Delivering Digital Satisfaction

U.S. Consumers Raise the Ante
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U.S. Consumers Raise the Ante

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AT A GLANCE

U.S. consumers continue to do more online, but companies vary widely in their ability to meet users’ expectations. The best provide three to four times the satisfaction of the worst.

**Delivering Value in the Online Game**
Consumers expect companies to provide the basics online—the ability to research products and to compare prices and options. They also value the ability to transact business and appreciate easy-to-use ongoing interactions.

**A Whole New Game Gets Underway**
Companies that are still figuring out how to play at the online table face an even bigger challenge as mobile moves to the fore.

**New Rules for a New Game: A Digital Diagnostic**
An objective diagnostic for providing digital satisfaction is a crucial first step for aspiring digital leaders looking to meet customer expectations.
More than a decade after the advent of iTunes, the first Google search, and the opening of Amazon’s virtual doors, U.S. consumers continue to do more and more online—and increasingly on their smartphones and tablets. In the process, they are deriving enormous satisfaction and significant value. But not nearly as much as they could—or would like to.

The early online pioneers helped set high expectations among users by offering intuitive interfaces, exciting experiences, expanded choice, near-total price transparency, and many other innovations that make interacting easy and fun. But consumers don’t necessarily differentiate between online-only businesses and those that straddle the physical and virtual worlds when deciding whether their expectations are being met. They give high marks to online merchants and media retailers—as well as to banks. They see travel companies and investment firms as trying hard and partly succeeding. They are frustrated by health care providers, government agencies, insurance companies, and telco and cable providers, among others—all of which they wish would provide a better online experience.

New research by The Boston Consulting Group shows that individual business sectors and segments vary widely in their ability to meet the expectations of U.S. consumers online, be it via PCs, smartphones, or tablets. The best segments provide three to four times the satisfaction of the worst.

Consumers expect companies in all sectors to provide the basics online—the ability to research products and services and to compare prices and options. When they are ready to make a purchase, they appreciate those businesses that make sealing the deal a safe and simple process. They value ongoing, easy-to-navigate interactions that remove the hassle from everyday life, especially from companies with which they interact frequently. They are quick to recognize companies that do a good job of satisfying these expectations—and just as quick to become exasperated by those that don’t.

Satisfaction drives value. The average connected consumer in the U.S. receives value of $2,250 a year from accessing companies online in the sectors we surveyed—a significant sum, but one that could nearly triple if all companies matched the best-in-class value delivered. Consumers receive almost six times as much value from companies in the top-performing sector (retail) as they do from poorer-performing ones, such as health care providers. They do not appreciate this disparity given their strong desire to have more and better online interaction with companies in the industries that are important to them, health care being a leading example. (For information about the survey, see the sidebar “Methodology.”)
Consumers’ expectations are not stagnant, of course. Neither is technology. And the companies that don’t keep pace will see the gaps between consumer demand and their own offerings widen as mobile technology gains commercial traction and as users seek to do more on their smartphones and tablets.

In this report, BCG examines consumers’ satisfaction with companies’ efforts to add value through online and mobile channels. The analysis and findings suggest that while many companies are doing a good job at facilitating digital interactions, there is ample room for improvement. Even marginal progress in satisfaction in some sectors—health care and government services offer two glaring examples—could lead to huge increases in value. Companies still figuring out how to play at the online table face even higher stakes as mobile moves to the fore. For a large and growing share of users, especially younger users, the digital experience will be entirely mobile—a phenomenon that very few companies have adequately addressed and for which most are poorly prepared.

A Wide Range of Expectations
Consumers are hardly homogeneous, but they do similar things online. According to the Pew Research Center, nearly 80 percent of U.S. adults go online to find information on a product or service that they are considering buying, and more than 70 percent go online to make the purchase. Two-thirds visit government websites, 65 percent make travel reservations online, and 61 percent bank online.

**METHODOLOGY**

The BCG Digital Satisfaction and Value Survey, conducted in March 2013, had 3,135 total respondents, including 2,242 respondents on satisfaction and 893 on value. The survey covered the following sectors (and segments): automobiles, finance (personal banking, investments, and insurance), government services, health care, retail (apparel, electronics, media, online merchants, and supermarkets), real estate, travel (airlines and hotel), and utilities (telco and cable, electricity, gas, and water). We defined a connected consumer as someone accessing the Internet at least weekly and engaging with firms online across a range of sectors.

We investigated the value these consumers derive from digital access to companies and organizations in key business segments. Digital access was defined as use of a PC, smartphone, or tablet to perform certain actions: researching products and services (for example, comparing prices or checking the opening hours of a given store); transacting online (for instance, paying bills or buying a product); and engaging in post-transaction activities (including checking account balances or customer service communications). We specifically excluded the consumption of actual products and services online. The research methodology revealed how much consumers value digital access by asking them to trade Internet usage in the eight sectors for the opportunity to receive varying amounts of cash.
They also share a consistent set of priorities and expectations for online businesses. These are born from real-world experiences with companies in varying sectors, from what online experts such as Amazon have demonstrated can be delivered, and from their personal understanding of what technology can do. For example, consumers often see online processes as quicker, more efficient alternatives to unsatisfactory or unproductive offline encounters such as long lines, poorly trained staff, or out-of-stock inventory. In many instances, they expect the online experience to be enhanced in some way, such as by more options and better prices. They appreciate the power of the medium’s mobility, interactivity, and ability to make things fun. More and more these days, they also expect the digital experience to be local (recognizing where they are), personal (tailored to their individual needs and preferences), social (shared with their friends)—and always on.

These expectations vary by type of business, but certain ones span just about all. We measured 16 business segments against 17 drivers of online satisfaction. The drivers included getting information and comparing options, transacting business, the quality of ongoing interactions, and the perceived security of personal data. The detailed findings, including breakdowns of the ability of companies in all segments to meet the 17 drivers of consumer satisfaction, are presented in the Appendix.

The concentration of top-priority rankings in the “research” categories shows how consumers first and foremost want their basic needs for information met online—just as they do in the real world. Providing easy access to information and the ability to find and compare prices and options are among the top-five drivers of consumer satisfaction for just about every business segment. Enabling effective research has matured into the most basic digital requirement, and most, but not all, sectors do an adequate job of addressing it.

Adding tangible value means offering end-to-end functionality that is tailored to consumer expectations for the sector. Meeting this demand involves different things for different businesses. Travelers, for example, look to hotels to offer quick and easy transactions, while from airlines, they want the ability to find lower prices. By addressing these needs, travel companies can gain a greater share of the 42 hours that BCG’s research shows the typical U.S. consumer spends online researching, planning, booking, and sharing experiences from, a four-day trip. These interactions represent a huge opportunity for travel companies to engage with their customers and build relationships that can endure over time.

In segments such as investing, insurance, and utilities, consumers are looking to digital technology to make things easier. In segments oriented toward consumption and entertainment, they want online technology to enhance the offline experience. From health care providers and government agencies, among others, they want greater online engagement and a more productive digital experience.

From Leaders to Laggards: Disparity in Online Satisfaction

Individual company performance will vary, of course, but business segments fall into four categories based on their ability to satisfy consumers’ expectations:
leaders, aspirants, sleepers, and laggards. The range of satisfaction is wide. (See Exhibit 1.) While about 80 percent of consumers said they are satisfied with their online experiences with leaders, only about 50 percent expressed similar satisfaction with most sleepers and laggards. Consumers rank all leaders and aspirants above average for their ability to facilitate research, enable transactions, and provide positive ongoing interactions. With one exception (the automotive segment), consumers rate sleepers and laggards below the mean. (See Exhibit 2.)

**Leaders**

Online merchants and media retailers are among the “leaders,” not only because they deliver a positive experience but also because they provide the kind of experience their customers are expecting from them. Companies in both segments successfully facilitate their customers’ top six priorities, including accessing information, comparing options, finding the product they’re looking for, and getting a better price. They also deliver quick transactions, making it easy for customers to purchase the products and services they desire.

Topping the satisfaction tables overall, by a considerable margin, is the banking segment—whose performance may come as surprise to some. It shouldn’t. Banks have not only built strong online and mobile capabilities, they have also put those capabilities to work on the tasks for which customers most value ease and speed. Consumers’ top-three drivers of satisfaction for banks are gaining ready

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**Exhibit 1 | Consumer Satisfaction with Digital Interactions Varies Greatly by Industry Segment**

<table>
<thead>
<tr>
<th>Industry segment</th>
<th>Digital satisfaction score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal banking</td>
<td>0</td>
</tr>
<tr>
<td>Online merchants</td>
<td>11.8</td>
</tr>
<tr>
<td>Media retail</td>
<td>11.1</td>
</tr>
<tr>
<td>Electronics retail</td>
<td>10.0</td>
</tr>
<tr>
<td>Apparel retail</td>
<td>8.9</td>
</tr>
<tr>
<td>Airlines</td>
<td>8.5</td>
</tr>
<tr>
<td>Investments</td>
<td>8.5</td>
</tr>
<tr>
<td>Hotels</td>
<td>8.0</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>5.8</td>
</tr>
<tr>
<td>Electricity, gas, water</td>
<td>5.0</td>
</tr>
<tr>
<td>Automobiles</td>
<td>4.3</td>
</tr>
<tr>
<td>Government services</td>
<td>4.2</td>
</tr>
<tr>
<td>Health care providers</td>
<td>4.1</td>
</tr>
<tr>
<td>Insurance</td>
<td>4.0</td>
</tr>
<tr>
<td>Real estate</td>
<td>3.8</td>
</tr>
<tr>
<td>Telco and cable</td>
<td>3.5</td>
</tr>
</tbody>
</table>

**Category type**

- Leaders
- Aspirants
- Sleepers and Laggards


Note: The data reflect 2,242 responses.

1The satisfaction score was based on respondents allocating 100 utility “points” across segments to reflect their perceived digital satisfaction; segment scores will not sum to 100 due to data weighting.
access to information, getting help quickly, and transacting business with ease—all activities that digital technology facilitates and at which many banks excel online.

Banks have used online channels to simplify routine tasks, such as paying bills, and taken the time and hassle out of a host of everyday transactions, from depositing checks to transferring funds. In fact, many might argue that banks have effectively employed digital capabilities to do a better job of meeting customer expectations than they do in their branches, thereby raising their overall reputation for service. Just like customers of online merchants, bank depositors appreciate the efforts that banks make and recognize the value—in the form of time saved and tasks simplified—that they convey.

LAGGARDS
At the other end of the spectrum, consumers wish that the industries we have identified as laggards, such as health care, telco and cable, and insurance, would make it easier to accomplish basic tasks online—getting information and transacting business, among them. They’d like to experience similar ease in accessing government services. These segments mostly rank well below average for consumer satisfaction with research and transactions. Only about half of consumers report being very satisfied with their online experience with telco and cable, insurance, and
health care providers; more than half find that government services online fall short of their expectations.

Expectations play a role. Telco and cable companies, for example, may suffer because consumers expect a great online experience from the companies that provide their Internet access. Yet some of these companies fail to deliver even the basics. As one respondent said of this segment, “If you have any issues, then searching online for answers can be frustrating.”

**Aspirants**

Behind the online leaders are a group of “aspirants”—companies in segments whose online experience consumers see as good but also feel could be improved. Apparel retailers, airlines, hotels, and investment firms fall into this category. They score well, if slightly behind the leaders, for enabling research. They fall behind when it comes to facilitating transactions, and their capabilities fade as consumers try to maintain useful and rewarding ongoing interactions.

Expectations for investment firms are similar to those for banking, but investment companies do not deliver as well as banks do. “It isn’t quite as slick as banking—takes too much time to set up,” said one investor about his online account. Another observed, “The websites are not very intuitive and are overloaded with information.”

Travel customers make similar complaints; although a number of companies do get good grades for their digital efforts. “Some of the websites can be poorly laid out, it can be confusing to find what I’m looking for,” explained one respondent. “[Some airlines] stink—you can only do simple bookings; they struggle with anything more complex,” said another.

**Sleepers**

We also found a group of “sleepers”—real estate agencies, automobile dealers, and supermarkets—for whom both expectations and satisfaction are relatively low. Consumer perceptions may partly result from infrequent interactions—for most, a new home or new car purchase is hardly an annual occurrence. The low ratings may also partly reflect the offline world: car dealers consistently rank poorly in satisfaction surveys. Finally, they may also result in part because companies in these segments have not tried—or have not succeeded—in bringing relevant digital experience to their customers.

The online experience of supermarkets in other countries suggests that U.S. chains have a major opportunity to change consumers’ perceptions of their online interactions—indeed, they should profit from doing so. The research firm IBISWorld predicts that online grocery sales will grow at an annual rate of 9.5 percent over the next five years.

Supermarkets also face a threat as leading online retailers like Amazon and brick-and-click giants like Wal-Mart move deeper into the grocery business. As BCG noted recently, so-called click-and-collect services—which enable consumers to order a basket of goods on their computer, tablet, or smartphone and pick it up at a store or dedicated facility—are gaining popularity in many markets, particularly in those
where home delivery is problematic. Walmart.com now estimates that half of its online orders in the U.S. are picked up in stores. (See the sidebar “Are Online Supermarkets Waking Up?”)

**ARE ONLINE SUPERMARKETS WAKING UP?**

Online and mobile grocery shopping have become popular in other countries, but they have yet to take off in the U.S. The digital penetration in the U.S. grocery market is but a fraction of the 5 percent penetration achieved in the U.K. (at that rate, the U.S. market would equal some $24 billion). Although France has more than 1,000 “click and collect” pick-up centers, and Tesco offers Korean consumers the ability to place orders with their smartphones from billboards in metro stations, many of the early U.S. experiments in online food shopping and delivery closed down or went bankrupt.

To be sure, there are big hurdles to overcome. Customers like to pick and choose exactly which items they want, particularly with fresh foods. Online is often more expensive. Home delivery isn’t convenient during working hours. Order lead-times can be long. “People don’t just buy the first box of strawberries they see, they want to pick around to get the best looking ones—you lose that with online shopping,” said one consumer in our survey. “I’m willing to pay for convenience, but the loss of choice is a more important factor for me,” said another.

Despite these issues, more than 40 percent of U.S. survey respondents want to do more online grocery shopping—a higher proportion of consumers than in almost every other segment—and digital grocers (of both the online and brick-and-click varieties) are operating successfully in many cities. One of the best known is FreshDirect, which has some 600,000 customers and delivers fresh, quality foods and grocery items to both homes and offices in the New York City and Philadelphia metropolitan areas. The company is profitable and generated revenues of $400 million in 2012. Its success demonstrates that despite the hurdles, consumers are ready to embrace online services that meet their needs and make grocery shopping more convenient.

Two of the biggest online players, Amazon and Wal-Mart, have entered the digital grocery race on a pilot basis. Their scale gives them the potential to transform the market. Wal-Mart offers the option of home delivery or store pickup for many nonperishable goods. Under its “Subscribe & Save” program, Amazon will deliver a standing order of consumer staples at regular, customer-specified intervals. Amazon is also testing delivery from centralized distribution facilities to “parcel lockers”—temporary storage facilities in convenient locations where individual online orders are held for pick-up. The company piloted the concept in New York, Seattle, and London and has now expanded to additional markets. BCG estimates that parcel lockers can reduce the cost of delivery by as much as 30 to 40 percent compared with direct delivery to the home, significantly improving retailers’ economics for fast-moving goods.
Delivering Value in the Online Game

Consumers are realizing vastly varying online value from individual business segments. In financial services, for example, banks deliver almost four times as much value as insurance companies. Online merchants deliver more than twice the value of supermarkets. (See Exhibit 3.) Between them, retail and finance provide almost two-thirds of the total value.

The disparity in value is due partly to the efforts (or lack thereof) of the companies in each segment and partly to what consumers like to do online and how they do it.

As we found in previous research, the number of devices owned is a significant driver of the amount of value that consumers get from online activities. One reason for the boosted value is that after the PC, additional devices tend to be mobile. In our current satisfaction survey, users of PCs and smartphones get one-quarter more value than PC-only users, and those who also use a tablet derive one-third more value than those using only a PC.

Younger users get the most value despite typically lower incomes, in part because they are more likely than their older counterparts to use a smartphone or tablet. (See the final exhibit in the Appendix.) These users are particularly eager to do more online. Half of so-called Millennial consumers (born between 1980 and the

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**Exhibit 3 | Consumers Receive a Wide Range of Value from Different Sectors**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Industry segment</th>
<th>Annual value to consumers via digital channels ($)</th>
<th>% of value delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Online merchants</td>
<td>222</td>
<td>$792</td>
</tr>
<tr>
<td></td>
<td>Media retail</td>
<td>180</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Electronics retail</td>
<td>166</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Apparel retail</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supermarkets</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal banking</td>
<td>396</td>
<td>$651</td>
</tr>
<tr>
<td></td>
<td>Investments</td>
<td>149</td>
<td>29</td>
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<tr>
<td></td>
<td>Insurance</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>Electricity, gas, water</td>
<td>123</td>
<td>$226</td>
</tr>
<tr>
<td></td>
<td>Telco and cable</td>
<td>103</td>
<td>10</td>
</tr>
<tr>
<td>Travel</td>
<td>Airlines</td>
<td>113</td>
<td>$210</td>
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<tr>
<td></td>
<td>Hotels</td>
<td>97</td>
<td>9</td>
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<tr>
<td>Other sectors</td>
<td>Health care providers</td>
<td>138</td>
<td>$371</td>
</tr>
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<td></td>
<td>Government services</td>
<td>118</td>
<td>17</td>
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<tr>
<td></td>
<td>Automobiles</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Real estate</td>
<td>55</td>
<td></td>
</tr>
</tbody>
</table>

Note: The data reflect 893 responses.

The annual value consumers derive from accessing a segment digitally was calculated by defining digital access as researching, transacting, or interacting with a sector through a PC, smartphone, or tablet.
turn of the century) use smartphones or tablets while shopping, compared with only one-fifth of their older counterparts.

Companies that are lagging are missing big opportunities, particularly since pent-up demand is abundant. As they do for leaders, consumers rate laggards highly for the importance of digital interaction, if not for their ability to deliver satisfaction. They are frustrated with the relative inability of the lagging organizations to improve the quality of digital encounters. Given the explicit relationship between consumers’ satisfaction and the value they receive, even moderate improvements in meeting expectations by health care providers, insurance firms, and utilities (including telco and cable companies) could result in significant increases in value. (See Exhibit 4.)

Moreover, consumers are clear about their expectations, which are not unreasonable. Simply providing better research capabilities would go a long way to propelling laggards up the satisfaction ladder. Companies also have the opportunity to use a positive online experience to improve overall customer satisfaction. The experience of online banking offers an edifying lesson. Brick-and-click companies such as Kohl’s, Bank of America, and Best Buy also provide useful models.

There are big risks, too. We expect the U.S. e-commerce market to exceed $450 billion in 2016, and this figure does not include an even larger amount of goods that

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**EXHIBIT 4 | Digital Satisfaction Is Closely Related to the Value That Consumers Derive**

![Graph showing digital satisfaction and value derived by consumers across different sectors.](image)

**Source:** BCG Digital Satisfaction and Value Survey, March 2013.

**Note:** The data reflect 3,135 responses.

1 The annual value to consumers via digital channels ($) was calculated by defining digital access as researching, transacting, or interacting with a sector through a PC, smartphone, or tablet.

2 The satisfaction score is based on respondents allocating 100 utility “points” across segments to reflect their perceived digital satisfaction.
will be researched online but purchased offline in stores. Mobile’s rise has given birth first to “showrooming” (examining merchandise in a retail store and then comparing online prices) and second to “omni-channel” shopping—using all available real-world, virtual, and social means to determine what, where, and how to buy.

The once linear route through the classic purchasing funnel has morphed into a fluid and dynamic process. The customer pathway is often quite complex—visiting a website, going to a store, comparing prices via a smartphone, interacting with a call center—and this compounds the challenge for companies seeking to deliver satisfaction at every customer touchpoint. In addition, the phenomenon known as “e-influence”—continuous input from multiple sources—has become increasingly pervasive, further blurring boundaries between marketing and selling online and offline, until they often disappear entirely. Companies that fail to offer—or do a poor job of delivering—satisfying multichannel experiences risk the rapid erosion of their customer base as users migrate to those firms that deliver.

The extent of the opportunity—and the threat—is evident when one looks at the high number of consumers wanting to do more through digital channels. (See Exhibit 5.) More than one-third of consumers are ready and willing to take advantage of better digital offerings from companies in 13 out of 16 segments. These

![Exhibit 5 | Considerable Pent-up Demand Exists for More Digital Interaction](image-url)

Note: The data reflect 2,242 responses.

1The satisfaction score is based on respondents allocating 100 utility “points” across segments to reflect their perceived digital satisfaction.
consumers place high importance on doing business online, or on a mobile device, in these segments. Even in banking, which already enjoys big success online, more than 40 percent of customers want to do more digitally.

Leaders in every category have shown an ability to enhance the online experience, making it more rewarding and the preferred channel for both individual transactions and ongoing interaction. There’s plenty of room at the top, but it will become much more difficult for companies to catch up the longer they wait to act.

A Whole New Game Gets Underway
Consumers are picking winners in the online game, but a new contest has already started—one that few firms are prepared for. The rapid rise of mobile raises both the complexity and the stakes for companies and their digital strategies.

As smartphone and tablet penetration increases, companies need to expand their business models beyond PCs and websites. Consumers still prefer PCs for doing research online, but the future is increasingly mobile: people are looking to do more on smartphones and tablets. “I really do want to use my tablet a lot more—it’s easier to carry around than a laptop, I’m a lot more mobile—and it’s also a lot faster,” one consumer told us. “Sites really need to start tailoring to mobile devices,” said another. (See the sidebar “Lessons from a Digital Leader on Going Mobile.”)

Retailers in such categories as media and electronics are doing a good job of meeting consumers’ expectations for researching products and transacting business on smartphones and tablets. We believe that companies in other segments will have to do better as mobile penetration increases; devices, networks, and apps all continue to improve; and Millennial consumers enter their peak earning and spending years.

As our colleagues pointed out recently with respect to the travel industry, although Millennials have yet to reach their peak purchasing years, they are already engaging with brands—forming perceptions and developing habits and preferences. They are doing so in different ways than their predecessors, leaning heavily on mobile technology and social networks for points of view and recommendations. They also look to companies themselves—on the Web and, critically, via mobile apps. Millennials are three times more likely to cite strong brand loyalty than their non-Millennial counterparts, and the vast majority of Millennials report sharing brand preferences in their social groups.

Smartphones and tablets are important means of social intercourse for these consumers, who are more likely to seek advice and ongoing support from other users. Companies need to design apps, services, and content to work across multiple devices—a PC at work, a laptop on the road, a tablet at home, a smartphone on the move anywhere. Those companies that don’t reach out to Millennials now, and connect in the ways these new customers prefer, may miss entirely a big generation-al boat.
While none of us can say with specificity where mobile and social media are going, the aggregate effect—technological, societal, and economic—is such that companies and governments have no option but to embrace them. Thus far, only some leading retailers—mainly in media and electronics—and banks have adjusted for digital channels and are offering mobile research and transactions relevant to evolving consumer demand.

Successful mobile platforms deliver on two important dimensions: rising to the challenge of making mobile work for consumers, and offering extra features to entice customers to keep coming back.

Mobile platforms are different—they have their own designs and interfaces, and the user experience as well as the content must be tailored for a small screen. Companies offering mobile access must think in terms of an omni-channel experience (for example, website, store, tablet, and smartphone), enabling customers to access their shopping baskets and account details across multiple platforms.

Just as Internet users have come to expect a certain amount (if not a great deal) of free content online, mobile users look for mobile-only extras, such as real-time alerts and calendar reminders, customized offers based on location and preferences, barcode scanning, and other features.

These are complex demands. Success is neither simple nor assured.

Skyscanner, a global travel search site, launched its first mobile app in February 2011. The company recognized that its tech-savvy customers were leading the shift toward mobile travel searches: around the globe, more flight searches are now made on a mobile device than on a computer.

Skyscanner’s apps are tailored for the small screen, with an easy-to-use design and layout, clearly highlighted prices, and useful filtering options. Unique browser functionality helps users find the cheapest flights across a range of dates, making it easier to save money by finding the cheapest day to travel. Users can search the way they want—by city, country, date, or price. Skyscanner’s mobile apps have been tailored to each device. For instance, Android and Windows Phone users can pin live tiles to the homepage to keep an eye on flight price changes, while BlackBerry users can use BBM technology to share and chat about a search. The apps are available in more than 40 countries and in 30 languages worldwide, and they calculate prices in more than 70 currencies.

The company’s commitment has paid off. The Skyscanner app has been downloaded more than 20 million times. The company currently gets more than 50 million visits a month to its site, over half of which are now via mobile devices. Revenues grew 65 percent in 2012 to more than $33 million, and EBITDA increased by 153 percent to more than $12 million.
New Rules for a New Game: A Digital Diagnostic
Aspiring digital leaders looking to satisfy customer expectations in a comprehensive manner will need to determine how to master the following three digital challenges:

- Meet consumers’ basic research requirements.
- Offer the end-to-end digital functionality that consumers value.
- Satisfy consumers’ omni-channel expectations in a world of multiple devices, many of them mobile.

Many companies already have some of the capabilities they'll need in place; they also have big holes to fill. Others—such as our sleepers and laggards—have a steeper hill to climb. An objective diagnostic for providing digital satisfaction is a crucial first step for all—it not only provides an assessment of where a company is today but also helps identify the road map to digital competency and leadership. Such a diagnostic starts with a comprehensive assessment of the company’s current ability to meet consumers’ digital expectations by asking:

1. *Do we accurately understand our customers’ digital demands?* Do we understand the different digital pathways consumers choose to use in our segment and the multiple digital touchpoints that these offer? Are we actively—and accurately—assessing customers’ digital demands, across the functions they want to perform (research, transact business, interact with companies), and the channels they want to use (PC, mobile, offline)? Are we able to identify how these demands vary across key consumer segments?

2. *Can we objectively assess how well we are meeting their digital demands?* Are we able to precisely identify—across uses, channels, and consumer segments—which digital expectations we are able to meet successfully and where digital satisfaction remains low? Do we understand how our performance compares with that of immediate peers, as well as potential competitors?

3. *Is our strategy adaptable to a continually evolving digital landscape?* Are we monitoring how consumer needs are changing, how digital technologies are evolving, and how our competitors are responding? Are we experimenting and adapting the good ideas? Do we have a digital “dashboard” for actively monitoring our own digital performance?

To implement a digital strategy and address areas where digital satisfaction remains low, any company requires certain digital capabilities. Management teams should assess their capabilities across the three broad dimensions: people and culture, technology, and operations.

**People and Culture**

1. *Do we have the right digital talent, in terms of both technical skills and the capability to understand and react to customers’ digital needs?*

2. *Is our digital talent empowered by the right decision lines and leadership support?*
3. Do we foster a culture of experimentation? Are resources available to test new ideas? Do we tolerate acceptable failures, while we scale-up successes?

**TECHNOLOGY**

1. Are our data and systems integrated, providing a unified view of our customers and other key stakeholders?

2. Are the budgets and processes in place to assess the potential of new technologies and to ensure the right ones are adopted?

3. Is our architecture sufficiently adaptable and flexible to support the implementation of new digital initiatives?

**OPERATIONS**

1. Do we maintain a seamless multichannel presence, allowing customers to interact with us through their preferred channel?

2. Do we use digital technologies to stay connected with our broader network of stakeholders?

3. Is decision making driven by best-in-class analytics? For example, can we identify and tailor our offering to specific clusters of consumers who share similar preferences and behaviors?

Setting out a “digital baseline” in this way enables management teams to understand where they stand today with regard to the three overriding digital challenges—and to articulate to their organizations what the digital ambition should be going forward. Follow-through is the key differentiator, however. Strategies in hand, senior management needs to plan out a digital road map, detailing the milestones, responsibilities, and resourcing to transform the organization. These steps will very likely require a combination of top management time and attention and establishment of a project management office to coordinate and monitor progress and ensure the process remains on track.

As it seeks to grow digital satisfaction and build digital capabilities, senior management also needs to remember that consumers’ needs and preferences continue to evolve, driven in part by rapidly advancing technology. Some considerations remain constant, however. Consumers put high value on variety and choice; they also appreciate help in finding what they are looking for and in making the right decisions. Technology can’t deliver those things by itself. Smart companies, which put themselves at the junction of their customers’ needs and what technology enables them to do, will be the winners in an increasingly online and mobile age.
Appendix: Survey Data

### Consumer Expectations Vary by Sector and Interaction

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<th>Research</th>
<th>Transactions</th>
<th>Post-transaction activities</th>
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**Source:** BCG Digital Satisfaction and Value Survey, March 2013.
**Note:** The data reflect 2,242 responses.

### Digital Leaders Facilitate All Types of Digital Interactions

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**Source:** BCG Digital Satisfaction and Value Survey, March 2013.
**Note:** The data reflect 2,242 responses.

1 The satisfaction scores were calculated with 7 = very satisfied and 4 = neutral; the data bars indicate the segments’ variance from the average score.
Digital Aspirants Facilitate Research but Lag on Other Dimensions

Sleepers Rate Poorly Across the Board
### Laggards Score Lower Across All Satisfaction Drivers


The satisfaction scores were calculated with 7 = very satisfied and 4 = neutral; the data bars indicate the segments' variance from the average score.

### Younger Users and Those with Mobile Devices Derive Higher Levels of Digital Value

Users of mobile devices get relatively higher value from digital...

... as do younger users


Note: The data reflect 893 responses.

The category includes consumers who use a tablet and may also use other devices such as a PC or smartphone.
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