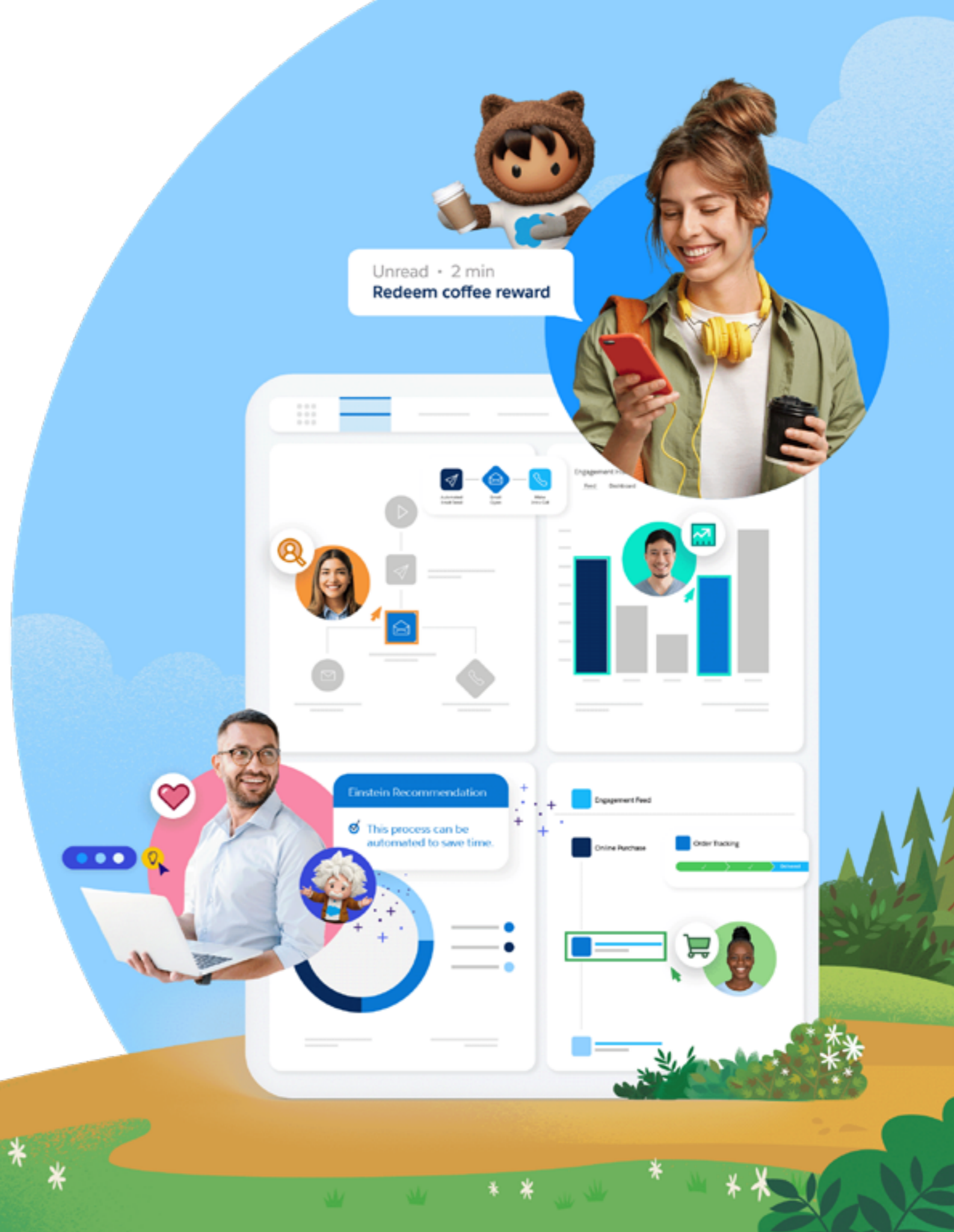




SIXTH EDITION

State of the Connected Customer

Insights from 14,300 consumers and business buyers on how AI, digital transformation, and macroeconomic trends are changing customer engagement



What You'll Find in This Report

For the sixth edition of the “**State of the Connected Customer**” report, Salesforce surveyed 11,000 consumers and 3,300 business buyers worldwide to discover:

- How economic shifts have reshaped customer expectations and behaviors
- The changing ways that customers engage with companies across the buying lifecycle
- Customer sentiments around new technologies like generative artificial intelligence (AI)

Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).

Data in this report is from a double-blind survey conducted from May 3, 2023, through July 14, 2023. Respondents represent 25 countries across six continents. All respondents are third-party panelists. For further survey demographics, see page [28](#).

In this report, we examine survey results from three primary groups:

Consumers


Those reporting their interactions with companies when purchasing for themselves

Business Buyers


Those reporting their interactions with companies when purchasing on behalf of their employers

Customers

Aggregated consumers and business buyers



3,300 business buyers surveyed worldwide



11,000 consumers surveyed worldwide



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Michael Affronti,
SVP & GM, Commerce Cloud

Customer expectations continue to rise as businesses face increasing costs, the quest for efficiency, and privacy hurdles. Generative artificial intelligence (AI) holds tremendous promise to help businesses get through these challenges. However, the stakes are high for getting it right. As we stand at the doorstep of a completely transformed way of doing business, it's a crucial time to check in: what do customers want right now? How can companies responsibly implement AI to build trust?

In our sixth “State of the Connected Customer” report, we surveyed 14,300 business buyers and consumers worldwide. We see tension between generative AI's ability to improve customer experience and customers' caution around the technology's risks. We're also seeing that, despite their hesitancy, customers are open to artificial intelligence when it's transparent, secure, and improves their experiences.

Customers demand fast, consistent, and personalized interactions everytime they interact with a company. They're seeking brands that offer exceptional products and services, and are loyal to those that deliver. With customer loyalty at stake, this is a pivotal moment for businesses to thoughtfully use generative AI to supercharge way to supercharge the seamless experiences their customers expect.

Generative AI is the future, and businesses that use it strategically and ethically will come out on top. At Salesforce, we believe now is the time for companies to build secure, innovative, and efficient experiences with trust at the forefront. Insights from today's “connected customers” are an essential guide for how to do that. I sincerely hope you find this research helpful as you navigate the new era of technology and customer engagement.

Executive Summary

Rising costs and shifting priorities have customers rethinking their relationships with brands. Meanwhile, companies are feeling pressure to increase efficiency.

Although evolving technologies like generative AI intelligence* promise to elevate their experiences, customers are wary of risks involved. This creates an opportunity for companies to drive differentiation through technology strategies grounded in trust and human connection.

*Silvio Savarese, Chief Scientist of Salesforce AI, defines generative AI as “AI that doesn’t just classify or predict, but creates content of its own, be it text, imagery, video, or even executable code. And, it does so with a human-like command of language.”



01 A Changing World Shakes Up Customer Expectations

Economic and technological shifts are changing customer priorities, behaviors, and expectations. The pressure is on for brands to step up. **Eighty-one percent of customers expect faster service as technology advances.**

02 The Customer Engagement Playbook Evolves

Customers have revealed the recipe for companies to earn their loyalty: consistency, efficiency, and a human touch. **Seventy-nine percent of customers expect consistent interactions across departments.**

03 The Trust Gap Widens as AI Goes Mainstream

Brands are turning to generative AI to boost efficiency while improving customer engagement. Customers – wary of the technology risks – demand a thoughtful approach built on trust. **Eighty percent of customers say it's important for humans to validate AI's outputs.**



1

A Changing World Shakes Up Customer Expectations



01

Customers Revisit Their Priorities

Compounding factors like inflation and technological advancement are leading people to rethink what's important, including where and how they spend their money.

62% of consumers have recently reassessed their priorities.

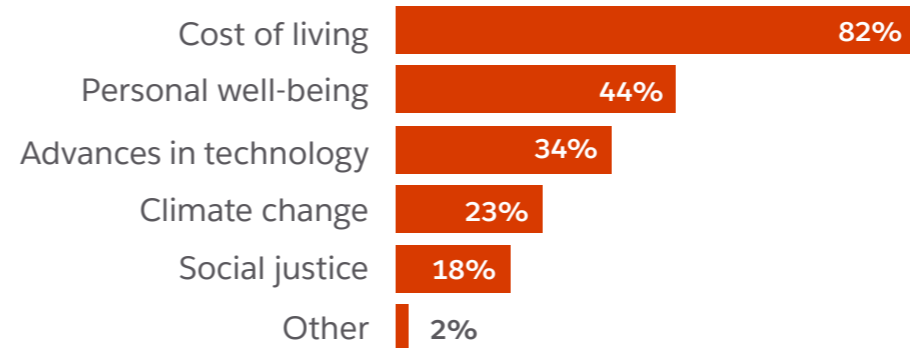
Finances are top of mind for many: cost of living is the #1 factor influencing their priorities, and better deals are the most common reason for switching brands.

Nevertheless, customers are not single-minded in their quest for a good deal, leaving room for brands to compete on more than price. Product quality remains essential, as does customer experience.

80% of customers say the experience a company provides is as important as its products and services.

Customer Experience Remains Crucial Amidst Pricing Push

Consumers Who Say the Following Have Affected Their Priorities



Base: Consumers who recently reevaluated their priorities as customers.

Consumers Who Say They've Switched Brands for the Following Reasons



Base: Consumers who switched brands in the past year.



01

Personalization Gives Favorite Brands a Leg Up

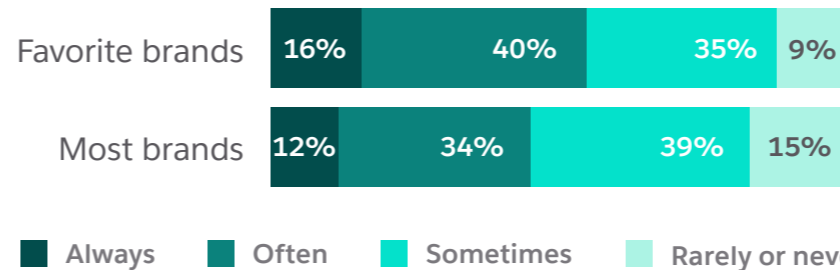
Personalization is a tenet of modern customer engagement, as almost two-thirds of customers say they expect companies to adapt experiences to match their changing needs and preferences.

However, most customers feel companies treat them as a number rather than as an individual. This is particularly true of consumers, whose relatively small transactions don't prompt the tailored attention of large and slow-moving business deals.

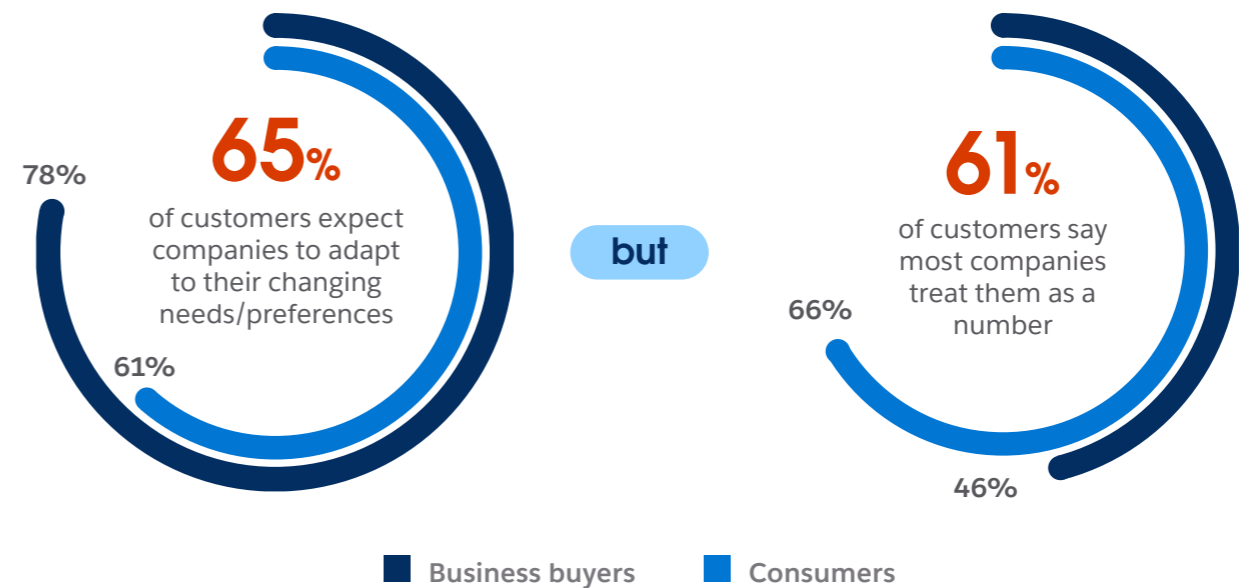
Customers' favorite brands have an edge against the competition when it comes to matching changing needs, but even they have room for improvement.

Personalization Falls Short, But Favorite Brands Have the Edge

Extent to Which Brands Adapt to Changing Needs



Base: Consumers who have a favorite brand.



01

Data and Technology Up the Ante for Customer Engagement

Customers know that companies depend on data to meet their standards for personalized engagement, but they expect something in return when they hand it over. The more data customers provide, the better experience they expect.

More of today's customers see data as a factor than money in determining whether they'll get the fast, tailored experiences they desire.

Technological breakthroughs like generative AI can help businesses scale support and personalization, and are further raising customers' standards: 81% of customers expect faster service as technology advances, and 73% expect better personalization.

More Customers See Data as a Motivator Than Spend

Customers Who Expect Faster Service Under the Following Circumstances



Customers Who Expect Better Personalization Under the Following Circumstances



01

Customers Demand a Mindful Approach to Their Data

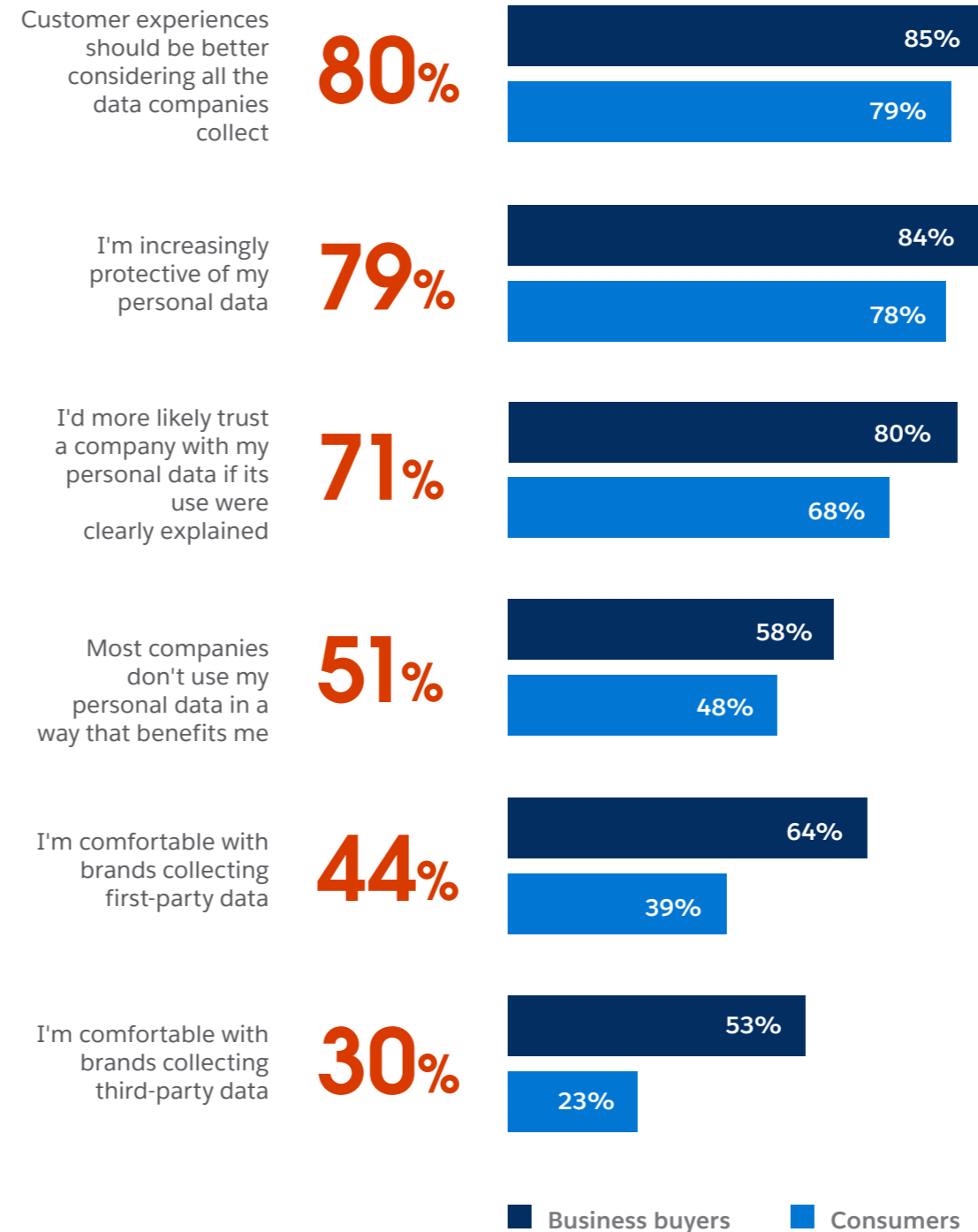
Well aware of its value, customers are increasingly protective of their data. However, companies have opportunities to earn their trust.

For example, customers are more comfortable providing data if they're given a clear explanation of how it will be used – not as details buried in a long user agreement. This is partially in response to the general sense that not all companies use data to maximize benefit to customers to benefit customers, and that they collect more of it than they need.

Not all data is the same, of course. Customers are more comfortable when companies collect first-party data directly from their platforms (such as website clicks) than when they source third-party data from data brokers.

Customer Seek Transparency As Trust Erodes

Customers Who Say the Following



2

The Customer Engagement Playbook Evolves



02

The Online/Offline Divide Narrows as Revenge Shopping Ebbs

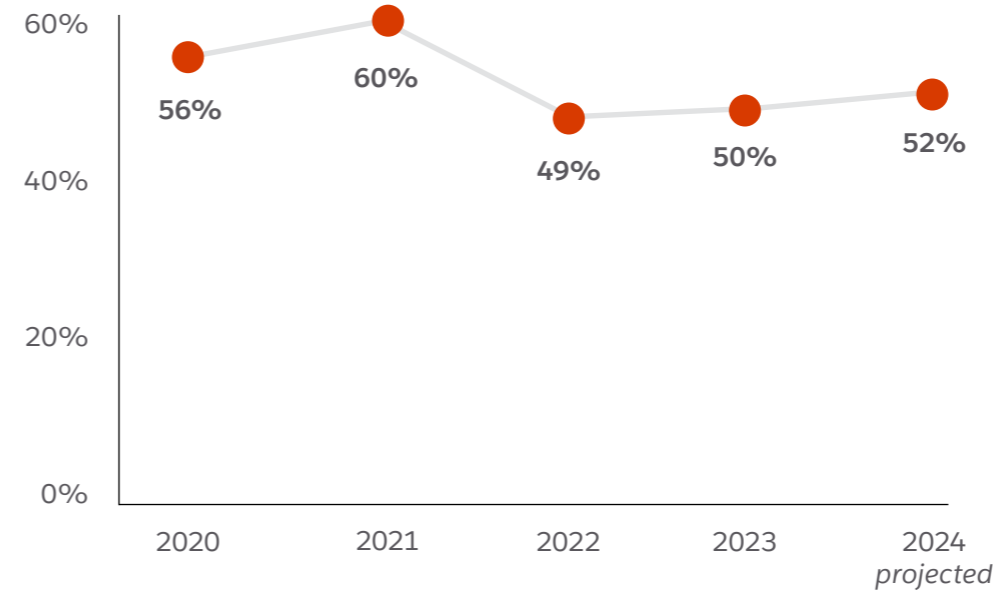
After the restrictions of early COVID lockdowns, customers rushed back to brick-and-mortar establishments in 2022. This reactive zeal, commonly known as "revenge shopping," is now giving way to equilibrium, with engagement evenly split between online and offline channels. Customers anticipate a slight bump in their online interactions in 2024, resuming the shift to digital channels that was underway before the public health emergency.

Regardless of where they engage, customers expect companies to meet their needs all the same.

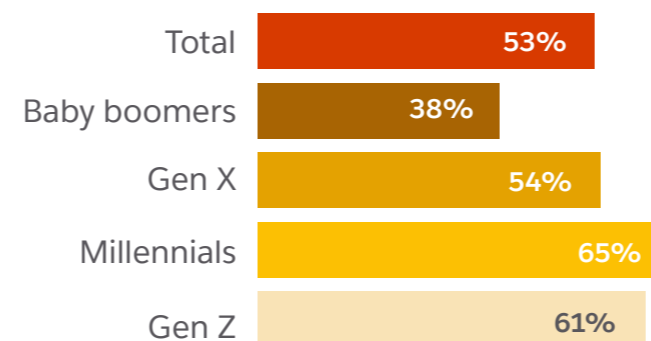
74% of customers expect to be able to do anything online that they can do in-person or by phone.

Online/Offline Split Evens Out

Estimated Share of Customer Interactions Taking Place Online



Customers Who Prefer to Engage Digitally



SPOTLIGHT: Retailers Elevate Store Experiences

Digital transactions are on the rise, but brick-and-mortar stores remain critical to driving shopper engagement. Retailers are adapting and optimizing the store to remove friction for shoppers and delivering experiences that will set them apart from competitors.

Today, many retailers that carry highly-considered or technical merchandise already deliver high-touch service, reminding shoppers about the benefits of going to a store in person. Retailers are exploring additional services and experiences that differentiate their store experiences from the competition. From personal shopping to holding blowout events with exclusive products and deals, these encounters build loyalty by helping customers feel recognized, understood, and appreciated.

Data on this page comes from Salesforce's Connected Shoppers Report, Fifth Edition.

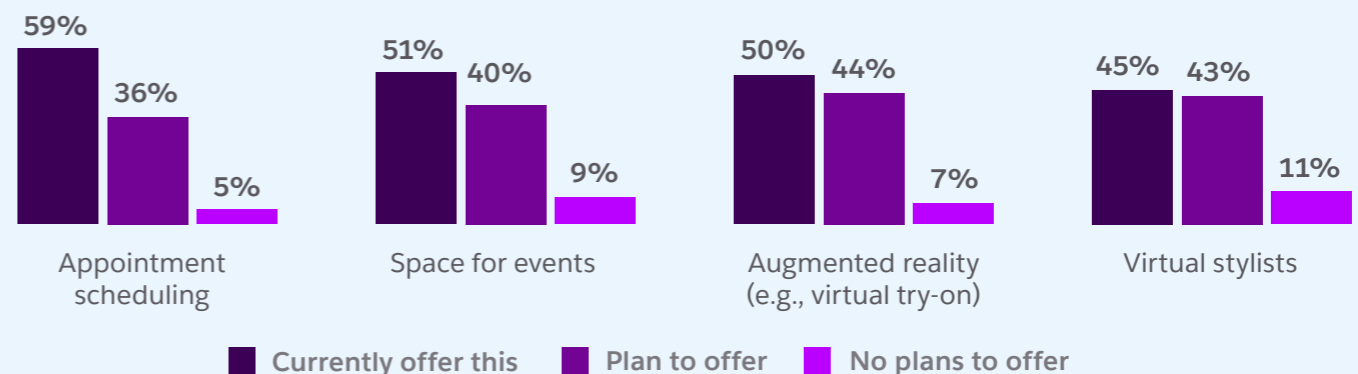
Physical Shopping Delivers Instant Impact

Top Reasons to Shop in a Physical Store

- 1 To get merchandise immediately
- 2 To touch and feel the merchandise
- 3 To avoid shipping fees for purchases
- 4 To take advantage of in-store discounts
- 5 To enjoy the shopping experience

Retailers Level Up Store Services

Retailers Plan to Implement Value-Added Services



02

There's a Time and Place for Each Channel

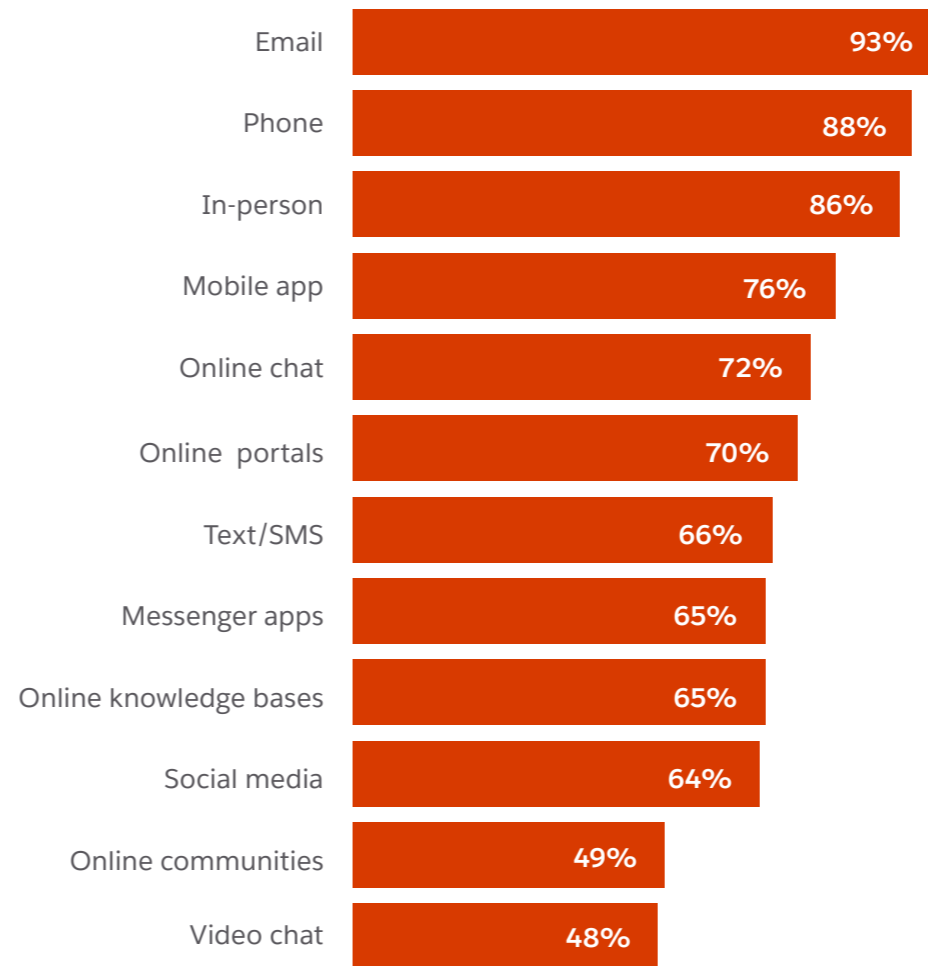
On average, business buyers engage with companies across 10 channels, while consumers typically use eight. How customers decide which channel to use depends on where they are and what they're doing.

71% of customers prefer different channels depending on context.

Facebook is the most popular social platform for brand engagement worldwide, though top platforms vary greatly by region. For example, WhatsApp is the leading platform in Germany, India, Italy, the Netherlands, Singapore, South Africa, Spain, Switzerland, and the United Arab Emirates.

Customer Engagement Is Decidedly Omni-Channel, Including Across Social

Channels Used to Engage with Companies



Social Networks for Engaging with Companies, Ranked by Popularity

1. Facebook
2. WhatsApp
3. YouTube
4. Instagram
5. Twitter
6. TikTok
7. WeChat

Base: Customers who have used social media to engage with companies.



SPOTLIGHT: Tougher Sales Cycles Raise Standards of B2B Engagement

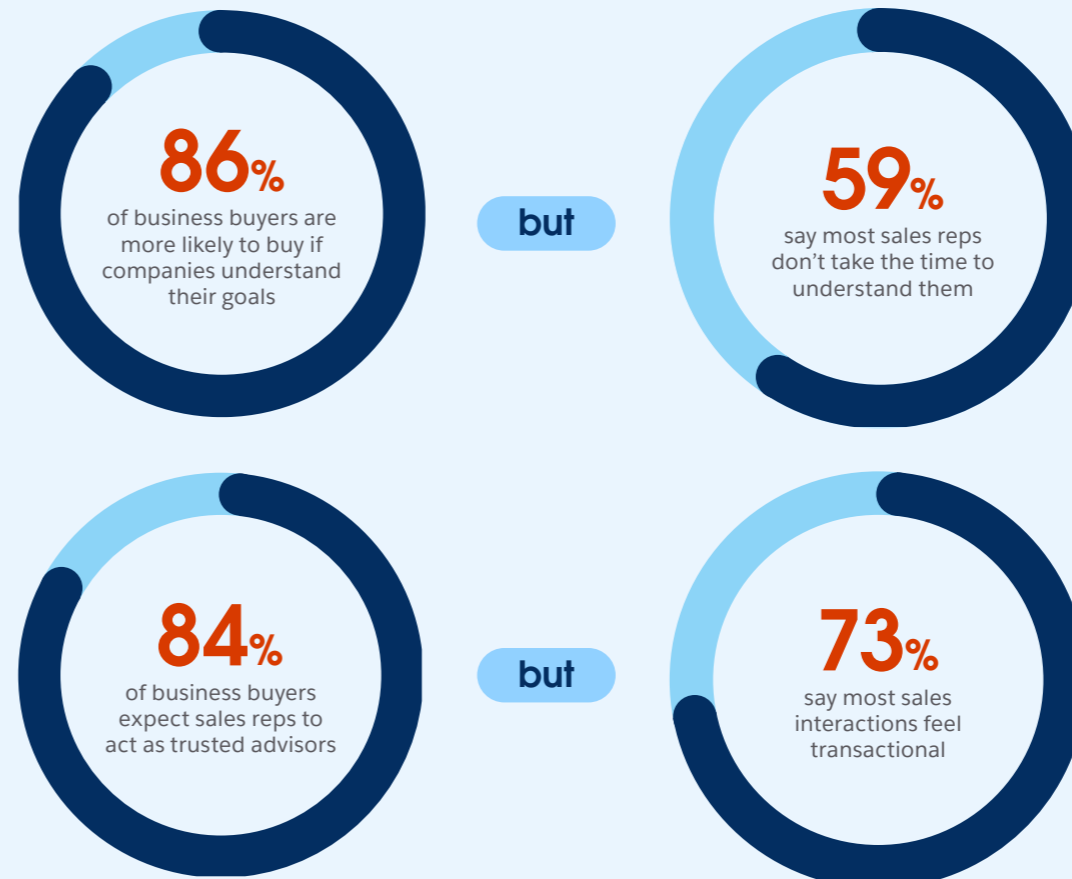
B2B sales cycles have lengthened as the number of stakeholders grows and budgets come under scrutiny. Companies are focused on extracting maximum value from every purchase, and 69% of sales professionals say selling is increasingly difficult.*

B2B customers expect sales representatives to act as trusted advisors, taking the necessary time to understand their goals. However, close to three quarters of business buyers say selling relationships feel transactional, lacking desired depth and personalization.

63% of business buyers say most customer experiences fall short of what they know is possible.

*Salesforce State of Sales, December 2022.

Business Buyers Who Say the Following About Their Company's Procurement Process



02

Customers Prefer Self-Service When the Task Is Simple

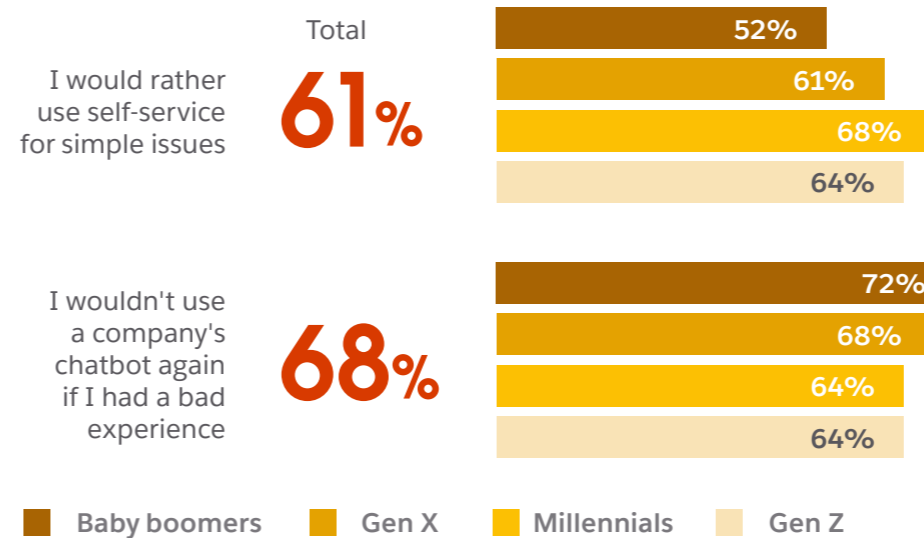
While assistance is crucial in complex cases, for simpler issues, customers generally prefer the convenience of self-service tools like account portals, FAQs, and chatbots. This is particularly true for digital natives – i.e., millennials and Gen Z.

Self-service tools do require thoughtful implementation, though. Case in point: over two-thirds of customers won't use a company's chatbot again after just one negative experience.

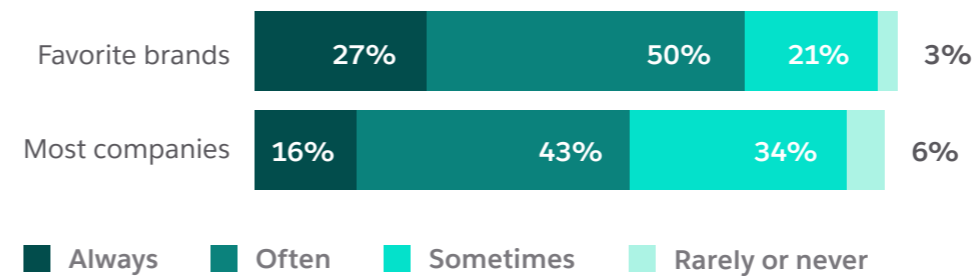
72% of customers have used self service portals, and 55% have used self-service chatbots.

Self Service Is Preferred – When It Works

Customers Who Agree with the Following



Extent to Which Brands Make Information Easy to Find



02

Human Assistance Is a Differentiator

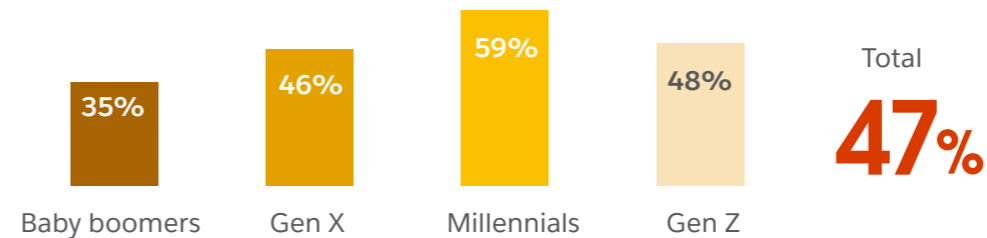
Nearly half of customers – including three-fifths of millennials – are willing to pay extra for better customer service, underscoring the importance of customer experience even in an age of price sensitivity.

Most customers now expect instant responses upon contact. A challenging task for service teams to scale, this is a prime case for a premium offering. Instant responses are a competitive differentiator, as even favorite brands fail to consistently make a connection between customers and agents fast and easy.

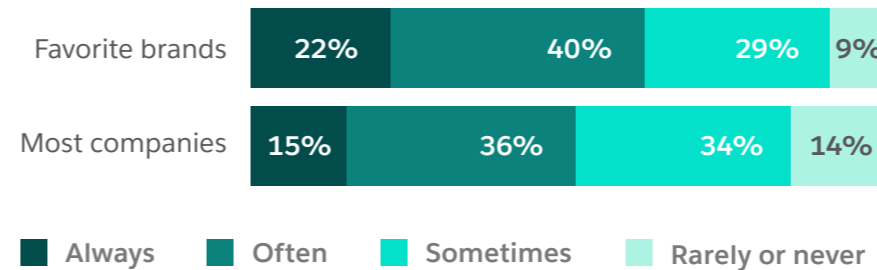
77% of customers expect to interact with someone immediately when they contact a company.

Human Connection Prized as Customer Service Grows as a Differentiator

Customers Willing to Pay Extra for Better Customer Service



Extent to Which Brands Make It Easy to Reach a Human



02

Service Experiences Spur Purchases and Advocacy

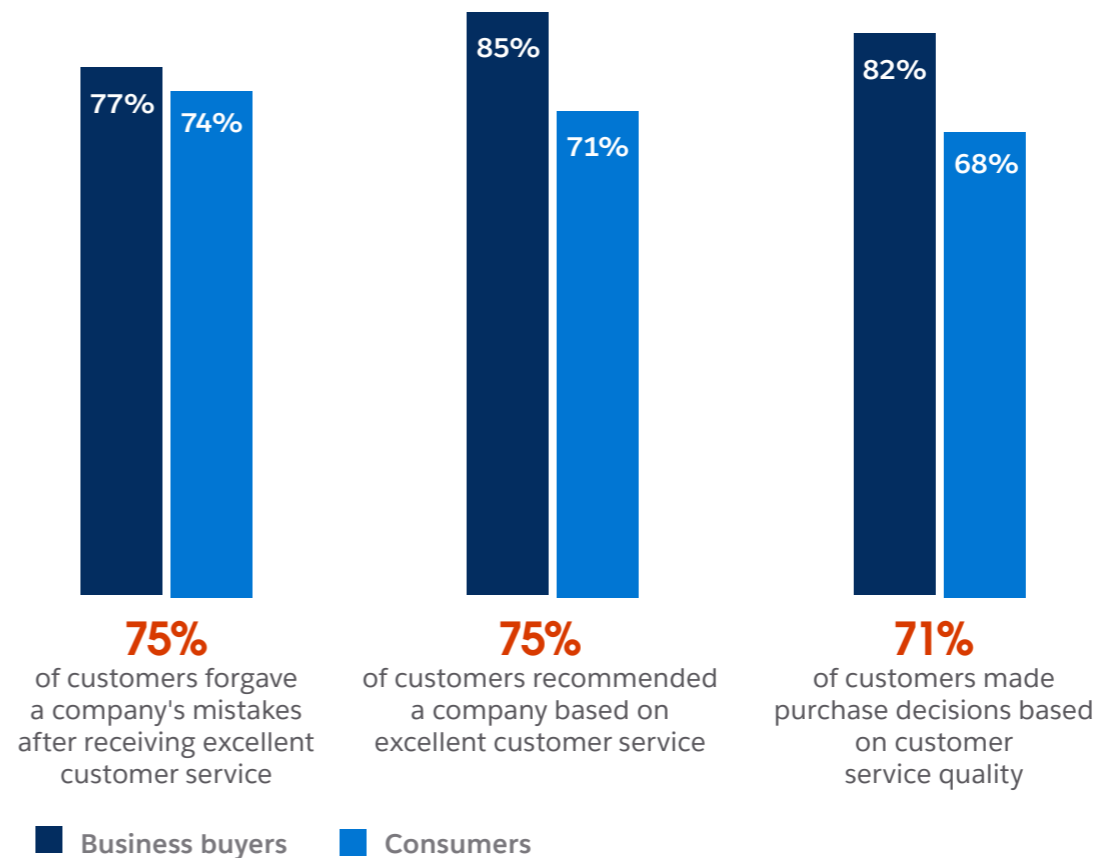
Companies that prioritize good customer service don't just grow their reputation – they grow their business.

88% of customers say good customer service makes them more likely to purchase again.

Quality service influences purchasing decisions, earns forgiveness, and leads to word-of-mouth referrals. Investing in service yields benefits beyond improving attrition rates. This is particularly true with business buyers, a population with large deal sizes, which makes it critical to get customer service right.

Great Service Drives Repeat Purchases, Advocacy, and Even Forgiveness

Customers Who Say the Following



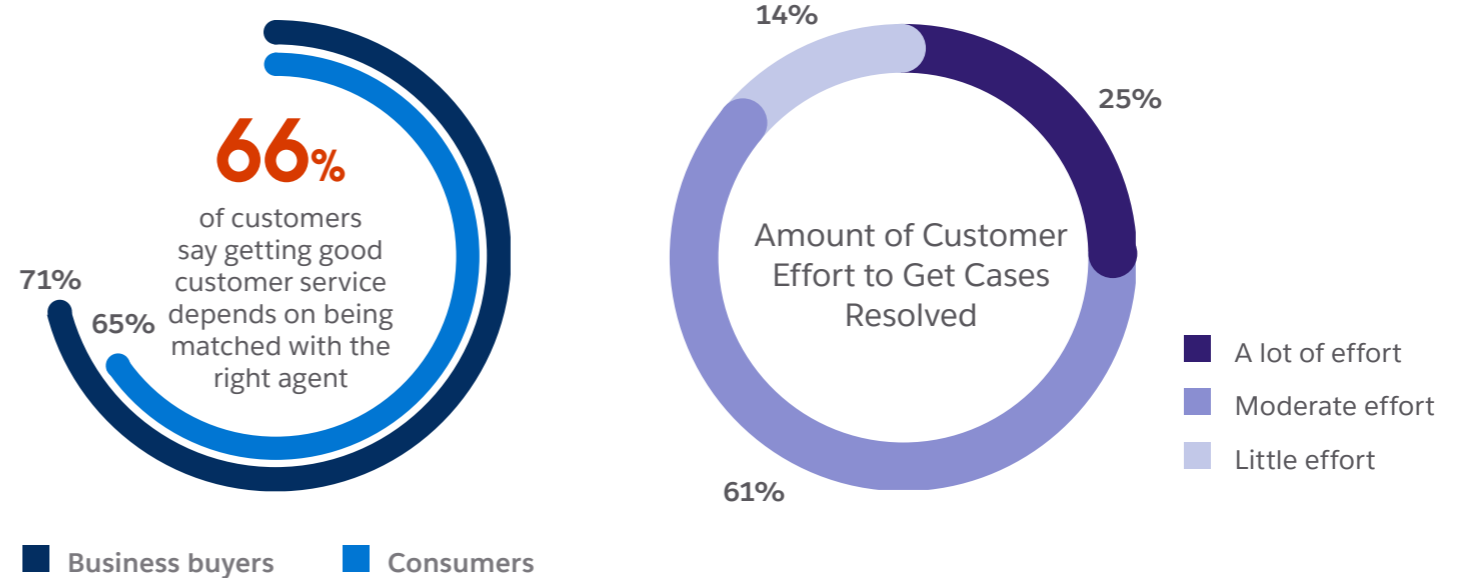
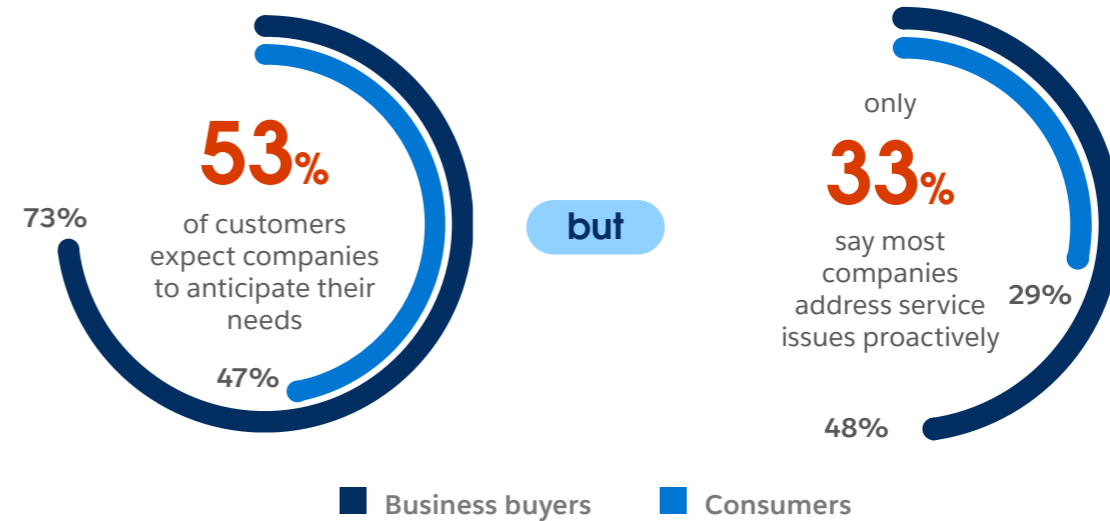
02

Proactive Service Is Rare and Prized

Increasingly, customers expect companies to deliver proactive customer service rather than relying on them to file the initial case. However, while most customers expect companies to anticipate their needs, they generally find customer service is reactive by nature.

Across the board, customers spend significant time and energy getting service issues resolved. When agents are unevenly trained and equipped, customers can feel getting good service depends on luck.

Customers Carry the Burden of Service on Their Shoulders



02

Companies Struggle to Provide a Connected Customer Experience

Customers value consistency across channels, devices, and departments. However, consistency is not the norm, and many customers find themselves repeating information to different representatives – a sign of siloed information.

Ultimately, poorly integrated technology and processes leave 55% of customers feeling like they generally engage with separate departments rather than holistically with one unified company.

Consumers' #1 frustration with organizations is disconnected experiences.*

* "Personalization, Data Security, and Speed Drive Customer Loyalty Amid Uncertainty – Salesforce Research," Salesforce, January 19, 2023



Consistency Does Not Match Expectations

Customers Who Agree with the Following



3

The Trust Gap Widens as AI Goes Mainstream



03

As Companies Embrace Generative AI, Customers Remain Cautious

Seismic and quickly advancing, generative AI has captivated the world, creating new content like text, imagery, and video from large language models.

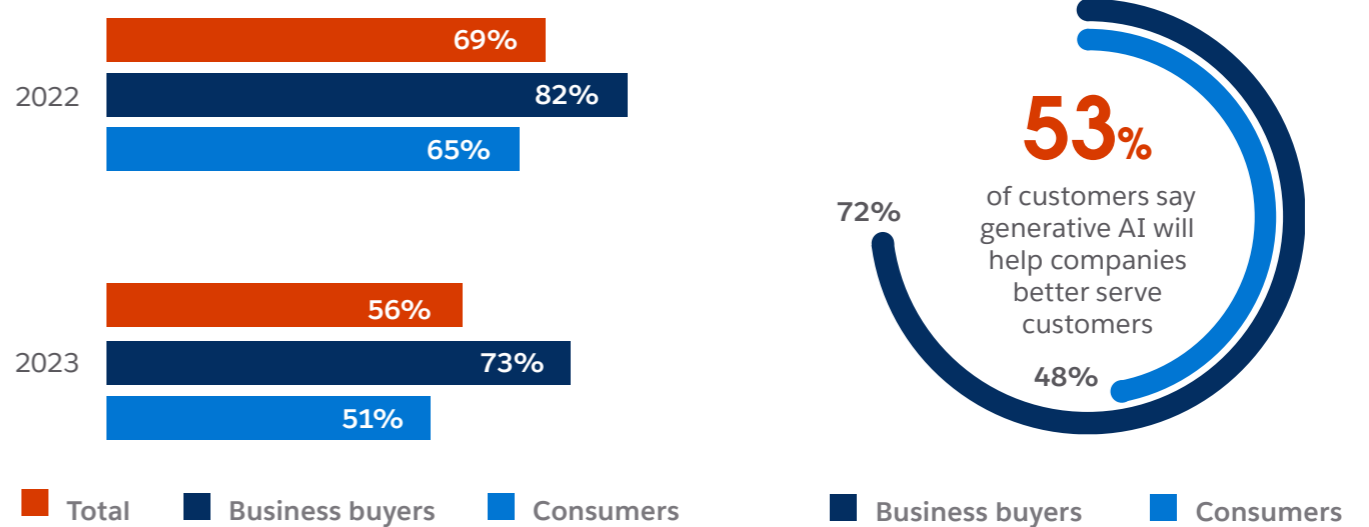
As companies focus on efficiency, generative AI promises time and resource savings by scaling content creation. Six in 10 desk workers use or plan to use generative AI.*

While most customers are open to AI, that sentiment has dipped since generative AI burst onto the scene. Compared to consumers, business buyers are more confident that generative AI will improve customer experience – a perspective shared by those employees on the frontlines of customer engagement.

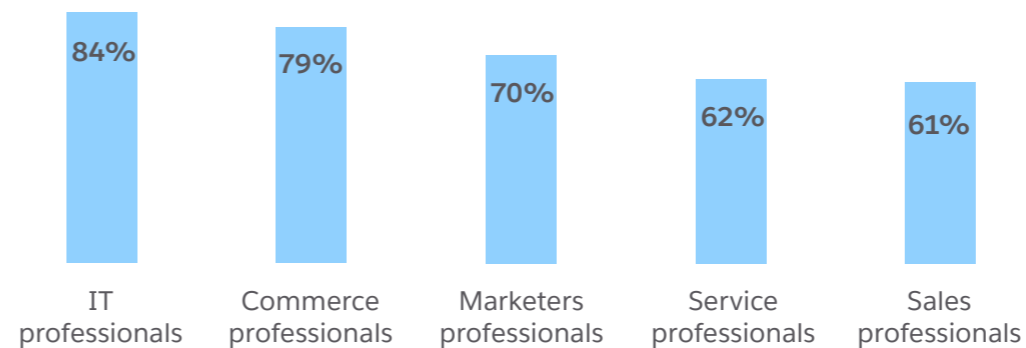
*61% of Workers Embrace Generative AI, but Lack Trusted Data and Security Skills," Salesforce, June 12, 2023

Consumers, Business Professionals Split on Generative AI

Customers Open to the Use of AI to Improve Their Experiences



Professionals Who Say Generative AI Will Help Companies Better Serve Customers*



Generative AI Evokes Curiosity Above All

Generative AI's promises – and risks – are still taking shape in customers' minds. Curiosity is consistent across the board but subsequent sentiments vary depending on age.

Millennials and Gen Z – generations that came of age with the Internet – are more excited by generative AI, while older generations are more suspicious.

As younger generations gain influence in the market, attitudes towards the technology may warm.

Top 5 Sentiments About Generative AI by Age Group

	1	2	3	4	5
Baby boomers	Curiosity	Suspicion	Anxiety	Hope	Fear
Gen X	Curiosity	Suspicion	Hope	Anxiety	Excitement
Millennials	Curiosity	Excitement	Hope	Suspicion	Anxiety
Gen Z	Curiosity	Excitement	Hope	Suspicion	Anxiety



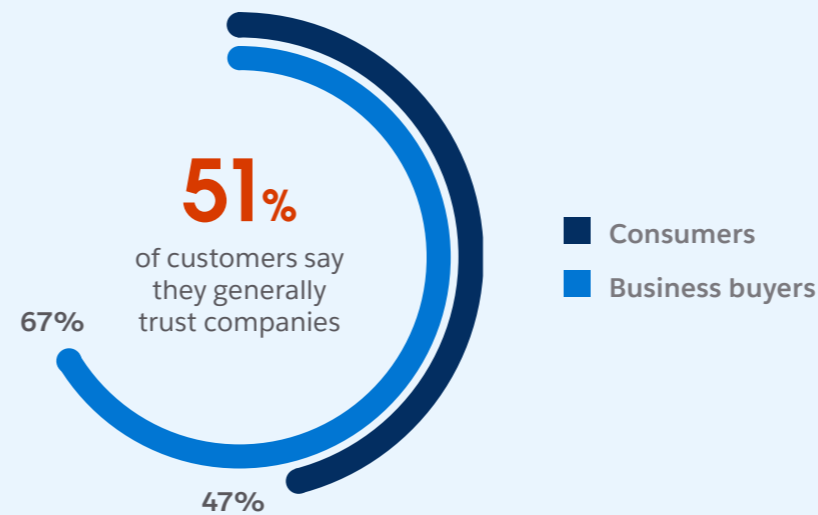
SPOTLIGHT: The State of Customer Trust

A baseline of trust is necessary for business transactions to take place. However, trust is complex and multifaceted: a customer can, for instance, trust a company's product quality without trusting its environmental commitment.

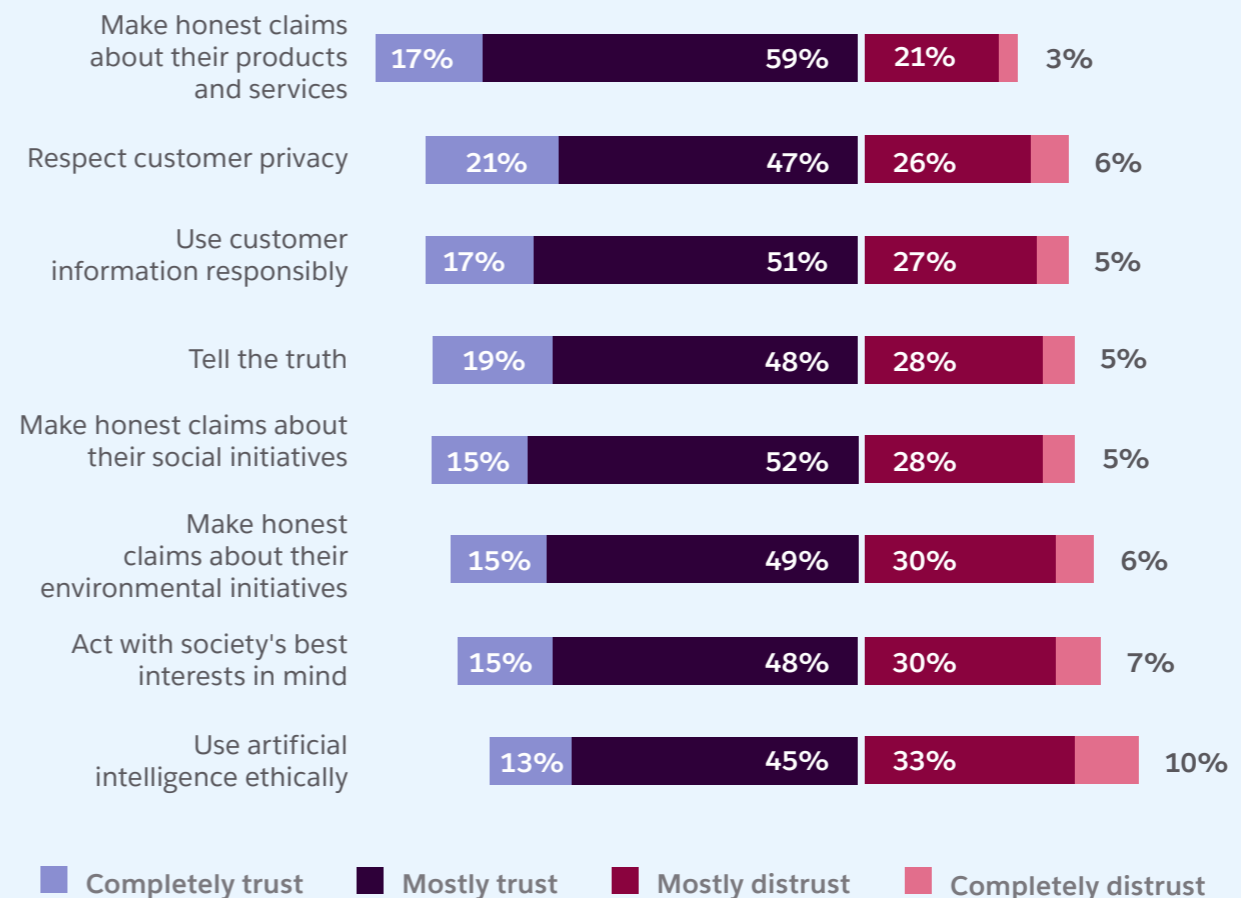
Many customers trust companies to respect their privacy and be truthful, but only half say they trust companies in a broader sense.

While there is room for companies to improve trust across the board, one impactful area is ethical AI. Just over half of customers trust companies to use AI ethically.

68% of customers say advances in AI make it more important for companies to be trustworthy.



Extent to Which Customers Trust Companies To Do the Following



03

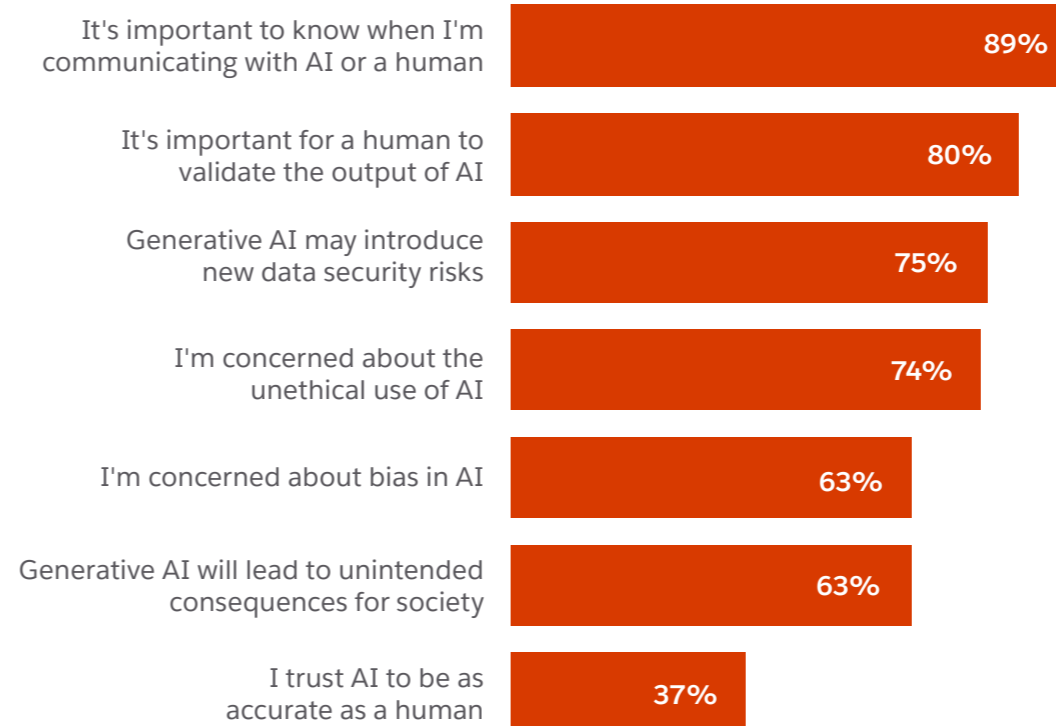
Customers Stress Importance of a Human Touch in the AI Era

Most people are concerned about the implications of generative AI on data security, ethics, and bias. To combat this, companies can focus on transparently communicating how they use AI, and making clear that their employees – not technology – are in the driver's seat.

For instance, a mere 37% of customers trust AI's outputs to be as accurate as those of an employee. Accordingly, 81% want a human to be in the loop, reviewing and validating those outputs.

Humans Involvement in AI Is Key to Securing Customer Trust

Customers Who Agree With the Following



Expert Perspective on Ethics in Generative AI

What ethical concerns are you hearing when it comes to generative AI?

As an enterprise AI company, the risks we focus on are accuracy, bias, toxicity, safety, and privacy. And we're not alone with these ethical concerns – the public, our customers, and regulators are paying very close attention as AI technologies rapidly progress. In a [recent survey](#) of IT leaders, concerns around generative AI included security risks (79%), bias (73%), and its carbon footprint (71%).

What risks specific to customer data do you foresee coming from generative AI?

At Salesforce, we take a three-pronged approach to mitigating these risks. First, by ensuring model safety and privacy. Second, we build trusted feature designs and architecture. And finally, implementing policy and use case safeguards.

This includes carefully choosing what data we use to train our AI, red-teaming and assessing bias and toxicity before they impact customers, and building in risk mitigations directly into our generative AI technologies. Such mitigants can include ensuring there is a human in the loop, confidence scores, prompt engineering, safety filters, citations and explanations, and more.

What can companies do to prepare?

It's always been important to collect quality data and ensure transparency and consent in the collection process. But it's not just about taking data in. It's also about what happens to that data once we have it. We protect the people whose information enables our AI models by ensuring their data is never left in a repository that can be easily breached or misused. Companies may need data as much as ever, but the best thing they can do to protect customers is to build methodologies that prioritize keeping that data – and their customers' trust – safe.



Paula Goldman

Chief Ethical and Humane
Use Officer, Salesforce

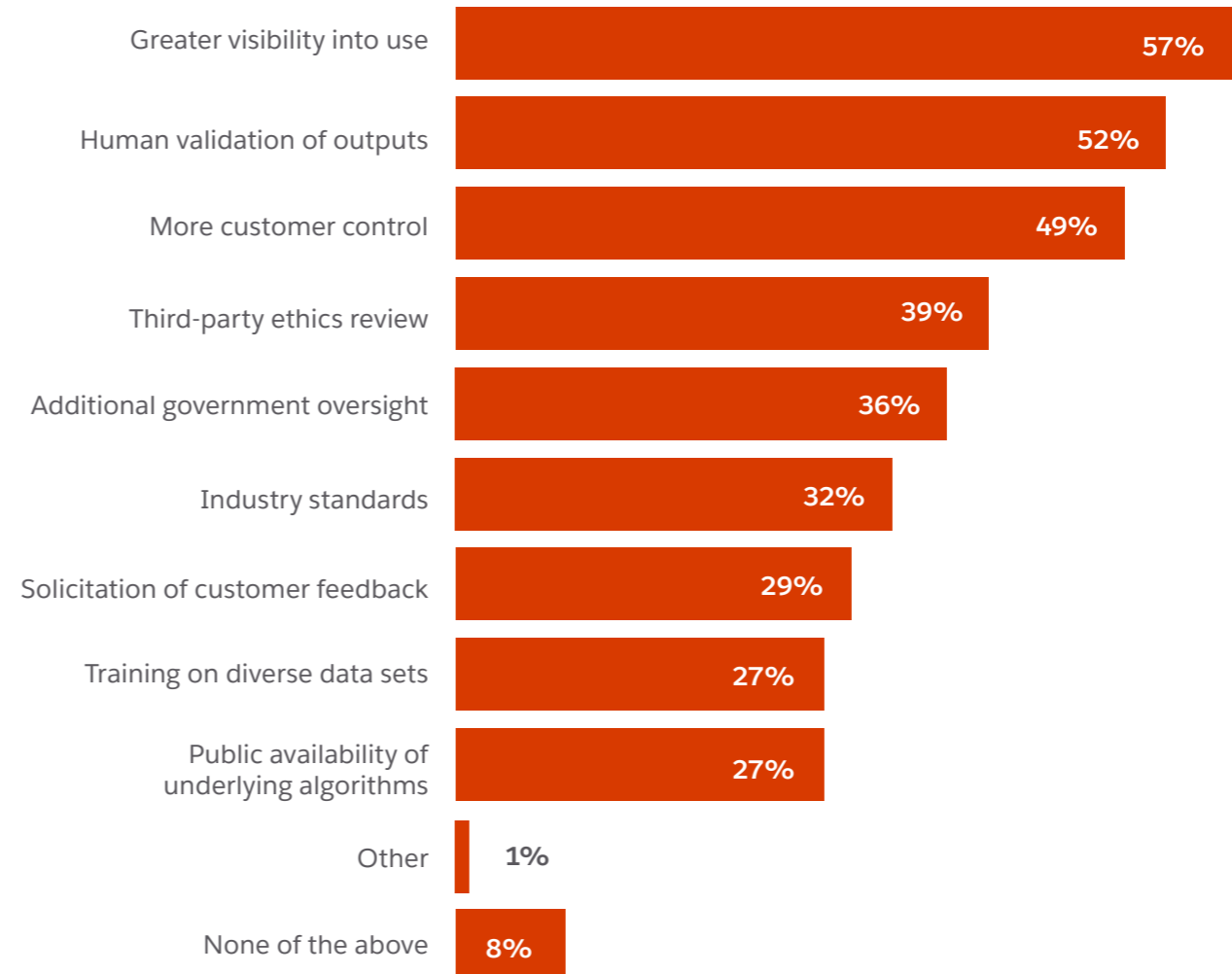
LOOK AHEAD: AI Driven By Trust & Ethics

As companies increasingly integrate AI across their businesses, customers grapple with concerns around responsible use of the technology.

When developing their AI strategies, companies can deepen trust by focusing on areas customers define as priorities.

Transparency is the foundation of what customers want. Over half of customers say greater visibility into how AI is applied would boost their trust. Human validation of AI's outputs follows closely, just ahead of increased control of where and how AI is applied in their engagement – such as opportunities to opt out.

Factors that Would Deepen Customer Trust in AI



Survey Demographics



Survey Demographics

Country

Australia	3%
Belgium	5%
Canada	5%
Denmark	1%
Finland	2%
France	5%
Germany	5%
India	5%
Ireland	5%
Italy	5%
Japan	5%
Netherlands	5%
New Zealand	1%
Norway	1%
Philippines	5%
Poland	5%
Singapore	5%
South Africa	5%
Spain	5%
Sweden	2%
Switzerland	5%
Thailand	5%
United Arab Emirates	5%
United Kingdom	5%
United States	9%

Customer Type

Business buyers	23%
Consumers	77%

Generation

Baby boomers (1946-1964)	27%
Gen X (1965-1980)	35%
Millennials (1981-1996)	29%
Gen Z (1997-2012)	9%

Gender

Male	53%
Female	47%
Other	<1%





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