



## Finding the On-Demand Applications You Most Want in

the **App**exchange



Research by salesforce.com

If you have Comments, Feedback or Questions on this research, email: [AskWendy@crmsuccess.com](mailto:AskWendy@crmsuccess.com)



## Finding the On-Demand Applications you Most Want in the AppExchange

For the second quarter in a row, [customer satisfaction surveys](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2t) ([http://www.salesforce.com/appexchange/category\\_list.jsp?NavCode\\_c=MF2t](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2t)) remained the number one on-demand application of most interest to our customers (see figure 1).

**Figure 1**

### On-Demand Applications Salesforce Customers Say They Want

32%	Customer satisfaction surveys	16%	Instant messaging integration
27%	High-volume email campaign execution	15%	Manage online advertising services (e.g., ads on Google)
27%	Quote management	15%	Partner relationship management
25%	Proposal generation	14%	Order management
25%	Project management	13%	Sales product configuration
24%	Sales methodologies	13%	Back office Integration tools
22%	Web conferencing	10%	Financials and accounting
22%	Invoice management	10%	Offer management (specifically the prompting of cross/upsell)
22%	Commissions / compensation /incentive Management	10%	Recruiting
21%	Data cleansing/data quality services	9%	Collaboration
20%	Advanced analytics	8%	Targeted sales content/collateral (also known as "sales-ready messaging")
20%	Expense management	8%	Industry vertical templates
20%	Support for handheld devices	8%	Travel management services
20%	Competitive Intelligence	7%	Audit & compliance
19%	Call scripting	7%	Price optimization configuration
19%	Training & education	6%	Collections
18%	Advanced workflow	6%	Field service agent support
18%	Marketing resource management	5%	Discounting
17%	Web site tracking and analytics	5%	Data enrichment services
17%	Advanced knowledge /content/document management	5%	Security software
16%	Computer telephony integration	2%	Track and fulfill eBay auctions

Source: Salesforce.com June 2006 Customer Relationship Survey conducted by independent firm CustomerSat, Inc., 963 WW respondents, randomly selected.

### Customer Satisfaction Surveys

In our Q106 customer relationship survey (conducted January 2006 with 934 respondents) and again in our 2Q06 survey, (conducted June 2006 with 963 respondents), customer satisfaction surveys, remained top of the list when asking salesforce.com customers which on-demand applications are of most interest to them in the next 12 to 18 months. It's not surprising as most often, the first step toward improving the customer experience is to start surveying customers. (Best practice is if you have less than 500 customers with one or two contacts per customer, survey semi-annually, if you have more than 500 customers and multiple contacts per customer, survey quarterly).

For several years, at Salesforce.com we have used an on-demand, independent research firm to survey a statistically significant, random sample of salesforce.com customers quarterly. We use your customer feedback to track and manage a number

of key business performance indicators including which on-demand applications you most want. We and our partner community continue to use this information to build and populate the [AppExchange](http://www.appexchange.com) ([www.appexchange.com](http://www.appexchange.com)) with the on-demand applications you most want. And, we're doing a good job as so far, you can find all the applications you said you most want, on the AppExchange now, including applications for:

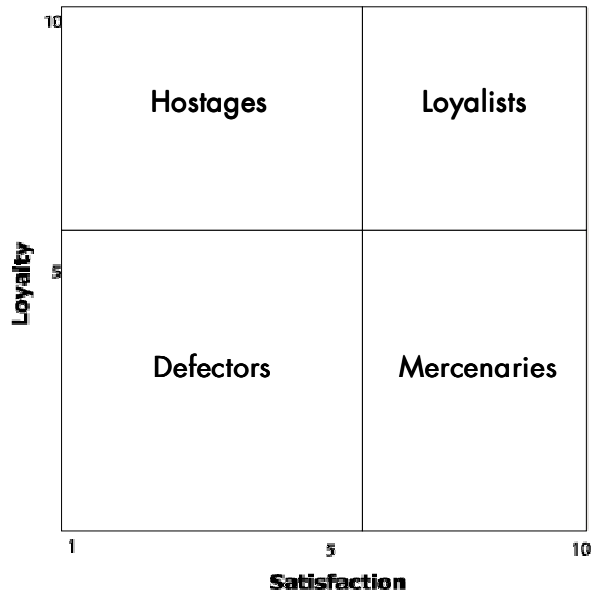
- o [customer satisfaction surveys](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2t)  
([http://www.salesforce.com/appexchange/category\\_list.jsp?NavCode\\_c=MF2t](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2t))
- o [high volume email campaign execution tools](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF4e)  
([http://www.salesforce.com/appexchange/category\\_list.jsp?NavCode\\_c=MF4e](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF4e))
- o [quote](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF1h)  
([http://www.salesforce.com/appexchange/category\\_list.jsp?NavCode\\_c=MF1h](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF1h))
- o [proposal](http://search.salesforce.com/search/?sp-k=AppExchangeApps&sp-q=proposals&sp-a=sp10025ad5&sp-p=all&sp-f=ISO-8859-1&sp-w=exact&sp-t=apex_search.tpl) ([http://search.salesforce.com/search/?sp-k=AppExchangeApps&sp-q=proposals&sp-a=sp10025ad5&sp-p=all&sp-f=ISO-8859-1&sp-w=exact&sp-t=apex\\_search.tpl](http://search.salesforce.com/search/?sp-k=AppExchangeApps&sp-q=proposals&sp-a=sp10025ad5&sp-p=all&sp-f=ISO-8859-1&sp-w=exact&sp-t=apex_search.tpl))
- o [project management](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2h)  
([http://www.salesforce.com/appexchange/category\\_list.jsp?NavCode\\_c=MF2h](http://www.salesforce.com/appexchange/category_list.jsp?NavCode_c=MF2h))

For example, by visiting the AppExchange you'll find a number of partners who provide customer survey tools integrated with salesforce.com such as [Clicktools](http://www.salesforce.com/appexchange/detail_profile.jsp?NavCode_c=&id=a0330000001nyWQAAY) ([http://www.salesforce.com/appexchange/detail\\_profile.jsp?NavCode\\_c=&id=a0330000001nyWQAAY](http://www.salesforce.com/appexchange/detail_profile.jsp?NavCode_c=&id=a0330000001nyWQAAY)) and [Pollzter for AppExchange](http://www.salesforce.com/appexchange/detail_profile.jsp?NavCode_c=&id=a033000000Ia5xAAC) ([http://www.salesforce.com/appexchange/detail\\_profile.jsp?NavCode\\_c=&id=a033000000Ia5xAAC](http://www.salesforce.com/appexchange/detail_profile.jsp?NavCode_c=&id=a033000000Ia5xAAC)). These tools are very popular with the salesforce.com community because they enable easy creation and distribution of custom, on-demand surveys and response forms, to collect and record real-time insight from customers, employees and other audiences – all from within Salesforce. (To collect real-time customer feedback, for example, at salesforce.com, we use one of our AppExchange partner solutions for customer touch-point, transaction-based satisfaction surveys like after you attend a salesforce.com event or finish a training course for example.) Some businesses that specialize in customer feedback systems, report that customer feedback can help to reduce defection by 2 to 3 percent per year on average. The same research shows that customers whose complaints are resolved tend to have higher customer satisfaction levels than customers that did not have any problems.

If you have yet to implement a customer feedback program, test driving an on-demand application in the AppExchange for customer satisfaction surveys is a good place to begin. You shouldn't have any trouble funding this effort as according to The Conference Board's CEO Challenge Survey 2006, [Customer Loyalty/Retention Ranks Fifth in Top 10 CEO Challenges for 2006](http://blog.crmsuccess.com/crmsuccess/2006/01/customer_loyalt.html#more) ([http://blog.crmsuccess.com/crmsuccess/2006/01/customer\\_loyalt.html#more](http://blog.crmsuccess.com/crmsuccess/2006/01/customer_loyalt.html#more)). Can you tell your CEO what percent of your customers are loyal and what percent are likely to defect? And, better yet, what your strategy is to acquire and retain loyal customers? If not, visit the AppExchange, install a customer satisfaction survey tool and start surveying your customers. To measure customer loyalty, begin with the questions noted in figure 2 (see Figure 2). If you want to take loyalty a step further by measuring emotional and rational customer loyalty, for the right survey questions to ask your customers, see Figure 3.

## Figure 2 How to Measure Customer Loyalty

A popular model that provides a differentiated view of customer loyalty is the Harvard Business Reviews Apostle's Model, which segments customers into four quadrants: Loyalists, hostages, mercenaries, and defectors. The questions used to measure the attitudes that result in this model include overall customer satisfaction (using 1 to 10 scale with being highly satisfied) and the customers' likelihood to continue to do business with you (i.e., definitely will, probably will, probably will not, definitely not).



- *Loyalists report both high satisfaction and high loyalty.*
- *Hostages may have low satisfaction, but still report high loyalty. This situation typically appears when there is little competition or a high cost of exit. Customers in this category feel "trapped."*
- *Mercenaries are those who have high satisfaction, but low loyalty. These are the customers who are highly price-sensitive and will switch easily when they have the opportunity.*
- *Defectors have had both low satisfaction and low loyalty. In addition to the costs associated with losing them, defectors also tend to spread their disgruntlement to others.*

Source: Business Reviews Apostle's Model

## Figure 3 How to Measure Rational vs. Emotional Loyalty

Customer experiences are conveyors of rational and emotional value. Are your customers rationally loyal because they appreciate the tangible benefits of your products or services or are they emotionally loyal because they love your business and how you make them feel? According to Dr. Gerald Zaltman of Harvard Business School, Laboratory of the Consumer Mind, "Consumers are driven far less by tangible attributes of products and services than by subconscious sensory and emotional elements derived from the total experience surrounding a transaction." Some customers are loyal just because of the extra benefits they receive by being loyal (i.e., rationally loyal customers). Rationally loyal customers often know how to "work the system" and are often not more profitable. In comparison, emotionally loyal customers are loyal because they love a business. According to Gartner, Inc., "Emotional loyalty is more qualitative and subjective—it is a feeling of connection to, and belief in, a business and its proposition that is created by positive interactions. This is what is needed to improve profitability. Emotional loyalty is far more likely where involvement with the product or service is strong (that is, the purchase is personal or important to a business, and the transaction is more complex than

routine) and less likely when it is not. However, loyalty can be created for what a business represents —this is the essence of branding.” So how do you go about measuring emotional loyalty? Measures of emotional loyalty include elements of relationship commitment and brand perception.

To measure customer emotional loyalty, below are good questions to ask your customers as they are weighted heavily towards capturing the emotional aspects of the relationship between a company and its customers. These measures get at whether we think the company has our best interests at heart.

*Using a scale of 1 to 10 where 1 is Strongly Disagree and 10 is Strongly Agree, please tell us how strongly you agree or disagree that ABC:*

- *Behaves with fairness and integrity*
- *Strives to understand a customer’s needs*
- *Strives to meet its commitments to a customer*
- *Resolves conflicts with a customer fairly*
- *Communicates openly and honestly with a customer*
- *Is committed to a customer’s success*
- *Makes a customer feel appreciated*
- *Is deserving of a customer’s loyalty*

Measures of brand perception are a direct function of a company’s brand strategy. These measures capture both rational and emotional aspects of brand perception that a customer holds for a given company. Questions will vary based on how company seeks to position itself however, sample brand perception questions include:

*Using a scale of 1 to 10 where 1 is Strongly Disagree and 10 is Strongly Agree, please tell us how strongly you agree or disagree that ABC:*

- *Is a reliable company*
- *Is a reputable company*
- *Is a trustworthy company*
- *Is a technology innovator*
- *Is easy to do business with*
- *Inspires confidence*
- *Provides good value*
- *Is a leader in ‘xyz’(e.g., enterprise storage)*

Customers who exhibit rational loyalty and a high degree of emotional connection are ‘engaged’ customers.

Sources: CustomerSat Inc., “Best Practices in Customer Satisfaction and Loyalty Programs”, April 2006. Gartner, Inc., “How to Approach Customer Experience Management”, December 27, 2004.

### **Top Five On-Demand Applications of Interest to Salesforce.com Customers: By Size of Firm, Role, and Product Edition**

If you’ve already tackled customer satisfaction surveys, consider focusing on some of the other top five on-demand solutions of most interest to your peer group by number of employees –small, mid-size and large enterprises (see Figures 4). In Figures 5 and 6, you can see the top five on-demand solutions of most interest to your peer group by your primary CRM role (sales, marketing, service) and which Edition of Salesforce.com (Professional or Enterprise) you use.

**Figure 4**

**Top Five On-Demand Applications of Most Interest to Small, Mid-Size, and Large Organizations**

<b>Small Business (Less than 100 Employees)</b>	<b>Mid-Size Business (100 to 1000 Employees)</b>	<b>Large Business (More than 1000 employees)</b>
34% Customer satisfaction surveys	31% Customer satisfaction surveys	30% Data cleansing/data quality services
31% High-volume email campaign execution	31% Quote management	27% Customer satisfaction surveys
27% Project management	27% Proposal generation	26% Advanced analytics
27% Invoice management	26% Competitive Intelligence	25% Project management
27% Quote management	24% Support for salesforce.com on handheld devices (see our new AppExchange Mobile)	25% Sales methodologies

Source: Salesforce.com June 2006 Customer Relationship Survey conducted by independent firm CustomerSat, Inc., 963 WW respondents, randomly selected.

**Figure 5**

**Top Five On-Demand Applications of Most Interest to Sales, Marketing, and Service Organizations**

<b>Sales</b>	<b>Marketing</b>	<b>Service and Support</b>
32% Quote management	38% High-volume email campaign execution	48% Customer satisfaction surveys
30% Commissions / compensation / incentive management	36% Marketing resource management	34% Advanced knowledge /content /cocument management
29% Sales methodologies	28% Customer satisfaction surveys	26% Advanced workflow
28% Proposal generation	28% Data cleansing/data quality services	24% Project management
27% High-volume email campaign execution	25% Call Scripting	24% Call scripting
		24% Computer telephony integration (CTI) e.g., screen-pop, click-to-dial)

Source: Salesforce.com June 2006 Customer Relationship Survey conducted by independent firm CustomerSat, Inc., 963 WW respondents, randomly selected.

**Figure 6**

**Top Five On-Demand Applications of Most Interest to Salesforce Professional Edition and Enterprise Edition Users**

<b>Professional Edition Users</b>	<b>Enterprise Edition Users</b>
33% Customer satisfaction surveys	30% Customer satisfaction surveys
32% Quote management	28% High-volume email campaign execution
29% Proposal generation	27% Data cleansing/data quality services
27% High-volume email campaign execution	25% Advanced analytics
26% Project management	24% Project management

Source: Salesforce.com June 2006 Customer Relationship Survey conducted by independent firm CustomerSat, Inc., 963 WW respondents, randomly selected.

You can easily find all but two of the on-demand applications listed in Figures 4, 5 and 6, in the AppExchange on the home page or by using the search field. As of June 2006, we could not find anything available in the AppExchange specifically for managing competitive intelligence or advanced workflow. However, you could manage competitive intelligence using the [documents management](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000002ji4GAAQ) capabilities in Salesforce and [custom fields](http://www.crmsuccess.com/browse/content_detail.jsp?id=00630000003jrXyAAI) for example (many organization have done this). For those looking for more advanced workflow, be sure to review the training on our new [workflow](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000003OO4yAAG) features embedded in our platform and for customer service and support users looking for more advanced workflow, consider evaluating our new [Agent Console](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000003OO4yAAG) for a more streamlined environment for managing customer service.

**Test Drive the Top 5 On-Demand Applications of Most Interest to You**

Anyone with a valid Salesforce user name and password, including trial users, can use the AppExchange to test drive on-demand applications. Use our data to prepare a list of the top five on-demand applications you're most interested in and test drive a few of them today.

If you're a Salesforce administrator, you can easily import and deploy AppExchange application in your own environment to make them available to your users. Keep in mind you can [customize](http://www.crmsuccess.com/browse/index.jsp?flid=02n3000000004bYAAQ&tlid=02o300000000wjbAAA&cat=501300000001zI2AAI&solName=AppExchange%20Builder)

the applications further for your unique needs before deploying them to your users. Our [Sandbox](#) ([http://www.crmsuccess.com/browse/feature\\_detail.jsp?id=00630000003OX8bAAG](http://www.crmsuccess.com/browse/feature_detail.jsp?id=00630000003OX8bAAG)) can be a very helpful tool for installing, modifying, and testing applications from the AppExchange before you deploy them.

### **Analytical Resources Used:**

- The Conference Board's CEO Challenge Survey 2006 – ([http://blog.crmsuccess.com/crmsuccess/2006/01/customer\\_loyalt.html#more](http://blog.crmsuccess.com/crmsuccess/2006/01/customer_loyalt.html#more))
- Gartner, Inc., "How to Approach Customer Experience Management", December 27, 2004
- Harvard Business Review, Harvard Business School "Apostle" Model
- CustomerSat Inc., "Best Practices in Customer Satisfaction and Loyalty Programs", April 2006
- [www.successforce.com](http://www.successforce.com)
- [www.appexchange.com](http://www.appexchange.com)

### About the Author:

We are excited to welcome Wendy Close to the CRM Success team as our CRM success expert. Prior to joining salesforce.com, Wendy Close served as a research analyst and director in Gartner's research organization for over 11 years. During her decade at Gartner, she developed over 200 research reports on various aspects of customer relationship management from sales automation to customer experience management to contact center performance management. She has spoken at numerous CRM conferences and events, has been quoted on the topic of CRM over 1000 times in various journals and publications, and has provided CRM advice to many of the biggest and most successful companies in the world. Most recently, Wendy was Gartner's lead analyst on customer relationship management strategies, technologies, and suppliers for midsize businesses, midsize divisions of the large enterprise, and small firms.

### **Looking for more Complimentary CRM Research?**

For more complimentary CRM research including best practices, benchmarks, tips, advice, tactical guidelines, strategic planning, and more, visit:

<http://www.crmsuccess.blogs.com/>

## **Are you new to CRM and need some CRM Advice?**

If you have CRM questions about the best CRM strategies to pursue, the benefits you can expect from CRM investments, or what to budget for your CRM project and how to justify the investment, email your CRM questions to [AskWendy@CRMSuccess.com](mailto:AskWendy@CRMSuccess.com).

Copyright © 2000-2006 salesforce.com, inc. All rights reserved.