

# EXPERIENCE 2030

The Future of  
Customer Experience  
is ... NOW!

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*The more we know the customer, the more we understand the essence of customer experience. The more we understand customer experience, the more we can shape it, develop it, and better serve the customer.*

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For consumers living in the modern world, our physical and digital realms are being connected through emerging technologies like AI, IoT, mixed reality and other immersive experiences.

The empowered "new consumer" is capitalizing on these emerging technologies and exerting tremendous pressure on the technology needs of marketing organizations. For marketing leaders, it's hard to gain a leading edge on something that's constantly advancing.

To meet rising expectations on both sides, brands require new capabilities to close the gap between consumer technology and marketing technology.

Brands must reinvent their operating models to act in the moment. They need a holistic data and technology strategy that they can individualize at scale, customer journey capabilities that can adapt in real time, and intelligent decisioning to automate the self-reinforcing cycle of tailored experiences.

And that's just today. Tomorrow's customer journeys and personalization will be even smarter, more immersive, more trust-enabling. More customer experience initiatives will be run by AI and machine learning algorithms, automated software applications or bots. The question is: Are brands and consumers ready?

The future gives us something to ponder.

Welcome to the future. Welcome to **Experience 2030**.

**Daniel Newman, Futurum Research**

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## EXECUTIVE SUMMARY

*We can see the future of customer experience a decade from now in the evolution of technology and the behavior and perceptions of consumers and brands today.*

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Welcome and thank you for your interest in this research paper, **Experience 2030: The Future of Customer Experience**. This paper is the result of a comprehensive global research study involving more than 4,000 consumers, executives, marketers, and technology professionals to understand what defines customer experience today and how it's evolving through the year 2030. This Executive Summary provides a brief snapshot of key findings and insights from the report.

Why the future of customer experience?

Over the past decade, technology has become one of the great game-changers of all time. From computers to wearables to the IoT and the cloud, the digital era we live in is defined by a continuous and ongoing state of rapid evolution. Today's world is personified by innovation that happens at breakneck speed and by technology that has, and will continue to, not only reframe the competitive landscape, but also the way brands and consumers communicate and engage at all levels. This fascinates us, and if you're reading this report, it likely fascinates you as well.

What we know is simple. The brands that survive today and who continue to grow and thrive into and beyond the coming decade are the ones that can not only integrate nimbleness and agility into their business practices, but who also are

committed to uncovering new ways to engage with and drive loyalty with consumers.

For the purposes of this research study, note that brands and consumers are respectively defined as:

*Brands are entities such as companies, organizations, or governments that provide services, products, or information to consumers.*

*Consumers are individuals, users, or citizens who consumer or rely on products, services, or information from a brand.*

Our goal with this research study and report is to identify the various relationships between brands and consumers that shape customer engagements today, uncovering where they are aligned and where they are not, and provide insights to help brands bridge those gaps and build a forward-looking customer experience framework to help move their companies into the future.

Let's get started.

## FIVE KEY THEMES DRIVING THE EVOLUTION OF CUSTOMER EXPERIENCE TO 2030

In the course of our research, we identified five key themes framing and driving the evolution of customer experience now and into the future. Those key themes are:

- **Smart Technology:** Consumers Don't Use Digital, They are Digital
- **Immersive Technology:** Bridging the Customer Experience Divide
- **Digital Trust:** The Evolving Nature of Trust
- **Loyalty in the Digital Age:** Be a Loyalty Company, Not a Loyalty Program
- **Agility & Automation:** Better Engagement Through Technology

Here's a quick look at those five key themes, why they matter, and how they impact brands today and moving into 2030 and beyond.

### Smart Technology: Consumers Don't Use Digital, They are Digital

We know that technology has changed the way consumers find, select, acquire, consume, and get support or information of any kind today. Our research illustrates where consumers are now and where they see themselves going with technology in the future.

Consumers are digitally savvy, using the web and their devices with increasing regularity to find what they want when they want it. Our survey respondents indicated that 36

percent of consumer households have **three or more** mobile devices currently in use and that 34 percent already have two more smart assistant devices in their homes. Consumers are digital and getting more so all the time. That said, consumers are also wary of technology and the potential for brands to pry too deep into their personal lives and behavior. In fact, many are reluctant to embrace technologies that might, in some instances, be considered essential by brands for fear of intrusion into their lives in ways.

This duality: The embracing by consumers of smart technology versus their inherent, and perhaps well-deserved, distrust of too much intrusion on the part of brands is a challenge brands must not only be aware of, but factor into their relationships and interactions with consumers at every level. Technology may be driving the future of customer experience, but not all technology is good technology in the eyes of the consumer. The data is clear: Brands must consider both the value of the technology they use and how that technology may be perceived by their customers.

### Immersive Technology: Bridging the Customer Experience Divide

Immersive technologies are, without question, agents of change. Immersive technology can absolutely be used by brands to help bridge the consumer divide. From wearable to embedded to augmented, these technologies can both capture and use data insights to provide the elements of mobile, immersive experiences where the consumer doesn't just experience the brand, they become part of the complete brand experience. While our research showed that the use of Augmented Reality or Virtual Reality (AR/VR) devices are in the nascent stages for most consumers, consumers are clear on what they expect with regard to the future and the evolution

of AR/VR. While 61 percent of our consumer panel reported they had no AR/VR devices in their homes today, 60 percent of them expect to use these technologies as part of an event or brand experience by 2025.

Today, consumers are dipping their toes in immersive technology, in some instances without even realizing it. They are using Snapchat or Instagram filters, using a heads-up display while driving, and trying on glasses, apparel, or even paint colors in the home by way of AR. They are experimenting with viewing products or participating in events by way of VR experiences, opening up an entirely new way for brands to engage and bring consumers into a brand experience.

That's the real promise of augmented and virtual reality technologies – the in-store experience without the store, the enhanced information on a map without the map, the product instructions overlaid on the product without the manual.

Brands should take heed, considering how to bridge the divide between the real and virtual, focus on integrating immersive experiences into the customer experience, and creating deeper ties with and connections to consumers as a result.

### Digital Trust: The Evolving Nature of Trust

The data is definitive on the point of trust: Trust-enabling technologies and a security-first mindset are the key to deeper customer relationships. Technologies like IoT, edge computing, the cloud, and blockchain enable brands to behave in a way that can inspire consumer trust. Trusted transactions, data security, transparent auditability – all these

things help create both an informed experience on the part of consumers, and an experience that engenders trust.

But technology alone isn't enough. Our research paints a very clear message: Security must be at the forefront of every business strategy and an integral part of brand messaging – and a brand promise – to consumers. Our survey data shows that only 54 percent of consumers agree that brands can be trusted to keep their data private, and 73 percent are concerned with how brands use their personal data. The bar for brands is low and consumer expectations are high.

While brands report they are embracing surveillance technologies and facial recognition software, consumers report they don't like these technologies. Brands must understand that consumers evaluate trust as a key element of their customer experience, and they are uncomfortable with the lack of control they feel they have over their privacy and data. It is critically important that brands address the high level of distrust on the part of consumers in order to remain viable moving into the future.

### Loyalty in the Digital Age: Be a Loyalty Company, Not a Loyalty Program

Loyalty programs alone are not enough to drive consumer loyalty; brands must instead infuse loyalty into all aspects of the customer journey with a focus on personalization. Loyalty programs can – and should – be supplanted by loyalty companies, brands that consumers respect and trust.

But what drives loyalty in the digital age?

- Our survey respondents told us that while 58 percent of brands consider quality as the highest-rated factor driving consumer loyalty, consumers placed quality second, behind low costs or discounts.
- Some 41 percent of brands reported that VIP programs, incentives, or surprises are likely to drive consumer loyalty, but only 19 percent of consumer respondents agreed.

Consumers told us they prefer technology touchpoints as drivers of loyalty and repeat business, all geared toward making the discovery and purchase experience a more expeditious one.

But brands felt differently, focusing instead on support for alternative payment apps and the ability to order through smart home systems, for example, more relevant and more likely to drive loyalty.

These are significant disconnects between consumers and brands, and an important part of what we sought to uncover by way of this research.

Brands who succeed in the coming decade will be the ones who put aside their preferences and biases and instead put the customer first, providing the services, features, and technologies that will deliver what consumers are seeking. Brands must be agile and adaptive to ever-evolving consumer needs, on a shorter time frame than ever before: Technology and data are the enablers of that agility and adaptability.

## Agility & Automation: Better Engagement Through Technology

Agility and extreme automation are driving the future of brand engagements and customer experience. By 2030, agility and extreme automation will become the twin pillars of customer experience, allowing brands to deliver on promises they've made and meet the expectations of the consumer. In a world where customer demands are changing rapidly, the speed of performance is considered critical to the creation of great customer experiences. Businesses must embrace agility and have the ability to leverage automation to reduce risk, improve consistency of performance, and increase responsiveness to consumer needs.

Based on our research, we see opportunities for brands in several areas, including:

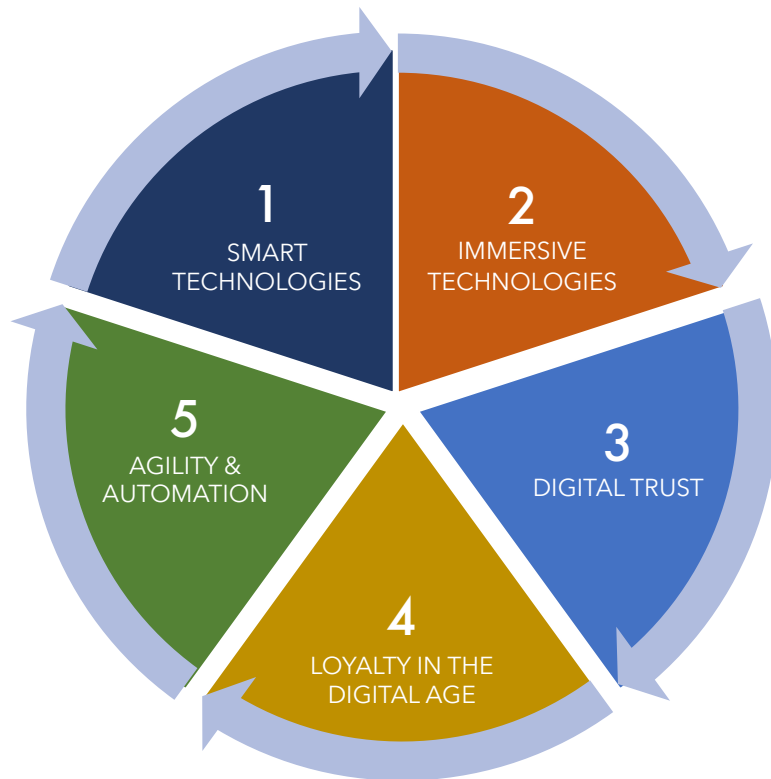
- Embracing the use of AI-powered automation in customer service operations to streamline processes and serve up better, more rewarding experiences for customers (and employees).
- Empowering customer service agents to work alongside automation, adding a human element and empathy to customer communications and problem resolution.
- Using data to more effectively personalize experiences so that customers feel a deeper connection to the brands and services they use.
- Using consumer behavior data to create better, more rewarding, more expeditious user experiences when consumers interact online, no matter the channel.

Brands know that with speed comes risk, but without speed and the ability to rapidly adapt to change, no business can survive.

Automation can provide businesses the agility they need, speeding up decision-making and execution, as well as minimizing risk. In the coming decade, however, brands must balance the use of smart machines for performance with the empathy that the human element brings to the equation, and they must learn how to balance each within their organizations. Technology, especially if consumer-facing, should be a tool used to augment, not replace, humans.

These five key themes – smart technologies, immersive technologies, digital trust, loyalty in the digital age, and agility & automation – are driving the evolution of customer experience from now, through and into 2030.

Take a journey with us through the story our research tells so that you can prepare your organization for success now and into the coming decade.



## SECTION 1 CONSUMERS DON'T USE DIGITAL, THEY ARE DIGITAL

*Technology has fundamentally changed consumer behavior. The future of consumer behavior over the coming decade is more digital, more mobile, more social, and more engaging.*

### SECTION 1.1

#### TECHNOLOGY: **DIGITIZING THE CONSUMER**

Today's consumer, whether searching for movie tickets or information on a community event, is increasingly agile, online, and immersed in consumer tech – tech that has itself evolved from a product to be consumed to a product that enables the consumption of other products and services. This has not only led to changes in consumer behavior, but also to changes in how customer experiences are created, measured, valued, and shared.

#### FIVE CONSUMER TECHNOLOGIES SHAPING CONSUMER BEHAVIOR TODAY

##### MOBILE TECH **The key to today and tomorrow**

The mobile phone has become an ever-present accessory. Mobile phones have largely become ubiquitous, with a third of all consumers reporting having three or more mobile phones in regular use within their household. The most salient data point here is the trending direction – *what are consumers anticipating by 2025?* More mobile. A lot more.

Forty-one percent of consumers expect to have more mobile phones in their home in 2025 than they do today. And while consumers expect that number to increase even higher by 2030, the reality is today's mobile phone may not exist then as we know it now.

**13%**

AsiaPAC

**11%**

LATAM

**10%**

MEA

**4%**

North America

**4%**

Europe

Percent of households that have 5 or more active mobile phones.

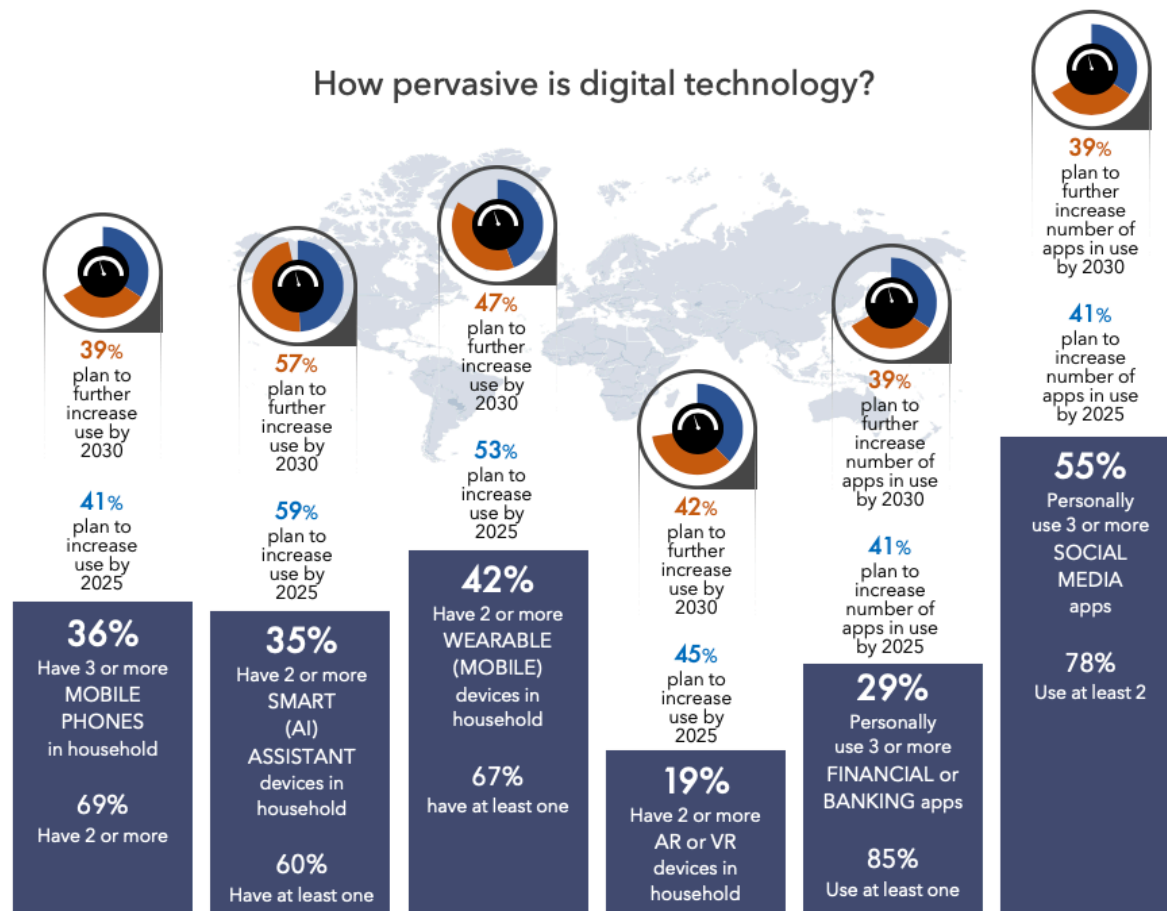
#### OBSERVATIONS

From mobile phones to smart home assistants, consumers have embraced a digital world.

- ▶ 37% have 3 or more mobile phones at home
- ▶ 60% of households own at least one smart device (Alexa, Google Home)
- ▶ 35% of households have two or more smart devices
- ▶ 13% of households have three or more wearable devices – 53 percent expect to increase that by 2025
- ▶ 39% of households have purchased an augmented or virtual reality device, while 45% expect to purchase or add more by 2025
- ▶ 29% of consumers use three or more banking or payment apps

- **FUTURUM PERSPECTIVE** Mobile phones are the gateway to the world for most people today. Beyond calling and texting, the mobile phone has become the personal computer, photo album, calendar, wallet, gaming station, and – most importantly – the means by which consumers can access the internet, information, and brands.

For many around the world, mobile is the only technology used to access online services, a strong rationale for many brands adopting mobile-first (where applications and services are delivered to mobile devices before other technologies and/or mobile design elements drive fixed-device design) and mobile-only strategies (where applications and services are only delivered on a mobile phone/app).



**WEARABLE TECH** *Is it the future of mobile?*

Wearable devices such as smart watches or fitness trackers are increasingly popular, with brands such as Fitbit, Garmin, and Apple helping create new segments of market opportunity. Wearables are an increasingly important component of mobile tech. Nineteen percent of survey respondents reported having two wearable devices (smart watches, fitness trackers) in the household today, 25% reported having one, and more than half of all consumers expect their use of wearable tech to begin or increase by 2025, with almost half expecting to have even more wearable tech in 2030. It is also worth noting that 43 percent of households have yet to step into the wearable device market.

- **FUTURUM PERSPECTIVE** While mobile phones paved the way as the first mobile consumer communications technology (let's overlook pagers for a moment), the future of "mobile" as a concept is leaning in the direction of wearable tech. Wearable tech has the ability to become "embedded" tech as it is woven into fabrics and enclosed in everything from footwear to backpacks.

The value to the consumer is convenience, as well as increased computing and communications capabilities that are always present and less likely to be lost (it's far easier to misplace a mobile phone than it is a watch strapped to a wrist). That means more data, more communications, and more 24x7 online capabilities.

The value of wearable tech to brands is potentially significant as it provides not just a means to engage with a consumer more often, but as a means to gather data through embedded IoT sensors, and in exchange, provide real-time information and feedback to the consumer.

*64 percent – nearly two-thirds – of consumers expect they'll be controlling other devices with their wearables by 2025, with an additional 14 percent (78 percent total) targeting 2030.*

**43% vs 59%**  
Global      North America

Percent of households that do not own any wearable technology.

**OBSERVATION**

Wearable devices bring the consumer and the experience closer, thus bringing the brand closer to the consumer.

- Brands must be careful when expanding or enhancing existing products and services with wearables.
- Like the early rise of mobile apps, the desktop didn't always transfer well. The "mobile-first" approach is experiencing the same, as mobile apps don't always translate well when adapted to the desktop.

The value proposition for smart devices is their ability to expand the amount of information available to the consumer with little or no effort on the part of the consumer.

Smart devices have the potential to replace the mobile and blend with augmented reality devices to drive immersive engagement experiences.

**SMART TECH** Smart Business

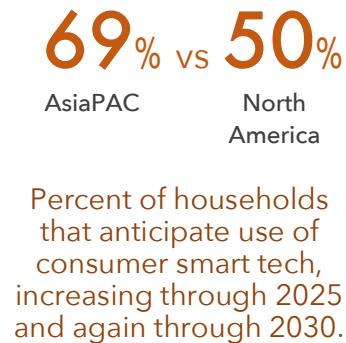
The smart device market ranges from AI-enabled interactive systems such as Amazon Alexa or Google Home to app-based doorbells, security, lighting, or HVAC control applications, to appliances, cookware, and electronic toothbrushes and beyond. It is a very broad market, but that translates into depth and value. 40 percent of consumers we surveyed had not yet made the shift to in-home smart devices, and only 35 percent of households have two or more units in use.

But are smart devices trending up? Fifty-nine percent of global consumers expect they will have more smart devices in 2025, and 57 percent expect that number to increase between 2025 and 2030. But that number is actually held back by consumers in North America, where 40 percent anticipate no change in the adoption rate or use of smart tech.

- **FUTURUM PERSPECTIVE** While 40 percent have not yet added smart devices to their household, the reality is that mobile phones, tablets, laptops, and wearable devices increasingly feature software versions of Alexa, Siri, or Google capable of providing a range of interactive services just as sophisticated as stand-alone products. Brands should be betting big on these systems, particularly those built around AI technology that can provide another opportunity for a brand to engage with consumers in the home, as well as collect data that can be processed by analytics tools to develop predictive behavioral insights and lead to a more personalized consumer experience.

The value of smart tech and AI assistants goes far beyond brand engagement, offering an opportunity for brands to become part of an automated household, arranging products, services, or information when a consumer needs it without having to ask.

*Consumers in North America consistently trail behind those in AsiaPAC and other regions regarding both existing use and future 5- to 10-year expansion expectations for consumer technologies such as mobile phones, smart devices, and wearable tech.*

**OBSERVATION**

Smart devices provide value as they grow or are networked into increasingly larger, and smarter, systems.

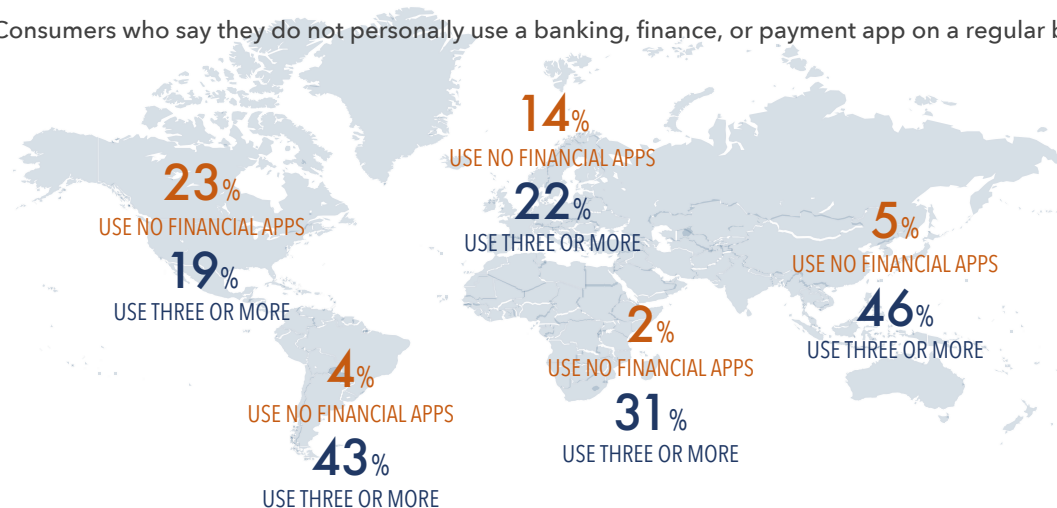
- Home control and security devices routinely offer the ability for a user to “log-in” and remotely control the unit. That may be smart, but it’s not really smart.
- Smart devices show the real value of intelligence when sensors, monitors and switches (IoT) can provide data to an intelligent system (AI, analytics) capable of collecting, aggregating, and analyzing data (the cloud) to allow the automated optimization of system operations without the need for personal action.

**APPLICATION TECH** Yes, there's a finance app for that lifestyle

While the physical design and layout of a mobile device or tablet may look impressive, the truly impressive tech is what you can't see: the software and applications that give hardware value, and users an interactive experience. It's the app, the download, the icon that consumers often tap to begin and end a brand engagement.

Mature markets with well-established regulatory controls may limit digital engagement opportunities.

Consumers who say they do not personally use a banking, finance, or payment app on a regular basis.



Managing personal finances is a part of everyday life for consumers around the world, with only 15 percent of consumers saying they do not use any banking, finance, or payment apps today. Note again that the largest pool of consumers who haven't yet fully embraced financial apps is in North America. Of the other 85 percent, 29 percent use three or more apps on a regular basis, and they don't plan to stop any time soon – 41 percent expect to use even more applications by 2025.

**OBSERVATION**

It is worth noting that we see the United States – and to a lesser extent Europe – lagging behind Asia, Africa, and South America in the use of financial services applications.

While the U.S. is often seen as technologically advanced, we believe this may reflect a more mature, regulated economic model. It may also indicate a lower tendency for consumers in the U.S. to leverage – and perhaps trust in – new currencies, mobile payment technologies, and even applications from their current banking institutions.

Close to a third of consumers use three or more financial apps on a regular basis, hinting at the variety of apps that are available (for online transactions in banking, financial planning and investing, and non-bank related financial lifestyle apps) and the potential for consolidation. What will make these apps sticky and valuable over time?

Ease of payment will be critical for brands, a point that firms like PayPal and Apple have stressed (both of which started with payment apps before moving into the world of physical credit/debit cards). But from a technology perspective, the growth in demand for financial apps is highly dependent on a brand's ability to build a relationship of digital trust between brand and consumer.

► **FUTURUM PERSPECTIVE** Personal finance apps aren't just a fad, the potential value is huge for both consumers and brands, particularly in regions where access to established financial services may not be readily available and where apps supporting peer-to-peer payments or micro-loans are extremely popular. Larger banking and financial institutions are now integrating AI assistants into traditional banking apps in an effort to show improved value. There is a significant opportunity for long-term value here for brands who can leverage payment data into financial planning, budgeting, and goal-based lifestyle management.

The blending of AI assistants, analytics, and the ability to provide advice and predictive suggestions about money management is a combination that makes sense for brands and consumers. There's a solid opportunity here to move beyond traditional finance-related apps into smart apps that go beyond replicating traditional transactional functions and begin to address consumption and lifestyle planning aspects of consumer behavior.

#### AR/VR TECH **The virtual assistant of the future**

Augmented or virtual reality devices (AR/VR) have entered the mainstream market but are still a future tech for many. A significant 61 percent of our panel indicated they had no AR/VR goggles or headsets within their households, and fewer than 10 percent of all households reported having more than two active devices. Yet 45 percent expect their use of AR/VR to increase through 2025, a trend 42 percent of consumers expect to continue through 2030.

► **FUTURUM PERSPECTIVE** The use of consumer AR/VR technology is still primarily limited to the gaming communities as stand-alone devices. But the way augmented reality is making its way to most households is through applications on consumers' mobile devices, which is where the value is considerable. Looking beyond Snapchat or Instagram filters, the ability of a consumer to "see" directions through the camera on a mobile phone, to "try on" apparel without the apparel, to see how a product might look when placed in a home, or to view a product or an event "virtually" – all leverage the power of AR without the challenges of today's headset devices. This opens up a new visual window for brands to engage with consumers, to be part of the experience, and to enhance the value of existing products while also creating new services that enhance the customer experience.

That's the real promise of augmented and virtual reality technologies, the in-store experience without the store, the enhanced information on a map without the map, the product instructions overlaid on the product without the manual.

**61% vs 60%**

NONE >> YES  
TODAY >> 2025

Percent of consumers that do not use AR/VR today but expect to by 2025 as part of an event or brand experience.

## OBSERVATION

Not only are consumers anticipating strong growth in their use of augmented reality technology, but brands too are betting big – and investing in – this technology as a way to market, support, and improve the experience of both existing and future products and services.

## SECTION 1.2

### SOCIAL MEDIA: FROM CLOSE FRIENDS TO ENGAGING BRANDS

Social media sites, such as Facebook, LinkedIn, Snapchat, Baidu, and Tencent QQ, have become magnets for brands looking to identify and target consumers. Why social media? Social media sites (or apps) have quickly evolved from early single-use destinations to broad-based lifestyle communities, often offering a number of different functions such as texting or sharing with friends, viewing pictures, posting videos, gathering product or services information, or even obtaining customer support from brands who have a presence on these social networks.

#### How widely are social media sites and apps used?

Only 6 percent of consumers are not presently using at least one social network site or app. Fifty-three percent of consumers regularly use three or more social network sites or apps, with 32 percent using four or more and 18 percent using five or more on a regular basis. This is further indication of the stickiness of social networks and the appeal to brands looking to engage with consumers on their channel of choice.

#### Which social media sites are attracting the most attention from consumers?

Surprisingly, YouTube ranked number one in our survey in terms of both consumers indicating they used the site on a regular basis (at least monthly), as well as its potential for expanding its current user base and adding new incremental users.

**41% + 39%**  
 INCREASE >> INCREASE  
 BY 2025 >> THROUGH  
 2030

Percent of social media users who expect their usage of social media sites/apps to increase through 2025 (41%) and percent of social media users expecting additional use between 2025 and 2030 (39%).

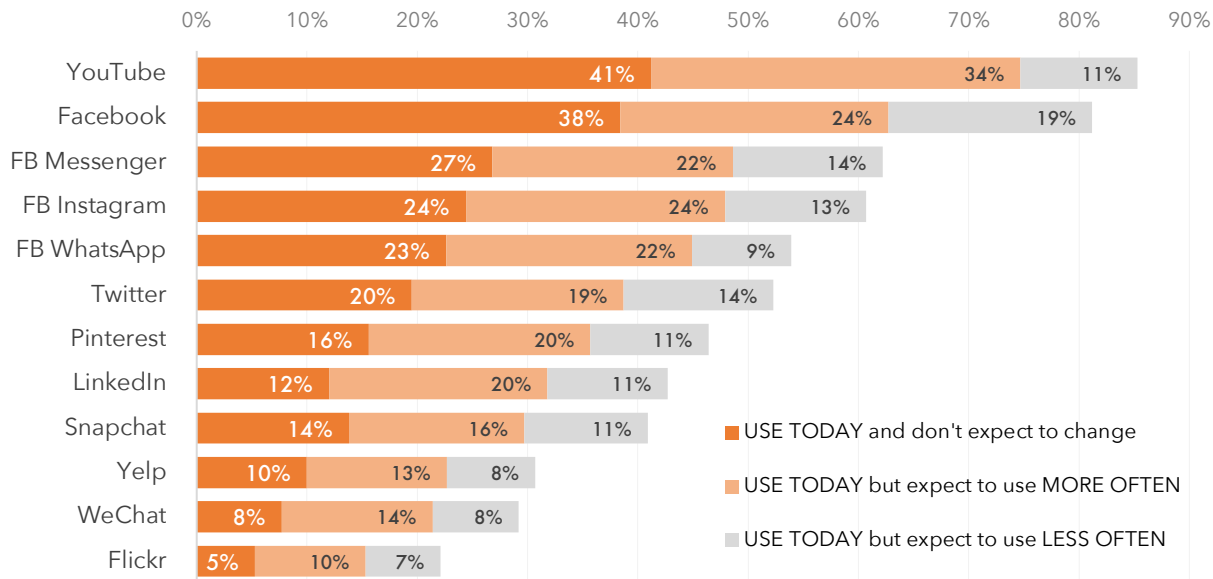
#### OBSERVATION

Who uses five or more social media sites/apps on a regular basis?

Compared to our overall survey results, they are slightly more likely to be:

- ▶ Male  
53% vs 49%
- ▶ Aged 21 - 34  
52% vs 41%
- ▶ From S. America or Asia  
46% vs 32%
- ▶ Degreed (4-year +)  
56% vs 47%
- ▶ Employed full-time  
69% vs 59%

### A SOCIAL DOZEN: TOP 12 MOST REGULARLY VISITED SOCIAL SITES/APPS (Minimum Monthly Visit, Global)



NOTE: Does not reflect actual registered or daily/weekly active users

*While YouTube may have more overall monthly visitors than Facebook, Facebook dominates with its owned properties Messenger, Instagram, and WhatsApp.*

## SOCIAL MEDIA BEHAVIOR

We know consumers love social media, but what's the use case driving so much social activity, and how will this shape the ability of brands and consumers to engage in the social sphere?

To understand the importance of social media, we asked our panel about specific use cases for social media, inquiring not just how often individuals use social media to achieve a particular outcome or what their preferred social network may be, but also how important in their daily lives they consider that particular use case or outcome.

## OBSERVATION

Facebook is consistently near or at the top of most rankings for social media sites. And the 24% of consumers that are current users and anticipate increasing the frequency of their use during the 2025 - 2030 timeframe is second only to YouTube (34% of consumers who use YouTube at least monthly are considering increasing their use).

However, Facebook also has a substantial block of users (19% of our consumer study) that are considering cutting back on Facebook activities, as well as 11% of consumers with no plans to ever use Facebook.

**OBSERVATION**

21% of survey respondents use a social media site to recommend or tell a friend about a product or service daily, 18% do that weekly, and yet another 18% do that monthly.

It is clear that social media channels are a valuable brand discovery channel, as well as a channel for consumers to have candid conversations about products and services.

Brands must integrate social listening and monitoring, social engagement, and ease of social purchasing into all facets of operations.

### How are consumers using social media for purchases, information, or support?

We looked at consumer behavior on social media to understand exactly how users are engaging with brands from a transactional perspective.

### **SOCIAL MEDIA** Searching for Product or Services Information is a Daily Activity

Currently, 36 percent of consumers report using social media on a daily basis for finding product or service information, while only 20 percent report never doing so. Looking ahead, 30 percent of consumers say social media as a source of brand information will be more important to them over the coming decade. The relevance of social media as a customer discovery channel does not appear to be abating, which makes it important for brands to be present and engage.

- **FUTURUM PERSPECTIVE** Customer experience isn't just about a consumer actively using or seeking information about a product or service, it's also about seeing what others are doing, saying, and sharing. By going online to be social with their friends, many consumers are indirectly exposed to products, services, and brand information whether they intend to or not. It may be subtle, but it does take place, and perhaps without consumers ever realizing it.

## **SOCIAL MEDIA** The Social Purchase Transaction is On Hold

Despite the trend toward online purchasing, over half of all consumers say they don't use social media as a venue to actually conduct a transaction, and 65 percent say purchase or donation transactions on a social network are only slightly or not at all important to them. That said, 19% of consumers report making a purchase or donating daily, 13% weekly, and 17% monthly. Those aren't small numbers in the big scheme of things, and social sites are rapidly becoming key marketplaces for both product discovery and transactions.

- **FUTURUM PERSPECTIVE** Social media is a place where friends share, chat, and consume. It is also a place where friends recommend and discuss, making it both a family room and a show room. We expect social commerce to grow at a rapid clip. Consumers can no longer be counted on to be found watching TV, listening to the radio, or reading magazines or newspapers, which was – for many years – the primary avenue brands found and reached them. Today's consumers are on social media channels. Social media can play a significant role in the overall transactional network, particularly in influencing purchases through targeted advertising, influencer posts, and prompted sharing of purchases or recommendations by users.

Over the coming decade, moving toward 2030, social networks are likely to seek out new revenue sources and move closer to the in-app purchase. Facebook, Instagram, YouTube, Snapchat, and Pinterest are all great examples of "see it, click it, buy it" approaches that are in use today. Facebook is presently rolling out its own digital currency, which will likely impact commerce as well. But not all social networks are built for this purpose and demographics and consumer expectations are not all the same.

## **OBSERVATION**

Despite popular sentiment around social word of mouth, a staggering 58% of North American and 43% of all respondents say they NEVER USE recommendations from their social circles.

On the other end of the spectrum, 5% of consumers say they cannot live without those recommendations, but interestingly 32% feel that friendly word of mouth will gain importance in the coming decade.

Brands shouldn't see this as a negative, but as an opportunity to continue investment in community building where advocacy will drive greater conversions in the next decade.

Paying close attention here, and understanding which social channels are most relevant to a particular target audience must be a key component of brand strategy. We anticipate most major social media outlets will become increasingly transaction oriented and provide value for the brand that is willing to build the right infrastructure.

#### SOCIAL MEDIA **Can Consumers Get Social with Customer Service?**

Surprisingly, 52 percent of survey respondents say customer support through a social network or app isn't of high enough interest at this point to seek support through this channel. Social customer support – which can integrate very smoothly into social media apps – has not taken off despite the efforts of firms like Facebook to weave customer support for brands into its Messenger app, or Twitter's broad appeal as a vehicle to get the attention of brands and support staff. But in five to 10 years, 37 percent say this will be MORE important to them.

- **FUTURUM PERSPECTIVE** With more than a third of consumers expecting social media will become more important to meeting their customer service needs over the coming decade, **brands must embrace social media (and the necessary technology and business infrastructure) as a core part of customer support and the overall customer experience.** Chatbots are already being utilized in customer service operations by many companies and we expect that adoption to continue to increase at a rapid pace. Conversational AI and chatbots are the future of customer service, giving consumers speedy resolution to questions or service issues in a manner such that they often either don't know they are dealing with a chatbot, and/or they know but don't care.

## SECTION 1.3

### CONSUMER BEHAVIOR: IT'S AN ONLINE WORLD

Consumers are increasingly tech-savvy, skilled at navigating the web, and increasingly shunning offline activities in favor of a faster, easier, and more rewarding online digital experience. Not all activities offline can be replicated online, and there are certainly online activities that cannot take place offline. But for a growing number of consumers, and particularly digital natives – those born into the online generation – the online world is where anything can take place.

With the increased availability of mobile, wearable, and smart devices, coupled with high-speed communications technologies, consumers can not only find anything they need online, they can do so from just about anywhere at any time and, increasingly, have it delivered in near-real-time. Searching for information, consuming content, making a bank deposit, hailing a ride, or ordering a meal, and perhaps even experiencing a “virtual” event through AR/VR technology – this is the consumer reality today and, in the eyes of many, if it doesn't happen online, it doesn't happen.

*The future of customer experience is not a top-down issue.  
Within the coming decade, consumers expect more in the digital world  
than in the physical world. From an engagement perspective, this  
changes everything from the bottom up.*

### CONSUMERS ARE MAKING THE DIGITAL TRANSITION

When we talk about online activity, we're referring to the broader digital engagement that takes place on a brand's website, a search engine, or an app on a mobile device. The numbers, and the consumer behavior they represent, cannot be overlooked:

- Half of all consumers search for product information at least three to four times per week, with 23 percent searching online for product information *five or more times per week*. This will continue to grow as 45 percent expect to increase their online search activity over the coming five to 10 years.
- 37 percent of consumers go online three to four times per week to search for information about a brand's services, such as banking, financial services, or travel.

### OBSERVATION

The offline world is shrinking as the online world takes off. Brands need to be able to serve and engage with their consumers in both realities.

What are some of the offline realities today? Here is a list of activities consumers do less than once per month:

- ▶ 28 percent call a store or retail location.
- ▶ 32 percent purchase clothes in a brick-and-mortar store.
- ▶ 33 percent visit a bank or financial institution.

- 31 percent of consumers go online at least three to four times per week, some as many as five or more times per week, to search for information relating to their government, community, or local events (note: only 10 percent of consumers say they never go online for government or community information).

The significance of this online behavior can be seen in the offline world, and in the changes in consumer preferences and behavior. For example, 21 percent of consumers say they never call a store or retail location for product information. 31 percent say they never use a traditional (non-app) taxi or hired car service.

What we're witnessing today isn't just a shift in behavior, but a shift in the frequency of both online and offline behavior. For example:

- 10 percent of consumers say they call a store or retail location for product information, and 15 percent report they buy something in a store more than five times per week.
- 28 percent of consumers report they call a store or retail location less than once a month, and 20 percent never do that.
- 47 percent of consumers say they go online to search for product information at least three to four times per week.

It is obvious that consumers are making the transition from traditional brand interactions (e.g. calling a store or physically visiting a store) to going online to look for what they need. Brands need to make sure they employ the right technology solutions to accommodate that shift.

## CONSUMERS ARE ANTICIPATING A DIGITAL, TECH-FILLED FUTURE

What does the future of consumer acceptance and engagement look like in 2025? In 2030? We lay out our predictions later on in this report by way of our 10-Year Vision Board. The data tells us how consumers view different types of technology that will shape and redefine how they engage with both brands and other consumers. Let's take a look at what they told us and what timelines are anticipated:

### OBSERVATION

The online world is growing as the offline world recedes.

Here are a few expectations consumers have as we look to the coming decade and 2030:

- ▶ 33 percent expect to use a smart assistant (Google Home, Amazon Alexa) to make an online purchase within the coming 12 months.
- ▶ 29 percent expect to use a smart home system to manage their doors, locks, heating, or cooling system.
- ▶ 24 percent expect to use an in-car infotainment system to look up products, locations, recommendations, or order food within the coming year. 37 percent say they don't expect to do that until 2025, and 17 percent don't expect to be doing that until 2030.

**ACCEPTING: DRONES**

23 percent of consumers expect to accept delivery of a product by a drone or autonomous vehicle within the coming year. By 2025, that number rises to 60 percent, and by 2030, 80 percent of consumers expect drones to part of their brand experience.

**ACCEPTING: CHATBOTS**

36 percent of consumers are accepting that they'll be dealing with chatbots this year to have questions answered or receive customer support about a brand, products, or services. By 2025, two-thirds of all consumers expect to be engaging with chatbots, rising to 81 percent by 2030. It is almost a certainty that we will be talking to more AI-powered chatbots than human ones in the next decade.

**ACCEPTING: AUTONOMOUS VEHICLES**

While autonomous vehicles are making waves in the private market, these vehicles have the means to fundamentally reshape how consumers and citizens move about the city, across the town, or between distant locations. These vehicles are as much a part of the public sector and smart city as they are about the driverless cab or the high-end electric car. By 2025, 29 percent of consumers expect to have ridden in an autonomous vehicle with more than half (57 percent) expecting that experience to have fully arrived by 2030.

**ACCEPTING: AUGMENTED and VIRTUAL REALITY**

While mass adoption of stand-alone AR and VR devices has not yet materialized (61 percent of consumers have yet to purchase AR/VR technology), we know the "stealth" aspect of these technologies is making inroads through devices such as smartphone apps and heads-up displays in vehicles. By 2030, 78 percent say they'd use AR or VR as part of their consumption (engagement) experience. This includes 56 percent of consumers who expect to be "visiting" remote locations or experiencing vacation and entertainment events through mixed reality devices by 2025.

**ACCEPTING: SMART ASSISTANTS**

From the voices of Siri and Alexa, to Google Home, and Huawei's AI Cube, AI-infused smart technology is everywhere, and consumers expect to use it soon and often. While only 34 percent of consumers have two or more smart assistants used regularly within their household, 33 percent of consumers have no problems using these devices today to make online purchases or to control aspects of their "smart" home. By 2025, 65 percent of the consuming public expects to be using smart assistants in their daily lives to engage with sources of products, services, or information. By 2030, 8 out of every 10 consumers expect to be leveraging smart assistants in their lives and in how they engage with brands, organizations, and governments.

These smart systems are not limited to the home and, like augmented reality, they are quickly being embedded into other systems, such as automobiles – and they're changing the way consumers engage with the world around them. From futuristic movies of the past to the realities of today, in-car infotainment systems have shifted from the world of radio, CDs, and tapes to interactive systems that allow both drivers and passengers to be connected when on the road. While less than a quarter of consumers expect to be using car-based systems beyond the traditional entertainment role, by 2025, 61 percent of consumers expect to be using car-based infotainment systems to look up information about products, services, interesting locations and recommendations, and even ordering food to go – while on the go.

**ACCEPTING: WEARABLE DEVICES**

While fitness trackers and smart watches have been on the market for a while, the use of these devices has remained somewhat conservative, limited primarily to personal tracking of health, or communications functions. But that is changing as smart sensor technology (such as IoT) and wireless connectivity (from near-field communications to 5G) are entering the market. The future of wearables isn't just personal information, but engagement and the ability of wearable devices to interact with and control devices around us. Consumers generally see the value and "coolness" factor in the endless announcements and marketing messages online today. But they also likely see value in being able to do and experience more without having to actually do more.

Thirty-four percent of consumers already expect to use wearable technology to control other devices or apps within the coming year. 64 percent, almost two-thirds, of consumers expect they'll be controlling other devices with their wearables by 2025, with a total of over three quarters (78 percent) anticipating that will be reality by 2030.

► **FUTURUM PERSPECTIVE** For brands, this new level of consumer acceptance – and expectation – opens up a whole new level of opportunity for broadening the way they engage with consumers, from interacting with products and devices to having access to better services and conveniences as citizens. But brands and government entities alike must understand it will require not just a customer-focused approach but a new level of people, process, and technology to make it happen.

Security must also be at the forefront of every conversation and strategy. Technologies such as AI, machine learning, predictive analytics, cloud and edge computing, and IoT sensors will all play a role in driving the future of customer experience through the year 2030. It also brings an entirely new level of data risk and security that must be addressed by every organization and their extended provider or supplier ecosystem.

Now that we've identified and explored the nuances of the digital customer, let's look next at how brands are responding to the new consumers and how capable they are, today anyway, of responding to their needs.

## SECTION 2 BRIDGING THE CX DIVIDE: Brand vs. Consumer Preferences

*There is a perception gap between brands and consumers, one that requires brands to uncover a more complete, and accurate, 360-degree understanding of the consumer.*

The future of customer experience is completely dependent on the ability of brands to have a full understanding of, and align with, consumer perspectives. Even before a brand begins the process of building a product, launching a service, or implementing a consumer-facing strategy, there are customer perception issues that must be understood. These are fundamental questions that address overarching consumer preferences and serve to frame and inform the more detailed product, service, and support questions that will come later.

*Before you can craft the world's best customer experience, you need to make sure you have a customer.*

How well do brands understand consumer preferences, and where do their perspectives diverge?

### THE TECHNOLOGY GAP

Consumers are awash in technology, from the mobile phone or the AI-powered Alexa to the infotainment system in the car or the gaming console, it's everywhere. They've embraced technology as a whole. And yet brands don't seem to believe that this consumer sentiment has carried over into the in-store tech experience.

When both consumers and brands were asked if they agreed with the statement "[consumers are] uneasy dealing with technology in stores," only 35 percent of consumers felt that accurately reflected their feelings, while 78 percent of brands thought the statement was accurate.

Moreover, when consumers were asked if they believed they'd feel that way in 2030, only 37 percent of consumers agreed, while 43 percent of brands felt the statement (and the fear of

**35% vs 78%**  
 CONSUMERS BELIEVE BRANDS BELIEVE  
*"Consumers are uneasy dealing with technology in stores"*

### OBSERVATION

Brands feel consumers are:

- ▶ Much more uneasy with technology in stores
- ▶ Inclined to prefer payment made without "checkout" options in stores
- ▶ Uncomfortable in large, crowded stores
- ▶ Prefer automated robots, apps, or smart AI assistants for help
- ▶ Much more inclined to "try not buy" in stores and hang out, eat much more often
- ▶ Faster to adopt AR as a shopping tool
- ▶ Prefer "ask the expert" advice
- ▶ Slightly more put off by travel to a store
- ▶ Less willing to use a robot or automated system to deliver purchases today

technology) would be truer a decade into the future. Perhaps the brands know something about the technology they plan to implement, and consumers are simply unaware. But that belief on the part of brands could be a limiting factor in their growth, including efforts to introduce AI-powered chatbots, or automated checkout systems.

Consumer Preferences on Technology	CONSUMERS AGREE TODAY	BRANDS SOMEWHAT OR STRONGLY AGREE TODAY
I'm uneasy dealing with technology in stores	35%	78%
Asking an AI assistant, like Alexa, Siri, Bixby, Xiaowei or Duer, for information about a product is a good way to get information even when in a store or shop	48%	79%
Augmented or virtual reality allows (will allow) me to see how products look or work without having to see the actual product	49%	81%
I'd prefer to check out of a store using an automated payment system (in/out w payment made without "check out")	51%	80%
I should be able to use automated robots, smart apps or kiosks to answer questions when I'm visiting, shopping or there as a guest	48%	75%
I'd use an automated robot to deliver my purchases	46%	74%

Notably, while 35 percent of consumers say they're uneasy dealing with technology in stores, close to half of all consumers feel that specific technology implementations (e.g. AI assistants, automated checkout, or smart apps) would be of benefit. In contrast, 78 percent of brands feel their customers are uneasy dealing with technology, yet a similar percentage believe these same technologies would be embraced by consumers. Why the disconnect? We believe this may be the result of early or current technology implementations being too disruptive, or implemented ineffectively, something brands seem to be optimistic about correcting in the future.

## OBSERVATION

One interpretation of consumer perceptions or opinions about brand engagements remaining relatively unchanged between today and 2030 is that consumers are focused on the here and now – rather than on the long-term perspective.

This would be in contrast to the long-term planning perspective of brand employees.

*Consumer preferences are relatively unchanged between today and 2030 as consumers appear focused on the here and now – if they believe it today, they assume they'll believe it tomorrow.*

## THE INTENT AND ENVIRONMENT GAP

When asked about the purpose behind visiting a mall or retail store, only half (53 percent) of consumers agreed that they go to the mall to hang out with friends, grab a snack, or be entertained, or that they only visit a store to try products they plan to eventually purchase online (53 percent). Slightly more than 80 percent of brands felt both statements accurately reflected the consumer's intent.

Consumer Preferences on Intent & Environment	CONSUMERS AGREE TODAY	BRANDS SOMEWHAT OR STRONGLY AGREE TODAY
Large, crowded stores are a bother (I don't enjoy them)	62%	78%
I like to touch and feel a product before I purchase	69%	84%
Stores are where I go to look at or try products I'm usually going to buy online	53%	80%
Stores and malls are where I go to hang out with friends, have something to eat, or be entertained	53%	84%
A store should have a person available to answer all questions	77%	87%
I like specialized services, like "ask the concierge or expert" to give me extra help or information when I need it	51%	81%
Getting somewhere (like a store, hotel, event) should be fast and convenient	70%	82%

- **FUTURUM PERSPECTIVE** Perhaps the most interesting gap in evaluating this portion of our research is the “conviction” gap: *Brands more strongly agreed on every item they evaluated compared to consumers.* The average “agreement” or consensus for consumers was 55 percent, for brands it was 80 percent. This may indicate that brands still believe in the “majority of the market” concepts, where consumers tend to be largely alike and with similar preferences.

Notable as well are the contradictions in brand perspectives of consumers. Brands would be best served by anticipating consumer desires, beyond what they ascribe to, or even understand today, in order to effectively deliver in the future. Overcoming the brand/consumer perception gap is a challenge that can only be solved with a complete and accurate 360-degree view of the consumer before, during, and after an engagement, along with the ability to capture, analyze, and act on real-time engagement data.

Clearly brands and consumers are closely aligned on some items, while there is some distance and/or differing perceptions in others. In order for this gap to be bridged, consumers and brands are going to have to increase trust in the coming decade. Let’s next explore how trust can close that gap.

**35% vs 75%**

OF	OF
CONSUMERS	BRANDS
SAY	SAY
THEY	AUTOMATED
ARE UNEASY	ROBOTS
DEALING	ARE A GOOD
WITH	IDEA FOR
TECHNOLOGY	CONSUMERS
IN STORES	IN STORES

Brand contradictions on  
consumer perspectives

## SECTION 3 DIGITAL TRUST: The evolving nature of trust

*Consumers are wary of how brands treat their personal data and they feel powerless to change it, both of which can impact brand trust for those brands unable to bake digital trust into their operational model.*

### SECTION 3.1

#### CONSUMER TRUST: A LACK OF CONTROL ERODES TRUST

Many of the products and services consumers use on a regular basis have a strong digital footprint that provides brands with a wealth of user data. And while brands are looking to leverage data and technology to improve their understanding of consumers, increase efficiencies in operations, and drive more consistent and relevant consumer engagements, consumers have some concerns, particularly regarding data and the ability of brands to not infringe on personal privacy.

*Trust is a key element in the overall customer experience, and brands that cannot provide a high level of trust cannot provide a high level of customer experience.*

One of the key issues surrounding data, and trust in brands, is the level of control users feel they have regarding their data and personal privacy. This can pose a challenge for consumers as they balance continued increases in control over the products and services they consume and the brands they choose to engage with and reward with loyalty.

This is also a challenge for brands, as they work to balance the richness of customer experience they can offer as a result of the user data they collect with the ever-present risk of a data breach (and the risk they know they face if their source of data is turned off).

Consumers know that brands track their information, behavior, and habits. But consumers also know that data breaches and misuse of data are all too common – from major brands like Facebook and Amazon, to credit bureaus, financial services firms, and government agencies.

#### OBSERVATIONS

Do consumers see value in providing their data to brands? Absolutely. 46% say they're willing to trade personal data for free products and services.

- ▶ 54% agree that brands can be trusted to keep their data private, but the overwhelming sentiment is one of concern.
- ▶ 73% are concerned with how brands are using their personal data.
- ▶ 64% say they don't like when they are tracked on camera.
- ▶ 57% are creeped out by the use of facial recognition software.

- 76 percent of consumers are concerned with the amount of data brands gather when they search for or purchase a product.
- 73 percent of consumers are concerned with how brands are using their personal data to the point where they feel it is *out of control*.
- 61 percent say they are at the point where they believe their data is out there, there's nothing they can do about it now, and are concerned because every company eventually gets hacked.

This feeling of a lack of control doesn't just stop with data, it includes activities in the physical world as well.

- 64 percent don't like it when they're tracked or recorded on camera in a store, event, or public place.
- 57 percent of consumers are creeped out by the use of facial recognition software.

Consumers are asking for control, particularly in knowing (and controlling) the data that brands have already captured. In fact, almost two thirds of consumers agree that companies and brands know too much about their personal life, including their behavior and habits.

*Consumers are concerned not just for themselves, but for their children when it comes to privacy in the future.*

- 78 percent feel they should be able to see what data a brand has captured about them and be able to change, update, or even delete that data whenever they want.
- 71 percent believe that companies and brands should not be allowed to share their data with other companies or brands.
- 61 percent feel they have no control over the level of privacy they need for themselves, their family, or their children.

For many consumers, this lack of control over how their data is used has already shaped a high level of distrust in many brands and, importantly, brand employees. How deep is consumer distrust?

- 50 percent believe brands are hiding “bad things” they’ve done with user data and privacy.
- 42 percent believe that a brand’s employees can look at their personal data for personal reasons.

► **FUTURUM PERSPECTIVE** The level of distrust on the part of consumers is high, a point that brands must address today in order to remain viable five or 10 years into the future. How important is this? **Less than half of all consumers (43 percent) agree that their governments currently do a good job of regulating consumer privacy and business transparency.**

## SECTION 3.2

### CONSUMER TRUST: THE TRUSTED AND UNTRUSTED BRANDS

Which industries have delivered the experiences, value, and reliability to be considered trusted by consumers worldwide? We asked consumers to rate 25 industries – do you trust them, or do you distrust them regarding their ability to protect *and not abuse* your personal data. The results are not positive – only one industry (healthcare providers) globally has the trust of more than half of all consumers.

#### GLOBAL TOP TEN MOST TRUSTED (AND NOT TRUSTED) INDUSTRIES

RANK	TRUSTED (Percent Trusting)	NOT TRUSTED (Percent Not Trusting)
1	Healthcare Providers (51%)	Social Media (47%)
2	Grocery & Food (46%)	News, Advertising or Publishing (42%)
3	Restaurants & Fast Food (44%)	Government & Public Services (41%)
4	Education or Advocacy Groups (43%)	Online e-Commerce (39%)
5	Retail Stores (brick-n-mortar) (43%)	Media (movies, streaming, gaming) 39%)
6	Banking & Finance (43%)	Insurance (38%)
7	Shipping & Delivery (41%)	Pharmaceutical & Drugs (37%)
8	Energy & Utilities (40%)	Consumer Brands (37%)
9	Personal, Professional Services (39%)	Automotive Brands (37%)
10	Mobile, TV or Internet (39%)	Hardware & Software (37%)

#### OBSERVATIONS

- Only healthcare providers topped 50% in consumer trust (ranked #1).
- Pharma and drug companies, linked closely to healthcare, ranked #11 overall, with only 39% trusting and 37% distrusting.
- 9 industries had a higher level of distrust than trust.

Governments and public sector agencies, who only 43 percent of consumers feel are currently doing a good job regulating data privacy, are only trusted by 37 percent of consumers to protect the consumer data they have in their possession.

As efforts such as the EU’s General Data Protection Regulation (GDPR) and California’s Consumer Privacy Act of 2018 by government and regulatory agencies begin to take hold around the world, a lack of consumer trust in governments themselves could dim this prospect.

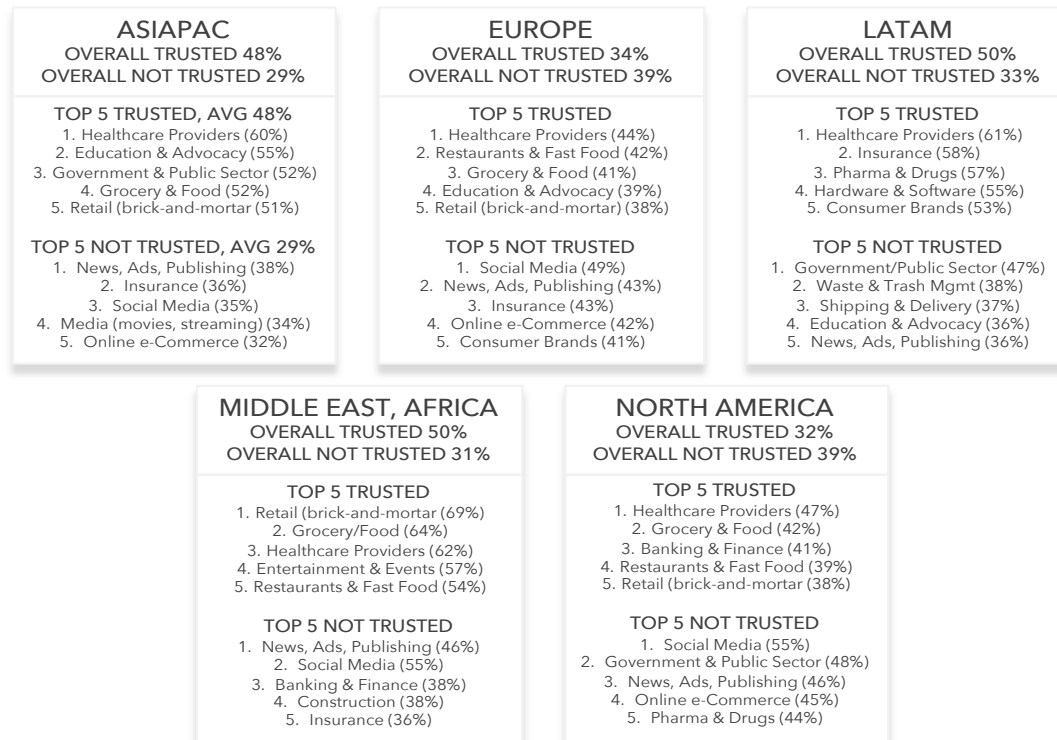
Healthcare providers are the clear standout in this trust ranking, with a 51 percent trust ranking and only a 28 percent distrust ranking. Along with food providers, educational groups, and brick-and-mortar retail, *consumers are most trusting of the industries they need the most to survive on a daily basis*. Perhaps most notably, with the exception of movie, TV or internet providers (who only rank #10), there are no true “digital” industries in the top ten.

- While brick-and-mortar retail ranks #5, online e-commerce ranks only #24.
- Social media – a true digital-only industry – ranks last at #25.
- News/advertising/publishing and media providers – both industries that have rapidly shifted to digital – are ranked #23 and #21 respectively.

How do these rankings shape up on a regional basis? It’s a very different story.

## TOP FIVE MOST (NOT)TRUSTED INDUSTRIES BY REGION

(Trust, or a lack of, is not necessarily global for all industries)



## OBSERVATIONS

### AsiaPAC

- No industry is not trusted more than it is trusted. Only region where Government & Public Sector is a top five trusted industry.

### EUROPE

- Trust crisis: An average of 39 percent is not trusted vs only 32 percent trusted.

### LATAM

- Only Government & Public Sector has a higher not trusted (47%) than trusted (38%).

### MIDDLE EAST & AFRICA

- News, Advertising & Publishing is the only industry with a higher not trusted (46%) than trusted (39%) ranking.

### NORTH AMERICA

- Trust crisis: No industry has 50%+ consumer trust, and 18 of the 25 have negative trusted/not trusted rankings.

- **FUTURUM PERSPECTIVE** From a regional perspective, industries and brands in North America and Europe can be considered to be in a trust crisis. For instance, on average more consumers do not trust brands and experience providers: Social media, government and public sector, news/advertising/publishing and online e-commerce rank as highly not trusted. Conversely, consumers in North America and Europe trust their healthcare providers (probably as a result of HIPAA regulations), and the places they buy or eat food, along with brick-and-mortar retail. This is a challenge to all brands in these regions as consumers become increasingly digital, and one that must be overcome as **a lack of trust can directly impact a consumer's overall perception of a brand.**

## SECTION 3.3

### CONSUMER TRUST: OVERCOMING THE TRUST GAP

Perhaps the single most important challenge for brands today, and key to their survival through 2030, is their ability to overcome the trust gap that exists between brands and consumers. A lack of trust in a brand can create an overall negative perception and keep even great customer experiences from being perceived as great by the consumer.

*Consumers have a right to be skeptical of brands – our research shows that 77 percent of brands either somewhat or strongly agree they sometimes implement a program they know not to be secure (to gain a time-to-market or competitive advantage).*

Our research indicates that brands do understand the risks they face. Fifty-nine percent of brands strongly agree that securing customer information is the single most important factor in ensuring a strong experience for customers, and 46 percent strongly agree they must constantly evaluate technology to improve their data security profile.

We also see a strong focus on extending governance and compliance support throughout the supply chain. Fifty-one percent of brands strongly agree with the idea of requiring all of their partners to meet a brand's standards for data security, which is what we would consider a best-practices approach. Similarly, 48 percent strongly agree on the value of a proactive approach to transparency involving data privacy (and breaches).

Regarding brand trust, 84 percent agree consumer trust requires a publicly stated retention period for user data (a destroy-by date), an important factor given that 83 percent agree a single major data breach can erode consumer trust in their brand. And yet, 83 percent either somewhat or strongly agree that users (consumers) themselves must take responsibility for their own data privacy and securing their personal devices.

- **FUTURUM PERSPECTIVE** Brands do understand the risks they face by a lack of consumer trust, but they are often off on their approach. For example, while 84 percent of brands are concerned about changes in governmental regulations regarding data privacy, we believe they should be embracing regulation – without privacy there is no trust, and without trust there is no consumer engagement or satisfaction.

In light of ongoing security breaches, lapses in configuration or firewall settings, or internal misuse of data, many industries are losing digital credibility rapidly. For brands that are truly looking at creating a long-term brand value that extends to 2030 and beyond, the key may lie in the technology, people, and processes implemented today to build a stronger digital presence tomorrow. It also means including security and trust upfront within the brand identity and product or services development and deployment strategy.

How does bridging the gap and building more consumer trust lead to increased customer loyalty? We'll explore that next.

## SECTION 4 LOYALTY: Be a loyalty company, not a loyalty program

*A customer's experience can be enhanced or inhibited by the most expected and the most unexpected of things. Brands must understand the enablers of a great experience, informed by consumers themselves.*

Loyalty is infused into the customer journey (moments of truth) even before a consumer becomes a customer. In fact, the first "engagement" or experience a consumer has with a brand is the first time they hear of the brand. This continues to build through the brand's narrative – the sum total of everything a brand does that the consumer can see, hear, or experience, (before, during, and after any one purchase, interaction, or engagement).

Brands do have the ability to shape a consumer's perception and drive loyalty and repeat purchases to the brand. But it takes a significant effort that is infused into the entire brand, and not just limited to special incentives or loyalty promotions. And it requires that brands and consumers be on the same page regarding those features that are considered worthy of loyalty on the part of consumers.

Loyalty from a consumer doesn't just happen – like trust, it must be earned, and it starts with a customer experience that reinforces the image of the brand. The challenge, however, is that consumers don't believe brands today are delivering on that experience.

Forty-two percent of consumers say that three or fewer brands that they regularly engage with provide a high level of customer satisfaction. And while 36 percent of consumers feel that some (four to five) brands provide a high level, both of these are in stark comparison to 90 percent of brands that somewhat or strongly believe they currently provide the highest level of satisfaction to drive loyalty from their customer base. That is a considerable gap between brand perception and consumer reality.

**42% vs 90%**

CONSUMERS SAY 3 OR FEWER BRANDS PROVIDE A HIGH LEVEL OF CUSTOMER SATISFACTION	BRANDS SAY THEY PROVIDE THE HIGHEST LEVEL OF SATISFACTION TO DRIVE LOYALTY
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The majority of brands somewhat or strongly believe they provide the customer satisfaction to drive loyalty today, a number that drops to 86 percent by 2030 (perhaps reflecting uncertainty).

Consumers disagree.

### OBSERVATIONS

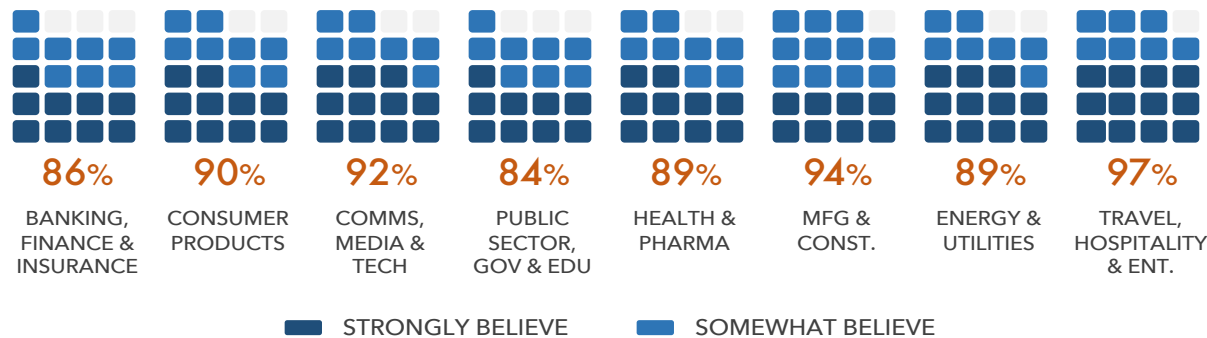
How many brands do consumers say provide a high level of customer satisfaction today?

- ▶ 42% say only a few (1 to 3)
- ▶ 36% say some (4 to 5)
- ▶ 12% say most (6 to 10)
- ▶ 10% say all of them (they will only engage with brands that provide great customer satisfaction)

Where do consumers find the greatest customer satisfaction? 23% of consumers in both North America and AsiaPAC say six or more brands meet this criterion. What role does age play here?

- ▶ 29% of consumers age 21–24 say six or more brands meet this criteria (highest).
- ▶ 50% of consumers age 50-plus say only a few (1 to 3) brands meet this criteria (highest).

While only **42%** of consumers say *three or fewer brands* provide a high level of customer satisfaction, brands overwhelmingly feel they provide the highest level of satisfaction to *drive loyalty to a majority of their customers!*



## SECTION 4.1

### LOYALTY: WHICH BRAND ATTRIBUTES DRIVE CONSUMER LOYALTY?

The factors that drive consumer loyalty can be viewed through two lenses: Brand attributes that a consumer desires and technologies that enable a rewarding experience. When evaluating brand attributes, consumers are clear – it's all about low-cost, high-quality, when-they-want-it products and services. The top 10 attributes consumers say are much more likely to drive loyalty (repeat purchases and engagements) today and between 2025 - 2030 (top three selections) are:

#### ATTRIBUTES CONSUMERS SAY DRIVE LOYALTY TODAY

#### ATTRIBUTES CONSUMERS SAY WILL DRIVE LOYALTY IN 2025 - 2030

1	Low Cost or Special Discounts (39%)	High Quality Products or Services (56%)
2	High Quality Products or Services (35%)	Low Cost or Special Discounts (53%)
3	Immediate (same day) Availability (31%)	Special Recommendations, Upgrades (24%)
4	Immediate (a few days) Availability (26%)	Immediate Availability (a few days) (21%)

### OBSERVATIONS

Age matters. While overall rankings differ only slightly by age, the relative importance of drivers is revealing. Which items appeal today to younger consumers over more senior consumers?

- ▶ Social Responsibility
- ▶ Consistency of Brand
- ▶ Sale Notifications by App
- ▶ Immediate Availability

When looking out five to 10 years, however, the older the consumer the more important are:

- ▶ Low Cost/Discounts
- ▶ Live Phone Support
- ▶ VIP Programs
- ▶ Consistency of Brand

5	Special Recommendations, Upgrades (24%)	Immediate Availability (same day) (20%)
6	Live Person on phone for questions (24%)	Live Person on phone for questions (13%)
7	Sale Notifications when I'm nearby (21%)	Sales Notifications on Mobile or App (10%)
8	Sales Notifications on Mobile or App (21%)	What Friends Say (9%)
9	Social Responsibility (for my causes) (21%)	Consistency of Brand and Image (9%)
10	Consistency of Brand and Image (20%)	VIP Programs/Incentives/Surprises (8%)

Between today and 2030, the top five brand attributes consumers say will drive their loyalty are fairly consistent, only being slightly reordered. Brands have a similarly consistent expectation (see sidebar), with the only top five change being the downgrading of immediate (a few days) availability.

But brands consistently overestimate the level of importance of certain factors, examples being 58 percent citing high quality vs only 35 percent of consumers, or 44 percent citing special recommendations or upgrades vs only 24 percent of consumers.

*It's not that brands and consumers aren't aligned on desirable attributes or features, but that brands perceive their programs will be more effective than consumer data might indicate.*

- **FUTURUM PERSPECTIVE** Brands and consumers are not that far apart when it comes to the attributes that drive loyalty. Consumers are primarily driven by quality, cost, and availability and brands are willing to provide that same, transactional approach. **But by overestimating the potential effectiveness of offering these features, brands may be focusing on too narrow of an approach and may risk alienating consumers that have a much broader (or balanced) perspective about what it takes to earn their loyalty and repeat engagement.**

## OBSERVATIONS

Top ten attributes brands say are very likely to drive consumer loyalty (repeat purchases or engagement) today:

1. High quality (58%)
2. Low cost or special discounts (50%)
3. Immediate (same day) availability (45%)
4. Special recommendations, upgrades (44%)
5. Live person on the phone for questions (43%)
6. Consistency of brand and image (43%)
7. Immediate (a few days) availability (43%)
8. VIP programs, incentives, surprises (41%)
9. Social responsibility (worthy causes) (41%)
10. Offers, ads, information that differs from a consumer's expressed interests, but relevant (40%)

## SECTION 4.2

## LOYALTY: WHAT TECHNOLOGY FEATURES DRIVE CONSUMER LOYALTY?

While brand attributes can be strong drivers of loyalty, technology features can be strong enablers of loyalty, offering the consumer the opportunity to execute on or leverage brand attributes more effectively. Which features do consumers and brands say are much more (very) likely to enable consumer loyalty?

## TOP TECHNOLOGY DRIVERS OF LOYALTY TODAY

	CONSUMERS	BRANDS
1	Real-time Product or Order Tracking (31%)	Mobile Apps vs. Website (44%)
2	Having a Mobile App vs Website (30%)	Alternative Payment Apps (43%)
3	High-speed Access to Site/Content (29%)	Ordering via Smart Home Systems, i.e., Alexa, Google Home (42%)
4	Use of Payment, Spending, Lifestyle or Automated Payment Apps (27%)	Tracking Off-line Habits, Behavior (41%)
5	Private, Secure Chat (w/ Brand) (27%)	Support for 5G/High-speed Tech (39%)

Consumers today place a very high value on the speed and ease of the engagement. They want to find, purchase, and track their order using mobile apps that deliver high-speed performance, use their favorite payment method, and be able to talk to a support representative if there is a problem. Brands seem willing to oblige them, but to do that they'd like to track off-line behavior. This becomes problematic when 72 percent of consumers say technology tracks too much

## CONVERTING LOYALTY TO VALUE

Consumers today are looking for immediate satisfaction and say they are much more likely to pay more if the brand offers:

- ▶ Free (same day) delivery (39%)
- ▶ Higher-quality products or services (39%)
- ▶ Free (overnight) delivery (35%)
- ▶ A live person to address issues (33%)
- ▶ Free (2-3 day) delivery (31%)

Looking to the 2025 - 2030 timeframe, consumers shift their priorities a bit:

- ▶ Higher-quality products or services becomes the top driver, followed by
- ▶ Free shipping (of any duration), followed by
- ▶ Priority or exclusive access to sales or events (note: this is the top driver brands believe will lead to higher revenue, reflecting a strong focus on specialized experiences for the consumer).

information, and 28 percent report that tracking offline behavior would make them less likely to be loyal to the brand.

**What does the future of consumer loyalty look like in 2030?** Here are the top technologies consumers and brands say will enable loyalty to a brand:

### TOP TECHNOLOGY DRIVERS OF LOYALTY\*

#### CONSUMERS (DURING 2025 - 2030)

#### BRANDS (IN 2030)

1	Having a Mobile App vs Website (41%)	Ordering via Smart Home Systems, i.e., Alexa, Google Home (35%)
2	High-speed Access to Site/Content (40%)	Support for 5G/High-speed Tech (34%)
3	Ordering via Smart Home Systems, i.e., Alexa, Google Home (30%)	Mobile Apps vs Website (33%)
4	Real-time Product or Order Tracking (22%)	Automated Subscription Purchases (30%)
5	Use of Payment, Spending, Lifestyle or Automated Payment Apps (22%)	Artificial Intelligence, Machine Learning, Predictive Analytics (27%)

- **FUTURUM PERSPECTIVE** While consumer preferences for technology are focused on their experience from a use perspective, brands are looking at 2030 as an opportunity to leverage technology to provide both a smooth engagement as well as to provide the intelligence behind the engagement, leading to deeper, more meaningful customer relationships and increased loyalty. Brands recognize that smart home systems will have the intelligence and ease of access to be a primary gateway or portal between the brand and the consumer, and that AI, machine learning, and predictive analytics can help brands engage with context and a more complete view of the consumer. This will allow brands to deliver on their loyalty promise beyond the basics and to truly be a brand that inspires loyalty, not simply a brand offering a loyalty program.

### NOTES

\*Consumers were asked: "Thinking ahead 5 to 10 years (2025 - 2030), please select up to THREE technology features you believe will be most important to you in deciding to be loyal to (or deal with) a brand or organization."

Brands were asked, "Please select up to three technologies that you feel will be most important in driving repeat purchases by 2030 (10 years)."

## SECTION 5 BETTER ENGAGEMENT THROUGH TECHNOLOGY

*The future state of engagement and customer experience is rooted deeply in implementing new and emerging technologies and the ability of brands to maintain a high level of digital trust during the transition.*

The future of customer experience has yet to be created, but we know it will involve technology, people, and the right processes to make it all work. To be successful, brands must place the consumers' interests first, which requires a very deep and rich 360-degree view. How are brands positioning themselves to achieve this, and what role does technology play in shaping this outcome? Our research shows us the following developments will lead brands through the coming decade.

### SECTION 5.1

#### IMMERSIVE TECHNOLOGIES FORM THE HEART OF CUSTOMER EXPERIENCE

Technology can certainly be a tool for a brand to use internally, to help develop or deploy products and services, or to improve operational efficiency and agility. It can also be a tool to help develop a richer experience within a product or service, not only improving an offering, but also making its features more accessible and more rewarding. Brands today are investing in technologies that have the promise to take the consumer experience to a new level. These include:

**Voice-based Artificial Intelligence Assistants.** Voice-based AI assistants are a key area of brand investment. Sixty-two percent of brands are adapting their customer engagement strategies and investing in its use as a customer support asset, while 58 percent are investing in voice-based AI as an internal marketing and sales asset. But the real experience value is likely to come with the embedding of voice-based AI assistants directly into a brand's products and services.

- ▶ **FUTURUM PERSPECTIVE** The idea of embedding smart, interactive technology directly into products and services is something many may consider a product feature. However, this use of technology can also significantly change not just the use of the product or service, but also the level of consumer engagement (or dependency) and the ability of a brand to offer

#### OBSERVATIONS

Technology itself isn't the answer. It's the right application of technology that enables, rather than fatigues, the consumer that will win.

- ▶ 48 percent of consumers say they have too much technology in their lives.
- ▶ 42 percent say they've spent too much money on tech that didn't really help them that much.

Consumers aren't anti-tech, they're tired of technology that is overwhelming and without value.

Brands must find a way to leverage existing and emerging technologies to simplify and enrich the consumer experience.

embedded help, training, or troubleshooting solutions (a strong value-add in improving customer experience).

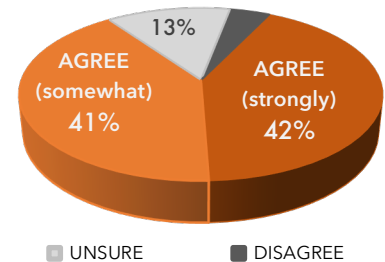
**Augmented and Virtual Reality.** As a marketing asset, 54 percent of brands are investing in augmented and virtual reality (AR/VR) to help consumers visualize the look or use of a product or service remotely, independent of physical proximity. Examples include in-store shoppers “virtually” trying on apparel; the ability to visually experience how a product may look or interact within a home without having the product physically present; educators placing students “virtually” into examples of history; or event organizers allowing citizens to visualize an event or project to demonstrate future value. But as an immersive technology, 53 percent of brands are now actively pursuing embedded AR/VR tools to improve product use and self-help.

- **FUTURUM PERSPECTIVE** Combined with voice-based AI assistants, AR/VR is set to revolutionize the customer experience in a wide range of areas (ex: a pair of sunglasses worn by a cyclist that overlays virtual maps on the roadway with interactive voice-based information about training techniques, hazards ahead, or proximity to other riders or destinations). Beyond a feature, AR/VR technologies bring the consumer closer to the brand, not just augmenting the richness of an experience, but creating new experiences and increased value to existing products and services.

**Holographic Technology.** Eighty-three percent of brands are either adapting and investing now or plan to in the future on this technology, which shows great potential in areas such as in-store advertising, interactive gaming, and public events through an expanded three-dimensional viewing experience for an entire audience, not just a single individual.

- **FUTURUM PERSPECTIVE** While AR/VR technology allows a single user to experience a virtual visualization through a smartphone or headset, holographic technology brings that ability into the real world, allowing multiple people to engage or experience simultaneously and allowing brands to bring singular experiences to a broader, collaborative audience.

*Our brand itself must change and/or do more to embrace technology and its impact on the products and services we offer*



**Embedded AI and IoT.** Immersive technologies can only be successful if the ability to capture, analyze, and react to data in real-time is present. The application of AI and IoT sensors is critical to the enabling of voice-based AI assistants, AR/VR, and holographic technologies – they are the tools that connect immersive technologies from the consumer to the brand.

- **FUTURUM PERSPECTIVE** AI and IoT have been traditionally been thought of as operational resources, but today's consumer-facing technologies are built from the ground up with sensors and processing power. Brands are leveraging that technology to improve the immersive experience, capture and analyze consumer behavior, and build a more rewarding consumer experience.

## SECTION 5.2

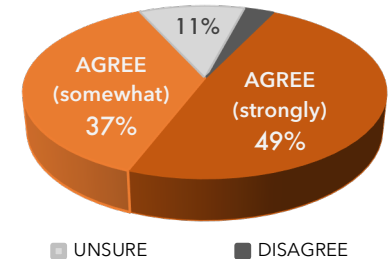
### AGILITY & AUTOMATION DEFINE AND ENABLE EXPERIENCE

Virtually all aspects of consumer engagement, from online and in-person contact to decisions regarding “what's next” during marketing campaigns and real-time consumer engagement, will shift from humans to smart machines over the coming decade. This level of extreme automation holds the promise of increased accuracy, predictability, and reliability of consumer engagements. By 2030, brands estimate that 66 percent of customer engagements via digital devices (i.e., online, mobile, smart assistant) will be completed by the brand using smart machines, allowing consumers and brands to leverage the power of smart technology to facilitate a more responsive consumer experience.

Brands are also developing and implementing technologies that allow in-person engagements (i.e. information desk queries, sales assistance, concierge help desk requests) to be completed by smart machines, anticipating 67 percent of all such engagements will be human to machine in 2030. This level of machine intelligence and automation is also expected to impact when and how brands make decisions during real-time consumer engagement across all channels, with brands anticipating 69 percent of those decisions will be made by smart machines by 2030.

- **FUTURUM PERSPECTIVE** The application of smart machines to consumer engagement and real-time decisions isn't just an automation play, it's an enabler of brand agility allowing brands to leverage the power of technology to learn, react, and adapt faster to changing consumer behavior. This shift, from human to machine, does carry risks. Limitations or implementation

*Our brand engagements with customers will increasingly be through intelligent systems such as AI-powered chatbots*



issues can degrade or disrupt consumer engagement. Lack of technical infrastructure can result in delays or systems that are overly costly or time-consuming to manage or maintain. And the lack of a human touch – empathy – can turn the most efficient and personalized of systems into an impersonal barrier to consumers being able to communicate with a brand when the need arises.

But more than anything else, this shift holds tremendous potential when correctly planned, implemented, and managed to continuously learn and enhance the experience that an individual consumer requires to be engaged and loyal to a brand.

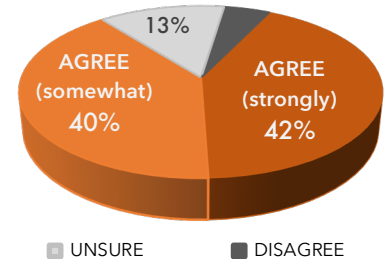
## SECTION 5.3

### REAL-TIME ANALYTICS DRIVE CUSTOMER JOURNEY UNDERSTANDING

Leading brands today recognize the importance of real-time data collection and analysis to help close the gap with consumers who live in the moment, away from the brand. Brands, whether businesses, organizations, or governments, recognize that they only have a limited time of engagement with most consumers, and that often translates into limited visibility into a consumer's needs. Forming a closer, more trusted relationship with consumers can be enabled by a richer view of the consumer that extends beyond direct engagement. Eighty-two percent of brands recognize that the ability to proactively meet and exceed consumer expectations is tied to the ability to capture and analyze real-time data.

- **FUTURUM PERSPECTIVE** Beyond capturing and analyzing real-time consumer data is the ability to merge consumer and third-party data that places context around the consumer. Additionally, insights are only as valuable as the actions they drive. Brands must have the decision and operational tools necessary to act on real-time insights in near-real time – to not only understand the consumer, but to assist and guide the consumer throughout the customer journey.

*The future of CX is in real-time data collection and analysis and being able to proactively meet and exceed customer requirements*



## SECTION 5.4

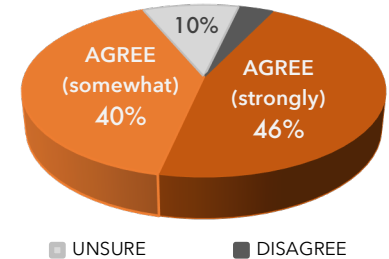
**CONSUMER ENGAGEMENT REQUIRES DEVICE ENGAGEMENT  
(MANAGEMENT)**

Brands are selectively distributing computing closer to the consumer, where it is possible to capture, analyze, and make decisions faster. This is essential to managing the devices consumers and brands will use to engage and experience new products and services. While a centralized, single source of record is essential, brands and consumers often engage at the edge, out of reach of the cloud. As technologies such as IoT and smart apps increasingly capture more data at the edge, it makes sense to leverage that data while its value is at its greatest, with summarized, processed, or post-engagement data being sent to the cloud for long-term analysis and distribution. Our research shows that eighty-six percent of brands are either in the process of or currently considering distributing computing to the edge in an effort to better engage with consumers.

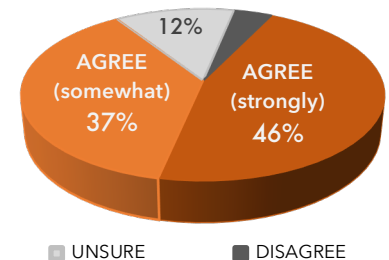
- **FUTURUM PERSPECTIVE** Computing in the cloud and computing at the edge are not mutually exclusive – each has value that is additive to the other when properly implemented. Edge computing offers the ability for brands to improve “in the moment” engagements with consumers, users, and citizens, while cloud computing resources can have their significant resources directed toward long-term data analysis that informs all aspects of the organization. This is core to the future – improved customer experience through consumer device management.

As sensors and IoT devices within personal technology increase in number and sophistication (not just smart assistants or mobile phones, but wearables and devices such as in-car infotainment systems), brands have the ability to continuously engage with consumers via data, in the background. As this occurs, ongoing data shared between a brand and a consumer's devices can help paint an even more complete 360-degree view of the consumer and enhance consumer-driven engagements when they occur.

*We are moving computing to the edge, where we engage with the customer, to better drive real-time insights on consumer behavior and requirements*



*Personal technology, such as wearables, smart phones, and embedded smart assistants, will play a key role in how we engage with consumers (both pre- and post-transaction).*



## SECTION 5.5

**TECHNOLOGY WILL ENABLE A RICHER, MORE MOBILE VIEW OF THE CONSUMER**

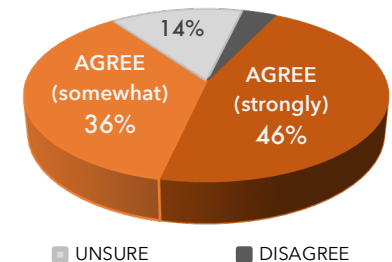
Brands recognize that the dynamics of consumer engagement are rapidly changing and that they must change to meet the challenges and opportunities that arise. Consumers themselves are rapidly embracing technology and anticipating new and emerging technologies that will bring exciting opportunities and experiences. By 2025, 60 percent of consumers say they would use AR or VR as part of their consumption (engagement) experience. By 2030, 80 percent of consumers expect drones to be part of their brand experience, and 8 out of every 10 consumers expect to be leveraging smart assistants in their lives, shaping how they engage with brands, organizations, and governments. And forward-thinking brands are reacting, planning, and implementing.

Brands are both realizing and acting upon the importance of building a single system of record in the cloud to help form a 360-degree view of the customer. Capturing and analyzing data alone is not sufficient to understand the needs of a consumer. Data and insights must be accessible throughout a brand's organization to ensure that engagements and decisions are as informed as possible by current or prior engagements in other areas. Eighty-two percent of brands are either currently leveraging a secure cloud computing environment to aggregate data and create a single source of record for those they serve and/or are planning to do so.

- **FUTURUM PERSPECTIVE** An updated, single source of record that contains all the necessary information to create a 360-degree view of the customer is key to contextual and relevant engagements, but that data is only valuable if it is accessible (or distributed) to those who need it. Centralized data may also present a consolidated target and requires a strong commitment to ongoing security improvements.

**Brands are moving consumer engagement beyond mobile to autonomous mobility.** The arrival of autonomous transportation systems, while still in extreme infancy, is already changing the way consumers and brands anticipate the future. From drones and autonomous delivery systems to the on-demand autonomous vehicles that will rewrite urban transportation, these systems have the potential to change the way both brands and consumers behave – and brands are already seeking ways to move quickly to gain a competitive or market edge.

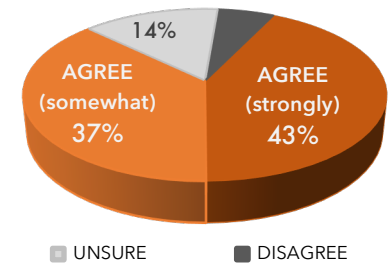
*We are centralizing computing in the cloud to better create a single system of record with best-in-breed data security*



- **FUTURUM PERSPECTIVE** Autonomous vehicles will move consumers across town, providing an opportunity for brands to engage with a captive audience. Autonomous cargo transportation will improve the ability of brands to optimize distribution of goods, and autonomous warehouse systems will improve operational efficiencies. Autonomous drones and last-mile delivery vehicles will deliver on the same-day delivery guarantee that meets the demands of consumers in an on-demand world. All of these systems offer the opportunity for brands to change the way they operate, the type and timeliness of products and services they offer, and the way they will engage with consumers.

Brands are embracing technology not just because consumers are embracing technology, but as a way to ensure they bring the consumer and the brand closer together for the next generation of consumer engagements and consumer experiences, as well as for the longevity and continued growth and prosperity of the brand.

*Autonomous vehicles, from drones to delivery vehicles to how our customers move about, will have a major impact on the products and services we deliver and the level of CX we can provide to our customers*



## CONCLUSION SUMMARY AND RECOMMENDATIONS

*We can see the future of customer experience a decade from now in the evolution of technology and the behavior and perceptions of consumers and brands today.*

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A personal, human-to-human relationship that grows over time and provides value to all is only possible if there is a high level of mutual trust, honesty, and respect. The relationship between brands and consumers is no different, but the challenges are increasingly high. The consumer-brand relationship was once exclusively human-to-human. In the digital age, however, it is very often machine-to-human, and by 2030 it will be largely driven by machine-to-machine, facilitated by humans. And that's not a bad thing. But it does require brands – any provider, company, organization, or government – to ensure that the elements of trust are present before and throughout the relationship and that gaps between the brand and consumer are addressed today and proactively in the future.

The most effective way, and perhaps the only way, to bridge the gaps that form between brands and consumers is for brands to develop a more complete, accurate 360° understanding of the consumer and to provide the consumer with the resources and value needed to inspire and create trust in the brand.

In an online, technology-driven world, the importance of digital trust cannot be overstated. Trust requires mutual respect, an open dialogue, and faith in the technology, security, and privacy policies that enable a valued relationship between brand and consumer to exist.

Customer experience is a two-way street and loyalty must be earned by both brand and consumer. For brands, this requires the right people, processes, and technology to enable and drive continuous improvement and ongoing organizational and digital transformation to remain nimble and responsive to changing market conditions and consumer needs.

This is the framework needed to support the future of customer engagement and deliver on the promise of Experience 2030.

Based on our research we offer the following recommendations.

## DIGITIZING THE CONSUMER

In Section I, we discussed the fundamental shift from consumers using digital to *consumers being digital*. This trend is powered by the proliferation of technology and the demand for more meaningful and memorable experiences.

### HOW DO BRANDS ENGAGE THE DIGITAL CONSUMER?

We recommend that brands focus investment on the following:

- ❑ Selection and deployment of new technologies that unobtrusively meet and exceed the expectation of consumers.
- ❑ Put the human into every engagement, even if those engagements are powered by AI. People want brands to use social to make it easier to find what they want, receive help when they need it, and to gain insight and/or confidence from their peers in making purchase decisions.
- ❑ Evolve rapidly from embracing the current or status quo to enabling what's next. Today may be about creating effective search and mobile experiences, but tomorrow will be about creating experiences with drones, AI, AR, VR, and other powerful immersive experiences.
- ❑ Consider how security and privacy can fuel a more sustainable and relatable brand and inspire customer loyalty — and put security at the forefront of every strategic conversation.

## BRIDGING THE CX DIVIDE

In Section II, we discussed the perception gaps that exist between brands and consumers. The ability to drive best-in-class experiences will be built upon brands having an acute awareness of current customer expectations, coupled with the ability to predict what will be important to consumers in the near- and mid-term future.

### HOW DO BRANDS NARROW THE GAP?

We recommend that brands focus on increasing customer fluency by leveraging powerful data tools.

- ❑ Consumers are willing to embrace well-designed technology experiences both in-store and online, so test enriched tech experiences for (and with) customers and invest in and integrate customer feedback into those experiences.
- ❑ Prioritize expanded data collection and the use of analytics to enhance or fail fast toward innovation.
- ❑ Better understand why consumers visit a physical or online store — why do they visit, why do they buy?
- ❑ Take into account the volume and velocity of brand engagements. Be wary of digital fatigue with so many channels and use technology to bridge channels and track consumers in omni-channel environments.

## DIGITAL TRUST

In Section III, we discussed consumer sentiment around how their personal data is being utilized to engage them into sales, marketing, and customer service processes. Consumers are outspoken about this topic and rightfully concerned about not only data use, but the ability for brands to secure their data and keep it private. While customers have the right to be wary of brands, there are ways to improve trust.

### *WHAT CAN BRANDS DO TO BUILD TRUST WHILE STAYING DATA-DRIVEN?*

We recommend that brands work diligently to increase security and privacy measures, while incrementally enhancing transparency to create greater levels of trust between consumers and brands. Brands should:

- ❑ Explore privacy policies and consider ways to increase transparency while still enabling vast data collection.
- ❑ Invest considerably into security, data protection, compliance, and privacy to ensure that entrusted data is kept secure.
- ❑ Be prepared in the event of a data breach or mishandling to be very proactive in notification to customers. The small, short-term breach of trust is more salvageable if brands are proactive in customer communication.
- ❑ Provide customers clear on- and off-ramps to data collection. Don't make opt-outs impossible and create easy-to-understand privacy settings that allow customers to stay engaged in the experiences they deem more valuable.
- ❑ Although certain industries have different trust levels, lower-scoring industries should not be discouraged from investing in trust; instead this should be viewed as a significant opportunity to differentiate.

## LOYALTY

In Section IV, we discussed the critical importance of building loyalty with consumers. While many companies have turned to perks and gamification to drive loyalty, there are many ways to build greater brand affinity with customers beyond a simple reliance on loyalty programs.

### *WHAT CAN BRANDS DO TO CREATE MORE LOYAL CUSTOMERS?*

We recommend that brands take notice of the attributes that build brand affinity and develop a strategy to implement measures to deliver upon these attributes through daily customer interactions, as well as through the development and innovation in products, services, and experiences delivered.

- ❑ Move beyond using sales tactics, such as low-cost offerings, to drive loyalty and focus instead on using loyalty attributes, such as premium services, experiences, and support, to drive sales. Low cost commands attention, BUT it doesn't necessarily deliver loyalty.
- ❑ Think about how availability and immediacy can be part of every customer engagement with your brand.
- ❑ Make every part of the discovery and purchase process easy — from search to purchase to service — creating customers with greater visibility, leading to lower attrition, repeat business, and increased word of mouth.

## ADVANCING CUSTOMER EXPERIENCE INTO 2030

In Section V, we brought together the previous four sections to look at how digital consumers, perception gaps, consumer trust, and brand loyalty may look between today and 2030. While innovation and iteration will continue to drive slightly modified, more data-driven tech experiences, it is a journey from where we are today, to a future of frictionless, immersive, perfectly designed customer experiences that drive loyalty while also considering customer privacy and security concerns. This is exactly where brands need to focus their efforts.

### HOW CAN BRANDS DRIVE TOWARD THE CUSTOMER EXPERIENCE OF THE FUTURE?

We recommend that brands take a holistic view of the evolving customer and endeavor to meet their expectations through a multi-pronged approach that considers behavior, technology, security, privacy, and innovation. While that might be easier said than done, it is absolutely achievable. Here's where you can start:

- ❑ **Be Customer Centric:** The world's best brands have customer centricity in common. While this is accomplished in various ways, at the core of these great companies lies an intense desire to deliver experiences that far exceed their customers' expectations every day. From ease of use to unparalleled customer support, this belief won't be changed by future technology, but future technology will change the way it is delivered.
- ❑ **Commit to Innovation through Technology:** A great mobile experience may be innovative today, but those experiences must become more immersive. AI and AR, for instance, will be catalysts of change for how consumers engage with and experience brands in the future. IoT, mobile, drones, and cloud will continue to make both disruptive and incremental impacts as well. Understanding and embracing those technologies will enable a disruption-ready culture.

- ❑ **Embrace the Premise that Secure is Private, Private is Secure:** While fundamentally privacy and security are different vectors, there is a symbiotic relationship between the two that the most future-ready companies understand. It isn't about completely ceasing data collection and usage; it is about having an infrastructure that is as secure as possible with data that can be used to deliver best of breed experience — and where customers can opt in and out with ease. It's a balance. Few have it, but those that do will be best positioned for the long term.
- ❑ **Innovate and Fail Fast:** The future will be won by companies that have the best infrastructure to adapt, innovate, and disrupt. This means having the people, processes, and technology to run quickly with ideas, use data and analytics to identify successes and failures, the leadership and vision to realize success and failures, and the ability to pivot quickly. Failure isn't the enemy, but a lack of speed and decisiveness could be.

The future will belong to the companies that can make the most right moves and divert quickly from the wrong ones. Brands who create, live, and breathe the reality of a customer-centric, tech-driven culture will be well-suited to pounce. And that makes for exciting times ahead.

## AUTHORS AND SPONSORS

*A brief word about the authors and sponsors of this research paper.*

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### ABOUT SAS

Through advanced analytics and AI, business intelligence, and data management software and services, SAS helps customers at more than 83,000 sites around the world make better decisions faster. No matter where you start, SAS orchestrates the journey from data to insight to action to help reduce customer churn, increase customer profitability, and streamline operations – with choice and control.

SAS provides an analytical advantage that transforms all data – whether that data is at the edge, in motion, or at rest – to elevate customer experience for profitable brand differentiation. A holistic view of the customer experience allows you to drive the measurement, optimization, and effective execution of your marketing tactics and business strategies.

By orchestrating the analytical environment – from disparate data for customer experience functions within the enterprise – organizations can accelerate the value delivered by analytics to help increase customer profitability, streamline operations, and foster loyalty.

SAS delivers deep expertise in IoT analytics – including AI, machine learning, and deep learning – to help you use data, analytics, and insights about prospects and customers to create relevant, individualized experiences in real time. Map out an ideal journey that's not only satisfying to your prospects and customers, but that's also valuable to your organization. Find out why 92 of the top 100 companies on the 2018 Fortune Global 1000 are SAS customers. Learn more at [sas.com/ci](https://sas.com/ci).

### ABOUT FUTURUM RESEARCH

Futurum is an independent research, analysis, and advisory firm, focused on digital innovation and market-disrupting technologies and trends. Every day, our analysts, researchers, and advisors help business leaders from around the world anticipate tectonic shifts in their industries and leverage disruptive innovation to either gain or maintain a competitive advantage in their markets.

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## APPENDIX ADDITIONAL SURVEY FINDINGS

*A summary of key observations specifically from this research study.*

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### 50 OBSERVATIONS FROM THE DATA

#### ON THE TOPIC OF CONSUMER BEHAVIOR

**From social sites to banking to government engagement, consumers are online.**

- 23% search online for product information five or more times a week.
- 17% search for information on services at least five times per week.
- 43% go online to search for information on government, community, or local events at least once per week.
- 24% make a dinner reservation or order food delivery order at least three times per week.
- 19% make a purchase from a social media site daily, 13% make a weekly purchase, and 51% report making no purchases by way of social media channels.
- 37% expect to use a digital app to communicate with a physician or medical facility more often in the next five to 10 years.

**From mobile phones to smart home assistants, consumers have embraced a digital world.**

- 37% have three or more mobile phones in their home.
- 35% of households have two or more smart devices (Alexa, Google Home, et. al.), but 40% of households do not own any smart devices (yet).
- 13% of households have three or more wearable devices – 53 percent expect to increase that by 2025.
- 61% of households have not yet purchased an augmented or virtual reality device, but 44% of consumers expect to have one or more of these in the future.
- 29% of consumers use three or more banking, finance, or payment apps.
- 45% of consumers expect their use of banking, finance, or payment apps to increase within the next five years.

**Social media has rewritten what it means to be connected and to share with others.**

- Of the 89 percent of individuals who use social media sites to text or share with friends on at least a monthly basis, 47 percent of those individuals considered this application or use of social media very important to them, with an additional 14 percent saying they couldn't live without it.

- 62% reported they views pics and videos on a daily basis, with 11 percent considering it so important that they could not live without it.
- 36% use social media on a daily basis for looking up product or services information from a brand, 26% report doing this weekly, while 28% percent say they never do that.
- 41% use social media for customer support at least weekly.

#### Too much technology can be overwhelming at times.

- 48% of consumers believe they currently have too much technology in their lives.
- 42% of consumers believe they spend too much money on useless technology.

#### Consumers are anticipating major changes in the way technology impacts their lives over the coming decade.

- By 2030 80% of consumers expect drones to part of their brand experience.
- By 2025, 29% of consumers expect to have ridden in an autonomous vehicle with more than half (57%) expecting that experience to have fully arrived by 2030.
- By 2025, 60% of consumers say they'd use AR or VR as part of their consumption (engagement) experience. By 2030, that number rises to 78 percent.
- By 2030, eight out of every 10 consumers expect to be leveraging smart assistants in their lives and in how they engage with brands, organizations, and governments.

#### ON THE TOPIC OF **CONSUMER LOYALTY**

##### The top five features consumers say will drive their loyalty between 2025-2030:

1. 56% high quality products or services
2. 53% low cost or special discounts
3. 24% special recommendations, upgrades or incentives
4. 21% immediate availability (delivery within a few days)
5. 20% immediate available (same-day delivery)

#### ON THE TOPIC OF PRIVACY AND TRUST

##### Consumers see value in providing their data to brands, but trust is an issue of control and consumers feel they have none.

- 54% agree that brands can be trusted to keep their data private, but the overwhelming sentiment is one of concern.
- 73% are concerned with how brands are using their personal data.
- 64% say they don't like when they are tracked on camera.
- 57% are creeped out by the use of facial recognition software.

##### The top five industries consumers trust to protect and not abuse their personal data:

1. Healthcare Providers
2. Grocery & Food Providers
3. Restaurants & Fast Food Chains
4. Education or Advocacy Groups
5. Retail Stores (Brick-and-Mortar)

The top five industries consumers do not trust to protect their personal data:

1. Social Media Networks
2. News, Advertising & Publishing Outlets
3. Government & Public Services Providers
4. Online e-Commerce Sites
5. Media Outlets (Movies, Streaming, Gaming)

#### ON THE TOPIC OF BRANDS ADVANCING CUSTOMER EXPERIENCE

- 83% of brands understand that the dynamics of consumer engagement are changing such that failing to embrace technology could be detrimental to the brand.
- 82% of brands recognize that the ability to proactively meet and exceed consumer expectations is tied to the ability to capture and analyze real-time data.
- 86% of brands are distributing computing to the edge in an effort to better engage with consumers.
- 86% of brands believe engagements with consumers will be increasingly through intelligent systems such as AI-powered chatbots.
- 83% brands say failing to embrace tech for CX could be detrimental to the brand.
- 82% of brands are leveraging a secure cloud computing environment to aggregate data and create a single source of record for those they serve.
- 83% of brands are either adapting and investing now or plan to in the future on holographic tech.

#### ON THE TOPIC OF CUSTOMER ENGAGEMENT IN 2030

- By 2030, 67% of customer engagement between a brand and consumer using digital devices (online, mobile, etc.) will be completed by smart machines rather than the human agents of today.
- By 2030, 69% of decisions made during a customer engagement will be completed by smart machines.

## APPENDIX AGENTS OF CHANGE

*The evolution of customer experience from 2020 to 2030 (and beyond) will be shaped to a significant extent by the development and deployment of smart, immersive, and trust-enabling technologies.*

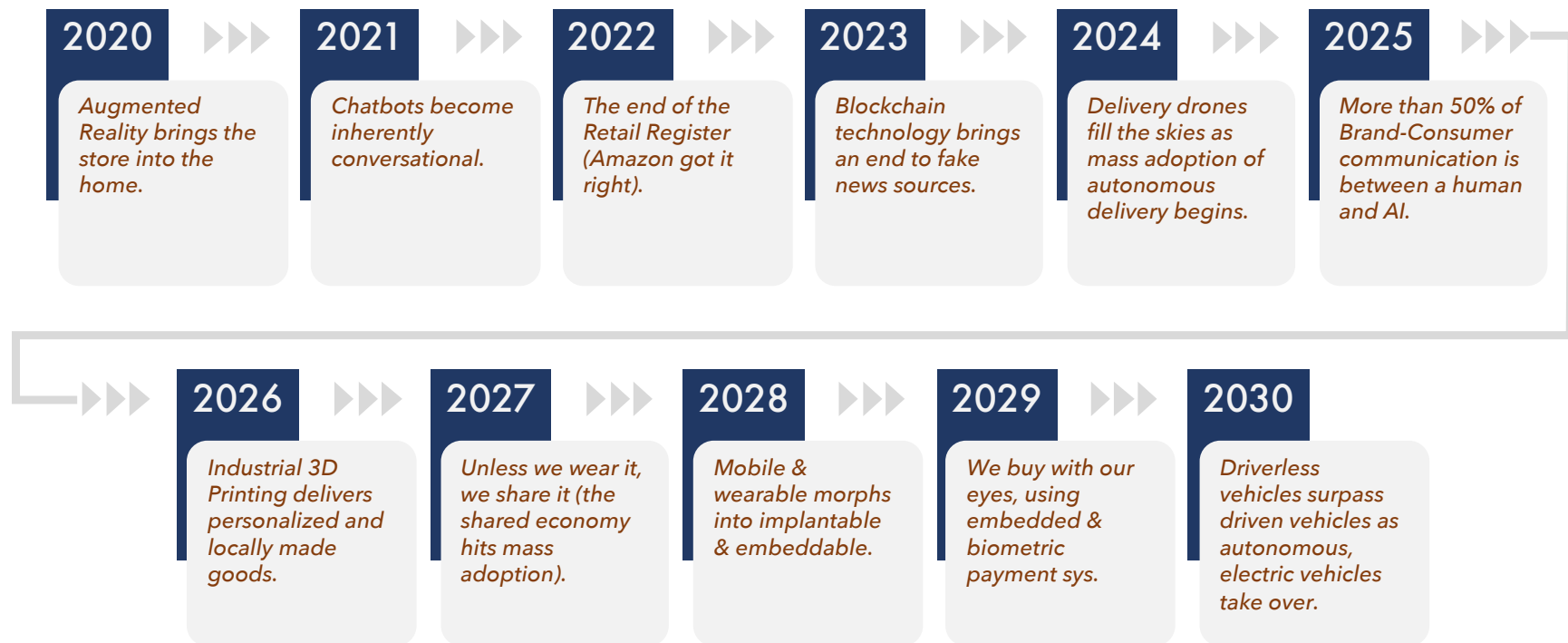


## APPENDIX THE EXPERIENCE CONTINUUM

*The customer experiences of 2030 will be the culmination of continuous efforts and advancements by brands and the ongoing acceptance of new technology-driven products, services, and experiences by consumers.*

Based on our ongoing research into technology development and adoption, as well as brand and consumer behavior, we present a possible timeline for the emergence and acceptance of experience-shaping advancements:

### TEN-YEAR VISION BOARD for CUSTOMER EXPERIENCE



## APPENDIX METHODOLOGY & DEMOGRAPHICS

*The more we know the customer, the more we understand the essence of customer experience. The more we understand customer experience, the more we can shape it, develop it, and better serve the customer.*

*Understanding any complex ecosystem, such as the ecosystem that exists between those who provide and those who consume, requires asking the right questions to the right people with the goal of uncovering data, trends, and perspectives that can yield meaningful answers and insights.*

This research study focuses on the current (today) and future (2030) state of customer experience (CX), specifically as it relates to the relationship between BRANDS and CONSUMERS. For purposes of this study, we define these two groups as follows:

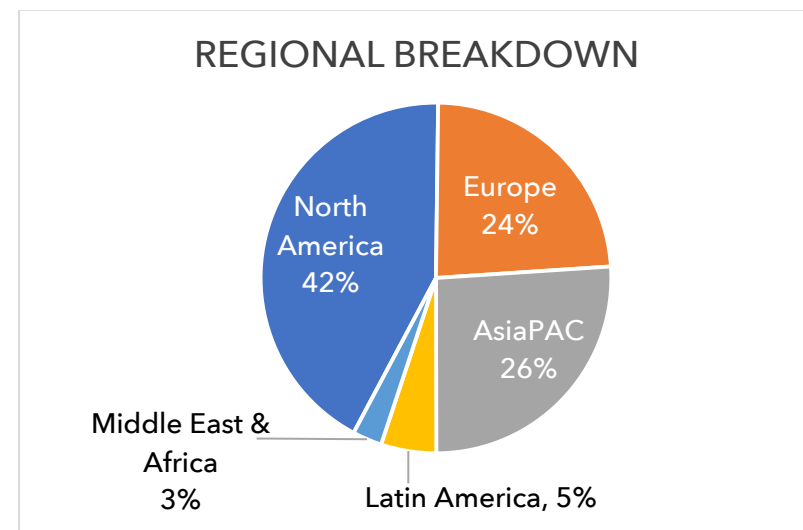
**BRAND:** A business, company, organization, or government organization in any industry or location that provides information, products, services or support to one or more individuals as consumers.

**CONSUMER:** An individual person, customer, client, user, or citizen who engages with a BRAND to consume information, products, services, or support.

Respondents to the CONSUMER portion of the study represent a broad cross-section of the overall consumer market with the primary qualification being they are

responsible for choosing brands and influencing and/or making major purchase or life decisions on behalf of themselves and, where applicable, their family or household.

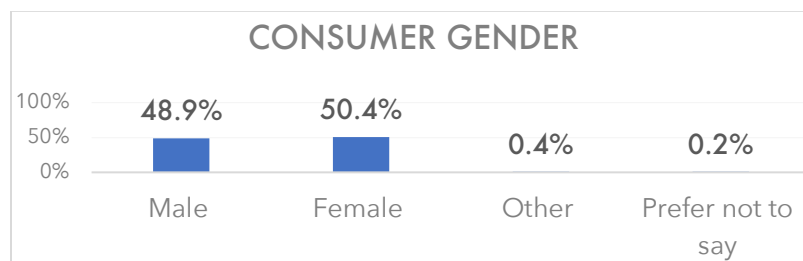
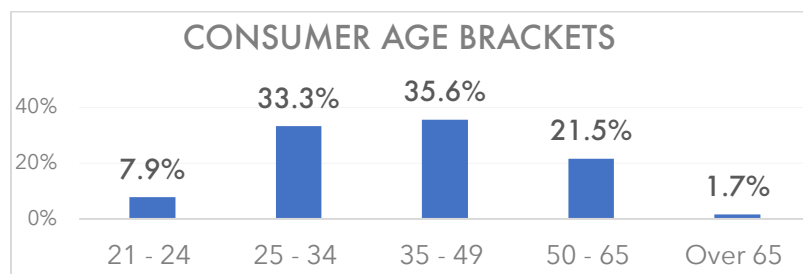
The survey was administered, beginning in May 2019 and ending in July 2019, in a double-blind configuration with neither the survey team nor the survey panel having any insight into the identity of the other party. Just more than 2,000 responses were accepted from qualified panelists in each of the two target groups. The specifics of the study are presented as follows:



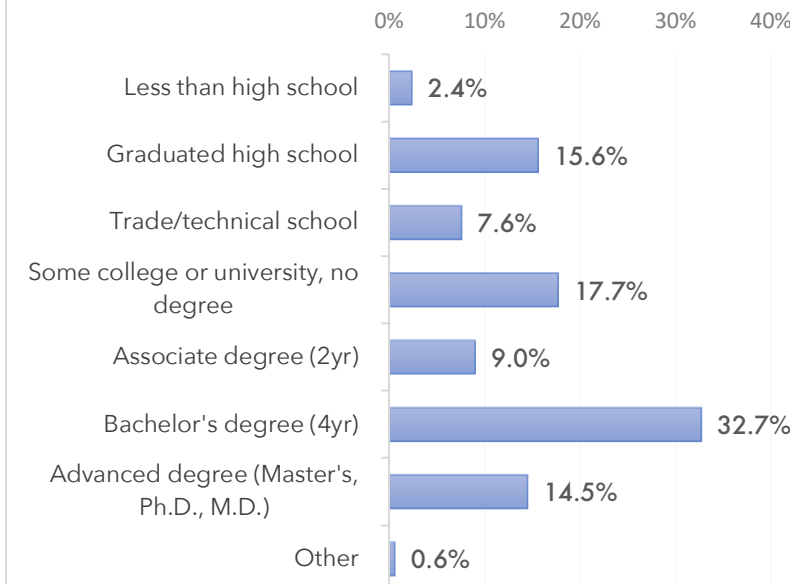
## OUR RESEARCH DEMOGRAPHICS

Our survey panel included more than 4,000 panelists, spanning more than three dozen countries across a range of consumer, industry, and government sectors. All panelists were required to acknowledge that they possessed the ability to answer the complete survey in English.

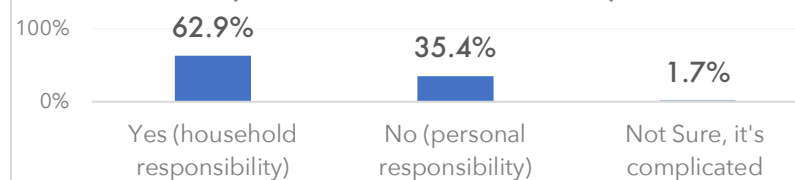
### CONSUMER PANEL (2,010 Responses)



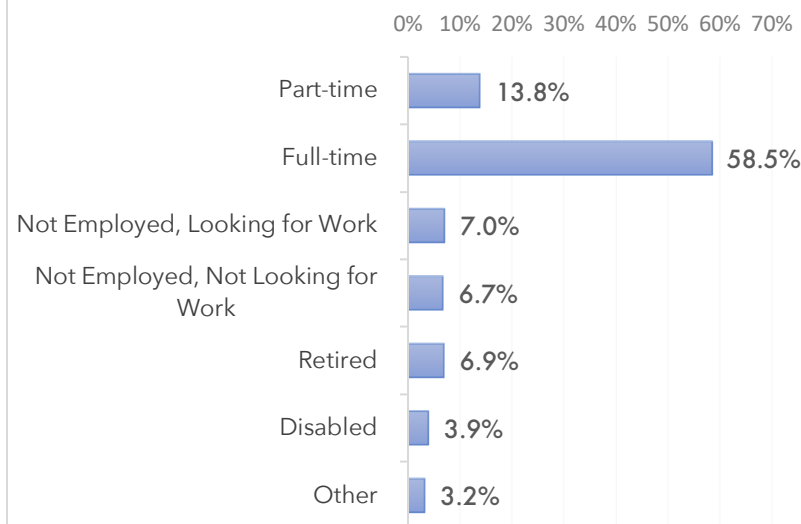
### CONSUMER EDUCATION



### CONSUMER HEAD OF HOUSEHOLD (PERSONAL RESPONSIBILITY)



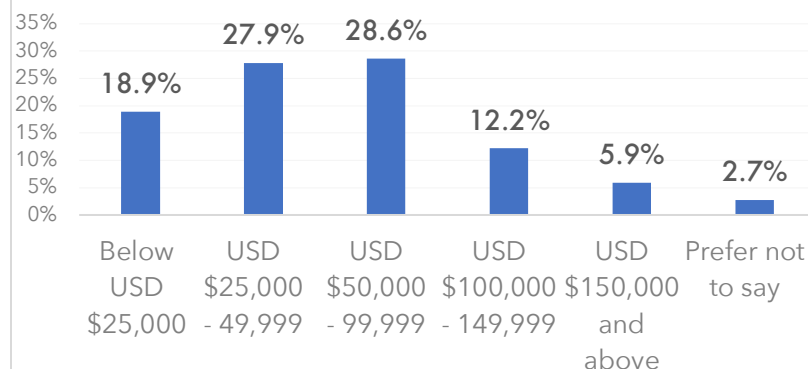
### CONSUMER EMPLOYMENT STATUS



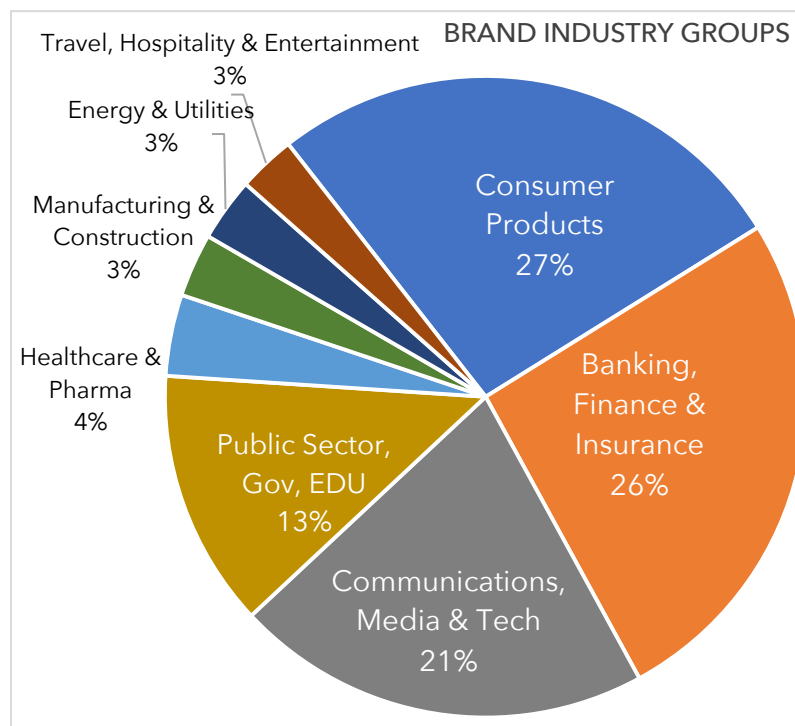
**INCOME:** We based our income level on equivalent purchasing power, starting with five brackets, or ranges, in \$USD (as commonly defined in market research studies). The brackets were then converted into local currency based not on exchange rates, but on relative purchasing power, as available from a number of sources (including both governments and private organizations).

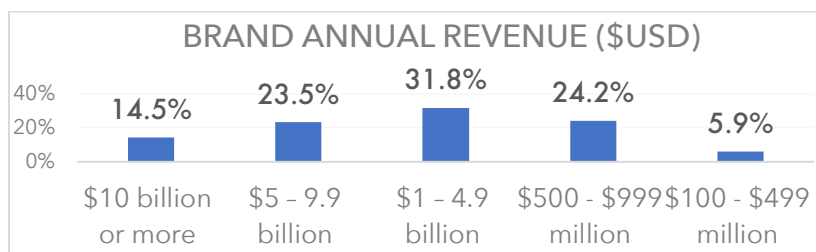
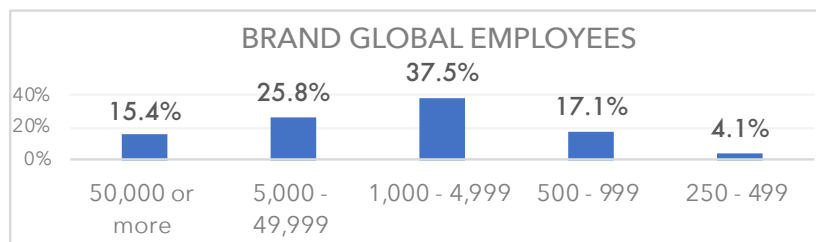
Each country had five brackets and respondents were asked to select the income level most appropriate (in local currency). We then merged the results for each of the brackets to arrive at a consolidated income breakdown that would have meaning across geographies.

### INCOME LEVEL (BASED ON SIMILAR PURCHASING POWER)



### BRAND PANEL (2,010 Responses)





## INFLUENCE & INVOLVEMENT IN CX

- 62% very high level (primary decision maker)
- 31% high level; influencing and making decisions
- 7% moderate; influencing but not making decisions

## CUSTOMER-RELATED FUNCTION/ROLE

- 52% Customer engagement (marketing, sales, support)
- 17% Customer experience enablement (IT/data)
- 12% CX operations (CEO, COO, CFO, HR)
- 12% Customer & digital experience (CXO, CDO)
- 4% Customer products, services & technology
- 3% Other or non-specific CX roles

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