

Drivers of Digital Loyalty: Consumer Behavior Across Key Industries

September 2021



Foreword

2020 is a year we will all remember – one filled with uncertainty and change. And while a global pandemic tested the scientific community in ways that few have seen before, it also served as a catalyst for great change in consumer behavior. In the service of reducing human contact but still staying in touch, those who could shifted as many of their daily habits to contactless ways of interacting. In many cases, this meant using websites, mobile apps, and digital platforms for the first time. Many industry analysts observed that this great digital migration would have taken **five or more years** had it not been for the pandemic.

At Mobiquity, we found ourselves wondering how newfound digital habits might impact consumer loyalty. Would consumers switch banks, doctors, and/or insurance policies if they had a bad digital experience? Would they visit a restaurant more often if it made digital ordering easier? And how did these new factors rank compared to the longstanding drivers of satisfaction in each industry? These are the questions we sought to answer for our clients in 2021.

Between January and June, we conducted four surveys among over 5,000 consumers across ages, genders, and income brackets in the US. We asked them about their behaviors, both on-and offline, in banking, property and casualty (P&C) insurance, healthcare, and restaurants & convenience stores. In our surveys, we focused on understanding digital adoption, consumer satisfaction, and drivers of loyalty and switching.



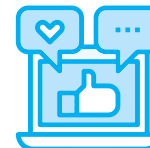
Key findings



1. Adoption

COVID-19 has led to an increase in consumer adoption of digital tools across industries. Consumers indicate the highest digital adoption in banking and the lowest in the P&C insurance industry. When it comes to feeling like digital tools fit with their lifestyle, younger demographics are consistently more likely to agree that there is a natural fit—except in banking, where people across age groups express this feeling consistently.

- While website adoption was similar across age groups, younger consumers were much more likely to have adopted mobile app usage.
- Face-to-face interactions were consistently preferred by the majority of consumers over 56. For consumers 56 and under, healthcare was the only area where their preference for face-to-face reached a majority level (66%).



2. Satisfaction

Satisfaction with digital tools is relatively consistent (around 70% Top 2 Box Score) except for the convenience industry, where only 53% of users are satisfied with their experience. While we see some differences between older and younger demographics when it comes to digital preferences, interestingly, there is little difference between the satisfaction of older and younger consumers when looking at the use of digital tools. One possible explanation is that while older consumers seem to be somewhat less likely to adopt digital tools, once a tool is being used, customer experience and points of friction are more universal.



3. Loyalty

Across industries, the majority of consumers expressed that websites and mobile apps were important drivers of loyalty. Especially among those 56+, websites edged out mobile use (although loyalty was not explicitly explored in banking). In the industries where consumers were less likely to explicitly indicate digital tools as a driver of loyalty, the factors they listed—customization, clear and proactive communication, and data accuracy—are areas where digital will likely play a larger role in the future, and can be influenced by digital tools.



4. Switching

Across industries and age groups, over 1/3 of consumers indicate that they are more likely to switch the companies/providers that they work with than ever before (switching was not explored explicitly in the areas of restaurants and convenience stores).

- In banking and insurance, growth will come from those under 56. Those 56+ are the least likely to switch any accounts in the next 12 months.
- While issues relating to cost and value are, unsurprisingly, consistently ranked within the top three motivators of switching, consumers also indicate that digital tools factor heavily in decisions to switch in all industries except retail.
- The top retail concerns, however, are factors that can be mitigated by digital tools, such as order accuracy, management of wait times, and communications around food safety and cleanliness.

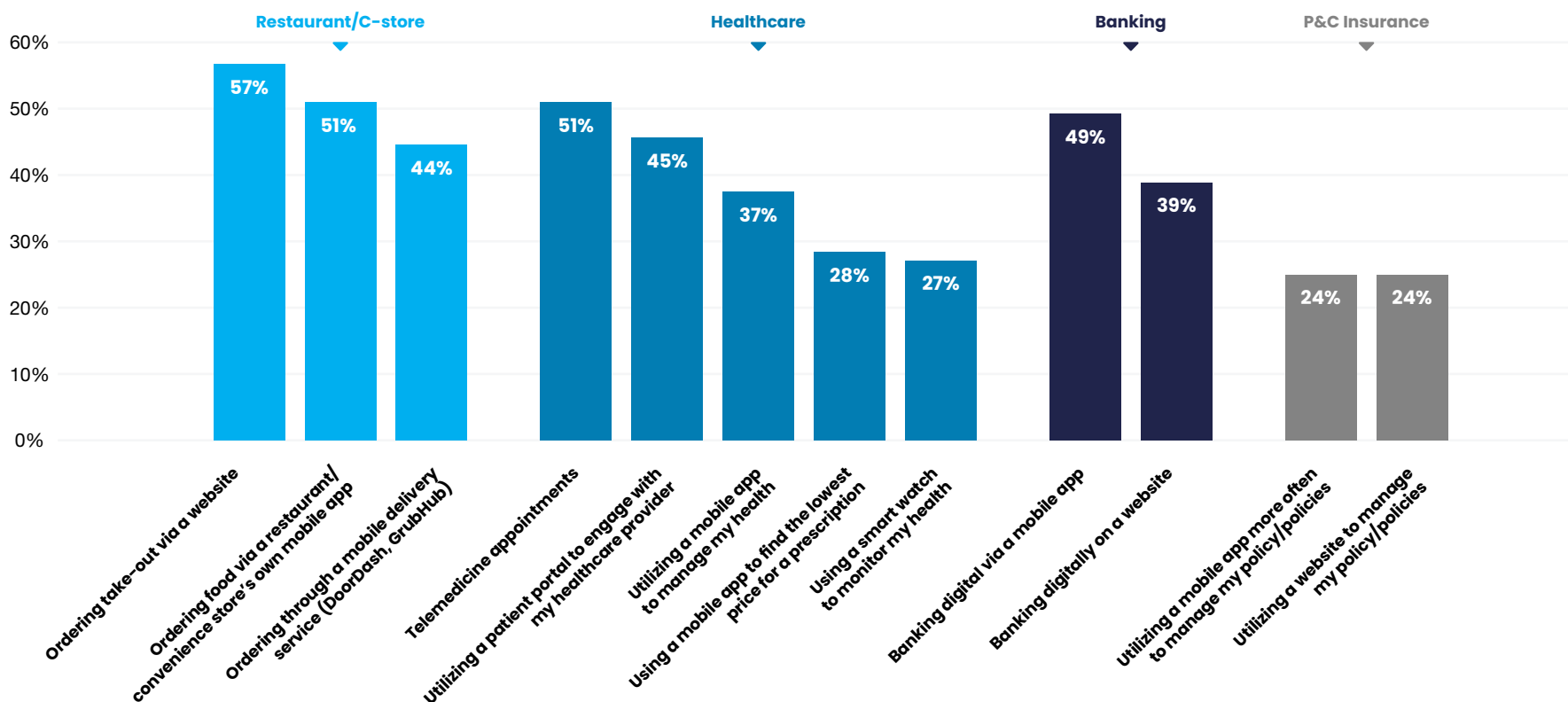


Recent changes in digital adoption

COVID-19 has been the catalyst for significant uptake of digital tools across multiple industries.

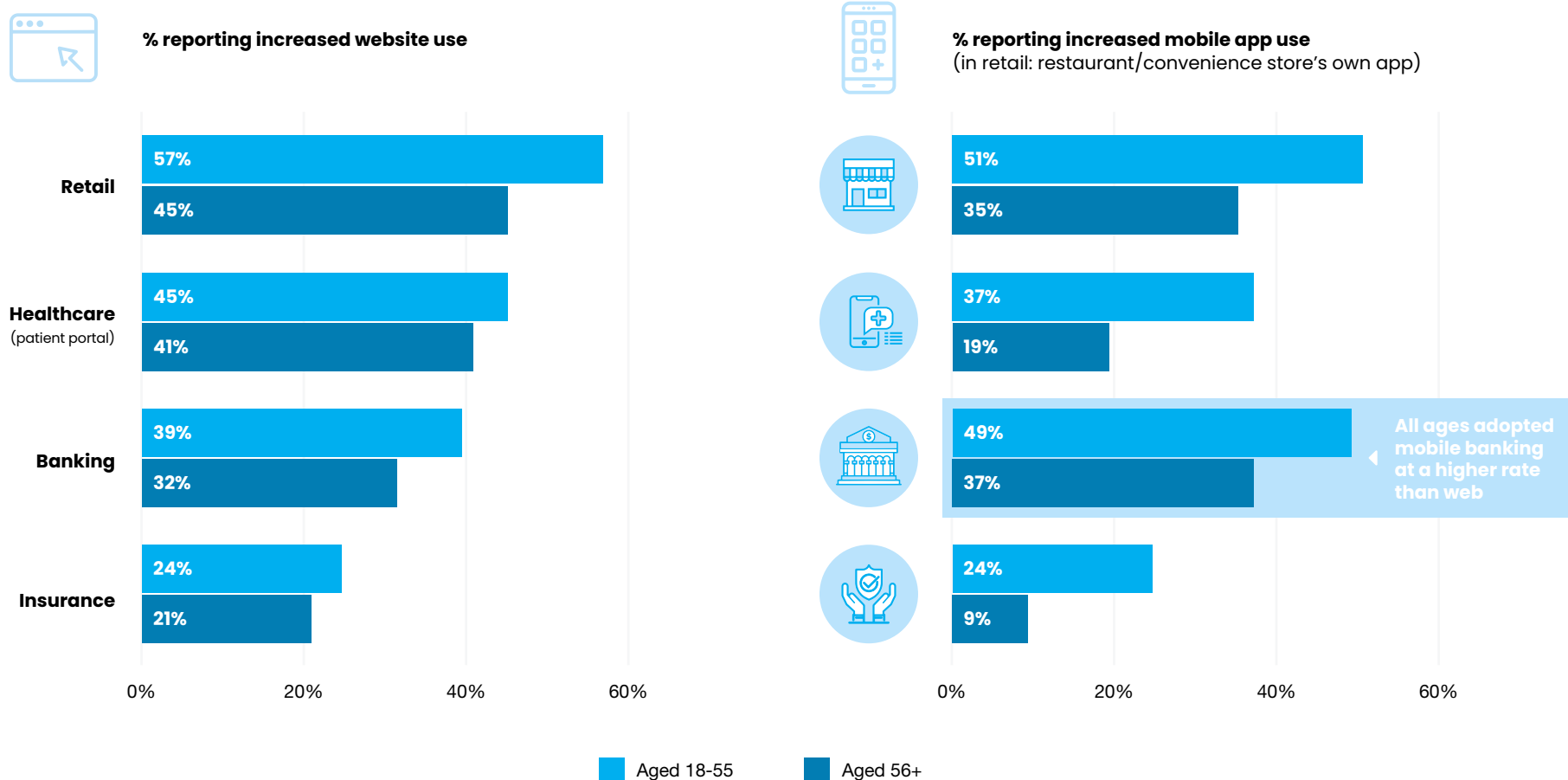
The change has been markedly smaller in insurance.

% reporting increased use of digital tools



The increase in website usage among those aged 56+ was quite close to the increase among younger respondents, except in retail.

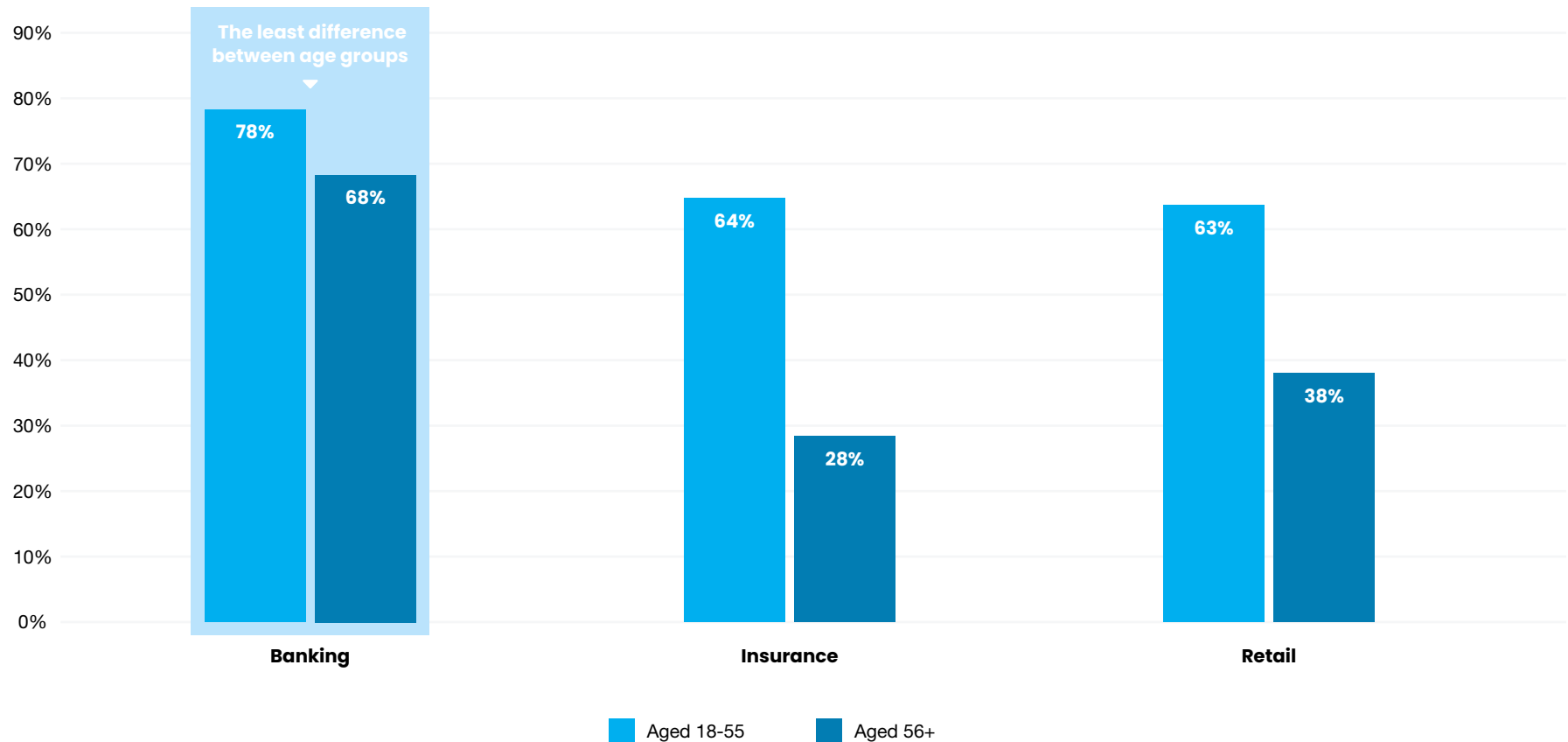
The increase in mobile app use has been far sharper among those aged under 56 than among older respondents.



A belief that digital fits their lifestyle is common across age groups in banking.

Those aged under 56 are most open to digital ways of operating across all sectors.

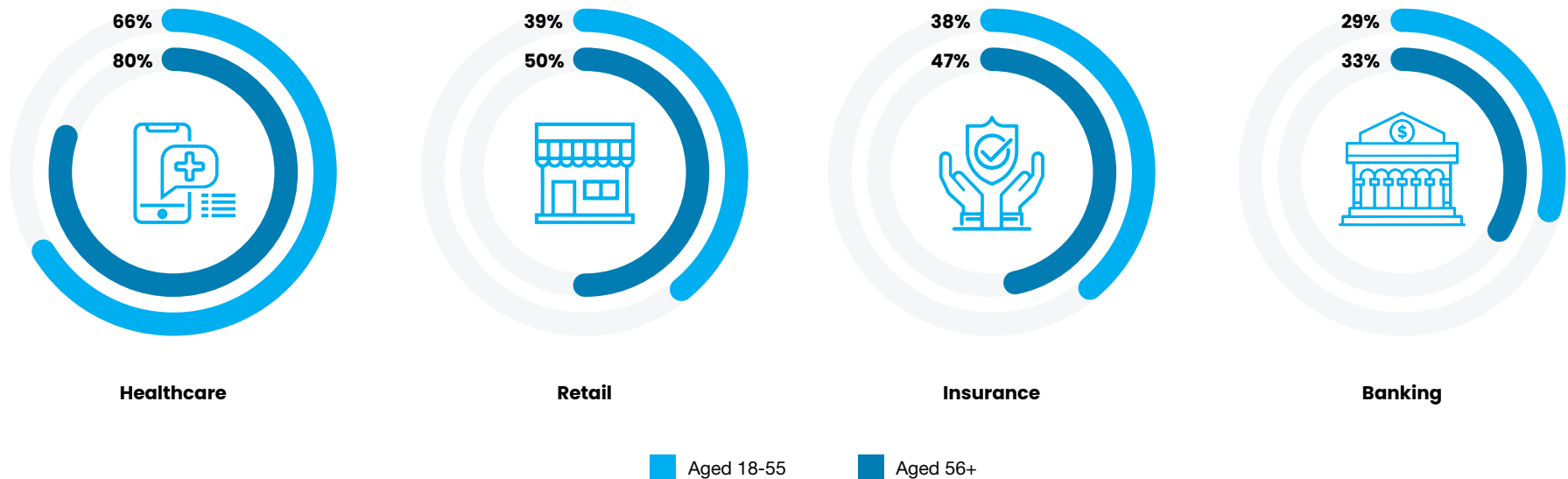
% agreeing that digital fits their lifestyle
(This question was not explored for healthcare.)



Face-to-face interactions are preferred in healthcare by all ages, but in other areas, respondents are open to other ways of interacting.

The gap between people under and over 56 is narrowest in banking, and is the area where consumers showed the lowest preference for in-person interactions.

% preferring face-to-face interactions

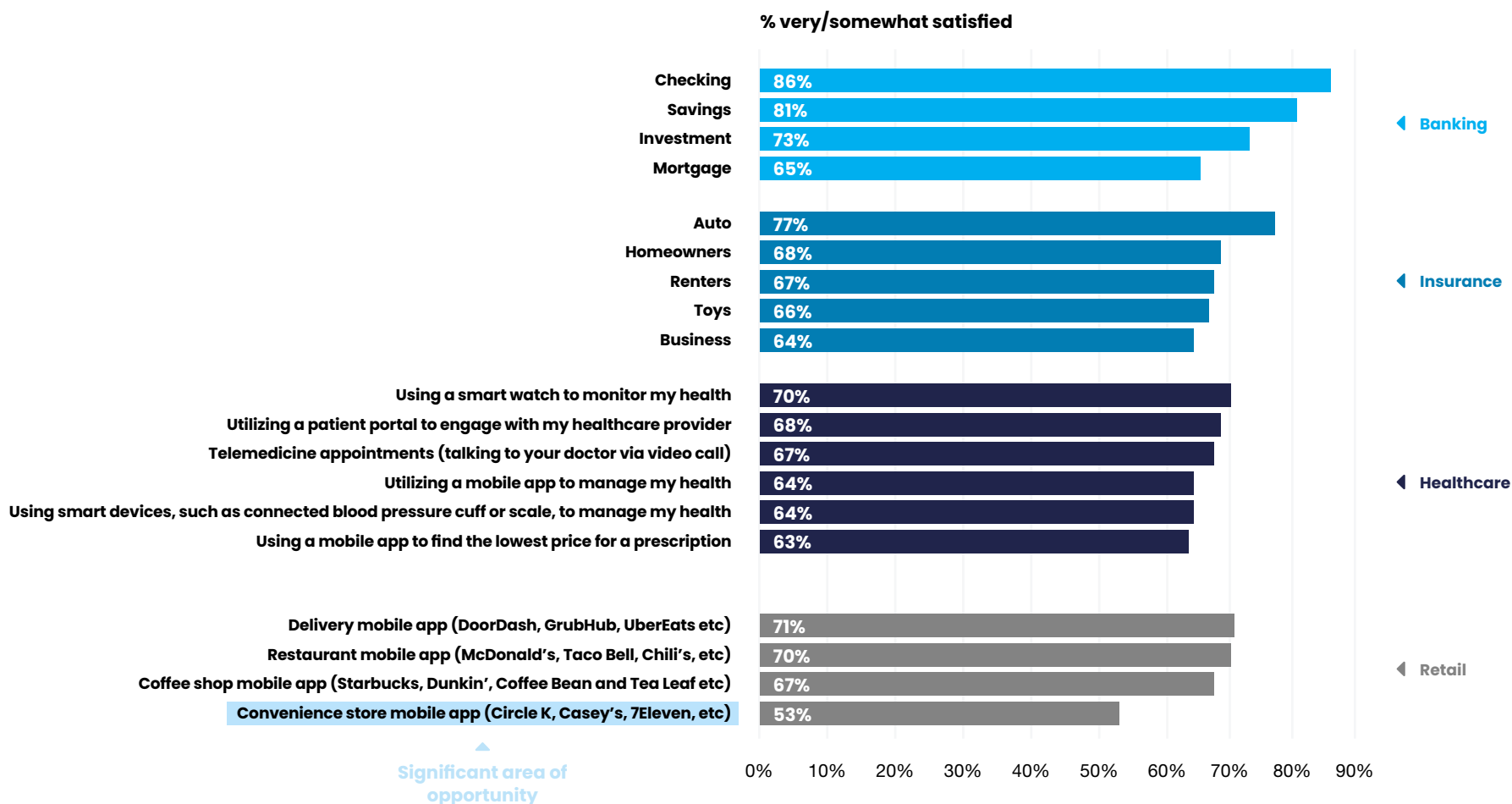




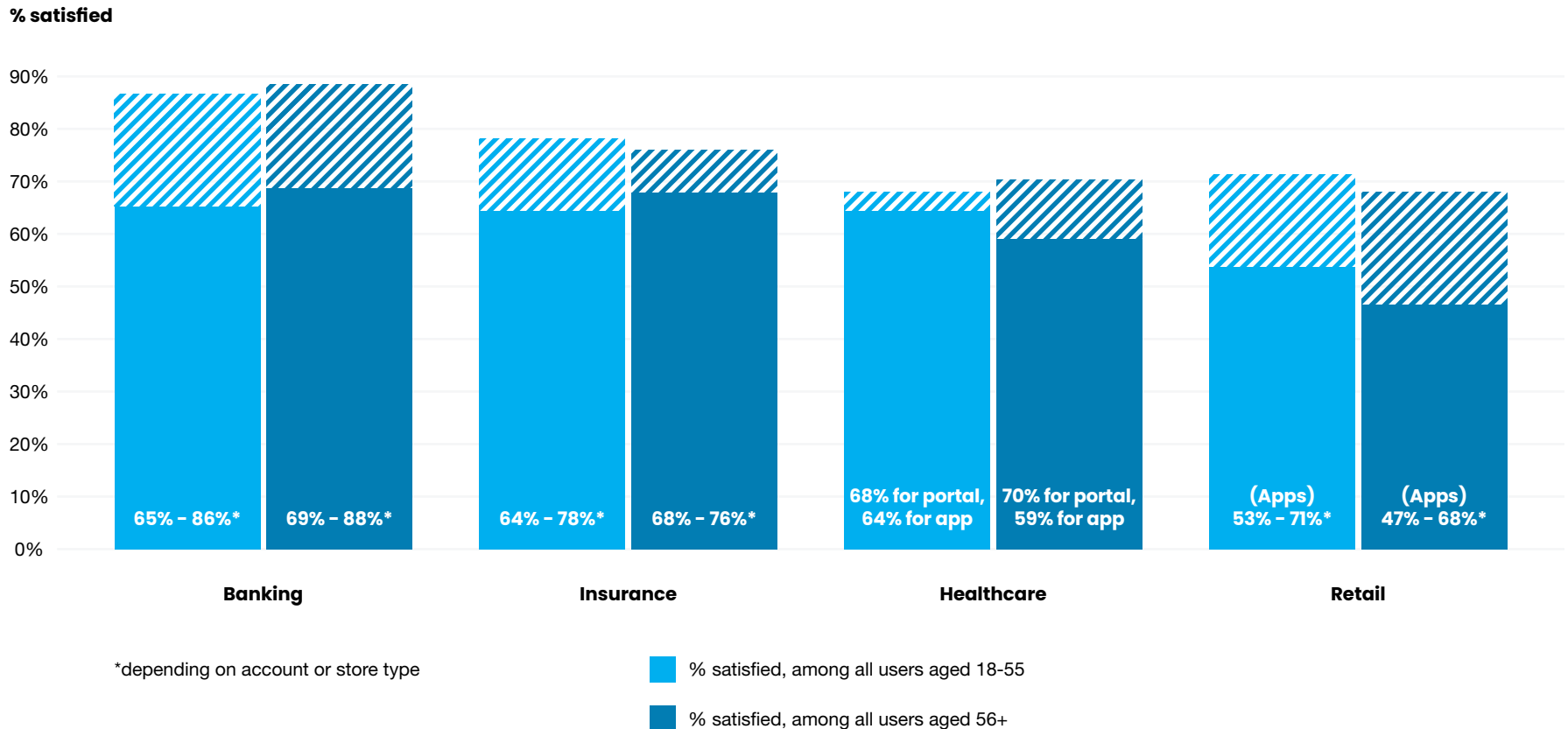
Current satisfaction levels

There is room for improvement in satisfaction with digital tools in every industry.

Satisfaction with ordering from convenience store apps stands out as the biggest opportunity; only slightly more than half of users express any level of satisfaction.



Although we see differences in adoption rates, satisfaction rates do not vary much by age group once a consumer begins using a digital tool.





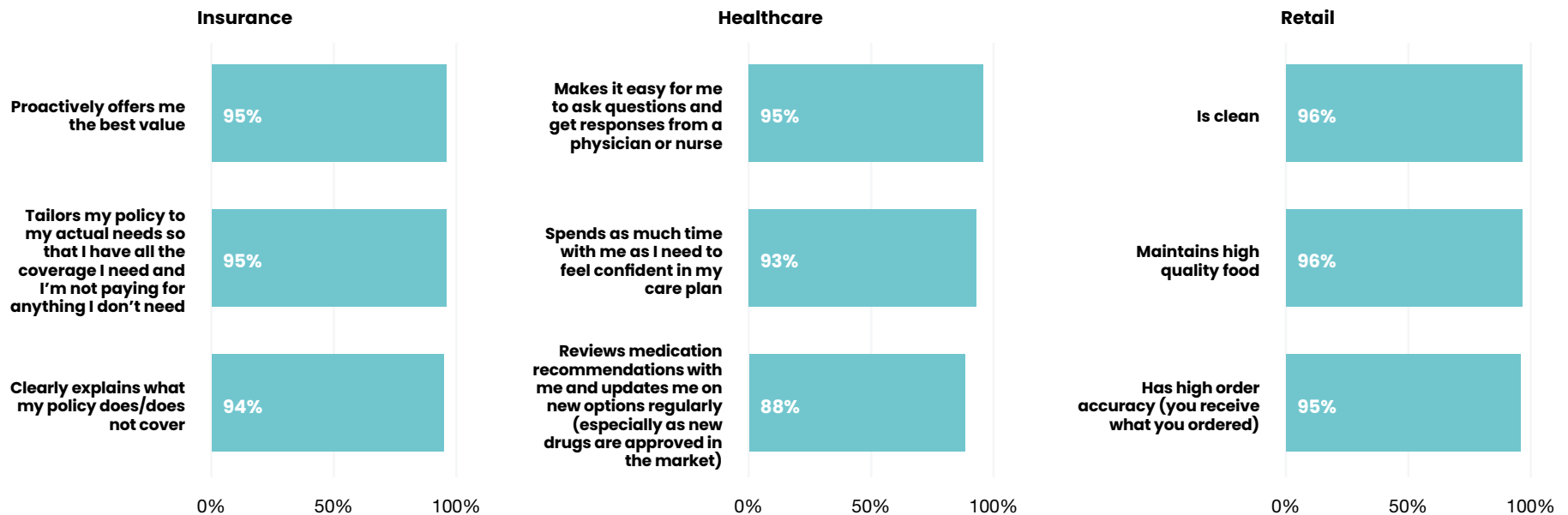
Drivers of loyalty

Across industries, consumers rate value and personalization in their top three priorities for assigning loyalty.

In insurance, consumers want to make sure that their policy is tailored to their needs and they are not paying for anything unnecessary. In healthcare, good service means having enough time with a doctor or nurse to be sure that individual needs are met. In a foodservice environment, value is centered around cleanliness, quality, and making sure the guest gets the meal they've customized for themselves.

While consumers consider the factors that influence loyalty, industry leaders need to consider the vehicles that most efficiently deliver these elements of value. In some cases, there's no replacement for the human touch, but in many cases, digital means can be a tool to supplement and reinforce the value consumers are seeking.

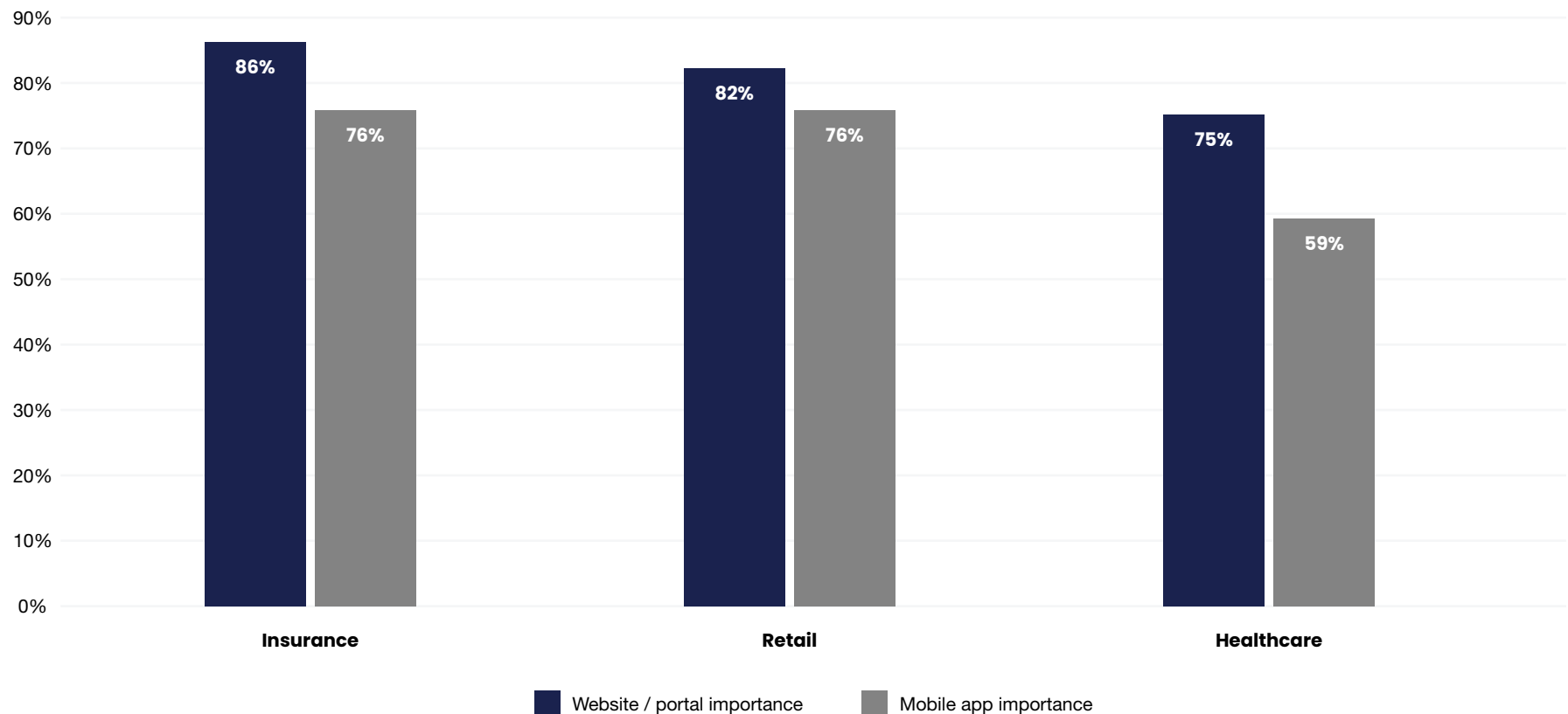
% who selected the element as important in their decision to stay with their current provider.
(Only the top three elements for each sector are shown. This question was not explored for banking.)



While not always in the top three priorities, consumers place high importance on digital tools when considering patronage.

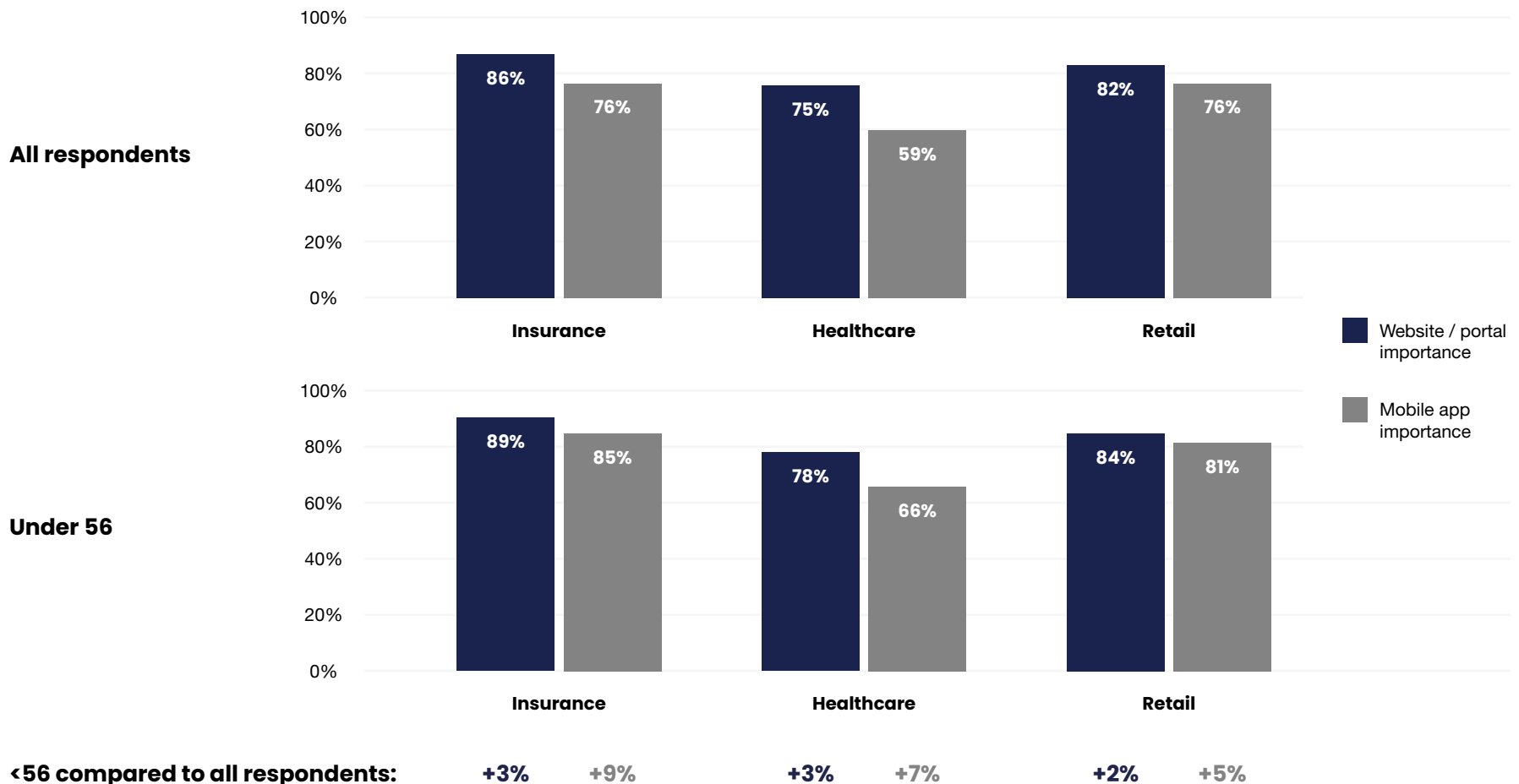
Digital platforms are now critical in insurance and retail settings. While digital tools are ranked lowest in importance in healthcare, the majority of consumers still rate them as important.

% describing website and mobile apps as important in the decision not to switch.
(This question was not explored for banking.)



The power of both website/portal and mobile apps as a factor influencing loyalty is higher across the board among those aged under 56.

% describing website and mobile apps as important in the decision not to switch.
(This question was not explored for banking.)

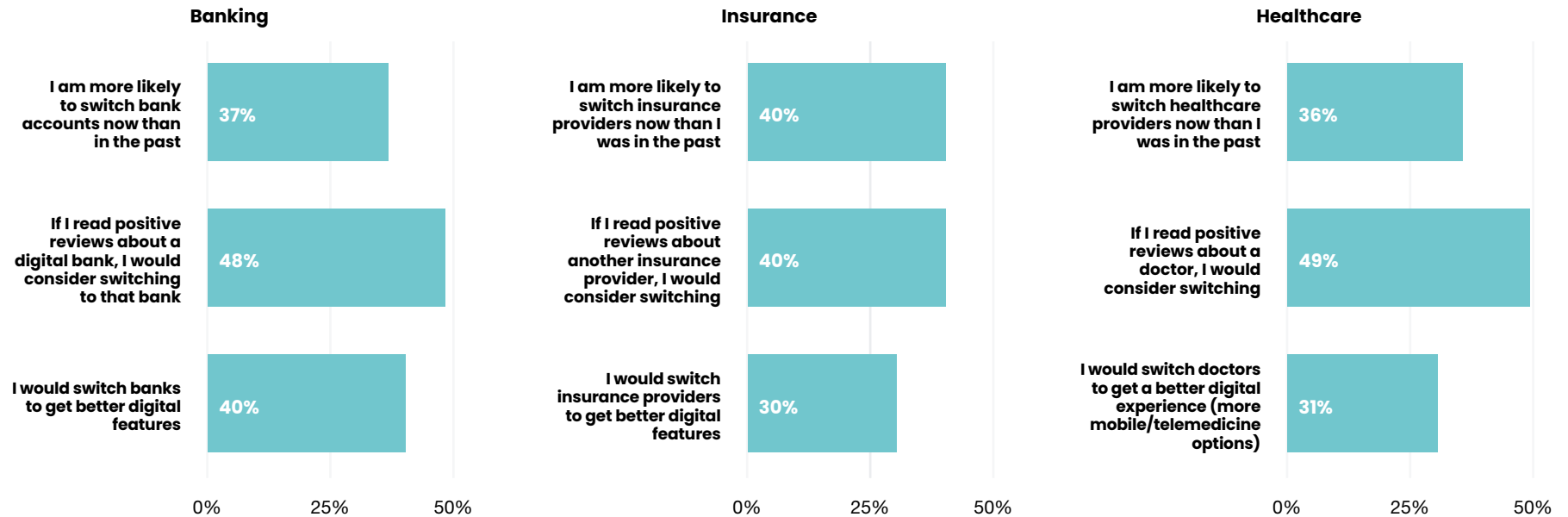


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Openness to switching

Digital tools and online reviews are key considerations in switching.

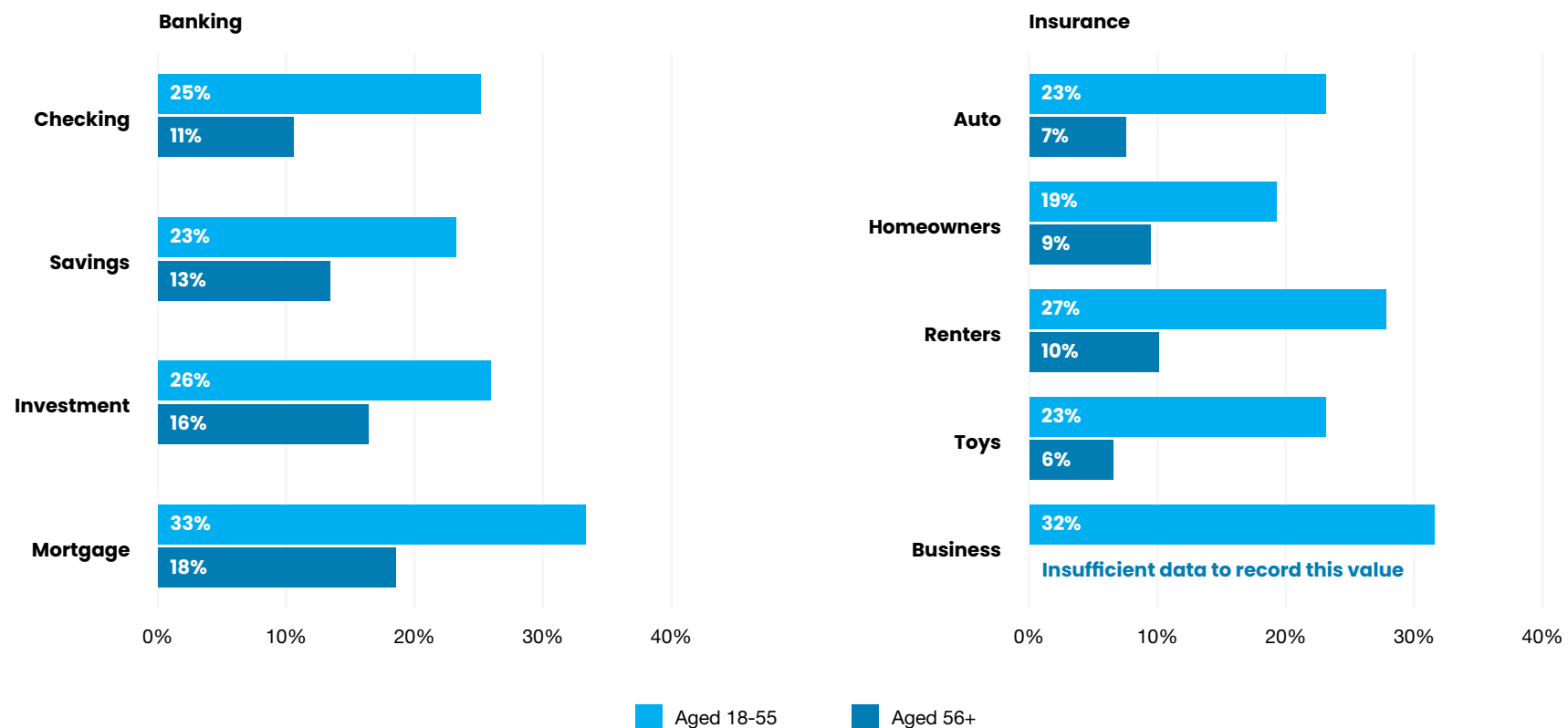
% agreeing with each statement
(This topic was not explored for retail.)



In banking, younger demographics are much more likely to consider switching, signaling that future growth is likely to come from this group.

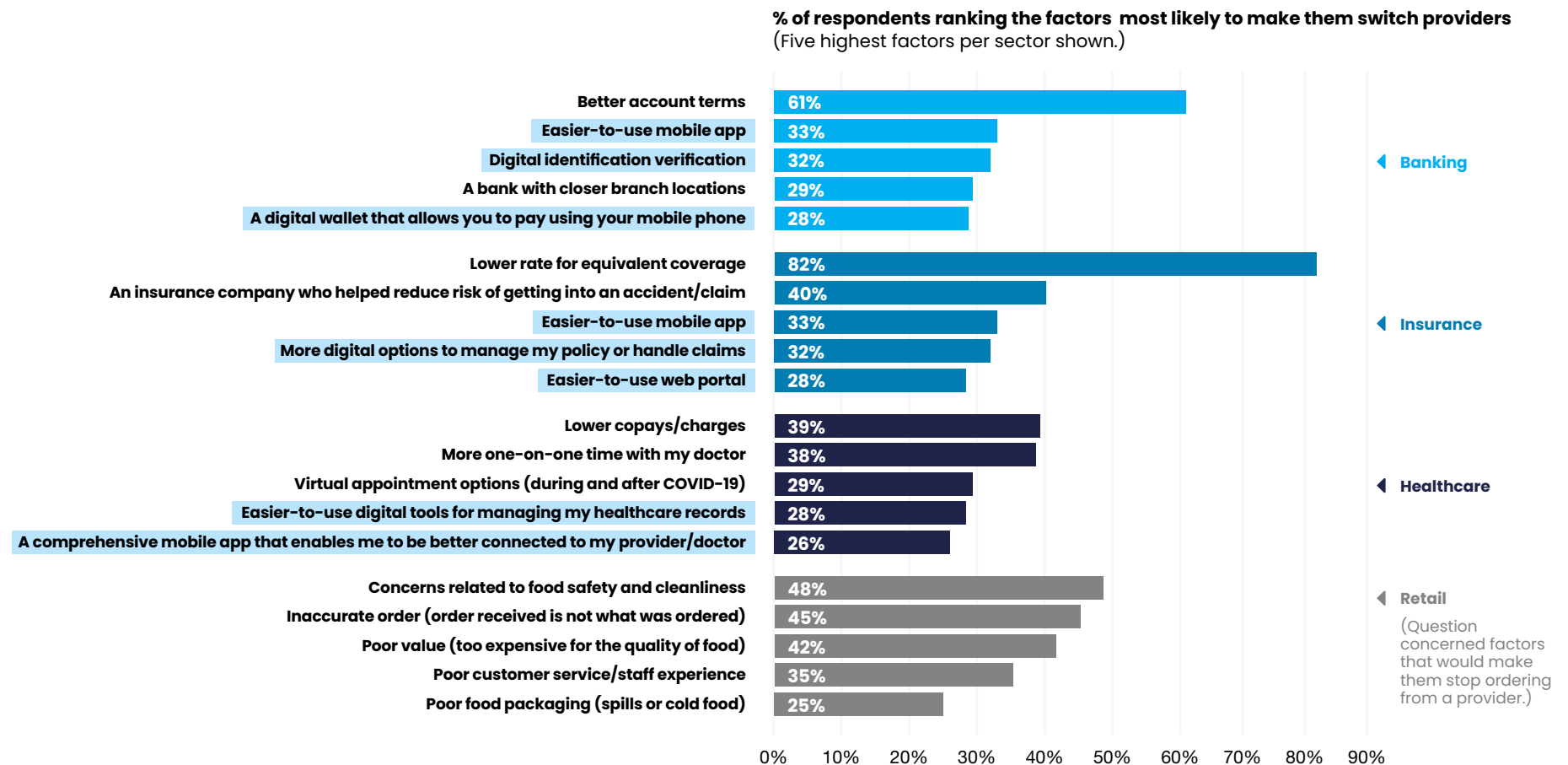
While younger respondents are about as likely to switch insurance policies as they are bank accounts, we do see greater likelihood for older consumers to switch bank accounts versus insurance policies. This is especially true in mortgage and investment accounts.

% very likely or likely to switch in next 12 months, by account or policy type
(This question was not asked for healthcare or retail.)



Cost and quality are top consideration points in the decision to make a switch, but digital experience factors heavily across most industries.

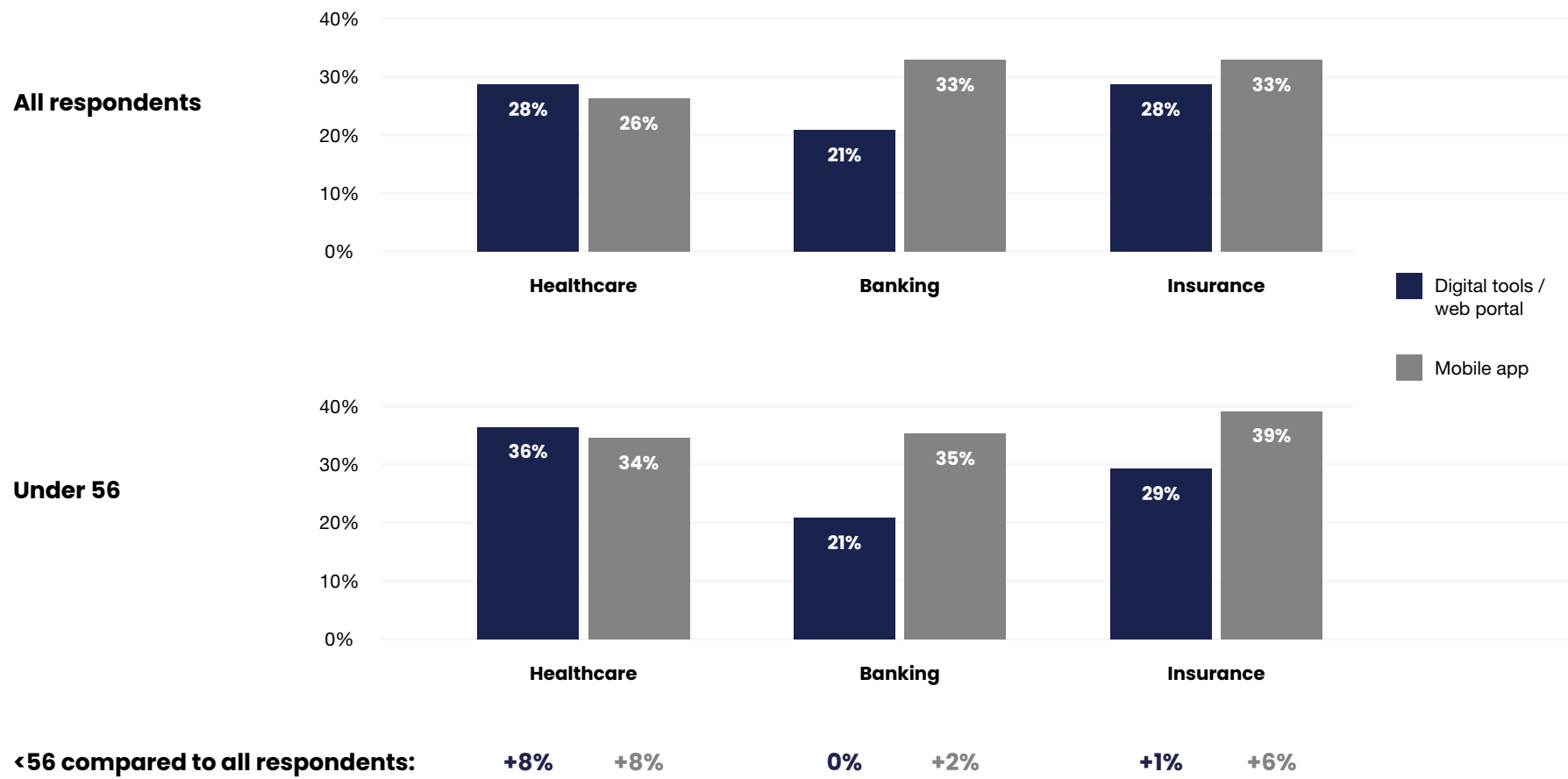
An easier-to-use mobile app is the second most important loyalty factor in banking and the third most important in insurance, while in healthcare, both digital tools and mobile app rank in the top five. Digital tools did not place in the top five loyalty factors for retail, but factors that did are ones that technology can mitigate.



Younger respondents are more likely to think of digital tools and apps as a reason for switching

Mobile apps have similar influence in the decision to switch among those aged under 56, regardless of the industry. These consumers are more likely to switch than the average because of mobile apps.

% of respondents ranking factors among their top 3 most likely to make them switch providers



About Mobiquity

Mobiquity is a digital consultancy that partners with the world's leading brands to design and deliver compelling digital products and services for their customers. Its approach balances human needs with usefully applied technology, unbound creativity with research and analytics, and agile development with strict engineering and security standards.

Mobiquity's end-to-end services consider every business dimension from marketing to IT, providing strategy, experience design, product engineering, cloud services, and analytics. Mobiquity is an AWS Partner Network (APN) Premier Consulting Partner, and has worked with AWS since 2011 to deliver 100% cloud-based innovation to its clients.

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