Think with Google

mtm

Retail apps: Accelerated adoption

The importance of apps in Retail

Executive Summary

Apps have never been more important for Retailers. At Google, we recognise the opportunities and challenges faced by our clients, so we've focussed on answering some of the key questions relating to apps: what makes them so important for Retail businesses? How do apps drive commercial and non-commercial KPIs? And, where should businesses and developers focus in order to improve? What makes a great app?

Google has created a model for the app user journey, designed to help businesses plan their app strategies. The model maps out the journey that users take when searching for, and using, an app.

We have identified the do's and don'ts at each stage, highlighting the benefits of delivering compelling and engaging app experiences for businesses and end users.

This model consists of four key stages:

1. DISCOVER - when users first come across an app and download it onto their device
2. ONBOARD - the process of first use and registration
3. ENGAGE - when users start using the app more regularly
4. EMBED - the ideal end state, when users classify the app as "vital" in their lives. Only a small proportion of users currently reach this stage with any given app, but there are steps that businesses can take to increase this proportion.

Apps need to deliver across the user journey. During **DISCOVER**, brands can build credibility using their existing brand strength and developing social proof to encourage downloads; For **ONBOARD**, streamlining the sign up process and encouraging users to engage with customisation features is important. For users to progress from **ENGAGE** through to **EMBED**, their apps need to address functional needs (i.e. control and efficiency) and emotional needs (i.e. fun and entertaining).

The **EMBED** stage of a user's app journey is a key insight from the study. Users who reach the **EMBED** stage say that their retail app is "vital" to them - it's an emotional connection and they feel they "don't know what they'd do without it".

This group over-indexes on all engagement and financial KPIs for Retail businesses, including Daily Active Users (DAUs), frequency of daily use, time spent, and - perhaps most importantly - claimed spend. In all four of these categories, there is a significant uplift amongst **EMBED** users - with the highest increase in Daily Active Users and claimed spend (+136% and +111% respectively).

There is a clear and demonstrable benefit from creating a 'vital' app for your users and it's something we hope this report illuminates for you.

01
CONTEXT

Google has developed a new model - a clear structure that businesses can use to formulate their app strategies. In this model, we have mapped out the journey people take when searching for, and using, an app. We have also identified the dos and don'ts at each stage, highlighting the benefits of delivering compelling and engaging app experiences for businesses and end users.

Direct-to-consumer brands (e.g. Gymshark, Harry's, or Glossier) and online-first Retailers (e.g. Boohoo, Asos, or Farfetch) have shifted consumers' expectations through providing next-day delivery, flexible subscriptions, and apparent limitless product ranges. These changes in the Retail landscape mean that compelling Retail experiences have become a key battleground for spend and engagement - with apps the new frontier.

The coronavirus pandemic accelerated existing behavioural trends: as shops locked down, consumers turned to online services and apps to cater to their Retail needs.

This is evidenced by the rise in search traffic for the terms "Online Shopping" and "Free Delivery", with consumer search peaking for these terms in March and April 2020, and increasing by 50% post-COVID.

Online Shopping

Free Delivery

The **pandemic accelerated the movement of consumer habits**... last year was the main turning point in disrupting, after a slow shift."

*–**Senior Marketing Manager,** Retailer*

"If they don't have a modern app, I just think: get with the times. **You're a mammoth and going to go extinct**. I want to shop with forward-thinking companies that will be around in the future."

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"In the past I would just go check out malls and see the stores. Now I just bring them to me. Shopping on apps has become more normal. It's not just the pandemic. The apps are better and better."

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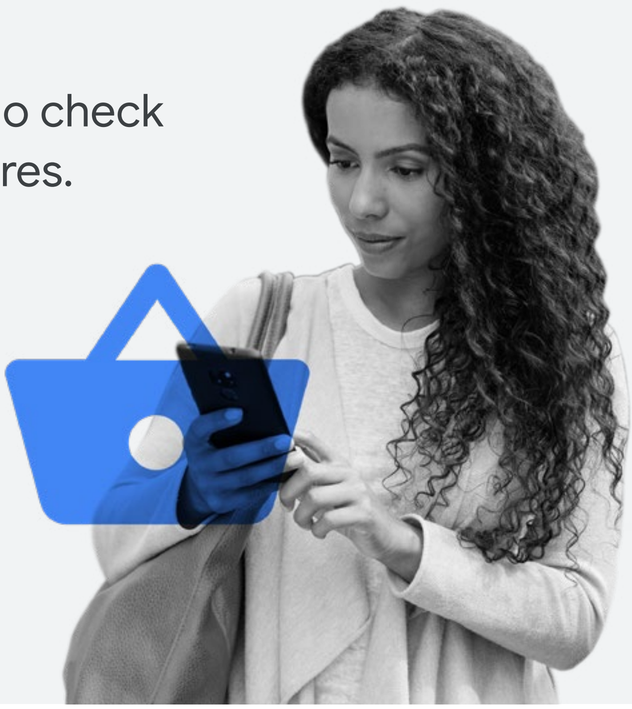

Retailers that delay their digital transformation are falling behind, unable to keep up pace with new market entrants. ASOS's acquisition of Arcadia's Topshop demonstrates the shifting balance of power amongst UK Retailers. Retailers with strong app strategies are better placed to drive adoption, engagement, and retention.

Behavioural Science Lens: There's an intimacy to app use, driven by the format and the sense of touch. You can snuggle up with your favourite Retailer on the sofa with items inches from your nose. On a laptop/PC you are further back, sat at a chair most likely. It's optimal and functional but the emotional closeness is lost. At a desk everything feels like work. For these reasons apps have become the best vehicle for shopping.

Developing a compelling app that delivers on consumer needs is complex for businesses, and finding the right app amongst the crowd is a challenge for consumers. For businesses, the competition is expanding from the high street to include digital-first companies from Silicon Valley to Shanghai - Retailers saw a 36% increase in mobile app downloads in 2020 led by Asian retailers Wish, Alibaba, and Shopee, and American giant Amazon[1,2]. And we see this reflected amongst consumers too; playing out in both an increase in the frequency with which they use Retail apps, and the number of Retail apps they use. Almost half (49%[3]) of Retail app users claim they've used apps more often, and almost a third (31%[4]) of users claim they've used a greater number of apps than before the pandemic. Decision makers need to understand what app experiences will truly delight consumers and how to justify investment.

36% increase in downloads of Retail apps on mobile in 2020

49% of Retail app users claim they've used apps more often during the COVID-19 pandemic

Consumer expectations are high. With so many apps to choose from, users can afford to be selective and pick the best. From the outset, consumers interrogate the apps which pique their interest (with great creative design and innovative features) and they often research to find the right app (83% of participants who were considering downloading an app had done some research; 45% had spent a few days or more researching)[5].

Users can be quick to get rid of apps that aren't adding to their repertoire. The most common reasons for users deciding to **DISENGAGE** with a Retail app are that it is no longer deemed useful, or is less useful than an alternative (i.e. a similar app that covers the same use case[6]).

> "I'm building my favourites. The ones that are more fun to use and replicate the shopping experience the best, I am going to stay with them. **The ones I don't like I am going to leave behind**. I'm filtering out the ones that I won't use in the future."

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02

WHY: Why should Retailers encourage users to engage with their app more frequently?

Google and MTM have developed a model to understand the journey that an app user takes. This model starts with how users **discover** an app, moving past the moment of download to the **onboarding** process of registration, first trial and exploration of the app. Then we look at regular **engagement** and ideally (in time) those users who progress to a deeply **embedded** end state where an app is considered vital.

We've also identified a few critical moments of **disengagement**, where a user stops using the app, either becoming dormant (inactive, but with an app still present on their phone), or actively choosing to uninstall an app. Retailers can lean in to user centric design to help users make the most of an app, but, equally can all too easily see users step away if they haven't optimised their app marketing and UX.

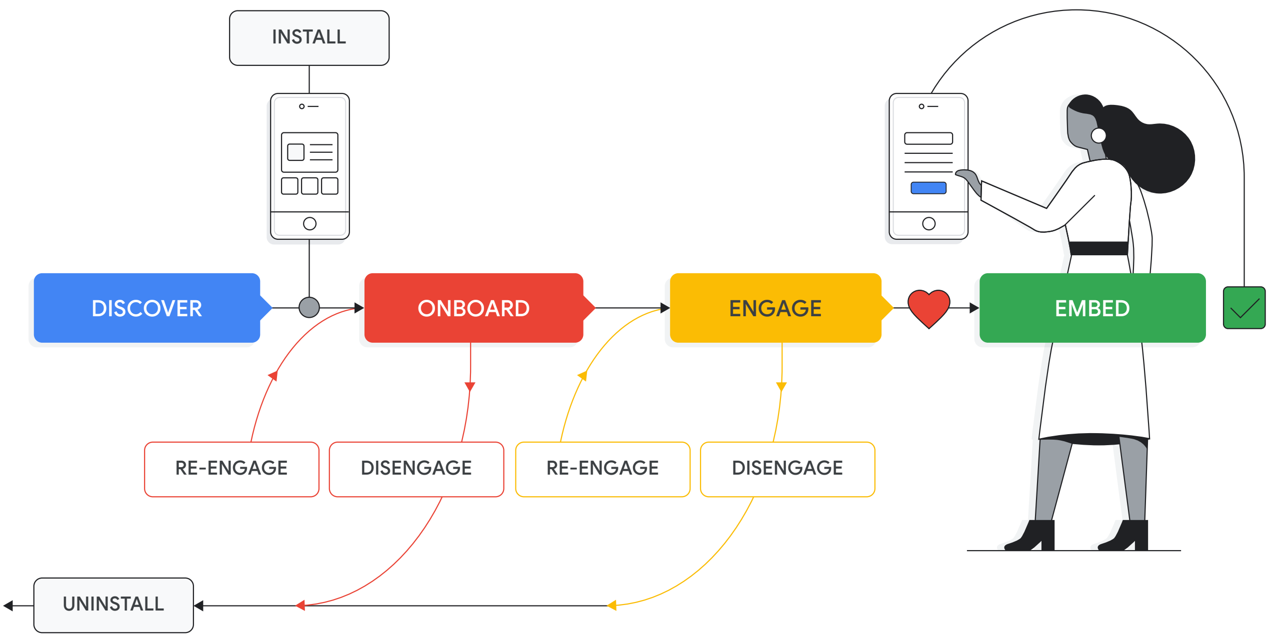

Fig 1. Model to understand the journey that an app user takes.

Behavioural Science Lens: Apps can really expose what brands CAN'T do. If the app just exposes endless 'out of stock' or 'no availability in your area' messages it will actively train people that your shop never has anything in stock. Apps really expose how your business works, and if it doesn't work well, then there's real potential for bad damage. When people delete an app on a device they cancel your brand in their mind.

We've researched consumers at all stages of the app user journey[7]. In this chapter we set out the findings from consumers who are currently using a Retail app (and have been **engaging** with it for at least a month) and consumers who have reached the highly valuable **EMBED** end state where the app is deeply **embedded** into their lives. We will show how users behave and feel differently about Retail brands when an app reaches the **EMBED** stage of our model: they spend more money and time, feel more trust and are more likely to share it with their friends.

However, only 14% of **ENGAGE** app users in Retail reach the **EMBED** stage[8], and our later chapters will chart that journey and demonstrate how businesses can assist more users to engage and eventually become embedded, as well as avoid users disengaging / lapsing.

These findings have also been translated into a Scorecard which classifies app features and touchpoint levers according to their impact in moving consumers along the journey at each stage. This Scorecard therefore adds a tangible, practical lens and immediate applications for app marketers and developers, to assess current strategy and development activity, and guide priorities moving forwards.

2.1 EMBED users will visit apps more often

The valuable end state of **EMBED** is worth a lot to Retail businesses. We've intentionally set a high bar, defining **EMBED** as the point at which users classify an app as "vital". Users that feel as though they "don't know what they'd do without" an app demonstrate significantly more engagement in their usage behaviour: over-indexing in frequency of usage, time spent, and frequency of spend.

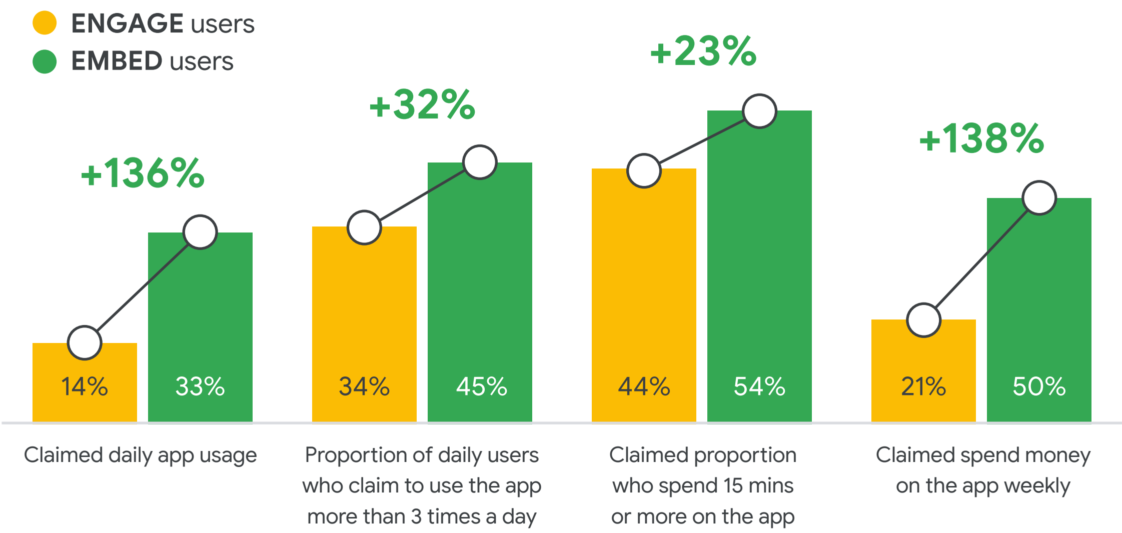

***Fig 2.** Claimed app usage levels among ENGAGE and EMBED users[9] - demonstrating a proportional uplift in app usage when users reach EMBED stage.*

"The app is where we **see our highly engaged customers.**"

*–**Mobile App Lead,** Retailer*

"The app is a priority because it lets us give users the most engaging, personalised experience — encouraging repeat use and word-of-mouth recommendations."

*–**Product Designer,** Lyst*

2.2 Brand loyalty is higher among EMBED app users

There's clear evidence that, when an app is seen as "vital" and has reached the **EMBED** state, those users will perceive a stronger brand relationship and feel an increased level of loyalty towards Retail brands: Net Promoter Score takes a significant jump up among **EMBED** users.

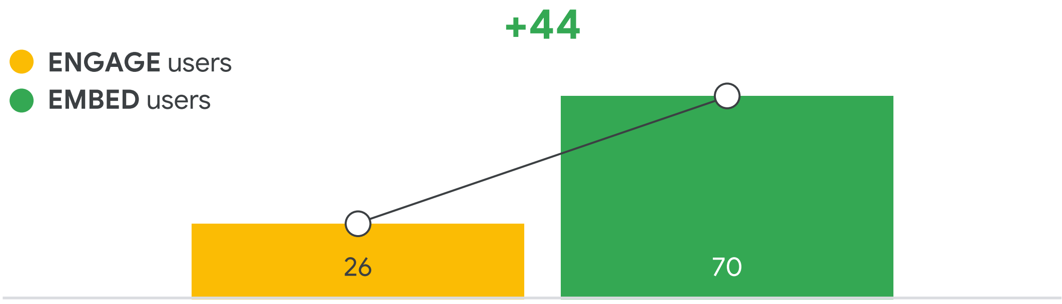

Fig 3. *App / brand loyalty as measured by Net Promoter Score (NPS) among ENGAGE and EMBED users.*[10]

I use M&S and Lidl far more than I used to because of the apps. It gives me my favourites, they give me rewards. **They've made me feel like a special customer** so I've become loyal to them."

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Behavioural Science Lens: One of the powers of an **EMBEDDED** app is the way it distorts 'mental availability'. It's not just that you think of M&S more often, it's that you actually stop thinking about other brands. Apps also make a brand more physically available - literally in your pocket. Again, this stops you even thinking about alternatives because you reach for the **EMBEDDED** brand physically which is even more immediate and System 1 than being mentally available.

2.3 Revenue is higher from EMBEDDED app users

If Retail businesses can encourage web users to also use their app it can be beneficial to the bottom line - we see an increase of +31%[11] in average transaction value when we compare web only users with people who use both web and app to interact with a Retail brand. **EMBED** users show a higher average spend per app transaction than their **ENGAGE** counterparts. This increases even further if Retailers can encourage daily usage of the app.

"App users have higher average order value (AOV), they convert higher, and have a higher customer lifetime value (CLV) than those who use the website. The more customers we can move to the app experience, the more revenue we generate."

–Senior Product Manager, Retailer

"I use websites more for random items I might need. I'll Google whatever it is and that will take me to a site from where I will buy the item. I'm not committed to them. (...) The shopping apps I go to frequently I know I like the company's stuff so I have their app. I've tried them out and I've committed to them. I think that's the major difference."

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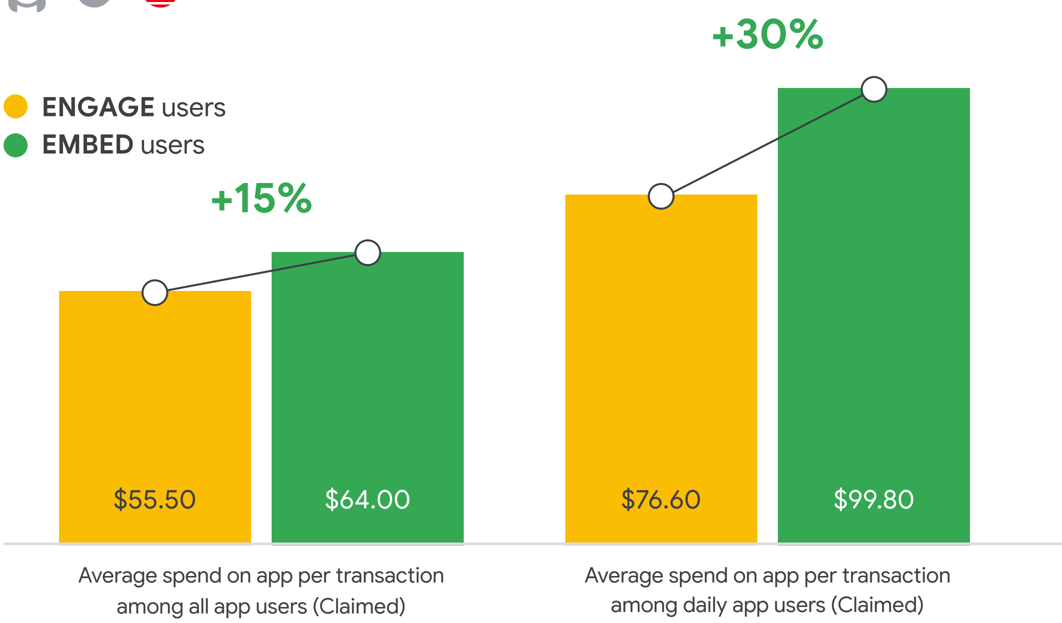

***Fig 4.** Claimed average purchase spend per transaction (in USD) on apps among ENGAGE and EMBED users, and among daily app users.*[12]

Why is spend higher? Retail apps make shopping easier. **ENGAGE** app users say that the main benefits of apps relate either to simplicity and ease of use, or to saving money: the top benefit in our survey is 'saves me time' (mentioned by 43%), then 'quick and easy transactions' (ranked 2nd, 40%), whilst 'easy to navigate' ranks 3rd (38%), 'simplifies my life' ranks 4th (34%) and 'saves me money' ranks 5th (29%)[13].

43%	40%	38%	34%	29%
Saves me time	Quick and easy transactions	Easy to navigate	Simplifies my life	Saves me money

My apps have made things easy for me to buy the things I want. In my app I can filter for discounts and have them all in one place. I don't have to go searching for them… there's less effort. So I probably buy much more because of the apps."

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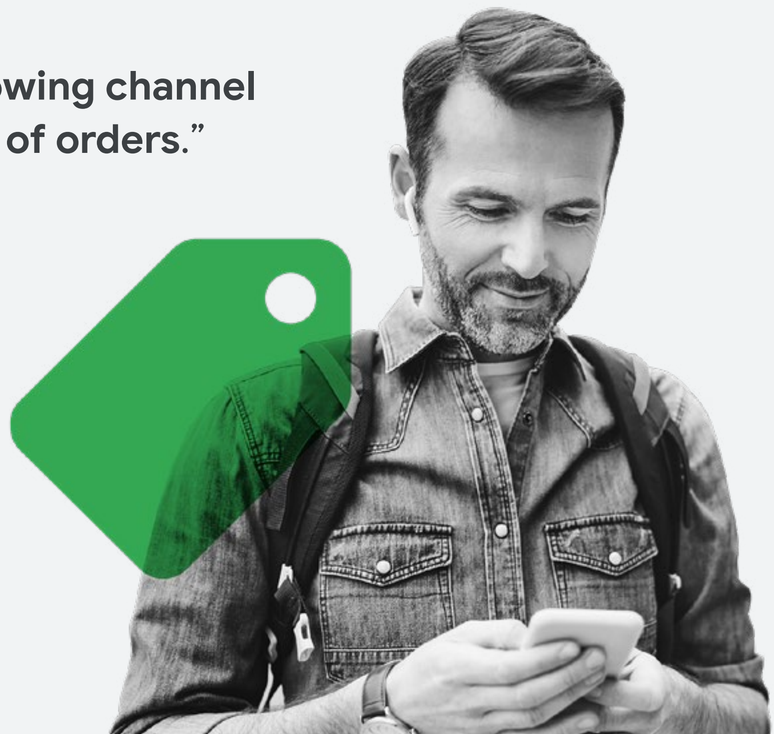
"Apps is the **fastest-growing channel** in the business **in terms of orders**."

*–**Mobile App Lead,** Retailer*



03

HOW: What is the route to a successful Retail app?

In this chapter, we describe the dos and don't of app marketing and optimisation - insights that Retailers can use to encourage consumers to **ENGAGE** with their app and eventually reach the **EMBED** stage, whilst avoiding any pitfalls that might result in disengagement.

3.1 Be present at impactful discovery touchpoints

To help app marketers identify which touchpoints should be prioritised in marketing, we have classified **DISCOVER** touchpoints based on a) impact, the relative strength of touchpoints in influencing consumer decision making, and b) reach, the relative strength in building awareness. This analysis provided the foundation for our **DISCOVER** stage Scorecard; classifying marketing levers into **three tiers**;

- **Reach** – Those which build awareness, softer impact
- **Impact** – Those which have strong impact, but more limited reach
- **Priority** – Those that provide both reach and impact

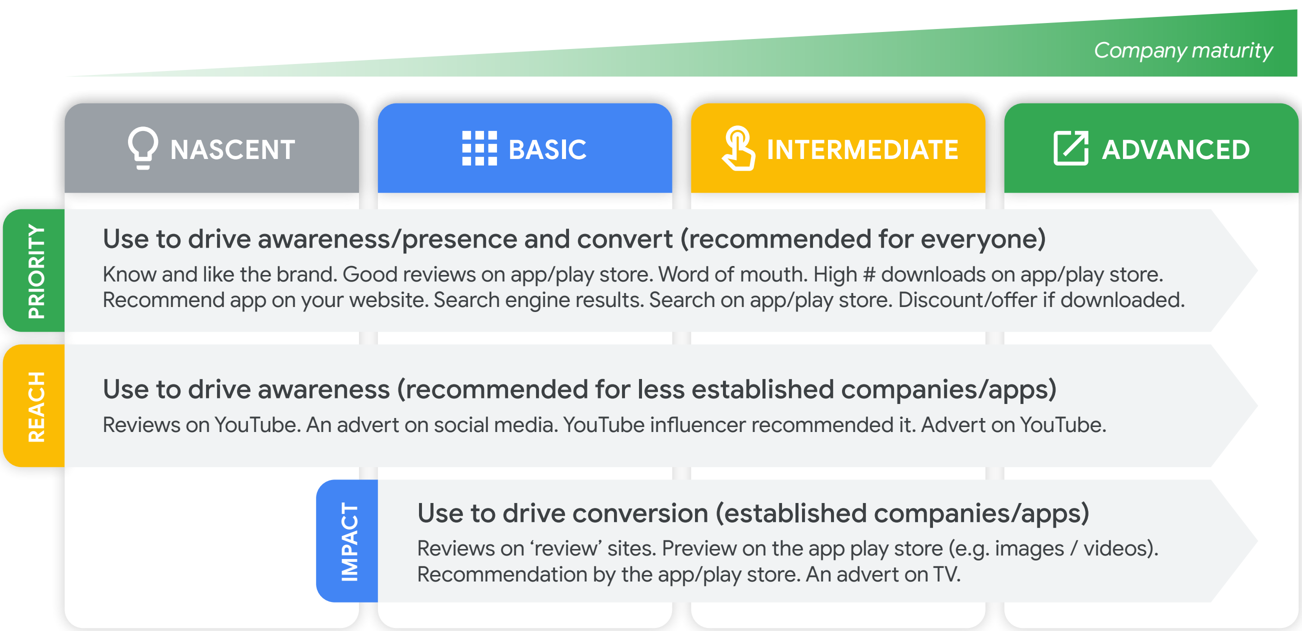


Fig 5. DISCOVER SCORECARD; Based on awareness and importance of discovery touchpoints among consumers currently in the DISCOVER stage who are considering downloading a Retail app.[14]

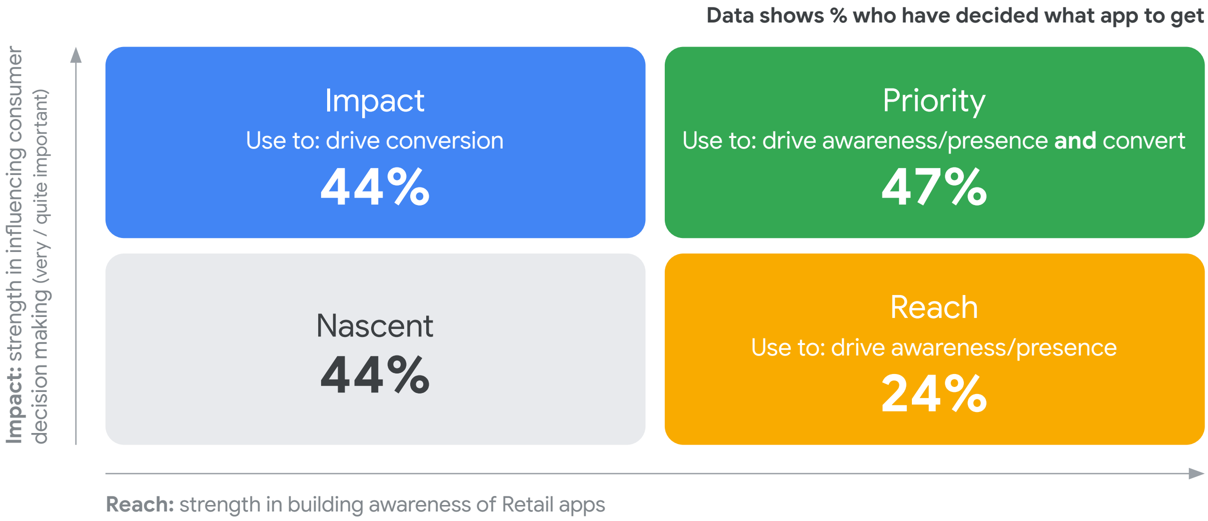


Fig 5 cont'd. *DISCOVER SCORECARD; Based on awareness and importance of discovery touchpoints among consumers currently in the DISCOVER stage who are considering downloading a Retail app.*[14]

For the purposes of this piece we have honed in on '**Priority**' touchpoints for Retail businesses, those which deliver both strong impact in driving downloads, to a wide pool of potential users: leverage brand relationship, social proof, discount/offers, and search.

3.1.1 Leverage strong brand relationship

Consumers are more likely to download an app if there is an existing strong brand relationship: "I know and like the brand" emerges as the top factor influencing which specific app is downloaded (63%). Consumers place faith in what they already know, and businesses with existing customer relationships, especially those with strong products and services, have an easier platform from which to build their app presence.

Relatedly, a brand's website also plays a key role in promoting the app: 51% of users said "the website recommended the app" was important and it was one of the most prevalent factors recognised by users[15]. Developers will use a range of techniques to encourage this behaviour, from promoting their app on landing pages through to using deep links that take users from marketing emails or web product pages to the equivalent app version. A Google study in 2020 showed that, on average, deep linked ad experiences drive 2X the conversion rates.

63% of users said "knowing and liking the brand" was important

51% of users said "the website recommended the app" was important

"If I haven't used a company before I will trial them on the website. If I use them a couple of times and like what they do then I let them into my inner circle and download the app."

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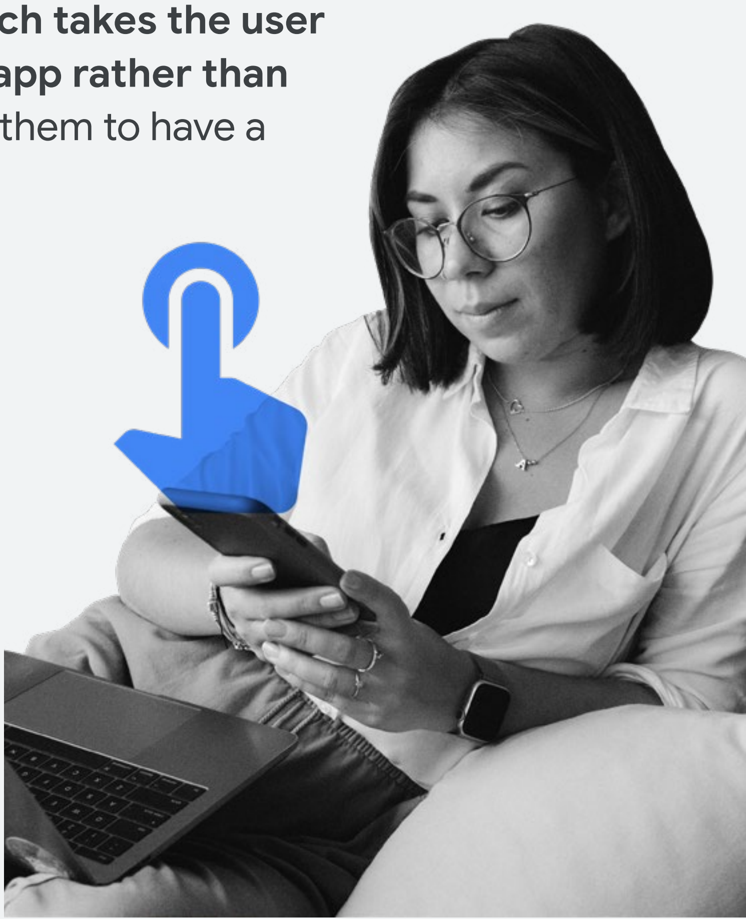
"We launched deep-linking recently in our marketing emails and web campaigns, **which takes the user straight to the product in the app rather than the landing screen**. This allows them to have a more direct experience."

*–**Growth Manager,** Retailer*



"When you land on site you can load different forms of content. If you are running a type of sale; **you can call that out as a clickable link that takes you through to a landing page**."

*–**Head of Commerce,** Online Retailer*

3.1.2 Reinforce trust through social proof

Social proof (e.g. endorsement, referrals, influencers) reinforces consumer trust and interest in a specific app; reviews on App/ Play Store and word of mouth (seeing a peer using an app); were ranked as the second and third most influential factors (62% and 60% respectively[16]).

The number of people endorsing an app increases consumer confidence. Information about the number of downloads on the App/ Play Store was one of the most influential factors and is especially important for consumers that are close to the moment of download (e.g. browsing the App/Play Store).

Developers recognise the importance of ratings and other forms of social proof: many developers make an effort to ensure their app store ratings are high and reviews are positive.

“We have a **4.8 rating on the app store and we shout about it**.”

*–**Mobile App Lead,** Retailer*

“I see **success as a balance between qual and quant**: balance good reviews with understanding how engaged customers are on the app.”

*–**Product Manager,** Retailer*

“I will check the number of downloads and average rating. If you see they’ve had thousands of downloads and good ratings you know you’ll be satisfied.”

*–**Product Manager,** Retailer*

3.1.3 Amplify presence through search optimisation; both organic and in-organic

The App Store and Play Store are key avenues for exploration among consumers looking for Retail apps, with App Store Optimisation (ASO) unsurprisingly emerging as the organic way to maximise presence among consumers in an impactful channel[17].

Retailers recognise this, and are aware that in addition to having a strong brand and reinforcing this brand through social proof, being visible on app platforms is fundamental to success. Retailers told our researchers about starting to use bidding to boost their apps' visibility through associating with keywords such as footwear or clothing:

> Brands are starting to use App / Google Play Store bidding - e.g. **paying for preferential visibility when a user searches for footwear or clothing.**"
>
> –***Head of Commerce,*** *Online Retailer*

As the marketplace for apps becomes more competitive - in 2020 over 400,000 new apps were added to the App Store, bringing the total to over 4m - using ASO effectively will become more important[18]. Retailers that understand the shifting dynamics in ASO will be in the best position to drive acquisition.

Looking beyond ASO to in-organic means of app promotion, traditional Search Engine Optimisation (SEO) is then critical to get right as a consumer touchpoint which drives both reach, and holds considerable sway over consumer decision making[19].

400,000

new apps added in 2020

3.1.4 Drive value through discounts/ offers and app exclusives

Helping consumers to feel that they are getting something tangible back as a thank you for taking the step of downloading the app (over and above the app experience) can be compelling. Discounts / offers and app-only exclusives have demonstrable value as acquisition drivers. These range from discounts on first order, priority access to sales, and app-only content such as blogs or videos. Receiving a discount/ offer for downloading the app is the #6 most influential factor to motivate download (56%[20]).

"We have app-only offers that are slightly more broad brush. Our app-only approach is around sneak peeks in terms of sales and preferential access."
–***Head of Commerce,*** *Online Retailer*

"Something we are starting to build out is more app exclusives. We are rewarding you for using the app, with things such as giving you early access to exclusive discounts."
–***Mobile App Lead,*** *Retailer*

"In-app exclusives (e.g. beauty launches, new brands, partnerships, products) are our USP. We started doing this 18 months ago, now we do these exclusives at least once a month."
–***Mobile App Lead,*** *Retailer*

"We provide customers with a hassle-free trial of their first order that gives a 9-99% discount on their first order. We encourage users to try the app with little risk on their part."
–***Growth Manager,*** *Online Retailer*

"[trying a new app] one of the factors is discounts. If you download an app they get you with 30% or something like that. They'll hit you with notifications with more deals."

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"On my Lidl app they'll give you targets to hit. If I hit 100 quid for the week you get 10 pounds back. A nice reward. It's good for them and it's good for me."

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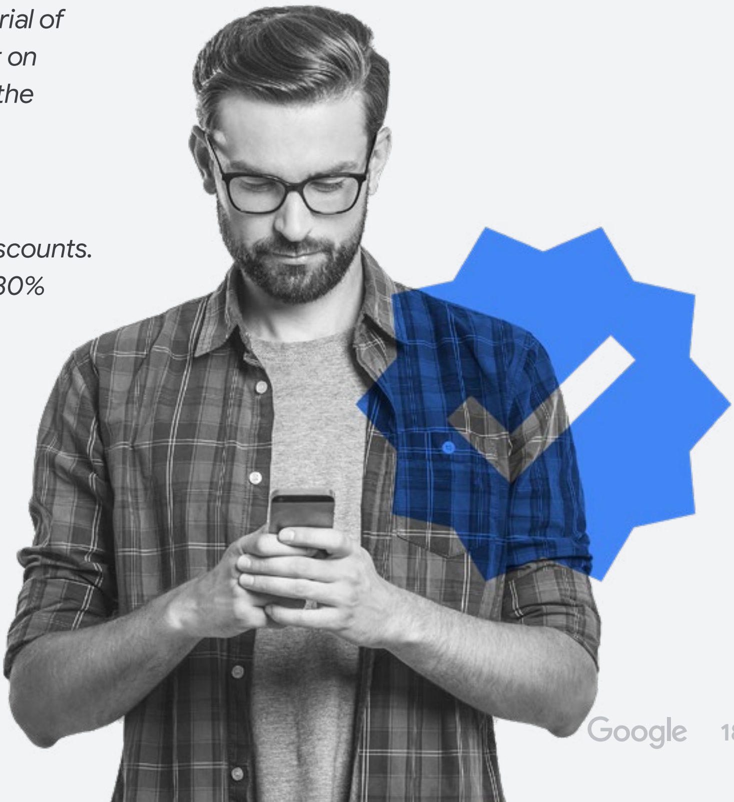

3.2 Delight during onboarding

On downloading a new app, a new user's registration process and first experience of that app is a critical moment of truth. It can, in some cases, produce a dramatic love/hate response. This **ONBOARDING** stage is a crucial experience for businesses to get right, in order to encourage app users to return and to preserve customer relationships.

When **ONBOARDING** isn't done right and users churn before they successfully sign up, there is a dramatic drop in Net Promoter Score (NPS drops by 56 points): these people are actually likely to become brand detractors rather than promoters.

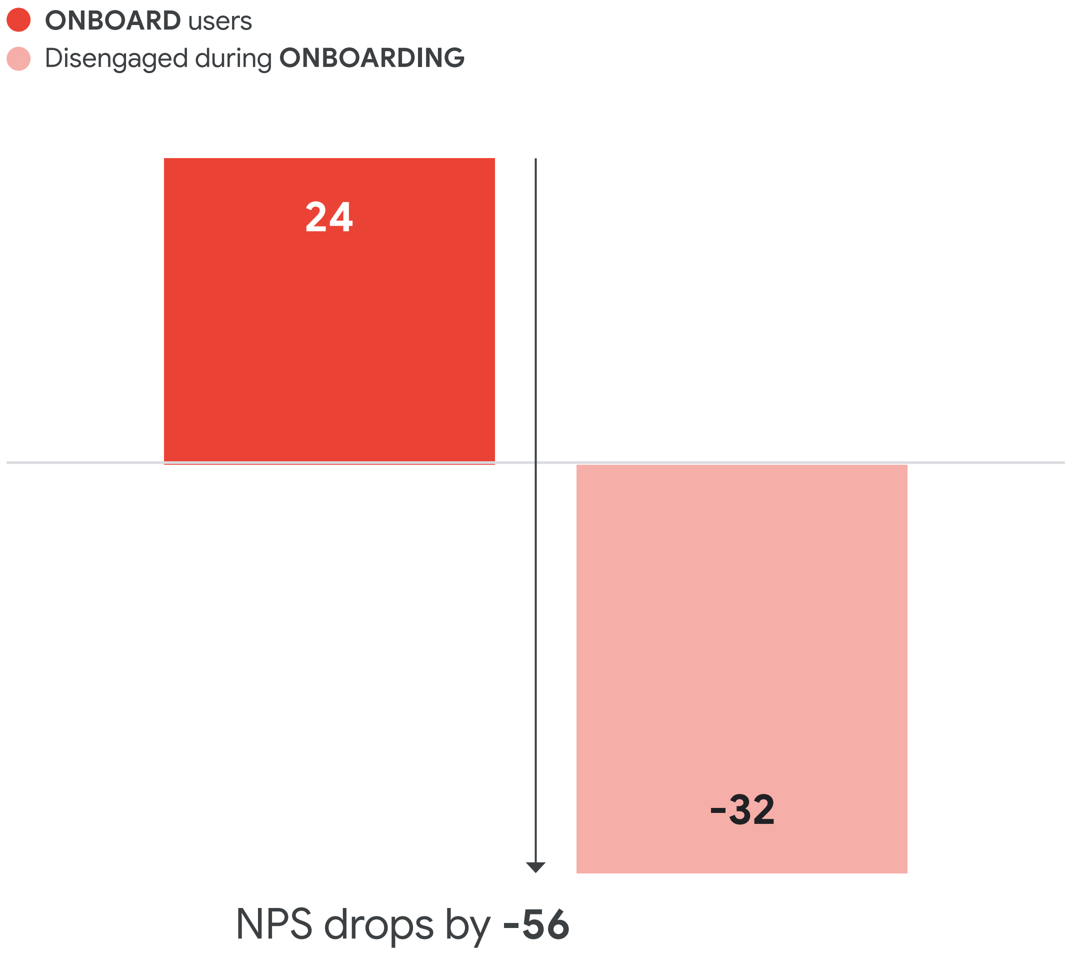

Fig 6. App / brand loyalty as measured by Net Promoter Score (NPS) among ONBOARD users and those who disengaged during ONBOARDING.[21]

3.2.1 Frictionless registration and an intuitive first usage experience are the best way to ensure maximum brand benefit, and that users return

ONBOARDING can be one of the more exasperating experiences of app usage, driving disengagement. Those who disengaged with a retail app during **ONBOARDING** reported experiencing 5.5[22] frustrations on average out of a list of 15 potential issues an app user might experience at this stage.

However, even those who go on to complete **ONBOARDING** and become app users report frustrations at this stage (on average selecting 4.6[23]). While these frustrations are not enough of an irritant to 'turn off' those users from an app when they have a sufficiently strong commitment to use the app, there is still benefit to the brand from smoothing frictions during this process; users who experience no frustrations at **ONBOARDING** see the brand as significantly more modern (84%, +15% vs. those who experienced frustrations), and trustworthy (80%, +13% vs. those who experienced frustrations.[24])

84% of users who experience no frustrations at **ONBOARDING** see the brand as significantly more modern

80% of users who experience no frustrations at **ONBOARDING** see the brand as significantly more trustworthy

Executives recognise this, and try to ensure the first use and registration with an app is as seamless as possible. But what does 'seamless' mean to consumers?

Behavioural Science Lens: The Zeigarnik Effect focuses on the impact of interrupted tasks - unfinished tasks nag on the mind more than completed ones. The path to completion needs to always be clear in any **ONBOARDING** process. If it is not, the sense of the task being incomplete can grow, potentially to the point that the task is abandoned. It may be necessary to introduce 'pseudo-completions' in a process to settle in people who are joining.
They get the resolution of a completed task before embarking on parts of **ONBOARDING** that may need to happen in the future (e.g. being ready to pay, put address in). Leaving new customers feeling their account is 'incomplete' may lead to them dropping-off. The confident, comfortable sense of completion is a better and more settled place for holding customers long-term.

3.2.2 Reduce the amount of effort required to ONBOARD

Poor UX is the root cause of frustrations in the **ONBOARDING** process.

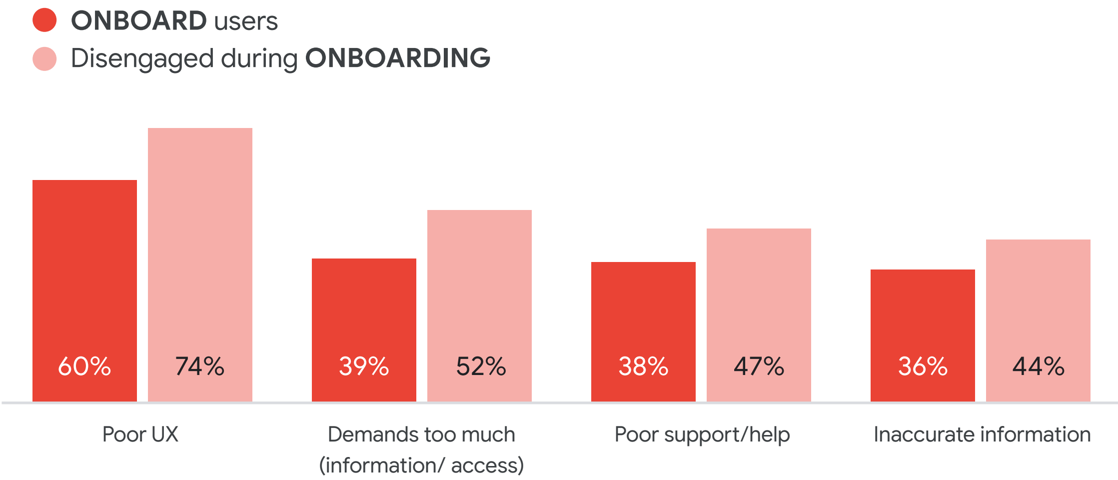

Fig 7. *Main frustrations during ONBOARDING among ONBOARD users and those who disengaged during ONBOARDING.*[25, 26]

Challenges with UX span across registration and first use.

During registration, developers should automate the process of filling in any required information so users need to click / type as little as possible. Indeed, automatically piping in information was the most desired feature for the **ONBOARD** stage, closely followed by telling users if they have made an error in their forms/inputs.

> We want them to install the app, we don't ask the users to register without making the order. **If you actually decide to go and buy, we make the registration process as easy as possible.**"

*–**Growth Manager,** Online Retailer*

“With Asos I could use my Google login so that was really smooth and easy. Some apps make you fill out all your information, confirm your registration through email, when all you want is to make a quick purchase.”

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Once users begin using the app, some struggle to find the features they want to use, battle with layouts and struggle with poor navigation.

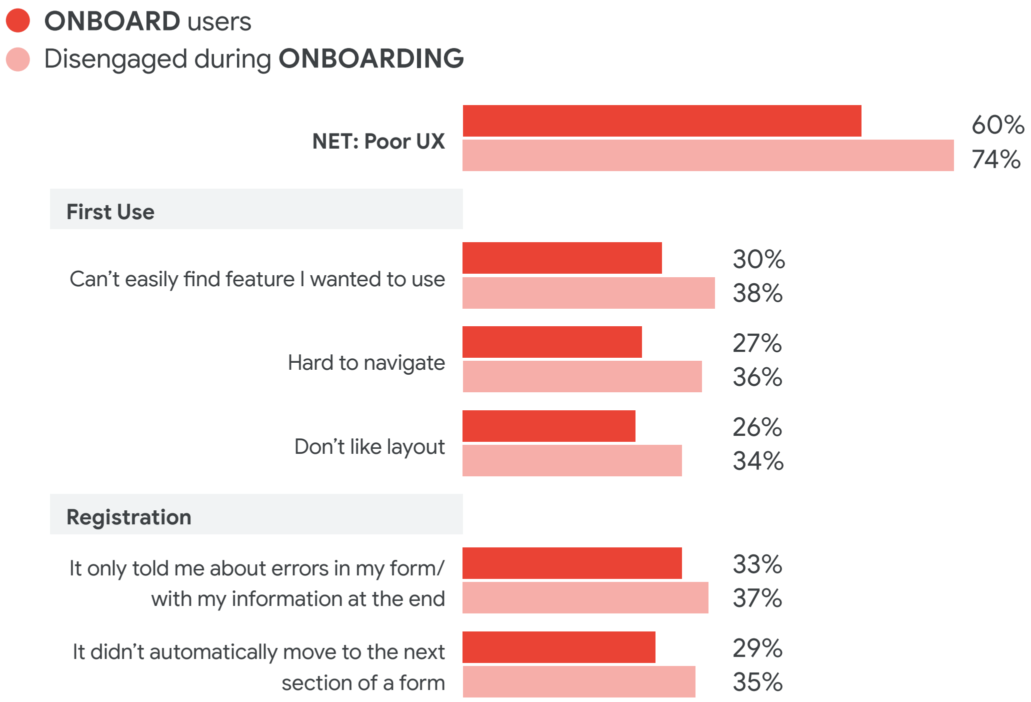


Fig 8. *Frustrations with registration process and first use of app among ONBOARD users and those who disengaged during ONBOARDING.*[27]

Behavioural Science Lens: Consumers’ tolerance for failure is very, very low. A lot of these are basically bad design or tech support. These stand as a proxy for the brand. If the app stalls loading, then people feel your deliveries will be slower, your customer service ruder, your returns process more opaque, etc. If you had a shop where the lights went out every time people stepped in, you’d fix it. Same with an app.

Fig 9. Case study - the bad: Iva

What did you think of the sign-up process?

It offered me a sign up with brand credentials so I did that. The process was painful. First, I couldn’t remember my password so the app told me I need to go on the website to “confirm my identity”. I disregarded that, changed my password and tried again, with success this time. Then it didn’t recognize any of my old navy data such as name, credit card, points etc. so I had to add that manually. In the middle of it, I had to answer a call and then when I came back to the app, the session expired. So I had to start over. Then it asked me to link my previously registered credit card, but their card scanner was useless, I had to end up entering the card manually. Still no luck recognizing my general data such as my name, had to enter manually. Then it offers me to sign up for rewards and when I click that it takes me to the website instead. Finally it gives me confusing info about how many points I have. One place says zero another place says 42... overall bad experience. Super cumbersome and confusing.

What did you think of it on the first trial?

It is the most standard basic app with no exciting features and confusing interface. No explanation of how the points and cards work within the network of their brands.

Would you keep it?

Definitely not. I wouldn’t have gotten past the onboarding. And the app is boring and confusing, and it times out which I really dislike. I want to be able to continue where I left off.

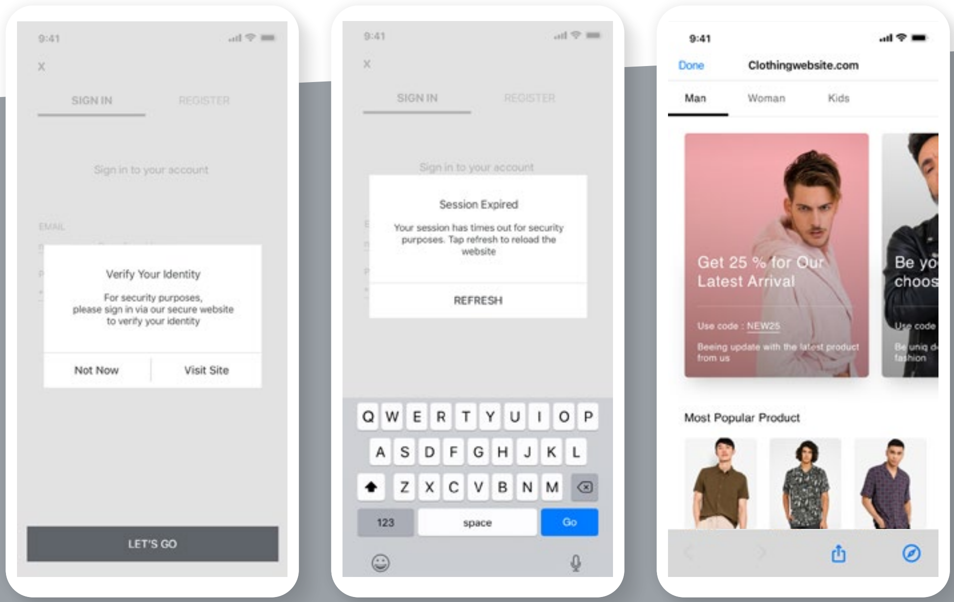


Fig 10. Case study - the good: Maurice

What did you think of the sign-up process?

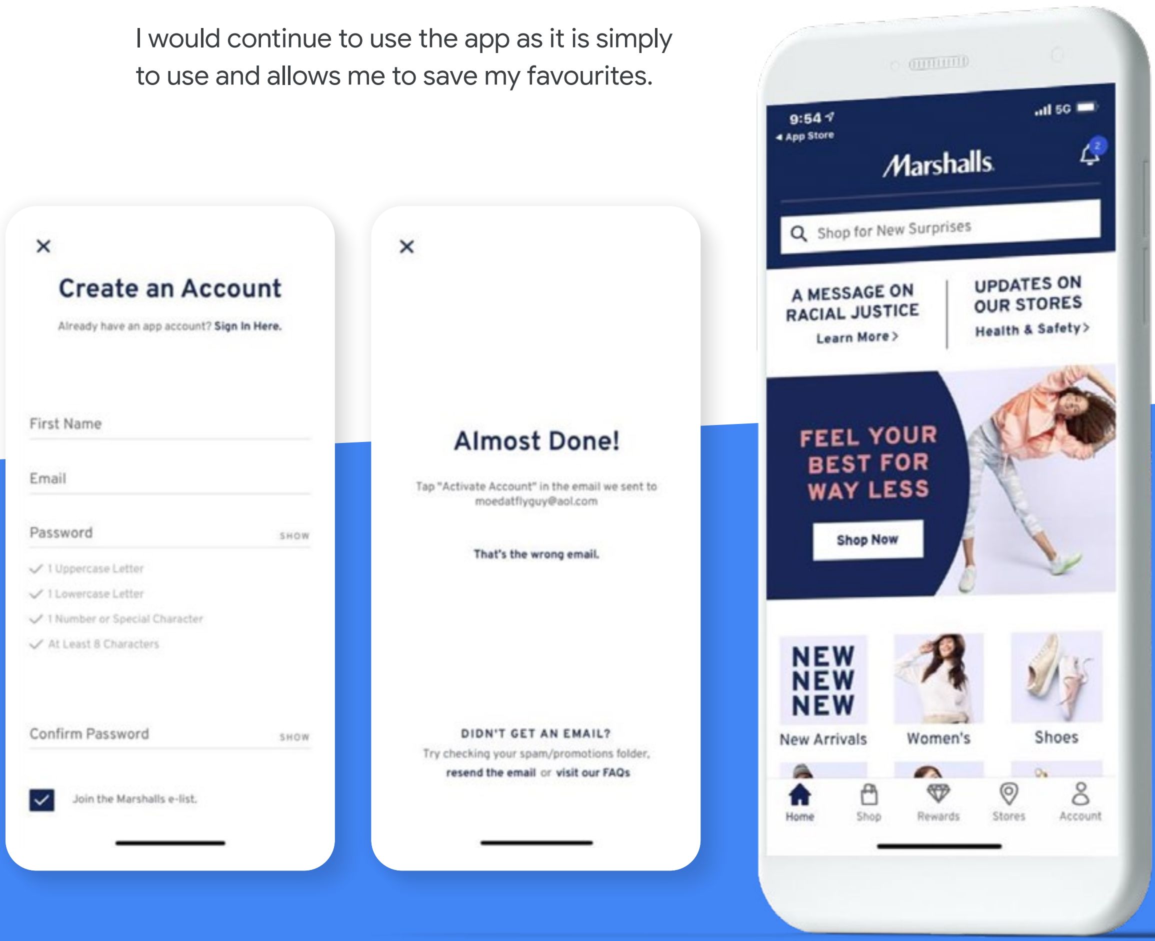
The sign up process was pretty smooth. It was quick and straight to the point by gathering just enough information to know who you are but not so much that you needed to enter your address just yet. Once you download the app you are able to browse the website instantly without any annoying popups. You click the account button which asks you to enter your first name, email, and a password. Once you enter that information you wait for a confirmation email and that's it.

What did you think of it on the first trial?

I think the app is designed smoothly with all the sections that I would pay the most attention to laid right out on the screen after a simple scroll. There is a pop up that gives me the option to allow notifications which I think is a good idea. The heart symbol in the top right corner of each item allows me to select the items that I am interested in purchasing which is a nice touch.

Would you keep it?

I would continue to use the app as it is simply to use and allows me to save my favourites.



It's important to keep onboarding succinct and punchy. Customers are downloading the app because they want to do something with it, they don't want to have to go through a 5 minute tutorial. **Good design should speak for itself: users should be able to figure out where to go next**."

*–**Product Manager,** Retailer*

"We don't have an accessibility tutorial in the app because it makes the app feel complicated. If an app doesn't have a tutorial then **it must be self-explanatory**."

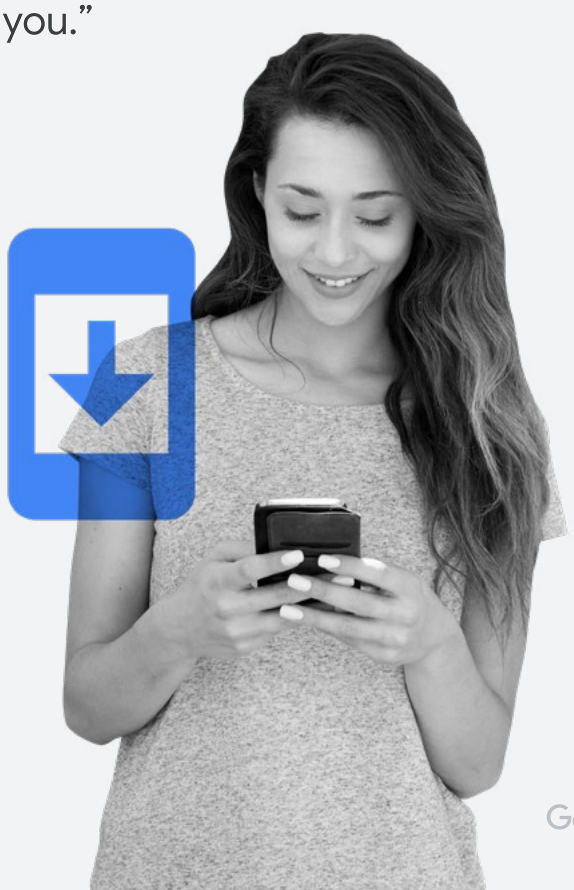
*–**Senior Developer,** P2P Marketplace*

"I downloaded [Warby Parker] because I saw the ad on Instagram which showed the virtual glasses feature. When I went on the app I couldn't find it as it was hidden in one section of the app. All I could see initially was the option to have glasses sent to you."

38

"When they make you jump through hoops to use the app it can be infuriating. If I'm not buying yet why do you need my payment details?"

32



3.2.3 Encourage users to engage with customisation features which enhance their outcomes

Our exploration uncovered two types of personalisation; each type elicits different responses from consumers.

Firstly, **personalisation with a point** enhances the outcomes for consumers. This type of personalisation is characterised by customisable notifications and the ability to personalise your tastes and preferences[28]. In short, these features mean that a user can interact with the app more easily, in the way that suits them, to find the items they want to buy. Developers have the opportunity to increase adoption of these features given that current adoption is quite low (only 15% of **ENGAGE** users have Personalised their recommendations, and only 10% have Personalised notifications[29]). Having the option to quickly set up personalisation at the outset gives users a task that immediately demonstrates the potential value of the app in their lives - deepening engagement from the start.

Behavioural Science Lens: This is a case of the 'endowment effect'. People value things they have put time and energy into. For this reason, people feel an enhanced value over self-assembly furniture because they 'made' it themselves. Putting your personal touches to your app experience to make them 'for you' helps people feel more invested.

"It builds on my experience, and learns from me and helps me make my experience better going forward. In an app you can sort of favourite things. You can tailor it to yourself. You can adapt to make things work for me."

35

"One of the biggest ways of reducing friction is by having a solid personalisation and recommendations algorithm...**if we can reduce friction by even 1 second it's a significant advantage**."

–***Product Manager,*** *Retailer*

In contrast, users are indifferent[30] to many of the features which deliver other types of personalisation that are not linked to improving the user's outcomes; for example customising an avatar. When investing in features which allow users to tailor their experiences, those which deliver a tangible benefit are more likely to provide a better return.

3.2.4 And finally, don't be too demanding

A key pain point to avoid for businesses is developing an app which demands too much, too soon, from users. This has two dimensions. Firstly, don't ask for too much personal information or seemingly unnecessary information from the outset (two of the top 3 frustrations among users who disengaged during **ONBOARDING** are 'too much personal information' 40% #1, and 'It wanted access to my camera/ location / microphone / photos etc. that I didn't want to give', 38% #3[31]). On an ongoing basis, features which have the potential to be deemed intrusive by a user, either by the app itself, or by other app users/ those in the user's personal network, are in fact seen as 'detractors' overall (see Figure 11). Examples include 'Share to social', 'I can message/ interact with my connections in the app', 'I can see what others are doing', 'Track / use your location'.

Access to other phone features, and personal data, should be made in the context of an appropriate use case, so users approach the request with a clear grasp of the benefit to them. Additionally, users want to explore the app at first, get a feel for it, and then decide whether or not to make the commitment to registering.

> What really annoyed me is that they forced me to make a transaction. I wasn't sure whether I wanted to use the app yet."

45

> "I don't like it when I'm forced to do things. We have to get to know each other before doing business together."

41

> "When they ask you for all your details before I've even tried things out I get really frustrated. It makes you feel exploited. Let me use it and get a feel of things first."

39

To help app developers identify which features should be prioritised at **ONBOARDING**, we have classified **ONBOARD** features based on Kano analysis (see methodology for details) to provide the foundation for our **ONBOARD** stage Scorecard;

- **Nascent features** – those to which users are indifferent. These features do not currently enhance the **ONBOARDING** experience.
- **Basic features** – hygiene factors which are expected by users, and crucially 'missed' by users if not present.
- **Intermediate features** – performance features which are reasonably expected but drive satisfaction when present.
- **Advanced features** – or 'delighters'. These features aren't expected at all but delight when present.
- **Detractor features** – Users either like not having the feature or actively dislike having it.

	NASCENT	BASIC	INTERMEDIATE	ADVANCED
	Tutorial / preview (e.g. video, 4-page-swipe) Link with other accounts e.g. bank account Verify identity (e.g. through uploading documents) Allow access to camera / location / microphone / photos etc Add picture / avatar Add friends via Facebook / email Fingerprint / biometrics	Security check via text / email Connect via Facebook / Google / email / phone	Tells me if I have made an error in my form at the time (not the end) Control preferences e.g. for notifications Personalise tastes and preferences	Automatically completes my information in forms
4-5 stars rating of onboarding experience	67%	73%	83%	87%
NPS	-13	-5	+18	+52
Brand I feel close to	55%	58%	62%	69%
Proportional uplift in spend on the app (USD) vs Nascent		+6%	+8%	+39%

Fig 11. *ONBOARD SCORECARD; Based on Kano analysis of ONBOARDING features among ONBOARD users.*[32]

3.3 Engage to embed: Establish your app as 'vital'

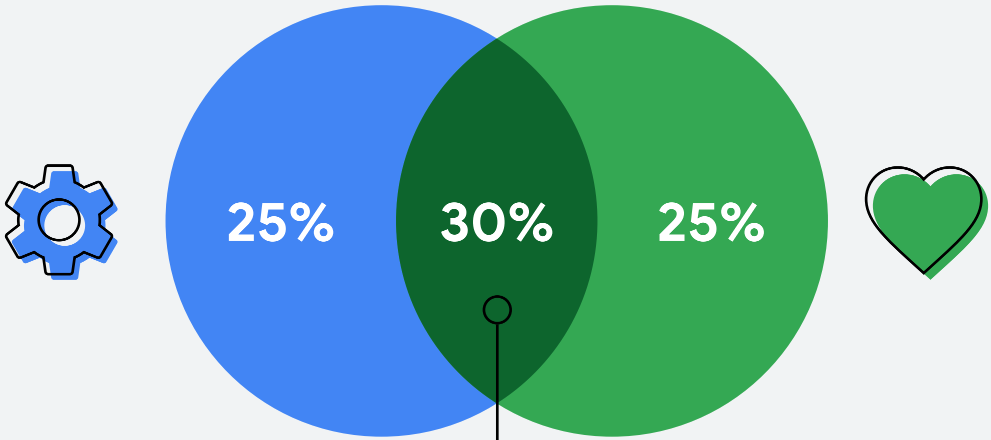
Delivering on both functional and emotional need states to enhance users' shopping and browsing experience and reach the **EMBED** stage.

If an app has performed well for its users through **ONBOARDING** and they begin to **ENGAGE** by using for a period of time, there are certain user needs that Retailers should be aware of. By serving these needs especially well, an app can progress its users to the **EMBED** stage and be seen as "vital: I don't know what I'd do without it" - reaping the rewards discussed in chapter 2.

The reasons why people use Retail apps are grouped into two distinct types of shopping needs:

- **A functional shopping need state** in which users look to apps for increased control over the experience; apps make users more efficient, organised and keep them informed.
- **An emotional shopping need state** in which users look to Retail apps as a source of entertainment; apps offer users fun, inspiration and relief from boredom.

These two need states are not mutually exclusive (see Figure 12). Users will move between shopping/ browsing missions with different motivations on different occasions, with different use cases, and often within the same usage session.



Functional
55% of users are looking for functional needs to be met

Emotional
55% of users are looking for emotional needs to be met

Fig 12. *Needs for a Retail app to meet among ENGAGE users.*[33]

Retail apps therefore need to deliver on both fronts in order to delight their users. With this in mind, where should businesses invest their time and attention in developing Retail apps to cater to these needs? What are the improvements that are likely to draw app users through to the **EMBED** stage of our user journey?

We have looked at three different sources of information to answer these questions. Firstly, what's important for **ENGAGE** users and how that differs from **EMBED** users as a way to define the different needs that apps should prioritise. Secondly, which features are being used by **ENGAGE** users and how that differs from **EMBED** users (see Figure 13, functional and Figure 15, emotional). And thirdly, our User Scorecard (see Figure 16), which once again classifies specific features into Nascent (indifferent), Basic (hygiene), Intermediate (performance) and Advanced (delighter) groups to guide prioritisation.

Firstly, there are three key ways in which apps can deliver on functional need states.

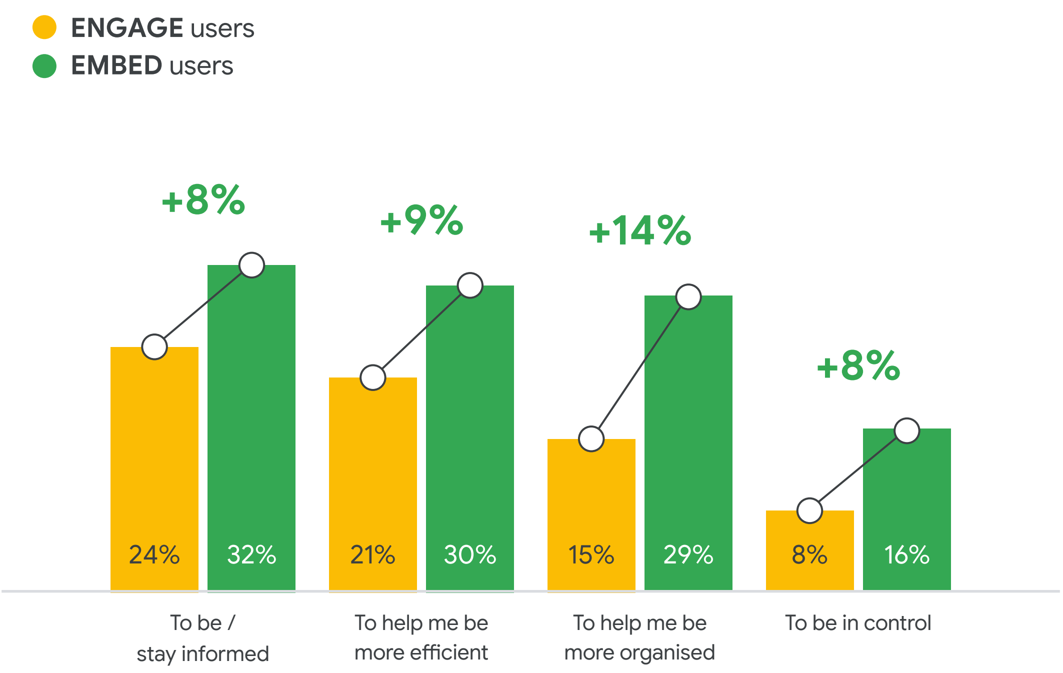


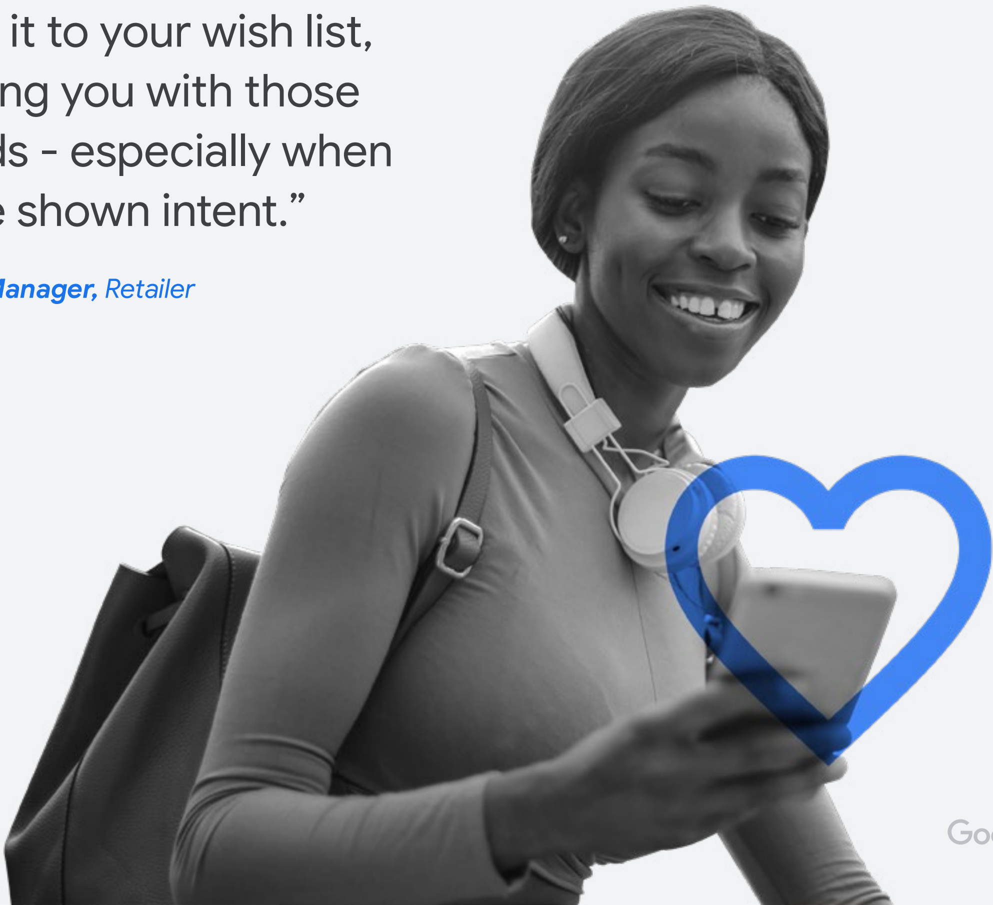
Fig 13. *Showing top functional needs for a Retail app to meet among ENGAGE and EMBED users.*[34]

3.3.1 Offer users access to the information they need to feel informed

Amongst the most desirable features for Retail apps (i.e. features that surprise and delight users) are the ability to track orders and contact customer services: users want to know exactly what's happening with their purchases to cater to that critical, leading need of feeling informed. The accessibility and convenience of apps lets them do that. **EMBED** users are more likely to use these features than other users.

"From an e-commerce perspective, **creating the right contextual actions for the right touchpoints is important**. If you look at our wish list, when you add something and it's out of stock, we'll show you the wish list with contextual call-to-actions, it will notify you to select a size before adding it to your wish list, providing you with those in-roads - especially when they've shown intent."

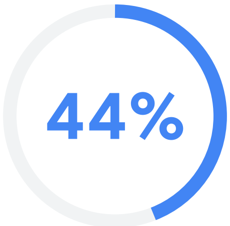
–***Product Manager,*** *Retailer*



3.3.2 Focus on getting search right so users can efficiently browse coveted items

While it may sound obvious, getting Search functionality right is so important to the user experience of Retail apps. Search features are widely adopted amongst Retail app users (40% used text search, 44% using search filters for text and non-text search[35]). Yet Search is also hard to execute, with businesses often assessing and reassessing categorisations on a quest to find the most intuitive classifications.

used text search



using search filters for text and non-text search

The other key need is for **users to be able to find what they want as quickly as possible**. We have 1,900 brands, so if you are there to browse, how can we surface what's relevant to you - we have a whole squad that is dedicated around that user need. **They work specifically on search and discovery; their whole objective is around improving the functionality, search results/ experience on behalf of the customer**."

*–**Mobile App Lead,** Retailer*

"The way in which you can navigate and search our app helps us to stand out. **A lot of work goes to serve the most relevant page at the right time** whether that is across our home page or a product listing page."

*–**Head of Commerce,** Online Retailer*

Users will churn if there are too many similar products offered to them on the embark stage. People don't come to the app for commoditized goods, they come for something special or a gift. **We want to make each search feel special.**"

–***Senior Strategy Manager,*** *Retailer*

"What frustrates me is if you do a search and then click into an item, when you go back the search that you had entered has disappeared. You have to enter everything again. It slows you down."

38

Retail apps should give users the option to personalise and save their search filters; negating the need to constantly reset them. Indeed, one of the most common frustrations amongst those who disengaged after some usage was always having to reset search terms and filters[36].

Behavioural Science Lens: The decisions we make vary depending on our emotional state: 'hot and cold states'. When we are 'hot' or excited we make more confident (but potentially rasher) decisions. When we are frustrated, we are more likely to abandon a decision process. The easiest thing to do with a process that is confusing and frustrating is to put it off until later, or drop it completely. This can be the right thing to do. What seems hard when we are tired late at night can seem clear in the morning when we've slept. However, it can also be the process itself that is causing the frustration – and that is the designers' concern. It is important to think about people's emotional state through the journey. Drop-offs happen when there is a disconnect in state and action. For example, when an eager convert is forced to work too hard for a seemingly simple task they can disengage.

3.3.3 Double down on convenience and enable users to be efficient and organised

Great Retail apps reduce the number of steps users need to go through between making the decision on what to buy, and purchase. Features which remember payment, delivery and login information are highly desired, **reducing friction in the crucial moments** before a purchase is made. In a similar vein, features which remember previous orders and coveted purchases in a wishlist mean users can **cut down on their time spent searching**, getting straight to the items they want and need.[37]

In some instances, Retail apps have begun exploring ways to actively support their users' needs for organisation; for example Amazon embracing a subscription model for replenishment of essential items, or the greetings card Retailer Moonpig activating notifications around upcoming annual events such as birthdays and anniversaries.

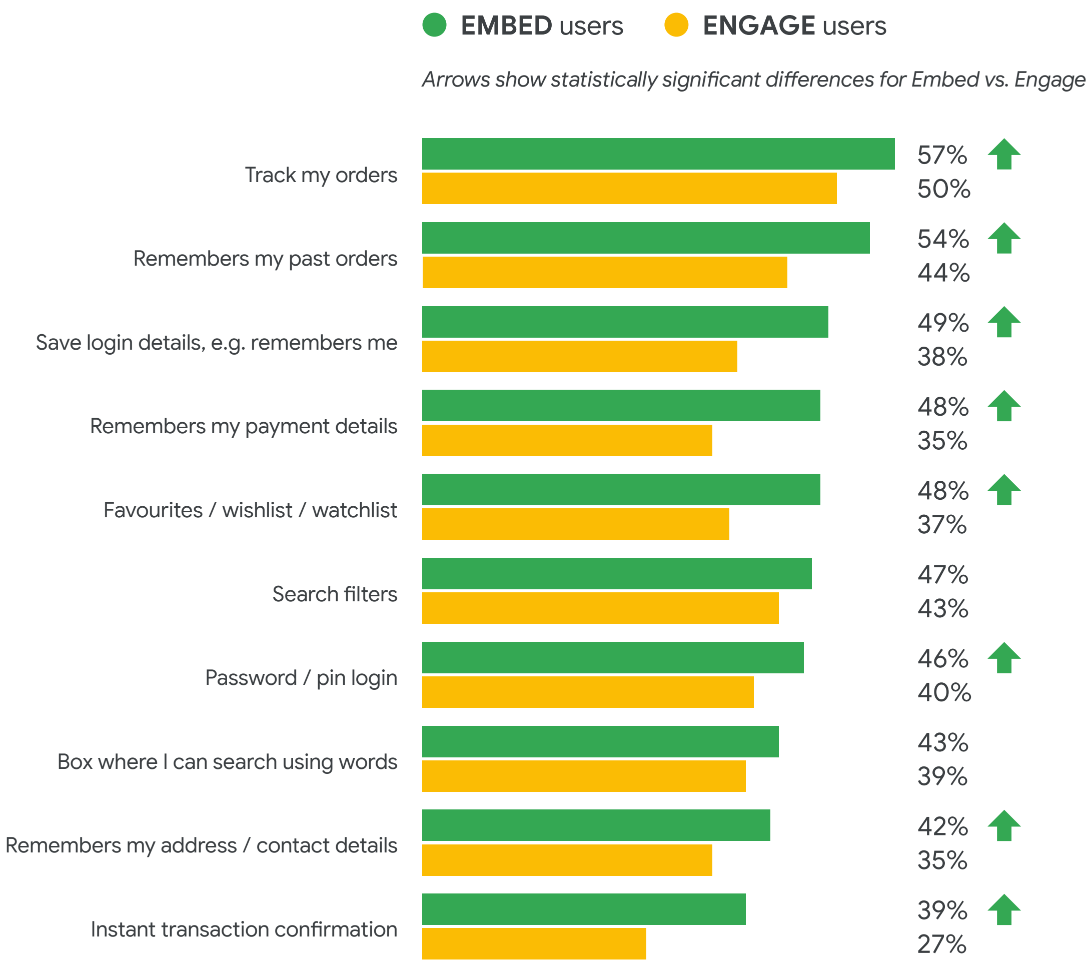


Fig 14. *Top 10 features used in Retail apps among ENGAGE and EMBED users.*[38]

"If I am doing something and in-the-moment, or I'm curious about something, it is easier to just go to the apps. Also with the apps it is much cleaner. Websites give you pop-ups and things like that. It's distracting. Apps are much more direct and immediate - you're not distracted. You're in the moment and focused. You can get things done. So much better."

26

"You save time. **It's not practical to go on the website**. With the app all your details are there. They update. I can see how my order is going. I get notifications to confirm any changes. Everything is instantaneous."

45

Beyond functional needs, there is scope for innovation when it comes to apps meeting users' emotional needs for entertainment and fun.

Regardless of how **EMBEDDED** your users are, the top emotional needs that users are looking for a Retail app to meet are 'fun' and 'inspiration'.

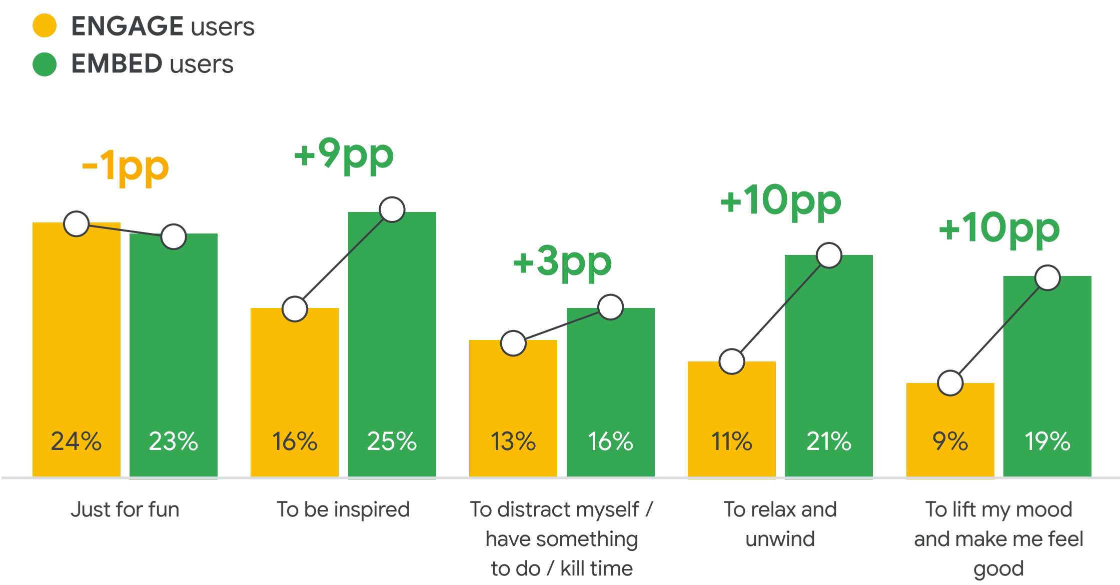
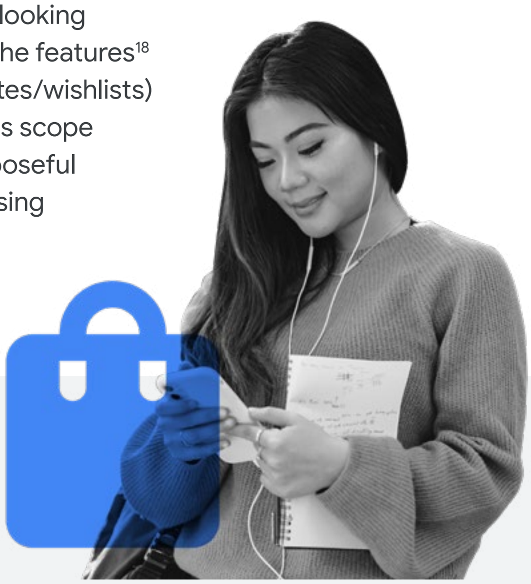


***Fig 15.** Top emotional needs for a Retail app to meet among ENGAGE and EMBED USERS.*[39]

3.3.4 Make the experience joyful

While financial rewards and discounts are undoubtedly motivating, and well-designed features can successfully support functional needs, for many, shopping is also a form of entertainment. Shopping is fun, a hobby, a pleasurable way to while away a Saturday afternoon - in which enjoyment comes as much from a sense of discovery and inspiration when window shopping as it does from actually buying something.

Shoppers, especially those in the **EMBED** phase, are looking for that experience[40] from Retail apps; yet currently the features[18] used most commonly (outside of Search and favourites/wishlists) primarily support the conversion to purchase. There is scope for creativity in this space to support users with purposeful features which enhance and delight during the browsing experience, and look to access that inherent joy that browsing/ shopping brings.



"This one [clothes app] was really disappointing: just images and white background. I want to get a sense of places where I would wear the items. Show me different body types so I can get a sense of things... I want to feel hopeful about the future. I want to project my life onto this scenario. Suggest accessories to me. Show me different angles. There is no story line. I am not a fashion expert... I want to see the vision of the person who designed it. What was the intention? I can't feel the fabric so can't tell if it is classy for going out or for lounging at home. That's what I get from the better apps."

38

One notable area of development in recent years has been the emergence of gamification. Wish and Alibaba have integrated in-app games into loyalty programmes which offer rewards and discounts, typically in exchange for users amplifying the brand's presence by sharing the app with their network, or as an incentive to complete a purchase.

"As a part of the game [users] need to share the app, which will mean they are reaching out to their network, and bringing in more users to activate rewards and win coupons."

–***Growth Manager,*** *Online Retailer*

Though currently engagement with games in Retail apps is limited, even among **EMBED** users (10% of **EMBED** users use in-app games vs. 4% of **ENGAGE** users[41]), the prevalence of financial incentives and discounts as a driver of acquisition[42] for Retail apps suggests consumers will become more savvy in seeking out apps with these features in time.

"There are some gamification elements to reward certain behaviour. For example for those who spend a lot more than the average, we reward them with more points. We may give away points for users to try newly launched products, or when they use a feature for the first time."

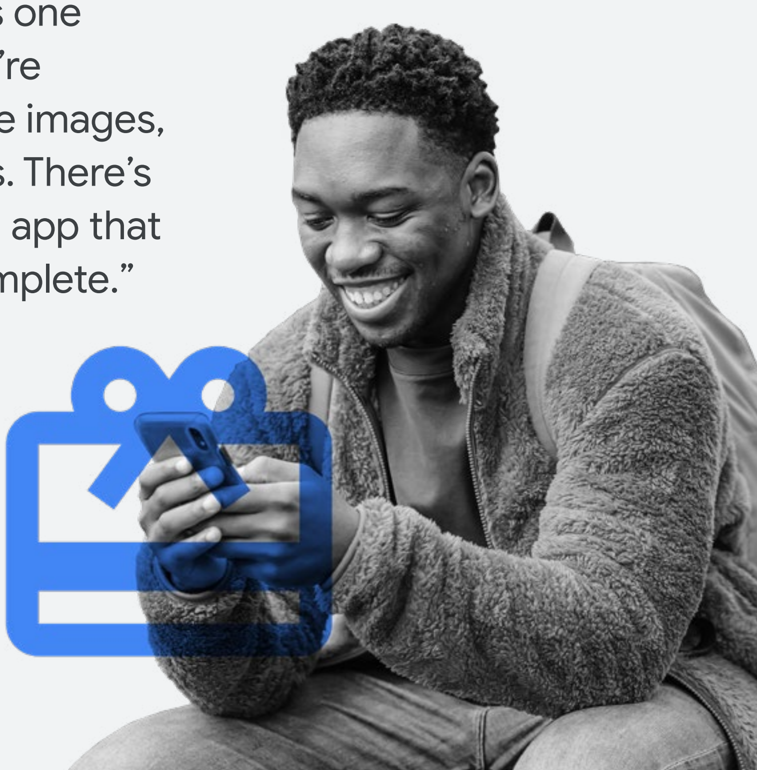
–***Product Manager,*** *Groceries*

"When I leave the checkout I always play the scratch card they have on the app [Lidl]. It's become a habit. Often you just get 20p back but it's a bit of fun and a nice little touch."

49

"What I find is that apps are less one dimensional [vs websites]. They're visualizing things: you can rotate images, zoom in, get a sense of textures. There's games you can play on my food app that gives you rewards. It's more complete."

29



To help app developers identify which features should be prioritised at for users in the long terms to migrate **ENGAGED** users to **EMBED**, we have classified features based on Kano analysis (see methodology for details) to provide the foundation for our **USER** Scorecard;

- **Nascent features** – those to which users are indifferent. These features do not currently enhance the user experience.
- **Basic features** – hygiene factors which are expected by users, and crucially 'missed' by users if not present.
- **Intermediate features** – performance features which are reasonably expected but drive satisfaction when present.
- **Advanced features** – or 'delighters'. These features aren't expected at all but delight when present.
- **Detractor features** – Users either like not having the feature or actively dislike having it.

	NASCENT	BASIC	INTERMEDIATE	ADVANCED
	Tabs to navigate between pages Customiseable profile page Gives me insights about my behaviour Virtual Unique features only available on app	Lets me personalise my notifications Personalised recommendations Personalised / remembers my search filters Let me change my location settings Easily connects to third party payment options	Relevant / useful notifications Seeing my progress Instant transaction confirmation In app promotions / discounts Buy with one click Remembers my payment details In app rewards Easy to compare between products / items	Customer service chat FAQs / help page Box where I can search using words Save login details e.g. remembers me Favourites / wishlist / watchlist User reviews within app Search filters Track my orders Password / pin login Detailed product / service information Remembers my past orders Remembers my address/ contact details Stores address book with range of delivery addresses
NPS	Low base	+20	+18	+42
Modern brand	Low base	66%	72%	90%
Brand I feel close to	Low base	73%	84%	78%
Proportional uplift in spend on the app (USD) vs Nascent*		+22%	+149%	+143%

Fig 16. *USER SCORECARD; Based on Kano analysis of features among EMBED users*[43].

04

What are the pitfalls to avoid? How do you stop users from disengaging, and win them back?

In addition to winning a place as a 'vital' app and **EMBEDDING** the app in the hearts of your users, at the other end of the spectrum is the need to stem losses and reduce the number of people who disengage or lapse. There are steps that developers can take to avoid disengagement. Equally, there are opportunities to re-engage with lapsed users: 1 in 5 users have stopped using an app and then started using it again[44].

There are five priority areas of focus to reduce frustration and drive reappraisal:

- Be distinctive
- Fix technical issues
- Develop improved features which enhance user experience
- Promote improved features
- Ensure the app is (at least) as good as web/mweb

4.1 Be distinctive and continue to innovate

The most common reason given by users for disengaging with a Retail app is because there is a lot of overlap between the offerings out there from different brands (45% 'I have apps which serve a similar purpose', see figure 17). There is a need to differentiate from the crowd in a meaningful and positive way from the outset, and continue to innovate to maintain relevance and guard against users being tempted away by the 'next best thing'.

Indeed, developing new features is cited as the second highest reason why those who disengaged after some usage would consider re-engaging with a Retail app[45] (behind discounts/ exclusives).

45% of those who have disengaged have apps which serve a similar purpose

4.2 Fix technical issues

After competition from other apps, the main points of frustration (and eventually reasons for churn) are technical issues which create friction and irritation in a user experience which isn't smooth enough[46]. Disengaged users also cite fixing technical issues as joint sixth most influential factor which could win them back to an app[47].

A range of functionality issues present themselves (see the full list of frustrations in figure 17), including always having to reset search terms & filters, slow loading, slow to use and not being able to do everything you thought you'd be able to do.

4.3 Build features which enhance the user experience, and make sure users find them

As discussed during our considerations on how to drive **ENGAGE** users to **EMBED**, building features that enable customisation of the experience, and making sure users find and implement them, is critical for engagement. These features are as valuable to win over/ win back those users you are at risk of losing, as they are for cultivating a closer relationship with **EMBED** users. Within the top 10 frustrations among disengaged users are 'too many notifications' (ranked #2), 'I always have to reset my search terms and filters' (ranked #5) and 'can't personalise enough' (ranked #9).

4.4 Be as good as (if not better than) your website

One of the main frustrations with using a Retail app occurs when website features or functionality are not replicated within an app, or if users can't do everything they think they will be able to[48], for example getting help from customer services, or making exchanges/ refunds.

Users want Retail apps that offer full functionality, allowing them to leverage the convenience and accessibility that mobile experiences offer. Users do not want to be directed back to a web experience if they've chosen to use an app. Developers should focus on creating a consistent and comprehensive app experience without bumps or blocks.

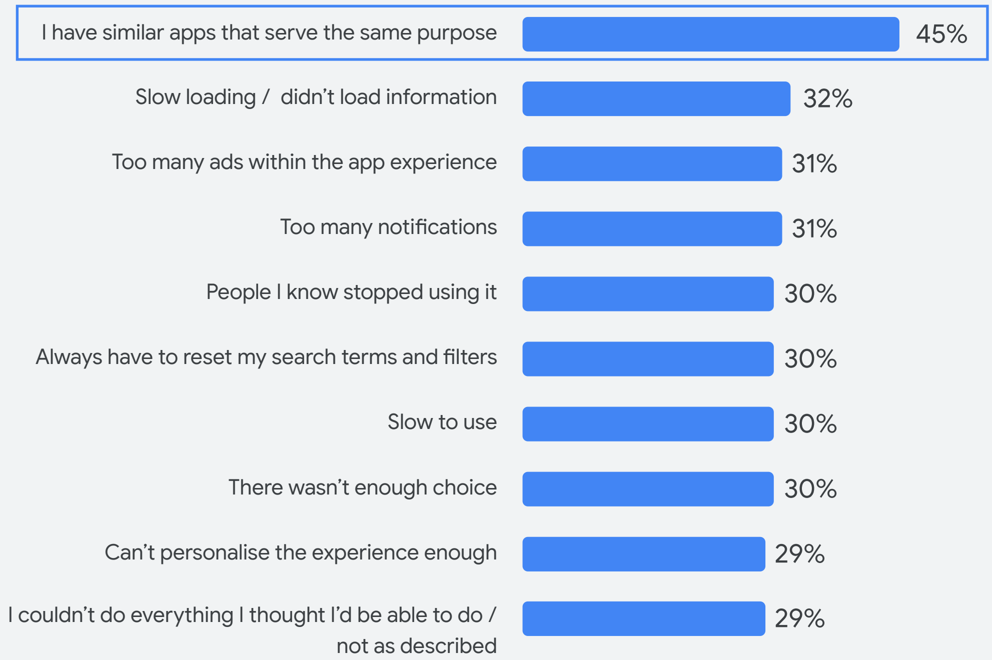


Fig 17. *Top 10 frustrations with using a Retail app among all who disengaged after some usage.*[49]

4.5 Make it well known when you have innovated

Disengaged users are very open to reinstalling/ resuming their usage of Retail apps (83% would consider reinstalling/ re-downloading[50]). Once updates, advancements and innovations are made, they need to know about it. Incentivising conversation among peer networks, and driving users to review updates on App / Play Store (joint #6 and #5 ranked re-engagement drivers respective[51]) will be vital recruitment tools to publicise the benefits of your enhanced app experience.

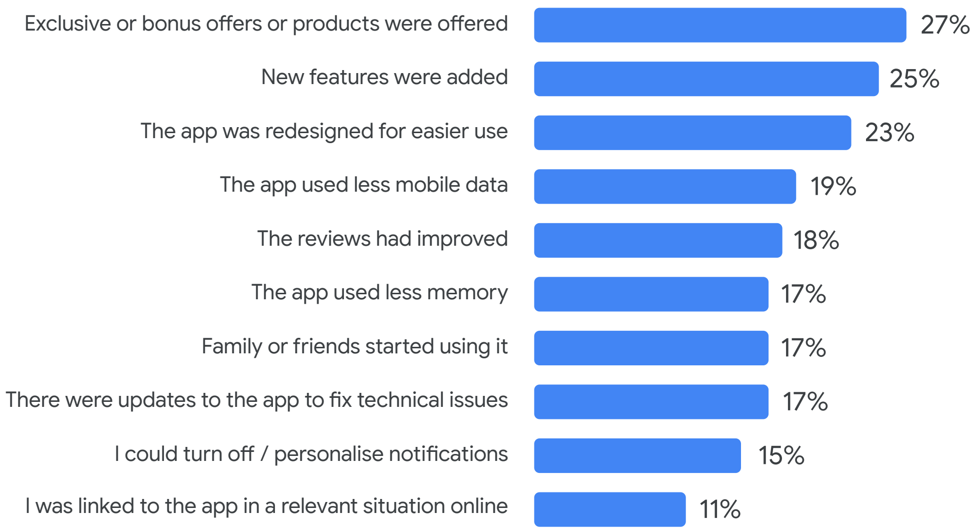


Fig 18. *Top 10 reasons to re-engage with a Retail app among all who disengaged after some usage.*[52]

The importance of reducing disengagement has ramifications beyond direct financial losses. App users who disengaged are much less likely to refer the app to others (relative to other users); shown in their NPS score dropping into the negative 'detractor' zone. This presents a risk to further app user acquisition (given that word of mouth is an important driver) and brand reputation more generally.

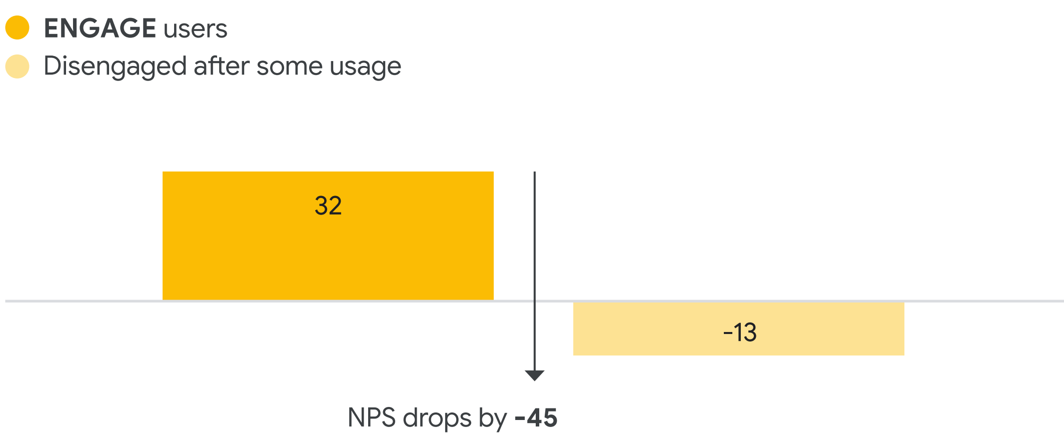


Fig 19. *App / brand loyalty as measured by Net Promoter Score (NPS) among ENGAGE users and those who disengaged after some usage.*[53]

05
Final thoughts

With apps rapidly increasing in importance for both retailers and consumers alike, there is a demonstrable strategic advantage to developing a winning app.

For retail businesses, apps provide a means of finding new customers, deepening existing customer relationships, and benefiting the bottom line. With usage and consideration of new retail apps high in the current environment, this looks set to continue. To use a bricks and mortar analogy, the footfall is there and it's increasing.

Arguably the most compelling story from our study is the clear and demonstrable benefits gained by creating a 'vital' app for your users. A lot of businesses talk about putting the needs of the user first or building customer-centric flows, but one of the main messages that comes out of the research is to go beyond that and to focus on how to make your app something that your users can't do without.

Fundamentally, human needs are inherently ingrained, and therefore slow to evolve. It's clear from our research that users expect a shopping experience delivered through an app to deliver on the following needs, which should form the bedrock of such a consumer-centric strategy;

functionally, delivering frictionless progress from the very start with onboarding, through an app which puts them in control, and

emotionally, emulating and surpassing the inspirational and joyous experience they find when shopping in other channels.

While these underlying need states from an app based shopping experience will remain constant (at least for the mid term), the same cannot be said for how your app should look to deliver on those needs. The app experience you deliver to your users (though UX, design, features etc) should constantly evolve: there isn't a finish line. To 'win' a business or developer can tick all the boxes of Advanced features to develop currently in our scorecard, but absolutely should not then say "I'm done". The recommendations set out here should be seen as the start point, the proof of value in investment in app development / marketing.

Consumers are quick to lapse from apps which don't differentiate themselves from the competition, and their expectations are constantly being reset by their interactions with apps from within the retail category and beyond. With a barrage of apps competing for space in the minds - and on the devices of consumers - developers should always be challenging themselves to think 'what next?' And seeking to address underlying fundamental consumer needs in smarter, slicker and ever more relevant ways.

06

Appendix

6.1 Introduction to our methodology

Google has worked with research and strategy consultancy MTM in a multi-stage project. The narrative in this report was produced from a combination of all these evidence sources.

An initial scoping stage involved synthesising third-party sources and conducting a market sizing omnibus research survey, to inform the design of primary research workstreams. Exploratory qualitative research techniques were used to uncover insights that were later validated in robust survey data - notably, including the app user engagement model.

6.2 Qualitative research methodology

We held 32 conversations with **key business decision makers** across global markets, to gather perspectives on what best-in-class apps look like and how to support app success. Participants were in roles such as: Head of Growth, Head of Digital Commerce, Head of Global Expansion, Senior Product Manager, Senior Developer, Senior Strategy Manager. We are very grateful for their participation. Permission has been given for use of attributed quotes.

We then ran **consumer connects** with 40 people across five markets: UK, US, France, Germany, and India. Each connect began with a five day digital journal task where participants captured their app usage and engagement. This included a directed task of downloading a new app they were interested in, to capture onboarding. After the journal, we ran depth interviews to dive into app usage and how experiences differed across apps and across stages of the user journey.

6.3 Behavioural science interpretation

We worked with Dr Nick Southgate to add a **behavioural science lens** to our findings. He is one of the leading practitioners in the emerging field of applied behavioural thinking. He looks to use the insights and understanding gained in behavioural sciences in combination with the creative and communication expertise of a marketer and advertising thinker. He participated in our 'consumer connects' and analysis to bring his unique perspective to our outcomes.

6.4 Quantitative research methodology

A **20-minute online survey** in six markets (UK, US, Germany, France, Japan, India) collected data from n=9,596 consumers in 5 Retail sub-verticals: Grocery / Food & Beverage, Fashion, Brand, Multicategory, and Marketplace. We collected a robust sample for each stage of the model (approx. n=80 per stage, per subvertical, per market): **DISCOVER** i.e. those considering which app to download; **ONBOARD** i.e. those who've downloaded an app in the last three months; **ENGAGE** users i.e. those who've used an app for at least 1 month (we then identified **EMBED** users from within **ENGAGE** users); **DISENGAGED** i.e. those who've previously used an app but stopped using it. Each respondent answered a relevant section of the online survey.

The Scorecards for this project have been developed through a blend of art and science. MTM adapted the Kano analysis technique, bespoke for this study, as the 'science' which formed the bedrock of our scorecard analysis based on current consumer perceptions of existing market features. The 'art' came in interpreting these results, and overlaying knowledge gleaned from within the Google App Developer / Marketing community, and learnings from our qualitative business decision maker conversations - meaning a small number of items were reclassified. We also used the statistical technique Maximum Difference (MaxDiff) which asks respondents to trade off between different factors. We used MaxDiff twice: to establish which touchpoints are most influential when deciding what app to use, and also to understand which frustrations / triggers drive churn.

Footnotes

1 Jmango360: Retail App Statistics 2020
2 SensorTower: Top shopping category apps worldwide 2020
3 MTM Survey Question: We're interested in finding out whether COVID-19 has had any impact on your app usage. Please think about your app usage during the pandemic compared to before the pandemic. Would you say you use apps... Net: those using more often - those using less often. Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,932)
4 MTM Survey Question: Still thinking about your app usage during COVID-19 compared to before. Has your app usage changed in any of the following ways as a result of the pandemic? Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,932)
5 MTM Survey Question: How long have you spent researching which app to download? Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
6 MTM Survey Question: Which of the following frustrations, if any, have you experienced when using the app? Base: 2021 Retail - Disengaged from a Retail app after some usage (n=1,673)
7 See Appendix for our research methodologies.
8 MTM Survey Question: Which of the following best describes how you feel about the app? Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,932)
9 MTM Survey Questions: We'd now like to ask you some more questions about the app specifically. How often do you use the app? You just said you use the app daily. Thinking about a typical day, how many times a day would you say you use it? Thinking about when you use the app, how much time do you usually spend in the app each time you use it? How often do you make purchases through the app? Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,517); EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415); Daily app users - ENGAGE users (n=347); EMBED users (n=136)
10 MTM Survey Question: How likely are you to recommend the app to someone else (e.g. friends, family, colleague)? NPS is calculated by taking the Promoter score (% responding 9-10 out of 10 where 10 is high) and subtracting the Detractor score (% responding 0-6 out of 10 where 0 is low) Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517); EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
11 MTM Survey Question: And on average, how much do you spend each time when making purchases through the app? Base: 2021 Retail - Web only users (n=986); Dual Web and App Users (n=2,135).
12 MTM Survey Question: And on average, how much do you spend each time when making purchases through the app? Base: 2021 Retail - ENGAGE users - currently use a Retail app & have done for more than 1 month (n=1,622); EMBED users - rate app as "vital, I don't know what I'd do without it" (n=288); Daily app users - ENGAGE users (n=347); EMBED users (n=136)
13 MTM Survey Question: Thinking about all the apps you use, not just the apps we've been asking you about, what would you say the benefits of apps generally are? Base: 2021 - Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517)
14 MTM Survey Question: In which of the following ways, if any, have you been made aware of apps you may be interested in downloading? / How important will each of these be in making your final decision to download an app? Classifications based on quadrant analysis of touchpoints scoring above or below average for each question. Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
15 MTM Survey Question: How important will each of these be in making your final decision to download an app? (Scores = Net very important/ Quite Important) Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
16 MTM Survey Question: How important will each of these be in making your final decision to download an app? (Scores = Net very important/ Quite Important) Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
17 MTM Survey Question: How important will each of these be in making your final decision to download an app? Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463) Online search results and App/Play Store search are ranked as #5 and joint #7 influencers of download (57% and 55% respectively).

18 Business of Apps: App Store Data (2021)
19 MTM Survey Question: How important will each of these be in making your final decision to download an app? Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463) Online search results and App/Play Store search are ranked as #5 and joint #7 influencers of download (57% and 55% respectively).
20 MTM Survey Question: How important will each of these be in making your final decision to download an app? (Scores = Net very important/ Quite Important) Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
21 MTM Survey Question: How likely are you to recommend the app to someone else (e.g. friends, family, colleague)? NPS is calculated by taking the Promoter score (responding % 9-10 out of 10 where 10 is high) and subtracting the Detractor score (% responding 0-6 out of 10 where 0 is low) Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205); All who disengaged during ONBOARDING (n=1,383)
22 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205), all who disengaged during ONBOARDING (n=1,383)
23 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205), all who disengaged during ONBOARDING (n=1,383)
24 MTM Survey Question: How would you rate the app on each of the following? Strongly agree/ Agree Net. Base: 2021 Retail - ONBOARD users - who completed ONBOARDING and experienced 1+ frustration (n=1,866), 0 frustrations (754)
25 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205), all who disengaged during ONBOARDING (n=1,383)
26 Graph shows 'nets' of many specific survey responses: Poor UX (Can't easily find the feature I wanted to use, Hard to Navigate, Don't like layout, It only told me about errors in my form/ information at the end, It didn't automatically move on to the next section of the form). Too Demanding (Too much personal information required, It wanted access to my camera/ location / microphone / photos etc. that I didn't want to give, Too many security steps). Poor support/ help (Not enough education about how to use, The instructions were too complicated to understand). Inaccurate information (Pulling incorrect data, e.g. wrong location, Wouldn't accept my details (e.g. previous registration, blocked from using, didn't recognise bank details)
27 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205), all who DISENGAGED during ONBOARDING (n=1,383)
28 MTM Analysis Technique; Classified as 'Excitement' factors and therefore Intermediate level features in Google's Scorecard, via MTM's adapted KANO analysis. MTM Survey Question: A - How would you feel if the following features were all available when setting up the app? B - How would you feel if the following weren't available when setting up the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205)
29 MTM Survey Question: And which of these features do you ever use in the app? Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,932)
30 MTM Analysis Technique; Classified as 'Indifferent' factors in MTM's adapted KANO analysis. MTM Survey Question: A - How would you feel if the following features were all available when setting up the app? B - How would you feel if the following weren't available when setting up the app? Base: 2021 Retail - ONBOARD users - All who completed ONBOARDING (n=1,205)
31 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail - ONBOARD users - who completed ONBOARDING (n=1,205); all who disengaged during ONBOARDING (n=1,383)
32 MTM Survey Question: Did you experience any of the following frustrations when you first logged in/ registered with the app? Base: 2021 Retail- ONBOARD users - who completed ONBOARDING (n=1,205), all who disengaged during ONBOARDING (n=1,383)
33 MTM Survey Question: Which of the below best describe why you use the app? What needs does it meet? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517), EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415). Difference = Score for EMBED users minus (-) score for ENGAGE users to understand the factors which are more important to EMBED users. Arrows denote that EMBED users' scores are significantly higher than ENGAGE users at the 95% confidence interval.

34 MTM Survey Question: And which of these features do you ever use in the app? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517)
35 MTM Survey Question: Which of the following frustrations, if any, have you experienced when using the app? Base: 2021 Retail - All ENGAGE users including EMBED' - currently use a Retail app & have done for more than 1 month (n=2,932)
36 MTM Survey Question: And which of these features do you ever use in the app? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517); EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
37 MTM Survey Question: And which of these features do you ever use in the app? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517), EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
38 MTM Survey Question: Which of the below best describe why you use the app? What needs does it meet? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517), EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415). Difference = Score for EMBED users minus (-) score for ENGAGE users to understand the factors which are more important to EMBED users. Arrows denote that EMBED users' scores are significantly higher than ENGAGE users at the 95% confidence interval.
39 MTM Survey Question: Which of the below best describe why you use the app? What needs does it meet? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517), EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
40 MTM Survey Question: And which of these features do you ever use in the app? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517), EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
41 See figure 5. MTM Survey Question: How important will each of these be in making your final decision to download an app? Base: 2021 Retail - DISCOVER - Consumers currently considering downloading a Retail app (n=2,463)
42 MTM Survey Question: A - How would you feel if the following features were included? / B - How would you feel if they weren't included? Base: 2021 Retail - EMBED users - rate app as "vital, I don't know what I'd do without it" (n=415)
43 MTM Survey Question: Have you ever stopped using the app in the past or even uninstalled it? Base: 2021 Retail - ENGAGE users excluding EMBED - currently use a Retail app & have done for more than 1 month (n=2,517)
44 See Figure 18. Top 10 reasons to re-engage with a Retail app among all who disengaged from a Retail app after some usage.
45 See Figure 17. Top 10 frustrations with using a Retail app among all who disengaged from a Retail app after some usage.
46 See Figure 18. Top 10 reasons to re-engage with a Retail app among all who disengaged from a Retail app after some usage.
47 See Figure 17. Top 10 frustrations with using a Retail app among all who disengaged from a Retail app after some usage.
48 MTM Survey Question: Which of the following frustrations, if any, have you experienced when using the app? Base: 2021 Retail - Disengaged from a Retail app after some usage (n=1,673)
49 MTM Survey Question: Would you reconsider reinstalling/ downloading the app in the future? Base: 2021 Retail - All who Disengaged from a Retail app including Disengaged during ONBOARDING and Disengaged after some usage (n = 3,056)
50 See Figure 18. Top 10 reasons to re-engage with a Retail app among all who disengaged from a Retail app after some usage.
51 MTM Survey Question: Would any of the following make you reinstall/ download the app in the future? If... Base: 2021 Retail - All who Disengaged from a Retail app including Disengaged during ONBOARDING and Disengaged after some usage (n=3,056)
52 MTM Survey Question: How likely are you to recommend the app to someone else (e.g. friends, family, colleague)? NPS is calculated by taking the Promoter score (% responding 9-10 out of 10 where 10 is high) and subtracting the Detractor score (% responding 0-6 out of 10 where 0 is low) Base: 2021 Retail - All ENGAGE users including EMBED - currently use a Retail app & have done for more than 1 month (n=2,932); Disengaged from a Retail app after some usage (n=1,673)