



The App Attention Index

A 2017 study examining the impact of app performance
on consumer behavior and business outcomes

About This Report

With massive revenue potential from mobile application usage, the 2017 App Attention Index benchmarks consumer expectations and experiences with the digital services of today and tomorrow.

Benchmarking against “The App Attention Span” report conducted by AppDynamics and Institute of Management Studies (IMS) at Goldsmiths, University of London in 2014, the 2017 study examines the impact of the increasing use of mobile devices on aspects of people’s behavior, as well as the corresponding business implications.

The survey includes 1,000 consumers each from the United States, the United Kingdom, France, Germany, and Australia, for a total of 5,000 surveyed respondents.

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Executive Summary

The importance of applications to users, and the enterprises who make them, remains consistent in 2017.

In an industry full of predictions, the importance of mobile applications in the lives of users was arguably underestimated in 2014. Today, over half (52%) of respondents rely on digital services like online banking and shopping to relieve the stress of their daily lives. As a result, enterprise application performance is more important than ever.

As a whole, enterprises still haven't answered the call to boost performance quality.

Many enterprises aren't keeping up with the companies that have set today's high bar for performance (think Google, Amazon, and Facebook properties). Today's users expect flawless performance, with over half of respondents (53%) deleting an app or abandoning a website due to problems after just one attempt. Customers hold a particularly high bar for businesses within the banking and insurance industry, with 63% of respondents reporting that flawless performance is critical.

Applications increasingly improve productivity and convenience for consumers.

The rise of applications in many industries, including retail, financial tech, and professional services, has increased consumer productivity and convenience in both their personal and professional lives. In fact, 43% of surveyed respondents reported that digital services have improved their productivity/helped them achieve more at work.

Customer loyalty is no match against poor app performance.

When the number of choices goes up for consumers, the chances of establishing and keeping brand loyalty becomes more challenging—and that challenge was clearly illustrated in this year's survey results: 30% of respondents have moved on to an alternative app due to a subpar experience.

Emotions and disappointment compel customer defections.

Applications are no longer seen as luxuries that are nice to have. For many, they're a necessity. As with a car that doesn't start, the emotional impact and disappointment of unmet performance expectations are very real. Upon experiencing issues, 58% of respondents described themselves as frustrated, while nearly one-third (27%) felt stressed. Though consumer dependence comes with business opportunities, it also comes with heightened risks of irreparably damaged customer relationships.

Introduction

The future is bright. The future is digital.

Smartphone adoption is on the rise, with about three-quarters of U.S. adults (77%) saying they own a smartphone, up from 35% in 2011, according to a 2017 survey conducted by the Pew Research Center. This makes the smartphone one of the most quickly adopted consumer technologies in recent history.

And it's not just the U.S. that's seeing such strong adoption numbers—with countries like South Korea seeing 2017 adoption rates at a whopping 88%, according to Pew.

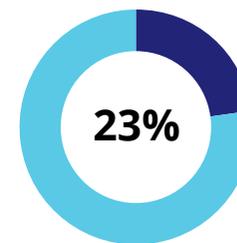
This widespread adoption illustrates the value of mobile technology. In fact, users report that smartphones have a positive impact on their daily life—with more than half of respondents (52.3%) stating that digital services have taken the stress out of day-to-day activities like banking or grocery shopping and 57% claim that digital services have introduced them to new products or experiences. At the most basic level, there's no disputing that consumers are "all-in" when it comes to adopting digital into their daily lives.

With this increased consumer dependence on technology and applications comes exciting opportunities for businesses—along with increased pressure to deliver on demand. Many consumers are already impatient for new technologies. For example, 20% of respondents expect voice-controlled services like Siri or Echo to quickly outpace mobile apps or browser-based services.

These findings and the findings we will discuss in this report are all a confirmation of what we already know: for enterprises, producing quality digital services with high performance is a mandate in order to succeed.

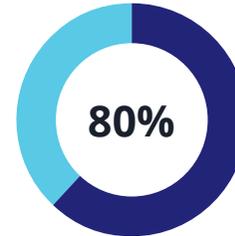
Fortunately, the opportunity for enterprises to get it right is as vast as those that miss out.

In both the 2014 and 2017 studies, nearly a quarter (23%) of consumers stated that they are more loyal to an app than to a brand, and three in ten consumers would pay more for a product or service if the app performed better than its competitors.



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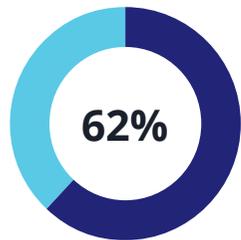
High Bar for Mobile Applications



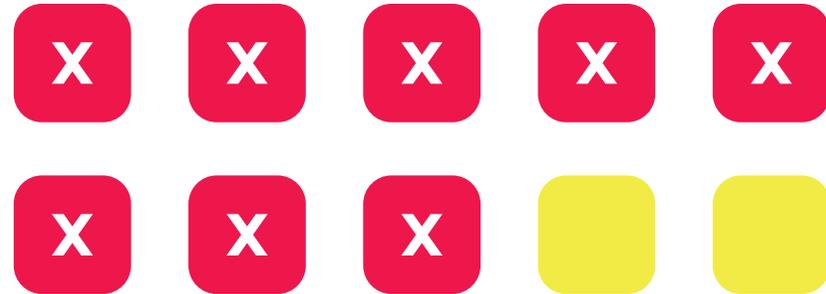
of users have deleted apps because they have not performed correctly.

Though hundreds of apps can be installed on today's devices, in reality, the prime real estate is very limited, with almost half (44%) using less than five apps in an average day.

The survey results show that this dependence on a relatively small number of apps tends to push consumer expectations higher than ever. Almost two-thirds (62%) of respondents stated that their expectations of how well digital services should perform are increasing, which is substantially higher than the half who made this statement in 2014. In other words, if an app is going to maintain a valuable spot on a mobile device, it's going to have to earn it.



of respondents expressed increasing expectations of how well digital services should perform.



This stern statement is further substantiated in app uninstallment and website abandonment trends. Eight in ten users have deleted apps because they have not performed correctly, and more than half (53%) have deleted an app or abandoned a website after just one attempt due to problems with performance.

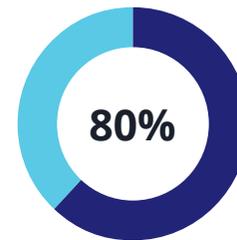
Today's consumers may be open to trying new applications, but loyalty is more precarious than ever and can be gone at the touch of an uninstall button.

Mobile and Web Applications Fail to Meet Customer Expectations

There are more applications today than ever before, and businesses are investing heavily in talent and infrastructure to up their digital game.

However, performance quality is still lagging behind—or at the very least, it's not progressing at the same speed as users' expectations.

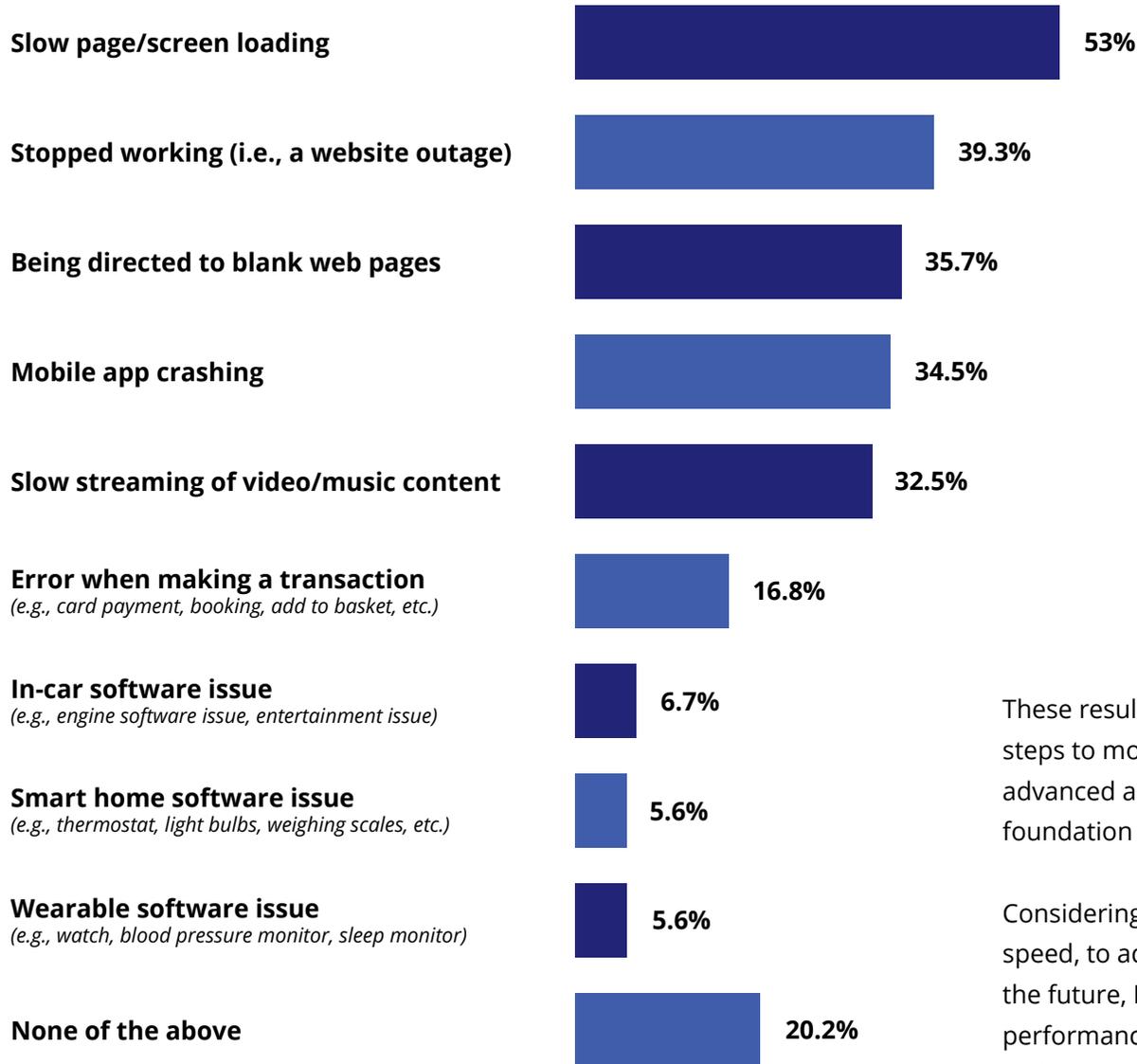
In fact, the study showed that businesses are failing to meet customer expectations across the globe. One-third (33%) of respondents stated that digital services can actually slow them down, and 41% feel frustrated with digital services.



80% of respondents have experienced performance issues in the last year.

And survey results indicate that user frustration is not merely a case of unreasonable impatience, as 80% of respondents have experienced performance issues like crashes, errors, and slow-downs in the last year.

In the last 12 months, respondents report experiencing the following performance issues with their websites or mobile apps:



These results suggest that enterprises need to take further steps to monitor the performance of the increasingly advanced and complex applications that form the foundation of their digital service.

Considering that complexity is increasing at a staggering speed, to address and avoid disappointed users in the future, IT teams should prioritize an application performance monitoring strategy built for tomorrow's digital ecosystem.

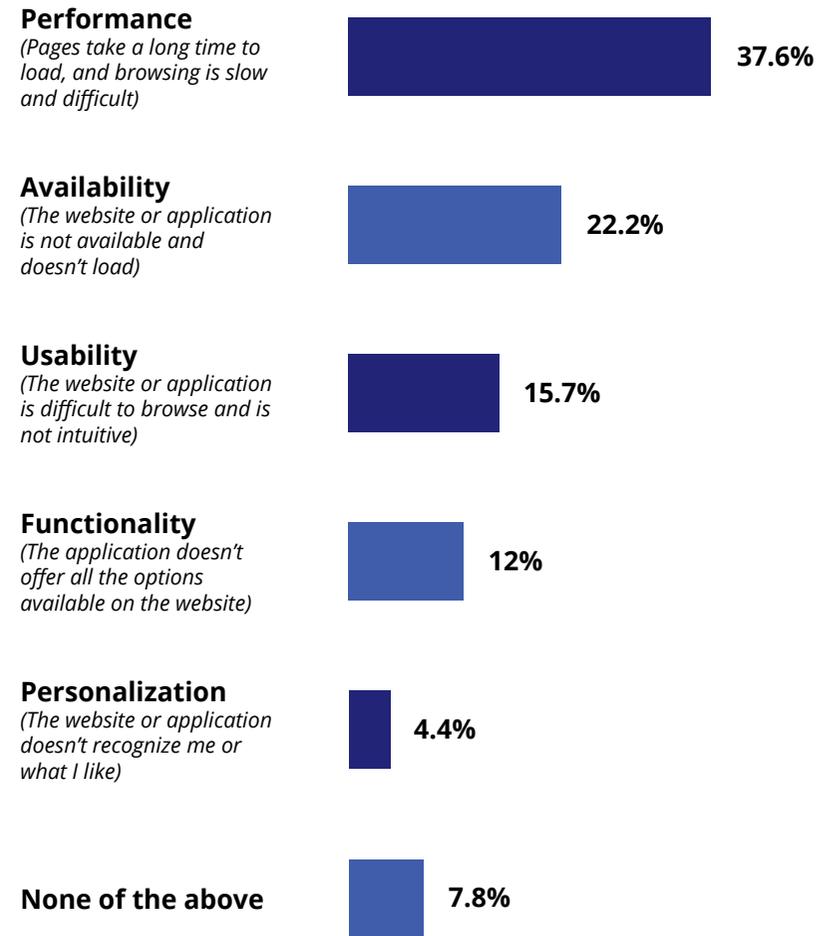
Performance Outweighs User Experience

There's no arguing that user experience is vital to customer experience.

An intuitive, easy-to-use interface can increase customer happiness. But if those beautiful pages take too long to load, customers can become easily frustrated.

In fact, when it comes to the most frustrating problem that customers encounter when using a website or mobile app, performance takes the top spot.

What type of problem frustrates you the most when using a website or application?

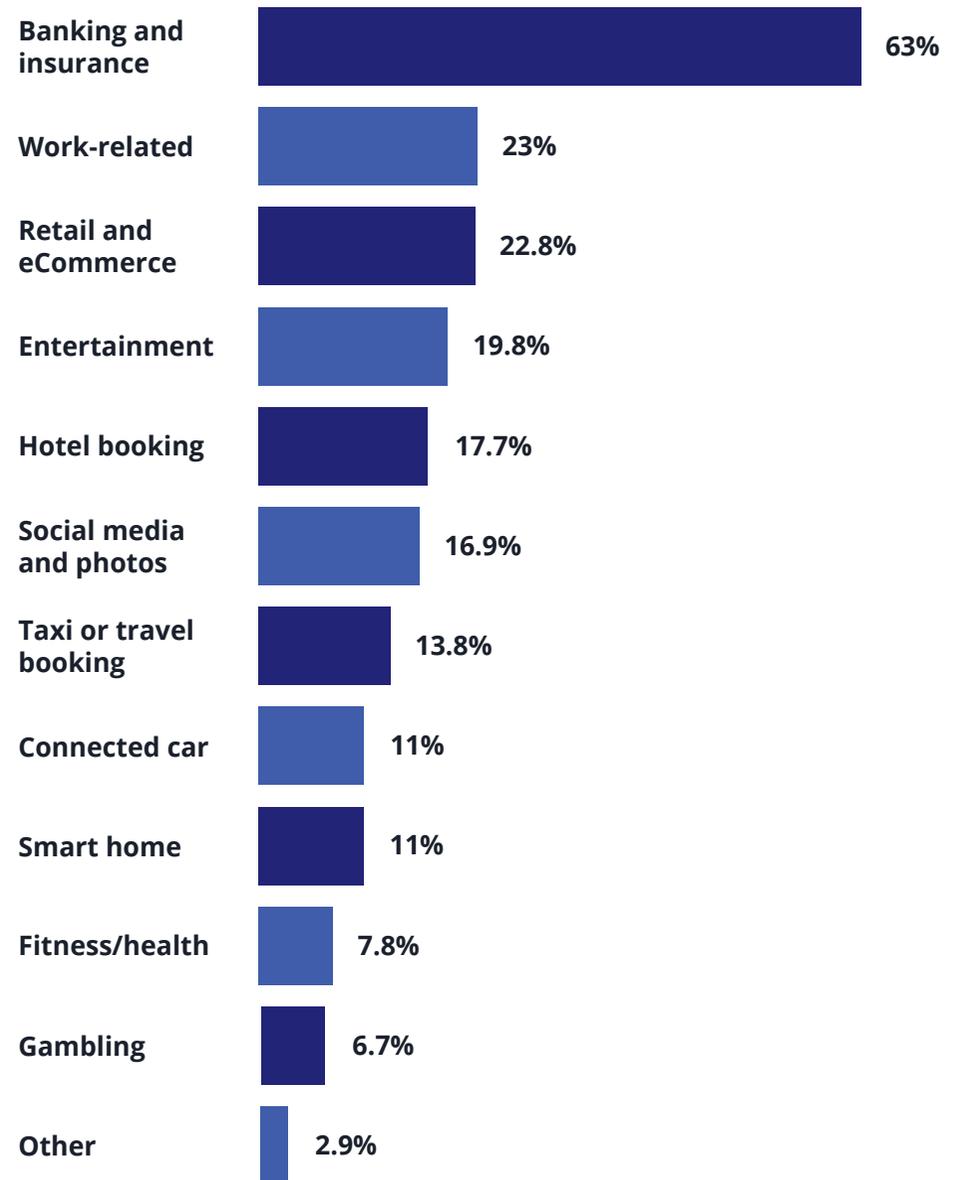


Performance Expectations Vary by Industry

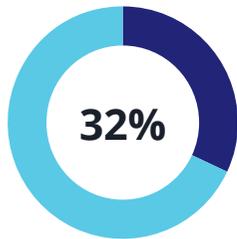
The survey results show that there is a range in application performance expectations, depending on the service provided. In line with the 2014 study—and with traditional, real-world customer expectations—almost two-thirds (63%) of respondents said that flawless performance is most important to banking and insurance. And this importance should not be tested, as three in ten reported that they would go so far as to change their bank if their mobile app wasn't up to expectations.

Other industries fair slightly better. In 2017, 23% of respondents ranked retail and eCommerce services highest, compared to just 9% in 2014—reflecting the huge rise in online commerce and mobile-first retail. Similarly, 20% of respondents considered perfect performance to be most important for entertainment and streaming services—another industry now critically dependent on application performance—up from 10% in 2014.

For which of the following types of digital services is flawless performance most important?



Digital Problems Send Customers to Competitors



of respondents have taken their business elsewhere due to poor digital experiences.

As we adopt digital across all aspects of our daily lives, the impact of application performance issues is wide-reaching.

Today, the reality is that we hold it against brands when apps don't work. Nearly one-third (32%) of respondents have taken their business elsewhere due to poor digital experiences, and a quarter would be less likely to use the service in the future.

The impact is multiplied beyond the affected individual, however, as 20% of people would tell their friends and family about performance issues—an increase from 2014. Even more damaging and wide-reaching, 17% would leave a negative review for the company.

1/3

of respondents agreed that they would be wary of using a company after a glitch made the news.

For large enterprises that create and manage particularly popular or business-critical applications, a negative review can pale in comparison to when digital service problems hit the news headlines. One-third of respondents agreed that they would be wary of using a company after a glitch made the news, 19% said they would not trust the company in question, and 31% felt that headlines make them more careful about how they select their future suppliers in general.

When Digital Goes Wrong

With new technology and applications continuing to emerge—whether it's an app to hail a car or to get laundry dry-cleaned—consumers are becoming more and more reliant on digital services to make their lives easier.

Unfortunately, when digital failures do arise, it can adversely impact daily routines, activities, and even jobs.

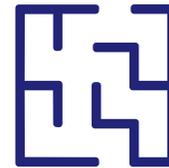
Here's a look at what happens when digital goes wrong:



8% of respondents were late to work.



15% lost their work.



15% got lost.



17% ended up paying a higher price elsewhere.



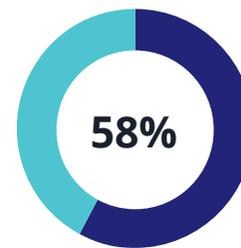
30% missed out on a purchase.

The Emotional Impact of Performance

It's easy to measure the impact of poor user experience in numbers: lost customers, lost revenue, and/or poor App Store ratings.

But what about the emotional impact on individuals? Since brand loyalty is largely an emotional connection, this metric should be given considerable weight.

When asked how performance problems made them feel, 58% of respondents described themselves as frustrated. Nearly one-third felt stressed—a 21% increase from 2014. Taking the emotional response up another notch, one-third were actually angry—also up from 21% in 2014.



of respondents described themselves as frustrated with performance.

A cautionary finding for adopters of agile and continuous delivery is that nearly a quarter of people (24%) would be more frustrated if problems occurred after an update. It's not enough to simply increase your release cadence; it has to be based on user experience expectations.

How Enterprises Can Improve Application Performance for Customers

Communicating, shopping, managing our money, working, and more—the future is undeniably digital.

This report reveals that many enterprises are failing users in four fundamental user experience building blocks for a digital service: application performance, outcomes, convenience, and emotion.

All of these factors jeopardize the chances of earning customer loyalty. With 50% of all respondents stating that better performance or responsiveness would improve their productivity and add convenience to their lives, it's vital that digital enterprises take action to meet user expectations.

Here are some steps businesses can take:

- **Prioritize application performance:** Invest in an enterprise application performance management solution that is able to safeguard the performance of mission-critical apps and user experience in production.
- **Measure and focus on business outcomes:** Focus analytics and big data strategies on adopting solutions that not only analyze technical performance but also correlate business performance. This helps ensure that digital services and associated applications always drive business outcomes of revenue, customer experience, and loyalty.