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Insights on Mobile Apps:

Research on Digital Experiences and Customer Preferences

Today's Presenters

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VP, Product - Digital, AI, & Orchestration @ Medallia

Session Contents

The Mobile App User Journey

Overcoming the Barriers to Further Mobile App Use

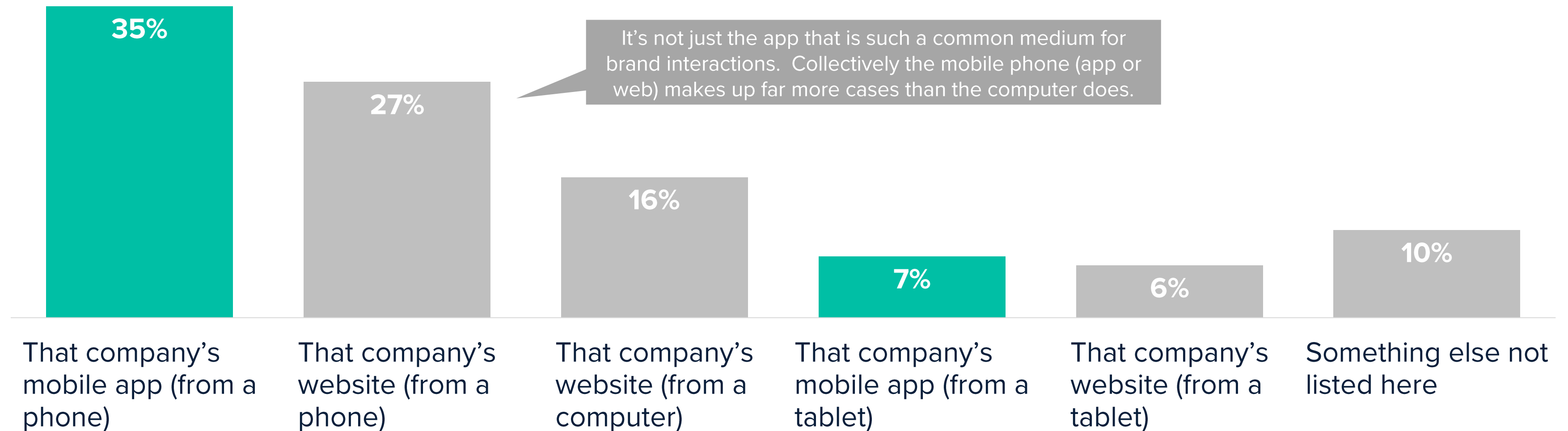Deep Dive: In-Store Mode

Concluding Remarks

The Mobile App User Journey

Apps closely rival websites for brand interactions

The single most common medium for recent company digital interactions is mobile app from a phone.

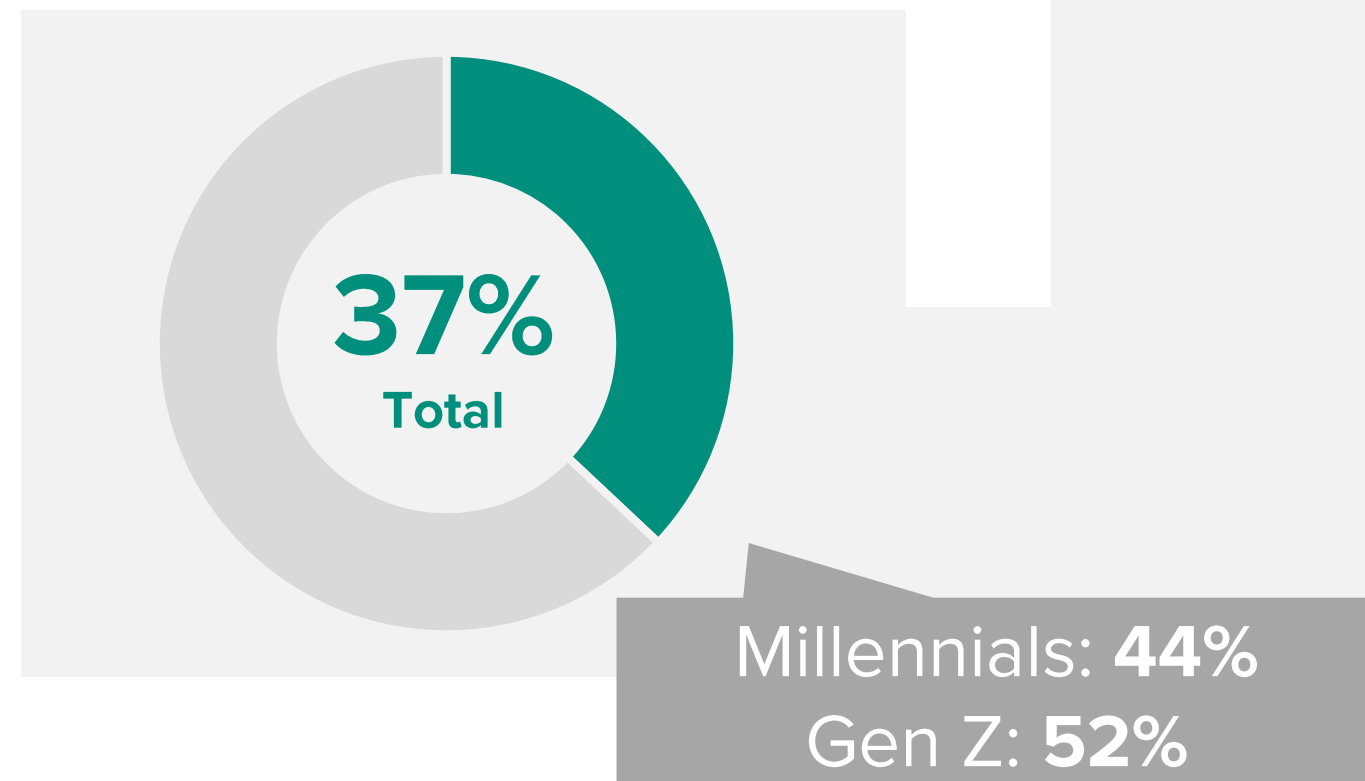**Most recent digital interaction w/ a company: Primary method used**

Think of the last time you interacted with a company through a digital channel (exclude cases where you were simply browsing on social media). During that last time you interacted with the company through a digital channel, which channel was it? Select the choice that best applies.

It's not just the app that is such a common medium for brand interactions. Collectively the mobile phone (app or web) makes up far more cases than the computer does.

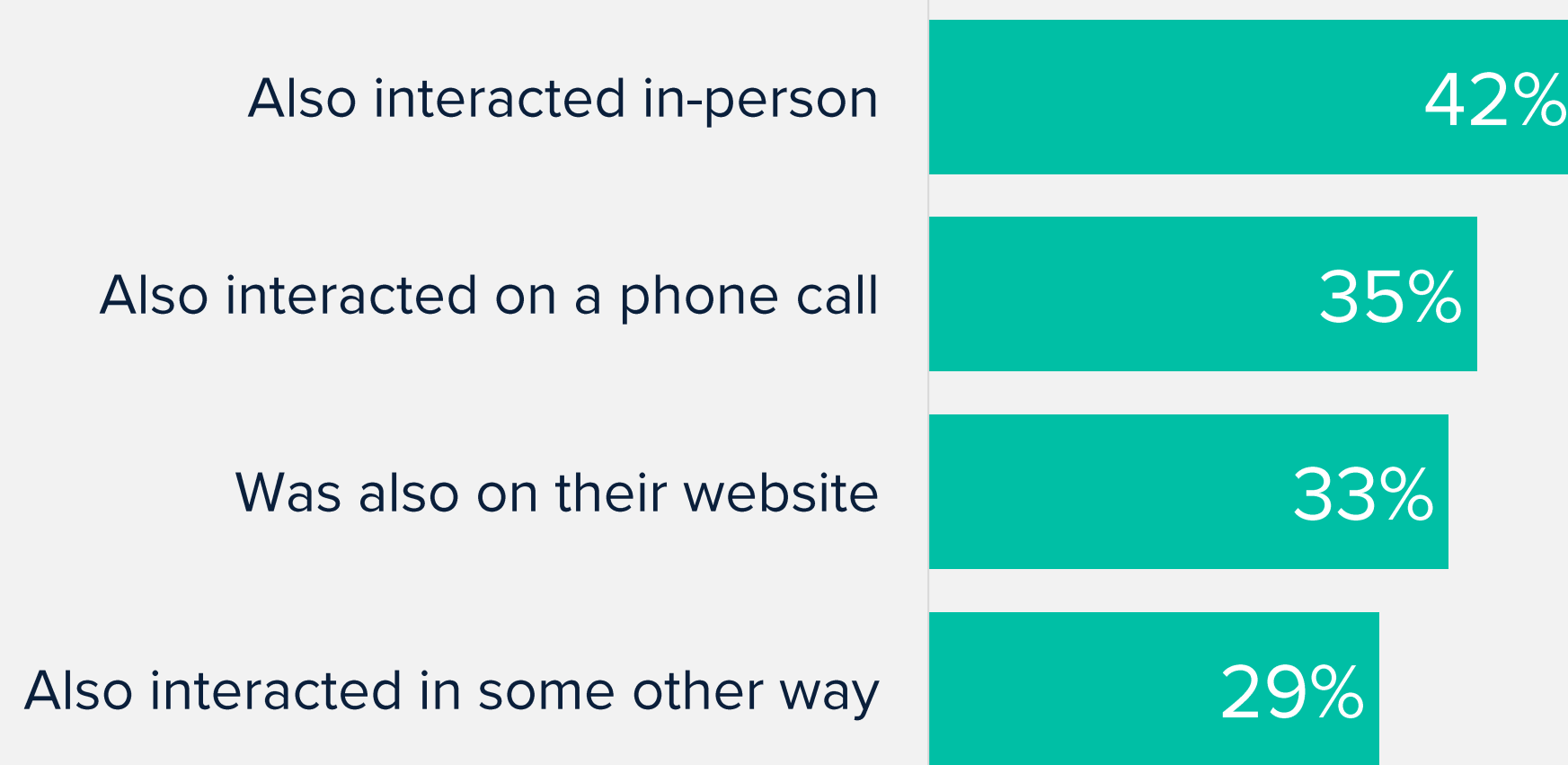| 35%	27%	16%	7%	6%	10%
That company's mobile app (from a phone)	That company's website (from a phone)	That company's website (from a computer)	That company's mobile app (from a tablet)	That company's website (from a tablet)	Something else not listed here

If the app is just one of multiple channels used in an interaction, in-person is also common

It ranks highest among the sizeable 37% of interactions that involve a mobile app, but not only a mobile app.

% of app users who also interacted via another channel on that occasion

37%
Total

Millennials: **44%**
Gen Z: **52%**

Of multichannel experiences, % by channel

Also interacted in-person	42%
Also interacted on a phone call	35%
Was also on their website	33%
Also interacted in some other way	29%

Apps are especially common when the reason for interaction is checking a status or making a payment

Reason for digital interaction

What was the specific reason for interacting with the company on that occasion?
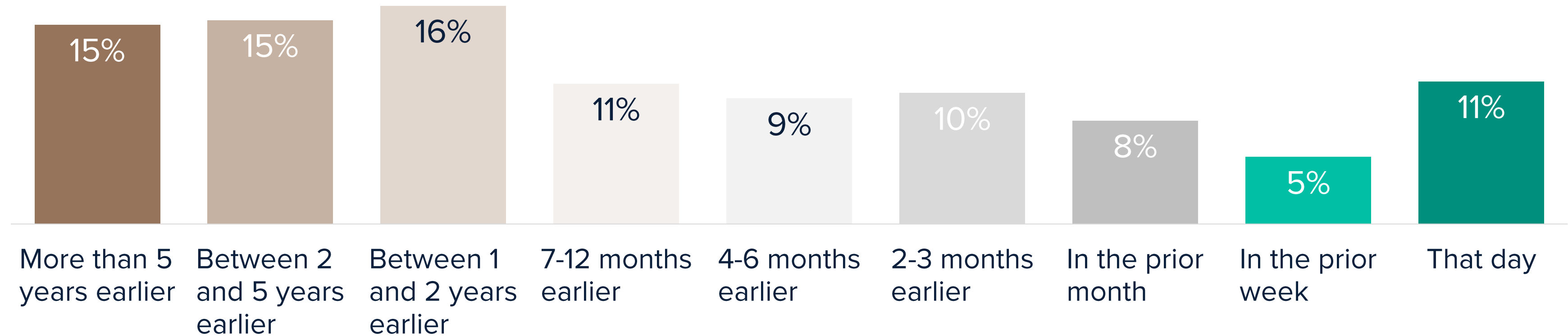
Index vs. Total (100 = on par)

	Total	Mobile app used	Not used
Buying something	22%	111	92
Checking a status or notification	22%	120	86
Making a payment on a bill	19%	120	85
Browsing, but not buying anything	15%	100	100
Receiving customer service (e.g. for an issue, assistance, questions, etc.)	14%	87	109
Updating / modifying my account or profile info	10%	88	109
Something else not listed here	8%	51	135
Modifying in-progress transaction / reserving a future transaction (e.g. booking / reservation)	7%	81	114
Viewing written content (e.g. post, article, FAQs, policies, etc.)	7%	62	128
Viewing video content	6%	94	104
Returning / canceling something I previously bought	4%	108	94
By accident	3%	72	120

App use occasions are commonly with experienced users

But nearly 1 in 10 were also first time uses (having downloaded just that day)

Most recent app used: when first downloaded?
How long ago had you first downloaded that app (not counting upgrading it to a newer version)? Select the choice that best applies.

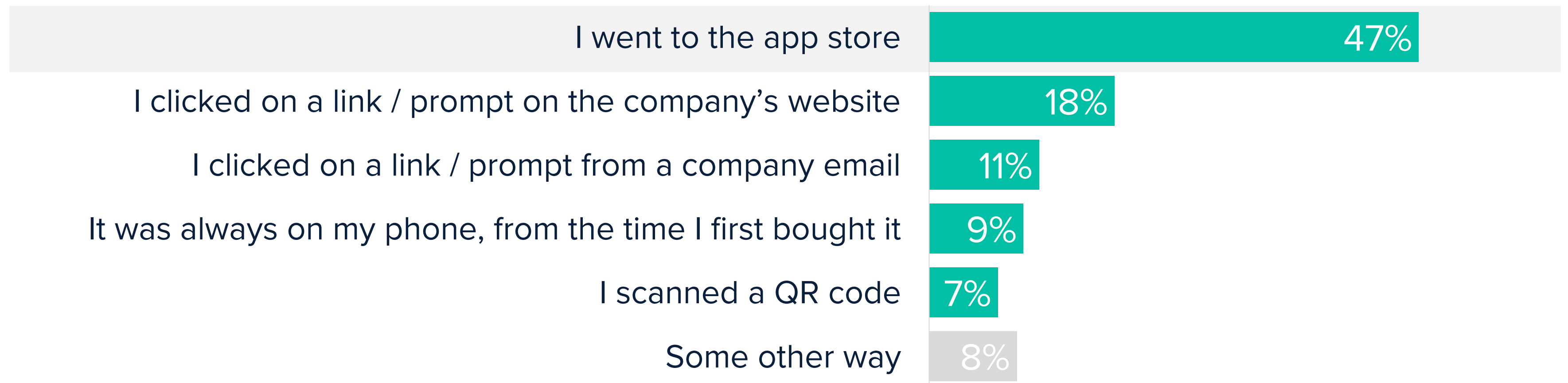|								
15%	15%	16%	11%	9%	10%	8%	5%	11%
More than 5 years earlier	Between 2 and 5 years earlier	Between 1 and 2 years earlier	7-12 months earlier	4-6 months earlier	2-3 months earlier	In the prior month	In the prior week	That day

Users often seek out the apps they use, without the company directing them from another owned channel

The app store is the source of roughly half of the apps most recently used

Most recent app used: how first downloaded?

What was the path you took to download it? If you don't remember for sure, select your best guess.

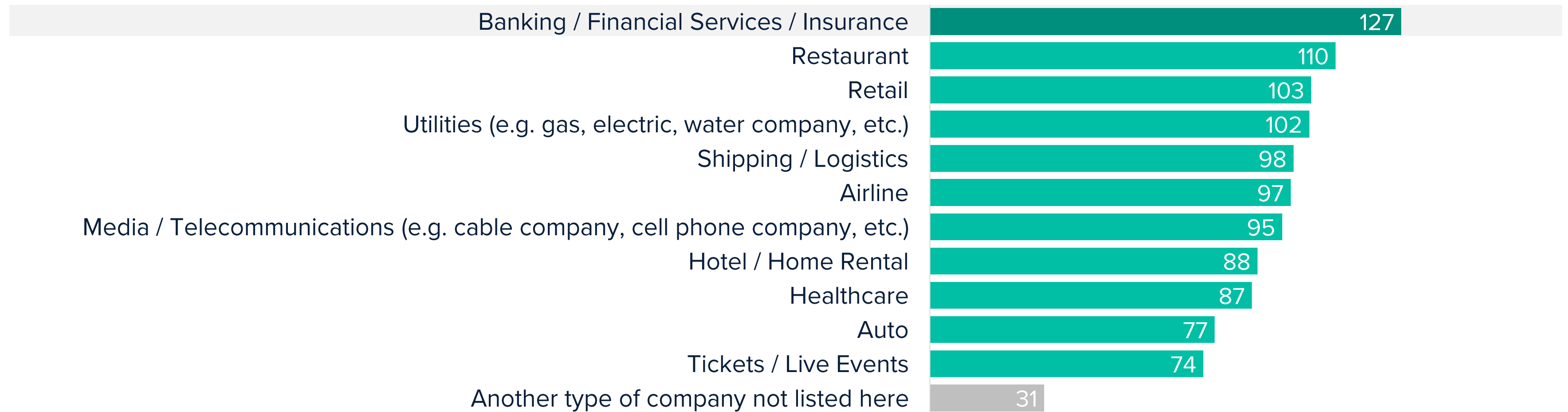|	
I went to the app store	47%
I clicked on a link / prompt on the company's website	18%
I clicked on a link / prompt from a company email	11%
It was always on my phone, from the time I first bought it	9%
I scanned a QR code	7%
Some other way	8%

Financial services over-indexes in mobile apps as a primary digital interaction channel

Tickets / live events, Auto, and Healthcare are least.

Mobile app as means of interaction: Industry Index

During that last time you interacted with the company through a digital channel, which channel was it? Index: 100 = proportion of interactions is on par with cross-industry average

Industry	Index
Banking / Financial Services / Insurance	127
Restaurant	110
Retail	103
Utilities (e.g. gas, electric, water company, etc.)	102
Shipping / Logistics	98
Airline	97
Media / Telecommunications (e.g. cable company, cell phone company, etc.)	95
Hotel / Home Rental	88
Healthcare	87
Auto	77
Tickets / Live Events	74
Another type of company not listed here	31

Medallia From Medallia Market Research September 2023 US Gen Pop Survey (n = 2,000).
*Note: low sample for individual industries

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Mobile apps are associated with a better experience than a website

## Digital Experience Ratings: % giving 9 or 10 on 0-10 Scale
How would you rate your satisfaction with the interaction you had with the company on that occasion?
For this recent interaction with the company you have been asked about, how "personalized" did it feel to you? Use your best judgment on what "personalized" means in terms of interacting with a company.
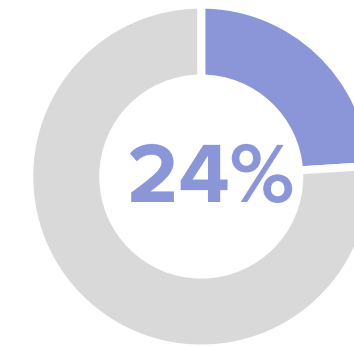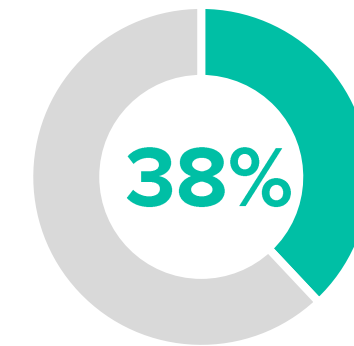
|	Used Mobile App	Did Not Use Mobile App
Rating: **Overall Satisfaction**	53%	38%
Rating: **How Personalized the Interaction Felt**	31%	24%
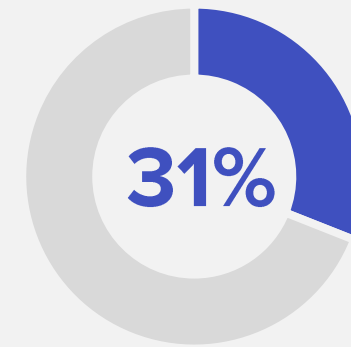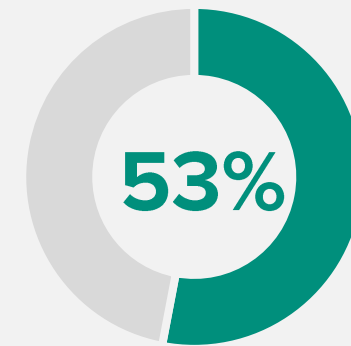
Many consumers are likely to feel the app experience is rivaled only by going in-person

A majority feel the app experience is better than calling in, and nearly half also feel it is better than using the brand's website.
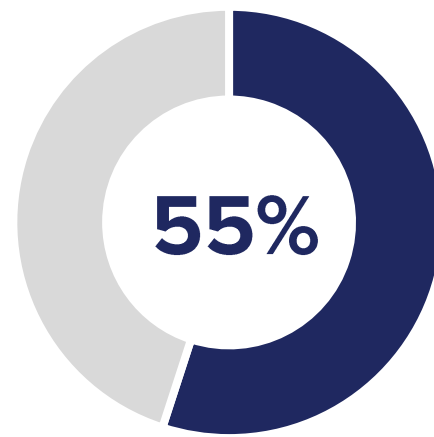
% Agreement re: Mobile App Experience

For each of the following, select the choice that best represents your feelings. % selecting 4 or 5 on 1-5 scale

"Companies do a **better job of making their mobile app** experience feel **personalized** compared to their website experience"
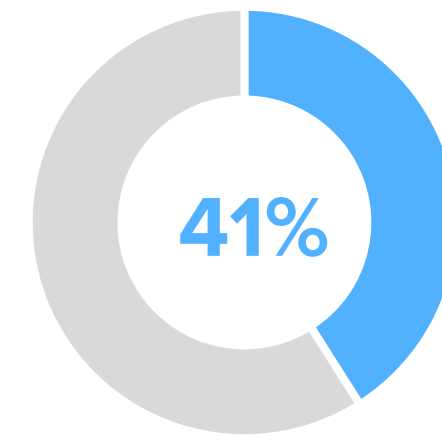
53%
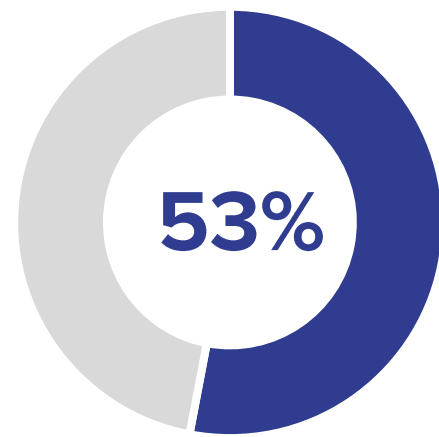
"**Mobile apps** provide a significantly **better** experience than **calling in** to a company"

55%

"**Mobile apps** provide a significantly **better** experience than using a company's **website**"
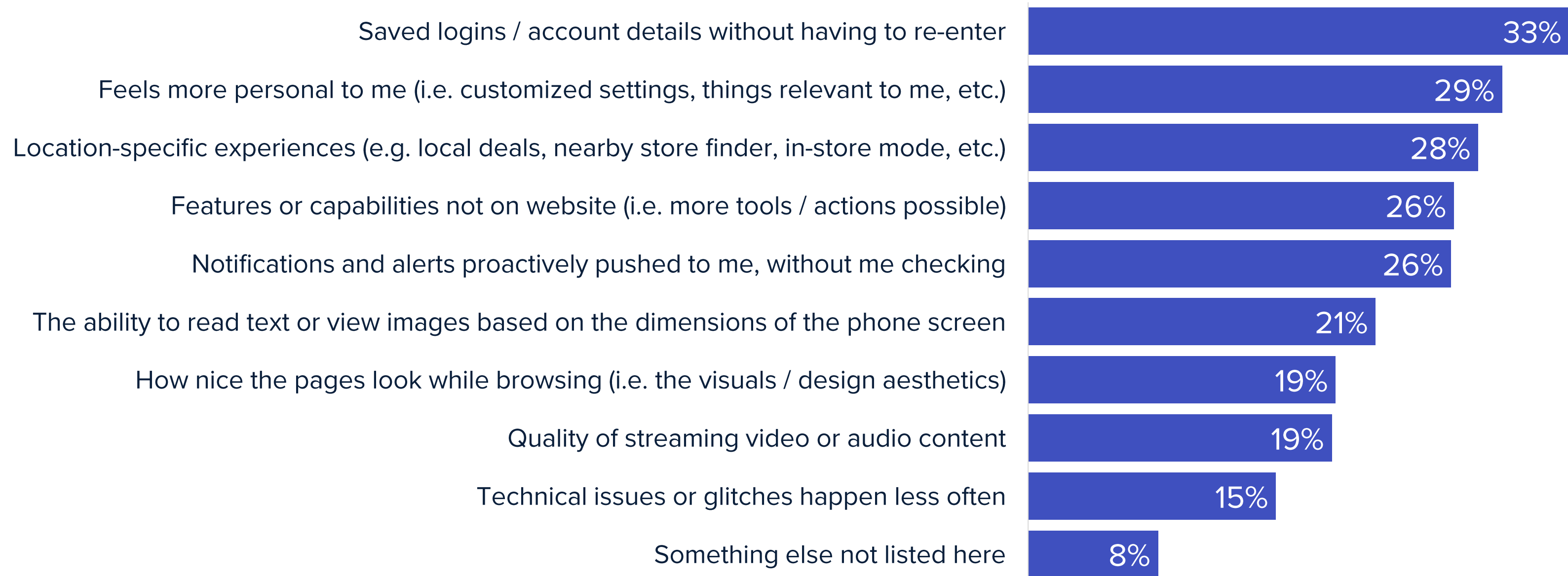
48%
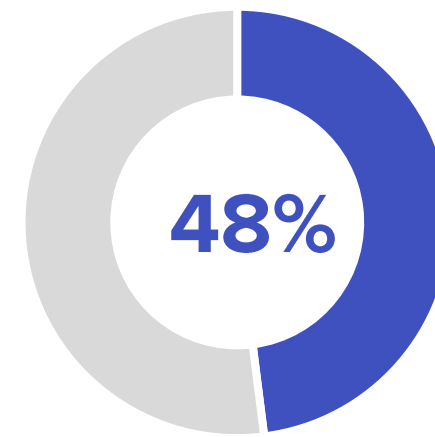
"**Mobile apps** provide a significantly **better** experience than shopping **in-person**"

41%

Saved logins / details and more personalized experiences drive the higher satisfaction
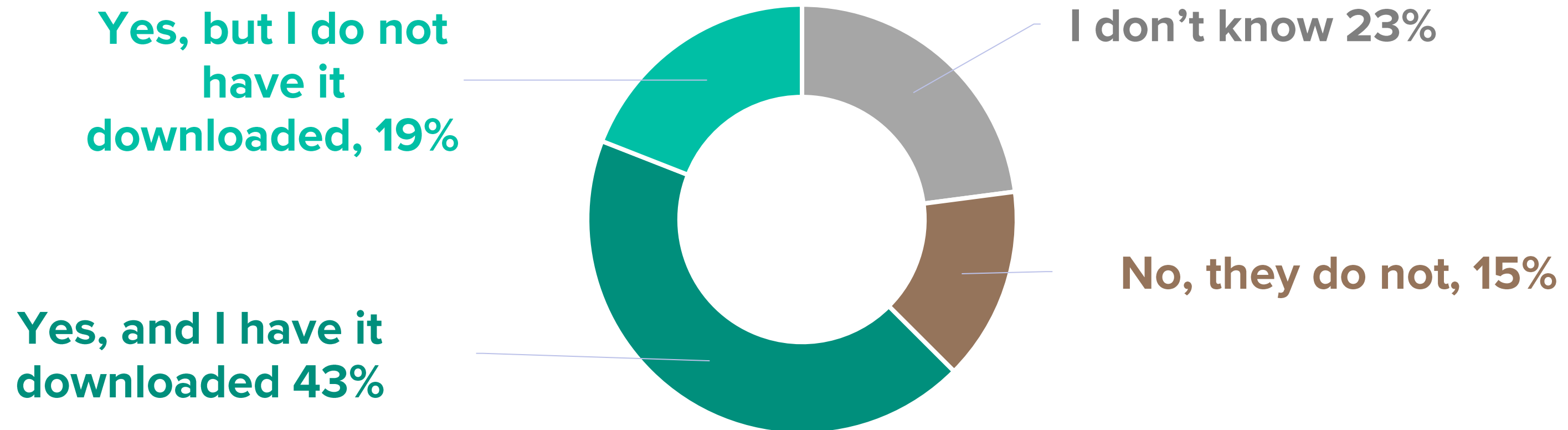
What typically makes an app better than a website
What features typically make an app better than a website, in your experience?

Saved logins / account details without having to re-enter	33%
Feels more personal to me (i.e. customized settings, things relevant to me, etc.)	29%
Location-specific experiences (e.g. local deals, nearby store finder, in-store mode, etc.)	28%
Features or capabilities not on website (i.e. more tools / actions possible)	26%
Notifications and alerts proactively pushed to me, without me checking	26%
The ability to read text or view images based on the dimensions of the phone screen	21%
How nice the pages look while browsing (i.e. the visuals / design aesthetics)	19%
Quality of streaming video or audio content	19%
Technical issues or glitches happen less often	15%
Something else not listed here	8%

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Non-app users often have the opportunity to use the app – many even already have downloaded it

Non-App Users: Knowledge of App?

You mentioned the last time you interacted with this company, you did it in a way that wasn't using a mobile app. To your knowledge, does that company have a mobile app?

Yes, but I do not have it downloaded, 19%

I don't know 23%

No, they do not, 15%

Yes, and I have it downloaded 43%

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The nuances of the customer journey often lead to the app not being used, even if it could

Those that have the app but instead used the website on their most recent interaction often arrive there based on already doing something else away from their phone.

Haven't downloaded app: Why Not?
(Top 5 of 13 reasons)

29% Phone too cluttered with apps already

27% Don't expect to interact with this company often enough

17% Concerned the app will use up too much battery life

16% Don't have the storage space for more apps

14% Don't think the app improves the experience over just using the website

Have app but didn't use it: Why Not?
(Top 5 of 10 reasons)

29% Was already on a computer / not near my phone when I started the interaction

16% Forgot I already had the app when I started this interaction

16% App lacks features or capabilities compared to their website

15% Was directed straight to their website from somewhere else (e.g. email link)

13% Had login / account issues using their app
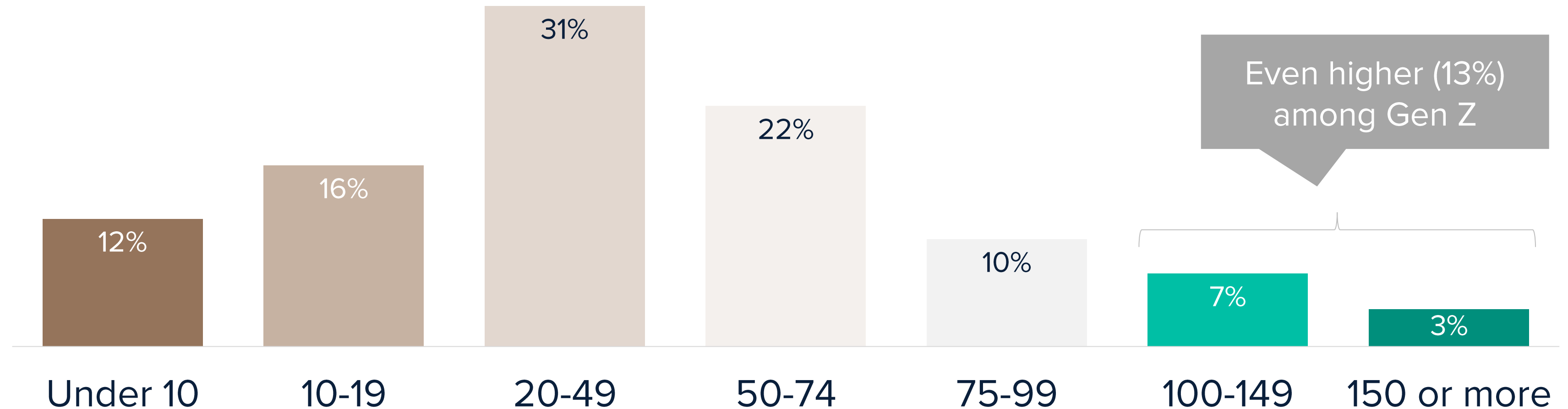
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Overcoming the Barriers to Further Mobile App Use

App competition for user attention is high

Nearly half of respondents believe they have over 50 apps on their phone. 10% believe they have over 100.

Estimated number of apps on phone

How many mobile apps do you estimate you currently have downloaded on your mobile phone, in total? In your estimate, include any apps that came installed on the phone originally. Think carefully, as it may be more than you originally thought.

Even higher (13%) among Gen Z

Under 10	10-19	20-49	50-74	75-99	100-149	150 or more
12%	16%	31%	22%	10%	7%	3%

Of all the apps you have, what percent of them do you estimate you use at least once a [week / month]?
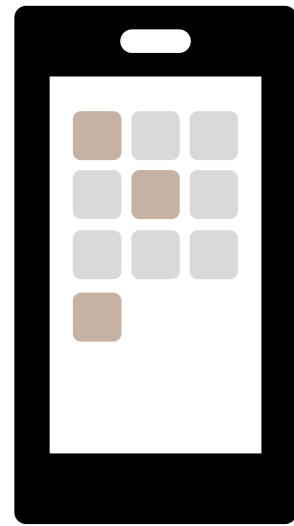
The majority* of respondents say they use **under 40%** of the apps on their phone in a typical **week**
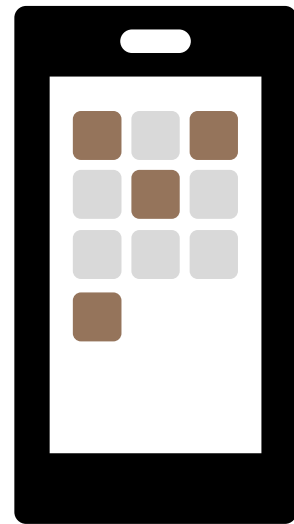
The majority** of respondents say they use **under 50%** of the apps on their phone in a typical **month**

As a result, many apps sit unused on phones

Only 21% of respondents say they use at least 70% of the apps on their phone monthly.

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Driving more app adoption: tangible benefits / rewards and touchpoint-centric experience design

Consumers are less inclined to go through the trouble of downloading an app if their future interactions are likely to be limited, or if barriers like fees or a lengthy account creation process exist.

Top reasons for downloading an app
(Top 5 of 12 reasons)

31% The company offers benefits (e.g. discounts, offers, rewards, etc.) when using

28% I expect to interact with that company often in the future

26% The app allows for saved logins / account details without having to re-enter

22% The app has features or capabilities not on website (i.e. more tools / actions possible)

19% The app will feel more personal to me (i.e. customized settings, relevance, etc.)
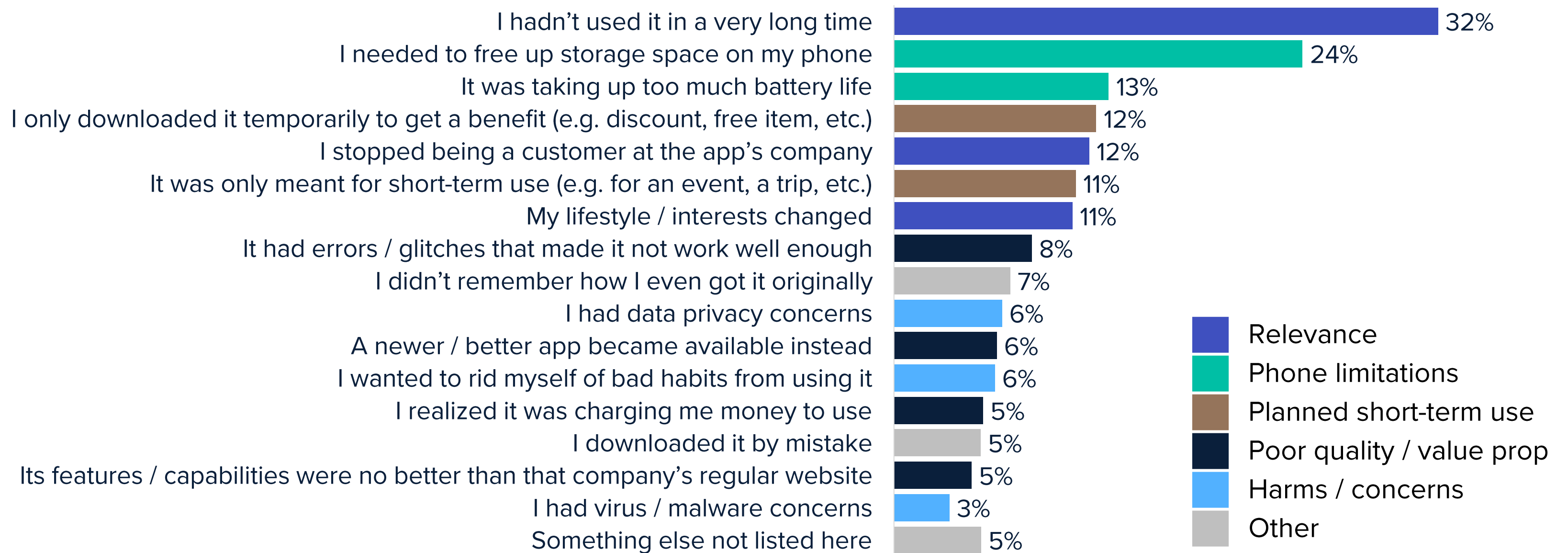
Top reasons for passing on downloading
(Top 5 of 12 reasons)

30% I don't expect to interact with that company often enough to go through the trouble

28% I feel my phone is too cluttered with apps already

24% The app has fees I don't want to pay

22% I don't have the storage space for more apps

19% I don't want to create an account / login in order to use the app

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Apps are often deleted when becoming irrelevant to the user's lifestyle or when phone limitations (e.g. storage space / battery life) emerge

Why people delete mobile apps

The last time you deleted an app, what was the reason?

Reason	%
I hadn't used it in a very long time	32%
I needed to free up storage space on my phone	24%
It was taking up too much battery life	13%
I only downloaded it temporarily to get a benefit (e.g. discount, free item, etc.)	12%
I stopped being a customer at the app's company	12%
It was only meant for short-term use (e.g. for an event, a trip, etc.)	11%
My lifestyle / interests changed	11%
It had errors / glitches that made it not work well enough	8%
I didn't remember how I even got it originally	7%
I had data privacy concerns	6%
A newer / better app became available instead	6%
I wanted to rid myself of bad habits from using it	6%
I realized it was charging me money to use	5%
I downloaded it by mistake	5%
Its features / capabilities were no better than that company's regular website	5%
I had virus / malware concerns	3%
Something else not listed here	5%

Legend:
- Relevance
- Phone limitations
- Planned short-term use
- Poor quality / value prop
- Harms / concerns
- Other

Data privacy and too much clutter on phones are common concerns

They are more commonly cited than concerns over companies pushing too hard to get you to download their app, or a brand having an app unnecessarily.
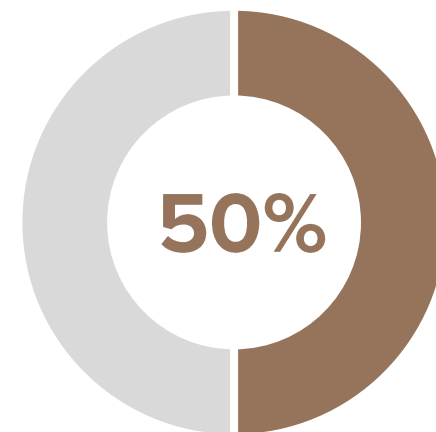
% Agreement re: Mobile App Experience
For each of the following, select the choice that best represents your feelings. % selecting 4 or 5 on 1-5 scale
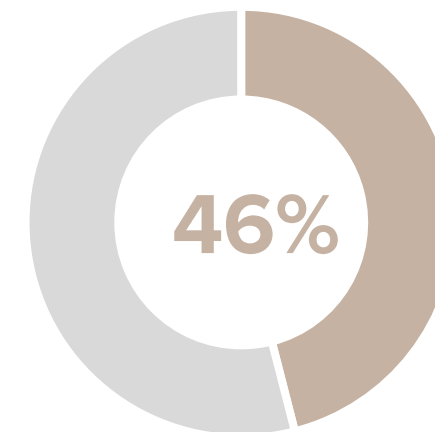
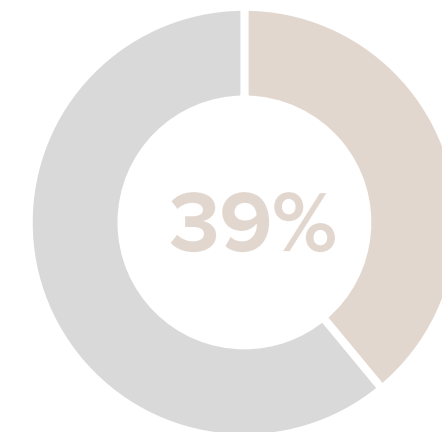"**I worry** about how my activity is being tracked or my **data** is being used from mobile apps"

53%
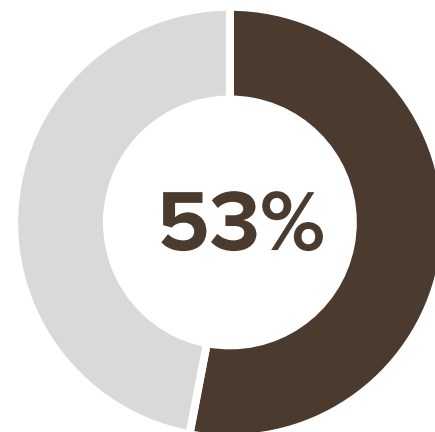
"**I have too many mobile apps** downloaded on my phone"

50%

"**Companies push too hard** to get you to download their mobile app"

46%

"**A lot of companies** offer their own mobile **app**, but **don't need to**"
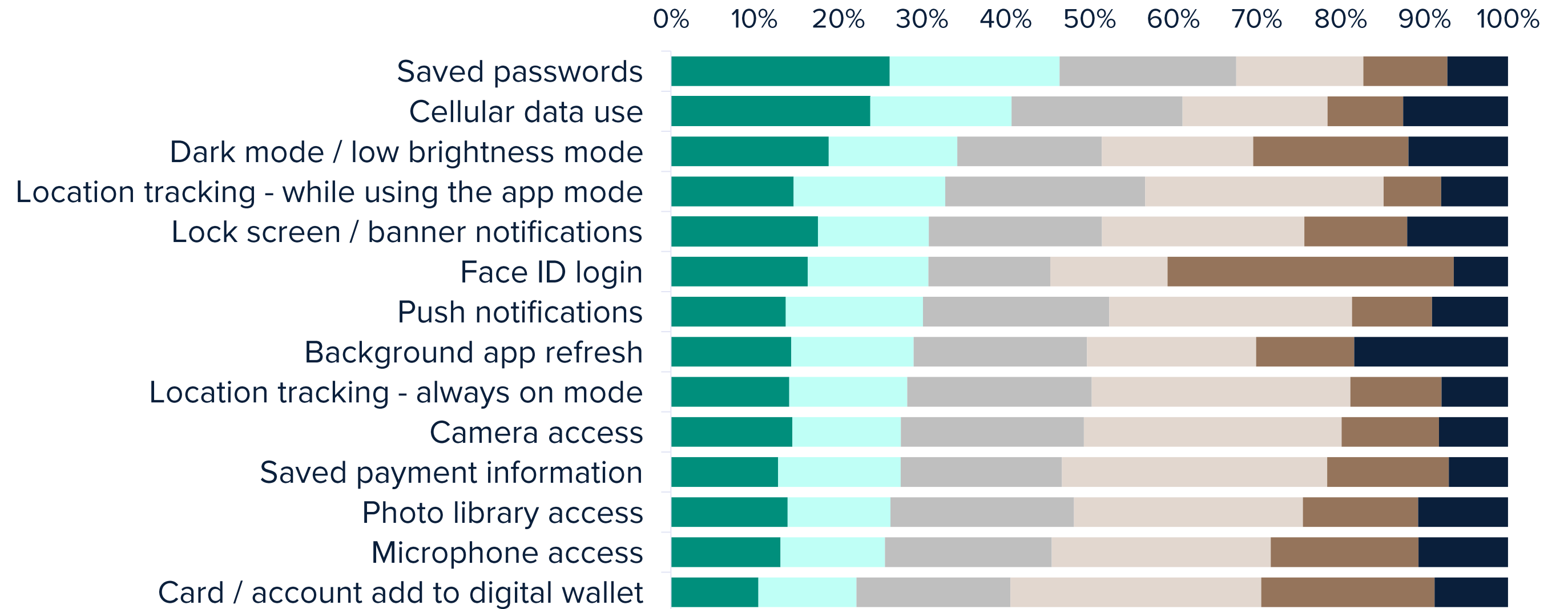
39%

Consumers like saving passwords on apps, but often avoid other features or modify settings

App settings most likely to be allowed / turned on
What settings do you typically apply or leave on when using a mobile app? Select the choice that best applies.
Sorted by Always / Often %

Legend:
- ■ Always / all of my apps
- ■ Often / more than half of my apps
- ■ Half of my apps
- ■ Rarely / less than half of my apps
- ■ Never / none of my apps
- ■ I don't know

Chart categories (top to bottom):
- Saved passwords
- Cellular data use
- Dark mode / low brightness mode
- Location tracking - while using the app mode
- Lock screen / banner notifications
- Face ID login
- Push notifications
- Background app refresh
- Location tracking - always on mode
- Camera access
- Saved payment information
- Photo library access
- Microphone access
- Card / account add to digital wallet

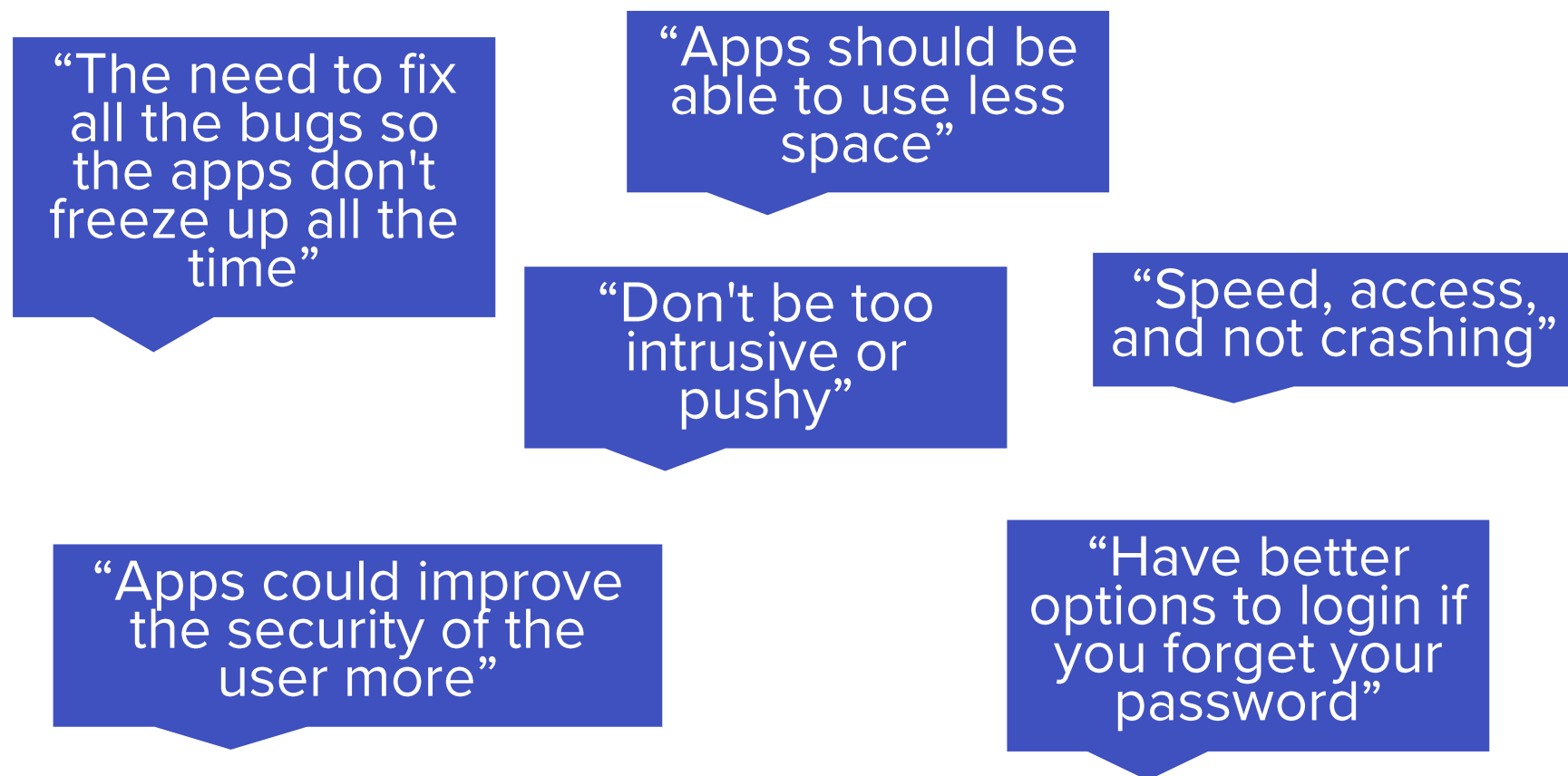Axis: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Consumers seek better performance / speed and security most in an app improvement wish list

General UX improvements (e.g. login troubleshooting process) and more personalization options (e.g. customization of notifications) are also common.

In their own words: Respondent views on what could make mobile apps better

What things could apps typically improve on? Answer in your own words.

Example entries

"The need to fix all the bugs so the apps don't freeze up all the time"

"Apps should be able to use less space"

"Don't be too intrusive or pushy"

"Speed, access, and not crashing"

"Apps could improve the security of the user more"

"Have better options to login if you forget your password"

Top 5 Themes

1. Performance and Speed
2. Privacy and Security
3. User-Friendliness
4. Updates and Bug Fixes
5. Personalization and Customization

Deep Dive: In-Store Mode

In-Store Mode*: A separate mode for in-store shoppers that leverages the phone's location technology to provide relevant information based on where they are located inside a store.
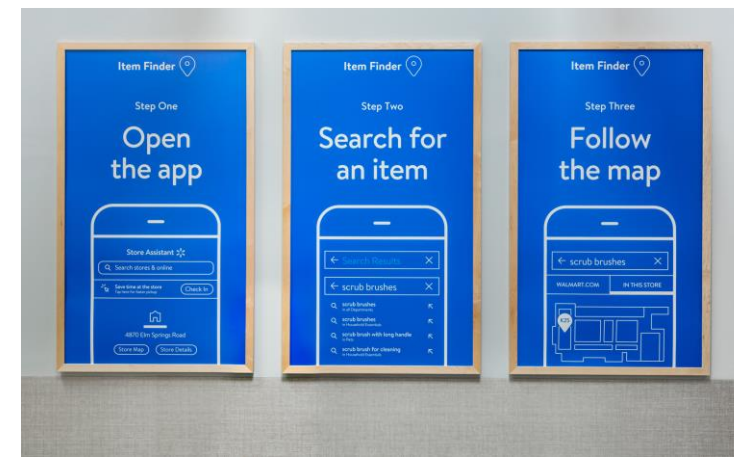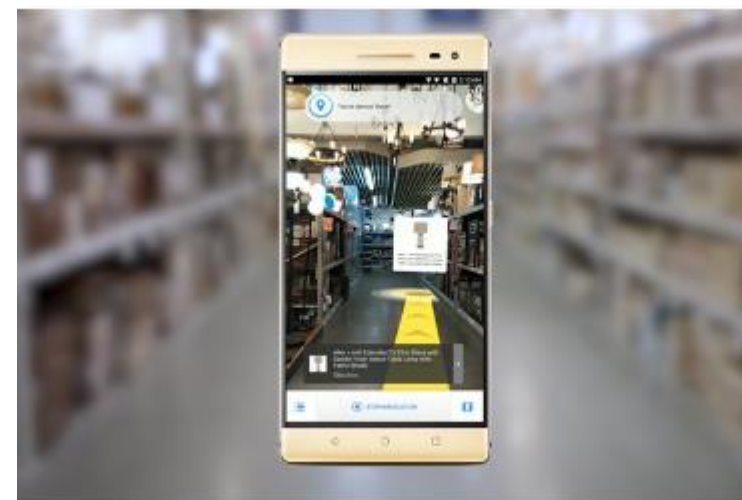
Example brands with In-Store Mode
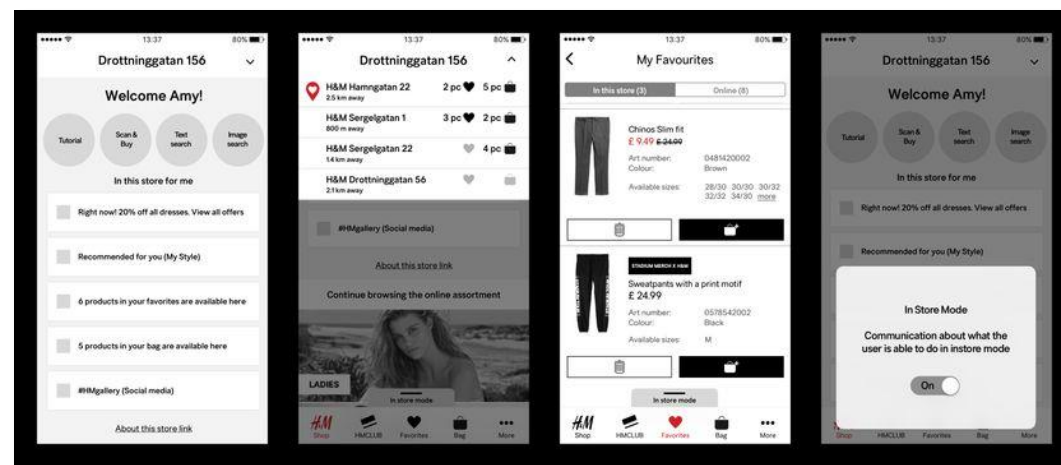
H&M


The Home Depot

Walmart

Lowe's

What is In-Store Mode?

*Definition via Retail Dive

Millennials are most likely to be aware of, and have knowingly used In-Store mode

Still, no generation has a majority with experience knowing using In-Store mode.

In-Store Mode Prevalence
Are you familiar with mobile apps that have "in-store mode"?

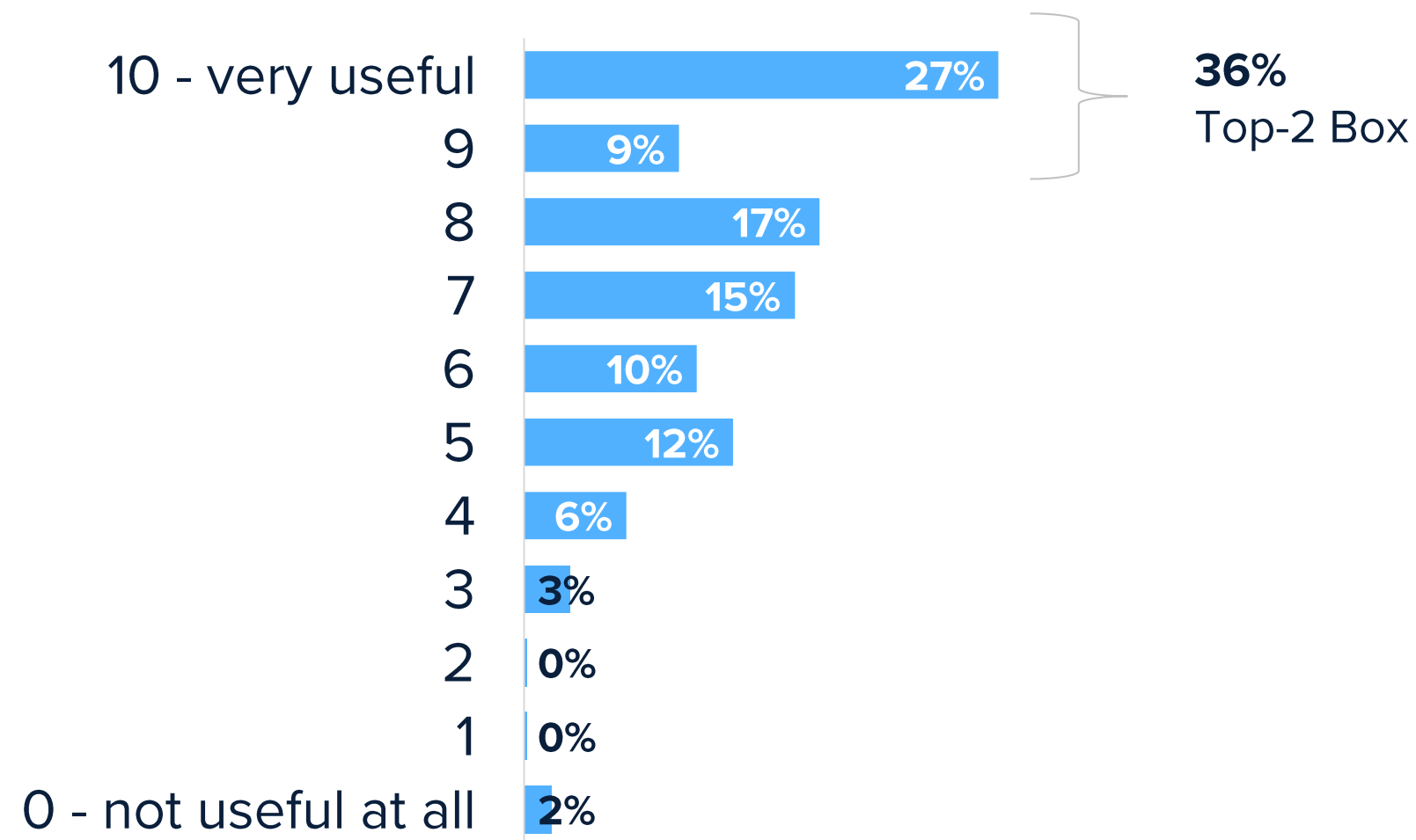|	Aware of In-Store Mode	Have Ever Used It
Boomer	29%	18%
Gen X	46%	25%
Millennial	57%	32%
Gen Z	53%	29%
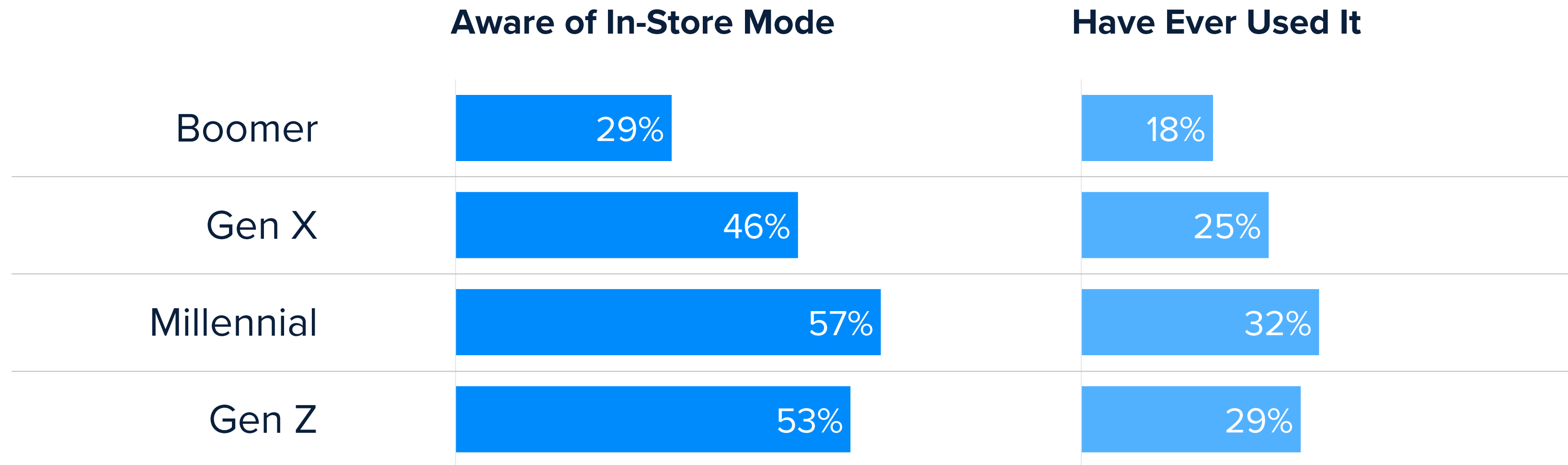
Many user are satisfied with in-store mode as-is, but also have ideas for improvements

More real-time information, reduced glitches, and more discounts are especially popular user-generated ideas

Usefulness rating: In-Store Mode
How useful do you find "in-store mode"? Among prior users.

Rating	%
10 - very useful	27%
9	9%
8	17%
7	15%
6	10%
5	12%
4	6%
3	3%
2	0%
1	0%
0 - not useful at all	2%

36% Top-2 Box

Free response themes: What would make In-Store Mode better?

1. More real-time, accurate information about in-store items
2. Glitches and slow loading
3. Show more in-store discounts / offers
4. Privacy & security
5. Nothing / satisfied as-is

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Concluding Remarks

Recap

Insights on Mobile Apps:

Research on Digital
Experiences and
Customer Preferences

- Data shows that mobile apps make up a large proportion of the digital interactions between customers and brands, underscoring the finding that collectively mobile devices have outpaced computers in frequency of brand interactions. Mobile apps also typically generate better customer satisfaction scores and personalization ratings from consumers than other digital experiences through a channel other than a mobile app.

- Considering the importance of the channel and the potential customer satisfaction benefit associated with driving consumer adoption of apps, there are elements of the typical user journey that can be incorporated for brands to boost usage.

  - For a single interaction, over a third of app users also interacted with the brand through another method (e.g. in-person). Orchestrating experiences with respect to channel switching is critical to ensure proper continuity of service with the app.

  - App users often have either used that app for years, or just started using it (1 in 10 interactions on an app are from a user who downloaded it that day). Proper education on features is critical for new users, as are ways of driving re-engagement and return interactions for long-time lapsed users. This is further evidenced by data showing how common it is for consumers to have dozens of apps on their phone they don't typically use in a given week or month, and how many brand interactions on websites are from consumers who do also have the app but didn't think to use it, or were caught midway through already using a website, when the interaction began.

  - Consumers are also likely to get apps through the app store (vs. a brand's owned channels), use them for recurring activities like status checks and bill pay (and less often for content or service), and pick them when interacting with brands in industries like banking or restaurant / retail. Driving more app engagement, based on this, can come from designing enriching features that aren't also found in other channels like the website, being more active in links or other directives to drive downloads, and to offer loyalty / rewards benefits on the app. Sensitivity to privacy preferences and avoiding defaults for data, camera, or microphone access that most consumers would prefer be off is also key.

- In-Store Mode is a growing capability being launched by many brands. Awareness of the concept is around 40% and trial around 25%, with skews toward younger generations for both. Consumers generally like it but prefer better real-time information while in the store, bug fixes, and more in-store discounts / offers be prioritized going forward.

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Questions?

Contact us at
briefings@medallia.com

Thank You

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1 **Sense360**
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