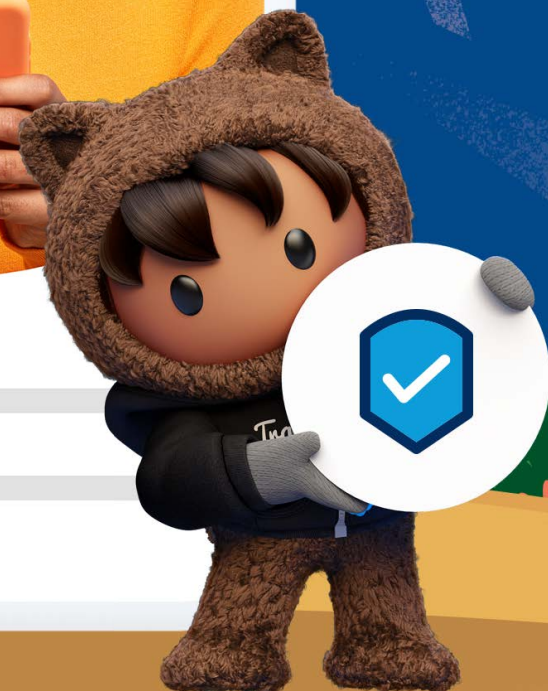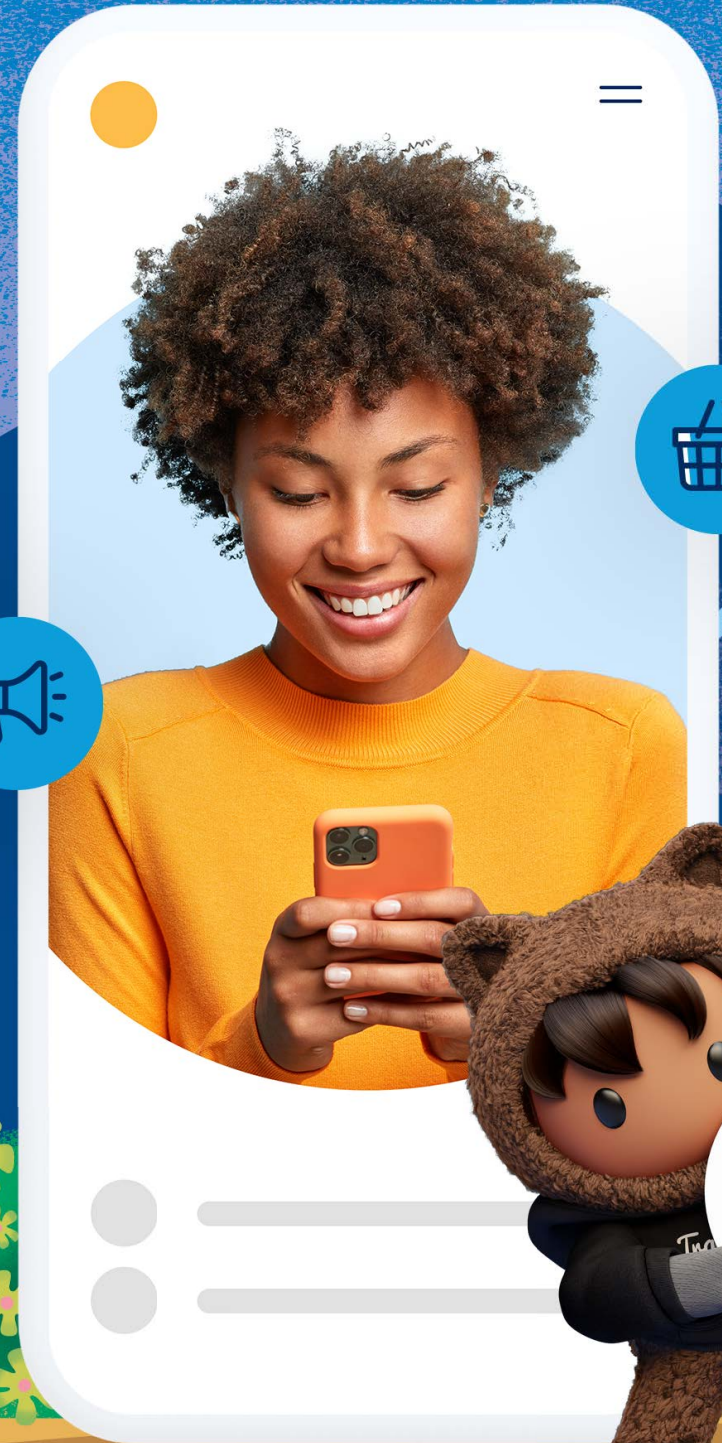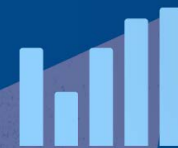salesforce

Digital Trends Report

Insights and trends from global consumers, marketers, and commerce and service professionals

Executive Letter

VALA AFSHAR

CHIEF DIGITAL EVANGELIST
SALESFORCE

Around the world, the way we conduct business has undergone a rapid upheaval, with innovative brands prioritizing digital-first customer connections more than ever. Brands are investing in omni-channel technologies to gain additional insight into their customers' needs and wants for a more tailored customer experience. Data collection, integration, and reporting will be key to unlocking these new interactions and relationships.

The research in this "Digital Trends" report offers insight into how both customers, and the brands they connect with, are forging paths into tomorrow's new experiences. Brands will need to adopt new technologies, use holistic data to create a single view of the customer, and shift their organizational structures.

I hope you'll find these insights valuable as you work to build customer relationships with empathy, convenience, and flexibility in this ever-evolving landscape.

Vala Afshar

Contents

Executive Summary

In 2020, brick-and-mortar customer engagements were limited throughout much of the world. Brands adapted by adding or expanding digital-first experiences.

As customers spend more time engaging digitally, customer-oriented professionals in fields like marketing, service, and ecommerce have gained additional insight into customer behaviors and preferences, setting the stage for further personalization.

More individualized experiences have led to elevated customer expectations. Digital professionals are navigating how to optimize experiences for the long term.

01 Digital-First Customer Engagement Is Here to Stay

Many companies are taking an omni-channel digital approach to customer engagement as the pandemic pushed customers increasingly online. **Fifty-six percent of commerce leaders expect the majority of their revenue to come from digital channels within the next three years.**

02 Data Powers Connected and Personalized Experiences

While balancing customers' privacy concerns, digital leaders are using new data sources to create consistent, convenient, and empathetic experiences. **Seventy-nine percent of service professionals say it's impossible to provide great service without full customer context.**

03 Digital Leaders Evaluate Team and Process Gaps

Digital leaders are rethinking how their organizations use technology to operate more efficiently and better meet customer needs. **Eighty-three percent of marketers say their work will be more technology-driven after the pandemic than before.**
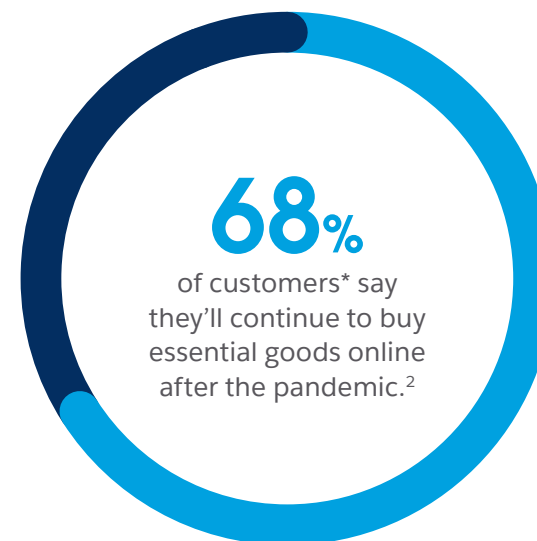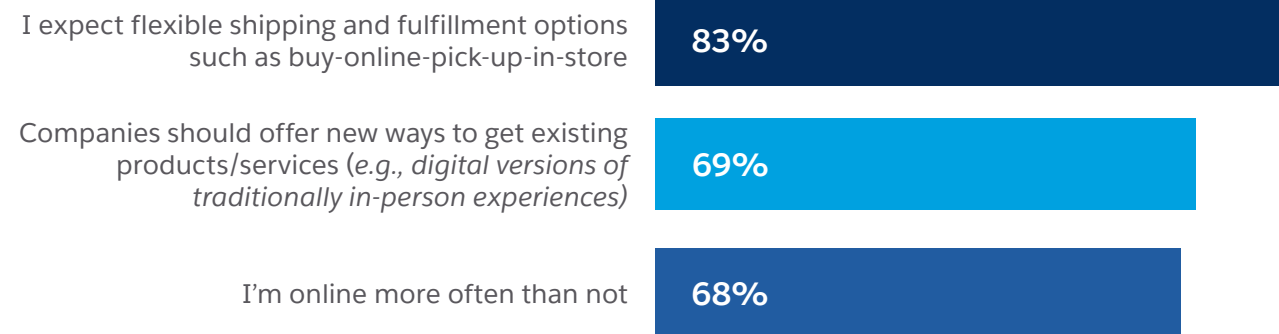
01

Digital-First Customer Engagement Is Here to Stay

Customer demand for digital-first experiences shows no signs of slowing. Though they might have adopted such experiences out of necessity at first, many customers now embrace these new options out of preference. In fact, three out of five shoppers who bought essentials online during the pandemic say they'll continue to do so even as in-person locations open.

Businesses are taking note of this trend and reimagining customer interactions. Over half of commerce leaders soon expect the majority of their revenue to come from digital channels.

New Landscape Drives Long-Term Growth

Customers Who Say the Following[1]

I expect flexible shipping and fulfillment options such as buy-online-pick-up-in-store
83%

Companies should offer new ways to get existing products/services (*e.g., digital versions of traditionally in-person experiences*)
69%

I'm online more often than not
68%

68%
of customers* say they'll continue to buy essential goods online after the pandemic.[2]

56%
of commerce leaders expect the majority of their revenue to come from digital channels within the next three years.[2]

* This data is B2C only. See more information on page 11.
[1] Salesforce State of the Connected Customer, October 2020.
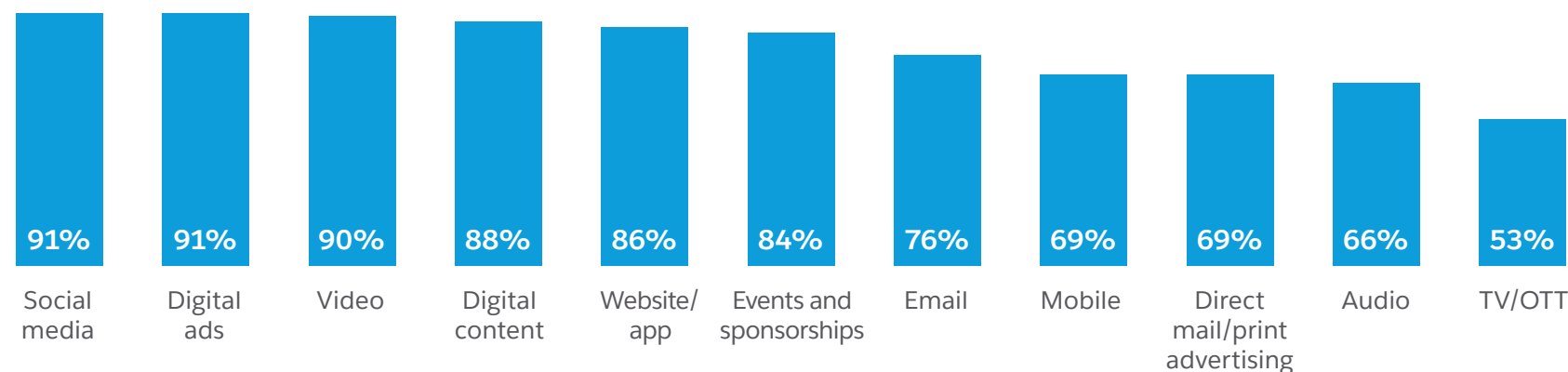[2] Salesforce State of Commerce, January 2021.

01

Digital-First Customer Engagement Is Here to Stay

As customers expect more digital engagement, digital leaders are expanding to new channels. Channels such as social media, digital ads, and video have solidified their central role in marketers' toolkits, and round out the three most common means of reaching customers.

Even those digital channels that may have been classified as "emerging" in recent years are seeing mass adoption. For instance, chatbots – which can answer basic questions, collect information, and triage cases to the appropriate agent – have a growing footprint. **Seventy-eight percent of service professionals say they noticed an uptick in the use of self-service tools such as chatbots during the pandemic.**[1]

Social Media, Digital Ads, and Video Lead as Marketing Channels

Marketing Organizations That Use the Following Channels[2]

Social media	Digital ads	Video	Digital content	Website/ app	Events and sponsorships	Email	Mobile	Direct mail/print advertising	Audio	TV/OTT
91%	91%	90%	88%	86%	84%	76%	69%	69%	66%	53%

[1] Salesforce State of Service, December 2020.
[2] Salesforce State of Marketing, August 2021.

02

Data Powers Connected and Personalized Experiences

Customers put brand experiences at a premium. In fact, most of them consider a positive experience to be just as important as the products and services companies provide. At the same time, marketers are saying it's now more difficult to meet customer expectations.

Consistency and customer data could be the keys to connected customer experiences. For instance, most customers expect companies to maintain consistency across an increasing array of channels, devices, and other touchpoints they engage with along their path from discovery to purchase to service. This can be difficult for employees at companies with siloed data. A majority of service professionals say they need full customer context to provide great service.

74% of service decision makers say they are more reliant on data than they were prior to the pandemic.[1]

Customers Expect Consistent Experiences

Customers Who Say the Following[2]

The experience a company provides is as important as its products or services **80%**

I expect consistent interactions across departments **76%**

79% of service professionals say it's impossible to provide great service without full customer context.[1]

72% of marketers say meeting customer expectations is more difficult than a year ago.[3]

[1] Salesforce State of Service, December 2020.
[2] Salesforce State of the Connected Customer, October 2020.
[3] Salesforce State of Marketing, August 2021.

02
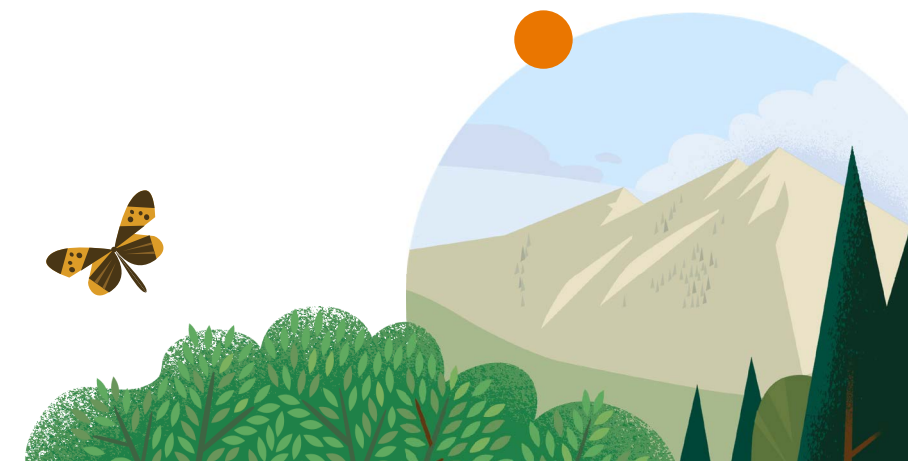
Data Powers Connected and Personalized Experiences

The shift to digital-first engagement gives businesses new opportunities to capture preferences and behavior, allowing them to create more personalized experiences.

But collecting all that data is not without its challenges. As Apple, Google, and others restrict the use of third-party cookies, marketers are increasingly relying on known digital identities such as email addresses and social IDs, as well as transactional data and declared interests and preferences.

78% of marketers say their customer engagement is data-driven.[1]

Digital Leaders Contend with a Shifting Data Landscape

Ranked Popularity of Customer Data Sources[1]

2020	2021	Change in Ranking
Transactional data	Known digital identities	↑ 2
Declared interests/preferences	Transactional data	↓ 1
Known digital identities	Declared interests/preferences	↓ 1
Offline identities	Second-party data	↑ 2
Anonymized digital identities	Inferred interests/preferences	↑ 2
Second-party data	Offline identities	↓ 2
Inferred interests/preferences	Anonymized digital identities	↓ 2
Nontransactional data	Third-party data	↑ 1
Third-party data	Nontransactional data	↓ 1

[1] Salesforce State of Marketing, August 2021.

02

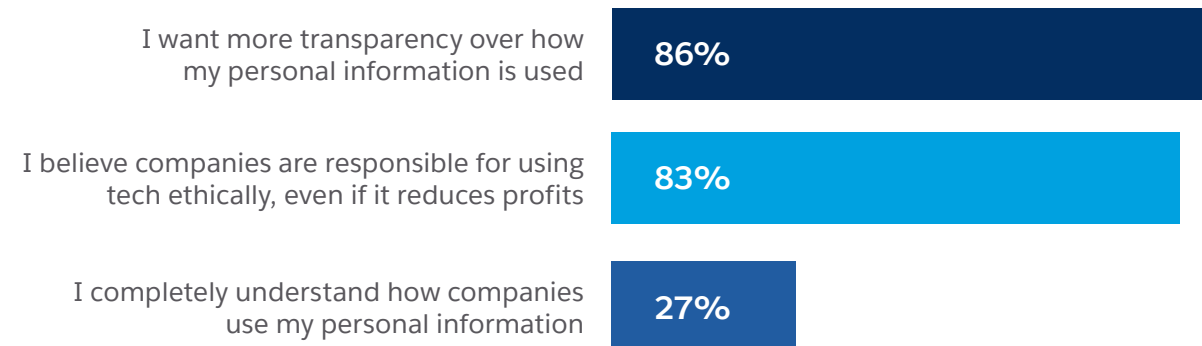# Data Powers Connected and Personalized Experiences

Increasingly, customers care about more than just the final purchase. They're interested in companies' ethical use of technology, specifically how their own data is used, shared, or sold once collected. Most customers aren't fully clear on how companies use their personal information.

Customers are demanding that brands become more transparent. With so much emphasis placed on data collection and privacy, marketers are engaged in a delicate balancing act between needing ever more data to drive their strategies and operating with full transparency and consent.
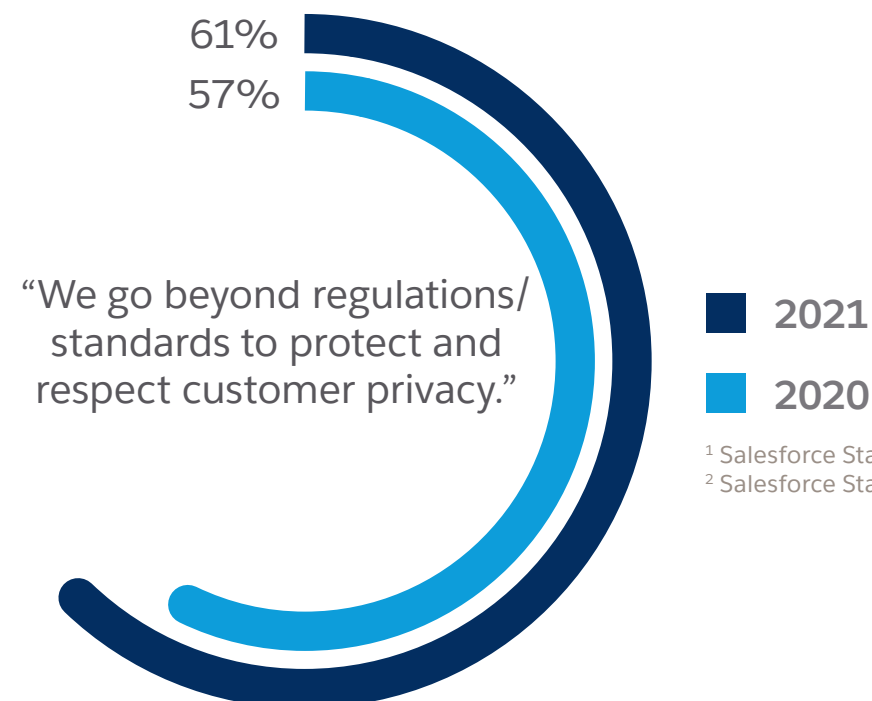
Given the importance of trust in customer relationships, it's no surprise an increasing number of marketers say they're going above and beyond to protect customers' privacy.

Customers Demand Transparency Amid Increased Privacy Concerns

Customers Who Say the Following[1]

I want more transparency over how my personal information is used	**86%**
I believe companies are responsible for using tech ethically, even if it reduces profits	**83%**
I completely understand how companies use my personal information	**27%**

Marketers Who Say the Following[2]

61%
57%

"We go beyond regulations/ standards to protect and respect customer privacy."

■ **2021**

■ **2020**

[1] Salesforce State of the Connected Customer, October 2020.
[2] Salesforce State of Marketing, August 2021.

03

Digital Leaders Evaluate Team and Process Gaps

In many cases, substantial changes in team dynamics brought on by 2020 – like an increasing number of employees working from home – exposed operational inefficiencies.
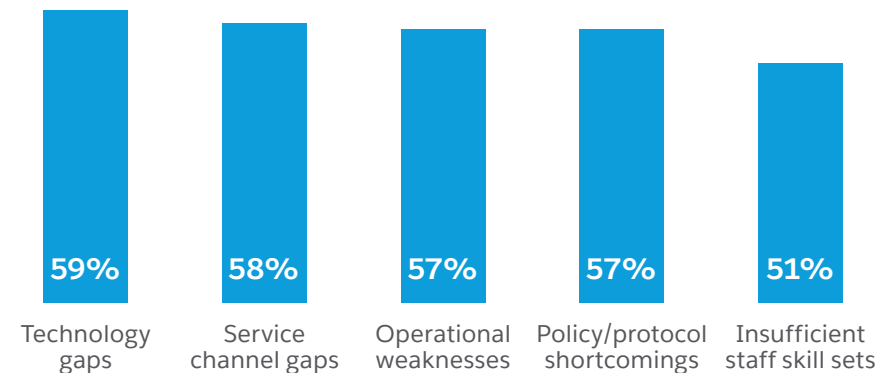
One of the top challenges for digitally oriented employees is insufficient organizational structures and processes. For instance, **50% or more of service professionals say the pandemic has exposed moderate or greater gaps or shortcomings across a variety of factors[1],** including technology and staff skill sets.

As customer demands and workplace needs grow ever more digital, these kinds of gaps left unaddressed may prove a hindrance.

83% of marketers say their work will be more technology-driven after the pandemic than before.[2]

Businesses Adapt to New Demands

Service Professionals Who Say COVID-19 Exposed the Following to a Great or Moderate Extent[1]

59%	58%	57%	57%	51%
Technology gaps	Service channel gaps	Operational weaknesses	Policy/protocol shortcomings	Insufficient staff skill sets

Marketers' Top Challenges[2]

1 **Engaging with customers in real time**

2 **Innovating**

3 **Creating a cohesive customer journey across channels and devices**

4 **Collaboration**

5 **Insufficient organizational structures and processes**

[1] Salesforce State of Service, December 2020.
[2] Salesforce State of Marketing, August 2021.

Data Sources & Research Methodology

All data cited in this report is based on double-blind surveys of third-party panel respondents. All data used in this report includes global respondents, except for the Customer Service Snapshot, which is U.S. only.

All customer data throughout this report reflects a respondent base comprising B2B, B2C, and B2B2C unless indicated otherwise.

Detailed respondent demographics, segmentation definitions, and methodology information can be found in the sources listed below.

State of the Connected Customer, Salesforce, October 2020.

State of Service, Salesforce, December 2020.

State of Commerce, Salesforce, January 2021.

State of Marketing, Salesforce, August 2021.

Related Resources

Digital Inspiration

Inspire your digital transformation with insights from cutting-edge brands.

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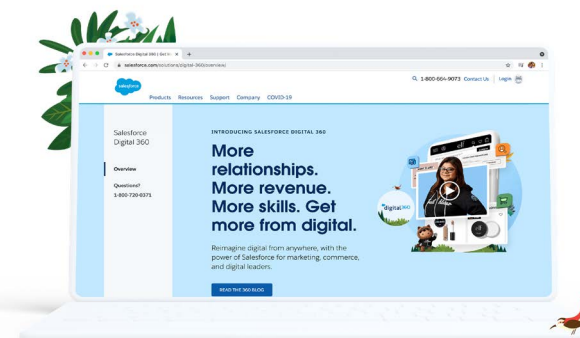
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