



The App Attention Index 2019

The Era of the Digital Reflex



About this report

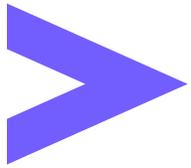
As demand for digital services continues to soar across the world, the AppDynamics App Attention Index 2019 explores the latest trends in consumer attitudes, behavior and expectations towards these services.

The third in the series, this report benchmarks against the previous report, produced in 2017, and examines how increased use of digital services, and in particular through mobile applications, is altering the way that consumers view brands and make purchasing decisions. It considers the implications of these changes for businesses, both today and in the coming years.

The research included interviews with more than 7,000 consumers, including 2,000 interviews in both the United States and the United Kingdom, and 1,000 interviews within Germany, France and Australia. The research was conducted by Insight Avenue in March 2019.



Introduction



Digital services and applications have changed human behavior forever.

People reach for their phone as soon as they wake up. They ask Alexa to turn on the lights. They tap Sonos to listen to their favorite music on Spotify. During nearly every waking moment of the day, people are interacting with a host of applications that deliver digital experiences. In fact, these experiences drive so much of our everyday lives that, often, we're not even aware of our reliance on them.

In this way, the use of digital services has become an extension of human behavior, an impulsive, 'natural', sub-conscious action – a "digital reflex".

The Era of the Digital Reflex

Today, digital experiences are a part of our everyday lives: They're how we engage with the world and, in many cases, how we engage with brands. So when these experiences fail to deliver due to an outage or performance issue, customers take notice. And this can cause irreparable damage not only to the brand, but to a business' bottom line.

That's why in the Era of the Digital Reflex, brands need to acknowledge that exceptional digital performance and world-class customer experiences are no longer aspirational – they're business-critical.

In fact, in the last year alone, as many as 84% of consumers have experienced problems with digital services, proving that many organizations are failing to consistently deliver high-quality digital experiences that their customers now expect and demand.

Zero tolerance for poor performance

When digital services don't deliver a first-rate customer experience - a seamless, issue-free experience - the impact is becoming more profound. Consumers are often left with negative feelings of stress and anger that could impact things like brand perception, referrals, and more.

According to our latest research, people are far less tolerant of problems with digital services than they were two years ago, and they're now far more likely to take decisive action – deleting applications, turning to the competition, and sharing their negative experiences far and wide.

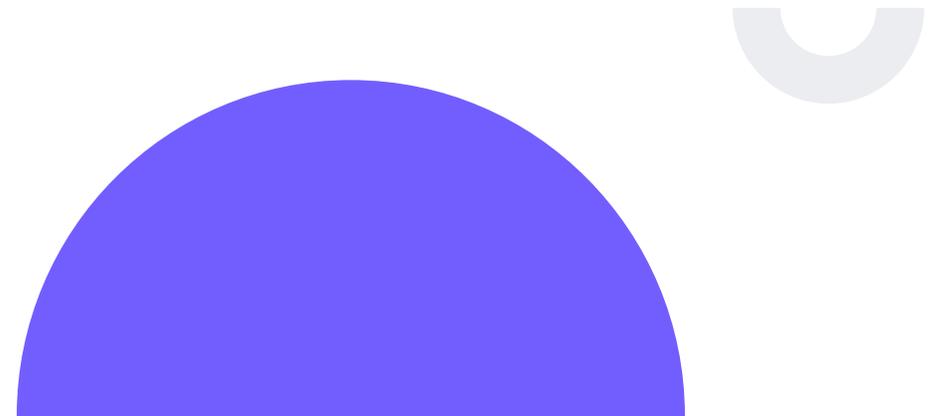
Digital experience should exceed face-to-face experience

In the Era of the Digital Reflex, consumers attach equal or greater importance to digital experiences than to face-to-face interaction with a brand.

Digital services (and the brands behind them) are expected to recognize and reward loyalty, to compensate users for poor digital experiences and to provide tailored, personalized content and experiences.

Businesses need to re-think their approach to customer experience. First impressions are made online, relationships are forged through applications, and buying decisions are made through digital experiences. Customer experience is now digital-first.

It's crunch time for many brands. They have to start taking digital performance seriously, to provide their customers with world-class digital experiences that build brand loyalty and drive sales, or they risk falling behind.

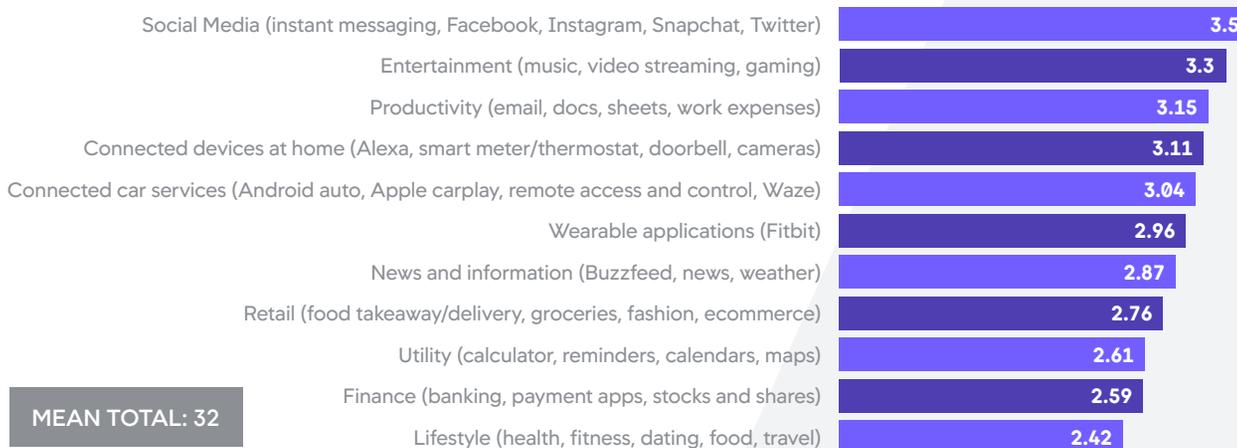


Digital services have changed the way we live, work and play

Appetite for digital services appears to be soaring as people use an increasing number of applications every day. In fact, they've become so integrated into our daily lives that those surveyed used 4x as many apps each day than they realized.

ACTUAL DAILY USAGE BY DIGITAL SERVICE TYPE

Thinking about an average day, how many of the following types of digital service might you use?



- ▶ 65% of consumers say that digital services make them feel more in control and empowered in their day to day lives.
- ▶ 79% say that digital services have introduced them to new products and services (up from 57% in 2017).
- ▶ 70% say that digital services have taken the stress out of life admin (up from 52% in 2017).
- ▶ 68% say that digital services have improved their productivity at home and work (up from 43% in 2017).
- ▶ The average person estimates that they use 7 digital services each day. But when people properly consider all of the different types of services they are regularly using, they are actually using more than 30 digital services on a daily basis.

The emergence of the Digital Reflex

People used to make a conscious and deliberate decision to use a digital service to carry out a specific task or activity. Now they do so spontaneously, without thinking.

The use of digital services has evolved to become an unconscious extension of human behavior – a digital reflex.

And as these digital reflexes become stronger, people are increasingly dependent on their devices and applications, unable to complete many of their daily tasks without them.

Life without digital services is becoming unthinkable.

DIGITAL REFLEX

- ▶ 69% of consumers say their use of digital services is like a reflex – something they have little awareness of and use automatically.
- ▶ 71% admit that digital services are so intrinsic to their daily lives, they don't realize how much they rely on them.
- ▶ 68% recognize they use many more digital services than they are consciously aware of.
- ▶ 55% can only go without a mobile device for up to 4 hours before they find it difficult to manage tasks in their everyday life.
- ▶ 61% admit they reach for their mobile phone before talking to anyone else when they wake up.

Consumers demand hyper-personalized experiences

As digital reflexes become more pronounced, people’s expectations of digital services are soaring.

70% of consumers want digital experiences to be more personalized than those that happen face-to-face. Brands need to deliver tailored, intuitive customer experiences across all digital channels, at all times.

For many businesses, this means re-defining their priorities, placing digital customer experiences at the heart of their customer experience strategies. Today, the application is the digital customer experience.

DIGITAL SERVICE AND BRAND EXPECTATIONS

What do you expect from the digital services and brands you use?



DIGITAL EXPECTATIONS

- ▶ More than three quarters (76%) of consumers report that their expectations of how well digital services should perform are increasing. This compares with 62% in 2017.
- ▶ Within the next three years, 79% of consumers expect to use more voice-controlled and virtual assistant services; 73% expect to be able to use Virtual Reality to interact with brands and their products before making a purchase; and 58% expect to interact with robots in stores, work and home.

Digital performance impacts buying decisions and drives loyalty

We have reached a tipping point where most buying decisions are now based on the quality and personalization of the digital services a brand can deliver, with 50% of consumers stating that they would be willing to pay more for an organization's product or service if its digital services were better than a competitor. Providing seamless, innovative digital experiences for consumers is mission-critical and commercially smart.

Consumers choose retailers according to how quickly they can get access to a product or service without visiting a store (63%), and they pick their bank based on the ability to perform all transactions digitally (58%).

The number of consumers claiming that they are now more loyal to an app than a brand has doubled over the last two years (46% in 2019 compared with 23% in 2017).

Ultimately, brand equity lives or dies with the performance of digital services - and flawless digital performance wins customer hearts and minds and drives revenue.

DIGITAL DECISIONS

- ▶ 54% of consumers now place higher value on their digital interactions with brands than their physical interactions.
- ▶ 50% would be willing to pay more for an organization's product or service if its digital services were better than a competitor's.
- ▶ Over the next three years, 85% of consumers expect to select brands on the variety of digital services (web, mobile, connected device, etc) they provide.

The digital performance gap

The Era of the Digital Reflex presents a monumental opportunity for brands. But the risks are just as high. Getting digital performance wrong can be catastrophic.

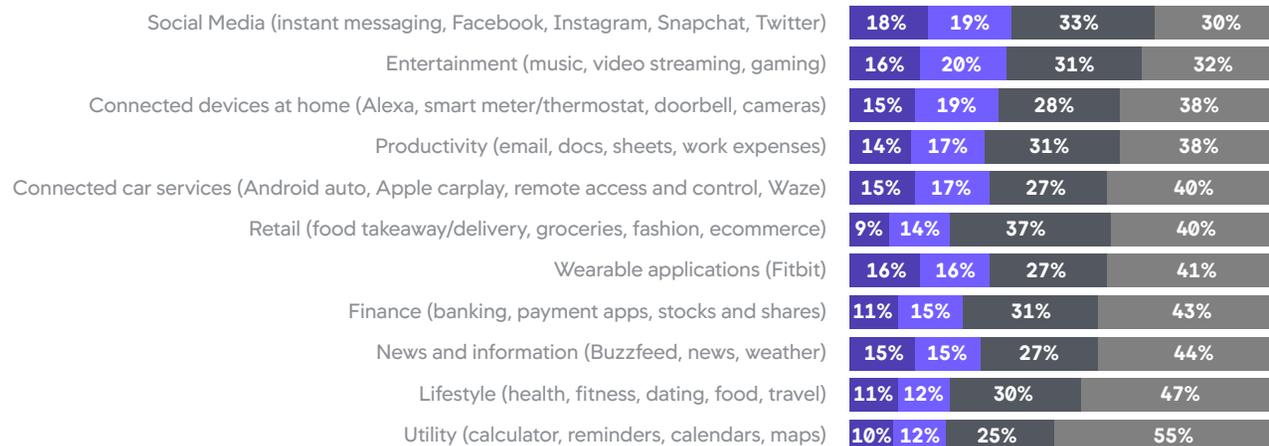
Businesses are investing heavily in digital innovation to drive customer loyalty and revenue. But these efforts are compromised by a lack of performance quality within their digital services. Performance levels are simply not keeping pace with rising consumer expectations.

In fact, 84% of people have experienced problems with digital services in the last year. Performance issues are occurring across all types of digital services, on a daily basis.

FREQUENCY OF PROBLEMS WITH DIGITAL SERVICES

How often do you have problems and get frustrated with the following types of digital services?

● Daily
 ● Weekly
 ● Monthly
 ● Never



The lasting impact of poor digital experience

When people encounter problems with digital services, they are left feeling stressed and angry. It can mean missing out on a purchase, having to pay a higher price for a product, or even being late for work.

But in the Era of the Digital Reflex, sub-standard digital experiences have a more profound, emotional impact on people. Frustrations grow, feelings of helplessness and anxiety emerge, and people struggle to cope.

More than half (55%) of consumers admit that problems and frustrations with digital services affect them more or for longer than they would like.

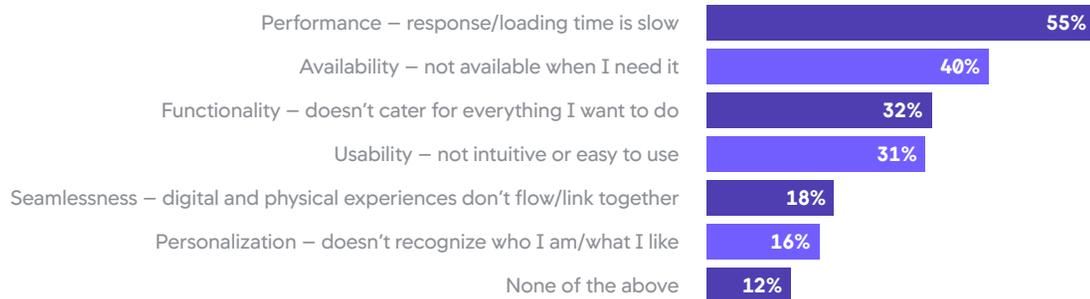
People swear, they throw their phone in anger and they become irritable with those around them.

In a face-to-face environment, no business would ever allow its customers to feel like this. It's like a retail assistant turning their back on a customer and walking away, when being asked for help. Or a cashier being unable to process a payment and telling the customer to come back later to complete a purchase.

This simply wouldn't be allowed to happen in the physical world. But, alarmingly, many organizations are failing to see that they're subjecting their customers to this level of experience through their digital services on a daily basis.

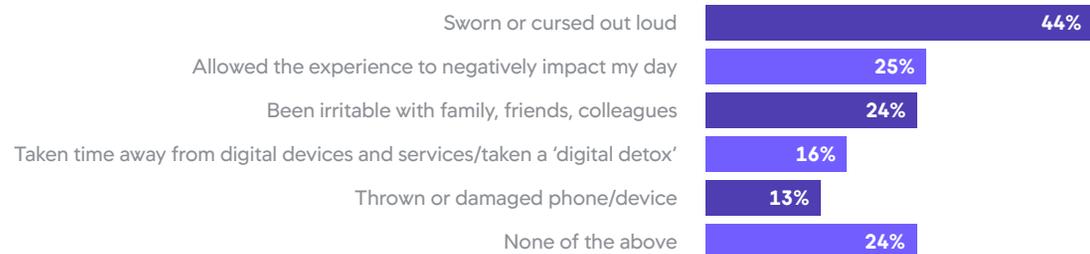
TYPES OF PROBLEMS THAT ARE FRUSTRATING WITH DIGITAL SERVICES

What types of problem frustrate you when using a digital service?



PERSONAL ACTIONS DUE TO PROBLEMS OR FRUSTRATIONS WITH DIGITAL SERVICES

Have you ever done any of the following due to problems or frustrations with digital services?



Unforgiving customers can destroy a brand

In the Era of the Digital Reflex, consumers do not forgive or forget poor digital experiences.

Remarkably, only 17% of consumers experiencing a problem with a digital service are most likely to contact the service provider for help in the first instance.

This means that 83% of customers are likely to experience problems with digital services without notifying the brand and giving them a chance to put things right.

Businesses must recognize that performance issues are leaving their customers suffering in silence, or else sharing their negative experiences with other customers on social media!

Consumers are increasingly taking decisive action when they encounter unacceptable digital experiences, switching suppliers and discouraging others from using services.

Two thirds (66%) of consumers claim they would avoid trying a brand known for delivering poor digital experience.

Ultimately, poor digital performance can ruin brand reputation.

UNFORGIVING CUSTOMERS

- ▶ 70% of consumers claim to be less tolerant of problems with digital services than two years ago.
- ▶ 49% have switched suppliers due to a poor digital experience, up from 32% in 2017.
- ▶ 63% actively try to discourage others from using a service or brand if they have a bad digital experience.
- ▶ 24% say that headlines about technical glitches destroy their trust in the company in question.

Driving loyalty and minimizing risk through application performance monitoring

The emergence of the Digital Reflex represents a fork in the road for businesses.

Brands need to understand this new phenomenon and develop plans to ensure they can take advantage of this evolution in human behavior.

For those brands that get it right, and consistently deliver world-class experiences, the opportunity to drive customer loyalty and grow revenue through digital services is unlimited.

But get it wrong, as many businesses currently are, and the result is angry customers, lost revenue and a tarnished brand.

Flawless digital performance is now the baseline for all businesses. The winners will be those that consistently operate above this level.



Delivering world-class digital experiences

Here are some steps businesses can take to ensure world-class digital experiences for their customers:

- Make decisions and take action based on factual insight - delivering exemplary digital experience requires real-time monitoring of the full technology stack, from the customer's device to the underlying network. But it's critical that enterprises choose solutions that take an AIOps approach, turning the monitoring of data into meaningful insights quickly, using ML/AI, in order to take action quickly or automatically.
- Focus on application performance - implementing a robust application performance management solution enables organizations to safeguard the performance of mission critical applications and user experience in production.
- Align performance to business outcomes – measuring and analyzing the performance of applications and correlating this to business performance, ensures that digital services are always aligned to business objectives, such as customer experience and revenue.

