

Medallia

Digital Experience & Conversion: Industry Benchmarks for 2022

User frustration, engagement, and the value of digital experiences from 6.5 billion user sessions across 11 Industries



Contents

◆ Summary

What is Digital Experience and Why Does it Matter?	03
Study Methodology	04
Digital Experience Quality and Standards for Each Industry	05
User Frustration by Industry	06
User Engagement by Industry	07
The Relationship Between Experience and Conversion by Industry	08

◆ Financial Services & Insurance

The State of Frustration	12
The State of Engagement	13
The Relationship Between Digital Experience and Conversion	14

◆ Consumer Products

The State of Frustration	17
The State of Engagement	18
The Relationship Between Digital Experience and Conversion	19

◆ Travel, Hospitality, & Restaurants

The State of Frustration	22
The State of Engagement	23
The Relationship Between Digital Experience and Conversion	24

◆ Telecommunications

The State of Frustration	27
The State of Engagement	28
The Relationship Between Telecommunications	29

◆ Automotive

The State of Frustration	32
The State of Engagement	33
The Relationship Between Digital Experience and Conversion	34

◆ Retail

The State of Frustration	37
The State of Engagement	38
The Relationship Between Digital Experience and Conversion	39



SUMMARY

What is Digital Experience, and Why Does it Matter?

Digital experience refers to the quality of interaction between businesses and customers online — typically through websites and apps.

We're in an era where customers expect businesses to provide websites and apps that load promptly with intuitive interfaces regardless of device. As businesses' approach to digital matures, they can start offering customers more personalized and engaging online experiences that keep them returning to (and spending more through) a website or app time and time again. With the pandemic-led upheaval shifting much of consumer demand online, digital experiences on websites and apps have become a pivotal competitive battleground.

For organizations serious about catering to the growing base of online customers, investing in digital experience optimization has become paramount. This benchmarking study reveals the latest trends in digital experience, detailing what frustrates, engages, and converts customers across 11 industries. These benchmarking insights can become a decisive guide for brands looking to deliver digital experiences on websites and apps that boost conversion, and ultimately, their bottom line.



Study Methodology: Crunching 6.5 Billion User Sessions

In order to glean practical insights for this study, Medallia's data scientists analyzed a sample size of over 6.5 billion user sessions throughout 2021 to identify trends in online frustration, engagement, and behavior, as well as the relationship between digital experience and conversion across 11 industries

The key technology leveraged by our data scientists to establish these benchmarks was **Digital Experience Score (DXS®)** by Medallia Digital Suite. Powered by machine learning, DXS® crunches hundreds of advanced behavioral metrics to calculate a score between 0 and 10 for every single online customer experience on a website or app. Tracking user frustration, engagement, and navigation, as well as form and technical experiences, DXS® is the first universal metric for online experience that can be measured without direct customer feedback. It accounts for journeys, interactions, and behaviors on an individual level to broader audience segments — ultimately generating a score reflecting the quality of the customer experience for an entire website or app.

And as demonstrated by a validation study with travel giant TUI¹, changes in DXS® can directly correspond with conversion rates: the higher a website or app's average DXS®, the more conversions and revenue it will generate.

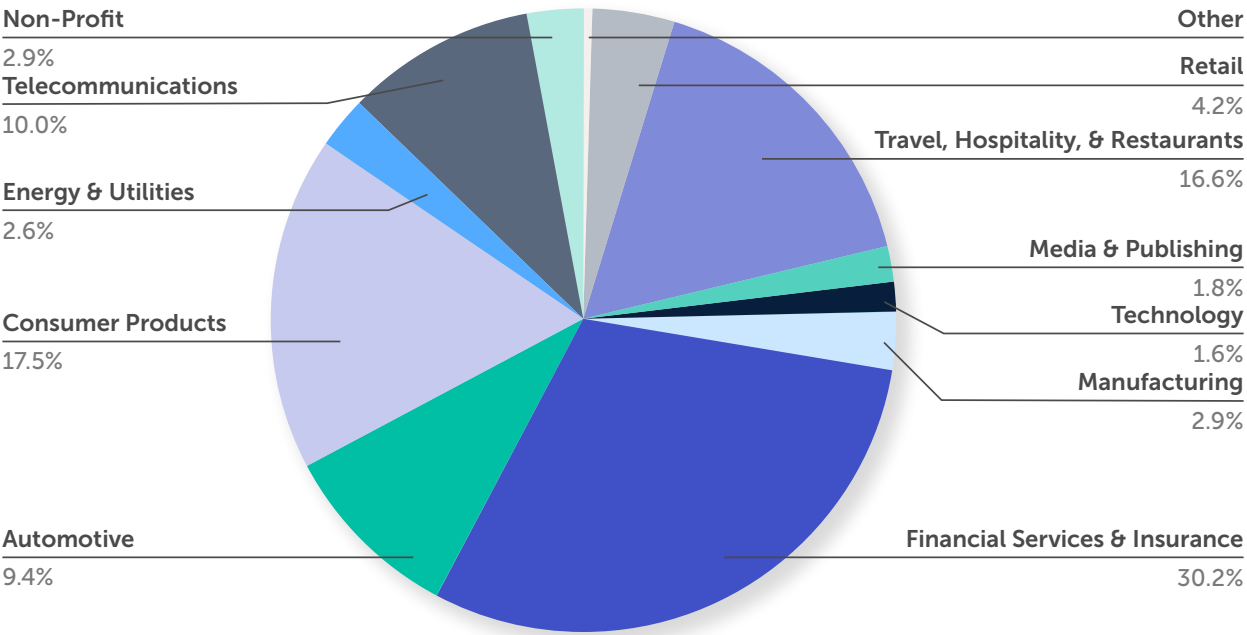
Our data scientists tracked and investigated the DXS® of online destinations across all 11 featured industries. This report summarizes and analyzes their general findings with benchmarked digital experience results across industries. And you can find vertical-specific breakdowns with data-driven recommendations for improving digital experience for the six industries with the highest volume of user session data:

- Financial Services & Insurance
- Consumer Products
- Travel, Hospitality, & Restaurants
- Telecommunications
- Automotive
- Retail

¹ <https://decibel.com/resources/reports/tui-dxs-predict-conversion-revenue-growth/>



USER SESSIONS ANALYZED, BY INDUSTRY (%)



Digital Experience Quality and Standards for Each Industry

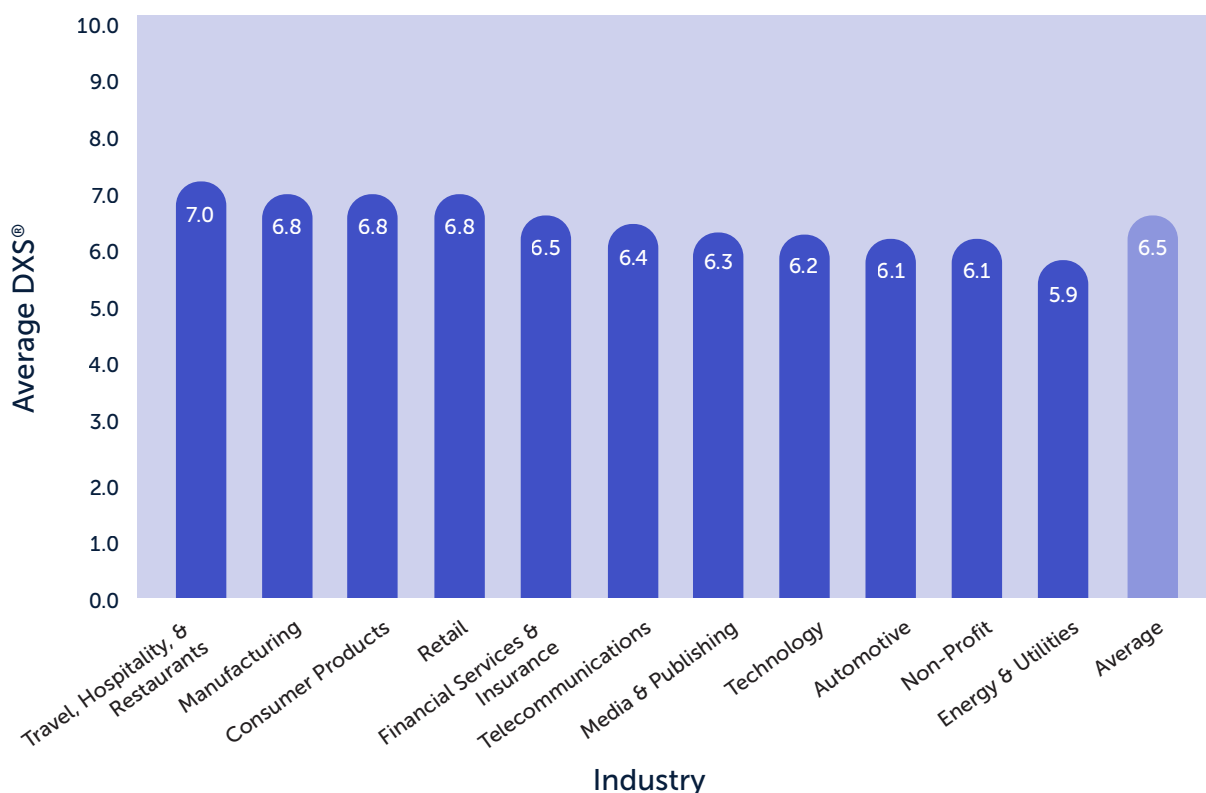
How do benchmarks compare across industries? Let's take a look at the average overall quality of digital experiences for all 11 industries.

The 11-industry Digital Experience Score (DXS®) average comes to 6.5/10, which is a slight improvement over the prior year's 6.4 average.² However, fewer industries scored below the 6.0 DXS® mark showing better overall consistency from top to bottom this year.

The group's lowest performer is Energy & Utilities, representing the only industry to score below the 6.0 DXS® threshold. Meanwhile Travel, Hospitality, & Restaurants sits alone at the top with an even 7.0 DXS®, while Manufacturing, Consumer Products, and Retail score a three-way tie just below at a 6.8 DXS®.

² <https://decibel.com/digital-experience-conversion-industry-benchmarks/>

AVERAGE DIGITAL EXPERIENCE SCORE (DXS®, 0-10)



Although a difference in scores of 1.1 between the top- and bottom-performing industries may not seem significant, these changes in experience can dramatically move the needle on your bottom line. The validation study with travel

giant TUI demonstrates just a 1-point change in DXS® can improve the probability of conversion by up to 50%, with a predicted difference of \$30m worth of annual sales in TUI's case.

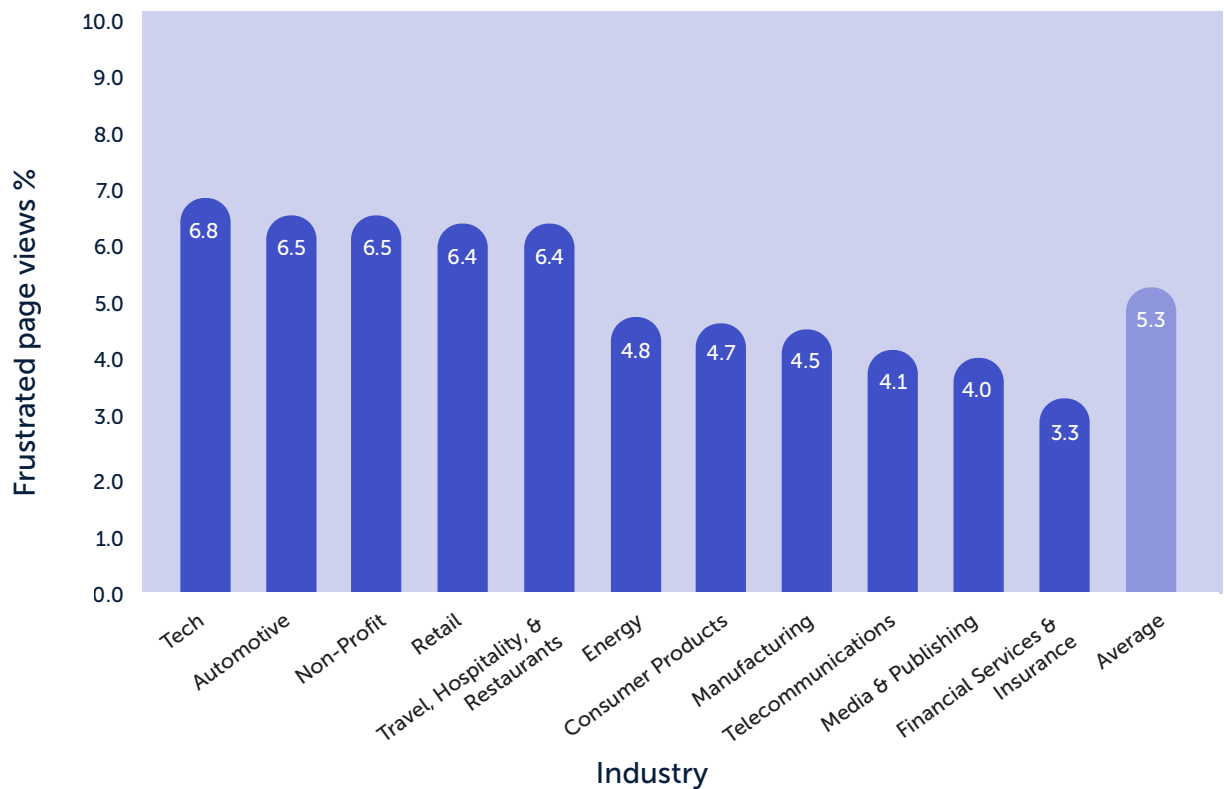


User Frustration by Industry

Online frustration is a symptom of high-friction digital experiences, often revealed by a number of specific behaviors and patterns.

Frustration comes in many forms online. It can be overt user behaviors like unresponsive multi-clicks, where users tap or click at a high velocity on a particular unresponsive area of the page like a broken link. It could also take the shape of bird's nest behavior, where a user confusedly moves their mouse in jerky, erratic fashion. Or they can be more subtle, like rapid device rotation where content doesn't fit the screen, or fast-paced and repeated scrolling when users can't find what they're looking for on a page. The platform powering DXS® analyzes all these signals and more to establish the percentage of frustrated page views for each industry.

FRUSTRATED PAGE VIEWS %



As can be seen, the average for frustrated page views is an even 5.3% with any value above reflecting substandard frustration levels. Among these industries, Tech ranks the lowest with nearly 7% of page views featuring instances of user frustration. Meanwhile, Financial Services & Insurance fares the best, offering by far the

smoothest experiences with only 3.3% of page views featuring frustration — the only industry below the 4% level. Generally, frustration is lower across the board compared to last year, with no industry registering above 7.0% frustrated page views and many below the 5.0% mark.



User Engagement by Industry

Online engagement is a byproduct of seamless digital experiences evidenced by a similar, but different set of signals compared to frustration.

These signals can be overt like reading behavior, where a user follows content with their mouse, and scroll engagement behavior, where users consume content by scrolling down the page in smooth, regular patterns. Or they can be more subtle, like high focus time, select & copy behavior, and low hesitation. All these signals and more feed into the [Engagement Score metric](#), a pillar of DXS®, which uncovers each industry's ability to capture user attention below.

AVERAGE ENGAGEMENT SCORE (ES, 0-10)



Engagement Scores averaged 4.5/10 with most industries falling below 5.0, which suggests many organizations have plenty of opportunity to better engage their users. Non-Profit recorded the lowest average score of 3.4 — the only one to finish below 4.0. The few industries to stand

above the crowd include Retail and Travel, Hospitality, & Restaurants, at 5.1/10. Although this year's scores feature one more industry above the 5.0 point threshold, there's still much to be desired across the board in terms of engagement.

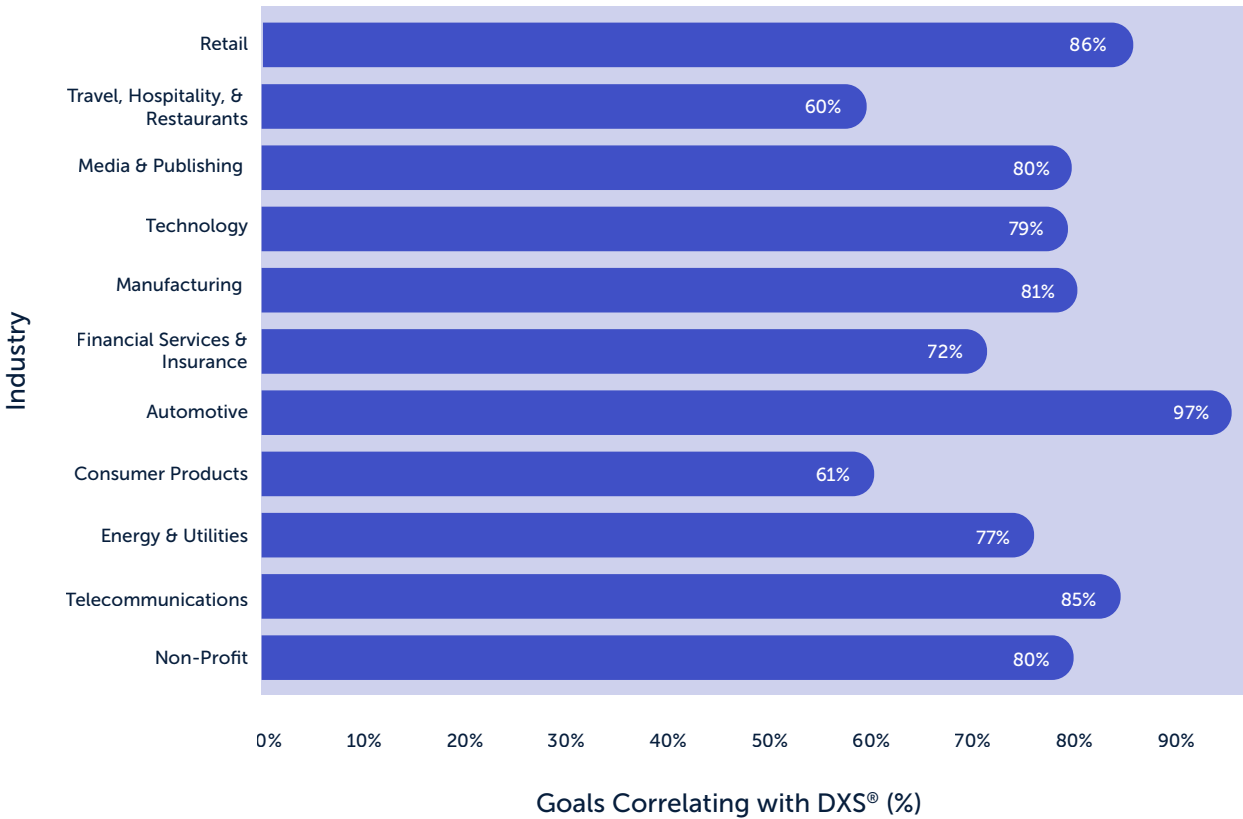


The Relationship Between Experience and Conversion by Industry

In terms of a user's likelihood to convert, the quality of the digital experience makes more of a direct impact in some industries than it does in others.

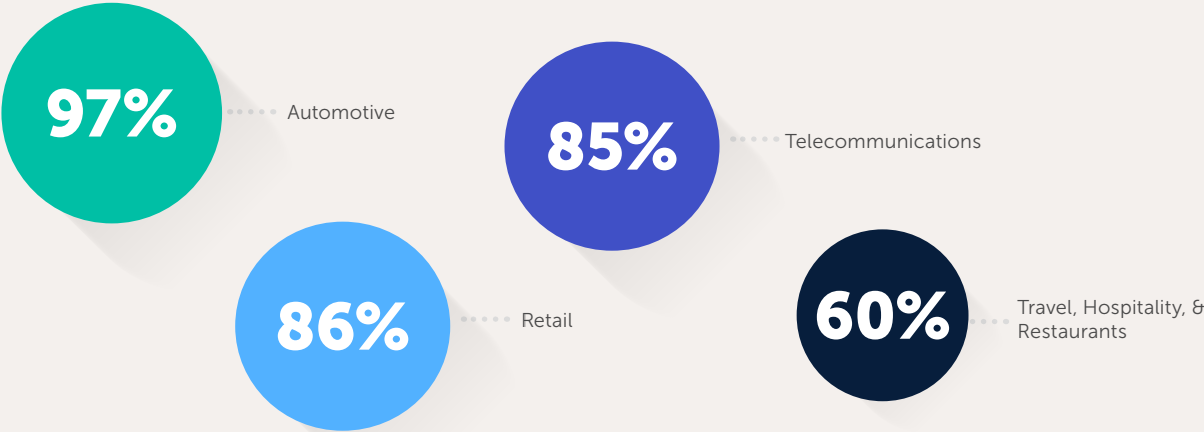
The 'Goals' feature accompanying the Digital Experience Score (DXS®) in Medallia Digital Suite allows teams to set conditions on a website or app that register as positive business outcomes — such as a completed sales transaction or sign-up. The platform correlates DXS® with Goals to measure the relationship between experience and conversion-related metrics specific to the industry.

GOALS CORRELATING WITH DXS® (%)



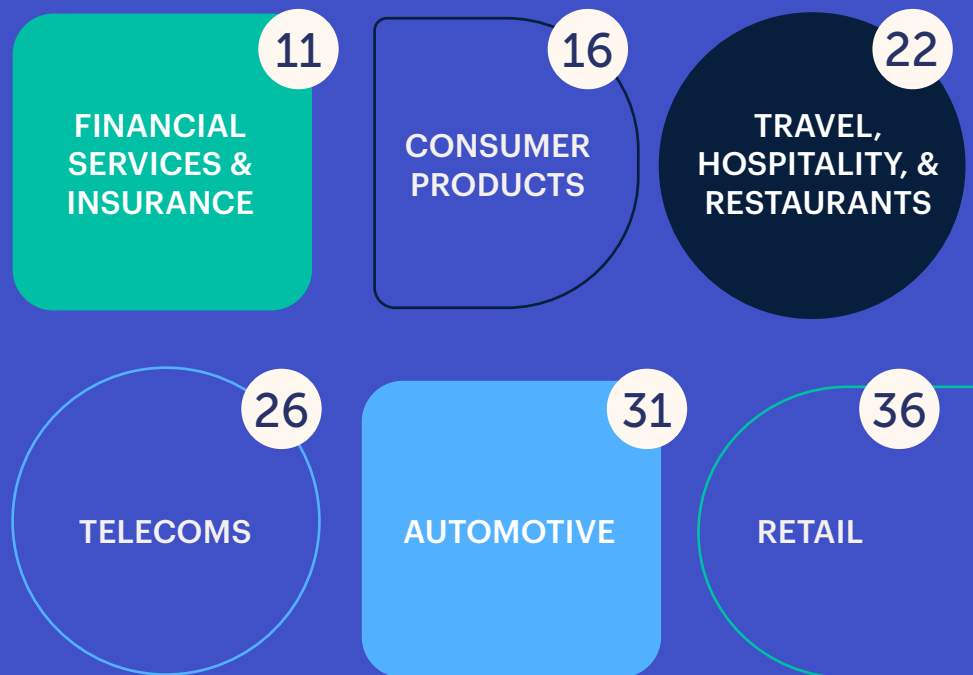
Automotive leads the way with an impressive 97% of conversion goals correlating with quality of digital experience. Retail follows at 86% and Telecommunications at 85%, both strong results. On the other end, the quality of experience doesn't bear as much weight on business outcomes for Travel, Hospitality, &

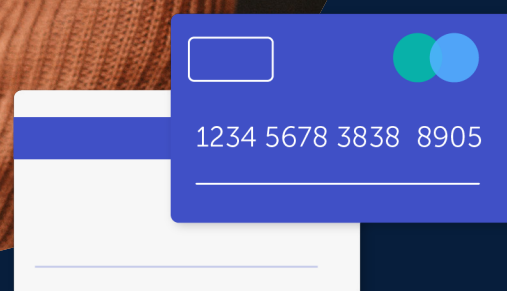
Restaurants and Consumer Products — both with just around 60% of conversion goals correlating with DXS®. It could be that a user's tolerance for mediocre online experiences is higher in industries where digital experience is similar across brands in those industries.



Industry Deep Dives

Explore the remainder of this report for a detailed look into what drives frustrations, engagements, and conversions across the six industries with the highest volume of user session data. Discover behavioral patterns and key takeaways specific to each industry, along with the digital experience trends to look for in 2022.





FINANCIAL SERVICES & INSURANCE

Benchmarks for Financial Services & Insurance

Financial Services & Insurance leads the way with lowest frustration, but lacks strong engagement, and its digital experience holds strong ties to conversion.

In the wake of the pandemic, providing financial services and insurance products online has become standard as 73% of Americans view fintech as part of “the new normal”³. Between online banking, loan applications, tax reporting,

insurance quotes, and more, financial services and insurance providers are now expected to deliver these essential services through seamless digital experiences.

³ <https://plaid.com/blog/2020-fintech-effect-covid/>



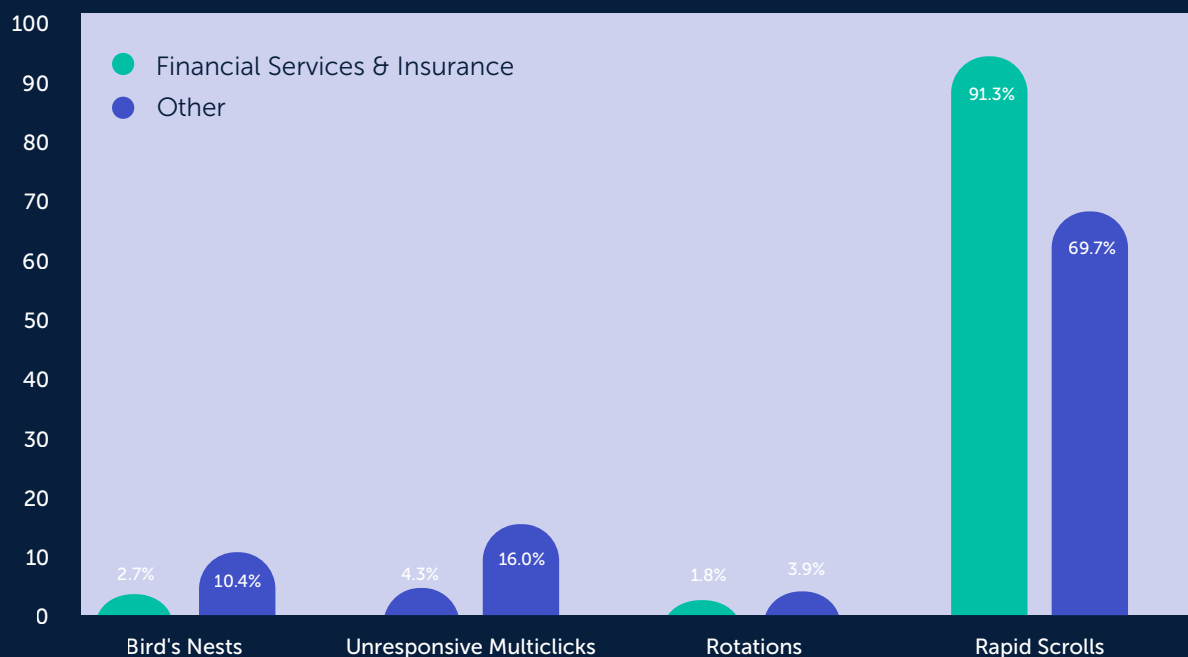
The State of Frustration for Financial Services & Insurance

Frustration remains low in Financial Services & Insurance compared to other industries.

Often offering diverse and complex products and services, Financial Services & Insurance must prioritize friction-free digital experiences to prevent confusion and

frustration. If you're frustrating users with overly complicated financial and insurance forms, or overwhelming navigation, you'll likely face low conversions or high churn.

OCCURANCE OF FRUSTRATED BEHAVIORS PER USER SESSION (%)



With 3.3% of page views containing instances of user frustration, Financial Services & Insurance ranks the best at keeping user frustration to a minimum. The industry has mitigated occurrences of frustrated behaviors with the exception of rapid scroll, which is over 20%

higher than other industries. This likely signals either higher frustration on pages with more content or users struggling to find what they're looking for as they rapidly scroll searching for information they seek.

3 ways to reduce frustration in Financial Services & Insurance

- 1 Simplify online finance and insurance forms.** Reduce frustration and abandonment by creating forms with clean layouts, clear labels, and minimalistic approach fields.
- 2 Make complex site navigation intuitive.** Ensure menus are efficient and clearly labeled to avoid overwhelming users and frustrating them into abandonment.
- 3 Prioritize the right on-page content.** Keep content specific to the page topic, and present content in a logical hierarchy to reduce confusion and time spent searching for information.

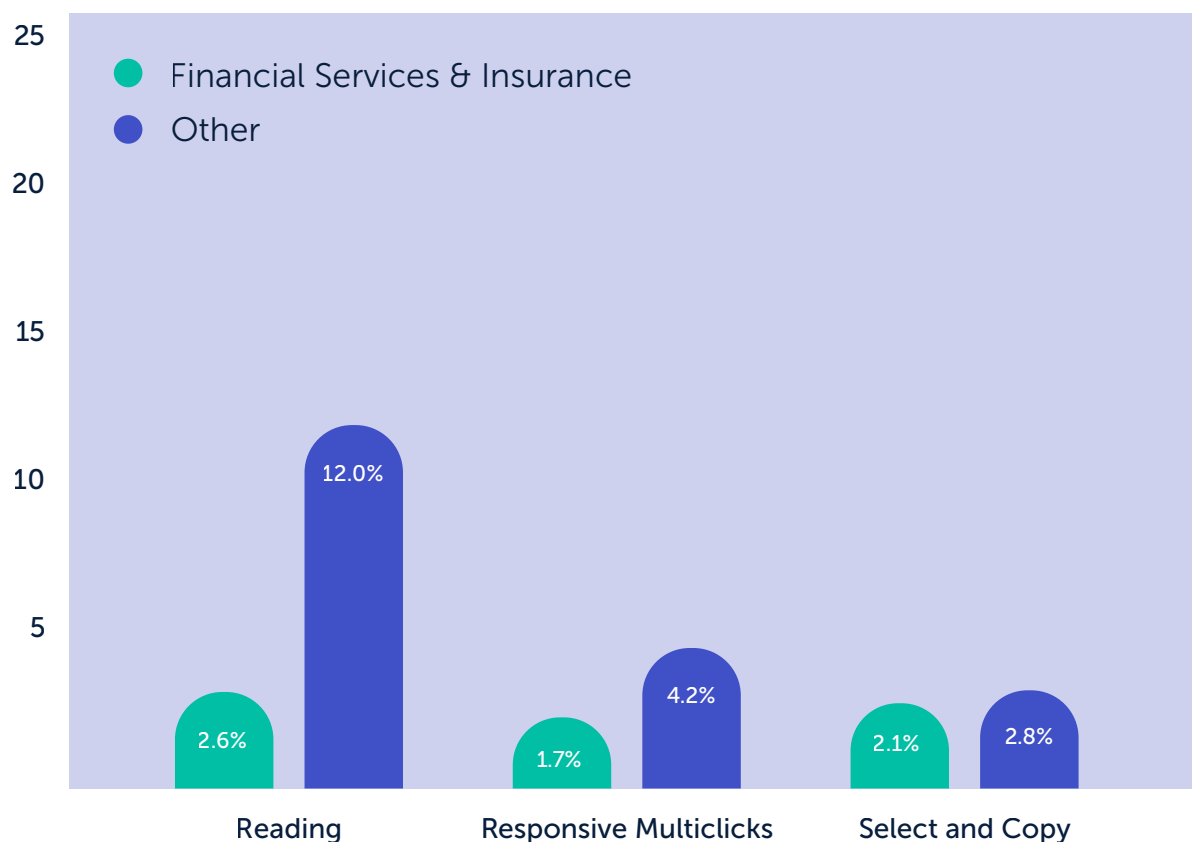


The State of Engagement for Financial Services & Insurance

Engagement could be improved in Financial Services & Insurance compared to other industries.

More than half of users think companies need to fundamentally transform how they engage⁴. For Financial Services & Insurance companies, making website and apps easier to use with highly engaging content and layouts could become the difference between retention and churn.

OCCURANCE OF ENGAGED BEHAVIORS PER USER SESSION (%)



With Financial Services & Insurance recording an average Engagement Score of 4.6/10, the industry is right on par with the multi-industry average. In terms of engagement signals, it has more incidences of reading behavior, which refers to users following content with their

mouse, and select and copy behavior. But the industry performs poorly on responsive multiclicks, which refers to users clicking through a responsive element like a product carousel, and generally lags in these behavioral metrics compared to the field.

⁴ <https://www.salesforce.com/blog/2019/06/customer-engagement-trends.html>

3 ways to drive more engagement in Financial Services & Insurance

- 1 **Streamline common user interactions.** Double check that interactive elements like buttons, carousels, videos, calculators, tools, and more are front and center and responsive.
- 2 **Offer personalization and notifications.** Keep users interested with personalized content and a wide range of notification options to drive more on-site and in-app engagement,
- 3 **Minimize interface and design distractions.** Don't overcrowd a web page or app screen making it difficult to use and engage — use white space appropriately and prioritize the right content.



“

In Financial Services & Insurance, frustration has fallen quite a bit since last year's report. Although users show low engagement and low focus rates, they're more likely to show reading behavior along with select and copy behavior, which suggest plenty of content consumption.

Seb Thakar, Head of Insight Services at Medallia

”



The Relationship Between Digital Experience and Conversion for Financial Services & Insurance

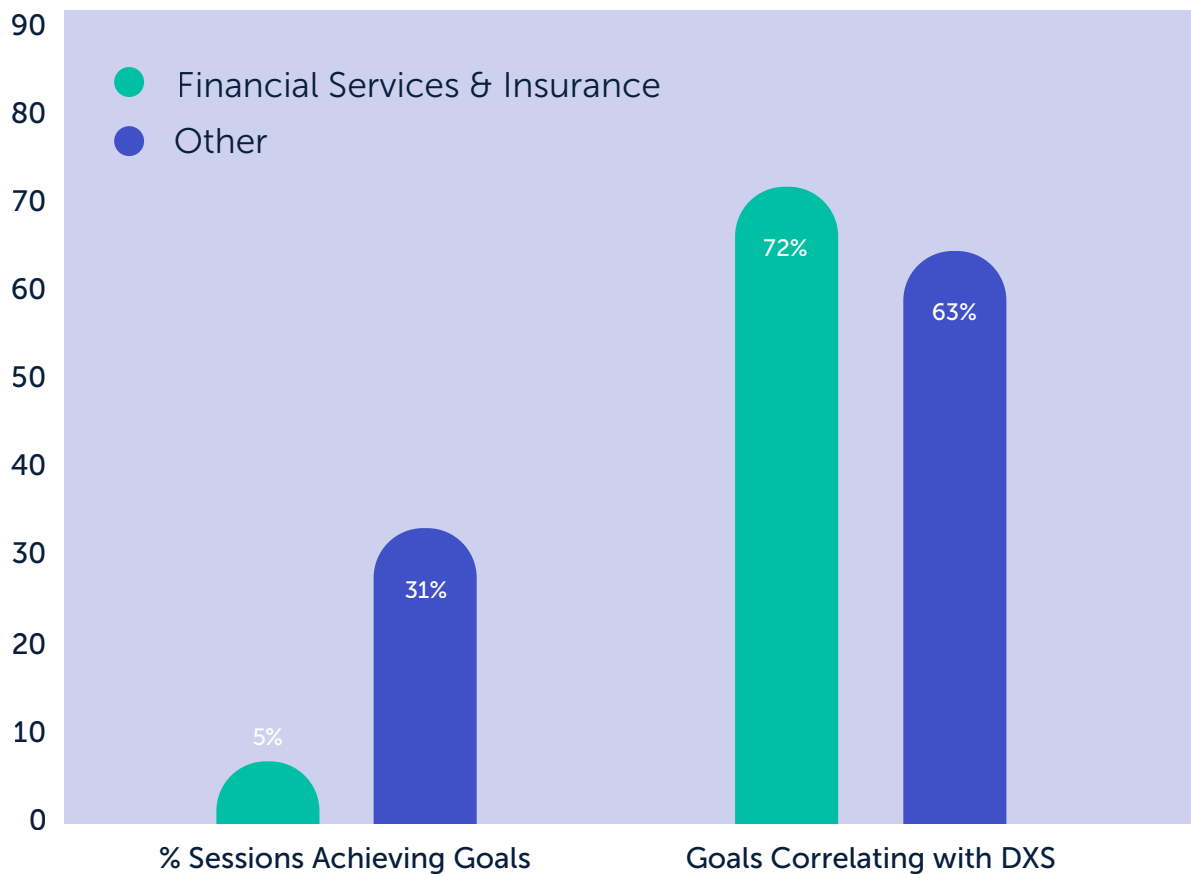
Digital experience helps achieve business outcomes for Financial Services & Insurance.

Exceptional digital experience may just be the secret to conversion optimization. In fact, visit-to-lead conversions can be 400% higher on sites with superior user

experience⁵. And the relationship between DXS[®] and conversion confirms this reality for Financial Services & Insurance.

⁵ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

OCCURANCE OF ENGAGED BEHAVIORS PER USER SESSION (%)



For Financial Services & Insurance, the correlation between goal conversion rate and DXS® sits at 72%, which outperforms the combined industry average at 63%. These results suggest digital experience is a clear driver of conversion for users in this space, and websites or apps with seamless experiences can make a noticeable impact on organizations' bottom-line metrics.

3 Financial Services & Insurance digital experience takeaways for 2022

- 1 Big opportunity for digital experience leaders.** Businesses that prioritize the digital experience on websites and apps stand to make the biggest gains in terms of conversions and other revenue-driving metrics.
- 2 Competition will increase.** As more brands within the industry embrace digital transformation of their products and services, digital experience may hold a bigger impact.
- 3 Optimization will be crucial.** Teams can't afford to be complacent with digital experience — optimization and improvement will become a major competitive advantage.



CONSUMER PRODUCTS

Benchmarks for Consumer Products

Consumer Products keeps frustration lower than average, but yields below average engagement, while its conversion doesn't align as strongly with digital experience.

The rapid rise of digital has granted consumers immense buying power, as 59% of everyday transactions are made via digital payment.⁶ And it seems the Consumer Product industry has picked up on this trend as 80% of wholesalers have prioritized investments

into digital direct-to-consumer channels.⁷ Now it's a matter of making the most of those investments by fine-tuning digital experiences for online consumers in order to stand out from the crowd.

⁶ <https://www.bondcap.com/report/itr19/#view/title>

⁷ <https://www2.deloitte.com/us/en/pages/consumer-business/articles/consumer-products-industry-outlook.html>

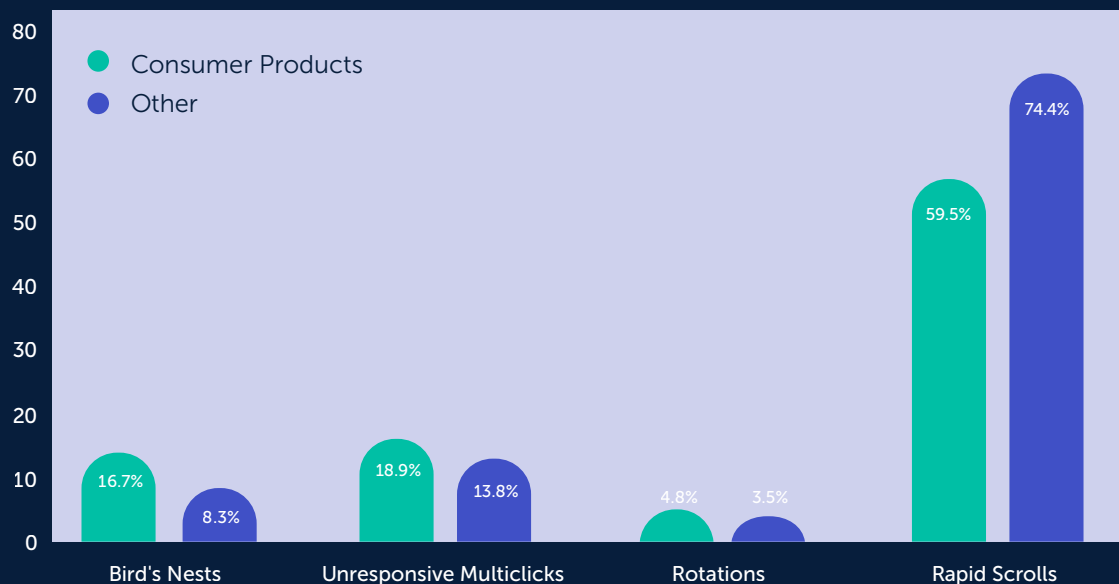
The State of Frustration for Consumer Products

Consumer Products keeps frustration low relative to other industries.

As digital empowers consumers with the luxury of better accessibility and more selection, online frustration across websites and apps can grow to become a breaking point for many customers.

With 86% of consumers willing to pay more for a better experience, online frustration could hurt consumer product companies' market share in the digital-first era.⁸

OCCURANCE OF FRUSTRATED BEHAVIORS PER SESSION (%)



With 4.7% of page views containing instances of user frustration, Consumer Products ranks around the middle of the pack. The industry has room to reduce frustrated behaviors such as bird's nests, unresponsive multiclicks, and

device rotations, but rapid scrolling is on the low end compared to others. These results suggest users spend less time scrolling for content, but there's more frustration with loading performance and layouts.

3 ways to reduce frustration in Consumer Products

- 1 Double down on performance.** To reduce frustrated behaviors and improve user focus on websites and apps, optimize technical, back-end performance for faster loading pages and content.
- 2 Prioritize adaptive, device-friendly layouts.** Users grow frustrated when content doesn't fit their screen properly, so wisely optimize content for each device type — mobile or desktop.
- 3 Streamline online journeys.** Longer time spent on-site or in-app isn't always a good sign — reduce frustration with efficient user journeys that don't overcomplicate goals.

⁸ <https://www.superoffice.com/blog/customer-experience-statistics/>

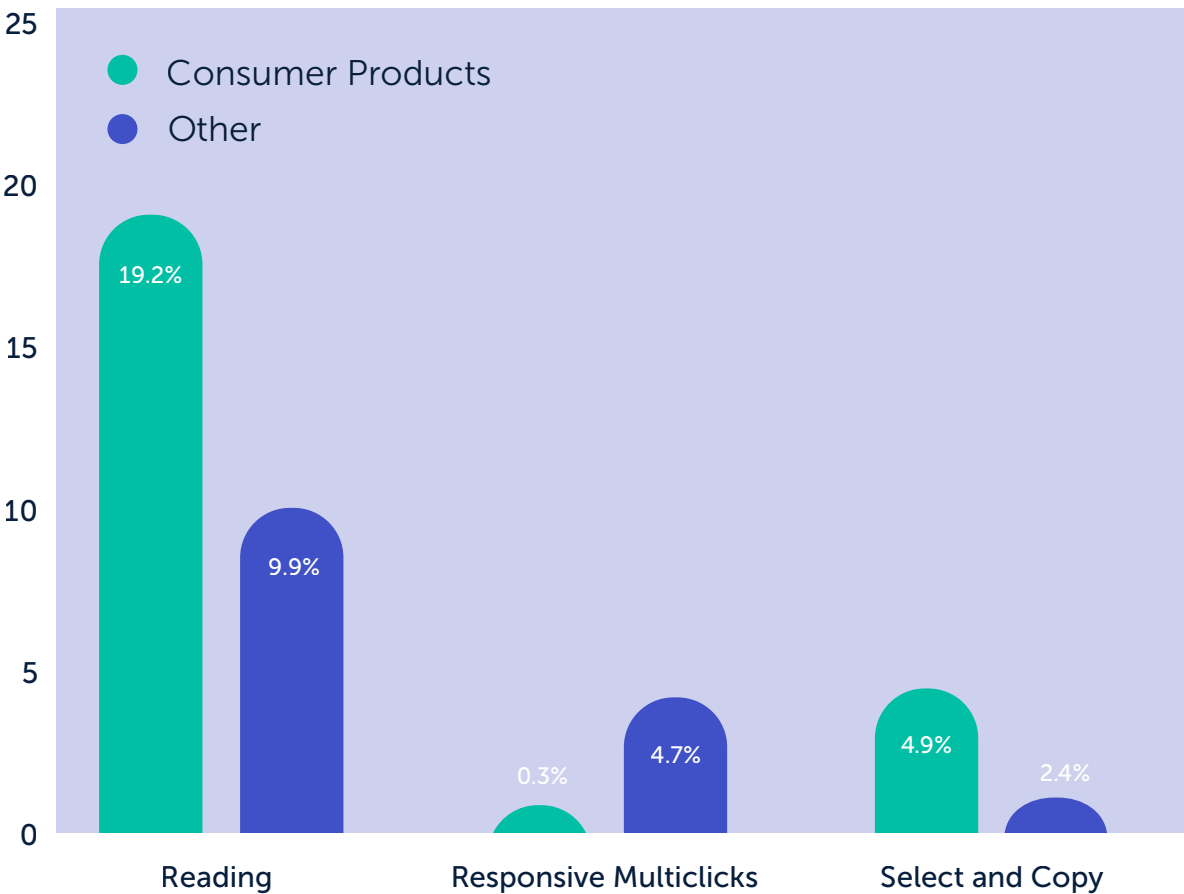


The State of Engagement for Consumer Products

Engagement could be improved in Consumer Products compared to other industries.

Most online customers believe companies must completely transform how they engage now.⁹ Well designed, user-friendly websites or apps in Consumer Products can be the difference between users engaging and converting without hesitation, versus seeking out competitors that simplify the process of browsing and buying.

OCURANCE OF ENGAGED BEHAVIORS PER USER SESSION (%)



Consumer Products struggles to consistently engage customers with an average Engagement Score of 4.3/10, less than the multi-industry average by a few points. In terms of specific engagements, the industry actually performs well with strong select and copy behavior along with reading behavior — instances

suggesting consistent content consumption. But responsive multiclicks occur at significantly lower rates relative to other industries, which indicates there's plenty of flawed interactions with elements like call-to-action buttons and product carousels.

⁹ <https://outgrowco.medium.com/customer-engagement-statistics-in-2020-547e41c70c74>

3 ways to drive more engagement in Consumer Products

- 1 **Fine-tune common interactions.** Ensure interactive elements are well-placed and highly responsive to click and hover engagements — such as buttons, dropdowns, navigation menus, and others alike.
- 2 **Prioritize online content.** Continue to create and maintain well-optimized on-site and in-app content — like product descriptions — that are interesting and relevant to users in the moment.
- 3 **Minimize loading times.** Prioritize quick loading times between interactions to reduce the likelihood of abandonment and keep users engaging — patience wears thin online.



“

Consumer Products generates slightly lower frustration than average, but still causes clear behaviors of frustration. Lower engagement with text and images, but fewer instances of rapid scrolling suggest users find the right content quickly, but it may just miss the mark in piquing interest.

”

Seb Thakar, Head of Insight Services at Medallia



The Relationship Between Digital Experience and Conversion for Consumer Products

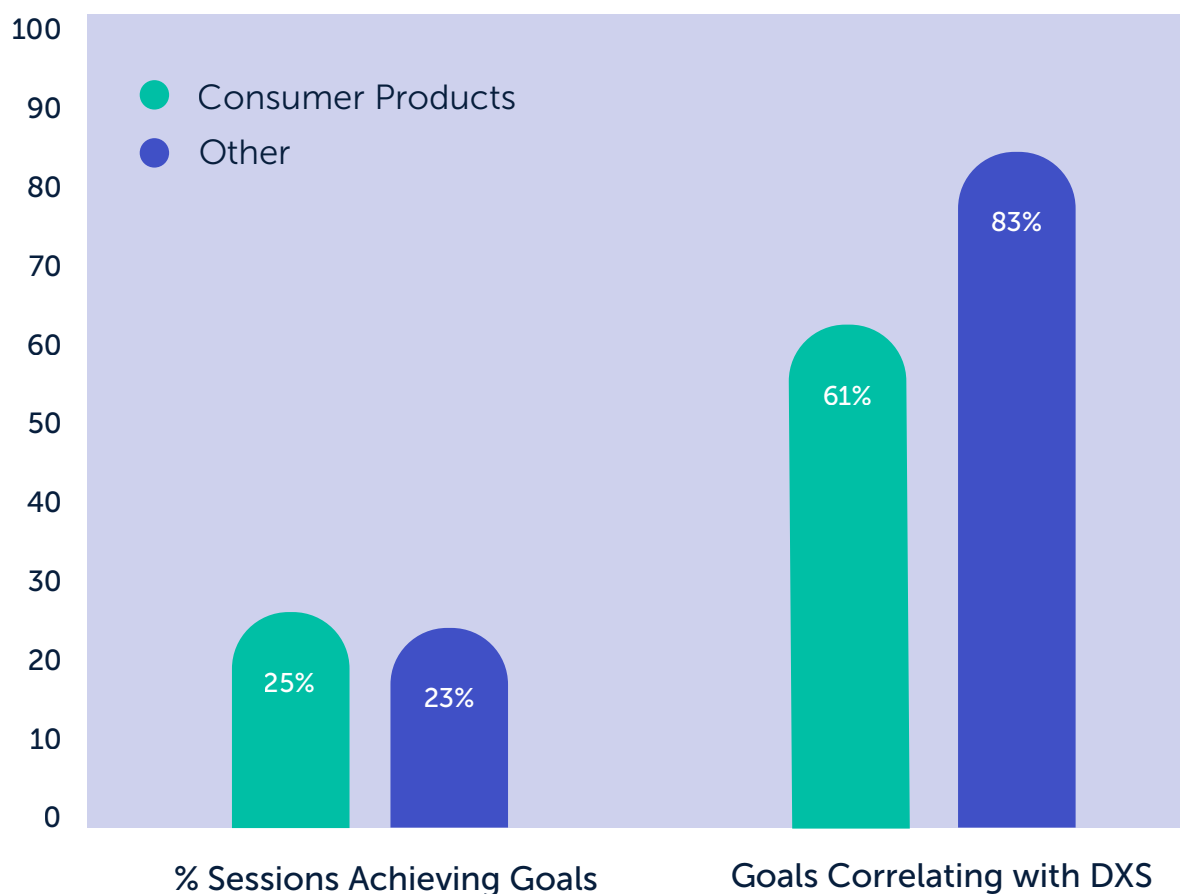
Digital experience may not be the strongest driver of conversion for Consumer Products.

Typically, digital experience acts as a fundamental key to conversion optimization across industries. In fact, online conversions can climb to be 400% higher on sites with seamless experiences.¹⁰ But the relationship

between DXS® and business outcomes in Consumer Products suggests that users may be more tolerant of lackluster web and app experiences compared to other industries.

¹⁰ <https://www.intechnic.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

GOAL CONVERSION AND DIGITAL EXPERIENCE (%)



For Consumer Products, the correlation between goal conversion rate and DXS® is 61%, which is well below the other industries at 83%. These results suggest digital experience may not matter as much in Consumer Products, and that the products may matter more than experience for

a good portion of the audience. Even with that outcome, research shows many customers have begun to place more weight on experience, so delaying to improve your website or app may set you back in the long run.¹¹

3 Consumer Products digital experience takeaways for 2022

- 1 Don't be complacent with optimization.** As digital transformation of products and services becomes commonplace within the industry, improving the quality of digital experience almost certainly will hold a bigger impact on an organization's bottom line.
- 2 Differentiate through digital experience.** Digital experience impacts both short-term conversion and long-term loyalty, those who create innovative web and app experiences hold the best chance at standing out to customers.
- 3 Measure and track online behavior.** Monitoring and analyzing behavior on websites and apps — just as you would with storefront behavior and transactions — will become more critical for catering to customers' needs online.

¹¹ <https://www.salesforce.com/resources/articles/customer-engagement/>



TRAVEL, HOSPITALITY, & RESTAURANTS

Benchmarks for Travel, Hospitality, & Restaurants

Travel, Hospitality, & Restaurants creates high frustration, but generates strong engagement, while its conversion isn't perfectly tied to digital experience.

Customer experience is the foundation of Travel, Hospitality, & Restaurants — more than half of brands claim it's their highest priority.¹² And it's the digital experiences in this industry that have been rapidly growing: Digital ordering and delivery has grown 300% faster than dine-in

traffic¹³, while 57% of all travel reservations each year are made online.¹⁴ As more customers move online, web and app experience are now pivotal factors for Travel, Hospitality, & Restaurants.

¹² <https://www.statista.com/statistics/1249370/key-business-priorities-of-travel-and-hospitality-companies-worldwide/>

¹³ <https://upserve.com/restaurant-insider/industry-statistics/>

¹⁴ <https://business.adobe.com/resources/digital-trends-in-travel-and-hospitality.html>

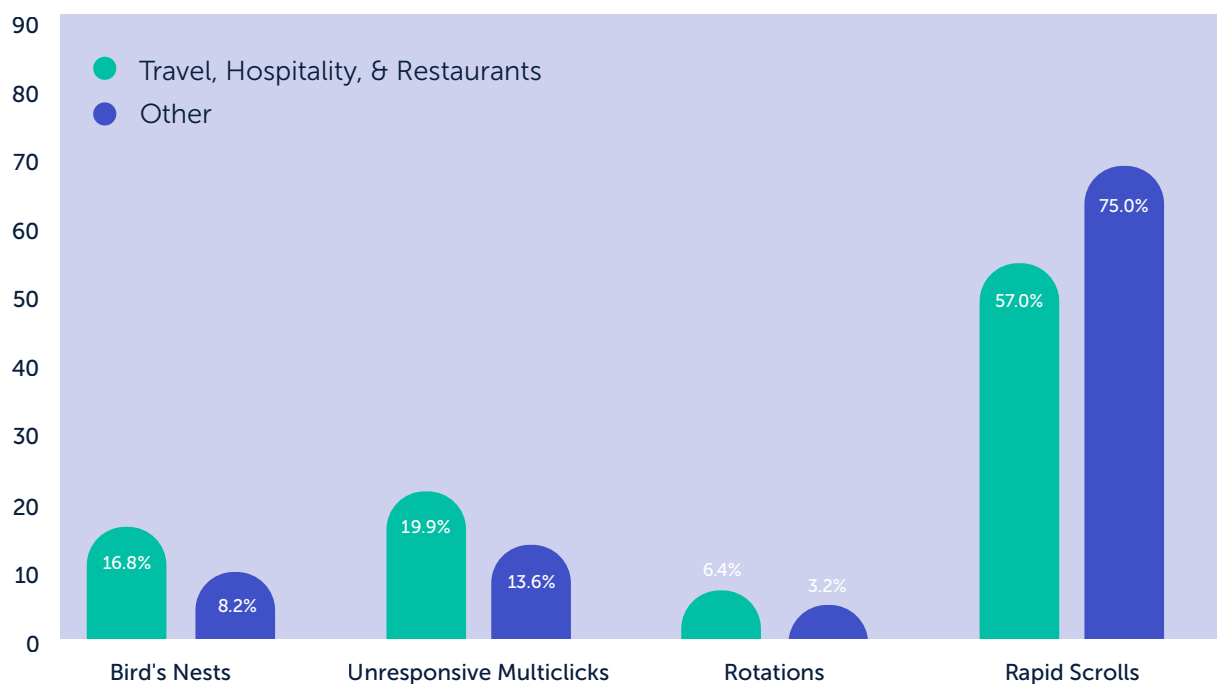


The State of Frustration for Travel, Hospitality, & Restaurants

Travel, Hospitality, & Restaurants frustrates users more than most industries.

From travel bookings to delivery orders, there's a crowded field of competition within the industry that gives online customers the ultimate power: choice. Just one frustration-filled digital experience is enough for many users to jump to another website or app for a similar service made easier.¹⁵

OCCURANCE OF FRUSTRATED BEHAVIORS PER USER SESSION (%)



With 6.4% of page views containing instances of user frustration, Travel, Hospitality, & Restaurants ranks tied for third worst across industries — over 1% higher than the 11-industry average. Travel, Hospitality, & Restaurants generates more frustrated behaviors such as bird's nests, unresponsive multiclicks, and device rotations,

but fortunately it prevents rapid scrolling better than most. These results suggest users spend less time scrolling endlessly for important content, but there's more frustration on the content they're focused on with poor loading times and layouts.

¹⁵ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

3 ways to reduce frustration in Travel, Hospitality, & Restaurants

- 1 **Revamp web and app performance.** Users can grow impatient quickly, especially when planning a vacation or ordering their next meal, so prioritize fast backend performance and short loading times.
- 2 **Keep layouts simple and easy-to-use.** Poor interfaces that make it challenging to view or use a web page is a surefire way to frustrate users — use content hierarchy and white space to clean up busy layouts.
- 3 **Rethink online customer journeys.** Inefficient journeys that take far too many pages or screens to complete will eventually frustrate users — find ways to streamline journeys to reduce abandonment.

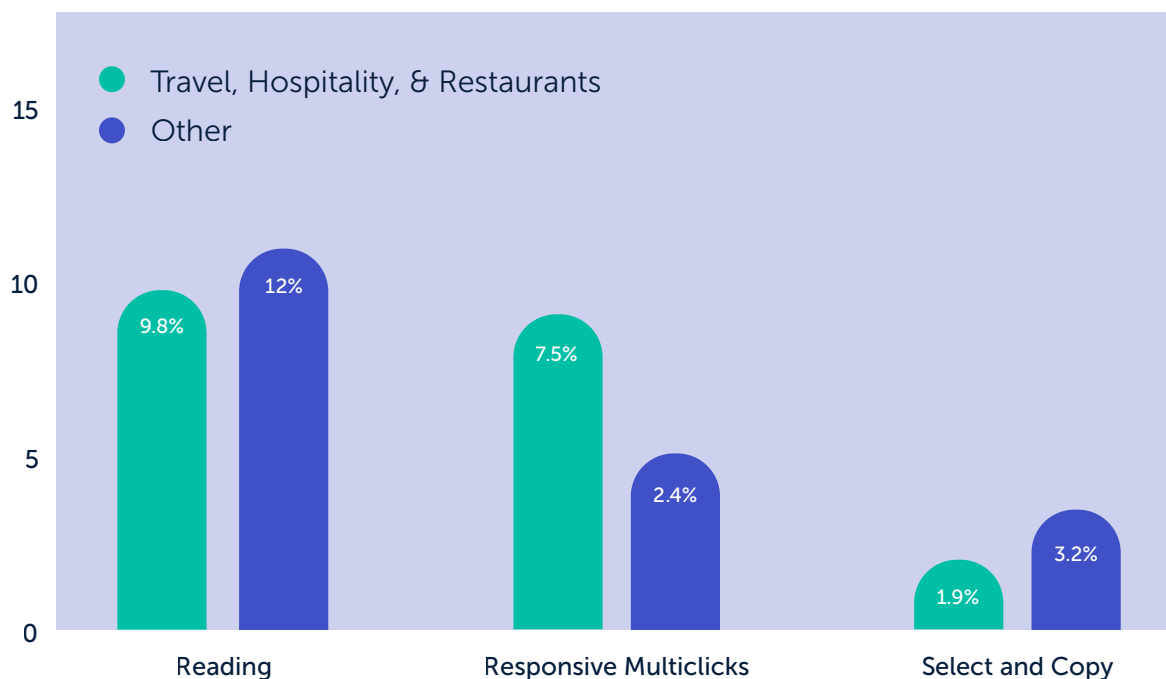


The State of Engagement for Travel, Hospitality, & Restaurants

Travel, Hospitality, & Restaurants leads engagement, but has room to improve.

More than half of consumers believe companies must completely transform how they engage online.¹⁶ In Travel, Hospitality, & Restaurants, well-placed interactive elements and content can be the difference between generating consistent engagement that leads to conversion versus confusing users into hesitation and abandonment.

OCCURANCE OF ENGAGED BEHAVIORS PER USER SESSION (%)



¹⁶ <https://outgrowco.medium.com/customer-engagement-statistics-in-2020-547e41c70c74>

Travel, Hospitality, & Restaurants ties Retail for best average Engagement Score of 5.1/10, outperforming the rest by over half a point. However, that score on its own still leaves room for improvement. In terms of specific engagements, the industry struggles to yield strong reading and select and copy behaviors,

suggesting users don't find text all that useful or interesting. But responsive multiclicks occur at a roughly three-times higher rate relative to other industries, which indicates users usually engage with interactive elements throughout the online journey.

3 ways to drive more engagement in Travel, Hospitality, & Restaurants

- 1 **Rethink online content.** Lackluster web and app content can bore users and stunt engagement, which ultimately impacts conversion — brainstorm new types of content users can't dismiss.
- 2 **Improve loading speeds.** Waiting for content to load just one second after clicking can feel like an eternity to users, so prioritize reducing the loading time for high quality images, video, and other complex web content or elements.
- 3 **Optimize content layouts.** The placement of content like text or an image along with call-to-actions and form fields can be the difference in engagement for better or worse — make sure every element has a well-thought placement on-site or in-app.



In Travel, Hospitality, & Restaurants, it appears that customers spend less time on the site than average with more frustration. But there's more engagement compared to years prior, especially with higher levels of responsive multiclicks often driven by clicking through destination images. Reducing loading speeds for high-quality on-page content should be a major priority moving forward.

Seb Thakar, Head of Insight Services at Medallia

The Relationship Between Digital Experience and Conversion for Travel, Hospitality, & Restaurants

Digital experience may not be the strongest driver of conversion for Travel, Hospitality, & Restaurants.

Digital experience often moves the needle when it comes to generating positive business outcomes. Web or app conversions can rise 400% higher on destinations with better digital experiences.¹⁷ However, the relationship between DXS® and business outcomes in Travel, Hospitality, and Restaurants suggests users will tolerate poor experiences for a product or service they really want.

¹⁷ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

GOAL CONVERSION AND DIGITAL EXPERIENCE (%)



Although Travel, Hospitality, & Restaurants scored the best DXS®, the correlation between goal conversion rate and DXS® ranks as the lowest among the 11 industries at 60%. These results suggest digital experience matters the least for conversions in Travel, Hospitality, & Restaurants. Users may favor a specific type of

restaurant or travel provider and may be more forgiving for a less than desirable experience. However, as customers continue to move online, and digital competition increases, expectations will increase and improving your website or app will become critical.

3 Travel, Hospitality, & Restaurants digital experience takeaways for 2022

- 1 Digital experience can spark loyalty.** Even if customers are willing to suffer through poor experiences for the right product or service, an even better digital experience can bring them back to order or book again, and again.
- 2 Differentiate through websites and apps.** Users may become used to frustrating digital experiences, so those websites and apps that mitigate that friction will have the best chance at standing out from competitors.
- 3 Rethink conversion-based journeys.** As a laggard in driving conversion through experience, ensuring booking and checkout journeys are seamless and streamlined can help drive revenue more consistently.



TELECOMMUNICATIONS

Benchmarks for Telecommunications

Telecommunications keeps frustration low, but struggles to drive engagement, while its conversion is closely tied to digital experience.

The rising demands for constant connectivity in recent years has placed a clear emphasis on the importance of digital for Telecommunications. In fact, 75% of telecom companies feel the pressure to digitally transform to improve their products

and services.¹⁸ And as telecom companies pursue that, digital experiences on websites and apps should become a priority to ensure those efforts meet rising market demands and consumer expectations.

¹⁸ <https://blog.twoosk.com/telecommunications-industry/is-2021-the-year-of-digital-transformation-in-telecom-industry/>

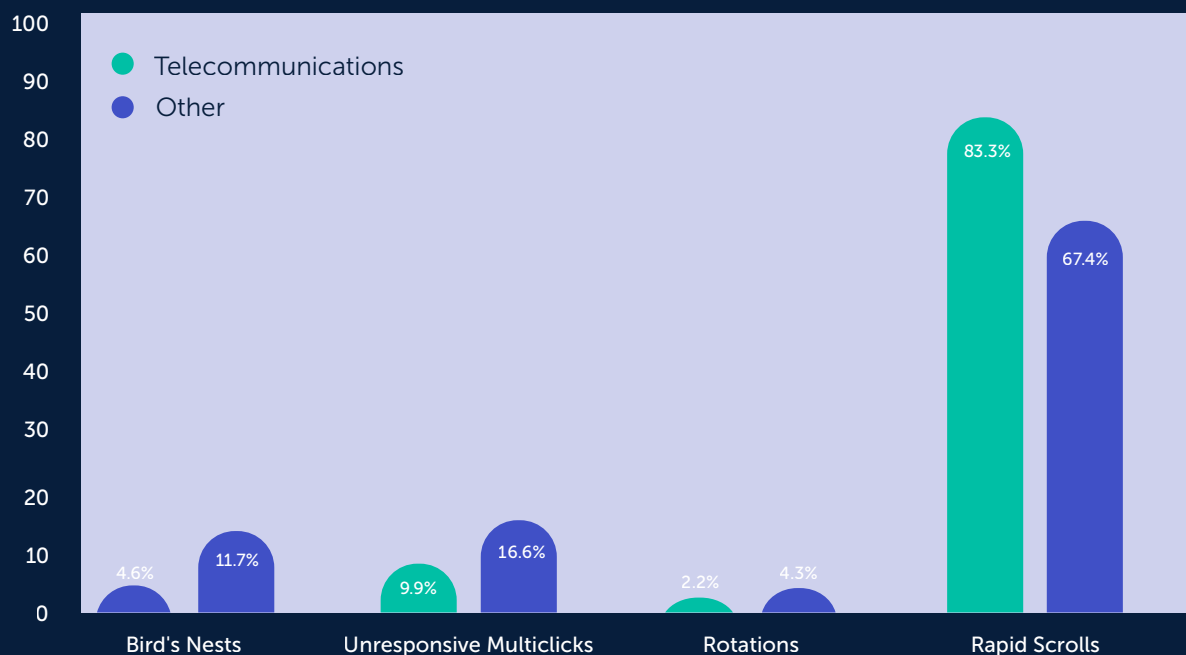
The State of Frustration for Telecommunications

Telecommunications keeps user frustration low.

Online frustration has become a tipping point for many as two-thirds of customers blame poor experiences as a reason for churn.¹⁹ And for an industry whose success largely

depends on consistent customer retention, frustration will become an increasingly impactful factor on loyalty moving forward.

OCCURANCE OF FRUSTRATED BEHAVIORS PER SESSION (%)



With 4.1% of page views containing instances of user frustration, Telecommunications ranks as a top-three performer in keeping online friction low. The industry keeps frustrated behaviors like bird's nests and unresponsive multiclicks very

low compared to other industries. However, rapid scrolling is worse than average, which means users may be confused or overwhelmed by layouts and struggle to find what they're looking for quickly.

3 ways to reduce frustration in Telecommunications

- 1 Speed matters online.** Cut down on frustrated behaviors and keep users on-site or in-app by delivering faster loading content — long rendering times drive frustration and abandonment.
- 2 Revamp web and app content.** Complex and cluttered layouts can quickly turn users away from your website or app — simplify content so that it's very easy to consume and use.
- 3 Optimize online journeys.** The fewer steps and actions required for the user to achieve their goals, the fewer chances for frustration — find ways to streamline longer journeys.

¹⁹ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

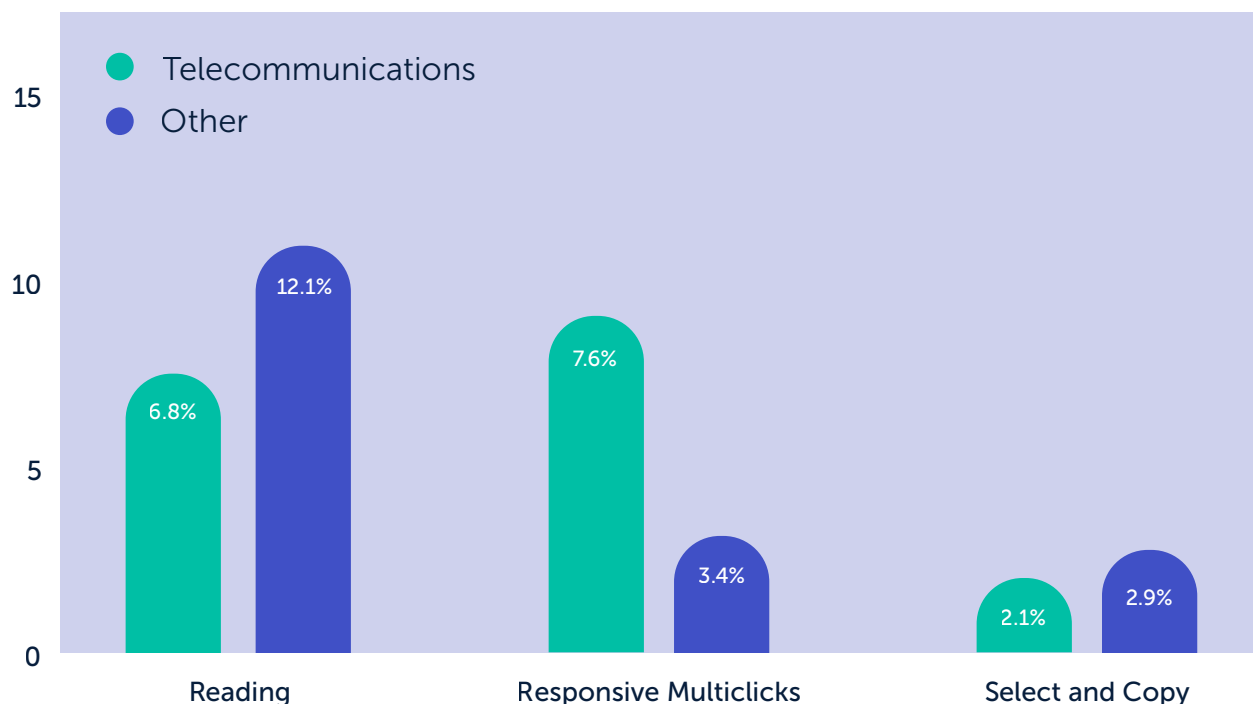


The State of Engagement for Telecommunications

Levels of engagement underwhelm compared to other industries.

More than half of online customers think companies must revisit and improve how they engage.²⁰ And for telecommunication companies, the ability to drive consistent engagement online depends on how well digital experiences are designed both in terms of aesthetics and usability.

OCCURANCE OF ENGAGED BEHAVIORS PER SESSION (%)



Telecommunication companies struggle to drive consistent engagement as reflected by a below average Engagement Score of 4.1/10, which ranks second lowest among other industries. Regarding types of engagements, Telecoms performs higher than average with multiclick behaviors — a sign of consistent interaction with

responsive web or app elements. But reading along with select and copy behaviors occur at significantly lower rates relative to other industries. These results reveal a clear chance for the industry to improve content quality and meet the rising expectations driven by other industries.

²⁰ <https://outgrowco.medium.com/customer-engagement-statistics-in-2020-547e41c70c74>

3 ways to drive more engagement in Telecommunications

- 1 **Create standout visual content.** Images and videos are quick ways to capture attention and keep users engaged if quality and placement are optimized, but make sure they load quickly.
- 2 **Optimize and test copy.** The right words can make all the difference in keeping users moving through the journey versus losing interest — try personalizing this content and investing more time in copywriting.
- 3 **Simplify page and screen layouts.** The design and placement of content can be the ultimate deciding factor whether a page drives engagement or becomes a bottleneck — ensure layouts make content easy to consume.



“In Telecommunications, there’s plenty of frustration with journeys and page content driving most of that friction. There are high levels of looping behavior, when a user repeatedly revisits the same page, along with worse than average rendering and loading times. These are clear signs of suboptimal digital content and a call to action for leading brands.”

Seb Thakar, Head of Insight Services at Medallia



The Relationship Between Digital Experience and Conversion for Telecommunications

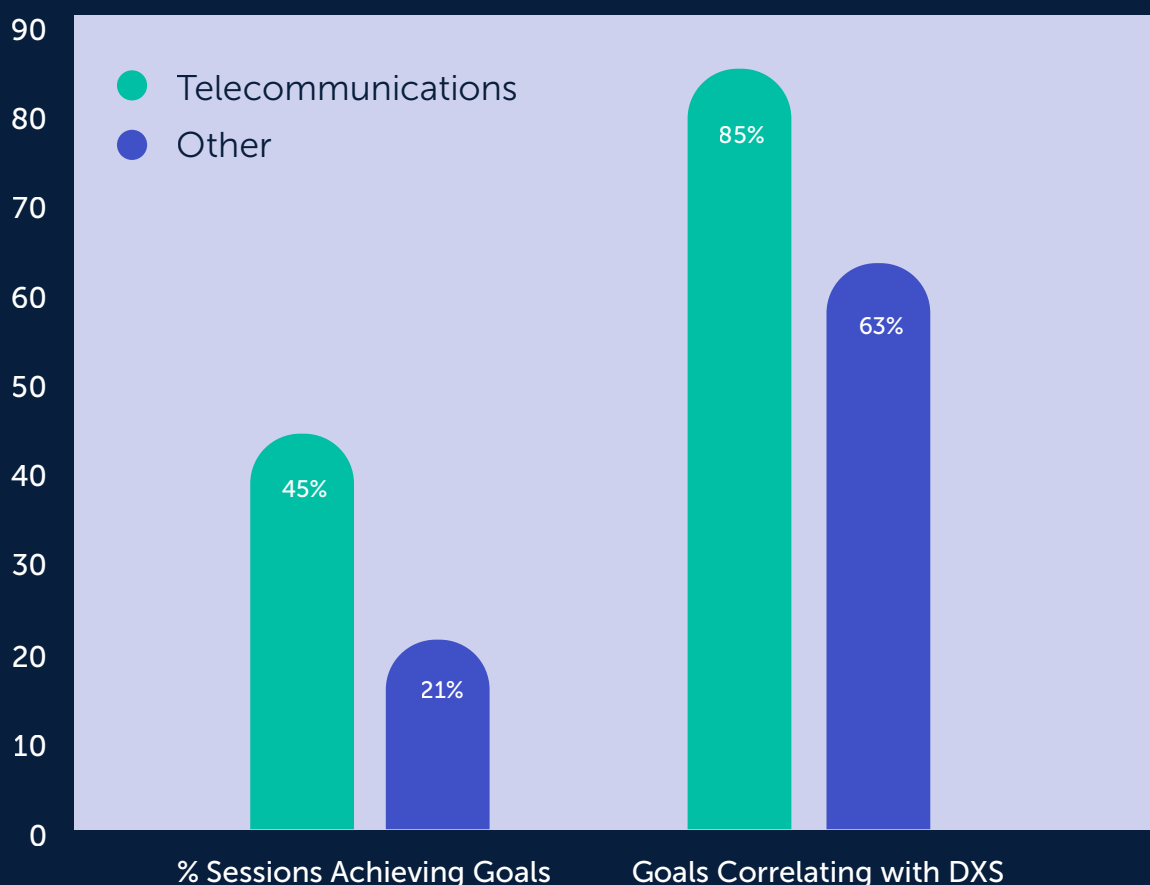
Digital experience has become a major driver of conversion in Telecommunications.

Digital experience commonly acts as a primary driver of conversion across industries. In fact, web and app conversions can climb to be 400% higher with superior experiences.²¹ And the relationship between

DXS® and business outcomes in Telecoms highlights just how crucial digital experience has become for driving online conversion and revenue.

²¹ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

GOAL CONVERSION AND DIGITAL EXPERIENCE (%)



For Telecommunications, the correlation between goal conversion rate and DXS® registers an impressive 85%, which is just below Retail for third best in the group. These results show the potential revenue value of digital experience to

telecommunication companies. In fact, research suggests that many customers churn after just a single poor experience, and digital experience may actually matter even more than pricing or products in some circumstances.²²

3 Telecommunications digital experience takeaways for 2022

- 1 Continuously optimize weak points.** No pain point or bottleneck on your website or app will go unnoticed in the digital era, so finding and optimizing flawed web pages and app screens has become critical for success.
- 2 Prioritize experience over conversion.** Users clearly respond better to seamless, easy-to-navigate digital experiences, meaning you must improve web and app experiences to increase conversions.
- 3 Efficiency will help differentiate.** Cutting down on loading and rendering speeds along with reducing journey steps are major drivers of efficiency, which can directly impact engagement, conversion, and retention.

²² <https://www.salesforce.com/resources/articles/customer-engagement/>



AUTOMOTIVE

Benchmarks for Automotive

Automotive struggles to limit frustration, generates average engagement, and its conversion strongly depends on quality of digital experience.

Digital transformation within Automotive has been rapid, and as a result, more and more consumers have embraced the online car shopping process. In fact, 54% of consumers claim they would “love” to buy or sell a car from the comfort of their own home.²³

And these same car shoppers visit an average of 4.2 websites before purchasing, meaning digital experiences are becoming a difference maker for consumers and a way for brands and dealerships to stand above the competition.²⁴

²³ <https://v12data.com/blog/25-amazing-statistics-on-how-consumers-shop-for-cars/>

²⁴ <https://d2n8sg27e5659d.cloudfront.net/wp-content/uploads/2019/04/2019-Cox-Automotive-Car-Buyer-Journey-Study-Media-Deck.pdf>

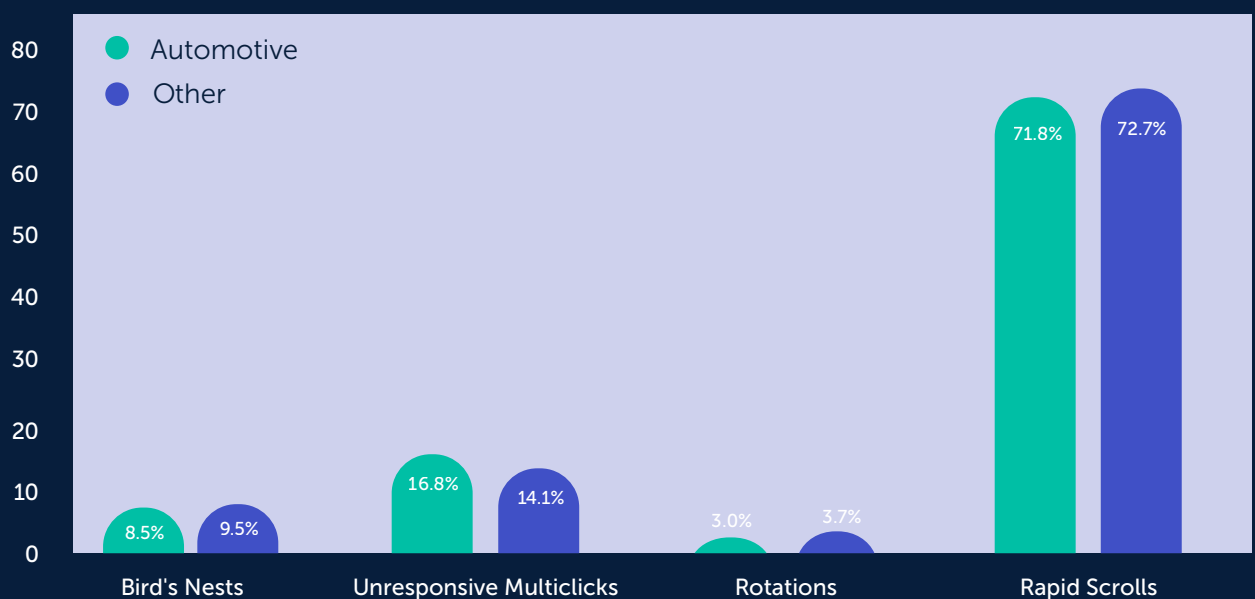
The State of Frustration for Automotive

Automotive frustrates more users than most industries.

As digital car-shopping experiences become more popular, consumers have more choice and ultimately more buying power than traditional dealership experiences. And this trend puts new pressures on automotive companies to deliver seamless, friction-

free experiences or consumers may find a competitor who does. Seeing that 86% of consumers would pay more for a better experience, online frustration may significantly impact automotive companies in the digital-first era.²⁵

OCCURANCE OF FRUSTRATED BEHAVIORS PER SESSION (%)



With 6.5% of page views showing instances of user frustration, Automotive ties Non-Profit for second worst in user frustration — over a full point higher than average. The industry has plenty of room to improve in limiting overt frustrated behaviors like bird's nests,

unresponsive multiclicks, device rotations, and rapid scrolling in comparison to other industries. These results suggest the complexity of online car-shopping experiences — likely filled with interactive and dynamic content — that can create frequent issues derailing a user journey.

3 ways to reduce frustration in Automotive

- 1 Make performance a priority.** With plenty of complex online "showroom" experiences, it's crucial to ensure digital content — especially the interactive type — loads and renders as quickly as possible to keep users on-site or in-app.
- 2 Balance digital content.** From interactive car tours to video test drives, complex content can impact performance, so prioritize balance between static and dynamic content to reduce technical issues.
- 3 Simplify navigation and journeys.** The more time spent on-site or in-app doesn't always bode well — reduce frustration with efficient user journeys that don't overcomplicate the experience.

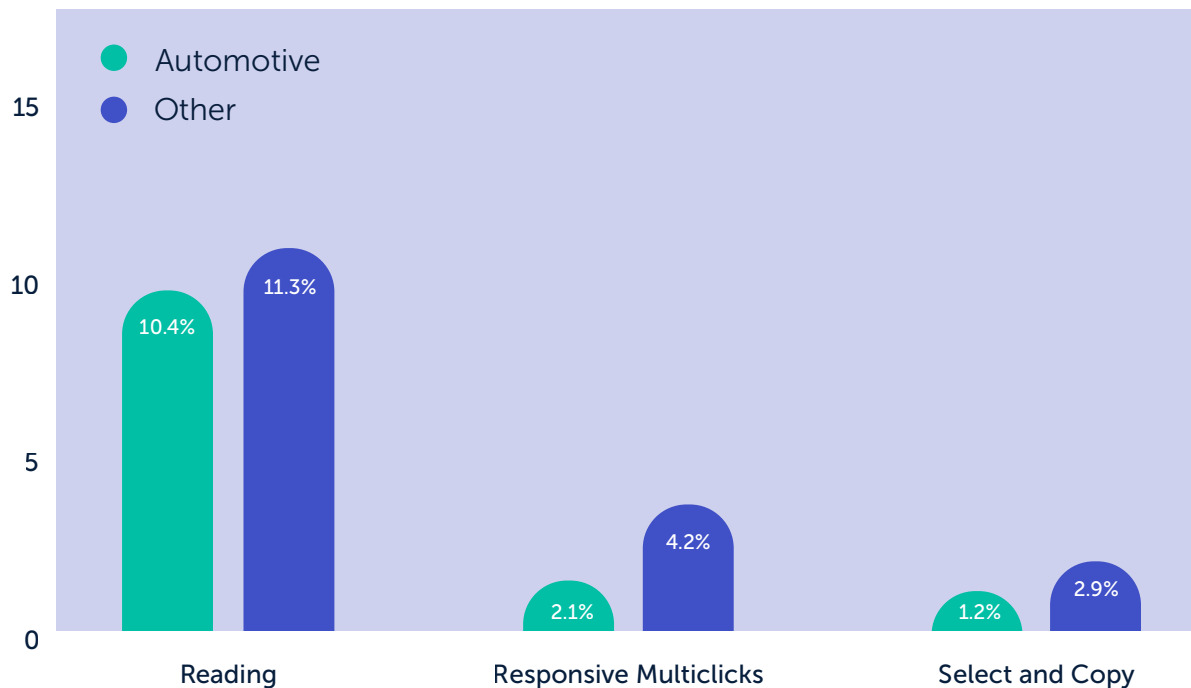
²⁵ <https://www.superoffice.com/blog/customer-experience-statistics/>

The State of Engagement for Automotive

Engagement could be improved in Automotive compared to other industries.

From various types of content to well-thought out design, the experience on a website and app can completely dictate when and how users engage. And for Automotive, this can become a major factor in keeping users on-site or in-app versus abandoning the site for another day, or worse, a competitor.

OCCURANCE OF ENGAGED BEHAVIORS PER SESSION (%)



Automotive registers an average Engagement Score of 4.4/10, which is roughly middle of the pack compared to the multi-industry average. Across the board, the industry performs below average in terms of generating specific engaged

behaviors like reading, responsive multiclicks, along with select and copy. This likely means customers don't stay too focused on the content, and are much less likely to engage unless something really stands out.

3 ways to drive more engagement in Automotive

- 1 Mimic dealership experiences online.** Even with more consumers embracing online car shopping, replicating familiar dealership showroom experiences — without the buying pressure — will make the transition easier for new users.
- 2 Fine-tune technical performance.** Ensure interactive elements and dynamic content load and function without issues — this includes buttons, carousels, videos, and others alike.
- 3 Avoid basic digital content.** Boring stock images or cliché commercialized videos likely won't win over many customers — add unique, outside-the-box content that's more likely to pique user interest.



“

Automotive tends to generate high frustration with more unresponsive multiclicks and page refreshing, meaning content likely doesn't load quickly or properly. And low focus duration suggests users may not spend much time on site as they're likely comparing against several other competitors. This provides an incredible opportunity for the companies that invest in improving and optimizing their digital experiences.

”

Seb Thakar, Head of Insight Services at Medallia



The Relationship Between Digital Experience and Conversion for Automotive

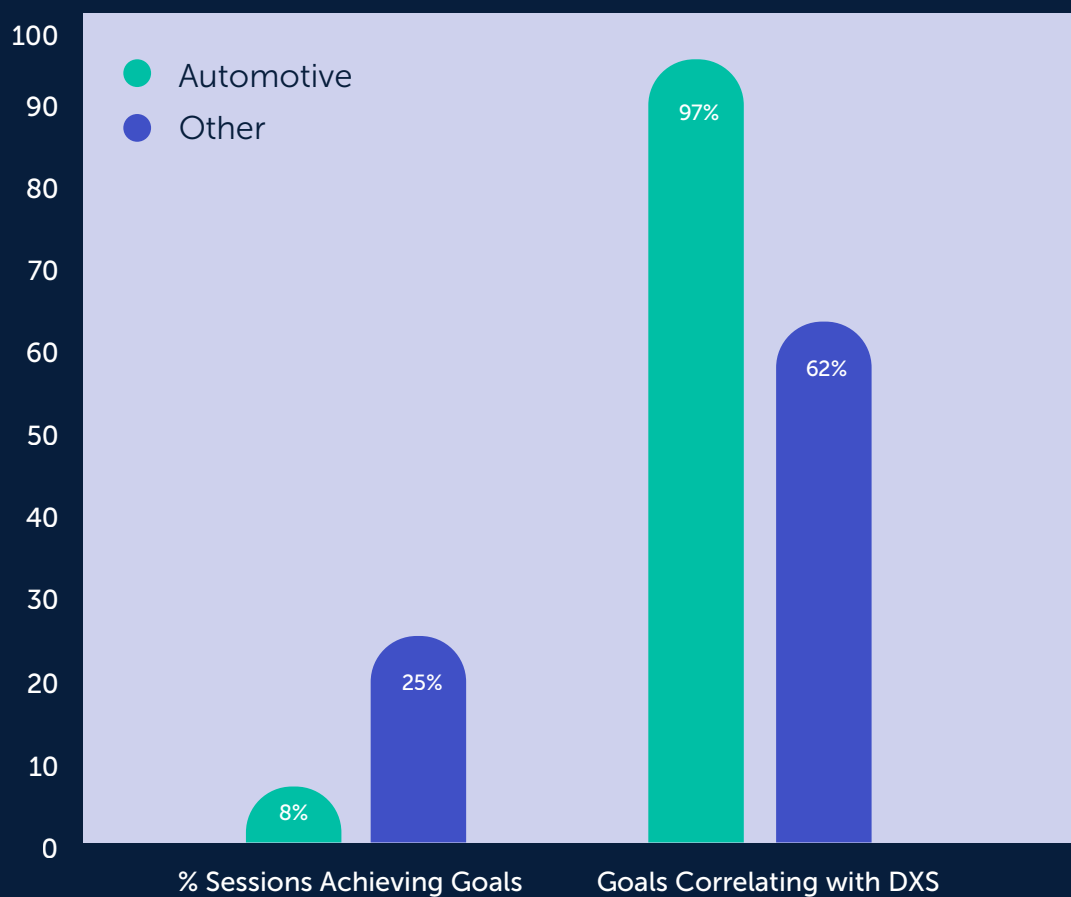
Digital experience is a critical driver of conversion for Automotive.

High quality digital experience is viewed as a pivotal factor for optimizing conversion — whether the goal is to complete a purchase, download a brochure, or book a test drive. In fact, online conversions can spike 400% higher on digital destinations with

superior experiences.²⁶ And the relationship between DXS® and business outcomes in Automotive suggests that users take notice of digital experience and it's often a deciding purchasing factor or accelerant.

²⁶ <https://www.intechnic.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

GOAL CONVERSION AND DIGITAL EXPERIENCE (%)



For Automotive, the correlation between goal conversion rate and DXS® ranks best among all industries at an astounding 97%. These results convincingly indicate digital experience has become a fundamental driver of conversion in Automotive, and it could be the difference

in winning over comparison shoppers or accelerating a purchase decision. To back it up, research shows many customers have begun to weigh experience more than price, which makes high-quality websites and apps a clear competitive advantage.²⁷

3 Automotive digital experience takeaways for 2022

- 1 Continuously optimize to differentiate.** As online car shopping becomes normalized in the eyes of consumers and digital experience becomes a buy factor, brands that take optimization seriously stand the best chance of beating out the competition.
- 2 Performance may decide conversion.** With user frustration high across the industry in comparison to others, brands that can improve technical performance may see conversion rates spike.
- 3 Pay attention to online behavior.** Online user behavior on websites and apps reveals a wide range of insights around consumer preferences and the quality of digital experience — track behaviors for more actionable ways to improve your website or app.

²⁷ <https://www.salesforce.com/resources/articles/customer-engagement/>



RETAIL

Benchmarks for Retail

Retail causes much frustration, but generates higher engagement, and its conversion strongly corresponds with digital experience.

Online shopping is far from new to Retail or its customers, as over 2 billion consumers purchased goods online in 2020, which totaled nearly \$4.5 trillion worldwide. In fact, ecommerce makes up roughly 22% of

Retail's sales, and in the digital-first era those numbers aren't likely to slow down.²⁸ As the virtual marketplace grows more crowded, digital experience will become a fundamental differentiator to consumers.

²⁸ <https://www.statista.com/topics/871/online-shopping/>

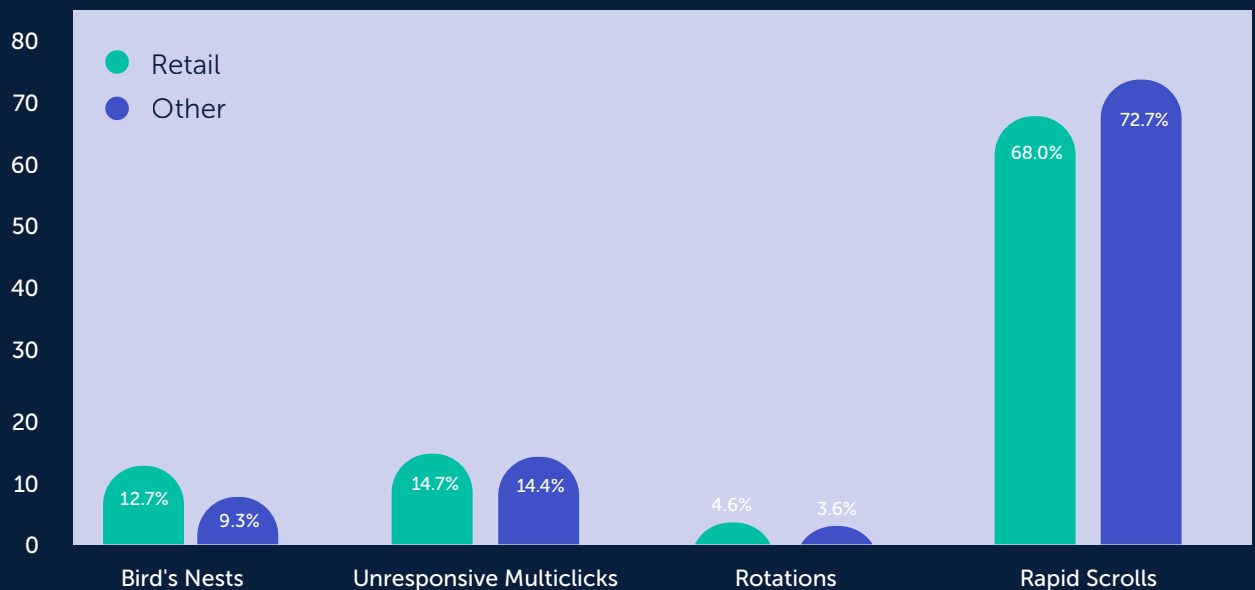
The State of Frustration for Retail

Retail frustration could use noticeable improvement.

The committed digital presence from retailers provides consumers with better access to more brands and products than traditional brick and mortar. This gives consumers the power of increased choice, and as ecommerce

continues to grow, so will consumer expectations. With nearly 9 in 10 consumers saying they'd pay more for better experiences, there is increased pressure on retail businesses to reduce online shopping friction.²⁹

OCCURANCE OF FRUSTRATED BEHAVIORS PER SESSION (%)



With 6.4% of page views showing instances of user frustration, Retail ranks on the lower end of industries in terms of limiting frustration. Although there's plenty of room for improvement, frustrated behaviors like bird's nests, unresponsive multiclicks, device

rotations, and rapid scrolling are roughly in line with the multi-industry averages. These overt frustrated behaviors may not be limited to a handful of high-friction pages, but rather they're occurring frequently throughout various steps of online journeys.

3 ways to reduce frustration in Retail

- 1 Optimize technical performance.** Shoppers can very easily grow impatient if pages load too slowly or content simply malfunctions, so ensure all backend components are working well or impatience can turn to abandonment quickly.
- 2 Make content device-friendly.** From desktop to tablets to smartphones, consumers use a wide range of devices to shop — ensure content adapts to fit all device types and site layouts.
- 3 Streamline buying journeys.** Just like in physical retail, the less effort it takes to shop and browse online, the more likely a customer is to buy — keep journeys simple and reduce the steps it takes to check out.

²⁹ <https://www.superoffice.com/blog/customer-experience-statistics/>

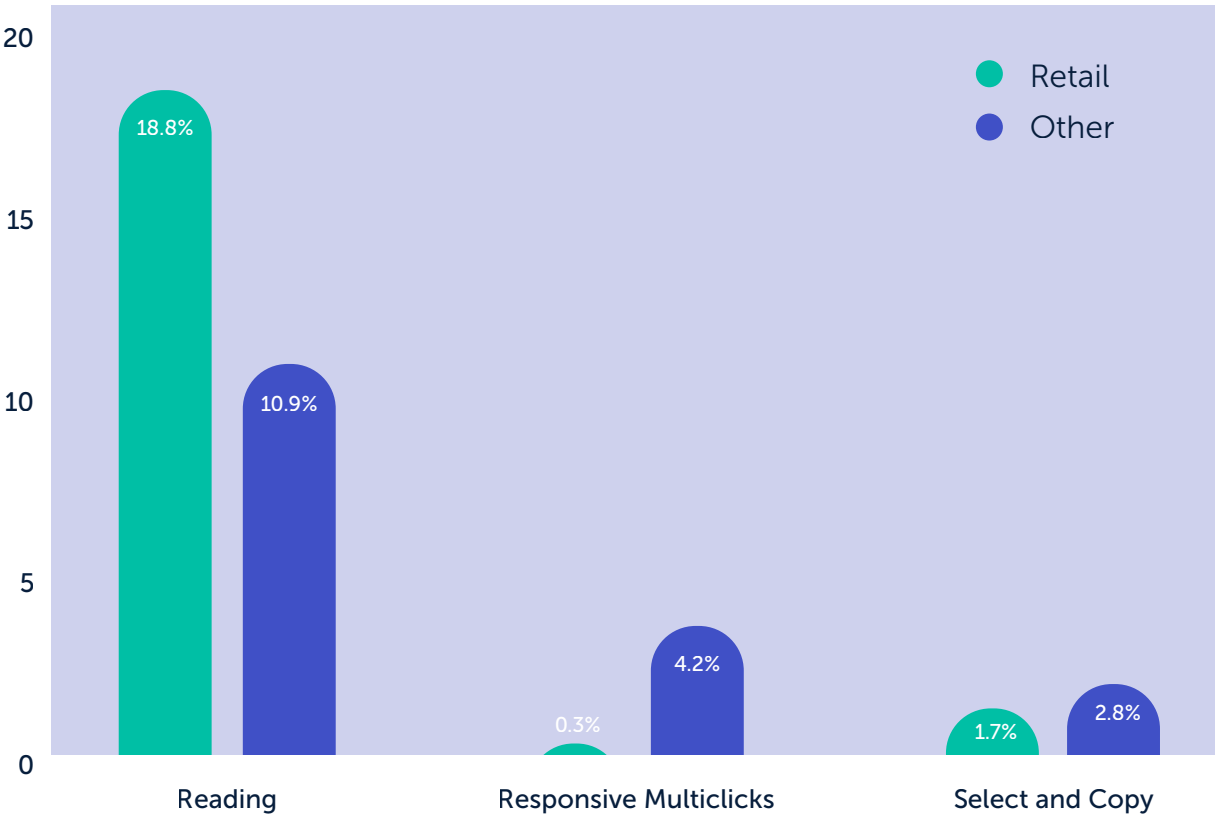


The State of Engagement for Retail

Retail leads the way in engagement, but has room to improve.

While in brick and mortar stores, associates help engage customers to improve their experience, but online it takes a well-designed website or app to create the same effect. From product descriptions and carousels to forms at checkout, ensuring these elements are easy to use and consume will drive engagement.

OCCURANCE OF ENGAGED BEHAVIORS PER SESSION (%)



Retail registers an Engagement Score of 5.1/10, which ties Travel, Hospitality, & Restaurants for best among the 11 industries. While Retail engagement rose since last year, there's still plenty of room to improve engagement across the board. The industry elicits a lot of

reading behaviors compared to others, but it struggles to drive responsive multiclicks. This likely means customers focus on text, like product descriptions, but are less engaged with interactive elements.

3 ways to drive more engagement in Retail

- 1 **Prioritize high-quality content.** Users spend and focus most of their time on product pages — spend time testing, optimizing, and personalizing content for users, especially on product pages.
- 2 **Fine-tune interactive elements.** Ensure interactive elements such as call-to-action buttons, product carousels, drawdowns, sliders, videos, and more each stand out and work without a hitch.
- 3 **Personalize experiences.** With online shopping on the rise, websites and apps that can deliver personalized experiences with custom web pages and content for specific segments will ultimately win more user interest.



“Retail sees its users view more pages per session on average compared to all other industries, which demonstrates the importance of well-optimized navigation to ensure successful retail journeys. User engagement is strong in Retail with most of user interest and focus spent on text rather than images, but improving image quality and loading speed could become a differentiator for leading brands.”

Seb Thakar, Head of Insight Services at Medallia



The Relationship Between Digital Experience and Conversion for Retail

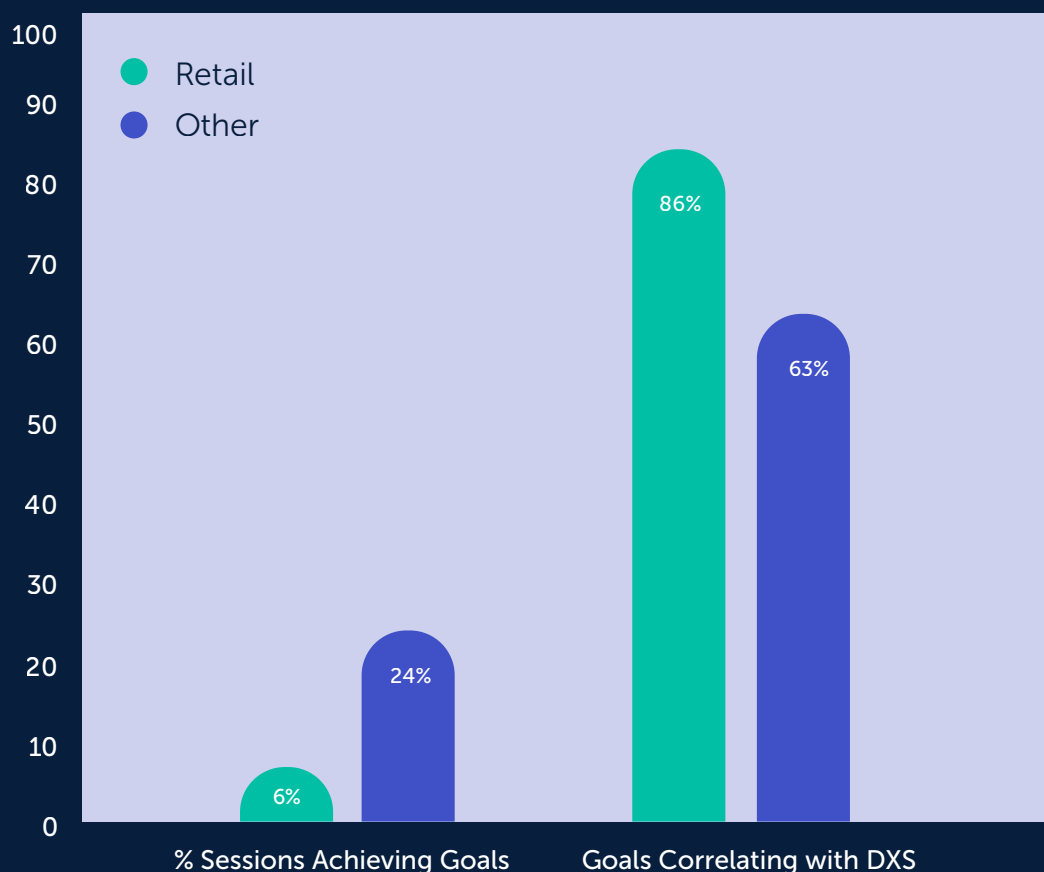
Digital experience is a clear-cut driver of conversion for Retail.

Well-optimized digital experience can act as a deciding factor in conversion success across industries. In fact, online conversions can rise 400% on websites and apps with superior experiences.³⁰ And the relationship

between DXS® and business outcomes in Retail confirms that users care about their digital experience and it can determine if they make a purchase.

³⁰ <https://www.intechinc.com/blog/100-ux-statistics-every-user-experience-professional-needs-to-know/>

GOAL CONVERSION AND DIGITAL EXPERIENCE (%)



For Retail, the correlation between goal conversion rate and DXS® ranks second best among all industries at 86%. These results show digital experience has become a major driver of conversion for retailers, and it could be the

difference between building loyalty with an avid shopper or turning them away. On top of this trend, many customers have begun to favor experience more than price, which makes friction-free websites vital to business success.³¹

3 Retail digital experience takeaways for 2022

- 1 Optimizing navigation and journeys are critical.** Focus on limiting friction in navigating a website or app, and more journeys will result in conversion success.
- 2 Digital experience is a differentiator.** It's not enough to maintain an online retail store anymore — with a hyper-crowded field of competitors including big brands to specialty niches, experience will become a driving factor for loyalty.
- 3 Don't ignore user behaviors.** Brands that track and analyze online behaviors to understand exactly what sparks engagement versus frustration will be better equipped with insights to improve digital experience — and conversion.

³¹ <https://www.salesforce.com/resources/articles/customer-engagement/>

Maximize Results from Your Digital Strategy

Ready to partner with our team of digital experts and upgrade to Medallia Digital Suite? You'll be able to turn every online customer experience across your website or app into a seamless, personalized digital experience that keeps customers coming back.

Contact Medallia today for an expert digital consultation →

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. www.medallia.com

Follow us: [in](#) medallia [blog.medallia.com](#) [@Medallia](#)
