increasingly integrated with the customer journey. For example, **58% predict that products will automatically self-diagnose and correct problems.**

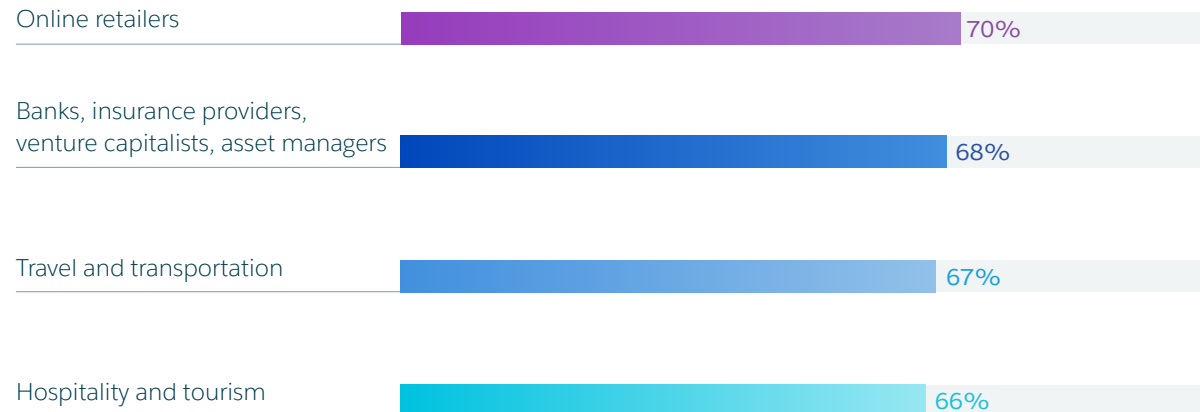
Additionally, more than half (51%) of customers expect companies to anticipate their needs and make relevant suggestions before customer contact. Yet Salesforce Research's "State of Service" found that only 54% of companies have such predictive intelligence capabilities in place.*

Customers anticipate that their relationships with companies and brands – especially online retailers, banks, insurance providers, and other financial services companies – will be positively influenced by advancements in technology.

Tech Will Strengthen Customer Relationships across Industries

Looking ahead to 2020, customers expect that tech advancements will positively impact their relationships with businesses across a variety of industries, particularly with online retailers.

Percentage of Consumers Who Strongly Agree or Agree that Tech Advancements Will Positively Impact Their Relationships with the Following Types of Companies by 2020



* "2nd Annual State of Service," December 2016, Salesforce Research.

Social networks, cloud computing, smartphones, data analytics, and other technologies have fueled a dramatic workplace disruption in the last decade. Business buyers fully embrace this shift.

As 2020 approaches, business buyers predict they'll be working for technologically proficient companies that leverage both customer and employee data to provide better experiences.

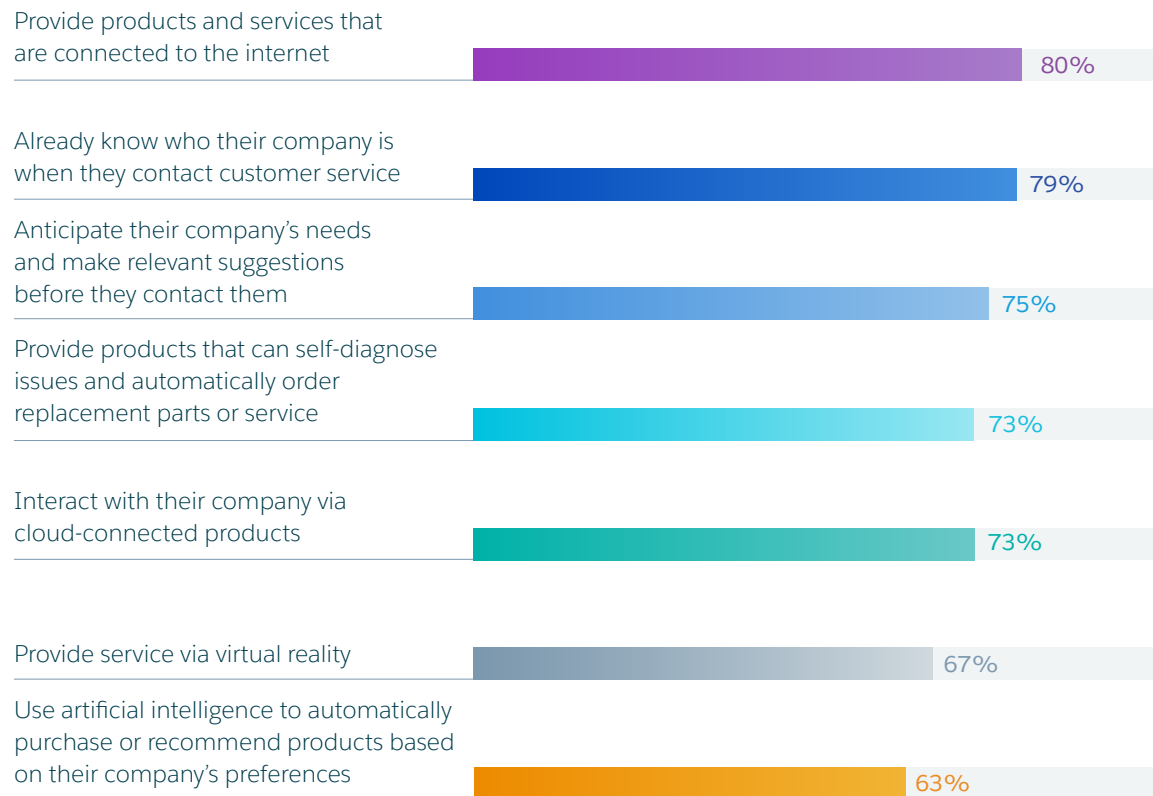
Nearly three-quarters (71%) agree that technology will drastically change how they work in 2020.

Business buyers foresee that vendors will use data to make it easier to purchase and service products. Yet only 30% of sales teams surveyed by Salesforce Research in the annual "State of Sales" report are currently using predictive intelligence.*

Smarter, More Intuitive B2B Experiences Will Be in High Demand

By 2020, business buyers expect companies to make great strides in technology that simplifies sales and service. Seventy-nine percent want to be identified upon contacting customer service, while 75% want companies to make relevant suggestions before being contacted.

Percentage of Business Buyers Who Strongly Agree or Agree that by 2020 They Expect Companies They Purchase from to...



* "2nd Annual State of Sales," November 2016, Salesforce Research.

Key Takeaways

Running a Business for the Connected Customer

Customers are now in the driver's seat of business strategy and innovation. They determine which companies lead in the digital age, and which companies are disrupted. Businesses must adapt to keep up with the evolving preferences and expectations of today's customers. Here are six ways companies can pivot to be successful in the age of the connected customer.

01 | Put Customers at the Center of Your Business

Smart companies understand that customers now fully determine the future success of their business. These companies win loyalty by treating customers like individuals, anticipating their needs, and catering to their mobility. Just as technology makes it much easier for customers to switch brands, companies can leverage technology to better understand and help their customers.

02 | Embrace the Culture of Immediacy

Technology isn't only changing how customers consume information and buy products – it's also changing their expectations of timely interactions. Connected customers feel there shouldn't be any lag time when it comes to company communications. Successful brands will prioritize real-time, always-on communication by embracing a mobile-first mindset and using technology to respond as soon as – or even before – a customer reaches out.

03 | Get Smart About Personalization

Connected customers may thrive in a tech-driven universe, but they still want to be treated like human beings rather than data points. In fact, customers are ready to trade more of their data for more relevant, personalized experiences. Leading companies will not only tailor their marketing communications to individual needs but will also understand and anticipate those needs, perhaps even better than a local shopkeeper. Taking advantage of new technologies like AI can help your company be more human at scale.

04 | Reinvent the Sales Process

The traditional sales pitch is no longer enough – customers are looking for sales reps who understand their unique needs and can advise them on the right product or service. Companies will provide their sales teams with smart technology and training to help their reps be as prepared and knowledgeable as possible. Top sales organizations will deliver a purchasing experience that feels personal and seamless.

05 | Lead with Instant, Omni-Channel, and Personal Customer Service

Today, the service experience is central to customer loyalty. Customers choose companies that provide real-time, cross-channel, personalized, and effortless service. Companies will meet these expectations head-on by enabling the omni-channel experiences and self-service options customers expect. The most successful businesses will be early adopters of intelligent technologies that allow them to better understand the customer and set the bar for proactive service.

06 | Don't Fear Disruption – Become a Disruptor

The connected world is in its infancy. In the future, customers expect to live in smart homes and use virtual reality, connected vehicles, and other innovative technologies that fundamentally change how they shop, travel, bank, and more. Innovators and disruptors will empower their IT teams to find the right combination of smart technologies – like machine learning, deep learning, and natural language processing – to cultivate customer experiences that mirror real, human interactions.

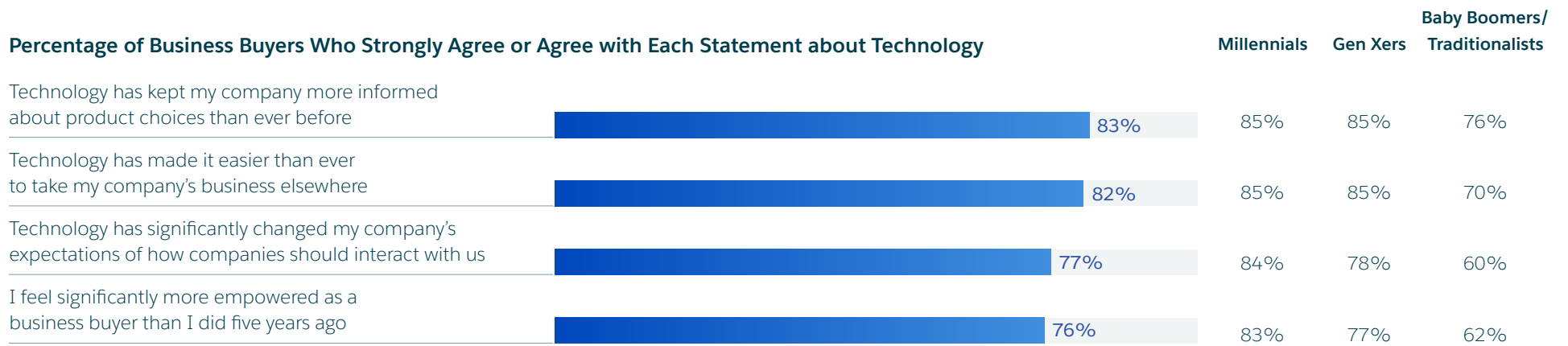
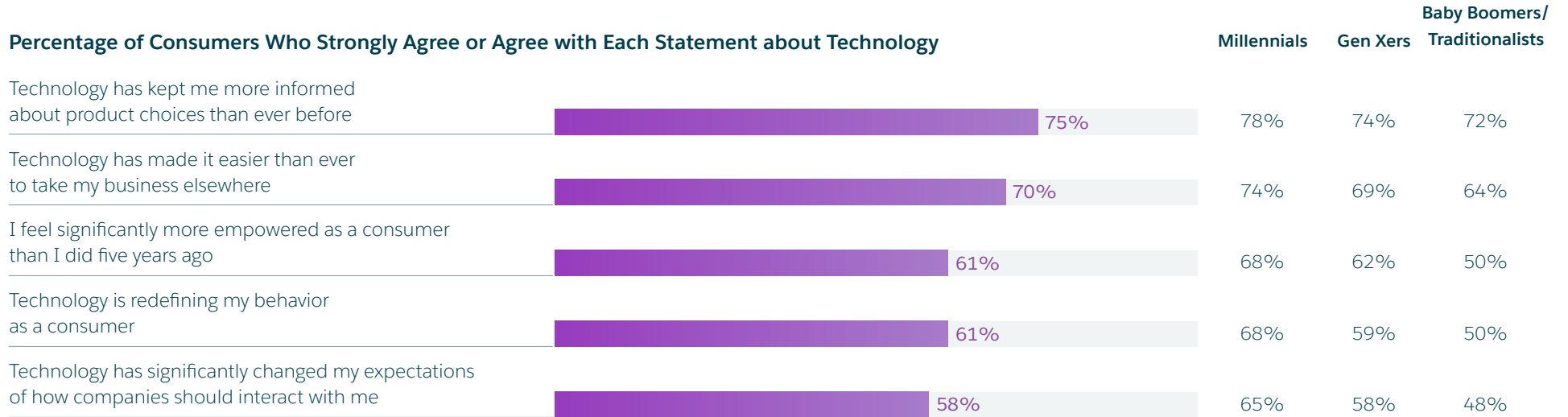




Appendices

Information-Savvy Customers Now Control the Marketplace

Technology gives customers more power over their buying journey. Here we see the percentage of consumers and business buyers who say technology is fundamentally changing how they do business with companies.



Information-Savvy Customers Now Control the Marketplace

Customers leverage digital conversations to voice their opinions and make decisions about brands. Here we see the percentage of consumers who use digital to boost their buying power, including millennials, who are 2.8x more apt than baby boomers/traditionalists to say they're more likely to purchase products and services recommended by someone on social media.

Percentage of Consumers Who Strongly Agree or Agree with Each Statement about Digital Empowerment	Millennials	Gen Xers	Baby Boomers/ Traditionalists
I am more likely to purchase products that have positive online consumer ratings	78%	70%	63%
I am more likely to purchase products and services recommended to me by friends or family	71%	58%	50%
Technology has significantly changed my expectations of how companies should interact with me	65%	58%	48%
Social media has given me more power as a consumer	64%	51%	34%
I use social media to voice my opinions about brands and products	55%	43%	23%
I am more likely to purchase products and services that are recommended by someone on social media	53%	37%	19%

80% of consumers expect a **response within six hours of posting to social channels**, as seen on the next page.

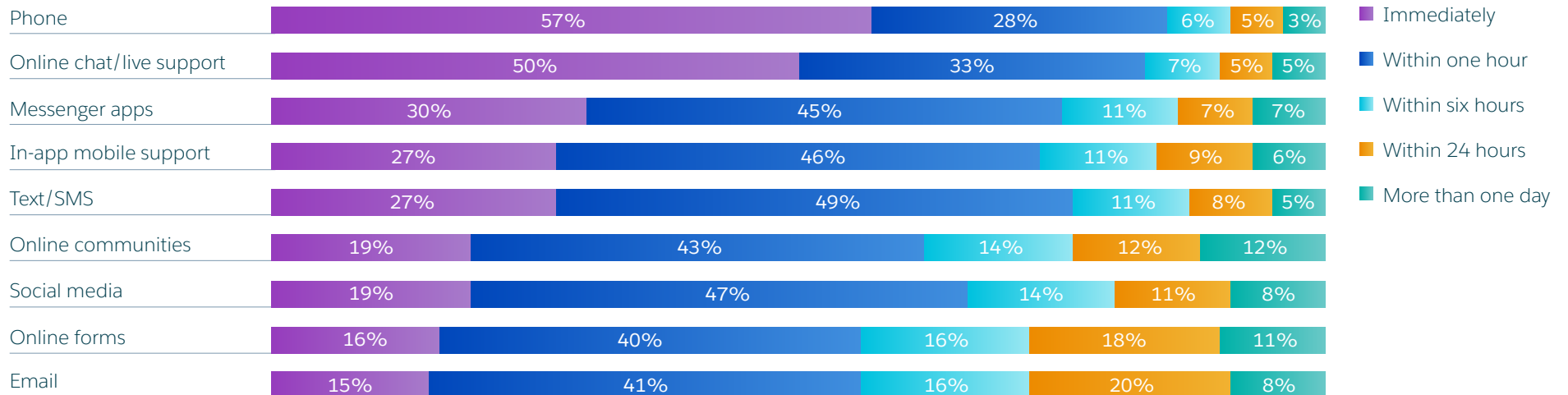
The Culture of Immediacy Drives Mobile-First Expectations

Constant connectivity has elevated customer expectations, and real-time interactions are now a necessity. Here we see the percentage of consumers who expect companies to interact with them in real time. Where we saw a distinct generation gap on social interactions, expectations for real-time interactions are high across all generations, especially when customers feel a direct connection (for example, via the phone or online chat).



80% of consumers say a company responding immediately when they reach out for help influences their loyalty.

Amount of Time Consumers Are Willing to Wait for a Response on Each Channel



The Culture of Immediacy Drives Mobile-First Expectations

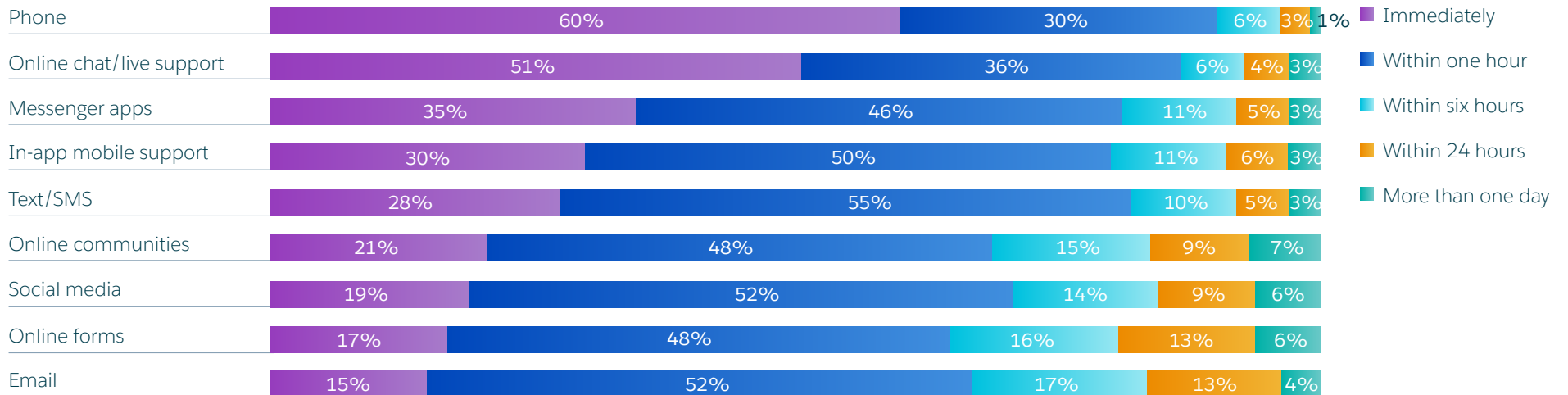
Business buyers are tasked with immense responsibilities, and the inability to respond or interact in real time is a deal breaker.

Here we see the percentage of business buyers who expect companies to interact with them in real time.



87% of business buyers say that an immediate response when seeking support influences their loyalty. Business buyers rate **email** and **phone** as the most critical communication channels for seeking assistance.

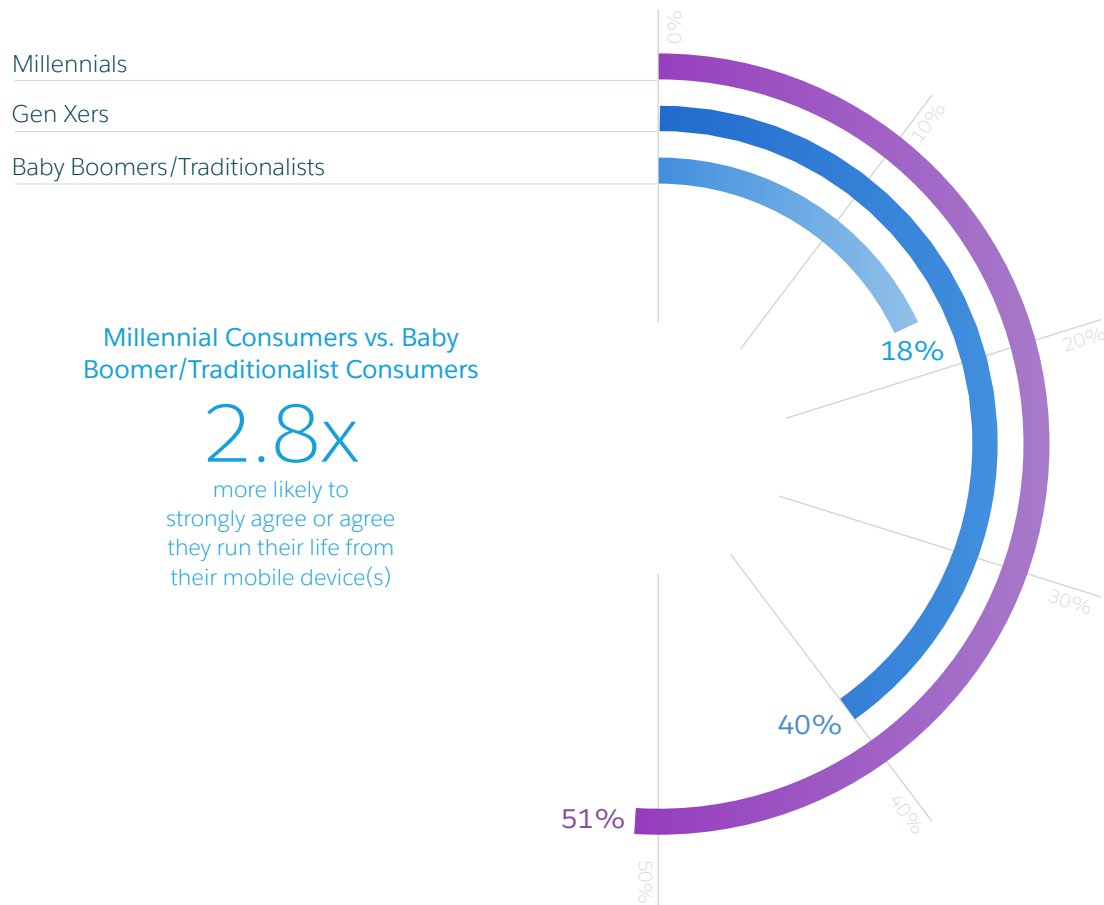
Amount of Time Business Buyers Are Willing to Wait for a Response on Each Channel



The Culture of Immediacy Drives Mobile-First Expectations

Constant connectivity is becoming a way of life for millennials. Here we see that millennial consumers are 2.8x more likely than baby boomer/traditionalist consumers to strongly agree or agree that they run their life from their mobile device(s).

Percentage of Consumers Who Agree They Run Their Life from Their Mobile Device(s)



Millennial Consumers vs. Baby Boomer/Traditionalist Consumers

2.8x

more likely to strongly agree or agree they run their life from their mobile device(s)

The Mobile Gap between Millennial and Baby Boomer/Traditionalist Consumers

2.9x

Millennial consumers are 2.9x more likely than baby boomers/traditionalists to **prefer purchasing products via a mobile app than an e-commerce site.**

2.3x

Millennial consumers are 2.3x more likely than baby boomers/traditionalists to **consider not purchasing from a company if it didn't offer a mobile app.**

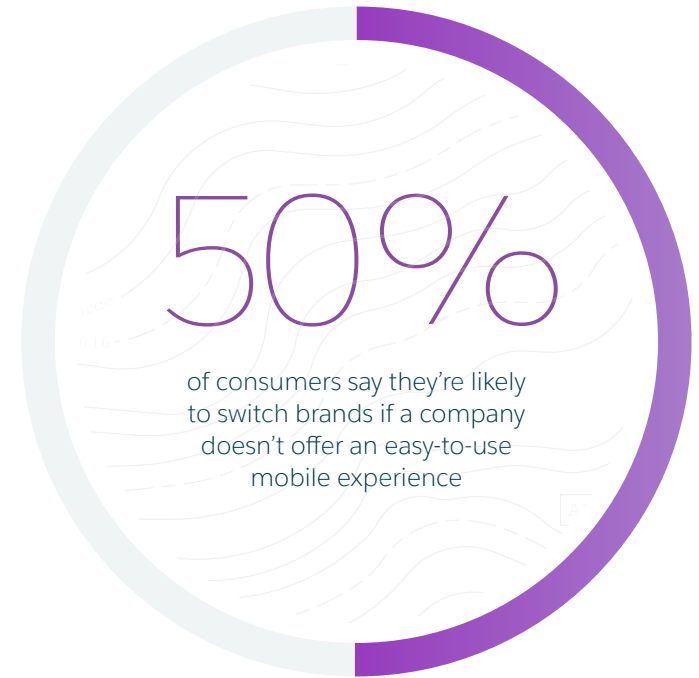
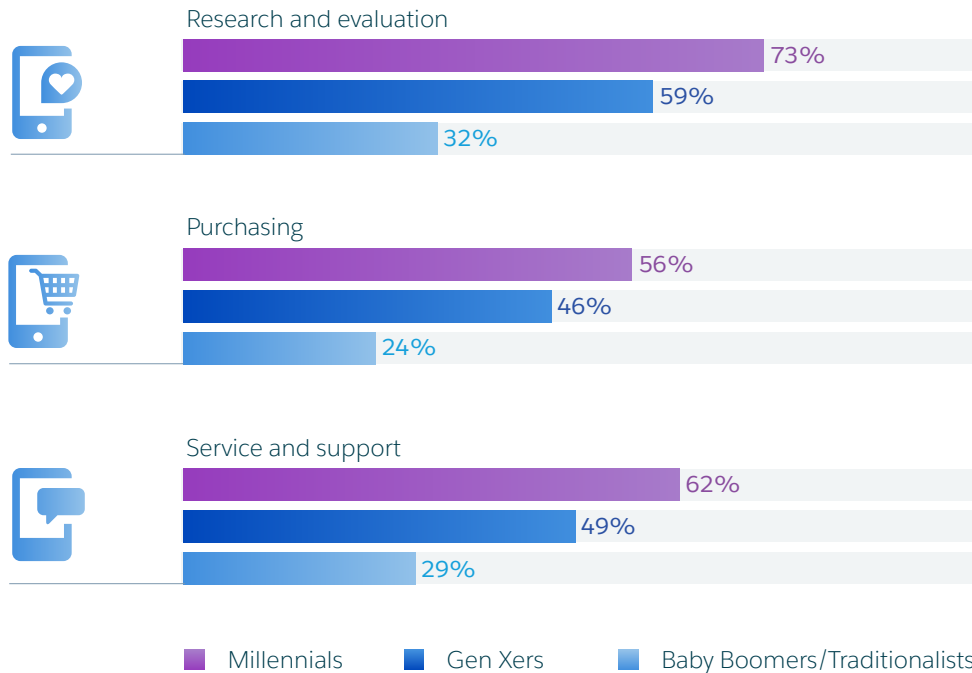
2.2x

Millennial consumers are 2.2x more likely than baby boomers/traditionalists to say they **wish they could do more with their mobile device.**

The Culture of Immediacy Drives Mobile-First Expectations

A positive mobile experience can make or break business success. Here we see that consumers take their mobile experiences seriously; millennials are more than twice as likely as baby boomers/traditionalists to say it's absolutely essential or preferred to use their mobile device across every phase of the purchasing lifecycle.

Percentage of Consumers Who Say It's Absolutely Essential or They Preferred to Use Their Smartphone Throughout the Purchasing Lifecycle



The Culture of Immediacy Drives Mobile-First Expectations

Technology enables customers to be savvier when purchasing. *The ability to perform price comparisons on their mobile device is ranked as a top priority. Here we see the percentage of consumers who rate their ability to perform the following tasks via their mobile device as absolutely critical or very important.*

Percentage of Consumers Who Rate Their Ability to Perform the Following Tasks on Their Mobile Device as Absolutely Critical or Very Important

		Millennials	Gen Xers	Baby Boomers/ Traditionalists
Perform price comparisons	60%	66%	60%	46%
Compare similar products prior to purchase	56%	63%	55%	42%
Check in-store product availability	55%	63%	54%	40%
Read online product ratings or reviews	53%	65%	50%	36%
Receive product and customer support/customer service	52%	60%	52%	36%
Purchase products for delivery	51%	59%	52%	35%
Locate products while shopping in a store	47%	57%	46%	31%
Browse in-store ads or coupons	46%	55%	46%	29%
Purchase products for pickup at a local store	46%	55%	46%	29%
Access online communities/forums	44%	55%	42%	25%
Leave product/service reviews	42%	53%	38%	24%

Customers Still Value Human Connections in a Tech-Driven World

Consumers want companies to remember their history and understand their needs, expectations, and preferences across multiple channels and devices. Here we see the percentage of consumers who expect companies to provide consistent interactions and to understand their needs and expectations. Interestingly, baby boomers/traditionalists edge out other generations on the expectation for consistent service levels.

Percentage of Consumers Who Strongly Agree or Agree They Expect Companies to Do the Following...	Millennials	Gen Xers	Baby Boomers/ Traditionalists
Provide the same level of service every time they interact	81%	80%	83%
Provide a consistent experience wherever they engage (e.g., website, social media, mobile, in person)	79%	73%	73%
Understand their needs and expectations	75%	73%	66%
Recognize them wherever they engage (e.g., website, social media, mobile, in person)	56%	51%	42%



New Data-Sharing Attitudes Spark Next Era of Marketing Personalization

Personalized customer experiences, which start with understanding each customer’s individual needs, are a key driver of brand loyalty. Here we see the percentage of consumers who say their loyalty is influenced by the following statements.

Percentage of Consumers Who Say Each Statement Has a Major or Moderate Influence on Their Loyalty	Millennials	Gen Xers	Baby Boomers/ Traditionalists
Understands their needs as an individual	73%	69%	68%
Provides personalized customer care	71%	68%	69%
Offers rewards for purchases	71%	68%	62%
Sends personalized or exclusive offers/discounts	69%	64%	58%
Offers rewards for referrals, feedback, or product reviews	66%	57%	49%

62% of consumers say it is acceptable to send them personalized offers based on products they’ve already purchased.



New Data-Sharing Attitudes Spark Next Era of Marketing Personalization

Business buyers are loyal to vendors who provide personal engagement and experiences. Here we see the percentage of business buyers who say their loyalty is influenced by personalized customer care or exclusive offers.

Percentage of Business Buyers Who Say Each Statement Has a Major or Moderate Influence on Their Loyalty	Millennials	Gen Xers	Baby Boomers/ Traditionalists
Provides personalized customer care	86%	84%	72%
Sends personalized or exclusive offers/discounts	80%	75%	57%



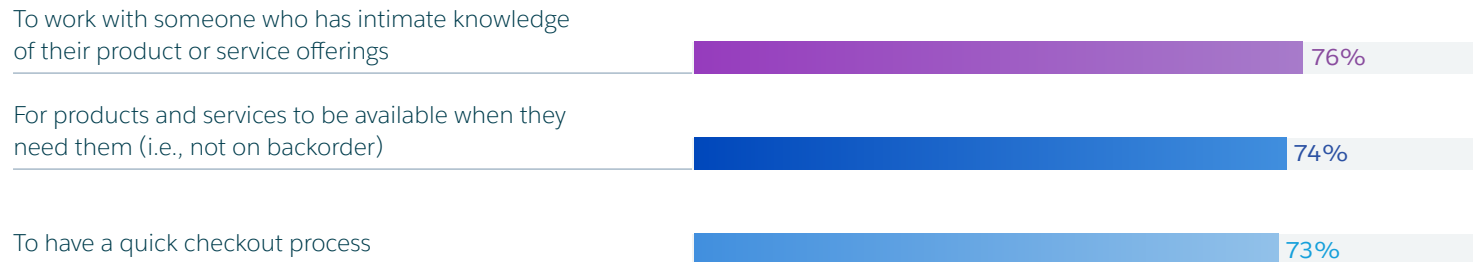
Appendix

Smarter Use of Customer Information Expands Opportunities for Sales

70% of consumers say that knowledgeable sales reps influence their loyalty.

Consumers' choices and preferences are shaping a new type of sales strategy. Here we see the percentage of consumers who say the following attributes are absolutely critical or very important when interacting with sales.

Percentage of Consumers Who Rate the Following Attributes as Absolutely Critical or Very Important when Working with Sales



Although mobile is the future, exposing consumers' data is a deal breaker.

Three-quarters of consumers say they're not likely to stick around if a company has a security breach.



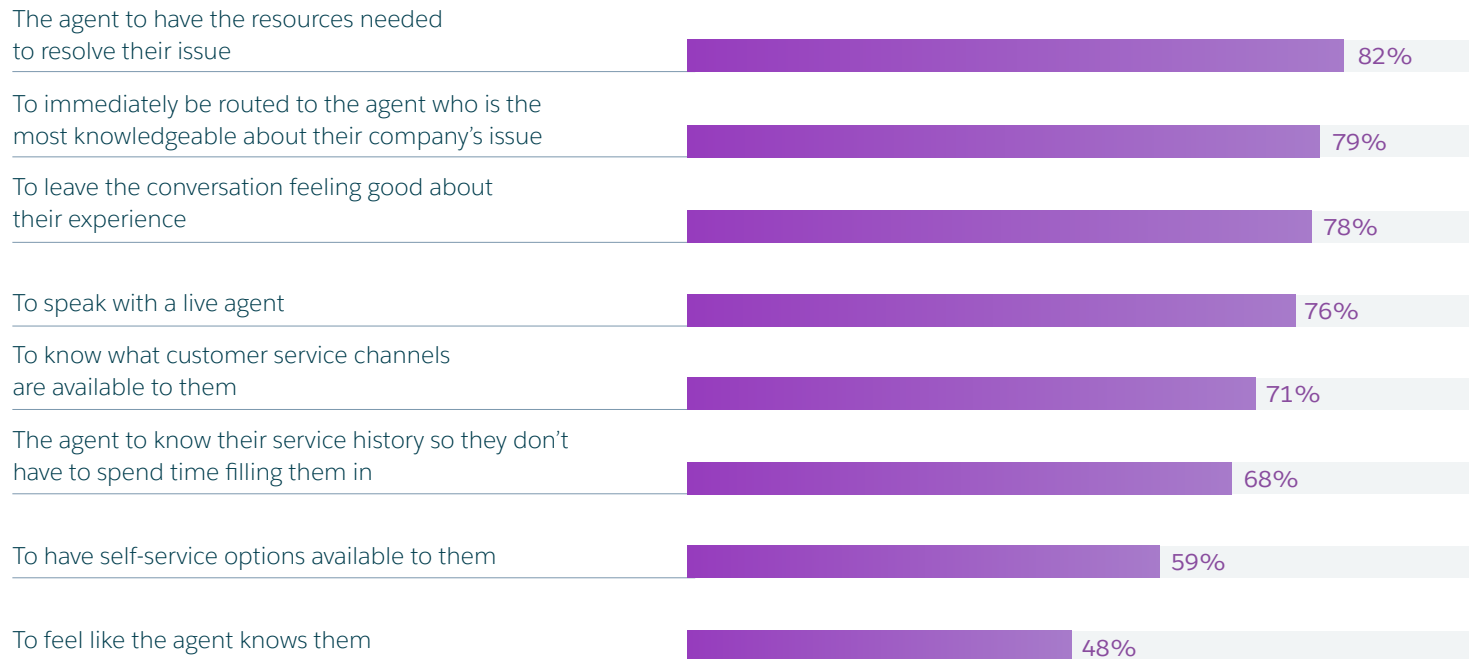
Fast, Personal Service Is Directly Linked to Customer Loyalty

62% of consumers say they purchase products they didn't even know would exist five years ago.

The exponential growth of new products and technologies brings the need for fast and personalized service interactions.

Consumers' time is valuable – 84% say it's absolutely critical or very important that their issue be resolved in a timely manner. Here we see the percentage of consumers who say the following attributes are absolutely critical or very important when interacting with customer service.

Percentage of Consumers Who Rate the Following Attributes as Absolutely Critical or Very Important when Working with Customer Service





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