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Latest Findings on the Digital Customer Experience

A Medallia Market Research Briefing

Contents

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Research methodology

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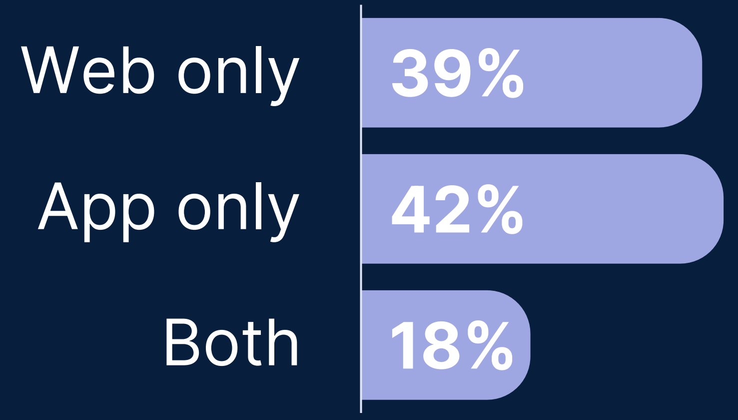
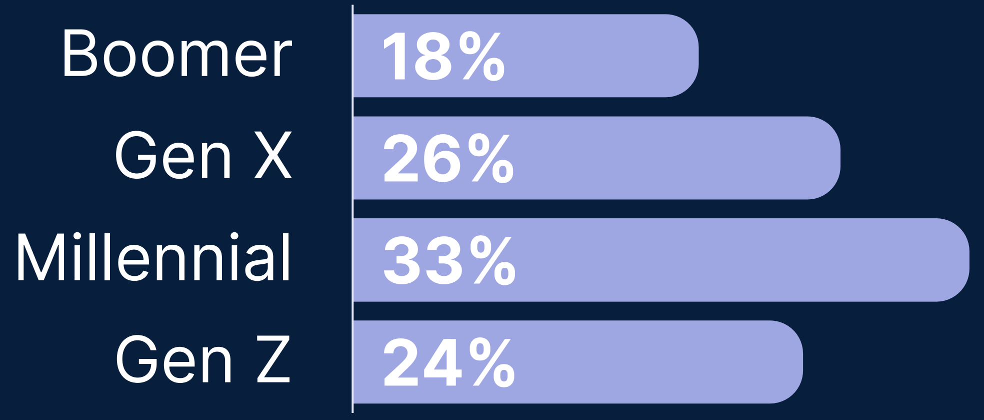
n = 2,002 general population of US consumers, asked about their most recent digital channel visit to a company and general sentiments on digital experiences. Results were collected December 11-14, 2024 using Medallia's Agile Research survey platform.

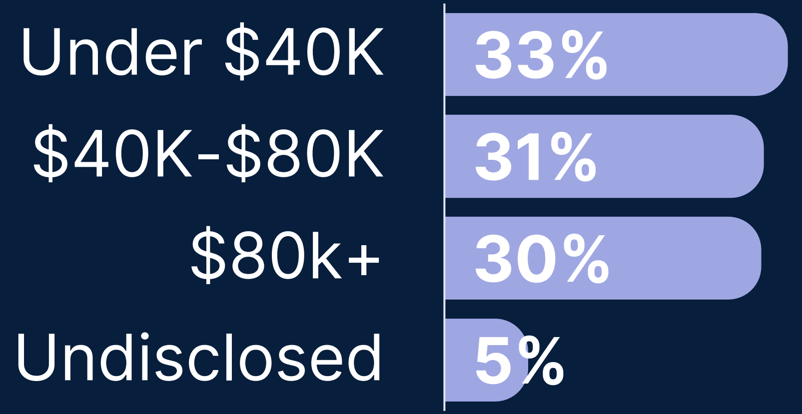
Channel of digital interaction (as basis of survey)



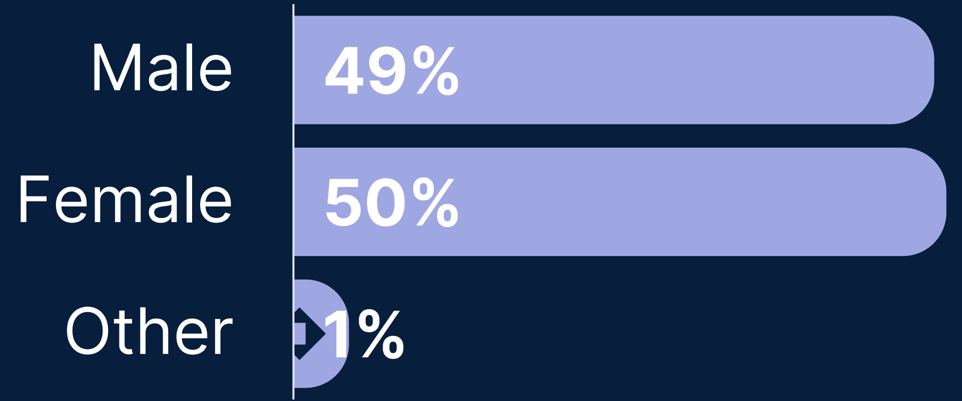
Age



Household income



Gender identity



01

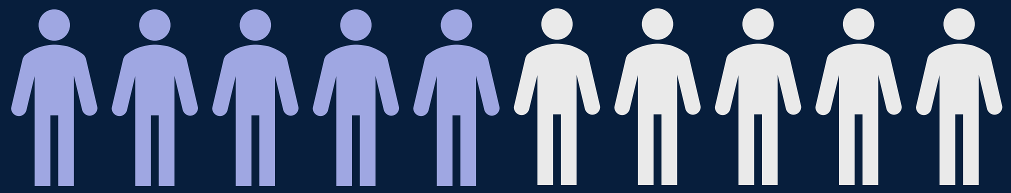
Views on the digital experience

Quality digital channels often drive customers to one brand over another.

of respondents have chosen to be the customer of **one company over another** due to the **quality of their website or mobile app** at least once

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "For each of the following, select the choice that best reflects your view. % selecting true

Likewise, fixing unresolved experience issues on digital channels is key to customer retention.



51%

of customers say that in the past, they have stopped being a customer of a company because of encountering too many difficulties using their website or mobile app.

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “For each of the following, select the choice that best reflects your view. % selecting true

Digital channel adoption can be hurt by technical problems and content gaps, but even more damaging is a data security concern.

Top things that will drive avoidance of a brand's website or app

% selecting (maximum 3 per respondent)

1	Possible data security / privacy issues	35%
2	Website / app malfunctioning (i.e. error displaying, page not loading, etc.)	30%
3	Being unable to find what I am looking for when searching / browsing	26%
4	Customer service being unable to help with certain issues	24%
5	Incorrect information being on the website / app	23%
6	Customer service wait time being too long	22%
7	Being asked to authenticate login on multiple devices	18%
8	Not remembering / being able to correctly enter username or password	18%
9	Information on website / app not being relevant or helpful to my needs	17%
10	Information or login not being saved for use next time	14%
11	Not being eligible as a customer to view / buy certain things	14%

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "What are the top things that make you never want to use a brand's website or app again? Select up to 3."

02

Issues faced in the digital journey

Commerce activities like shopping or reading reviews drive digital visits the most, but it does vary by industry.

Drivers of web / app visit

% selecting, with biggest over-index / under-index by industry of company visited

	Total	Highest Industry	Lowest Industry
To browse what was available (nothing specific)	23%	Retail (36%)	Utilities (9%)
To research details / prices / reviews of something specific	20%	Healthcare (25%)	Fin Serv (9%)
To purchase or subscribe to something the company offers	18%	Retail (31%)	Utilities (5%)
To pay a bill	17%	Utilities (57%)	Retail (7%)
To view a statement / status / notification	16%	Fin Serv (46%)	Retail (6%)
To receive help from customer service	12%	Telco (24%)	Retail (8%)
To complete a transaction that isn't a purchase (e.g. cancellation, transfer, refund, etc.	10%	Fin Serv (18%)	Restaurant (7%)
To update my account profile	10%	Healthcare (15%)	Utilities (5%)
To create a user account	7%	Utilities (14%)	Fin Serv (3%)
To use a digital product or tool (e.g. planner, calculator, etc.)	7%	Utilities (10%)	Retail (4%)
To access written content (e.g. article, statistics / results, etc.)	7%	Healthcare (18%)	Retail (3%)
To access video or audio content	7%	Healthcare (10%)	Restaurant (3%)
To review a FAQ / policies / terms & conditions page	5%	Healthcare (9%)	Retail (3%)
By accident / unintentional	4%	Other (8%)	Retail (1%)

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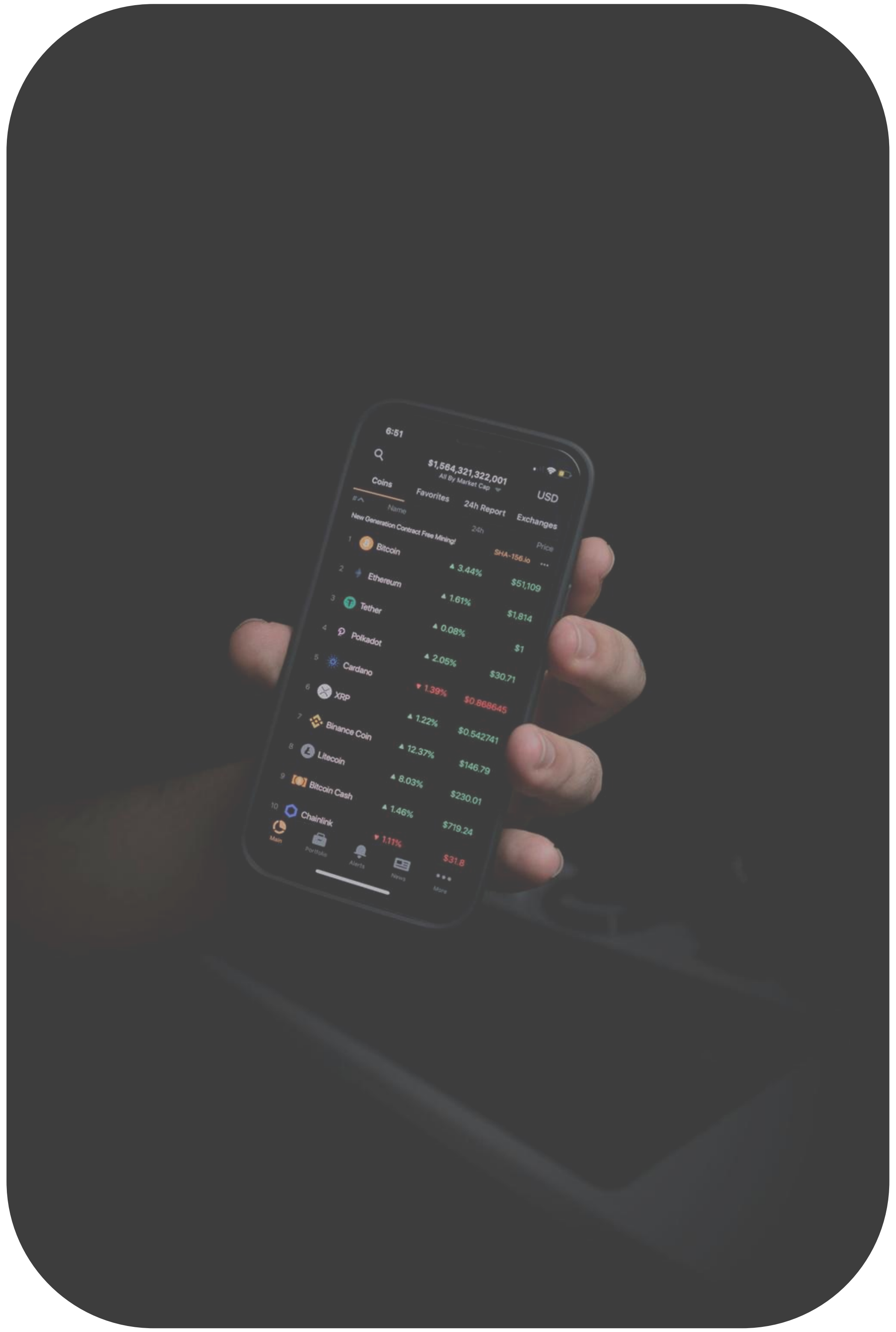
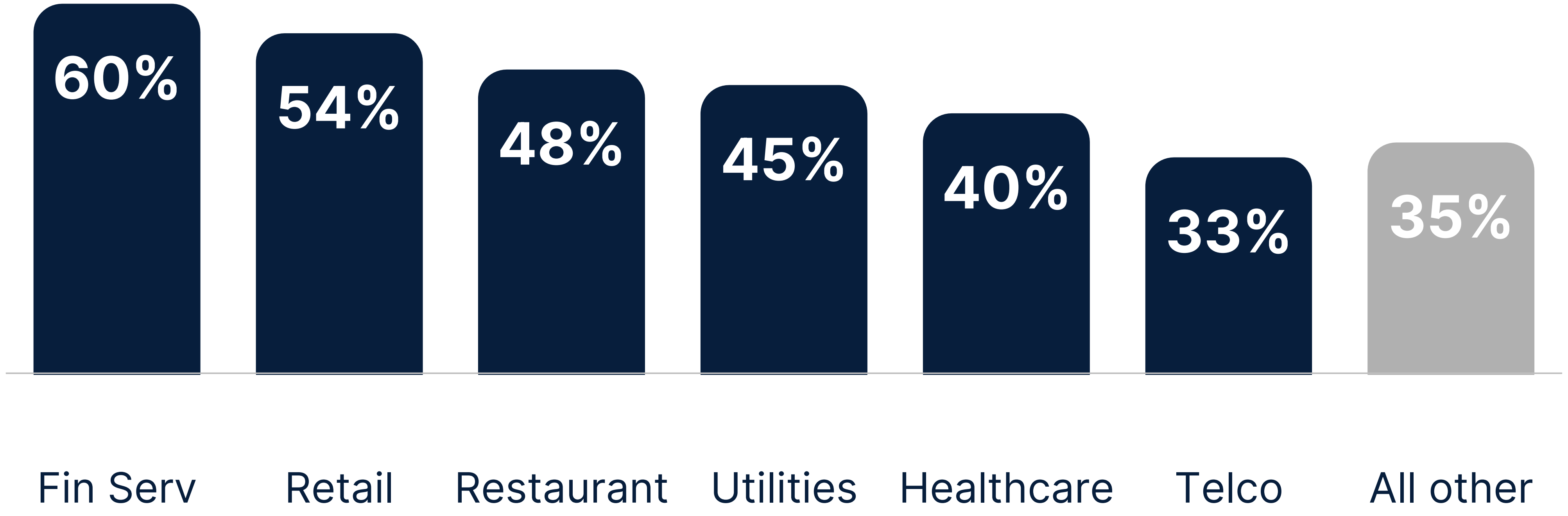
From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "What was your reason for visiting the website / app on that occasion? Select all that apply"



Many industries, especially banking and retail, provide satisfying digital experiences for many visitors.

Overall Satisfaction (OSAT) of digital experience: Top 2 box

% rating 9-10 on 0-10 scale; by industry of company visited



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “How satisfied were you with your visit to that website / app on this occasion?”

However, confusion and/or issues do happen for website and app users, and it can lead to unfulfilled intentions when visiting.

19%

felt confused at least once during their most recent visit on a website or app

15%

encountered one or more **issues** while on that website or app visit

and if encountering an issue...

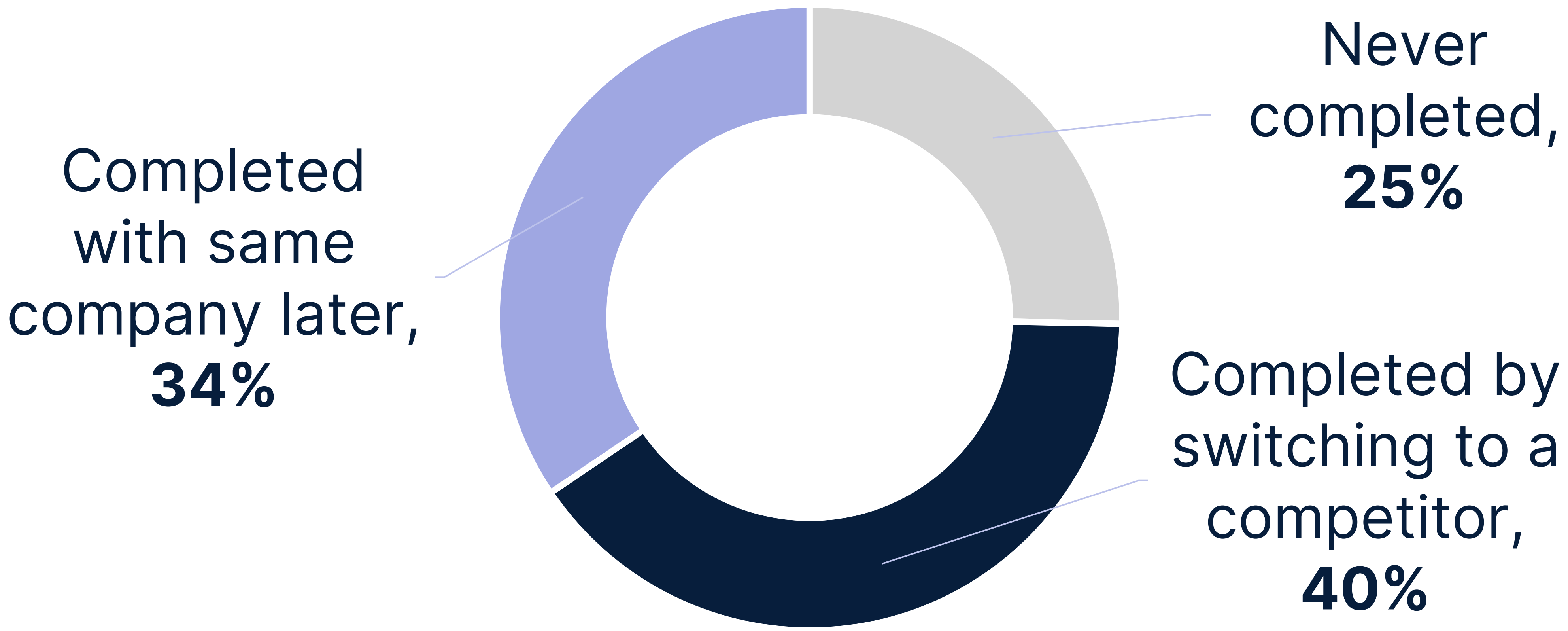
28%

were **unable to complete their intended mission** that prompted the web / app visit

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “Did you find yourself confused at any point while on that website / app on this occasion?” / “Did you encounter any issues while on that website / app on this occasion?” / “Were you ultimately able to complete your intended mission while on that website? In other words, were you able to get done all that you were hoping to do?”

For visits where customers can't complete what was intended, there's a good chance they will flock to a competitor to do it.

What happened to those who couldn't complete what they wanted during their original visit?

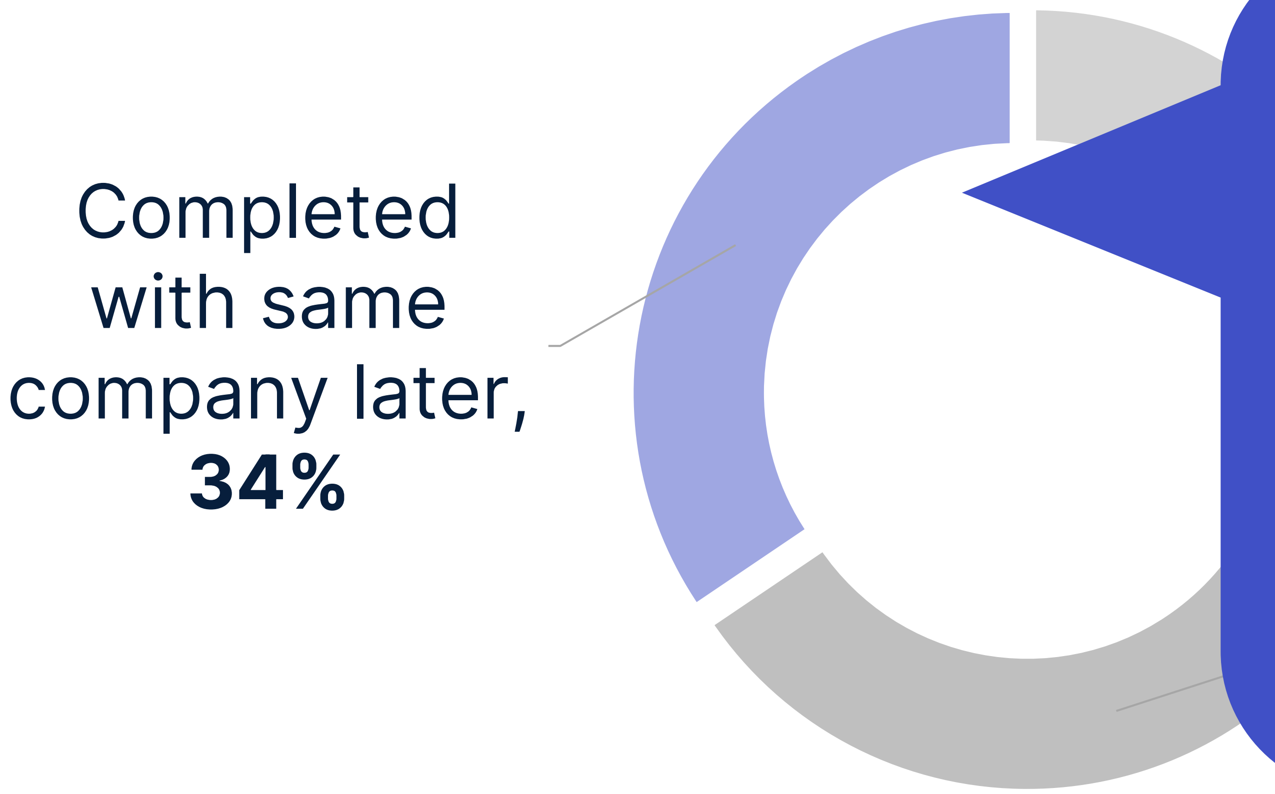


When asked in 2022, this group made up **only 25%,** further raising the risk of attrition posed to companies with issue-heavy digital experiences

From Medallia Market Research December 2024 Digital Experience Survey (n = 87); "Did you eventually go somewhere else to complete your intended mission? Select the choice that best applies" Among subset that was unable to complete their intended mission on the original visit

Even if customers come back to the same company for a future resolution, they often face a cumbersome switch to different channels to get it.

What happened to those who couldn't complete what they wanted during their original visit?



Only 26% of those who went back to the same company did so through the same channel attempted previously.

The rest went alternate routes, often non-digital (e.g. phone, in-person, etc.). This implies digital resolutions are failing too often.

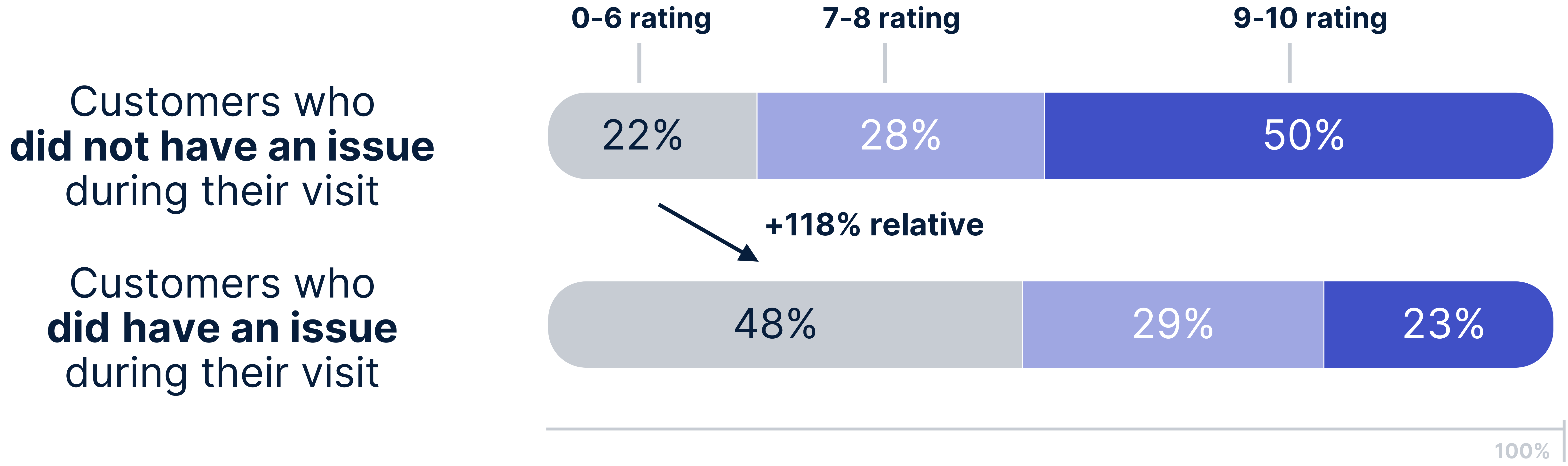
From Medallia Market Research December 2024 Digital Experience Survey (n = 87); "Did you eventually go somewhere else to complete your intended mission? Select the choice that best applies" Among subset that was unable to complete their intended mission on the original visit

Having an issue more than doubles the chance a customer will be unsatisfied with their visit (a 0-6 rating).

This unsatisfied portion of customers cuts the highly satisfied group (9-10) in half, a worse outcome than pulling from those more neutral (7-8).

Overall satisfaction (OSAT) rating

0-10 rating scale, % of customers in each rating group



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "How satisfied were you with your visit to that website / app on this occasion?" / "Did you encounter any issues while on that website / app on this occasion?"

Singular digital experience issues have even more significant impacts to long term brand relationships, revenue growth, and customer loyalty.

+28 → **-48 points** → **-20**

Average Net Promoter Score given to brands by customers who did not experience an issue during their visit to a digital channel.

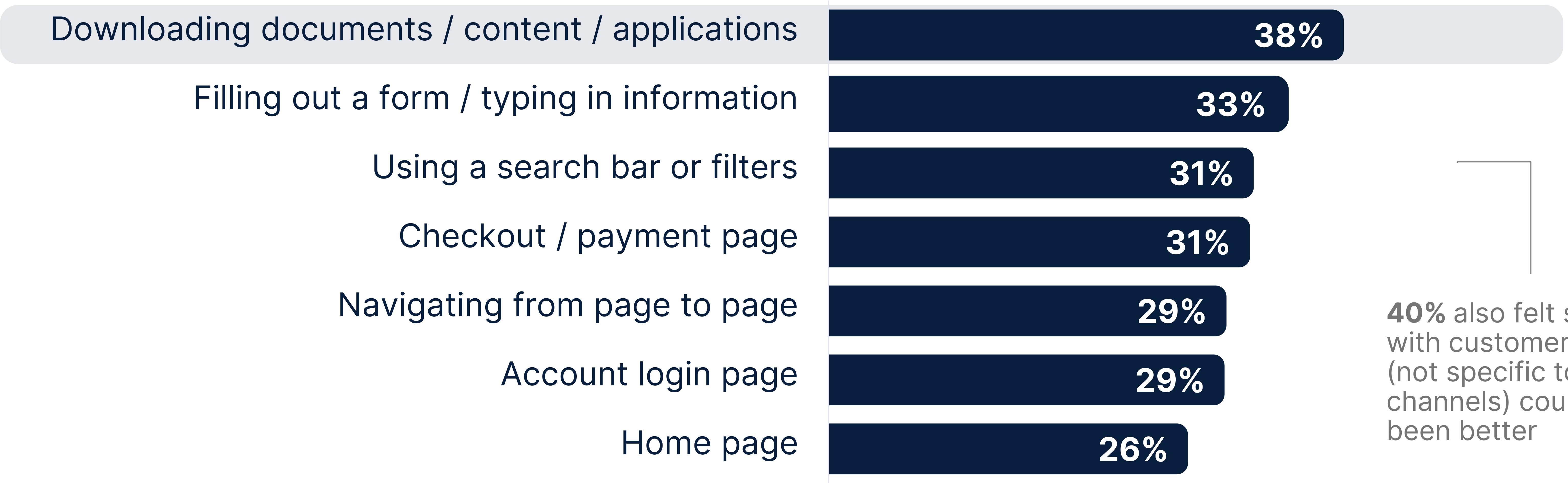
Average Net Promoter Score given to brands by customers who did experience an issue during their visit to a digital channel.

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Based on just this most recent interaction with the company, how likely are you to recommend it to a friend, family member, or colleague?"

Elements of the digital journey where customers feel improvements are most needed are downloads and forms.

% of visitors feeling page / situation could have been better

% among those who did experience what is listed during their visit;
figures represent % selecting “ok, but could have been better” or “bad, had issues”

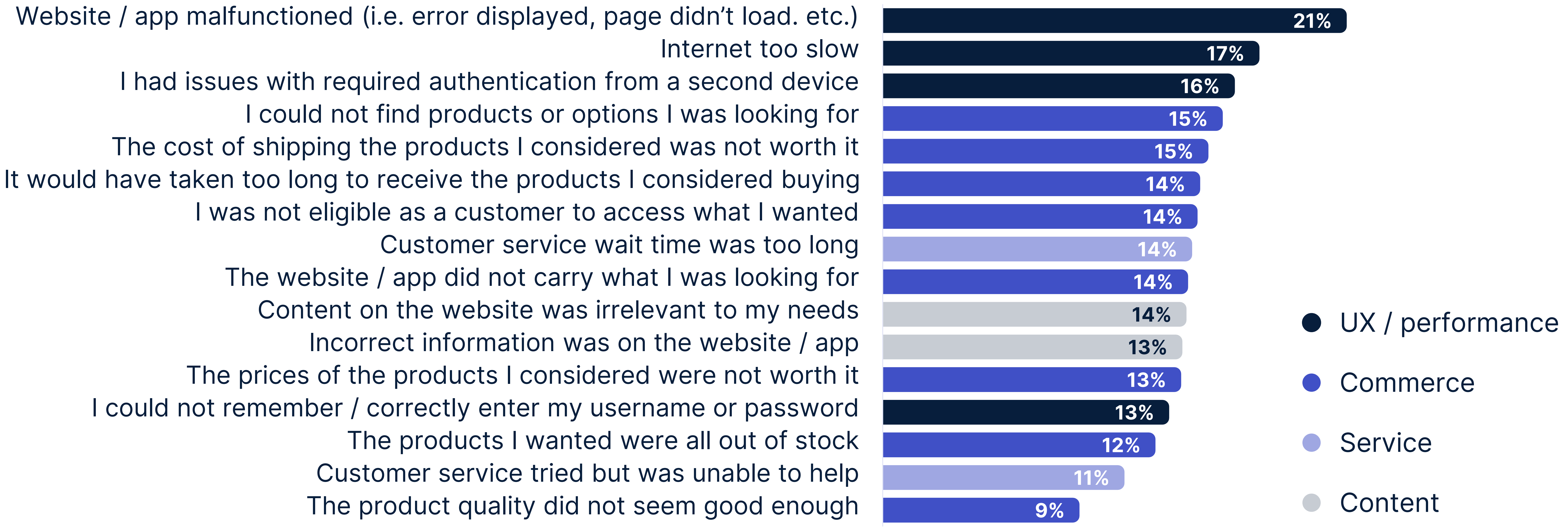


40% also felt speaking with customer service (not specific to digital channels) could have been better

From Medallia December 2024 CX Practitioner Survey (n = 166); “If you experienced any of the following during your visit, please indicate how it went by selecting from the descriptions below.”

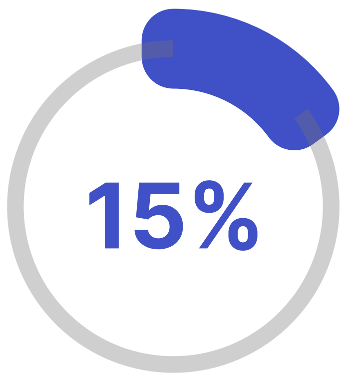
Performance and design issues clearly impact the digital customer, but so do broader operational and service issues within and beyond the digital channel.

Types of issues experienced, % selecting



From Medallia Market Research December 2024 Digital Experience Survey (n = 297); "Were any of these issues you experienced? Select all that apply." Among subset with issue

Resolving issues means contacting customer service for some, but instead means bouncing around various channels for others.



of visitors had an **issue** requiring resolution

13% if only using mobile app
18% if only using website
15% if using both

Of those with issues, resolution methods attempted

% selecting

Contacted customer service	27%
Visited again on a non-digital channel (e.g. in-person, calling on phone)	25%
Tried a different way to get what was needed during that occasion	21%
Visited again on a different digital channel (e.g. web, app, social)	21%
Tried again later using same digital channel again	20%
Asked family / friend to help	17%
Submitted feedback via a survey or form	15%

Contacting customer service was more often attempted for Retail (**47%**) and Telco (**46%**), and less often for Financial Services (**18%**) and Utilities (**17%**).

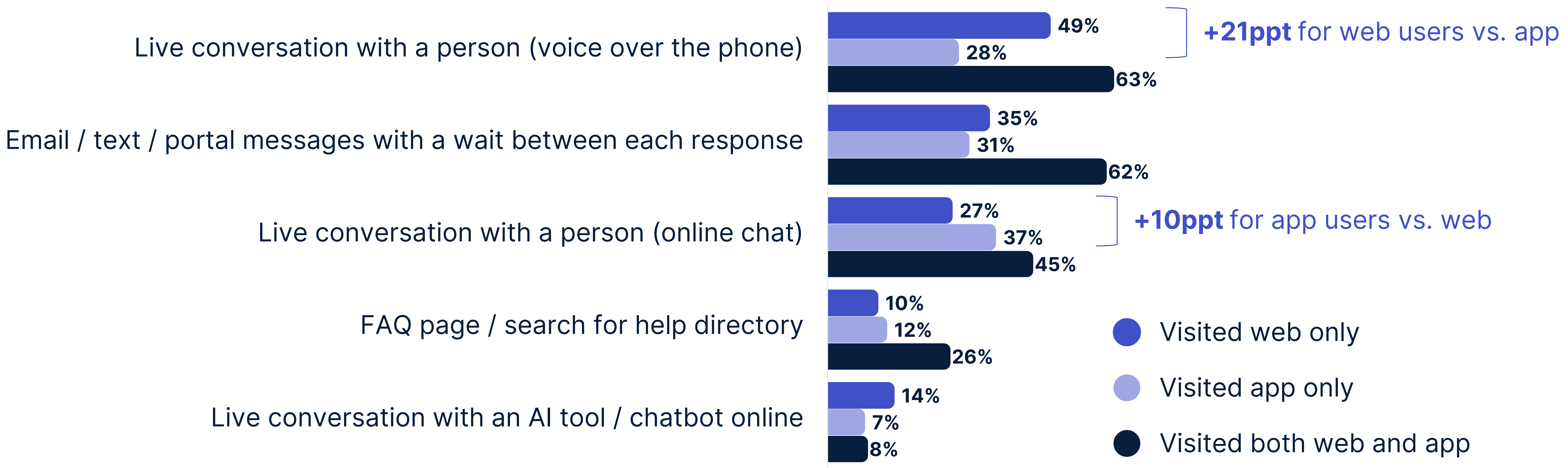
From Medallia Market Research December 2024 Digital Experience Survey (n = 281); “In what way(s) did you seek a resolution to your issue(s), if at all? Select all that apply.” Subset that did have an issue needing resolution.

Multi-channel digital users are more likely to exhaust numerous channels for customer service too, risking higher frustration.

Customers with a web-only experience are more likely to seek help by phone first, whereas customers with an app-only experience are more likely to seek help by live chat first.

If using customer service, types used

Respondents split by which digital channel(s) were used during visit



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "You mentioned you engaged with customer service. What type of service was provided? If multiple ways, select all that apply." Subset that did use customer service.

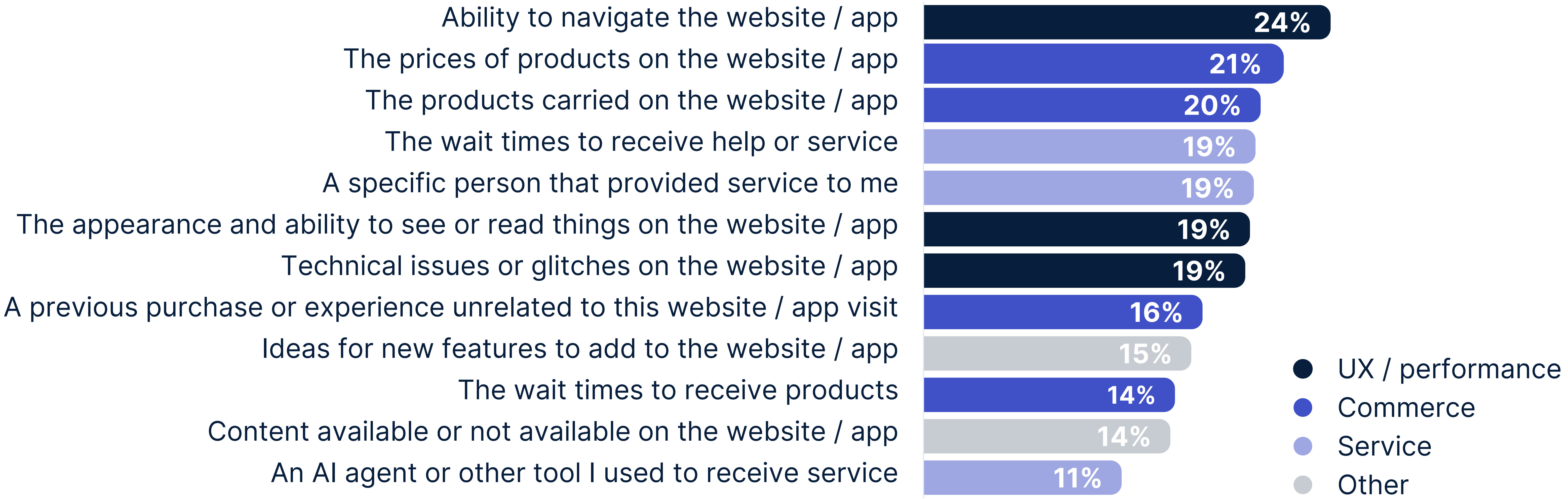
03

Signals beyond customer feedback

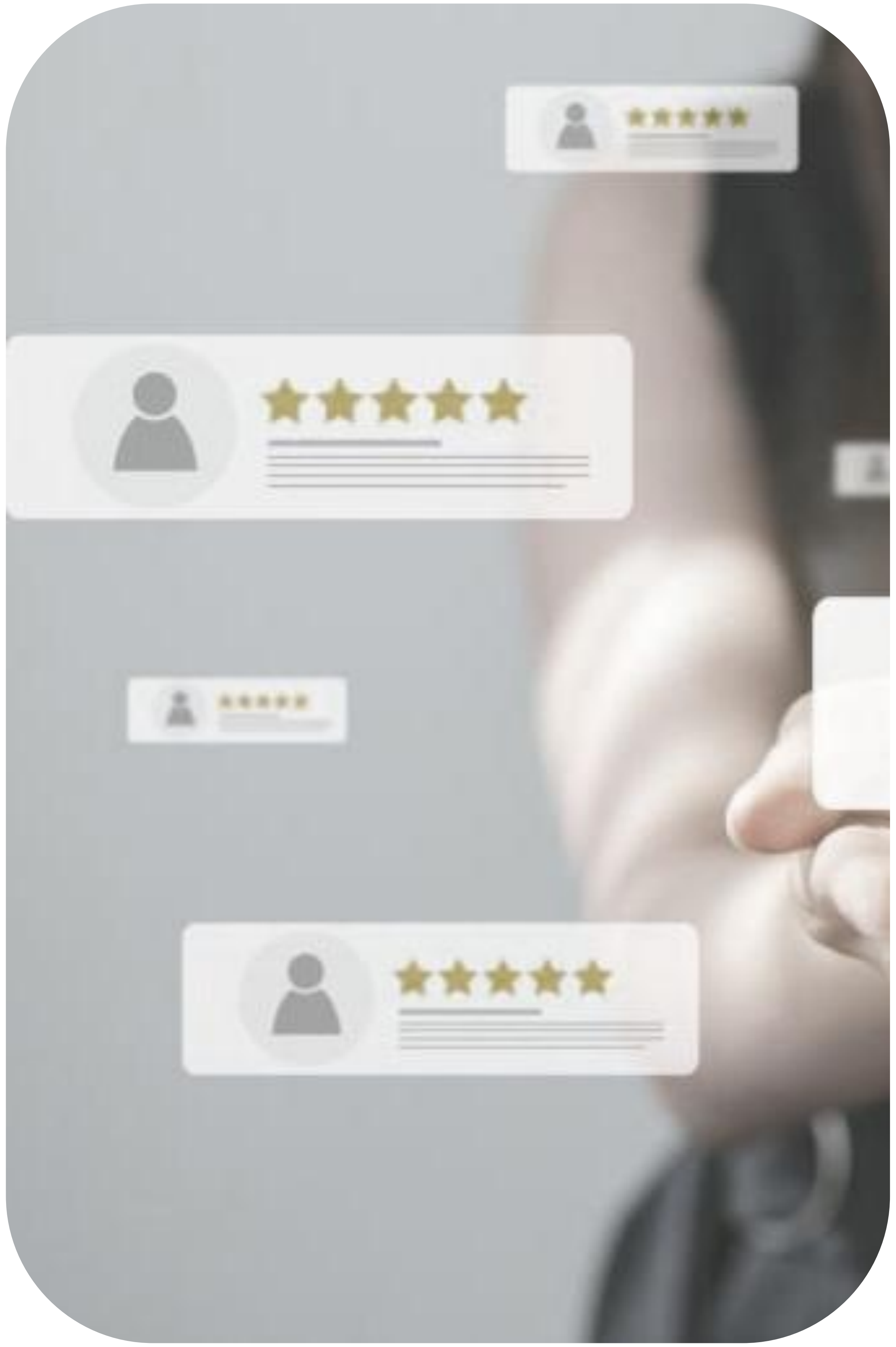
Navigation / search of the digital channel remains a top vocal issue but, in the cases where products are the subject of the search, so is online availability and pricing.

When feedback on a digital visit is given, what are the typical subjects?

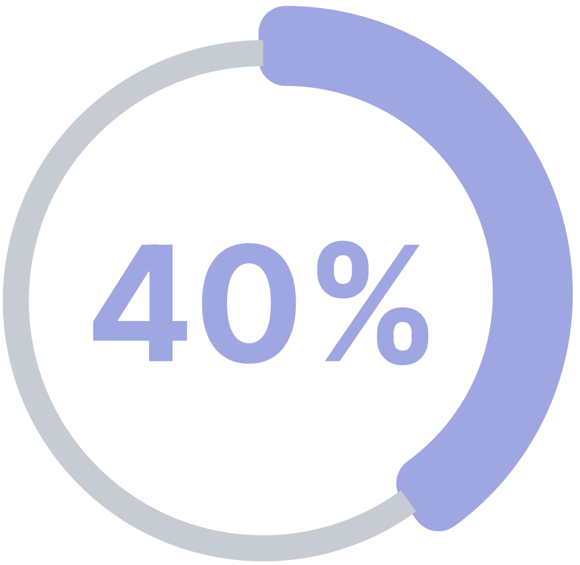
% selecting



From Medallia December 2024 CX Practitioner Survey (n = 591); "For what topics did you give feedback? Select all that apply." Subset that did give feedback.



Not everyone is negative, with 4 out of every 10 customers willing to provide positive feedback and even promote the brand.



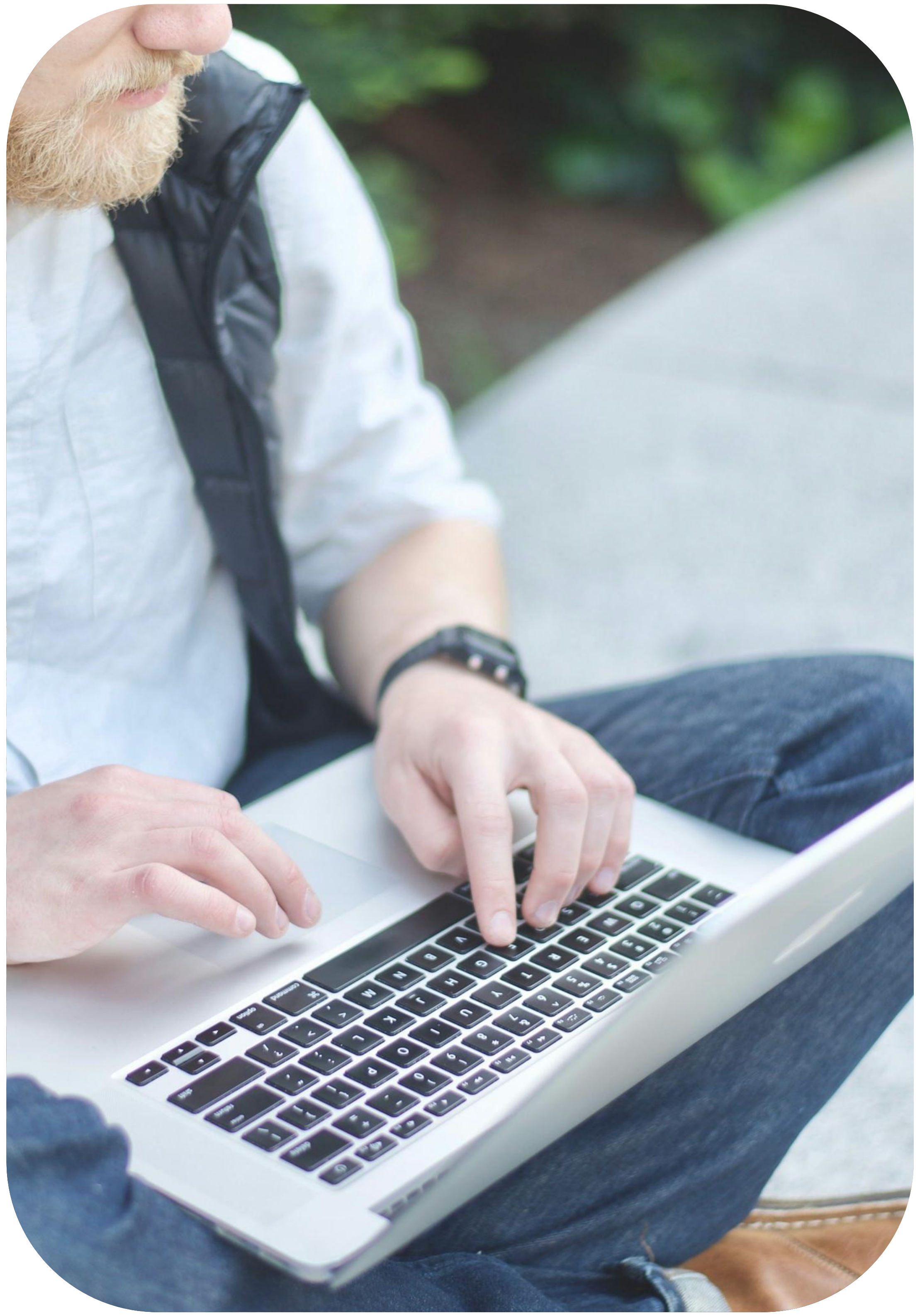
of respondents say they'd be **willing to say positive things online** for the brand of their most recent digital interaction, if given the opportunity

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "What best represents your advocacy with this company in the past?"

But understanding digital experiences requires more than just directly submitted feedback, as many issues go unreported.

52%
Agree

“When I experience an **issue** on a website or app, I **question** if it is **worth my time to let the company know.”**



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “For each of the following, select the choice that best reflects your view. 1-5 scale (1 = Strongly Disagree, 5 = Agree). 1-2 classified as “disagreeing”, 3 as “n/a or no opinion”, 4-5 as “agreeing”

And representation of all experiences through digital feedback remains low, suggesting brands need alternative digital intelligence sources.

Limited representation of all experiences:

70%

of digital visitors don't leave any form of feedback after an interaction.

Bias in what experiences might be measured:

Those whose interaction included an issue left unresolved are

22% LESS likely

to give feedback compared to those who had an issue that was eventually resolved.

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Did you provide feedback to the company about your visit to the website / app on this occasion (via a survey, form, rating scale, or any other method)?"

Customers are largely comfortable with digital experience analytics and other tools / methods that use their data to better meet their needs.

	% agreeing	% disagreeing	Net agreement
"I want companies to **know if I'm having a problem** using their website or app **without me having to tell them**"	56%	12%	**+44ppt**
"I'm comfortable with a **customer service representative having access to data** about how I clicked / navigated / typed through their website or app, so that they can assist me with issues I have on the website or app"	50%	17%	**+33ppt**
"I'm comfortable with a **company tracking the way I use their website or app**, as long as it can make the experience better for me"	48%	21%	**+27ppt**
"I'm comfortable being **served by artificial intelligence instead of a person**, as long as the service quality will be the same or better"	41%	26%	**+16ppt**

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "For each of the following, select the choice that best reflects your view. 1-5 scale (1 = Strongly Disagree, 5 = Agree). 1-2 classified as "disagreeing", 3 as "n/a or no opinion", 4-5 as "agreeing"

Digital user session activity is one of the least concerning forms of data in the eyes of customers, especially if anonymized when used by companies.

	Type of data	Concern rank: general use by companies	Concern rank: Company use solely if anonymized
Most concerning	Financials (salary, net worth, etc.)	1	1
	Voter registration, other public / legal filings	2	2
	Health, biometric data	3	3
	Social media account activity	4	5
	Employment history	5	4
	Geographic location	6	6
	Clicks, typing, page viewing done on company website / app	**7**	**8**
Least concerning	Demographics (age, ethnicity, etc.)	8	7

Rank based on % of customers saying they would or may have concerns with companies using that type of data

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "For each of the following types of information that may exist about you, select your comfort level with companies using it to deliver a more personalized experience." / "Similar to the previous question, consider your view on data use by companies whose websites or apps you visit. How do you feel if the data use was about you personally, or also if just used for all visitors grouped together anonymously (no personal details about any one person visible)? "

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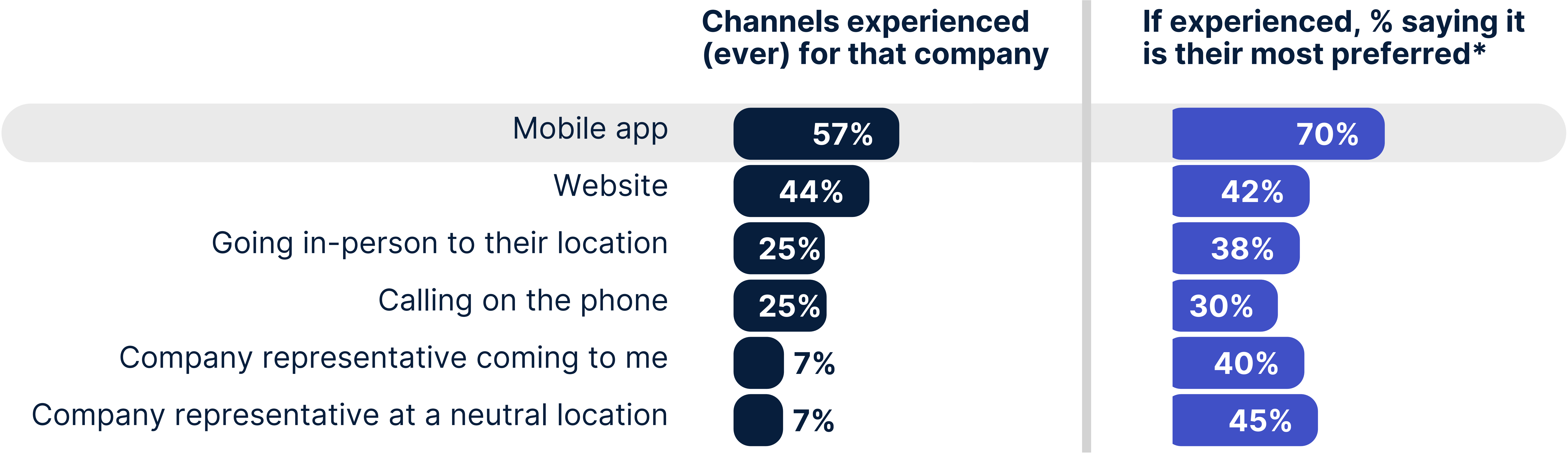
04

The website vs. mobile app choice

For their most recent digital interaction with a brand, customers most often used an app (and are inclined to want it that way).

Channel use history w/ company of most recent interaction, % indicating



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "In your history with this company in the past, through which channels have you ever engaged with them? Select all that apply" / "What is your view on which channel is overall the best experience with this company?" *Among the 81% who had some preference

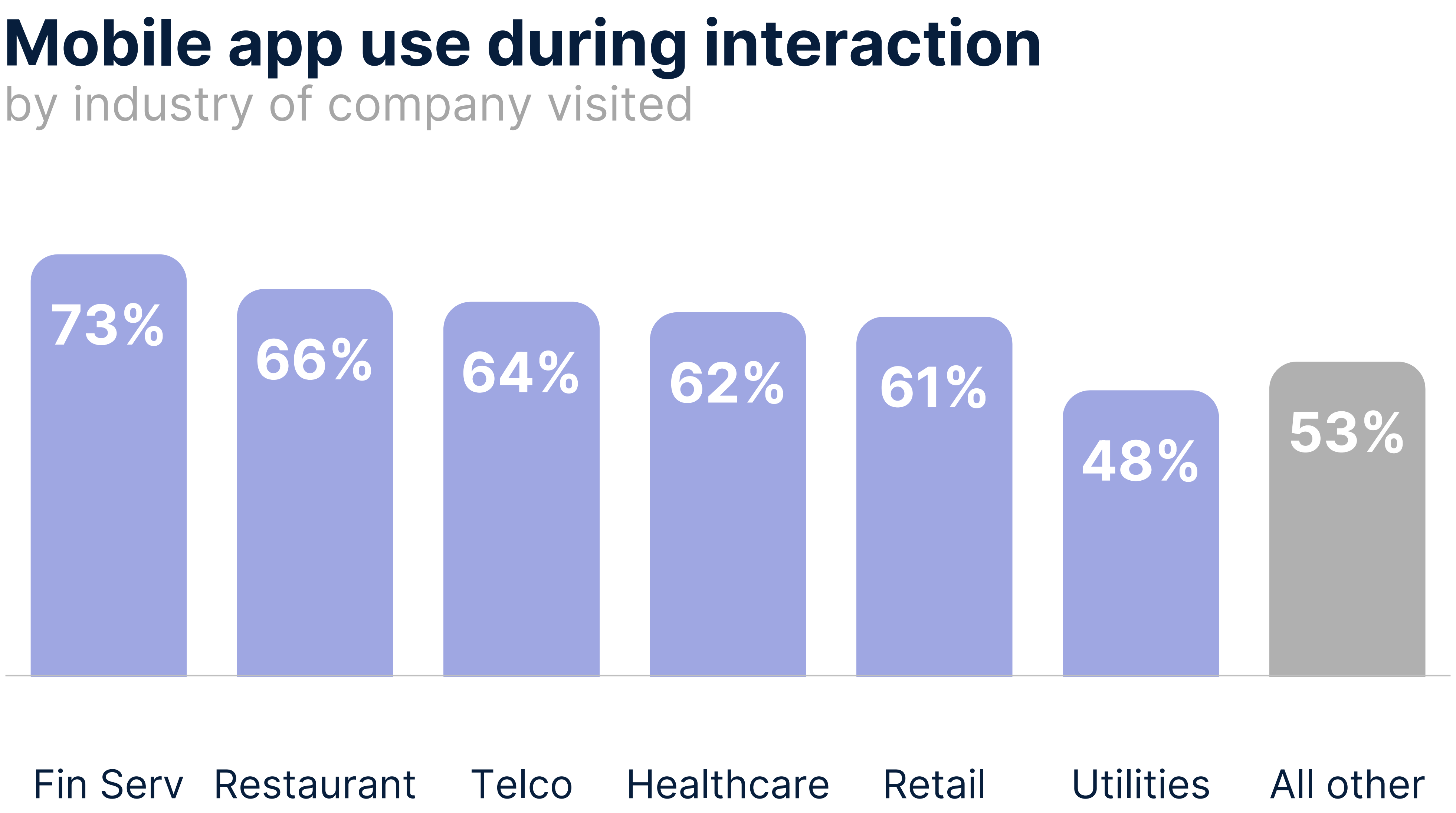
Mobile app use is especially common among more frequent customers, likely a result of their willingness to take the time to download it.

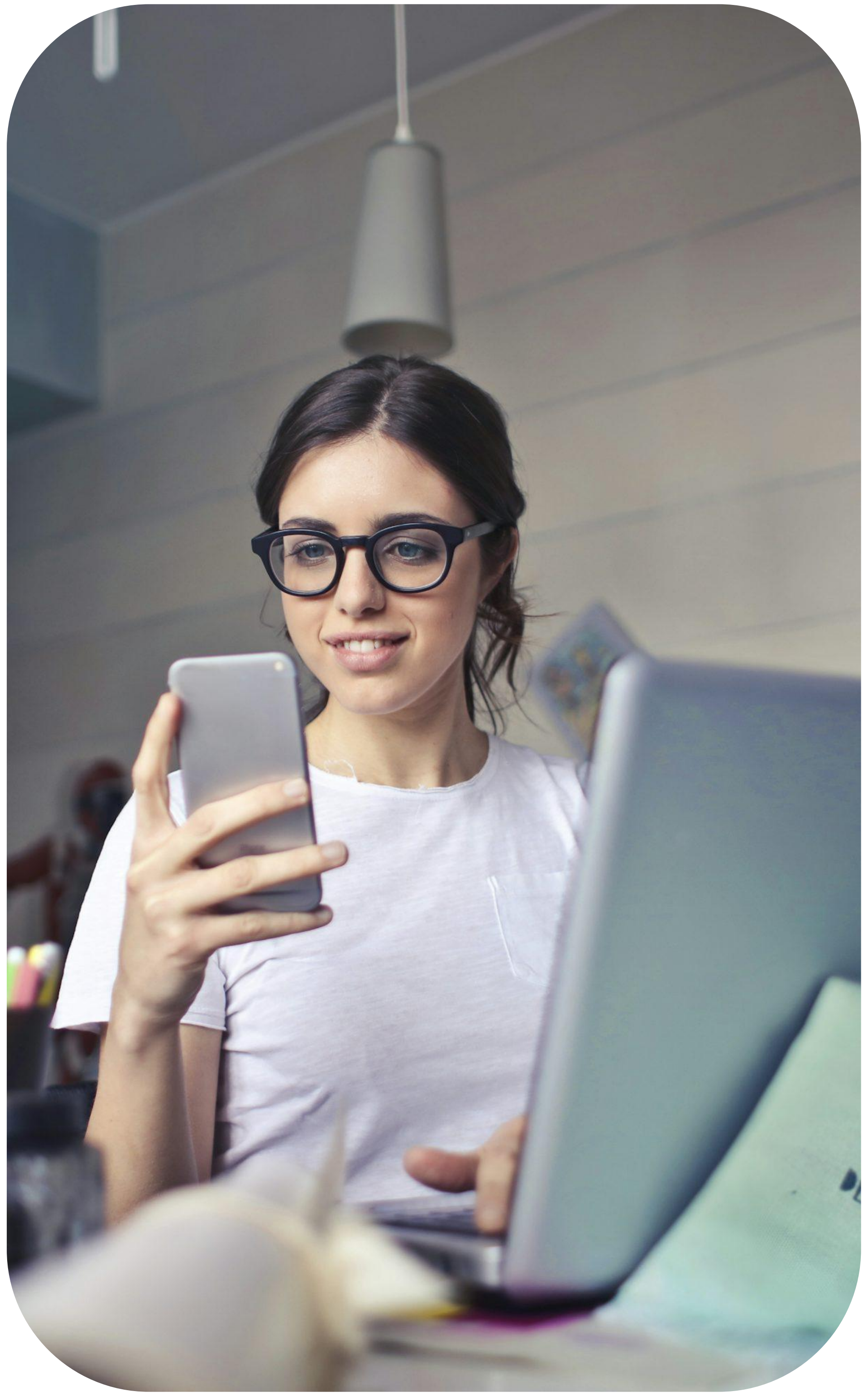
Digital channel use on this occasion, by customer frequency groupings

Channel of interaction on this occasion:	Frequency of interacting with brand: First time	3 or fewer per year	4-12 per year	Multiple per month or more frequent	**Total**
Mobile app only	28%	27%	39%	59%	**42%**
Website only (on a mobile device)	31%	36%	32%	16%	**27%**
Website only (on a computer)	15%	19%	14%	6%	**12%**
Both website and app	25%	18%	15%	19%	**18%**

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Through what digital channel was this interaction?"

Banking and restaurants are among the best industries for mobile app adoption.





From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Through what digital channel was this interaction?"

App engagement primarily happens directly whereas website activity is often due to redirection from a search engine or social channel.

What prior step led the user to the **website**?

Search engine (e.g. Google, Bing, etc.)	**30%**
Social Media advertisement (e.g. Facebook, Instagram, TikTok, etc.)	**21%**
Typed in website URL myself	**19%**
Clicked a link from an email, text message, or another website	**17%**
Interacting with an AI chat tool (e.g. ChatGPT, Gemini, etc.)	**5%**

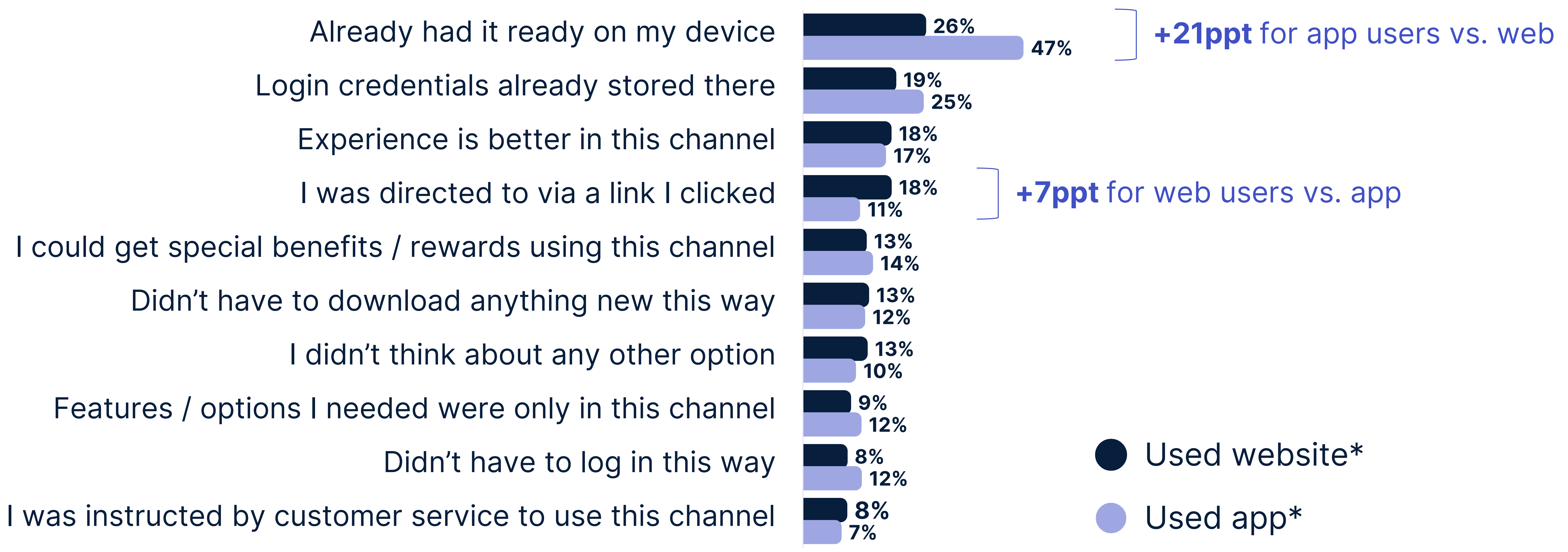
What prior step led the user to the **mobile app**?

Chose to open the app I already had on my device without being directed to it	**41%**
Clicked a link which opened the app I already had on my device	**23%**
Downloaded the app on this occasion and immediately opened it	**18%**
Pressed a push notification when it appeared on my device	**15%**
Other	**2%**

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "What brought you to the website on this occasion?" / "What brought you to the app on this occasion?" Top 5 shown for each web / app.

Repeat engagement of the mobile app is primarily just because it's there, affirming the relationship management opportunity of increased app downloads.

Visitor's reason for using one digital channel over another



From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Why did you choose the channel(s) that you did (e.g. app vs. website)? Select all that apply." *Excludes those who used both website and app

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Consumers generally find the mobile app experience better, especially for loyalty benefits and location-based features.

Channel preference, by attribute

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “In your typical experiences with companies, which factors cause you to use a website versus use a mobile app? Select the choice that best applies”. % not shown in figures above represents % saying the two choices are equal.

05

Innovations in digital experience

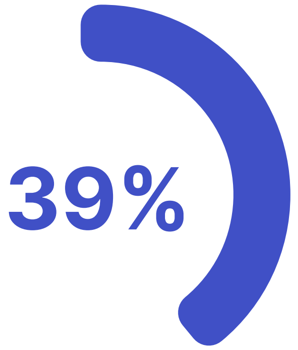
Many consumers are already using the next wave of digital innovations while shopping.

Activities exhibited by consumers in the past

say they have **purchased a product through a social media** platform

say they have have used a **conversational artificial intelligence tool** (like ChatGPT or Gemini) before

say they have used **“in-store mode”** on a company’s mobile app while at their location



say they have ended up on a **website after it was first referenced or linked** in a conversation they were having with an **AI tool** (like ChatGPT or Gemini)

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); “For each of the following, select the choice that best reflects your view. % selecting true

In-store mode is a notably popular experience innovation.

Popularity of digital experience innovations, % indicating

Feature / tool	As described to respondent	% saying feature would significantly enhance experience
In-store mode on mobile apps	special features and guidance on a user's phone, to use while physically at a company location (e.g. guiding correct aisle, requesting in-person help, etc.)	36%
Generative search	where search results yield much more than website links or documents, and instead provide complete answers to questions in conversation form	25%
Social commerce	expanding ability to shop, make transactions, and read/provide reviews all within a social media platform (including in livestream videos), all without going to another website or app	23%
Artificial Intelligence agents	providing customer service in place of a person but with speed and data processing power that may be much greater	20%
Web 3.0	where websites and apps use blockchain technology to provide greater use of visitor data for experiences, communications, and payments, plus better control user privacy	19%
Machines as customers	where digital products, like apps or AI assistants, can interact with companies on a customer's behalf (e.g. re-purchasing items that need replacing, comparing prices from two sellers, requesting refunds, etc.)	15%
Virtual reality	an environment made entirely of digitally-produced graphics and content and navigated like a separate world	14%
Augmented reality	where digital screens capturing real video footage can overlay details and graphics based on what is visible	14%

From Medallia Market Research December 2024 Digital Experience Survey (n = 2,002); "Of the digital features in which a company could be making investments know, which do you think would enhance your future experiences significantly? Select all that apply" Note: 19% selected "none of these".

Recap

- **Digital channel experience matters:** Over half of consumers say the quality of a brand's digital channels (namely website and mobile app) plays a big role in choosing one brand over another. Plus, a similar percentage say they've quit being a brand's customer at least once due to poor digital experiences. The biggest digital turn-offs for customers are data security risks, technical issues, and an inability to find what is being searched
- **Consequences of a poor digital experience:** Satisfaction rates and NPS can drop significantly when consumers face issues while on a website or app (and issues occur for roughly 1 in 6 visitors). Plus, facing an issue that is left unresolved can drive consumers to a competitor in 40% of situations.
- **Monitoring experiences with more than surveys:** Customer feedback can be revealing for technical issues and holistic gaps in content, product offering, or services available. However, it is not enough to fully monitor the quality of digital experiences, as limited representativeness of all customers (and bias of which customers give feedback) creates shortcomings. Relying more on inferences from passively tracking user behavior can help address this, and consumers have net favorability toward the benefits it could bring (and worry less about the use of this data than they do many other types of data).
- **Customer choice is drifting toward mobile apps:** Apps are becoming more common than websites for interacting with brands, especially among frequent customers and in industries like financial services, restaurants, and others. Visits on apps are usually driven more by the user than by external prompts, meaning brands must make app features compelling to spark the choice. Fortunately for app evangelists, consumers recognize that the app experience is better than a website in virtually every attribute.
- **Future innovations:** Consumers are relatively bullish on in-store app mode and generative AI. Other trending features with sizeable interest include enhanced social media commerce and web 3.0.

Thank you

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Questions? Contact
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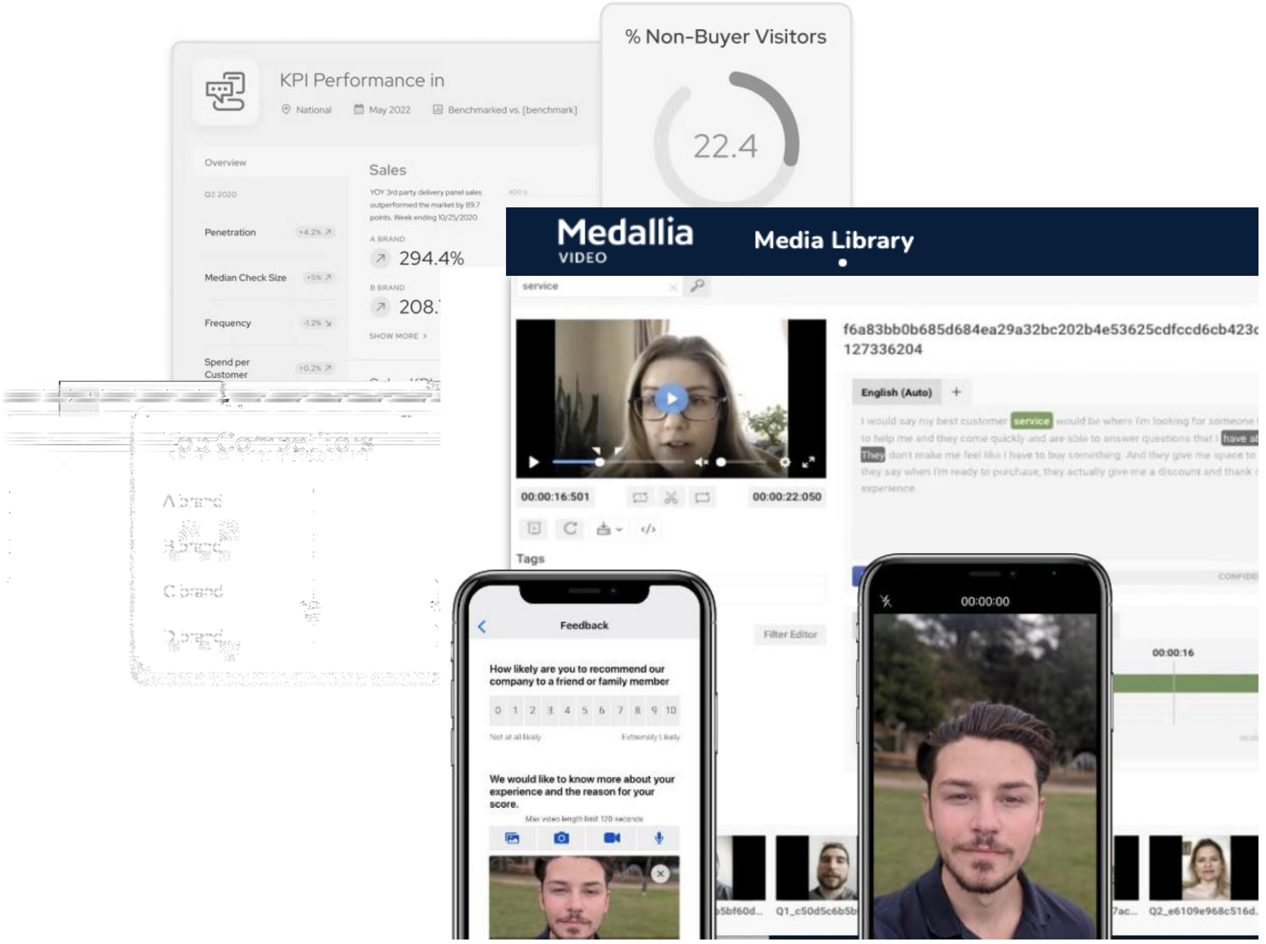

Medallia AGILE RESEARCH

- Quickly gather insights with a user-friendly DIY survey tool, built to support over 50 languages and complex methodologies (Max Diff or Conjoint).

Medallia VIDEO

- Capture and analyze rich video feedback from surveys, focus groups, or online journaling exercises. Bring these insights to life through video showreels and storytelling.

Medallia IDEAS

- A real-time ideation platform that inspires innovation development.