

Mobile Customer Engagement Benchmark Report: 2018 Edition

Apptentive is excited to release our third annual Mobile Customer Engagement Benchmark Report: 2018 Edition. Data included in the report serves as a benchmark for companies seeking to understand how their app's experience stacks up against the entire mobile ecosystem. The metrics will also help brands understand if their customer-first strategies are up to industry standards, as well as help identify where their customer experience needs improvement.

The benchmark report data presents a comprehensive look at how customer centricity has become a requirement for the survival of brands across all industries. Customer centricity has evolved quickly, shifting from aspirational ideology to action-oriented strategies in which mobile serves as ground zero because of the always-on, always-with-us culture that exists today.

According to Ryan Hart, principal analyst at Forrester Research, [smart companies should deepen their customer understanding to build a customer experience \(CX\) strategy that lasts](#). The benchmark data in this report demonstrates that brands that prioritize a frequent cadence of customer interactions and measuring sentiment daily are gathering the building blocks necessary to create a CX that customers love. Most importantly, the data shows that customers respond positively to their increased involvement in companies' decision making. It is truly a symbiotic relationship.

"Customer love" might sound fluffy, but in reality, it positively impacts the bottom line. Earning customer love drives loyalty and retention, which in turn drives profitability and market share. [It costs six times as much to acquire a customer as it does to keep them](#), which is why a study by [Frederick Reichheld of Bain & Company](#) showed that increasing customer retention by 5% can increase profits anywhere from 25% to 95%.

But sometimes, customer love isn't enough. If you don't offer a great customer experience, you're likely to see churn rise. A study by PwC found that [17% of U.S. internet users would stop interacting with a beloved brand after one bad experience](#). It's difficult to truly be customer-first and build an experience they'll love if you don't know who your customers are, how they feel, and what they want.

Benchmark metrics

The data in this report are from thousands of unique Android and iOS apps across all app categories from January 2017 to December 2017. The data was captured by interactions deployed using Apptentive's mobile communication suite, which has powered conversations with nearly a half a billion customers of Fortune 500 brands across 1.9 billion devices worldwide.

The metrics we discuss provide a deep dive into customer interactions from internal Apptentive data, including in-app survey response rates, messages sent, Love Ratio, Net Promoter Score, and overall customer engagement and responsiveness. Public ratings and reviews data are also included.

For reference, how we define each metric and the contents of each section is laid out below.

Want to jump ahead? Click on the links below to skip to specific sections.

Interaction and response rate: Percentage of app customers who companies interact with, and the percentage of those customers who respond to the interactions sent.

Love Dialog: The average percentage of customers who respond 'Yes' to Apptentive's Love Dialog, the average percentage of customers who respond 'Yes' or 'No', and the average percentage of customers who provide feedback after responding 'No'.

Surveys: Average response rate to in-app surveys, and the average Net Promoter Score (NPS) score per NPS survey.

Ratings and reviews: Average volume of ratings and reviews, the distribution percentage of star ratings, and the opportunity cost of a star.

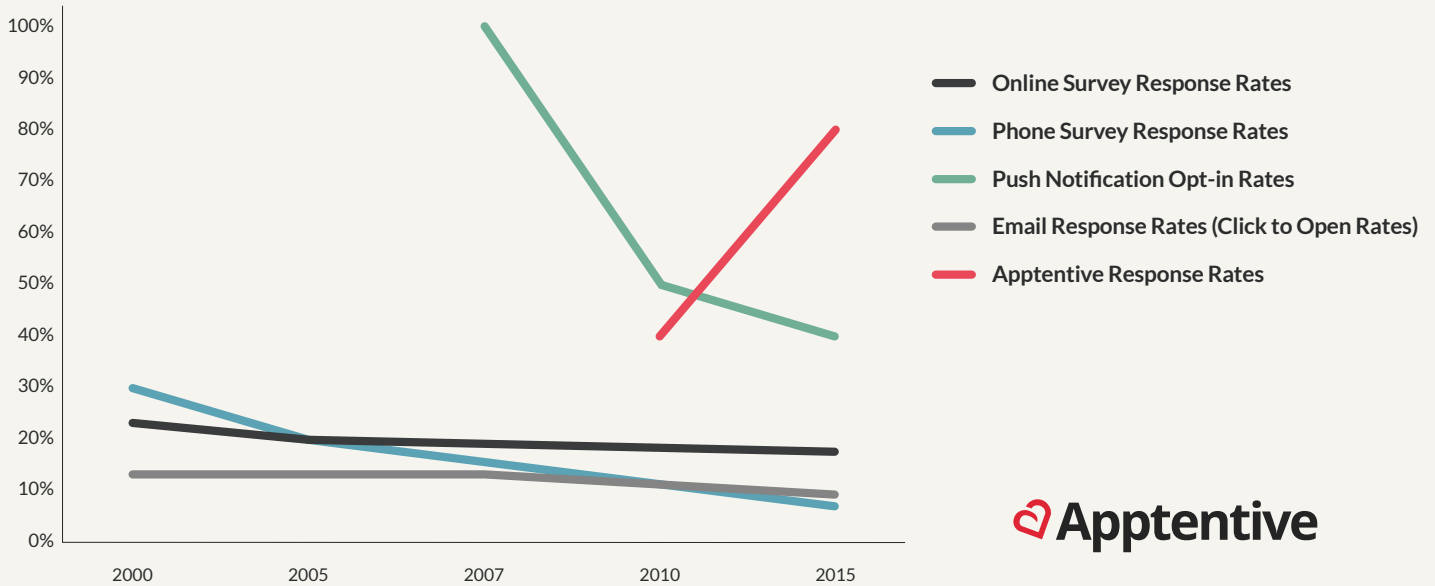
Messages: Average number of in-app messages sent by customers to brands, and average number of in-app messages received by customers from brands.

More conversations = more revenue

Data shows that customers expect to be interacted with, and those interactions heavily influence retention. 51% of consumers expect companies to ask them for feedback directly, which may explain why the volume of feedback is low for companies who don't bother asking. Unprompted, companies typically only hear from ~1% of their customers. Not only do customers expect it, it's also a strategic investment—we've found that simply interacting with customers can increase three-month retention by as much as 400%.

Companies can't call themselves customer-centric if they aren't talking with and listening to their customers, no matter the channel or vehicle. That said, blasting customers or soliciting feedback from mass groups of customers is not the type of strategy that will yield quality results.

While efficacy on all other channels is decreasing, efficacy on mobile is steadily increasing. Consumers are open to talking to brands on mobile. Capitalizing on mobile's unique position to drive maximum engagement is paramount to brands who are interested in learning all they can about their customers.



The interaction and response rate, survey, and messaging benchmark data show the power of proactively talking to more customers. Use the benchmarks below to identify where you have opportunity to fine-tune your communication strategy.

Interaction and Response Rate

Annoying customers is not productive. Engaging customers at the right time and place in the experience with a contextually appropriate message will lead to higher engagement rates and higher quality interactions. Keeping track of how many customers you're interacting with and their receptivity to those interactions is key to understanding the health of your communication strategy. Use our interaction and response rate benchmark data to gauge the health of your communication strategy.

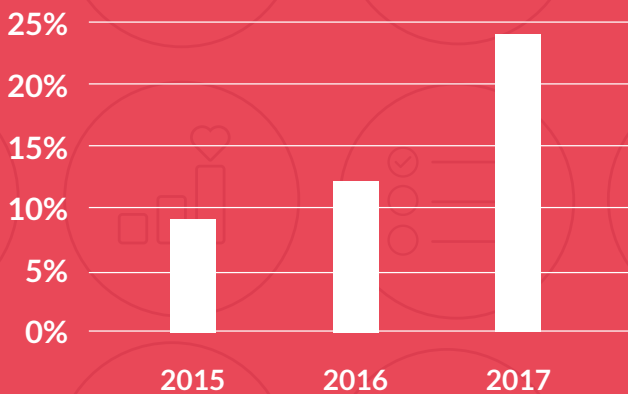
The average percentage of mobile customers brands reach out to is captured in the interaction rate. Surveys, Dialogs, Notes, and Messages are included in this metric.

The average percentage of mobile customers who respond to interactions are captured in the response rate. Surveys, Dialogs, Notes, and Messages are included in this metric.

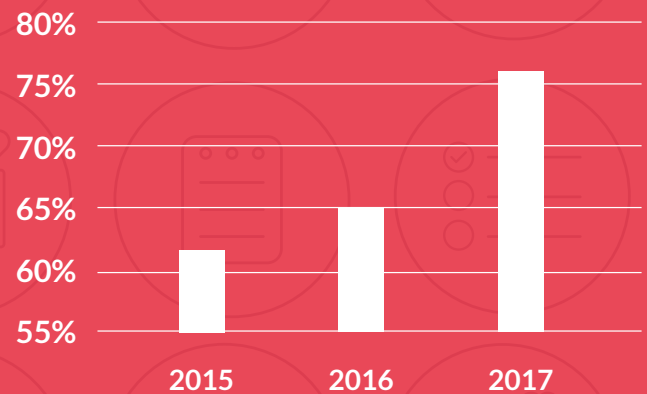


Apptentive Benchmark

AVERAGE INTERACTION RATE



AVERAGE RESPONSE RATE



The average interaction rate is 24%, meaning that on average, brands using Apptentive interact with 24% of their mobile app customers over the course of a year. The average interaction rate is 24% on Android, and 24% on iOS. For reference, last year's interaction benchmark was 12%. **That's a 100% increase year-over-year.**

The average response rate to interactions is 76%. This means that of the 24% of customers who brands interact with, an average of 76% of customers respond to the interactions. The average response rate on Android is 66% and 84% on iOS. For reference, last year's response rate benchmark was 65%. **That's a 17% increase year-over-year.**

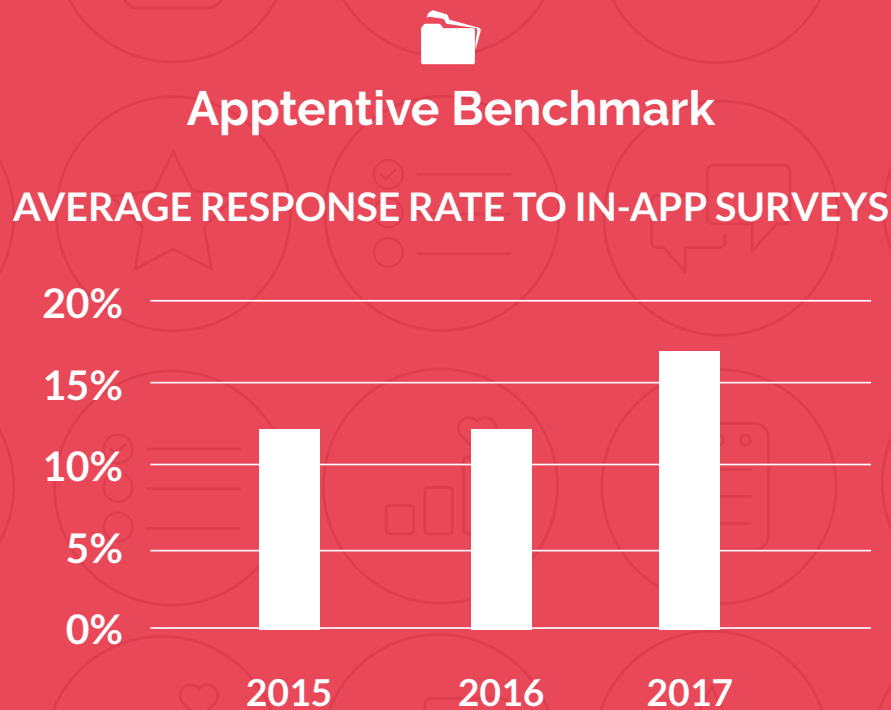
The increase in response rate shows that brands are paying attention to context. Following the [best practice of interacting with customers](#) at the right time, right place, and with the right message pays off.

If your interaction rate goes up while your response rate goes down, this is a sign you're annoying your customers. Use this as an opportunity to assess your strategy: eliminate unnecessary interactions, tighten up your targeting, reevaluate your trigger points, and reconsider your message.

Surveys

Brands use surveys to proactively dig in further. Whether it's to understand why customers don't love their experience, conduct customer focus groups, or to gauge how customers feel about a brand new feature, surveys are useful for myriad purposes.

The key to surveys is a healthy response rate. Without that, the data is difficult to trust and it wastes an opportunity for a meaningful interaction. Again, our right time, right place, right person, and right message methodology is designed to yield a high response rate to surveys.



The average response rate to in-app surveys is 17%; 14% on Android and 19% on iOS. For reference, the average response rate in 2016 and 2015 was 13%. **That's a 31% increase year-over-year.**

A response rate of 17% is significantly higher than the 1-3% response rate companies typically see. Some of our customers have even been able to achieve survey response rates of 60%.

Pro-tip: To increase your survey response rate, know your audience and the goal of the survey, keep the survey short (1-5 questions), and optimize it for mobile. Check out our blog post to learn more about how to optimize surveys for mobile: [9 Tips for Writing Mobile Optimized Survey Questions.](#)

Messages

Consumers have made it clear that [chat bots](#) are not the way they prefer to talk to brands. In a study by PwC, [more than eight in 10 people said they prefer to interact with a human](#). That sentiment isn't on track to change even as technology advances, either. 55% of survey respondents strongly disagreed with the statement that as technology improves, we won't need humans for a great customer experience.

It shouldn't come as a surprise that people prefer to talk to real people instead of bots. Including two-way messaging in your app so that customers can easily reach out to you whenever they need to without having to leave the app to go to your website, call you, or send you an email is important. It prevents a lot of frustration and increases the likelihood that customers will actually reach out to you. The more hoops you make customers jump through to talk to you increases the likelihood that they'll abandon your app without telling you why, leading to customer experience issues that you won't even know to look for.



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Average number of in-app messages sent by customers to brands, per app	1464
Average number of in-app messages received by customers from brands, per app	830
Median number of in-app messages sent by customers to brands, per app	61
Median number of in-app messages received by customers from brands, per app	23

Daily Customer Sentiment Measurement

What if you could get a daily pulse on how your customers feel and how that changes over time? What if you could watch how customer sentiment changes in real-time following version releases, feature releases, and more?

Brands that measure customer sentiment on a yearly, quarterly, or even monthly basis experience a disconnect between their actions and the consequences of how their actions make their customers feel. Infrequent customer sentiment measurement prohibits brands from taking action to positively impact customer sentiment. If customer sentiment shifted downwards month-over-month, can you identify exactly what caused the decrease?

Daily measurement of customer sentiment provides a precise look at the cause and effect of changes you're making. Having your finger on the daily pulse of customer sentiment allows you to act quickly if customers respond negatively, and enables you to repeat successes.

Love Dialog

Would your customer service team treat an angry customer the same as they would treat an elated customer? Probably not. Would you communicate with customers without first knowing how they feel about you? You could, but you probably won't get your message across very effectively. Understanding how your customers feel is the catalyst for all other communication. Treat digital interactions as you would in-person interactions—with context in mind.

We developed a simple, yet effective yes or no question called the Love Dialog to give brands the context they need to interact with customers in the most relevant way. The Love Dialog gives brands an honest look at customer sentiment and how it changes over time. The graphic below provides a visualization of how the Love Dialog works.



Apptentive Benchmark

Love Dialog response rate:
The average percentage of customers who responded 'Yes' or 'No': 93%

The average response rate to the Love Dialog is 87% on Android and 97% on iOS.

The Love Dialog boasts an extremely high response rate, due to its simplicity. Consumers are more willing to respond when questions are straightforward, and can be answered in no time.

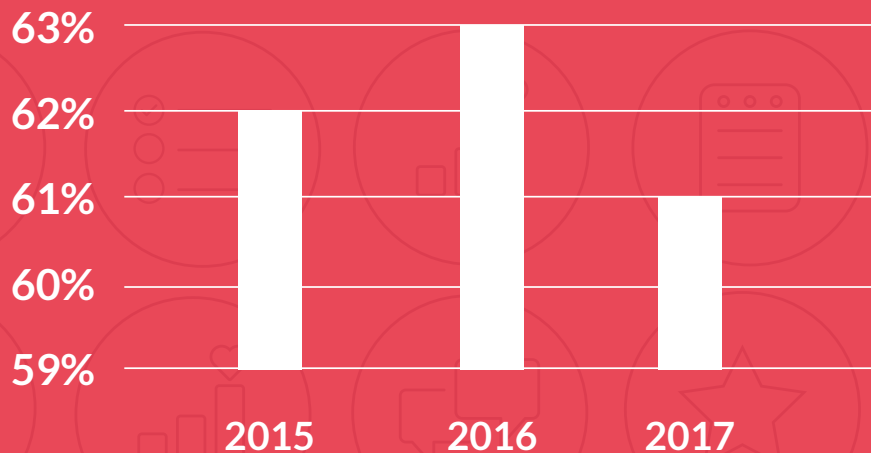
Our customers use the Love Dialog to measure customer sentiment daily and understand how changes in the experience directly impact customer sentiment.

When measured on a daily basis, on a large scale, brands are able to measure a "Love Ratio" that gives them an active and accurate pulse of customer happiness. This metric is highly consistent year after year across our entire audience. Here are the benchmarks for the Love Ratio.



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Love Ratio:
The average percentage of customers who respond 'Yes' to Apptentive's love prompt.



The average percentage of customers who respond 'Yes' to Apptentive's Love Prompt is 61%. For comparison, the average in 2016 was 63%. The average for Android is 60% and 61% for iOS.

The slight decrease from 2016 to 2017 could be related to the increase in the number of customers companies are interacting with. Companies are asking more of their customers how they feel, which means they're getting a more accurate, holistic look.

The deeper question—who changed their answer and why?

An important piece of tracking customer sentiment is understanding how sentiment changes over time. 9% of people who responded to the Love Dialog changed their answers over the course of 2017. Of those 9% of people, 48% were won over, meaning they changed from 'No' to 'Yes.' 51% of those people were lost, meaning they changed their answer from 'Yes' to 'No.'

It's important that companies define the traits and experiences of their fans and opportunities. For those that become opportunities, can you identify the underlying issue and fix it? For new fans, can you pinpoint what changed their experience from a negative to a positive and replicate it with other opportunities?

If a customer changed their answer to the Love Dialog, identifying what caused that switch is key. Understanding how your customers feel and how their feelings change over time gives you the opportunity to respond in a personal way that's most relevant to how the individual customers feel in a particular moment in time.

Net Promoter Score (NPS)

Net Promoter Scores (NPS) are used as another way to track customer sentiment. NPS is considered a leading growth indicator across industries. It's a measure of customer loyalty and sentiment that can be benchmarked against competitors.

As a refresher, respondents to an NPS question are grouped into three categories based on their ratings:

1. Promoters (score 9-10):

Loyal customers who will keep purchasing and will refer the business to others

2. Passives (score 7-8):

Satisfied customers, but may be swayed by competitive offerings

3. Detractors (score 0-6):

Unhappy customers who can damage your brand by negative word-of-mouth

Apptentive has specific NPS surveys that our customers use to supplement the Love Dialog to check the pulse of their customer sentiment on specific features or aspects of their business. For example, a brand can use an Apptentive NPS survey to ask customers how they feel about a new VR shopping experience feature.



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The average NPS score per survey is +23

To get more out of NPS, we recommend companies add an open-ended feedback box that allows consumers to explain why they chose the score they gave.

Gathering open-ended feedback with NPS empowers brands to derive context out of their quantitative NPS score to better understand where they're succeeding and how they can improve.

For more tips on how to use NPS, check out our blog: [Why Net Promoter Score Isn't Enough: Tips for Leveraging NPS+](#). If you're curious how to calculate NPS, read our blog post: [How to calculate NPS](#).

Ratings and Reviews

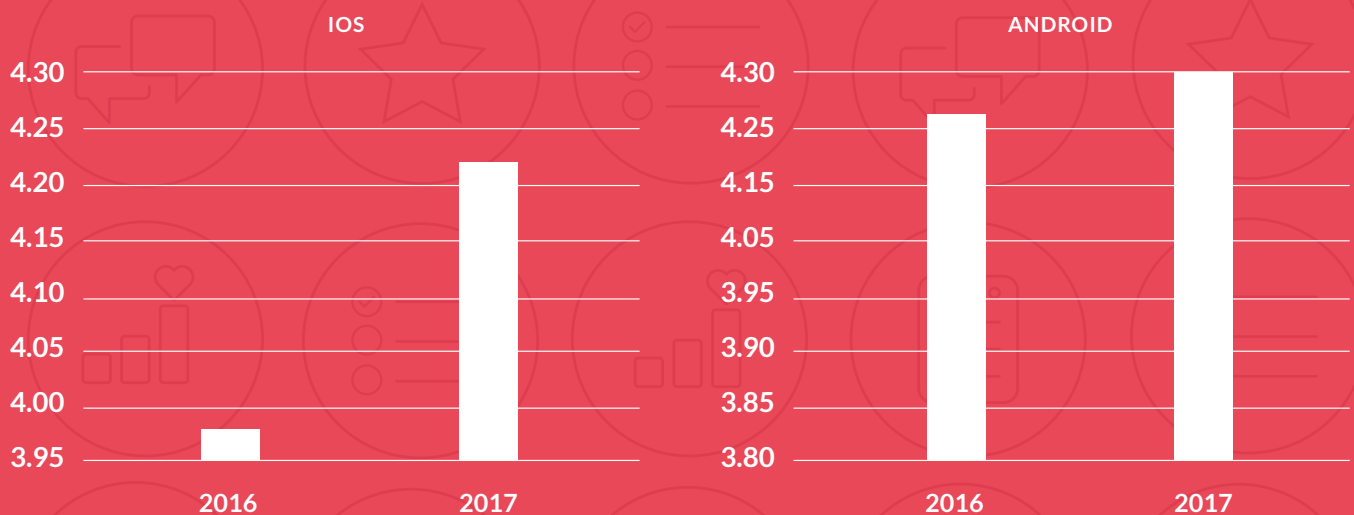
People make snap judgements about people in seconds and they make snap judgements about apps just as quickly. Ratings and reviews are your apps' social proof, telling all potential customers whether or not your app is worth the memory on their phone. They influence conversion and customers' perception of your brand as a whole. In a recent consumer survey we conducted, [55% of respondents said a 1-star or 2-star app store rating of a well known brand's app negatively impacts their view of the brand as a whole](#). So while it may be a vanity metric, ratings and reviews do have real consequences on conversion rates and brand reputation.



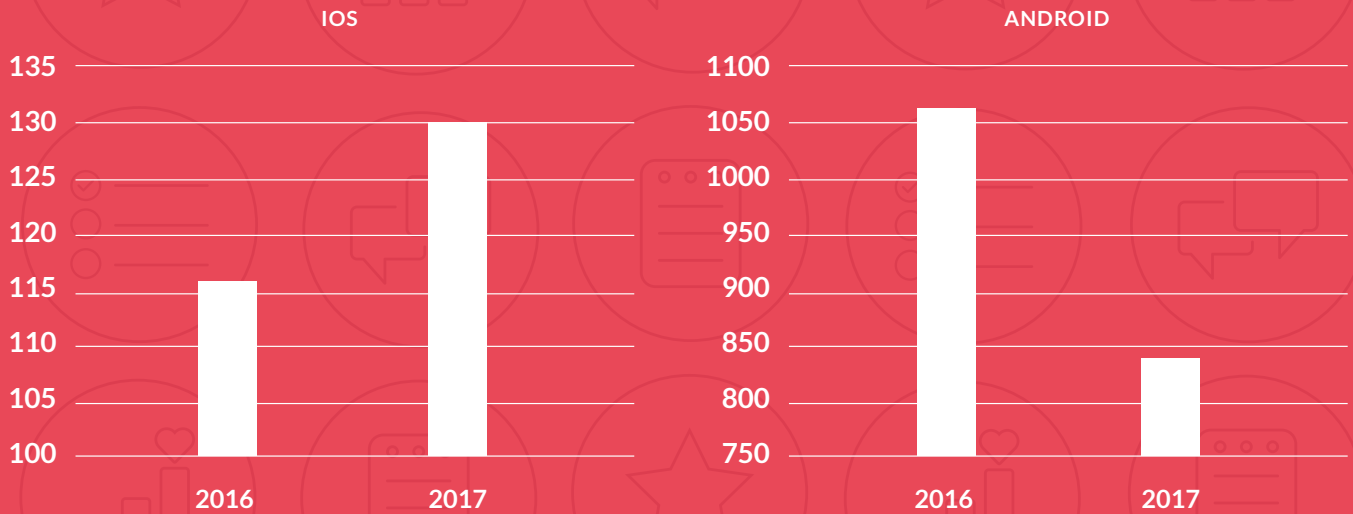
Apptentive Benchmark

AVERAGE VOLUME OF RATINGS AND REVIEWS

AVERAGE VOLUME OF REVIEWS PER APP

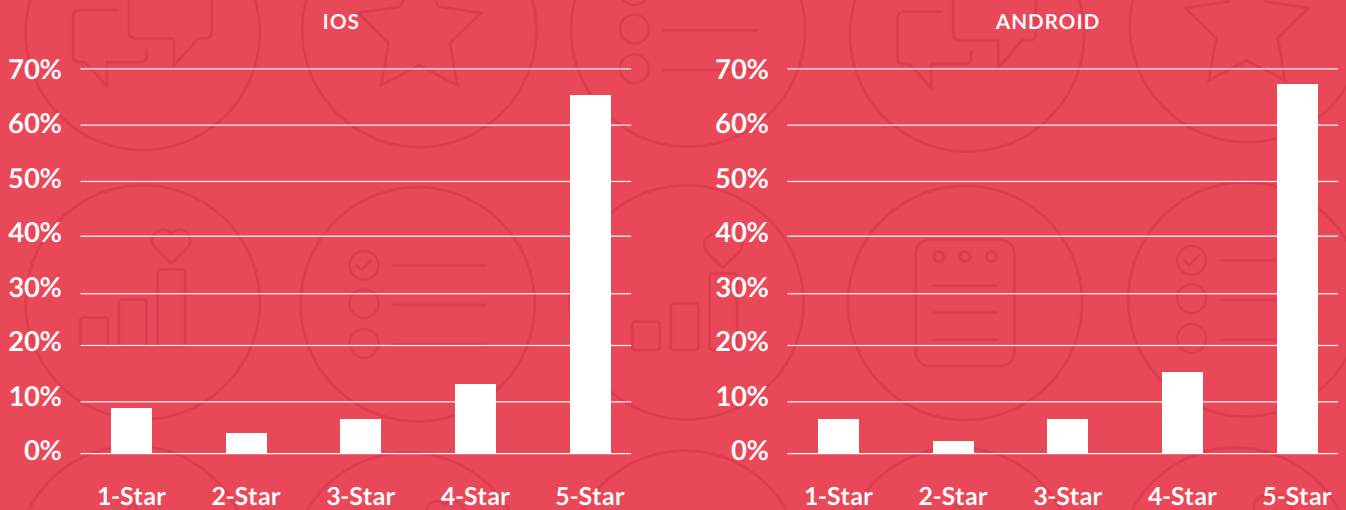


AVERAGE VOLUME OF STAR RATINGS

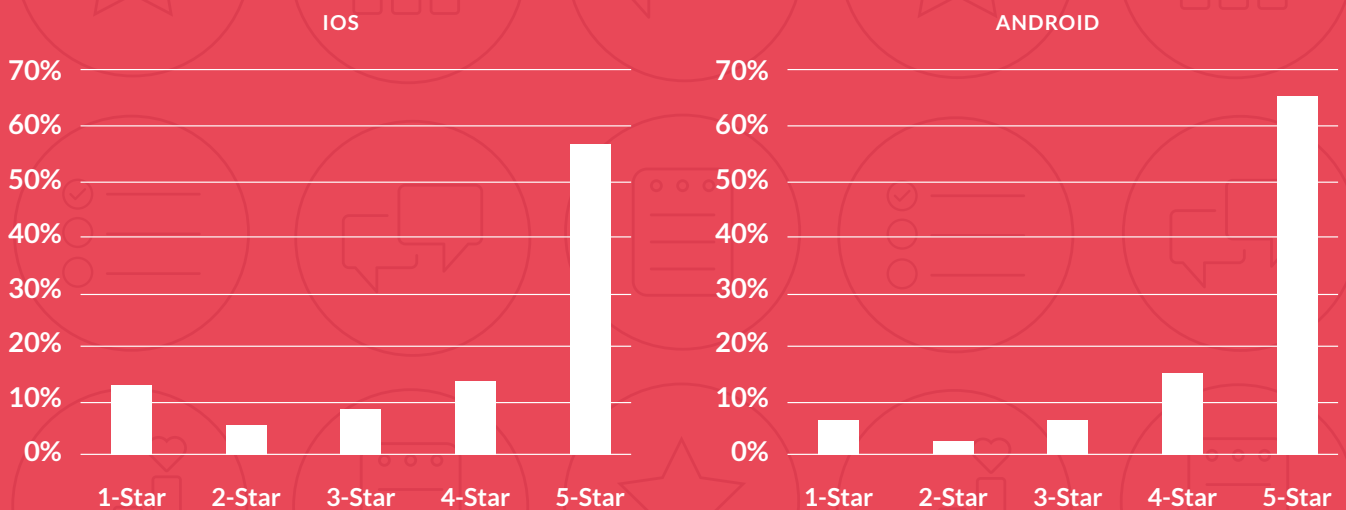


DISTRIBUTION OF STAR RATINGS

2017 AVERAGE BREAKDOWN OF STAR DISTRIBUTION BETWEEN ALL RATINGS



2016 AVERAGE BREAKDOWN OF STAR DISTRIBUTION BETWEEN ALL RATINGS



Star ratings and the volume of reviews are up for iOS apps. This is probably caused by Apple's new rating prompt, which makes it easy for customers to leave ratings and reviews without leaving the app. Since the launch of iOS 11, the median number of app ratings has gone up by 88% and the median number of reviews has gone up by 19% for Apptentive customers.

While reviews were slightly up for Android, star ratings are down by a significant amount. Google cleaned up the Play Store in 2017, removing 700,00 apps—[a 70% increase as compared to how many apps Google removed in 2016](#).

The opportunity cost of a star is huge. How huge? Moving a three-star app to four-stars, for example, can lead to an 89% increase in conversion. For a look at the full opportunity cost analysis, consider the chart below.

THE OPPORTUNITY COST OF A STAR

Jumping From...	To...	Is Expected to Increase App Store Conversion by...
★	★★	30%
★	★★★	340%
★	★★★★	730%
★	★★★★★	770%
★★	★★★	280%
★★	★★★★	540%
★★	★★★★★	570%
★★★	★★★★	89%
★★★	★★★★★	97%
★★★★★	★★★★★	4% 

Want to learn more about the importance of ratings and reviews?

Check out our guide full of proprietary research:
[The Guide to Mobile App Ratings and Reviews.](#)

Data gives companies more context into how their customer experience is being received, and can help identify gaps that need to be addressed. The ability to analyze customer feedback on a large scale is a challenge many companies face, hindering their ability to incorporate explicit customer data into their decision making process. Most companies crowdsource anecdotal customer feedback from customer success, product, and sales teams without any real strategy behind who owns the process. But executives realize that this data is a missing link in building a better customer experience. A January 2018 survey of senior decision-makers by [Verndale](#) found that big data and analytics is the top priority for companies investing in technology to improve their customer experience.

Understanding the broad implications and main learnings from thousands of reviews, survey responses, and messages can be a daunting task. That's why we developed [Insights, AI-powered analytics that makes understanding explicit customer feedback simple and quick](#). Insights digs into the raw text found in app store reviews, Apptentive survey responses, and Apptentive messages. In doing so, Apptentive can now tell you how customers are feeling and give you a very powerful set of analysis about why they feel that way. Presented with overviews of the app store ratings and customer sentiment, our phrase detection automatically delivers your team information that helps them know how your customers are feeling and what they're talking about.

Takeaways

Understanding your customers is the first step in becoming a customer-centric company. **Without understanding who your customers are, how they feel, and what they want, you will have a difficult time communicating with customers and gathering the information you need to build a CX they'll love.**

The year-over-year increase in interaction and response rates, response rates to surveys, and ratings and reviews on iOS signals that there has been a significant shift in the value of customer-centric strategies. Being customer-centric is no longer aspirational. Rather, it's a priority that brands are putting into action.

The increase in the percentage of customers interacted with shows that brands are putting more effort into communicating with their customers. And the increase in the percentage of customers responding shows customers are welcoming the communication. Not only has there been an increase in the number of customers companies are interacting with, there has also been an increase in the diversity of those audiences.

People aren't afraid of hearing about the imperfections of their product, brand, and experience anymore. Companies want to know how to improve first and foremost and they're asking a more diverse customer base—not just those that have had a good experience—how to do it. This is another sign that companies are actively putting customers first.

As industries across the board start taking the need to be customer-centric seriously, talking with more customers and measuring customer sentiment daily will play a key role in their ability to execute on their CX strategies. Not only is proactive communication and frequent measurement important for understanding how to build experiences customers love and to serve them better, it impacts retention, loyalty, and revenue.

We release this benchmark data so brands can understand how effectively they're measuring their customer experience, communicating with their customers, and earning customer love.

Missing the (bench)mark? We can help!
Reach out to our sales team at sales@apptentive.com.

Join these customer-centric companies in **Being Apptentive.**



Visit www.apptentive.com to get started today

About Apptentive

Apptentive's mobile communication suite empowers companies to hear from 100 times more customers—at scale. Using proactive mobile communication tools, Apptentive enables companies to deeply understand their customers in order to drive app downloads, create seamless customer experiences, and validate product roadmaps. Through intelligently timed surveys, messages, and prompts, the company powers millions of customer interactions every month on over a billion devices worldwide for companies including Buffalo Wild Wings, Concur, eBay, International Hotels Group, Philips, Saks Fifth Avenue, and Viacom.