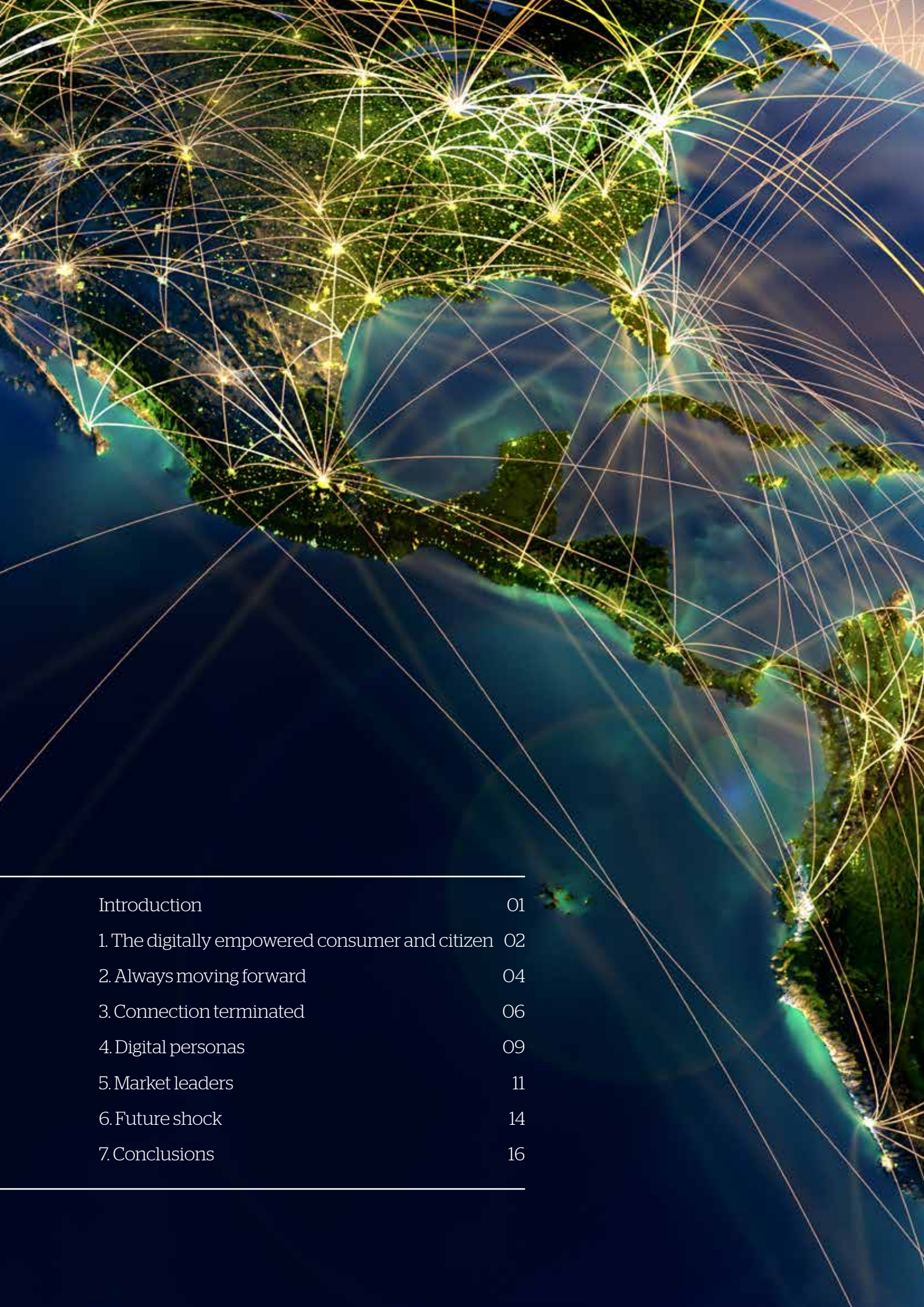
Report

Demanding Digital
the rise of the digitally discerning consumer

Atos



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Introduction

Not so long ago, being digital was as simple as having a website, but times have changed. As we enter an age in which artificial intelligence, robotics, biotechnology and more begin to have a profound impact on the world around us, those days seem like a long, distant past.

We always say being digital is about more than just technology and we fundamentally believe that. Truly capitalising on the opportunities of a digital world requires having the vision to look beyond what is happening today to understand what it changes tomorrow.

From customer engagement to business reinvention, digital technologies allow organisations of all kinds to completely redefine the limits of what they can be. But even as everything around us changes, one thing remains constant: the need to deliver a first-class experience for customers across all channels.

We wanted to explore in detail what consumers and citizens expect from the digital experiences organisations were offering them. We commissioned an independent study of approximately 3,150 people in the UK to get a detailed look at what drives them to digital, what turns them away, and how they define excellence.

In this report, we reveal that the UK is becoming a nation of digitally discerning consumers and citizens. As we will come on to reveal in more detail, they are smart, switched-on and highly demanding about what they want from digital services. I was fascinated by just how discerning they were:

1. **Consumers are discerning about digital. They have high expectations and are willing to act if these are not matched by the solutions on offer.** We identified a three-strike rule: consumers will give organisations just a couple of chances to get a digital experience right. Get it wrong and 33% said their opinion of the brand would lessen as a result.

2. **Consumers are digitally empowered. They are largely open to digital technologies and can clearly recognise their own attitudes to them.** Consumers identified on a scale from resistant to rapacious. Even those resonating as resistant were open to using digital technologies and services. Traditional demographics such as age and gender played little to no bearing on the composition of each of these groups.

3. **Consumers put simplicity and speed at the top of their wish list for a digital experience. They have to feel that the new application or service makes things easier for them.** They want simple but not basic; while 15% said they dropped off a digital service because it was too confusing, 8% blamed lack of depth. 50% stated that they would be more likely to become a repeat customer of an organisation that offers innovative services.

Today more than ever, digital has to be a fundamental consideration for anyone looking to shape the future of an organisation. To be successful requires a clear understanding of consumer and citizen expectations. Our research reveals just how empowered they are when it comes to digital services. Realistic in their expectations on the one hand, but prepared to walk away if an experience is not up-to-scratch. The message coming through loud and clear is that organisations need to get the basics right before they earn the right to innovate. Knowing where those boundaries lie is essential to success.

Tom Swanson
Chief Digital Officer, Atos UK and Ireland

The digitally empowered consumer and citizen

Consumers and citizens are razor sharp on what digital needs to do for them

Digital transformation relies on many factors in order to succeed: vision, capability and strategic use of technology, to name but a few. But no matter how bold a company's ambition, no matter how sophisticated the technology it deploys, no organisation can claim to have truly succeeded at digital transformation without gaining the support of the people it serves.

Whether they are customers, citizens or - in some cases - colleagues, at the heart of every powerful digital strategy lies the desire to make things better for the end users of a product or service. Sometimes that improvement can take place at the grandest scale, fuelled by inspiration that helps to reinvent a business from the ground up. Sometimes it can be almost microscopic, focused on refining just a single element of the customer experience.

No two customers are alike, of course. Tolerance thresholds, levels of understanding and expectations of quality will all differ widely across a customer base, influenced by a huge range of factors. The pervasive nature of connected technology today means that long relied-upon demographics such as age, gender and income have less bearing on an individual's predilection for digital than ever.

As a result, understanding a customer's journey through a digital service - knowing what keeps them moving and what sends them running - has never been more important.

On a digital journey - but is everyone along for the ride?

Before we began to explore some of the more intricate factors that influence our relationship with digital services, we wanted to establish a baseline for the prevailing attitude of the British public in 2016. Do consumers crave the new experiences that digital offers, or shy away from change?

The answer, as might be expected, is mixed. More than one in 10 (14%) told us that they only use digital services unless there is no other option, and around a third (29%) will use digital services if essential but would prefer to speak to a human being if they can.

At the same time, almost a fifth (18%) said that they tend to be first in line to try out a new application or service when it launches, and double that (39%) say that they're happy to use digital services once they've explored all of the options.

Attitudes to new tech

14% avoid unless no choice

29% utilise if no option of human support

39% open to trying but explore options

18% eager to jump onto anything new

1

Perhaps the greatest insight we can draw from these numbers is that the vast majority of consumers are shrewd about their digital choices. Their willingness to try is tempered mainly by a desire to get the best result for their needs, with most opting for digital either as part of a wider mix of services or an option if a real person isn't there to help.

This sophisticated approach continues when we begin to look at the factors that prompt consumers to go digital rather than speaking to a human being.

Asked what might draw them to digital when doing something like opening a bank account or preparing to catch a flight, the three most important factors highlighted by consumers were simplicity (81%), speed (78%) and cost (77%). A quick, clean - and ideally cheap - digital experience is top of the list for most, outweighing other considerations such as promotions (59%) or personalisation (55%).

The message coming through loud and clear across many of our questions was that organisations have to get the basics right before consumers want or even expect any layer of complexity on top. They need to earn the trust that they have a robust digital service before consumers are willing to engage with additional services.

In many ways, this attitude towards digital helps to establish something of a framework for success. If organisations want to shift consumers from traditional channels to digital, they need to ensure that the new application or service makes things easier and faster for the consumer. Not "as" fast or simple - we already know that many people would opt to speak to a real person if digital only matched an 'offline' service - but a marked improvement over traditional channels.

Unfinished business

The pursuit of a hassle-free experience by consumers may help explain why more than half say that they've abandoned a digital service midway through using it, particularly when we drill down into their motivations for doing so.

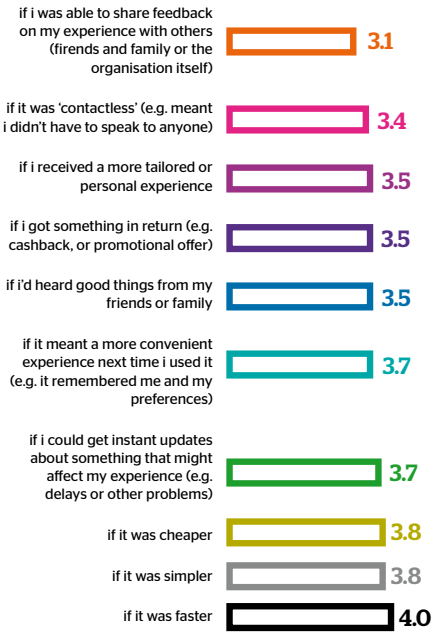
Over half of consumers admitted to walking away from digital applications without accomplishing what they'd set out to do. Around two-fifths (39%) said that they did so because it was taking too long - the majority response. This is more than double the number who say they gave up because the service crashed (18%) and is particularly revealing about our intolerance for sluggish digital experiences.

As well as this chastening lesson about the importance of creating a fluid digital journey, we can draw some thought-provoking insights into the nature of complexity too. While 15% of those surveyed say that they've dropped out of a digital service because they found it too confusing, some 8% blamed a lack of depth, noting that the service couldn't meet the complexity of their needs.

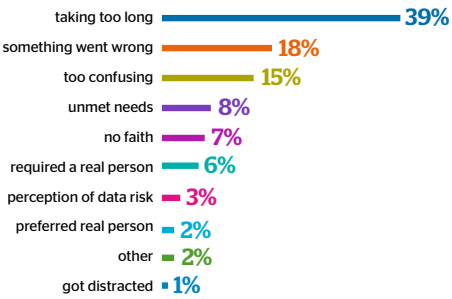
This has significance from a design standpoint. When consumers say they want simplicity, they do so in relation to the user interface or user experience. Navigability and the speed with which a task can be accomplished are key factors. At the same time, they don't want this to restrict what they can achieve through digital.

In essence, today's consumers and citizens want digital to do just about everything they could do normally by speaking to a real person. They just want to do it faster, more efficiently and see digital services as a way to help them lower costs.

Imagine that you're about to do something like renew a driving licence, catch a flight or open a bank account. If digital services were on offer while you did that, to what degree would the following factors influence your decision to use them rather than speaking to a real person? Responses are ranked from 1 (irrelevant) through to 5 (extremely important) – below is the mean score for each possible answer.



What primarily prompted to you to walk away?



Always moving forward

The digital job is never done, but some improvements matter more than others

Digital technology is a disruptive force, giving organisations the power to change the way that they do business. From reinventing an existing line of business to creating a more joined up and efficient operation, digital can help businesses break with the past and build systems and services that are truly fit for the future.

Of all the ways in which digital can transform a company, though, few are felt as keenly externally as those that impact the customer experience. Whether it's the reinvention of a business to meet the needs of a dynamic market or just a simple tweak to a service in order to enhance the customer journey, digital can help organisations respond to changing needs faster than ever.

If digital is changing the way we serve our customers, it is simultaneously changing the expectations of those customers as well. For consumers, digital technology doesn't just create an expectation that organisations will continue to refine their services after launch; it creates the anticipation that they will do so with greater frequency than ever.

Asked how often organisations should update the information provided via their digital services, consumers said that they expect information available on applications and systems to be updated around three times per week, with many going further still, stating a preference for daily updates.

This demand changes, sometimes dramatically, across different markets. More than a third (37%) of consumers feel that transport companies need to refresh their services on a daily basis for instance, with financial services institutions (34%) and the police force (33%) held to a similar standard.

Much of this sentiment speaks to the commonalities between those organisations - all of those organisations provide what we could term 'essential' services delivering equally vital information to end users. Whether we're using digital services to plan a journey, manage our finances or call for assistance, it's only natural that we'd want them to be the very best that they can be.

But even beyond these 'mission critical' activities, we still see huge demand for organisations to continually update their offerings. In every category bar one (traditional, or 'high street', retail), the majority of consumers say that they expect content on digital services to be updated on a daily basis.

While the desired frequency for updates may shrink and grow between markets, the overall message is clear: there is no such thing as a 'finished' digital service.

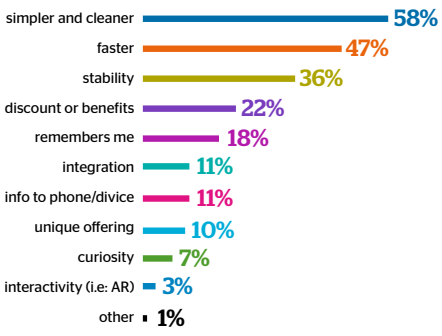
2

Continual improvement

If consumers are clear about how often they expect organisations to refresh their digital services, they are equally precise about what they want to see change when those updates are made.

We saw earlier that qualities like speed, simplicity and convenience are key to drawing customers towards digital services in the first instance, and these elements come to the fore once again here. In selecting the most important factors when organisations update their digital offerings, more than half (58%) said that the focus should be on creating a simpler, cleaner experience, with the wish for a faster service following closely behind (47%).

When an organisation updates its digital services, what do you most want to see from them?



As it happens, all of the aspects cited as 'most important' by consumers revolve around quality of service. Stability was the third most popular choice here (36%), demonstrating once more the very direct expectations that customers have. Digital services need to get faster, simpler and more reliable with every update.

The fervour behind this push for quality is such that it relegates the desire for more personalised or better-connected services into second place. Only a fifth (22%) want updates to include things like discounts or loyalty benefits, with a similar number (18%) saying the same of a tailored service that remembers them and their preferences.

Looking at the results in this way, it's easy to suggest that consumers very quickly eschew innovation in favour of steady improvement to what they already have. Only one-in-ten say that they are interested in better integration with other apps and services for instance, or that they want new features that no other organisation is offering.

At the same time, innovation should not be completely eschewed - merely prioritised. Half (50%) of consumers say that they are more likely to become a repeat customer of an organisation that offers innovative digital services. We know from previous questions that this level of complexity is only welcomed after organisations are reliably delivering the basics.

"It's tempting to apply Henry Ford's (possibly apocryphal) reasoning that listening to the customer limits us to the creation of 'faster horses', but it's perhaps more useful to think of them as discerning users who demand a certain level of excellence from a service before they can think about more forward thinking additions.

In some ways, we can see echoes of Maslow's "hierarchy of needs" here. Consumers have a baseline set of requirements relating to the operation of digital services that supersede any thoughts they might have around innovation or clever ideas. Only once organisations have truly fulfilled those needs can the pyramid start to go higher."

Tom Swanson
Chief Digital Officer, Atos UK and Ireland

Connection terminated

Why consumers bounce away from digital, and what happens when they do

Digital is transforming the world around us, disrupting entire industries and ripping up the rule book for even the most tried and trusted ways of doing business. This change is redefining what we can achieve through technology, but it is also redefining what it means when that same technology lets us down.

If a digital service failed while you were using it, how would it primarily affect your willingness to use it again?

18% try again straight away

35% try again at some point

38% reluctant to try again

6% never use again

4% never use again and gives bad impression

Even as recently as a decade ago, a major technology issue for most people would have meant having trouble getting online or dealing with dropped calls on their mobile. Today, the technological problems we face can be as diverse as a passport control scanner failing to recognise our details to the realisation that the devices in our connected kitchen are being used to distribute spam emails.

As digital becomes more pervasive, it is also becoming more personal. And the more personal the technology, the bigger the repercussions can be if it fails.

We have a clear direction from consumers on what attracts them to a digital service and what they want when organisations roll out updates, but we also wanted to see the other side of the coin. We wanted to know what causes consumers to walk away from digital services and what prevents them from returning when things go wrong.

What we found is that consumers are forgiving, but only to a point. Around a fifth (18%) say that if a digital service fails, they're likely to give it a second try straight away and a further third (35%) are broadly in the same camp, saying that they'd attempt to use the service again at some point. Beyond this ultimately forgiving group however, we find a significant number (38%) who say that even a single instance of failure would be enough to deter them from using it again in the future.

The tolerance - or lack thereof - shown by this latter group becomes all the more acute when we remember that more than half of those surveyed (52%) readily admit to having given up on a digital service midway through using it. Just how many of those came back to try again?

3

Reputational repercussions

Consumer dissatisfaction at finding a digital service to be broken doesn't just end with a reluctance to use it again in the future - it can have a demonstrable impact on a brand, too.

One third (33%) of consumers say that having a digital service fail on them is frustrating enough to lessen their opinion of the organisation offering it. At the extreme end of the scale, almost one-in-ten (8%) say that a bad experience could even deter them from using that brand again - and not only from a digital perspective. Around half (47%) of those surveyed said that while an application or service failing isn't the end of the world, they'd want a flawless experience the next time they used it.

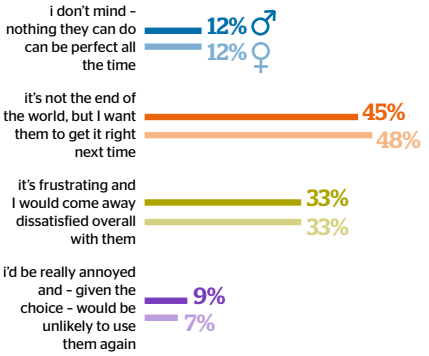
This "three-strike rule" - where the majority of consumers will give organisations just a couple of chances to get things right - once again brings issues of stability and simplicity into stark relief. If a digital service doesn't work, fails repeatedly or takes too long to use, users will walk away, potentially with a sour opinion of the brand that built it.

These are not idle threats, either. Around a quarter (24%) of consumers say that, on average, there is a 50/50 chance that they will end up abandoning a digital service in order to go back to using a traditional one. Even those who answered that they do so "very rarely" (49%), still noted that their average dropout rate can be as high as one-in-four.

Combined, this means that almost three-quarters of digital users abandon digital in favour of conventional services at least 25% of the time. If the point of digital is to create efficiencies for an organisation and to delight the customer, then this number is simply far too high. No wonder that some 70% of respondents say that they should always be able to speak to a real person if needed.

This high dropout rate might help to explain some of the cynicism we see in the responses to a subsequent question: more than half (51%) of consumers suggest that digital services are usually built to make life easier for the organisation rather than the customer.

When you're using a digital service and it goes wrong, how does that primarily affect the way you feel about the wider organisation that offered it?



How frequently would you say that you end up abandoning a digital service and reverting to a traditional one?

"This report shows that UK consumers will keep even the very best digital companies on their toes. Savvy and demanding digital consumers have little tolerance of poor performance or digital services that are behind the curve. There's a clear message here for businesses. Three strikes and you're out! But this is actually great news for the UK as it will force the best digital companies to keep innovating and keep improving. This is just what we need to keep the UK at the frontier of digital."

Antony Walker
Deputy CEO, techUK

Drifting away

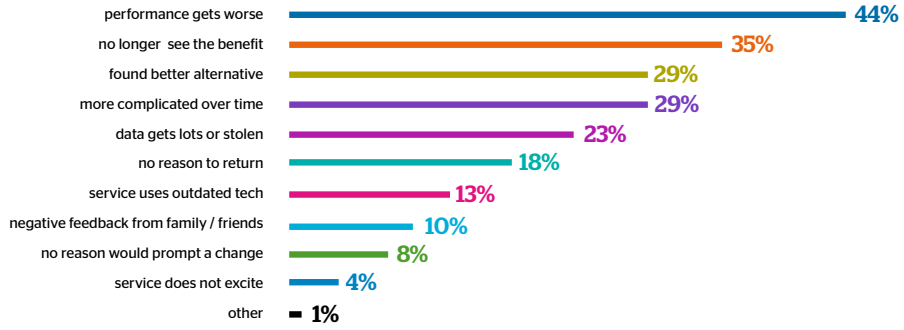
While failures and errors are the primary cause for consumers to drop out of the digital loop, they're quick to highlight other annoyances too. Almost two-thirds (63%), for instance, said they find it "very" or "extremely" frustrating when a simple task becomes long-winded or too complicated because of digital, only slightly less than those who said the same of frequent crashes (65%).

Overall, consumers seem heavily focused on design issues and the concept of redundancy. Grievances reach boiling point when apps or services have a bad user interface (53%), if it's unclear why they should be using them (49%), or if they seem to be there just for the sake of it (43%). Soothing their concerns doesn't just mean creating a better, smoother experience - it requires organisations to be clear on the purpose of a digital service and why users should engage with it, too.

The same rationale can be applied to keeping customers engaged over the longer term. Discussing the issues that cause them to stop using a digital service after having been a long-term user, consumers cite considerations ranging from worsening performance (44%) and a lack of benefits from continuing to use it (35%), to the emergence of better alternatives (29%) and even the problem of a service becoming more complex over time (also 29%).

Whether they are trying digital for the very first time or are a longstanding user, customers all demand the same qualities from an application or service: a reliable, clean and ultimately purposeful experience, and one that stays true to those principles no matter how it is updated in the future.

If you have been using a digital service for a prolonged period of time and are familiar with it, what are the biggest reasons that you're likely to stop using that digital service?



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Digital personas

How our appetite for digital swings from resistant to rapacious

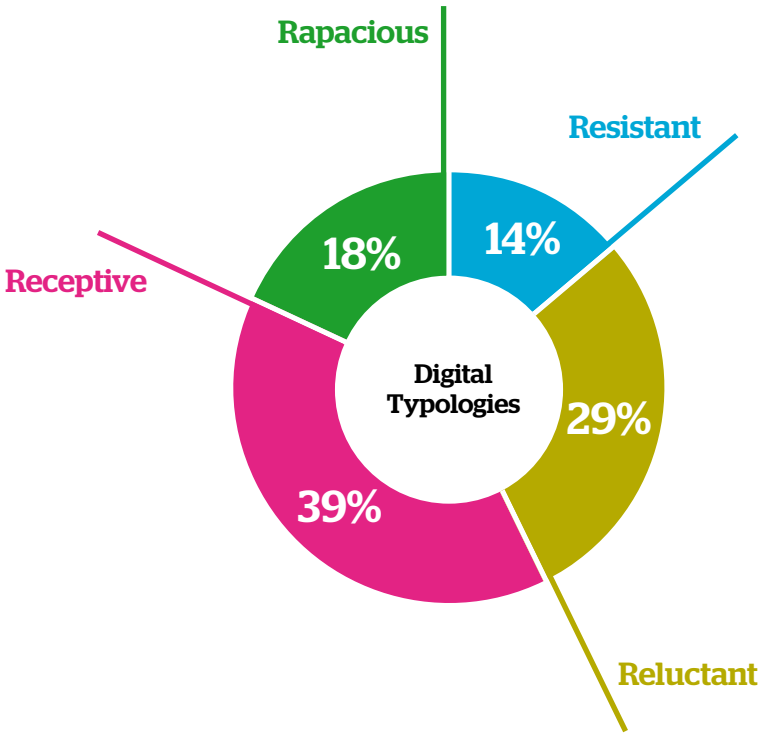
When we asked consumers to state their attitude towards digital (see Section One for more), we gave them four categories to select from. These choices scaled from those who won't use digital unless no other option is available to those who voraciously seek out new digital experiences whenever they can.

Using their answers, we were able to group consumers into one of four categories: resistant, reluctant, receptive and rapacious. With each group displaying a different tolerance threshold for digital, we took the opportunity to explore the various factors that prompt them to seek out or shy away from those services.

Before we look in more detail at each group, it bears mentioning that - perhaps contrary to expectation - traditional demographics like age and gender have little to no bearing on the composition of these groups.

While it may be easy to assume that older consumers would make up the bulk of the 'resistant' group for instance, the reality is that younger respondents are just as likely to find a home there. By the same token, young (16-24 year-old) consumers are no more eager to try out new digital services than their seniors.

In the digital world, it seems, we're defined not by who we are, but how willing we are to embrace change.



Resistant: using digital only when essential

Amongst the 14% who identify as resistant, the major problem with digital is one of complexity. Close to half (42%) say that they'd find it simpler to speak to someone direct about their needs than go digital, many of whom agree that digital services take too long to use (22%).

Resistant respondents also raise concerns about data security, something that we find downplayed in the wider survey. 22% stress that they don't find digital services to be secure enough, suggesting that - even in today's hyper-connected world - there is work to be done to reassure many in this group that they can go digital without risking their personal information.

As might be expected for a group that seeks to actively avoid digital services, frustration abounds amongst the resistant when they feel they are being forced into using them. More than a quarter (27%) are "very or extremely" frustrated by being railroaded into digital.

Even in this most anti-digital group though, there is hope. 12% admit to having been pleasantly surprised at how well digital services have worked when used, while more than a third (37%) note that - while there were frustrations - their digital experiences have been acceptable. The key to winning over this group? Make digital less complicated (34%), more secure (27%) and with no room for doubt as to the benefits it will bring (22%).

Reluctant: digital as a secondary choice

Reluctant users, who make up almost a third of the overall respondent base (29%), share many of the same concerns as their resistant cohorts - with some key differences.

While 35% of this group would opt to speak to a real person in favour of using a digital service because they feel the former route is more secure, for instance, for reluctant respondents it mainly comes down to a matter of preference. 55% would simply rather speak to a real person, with 36% saying that doing so is simpler than going digital.

Crucially, this isn't because reluctant consumers aren't able to see the benefit of going digital - only 9% assert that they gain nothing from digital - but because they make a conscious choice not to, based on ease and convenience.

Unsurprisingly then, complexity is the number one factor in throwing a reluctant respondent from the digital track when they're already on it. 23% say that they'd return to a traditional channel in favour of a digital one if it proved to be too complicated, when only 5% say they'd do the same if the quality of service proved to be worse than other channels. For reluctant users, keeping it simple is key.

Receptive: digital as a key part of the mix

Receptive consumers account for the biggest group within our survey, with well over a third (39%) saying that they are open to trying digital services once they've explored other options.

This group's preferences are the most closely aligned with the results seen in the overall survey, with their tendency towards digital governed mainly by factors like convenience and speed. Receptive consumers will be swayed towards a digital service if they think that it will be more convenient (75%), easier to use (64%) or faster (59%) than going via a traditional channel.

While they're more attracted to the simplicity and speed of digital than resistant and reluctant consumers, those in the receptive camp do share some of the same concerns around complexity and security. A third (32%) note that a needlessly complex digital service will likely make them abandon it for a traditional solution, with a quarter (24%) saying the same of any application that asks them for too much personal information.

Rapacious: digital first, digital fast

For the 18% who are keen to get their hands on new digital services as soon as they're able, it all comes down to convenience. More than three quarters (79%) of those in this group say that their attraction to digital services over traditional ones comes from the perceived level of convenience.

While age tends to bear little relevance to the appetite for digital, it is the older users in this group who are most excited about the speed, convenience and ease of use benefits associated with digital. Those in the 55+ age bracket are more likely to cite the appeal of those factors than their 16-24 year-old counterparts, which rank cost as a more significant factor.

Notably, the rapacious group is the only one not to cite complexity as the biggest problem with digital services. Only 28% in this band say that a complex digital service will push them away, compared to the 32% who say the same of a "slow or clunky" experience. For these digital savants, speed and a straight route to the goal count for everything.

5

Market leaders

Two markets are blazing a trail, leaving others to learn from their example

Part of the incredible impact that digital is having lies in its diversity. Digital services can range from simple applications that we rely on every day to the grand ideas that fundamentally change the way we interact with an organisation. Increasingly, the only limitations on the scope of what digital services can do are the ambition and imagination of the businesses creating them.

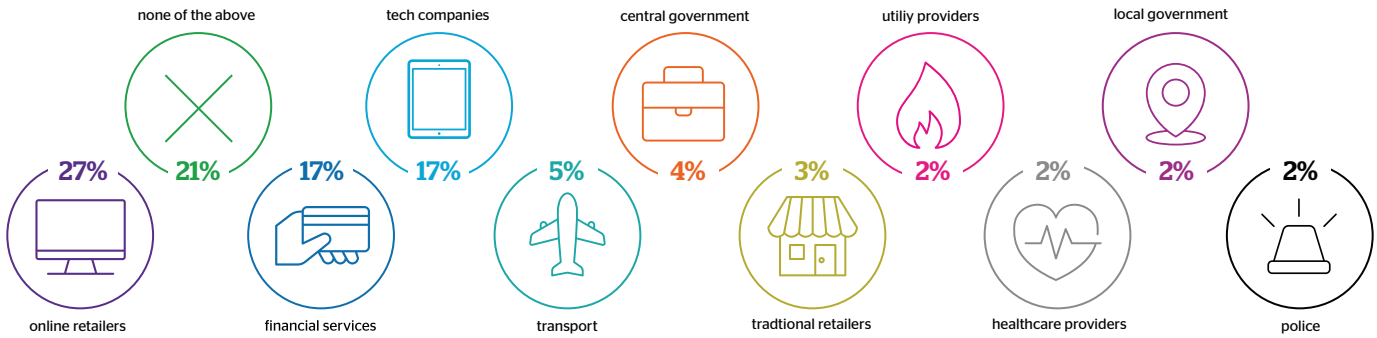
Diversity isn't just about scale, however. It is also driven by natural differences between organisations across different markets. Digital services offered by an online retailer might look, feel and run highly differently from those offered by a public body like the police or a government department, purely by virtue of the very different purposes they serve.

Do consumers understand this and, more importantly, do they care? Or do they hold digital services to the same set of standards regardless of their origins?

To explore their expectations around services from different kinds of organisations, we began by asking respondents which sectors they felt were setting the bar for digital. The results were telling. While a quarter (27%) placed online retailers at the top, and almost a fifth did the same for financial services and technology companies (17% for both), other markets were widely ignored. Local government and the police were seen as least likely to be leading the field, each gaining less than 2% of the vote.

Government - this time expanded to include central - suffers again when we look at the markets that consumers feel have the most to learn from those leading the way in digital. Almost a fifth say that central (17%) and local government (16%) organisations need to play catch up with other markets, with healthcare providers (12%) the next most popular choice here. For comparison, less than 5% said the same for police, despite so few selecting them as a standard bearer.

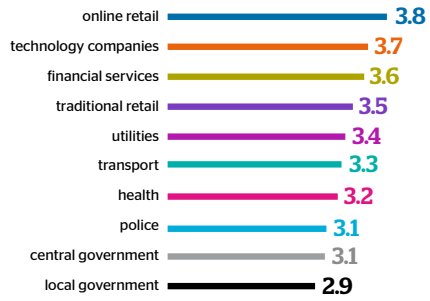
Which of the following sectors do you feel is setting the bar for digital services in the UK?



Great expectations

The unequivocal sentiment towards government on display here is not plucked from thin air. Instead, it is deeply rooted in what consumers feel are a broadly underwhelming set of services from the public sector. Around a fifth say that their experiences of digital from central (18%) or local government organisations (22%) have been either "poor or very poor" - more than any other markets by some distance.

On a scale of 1 (very poor) to 5 (outstanding) how good is your experience of digital services from these sectors? (Ranked by Mean)



What we see here is the extent to which consumers see digital as an equalizer across different markets. The quality of the digital experience offered by online retailers and financial services companies has been so consistently high that it has conditioned customers to expect the same of all other organisations. In the mind of the consumer, there is no distinction between what an organisation does, or whether it is in the public or private sector; what matters is how their digital services stand up against the very best that any other organisation can offer.

A great digital experience from one organisation doesn't just heighten our expectations using those provided by others - it can also have a fundamental impact on what we expect when dealing with them outside of the digital sphere.

"The high digital expectations for both online and offline retailers is the standout finding for me. For years offline retailers have been left behind by online retailers and the impact of this success is reflected in the findings, with over a quarter stating they are setting the bar for digital.

"However, offline retailers are beginning to realise the importance of catering to consumers' digital needs by providing a full omnichannel experience. Those that do not innovate and cater to the digitally demanding consumer will fail.

"The key to meeting consumers' needs and therefore achieving success is seamlessly integrating the back end and consumer facing parts of the platform. Consumers want real-time information on whether the product they want is available and how they can get their hands on it. This can only be achieved through sophisticated order management systems and flexible digital communications."

John Pincott
Managing Director, EMEA at Kibo

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Around a quarter of those surveyed said that digital offerings from financial services (27%), online retail (28%) and technology companies (24%) have raised the bar for other services that those businesses provide. Naturally, the reverse is also true. Poor digital experiences with transport companies (23%), central government (24%), local government (25%) and healthcare organisations (23%) mean that customers expect more from them when dealing with them in 'traditional' ways.

In what way does your digital (online) experience with organisations in the following sectors impact your expectations of your 'offline' experiences with them?

The digital experience is not **good** and I expect more in my dealings with them on other channels

The digital experience is **good** so I expect more in general when dealing with them

The digital experience is **not good** and I expect more in my dealings with them on other channels

The digital experience is **good** so I expect more in general when dealing with them

The primary insight here is that the quality of a digital experience - good or bad - dictates the way in which the rest of an organisation needs to step up to customer demand.

Vitally, the outcome is the same at both ends of the spectrum: a good experience with digital means that customers expect other functions to perform just as well, while a bad one just prompts them to demand more from the rest of the organisation.

The digital experience is **good** so I expect more in general when dealing with them

The digital experience is **not good** and I expect more in my dealings with them on other channels

The digital experience is **not good** and I expect more in my dealings with them on other channels

Tried and trusted technology

We already know that consumers value quality and convenience above all else when it comes to digital services. But just how far would they be willing to go for the latter? Would they, for instance, put their entire digital lives in the hands of a single organisation if it meant being able to quickly and easily access any digital service they needed from a single website or app?

For more than a third (36%), the answer is yes. Although the majority of consumers baulked at the idea, those who said they would be willing to hand that power over also shared very clear views on the kind of organisation they would trust to administrate such a service. Asked to name a specific company, 33% of the 'yes' group selected technology vendors, with Apple and Google taking the lion's share of the vote.

While financial institutions and online retailers enjoyed some representation here, they were greatly overshadowed by their technological peers. Whether this speaks more to the trust that consumers have in tech firms to create secure and robust digital experiences or that they simply represent the standards of quality and convenience that are so sought after isn't fully clear.

Either way, for any organisation looking to establish trust in their digital services, technology companies offer a fine blueprint to follow.

Future shock

Even future innovations need to prove their value to consumers and citizens

"French critic and novelist John-Baptiste Alphonse Karr once posited that "the more things change, the more they remain the same". While Alphonse Karr's musing may have been mainly philosophical in nature, an element of his thinking can be applied to digital transformation. The form of a service may be radically altered by digital for instance, but – in many cases – the function remains the same." – **Tom Swanson**, Chief Digital Officer, Atos UK and Ireland

That rationale applies to everything from online retail to transportation, healthcare to government. Whether we're paying for goods with our mobile phones or filing a tax return online, checking in for a flight from our sofa or checking a gas bill via a smart meter app, the end result remains largely the same. What has changed is the means by which we achieved it.

Many of those changes would have seemed beyond the realms of possibility in days gone by and, as developments like robotics, artificial intelligence, nanotechnology and more begin to take hold, even processes that have been rooted in the physical world for the longest time will begin to become digitalised.

Consumers are strikingly clear about what they expect from the digital services of today. But does that clarity of thought translate into an appreciation of what digital could bring them in the future? To find out, we asked respondents to place a variety of possible digital innovations on a future timeline.

We quickly learned that - according to many people, at least - some of these theoretical applications are coming much sooner than others. Within the next three years, more than a third of consumers expect to be able to manage all of their interactions with government via a single app or website (35%), for instance, make use of white goods that automatically add groceries to a shopping list as needed (34%) or even vote for a political party online (38%).

Other developments seem a great deal further flung. Almost a fifth (18%) feel that a single biometric chip that acts as passport, driving license and bankcard will take more than a decade to arrive, while the emergence of virtual reality shops tailored to our preferences (32%) or banks and retailers that can tell who we are as we arrive (27%) are considered to be at least five to ten years away.

Surprisingly, the subject that drew the greatest level of disbelief from our respondents was that of eHealth. More than a quarter (26%) of those surveyed said that they found it impossible to believe that a service that replaced appointments with a real-life doctor (unless a physical intervention such as a blood test was needed) would ever make it to market.

Within 3 years

34%

expect automatic appliance-generated shopping lists

35%

expect to manage all interactions with government via a single app

38%

expect to vote for a political party online

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The commonality of change

When we look at those services that consumers believe are coming sooner rather than later (i.e. within the next few years), they are all linked by one thing: they are largely transactional in nature.

When we reach out to government, for instance, it is usually to accomplish a specific task - be that renewing a driving license, filing taxes or applying for a permit. Smart fridges that order goods for us, while ingenious,

are essentially only sparing us from a simple transaction. Online voting boils down to the digitalisation of what is - literally in this case - a tick-box exercise.

Less immediately tangible are the ideas that involve multiple layers of interaction, or the combination of data, processes and things.

The idea of a highly personalised web store is fanciful enough for many, let alone when you add virtual reality into the equation. Biometric

chips with all of our essential information would require government departments and other parties to work together to create an utterly secure system.

Even the idea of physical retail stores knowing who we are as we enter - something possible using today's mobile geolocation technology - remains difficult to grasp for many, testament perhaps to the dearth of real-world examples to date.

Purposeful progress

Another way to evaluate these results is to assess them against the guidelines that consumers themselves have set for what constitutes quality in digital services.

Digital value for customers is based mainly on three factors: simplicity, speed and cost. At the same time, they suspect that many digital services are built with the organisation in mind rather than the customer (51%), and they are riled by services without a clear benefit (49%) or purpose (43%).

When we look at those innovations that consumers feel are most likely to come to rapid fruition, they all pass muster. Digital voting, smart fridges, and a single login for government all streamline the consumer experience and provide a clear outcome for the user. Can the same be said of a retailer knowing who you are when you enter a store, or a biometric identity card? Do they suggest an immediate reward for the consumer? Or are they more beneficial to the creator than

Conclusions

What can we learn from the digitally discerning customer?

The digital journey may be in constant flux, but consumers and citizens are remarkably clear about where they want to end up. Today, tomorrow and well into the future, they provide a clear set of guidelines that can help organisations to build a digital service that can be refined in-line with consumer needs to stand the test of time.

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1. Time to re-think traditional customer segmentation models

Gone are the days when organisations can segment customer audiences by traditional means such as age or gender. Whether respondents identified as rapacious or resistant, their answers revealed just how discerning they are about digital. It is therefore essential to understand customer attitudes and behaviour. While every customer is different, organisations need to be able to understand their appetite for digital services and the complexity of their needs to be able to deliver a service that is considered fit for purpose.

2. Digital must evolve but stay true to its purpose

The pace of change in digital presents a threat as well as an opportunity. While it may be tempting to evolve a service in order to take full advantage of the latest innovations and technologies, remaining true to your original design principles is crucial. If customers find that the service they once relied on has become longwinded, clunky or slow, they will soon find a better, faster alternative. Instead, services need to be tried and tested to identify what works best. Over-engineering a solution won't automatically add to the user experience or bring you loyalty. Instead, it is about creating a digital service so markedly better that customers will wonder how they ever managed without it.

3. Simplicity should not preclude depth

From resistant to rapacious, consumers are united by a hunger for simple, convenient digital experiences. But simple doesn't mean dumb. There is a huge distinction between a digital service that is easy to use and one that accomplishes little, and consumers know it when they see it. In their eyes, a great application delivers all of the flexibility and none of the complexity, providing them with the ability to achieve anything with the deftest of touches.

4. Brand perception influences experiences across all channels

Digital is, always has been and always will be one part of a greater whole, and cannot exist in isolation. As such, organisations should avoid moving customers away from traditional services towards digital without giving them another option. Even before they log on to a digital service offered by an organisation for the first time, the chances are your discerning customers will already have a view of the level of service they will receive based on their previous experiences with you. If their expectations start low based on negative experiences offline, you are likely to have a harder job winning them over on digital channels. As such, digital services cannot be developed without context to the wider perception of the brand, which plays a significant role in determining how readily received your digital services will be.

5. Use the best as your inspiration

Organisations cannot afford to ignore the benchmarks set by online retailers and financial services companies. For consumers, the only barometer is quality, and they expect similar standards of excellence from every organisation - no matter the markets they operate in. There is immense value in working out how the techniques used by retailers and banks to delight their customers could apply to your own portfolio of digital services.

About the report

The findings detailed in this report are based on the results of an independent study, commissioned by digital services leader Atos, which looked a number of issues relating to 3,150 UK consumers' and citizens' experiences of digital services. The research was conducted in July 2016.

For the purpose of this report, the term 'digital services' was defined as:

"Any technology offered by a business or organisation that means you don't need to speak to a member of staff in order to do something. These digital services can be online – like websites or applications – or exist in the real world, like self-service terminals or electronic signage."

To discuss any of the findings outlined in the report in more detail, please contact Tom Swanson via ukwebenquiries@atos.net

For more information, or to review this report online, please visit: uk.atos.net/demanding-digital

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"Our report shines a spotlight on the expectations of today's digitally discerning consumers and citizens and I hope the insights laid out here help to inform your own digital journey, whatever stage you are at. By revealing that even the most resistant end user has a willingness to use digital services, we identify that it really is possible to try and take everyone with you. Their responses clearly outline their current expectations, identify what success looks like, and help us map their future expectations. Our findings highlight a huge opportunity for organisations to get this right but it takes a flexible approach. Essential to success is having digital services that resonate with end users today and have the freedom to evolve as their expectations change. Digital has to be a fundamental consideration when shaping the future of any organisation. I encourage you to assess what kind of digital services are essential to both your organisation and those of your increasingly discerning end customer or citizen, for your own future success."

Tom Swanson
Chief Digital Officer, Atos UK and Ireland

About Atos

Atos SE (Societas Europaea) is a leader in digital services with pro forma annual revenue of circa € 12 billion and circa 100,000 employees in 72 countries. Serving a global client base, the Group provides Consulting & Systems Integration services, Managed Services & BPO, Cloud operations, Big Data & Cyber-security solutions, as well as transactional services through Worldline, the European leader in the payments and transactional services industry. With its deep technology expertise and industry knowledge, the Group works with clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

Find out more about us
uk.atos.net/demanding-digital

Let's start a discussion together

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