



# Kony Digital Experience 2019 Index Survey

DIGITAL CHASM — Bridging the Gap  
Between Digital Investment and Impact  
on Customer Experience



# Research overview

## Introducing the Kony Digital Experience 2019 Index Survey

Everyone is talking about digital transformation, but the dominant conversations are about the businesses embarking on it and the technology that is driving it. Where are the customers amid all this organizational change, cultural pivots and digital renovations?



over \$4.7 trillion

has already been invested in currently live digital transformation initiatives around the world.



However, **only 19%** of consumers could report any significant improvement in the experiences that their banking, retail, utilities, or healthcare provider offered them.

This is a damning consumer verdict on the state of global digital transformation investments. It is a clear message that businesses need a different approach if they are to connect with what matters to their customers.

The Kony Digital Experience Index is a global benchmark that assesses global digital transformation investment strategies against customer priorities. This report sets out the key findings by region and across four key verticals and uses the data from the global study to create an index that gets underneath the drivers of success of the highest performing businesses, vertical and regions. Ultimately, the report identifies six key steps to set a new agenda for driving improved return on investment from future digital investment.

# Survey results



Businesses are still missing the mark with consumers despite nearly **\$5 trillion** in digital investment.

As companies race toward digital transformation, their leaders might want to hit the pause button and reassess their efforts. The significant investments by companies around the world to transform their business to become more digital has had very little impact on consumer experience.

That's one of the key findings of the Kony Digital Experience 2019 Index Survey, which involved 1,600 respondents sourced from specialist global research panels. Half of the respondents were major contributors or leaders of digital transformation initiatives in enterprise businesses with 500+ employees, while half were consumers with well-established relationships with at least one business in one of the four target verticals: banking, retail, utilities and healthcare. The report categorizes key findings by geographic region as well as the four verticals.

## Target verticals surveyed - 1,600 respondents

800 Enterprise respondents • 800 Consumer respondents



### Banking:

Banks, credit unions, insurance businesses, or other financial institutions



### Retail:

Stores where people purchase goods either in person, or online



### Utilities:

Oil, gas, water, combined utility businesses, or other power suppliers



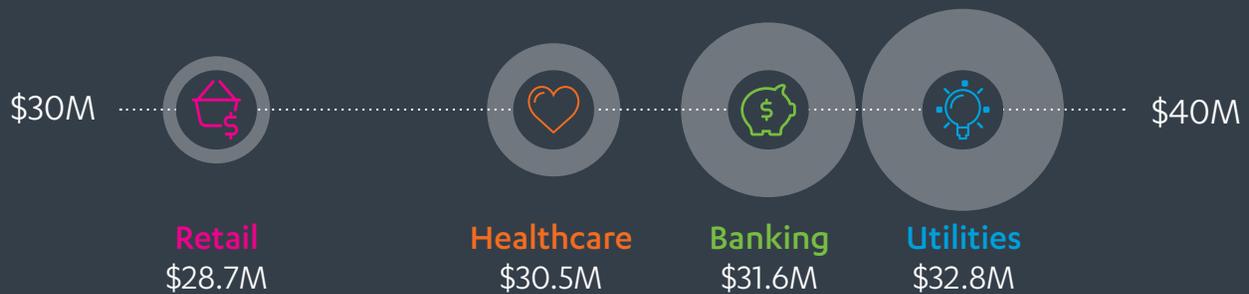
### Healthcare:

Medical practices, hospitals—either private or state managed, health insurance companies etc.

The findings underscore a disconnect between companies, which are spending a significant amount of time and money on digital transformation initiatives, and the needs, experiences and perceptions of their customers. As a result, businesses are failing to drive improved ROI from their digital transformation investments.

Less than 20% of customers surveyed reported any significant improvement in the experiences that their banking, retail, utilities or healthcare provider offered them. Because of this, customers said there is little by way of digital experiences to differentiate one provider from another. This could spell trouble for companies trying to build customer loyalty through superior digital experiences by leaving them vulnerable to disruptor brands that can bring technology and innovative business practices from adjacent industries and deliver the digital experience customers crave.

### Average annual digital transformation budgets by each company by vertical



### Average annual digital transformation budgets by each company by region



Furthermore, in every region and each of the target verticals, consumers underestimated the number of businesses that were investing heavily in customer experience outcomes by at least 50%. For example, customers said investments in their data security should be companies' highest priority. Yet the survey found that only 31% of businesses are currently investing heavily in this area, and only 15% of consumers perceive that companies are doing so.

## Consumers want a more seamless digital experience and they are willing to pay more for it.



**65%**

of customers are more satisfied if their digital experiences feel effortless



**62%**

of customers would spend more money if their digital experiences feel effortless

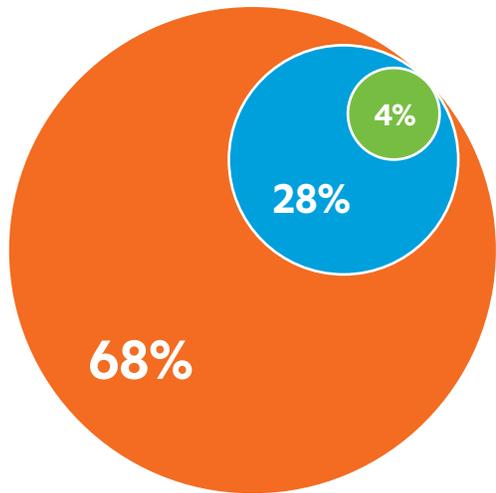
It is critical for businesses to have a greater focus on **understanding and aligning with customer needs** and priorities to ensure that they are driving the agenda for the digital technology they create and fund.



Part of the disconnect may be driven by the fact that digital transformation remains a business-centered, rather than customer-centered exercise. Only 28% of enterprise digital transformation initiatives are started specifically with customer needs as the priority.

**What is the one primary motivator behind your current digital transformation initiative?**

- Business process centered
- Customer experience centered
- Employee experience centered



There is also potential misalignment around investment priorities. Consumers reported that if they were in charge of digital transformation for their current providers, they would focus heavily on data security, digital support and improving mobile experiences. They reported witnessing less willingness by providers to invest heavily in emerging technologies—often a major focus of digital investment.

Consumers want companies to first invest in excellent fundamentals such as safe, effortless and engaging online and mobile transactions before focusing on emerging innovations like augmented reality, IoT or chat bots.

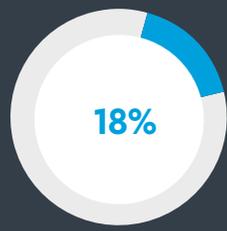
**47% of consumers will consider switching providers if businesses don't deliver the digital experiences that they demand and expect.**



of customers will find another provider if not offered a great digital experience



of customers are neutral with their digital experience

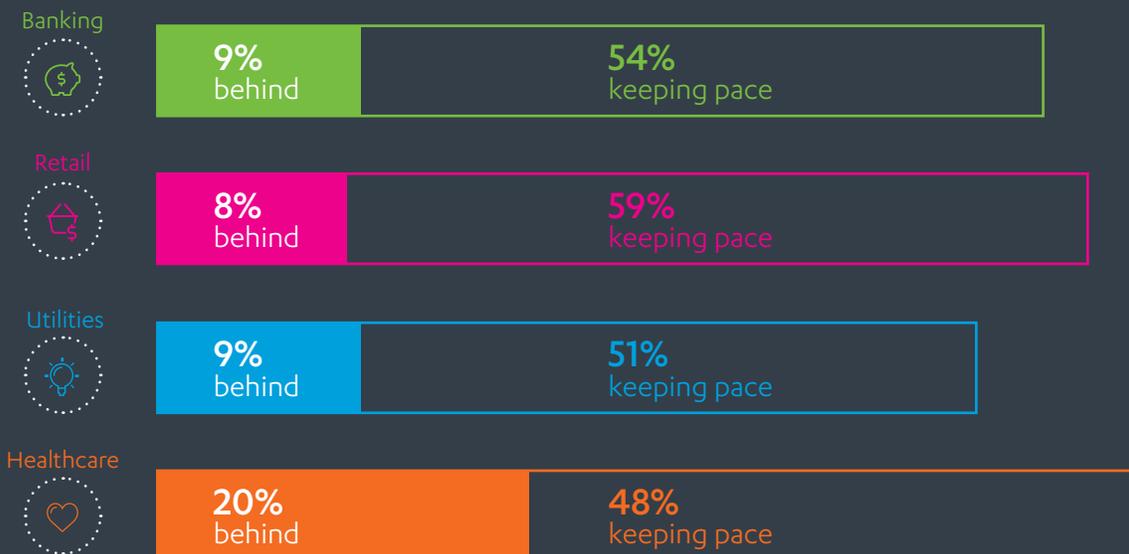


of customers will most likely stay if not happy with their digital experience

This doesn't mean, however, that consumers are eschewing emerging technologies. In fact, only 22% of respondents had a preference or strong preference for conducting all business in person, while 57% of consumers have a preference or strong preferences for service delivery models where products, services and support are accessed digitally—either online or via a mobile app.

However, consumers also want personalized contact; 56% of respondents had a preference or strong preference for digital interactions supported by named company representatives who are available to address issues immediately, through interactive digital tools such as live chat, real-time texting or a video call.

### Most companies are just keeping pace but not able to deliver a differentiated digital experience to their customers



**56%** of respondents had a preference or strong preference for digital interactions supported by named company representatives who are available to address issues immediately, through interactive digital tools such as **live chat, real-time texting or a video call.**



# Key findings

The takeaway from the survey is clear:  
Successful digital transformation starts and ends with the customer.

Negative digital experiences send customers packing—47% of consumers will consider switching providers if businesses don't deliver the digital experiences that they demand and expect.

Yet there is some good news: The survey showed that positive digital experience will fuel customer engagement and loyalty. When given an effortless digital experience by companies, 65% of consumers say they are more satisfied overall and are more likely to remain loyal, and 62% say they spend more money.

To implement digital transformation that will lead to stronger customer engagement and improved ROI, Kony created a new benchmark: the Kony Digital Experience Index. This benchmark score allows us to identify and profile companies that have successfully aligned their customer priorities with their digital customer experience offerings. Looking at investment levels to deliver potential digital experience outcomes, businesses that scored at least 80 out of a possible 100 points are classified as Leaders.

## Leading companies are customer-centric and excel in the following areas



Customer focused digital experiences



Clear roadmap of how to evolve digital solutions



Constantly improving online and mobile app experiences



Increased revenue directly correlated to digital transformation activities



Higher customer satisfaction

# Next steps

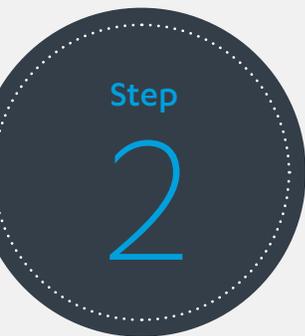
From this index, we've identified six key steps companies can take to set a new agenda for driving improved return on investment from future digital investment.



## Embrace innovative thinking, ambition and a commitment to improvement.



Digital transformation leaders focus on investing in initiatives that make them more competitive and innovative. They look to the market and their potential customers to guide their next investment priorities. They focus on building a culture and technology infrastructure to support the future as much as enhancing current business process. Digital transformation leaders are always looking for what is around the next corner, not just at the challenges of today.



## Prioritize investment in digital outcomes, not digital initiatives.



In every industry and region covered in this survey, consumers believe that businesses are under-investing in delivering excellence in digital experiences. This is not just about how much is being spent; rather, it is about how and where spending is being prioritized. Focus on investing for outcomes, not in technology or internal cultural change. It is time to shift from business-focused to customer-focused digital transformation strategies.



## Get your foundations right before evolving.



Consumers are focused on solving their immediate issues first and are more likely to demand a higher level of investment in familiar experiences. Fix what is available today before moving into futuristic territories.



## Build for now, but invest in a roadmap that leads to the future.



Digital leaders both listen to their consumers and also challenge them. They are focusing current technology investment on security, mobility and integrating technologies to create a single view into the customer. Their future road map, however, is about exploration and investment in new technologies like IoT and AI. They are preparing for the future while retaining a strong focus on what matters to customers today.



## Say no to silos and yes to integrated digital strategy.



The majority of digital transformation initiatives follow a coordinated, siloed approach, where individual departments lead specific projects with central funding support. Digital leaders are more likely to have a centrally funded, strategically managed digital transformation initiative, a consistent and enterprise-wide strategy, executive buy-in and commitment to change drive success.



## Set a customer-centered digital transformation agenda.



Digital leaders have a common set of behaviors that underpin their success. Their agenda represents a blueprint for businesses that want to drive better digital experiences and drive improved ROI from digital transformation investments.

# Conclusion

To remain competitive in the digital era, enterprise digital transformation initiatives must evolve beyond just improving business process efficiency to delivering real ROI that directly impacts customer experiences.

The Kony Digital Experience 2019 Index Survey reveals that enterprises must refocus their digital transformation strategy to bridge the digital chasm and close the gap between driving business efficiencies to delivering a more enhanced customer experience. In particular, making the right digital investment to provide a more seamless, secure digital experience across all digital touchpoints.



# About the survey

The Kony Digital Experience Survey 2019 involved 1,600 respondents sourced from specialist global research panels. Each completed an online survey. 800 were major contributors or leaders of digital transformation initiatives in Enterprise businesses with 500+ employees. The other 800 respondents were consumers that had well established relationships with at least one business in the four target verticals: banking, retail, utilities, and healthcare. The Enterprise decision makers talked about their businesses; the consumers talked about their experiences as customers.

The Enterprise businesses in the study (defined as 500+ employees) have average annual digital transformation (DT) budgets of \$30.3 million. Their currently live DT initiatives have been underway for 3.28 years on average.

# About Kony

Kony is a fast-growing leader in digital experience development platforms and the emerging low-code platform market; and a recognized leader in digital banking. Kony Quantum provides low-code without limits, a next-generation low-code app development platform that delivers rich digital experiences. Kony DBX is the banking and financial services arm of Kony, Inc. and is a globally recognized leader in digital banking transformation. With a portfolio of modern, frictionless applications powered by the industry's most recognized platform, Kony DBX enables banks and credit unions of any size to accelerate innovation — without compromising what's critical.

For more information, please visit [www.kony.com](http://www.kony.com). Connect with Kony on Twitter, Facebook, LinkedIn and Instagram.



## SOURCES:

OECD Structural and Demographic Business Statistics (SDBS) (database), <http://dx.doi.org/10.1787/sdbs-data-en> : 124,643 business with 250+ employees globally

<https://www.census.gov/data/tables/2016/econ/subs/2016-susb-annual.html>: 45% of businesses with 250+ employees have 500+ (used to adjust global data to match survey data)

<https://www.virtusadigital.com/digital-transformation/>

Kony 2019 Digital Experience Study: 85% of enterprise businesses will have an active investment in a digital transformation initiative in 2018 (used to estimate the number of global enterprise business likely to have an active initiative)