



Building a better digital experience

Tough challenges, better benefits,
and why it all matters

Whitepaper





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Introduction

It seems that there has never been a more important challenge that businesses need to address than the process of successful digitalization. Technology advancement has never felt so fast and relentless, and the instant impact it is having on business can feel suffocating for those trying to keep up with the latest developments. Embracing digital is the goal for which everyone is shooting and there is a real fear of missing the shift in the market. An unsuccessful attempt at digitalization, or no attempt at all, could leave an organization trying to catch up for a decade, if they can ever catch up again.

Digital transformation can be a difficult process to get right. One late adoption, or bad investment, and the process comes to a shuddering halt.

Now more than ever, it is imperative that organizations differentiate themselves and make themselves stand out from countless competitors. Consumers have never had so much choice – and organizations have never had so many reasons to look over their shoulder.

So where do organizations need to focus their digital transformation efforts in order to be successful? The answer could be in the digital customer experience. In a world where customers are used to shopping online, browsing up to a dozen sites before making a choice, a seamless customer experience could be what upgrades a browse to a purchase. Customers are demanding more from their digital experiences - businesses need to respond to that demand and take the next step with their digital services, offering a more complete journey for customers.

Scope of the research

This paper is based upon a study commissioned by CA Technologies and conducted by independent market research company Vanson Bourne. Interviewing began in July 2016 and ran into August, and a total of 200 IT decision makers, application owners and application developers were interviewed in the US (125) and the UK (75).

Respondents came from organizations with either more than 1,000 employees, or an annual revenue of more than \$1 billion. These organizations had to be in the process of pushing digital initiatives in order to become more digital, and came from the following sectors:

- Financial services
- Manufacturing
- Technology and telecoms
- Retail, distribution and transport
- Other commercial sectors
- Public sector

The respondents themselves had to have some involvement in either mobile or web applications. 35% of respondents had complete global responsibility for mobile apps in their organization, and 31% had complete global responsibility for web applications.

From here on, unless stated, the stats and percentages in this report are showing the US respondent data only

Key findings

- Successful digitalization remains a challenge for most
 - More than 90% have encountered challenges despite more than half (59%) investing significantly more
- Organizations are struggling to offer a seamless digital experience
 - In fact, only 28% of respondents believe their organization is completely successful at this
 - This could be a result of 88% lacking insight into the digital experience and 94% needing to improve the way they measure customer experience
- However, a CA solution can help – with CA solutions, users are less likely to lack insight, and more likely to have satisfied customers

The digital transformation

Spending

The overwhelming pressure on organizations to digitalize has resulted in nearly all (96%) of respondents' organizations investing more in digital initiatives in the past 12 months. In fact, no respondents have seen their organizations reduce investment in this time.

This investment push also looks set to continue, more than half of respondents expect their organization's investment to significantly increase in the next 12 months (54%) and beyond (52%).

A key motivator for this increase in investment is likely to come from the 99% of respondents who believe their organization will enjoy an increase in revenue as a result of their digital transformation. These respondents are anticipating an average increase in revenue of 21%, a sizable jump regardless of organization size.

One thing can be said for certain, organizations are taking digital transformation very seriously, as shown by the number investing more in it. With this extra investment now and in the near future, it is more important than ever for organizations to ensure they are making the right investments in the right areas – if they cannot get it right, their competition might.

Increasing revenue is a key motivation, but it is not always the top priority for digital transformation. For around a third, optimizing the customer journey (34%), or improving digital performance and availability (31%) is the top priority. Respondents are keen to use digital initiatives to improve the customer experience, and this could also be a factor driving investment.



Top priorities when embracing digital

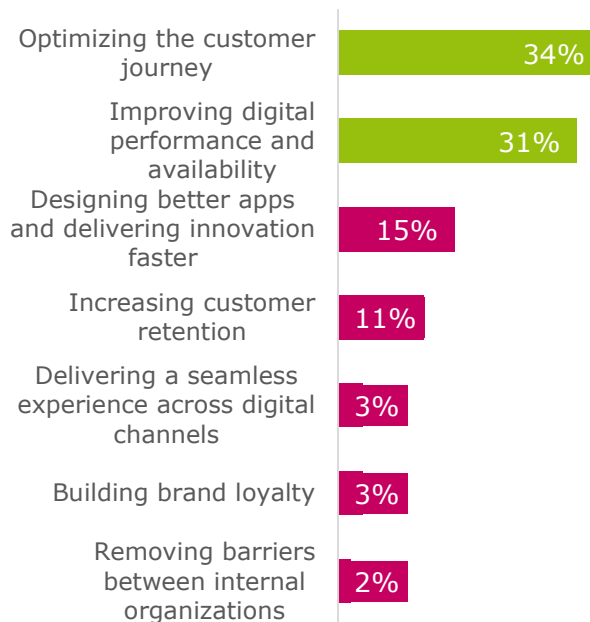


Figure 1: “Which of the following are top priorities for your organization's digital transformation efforts?” Showing responses ranked first. Asked of all respondents, showing US responses only (125 respondents)

Challenges to overcome

Digital transformation is not a straightforward process for organizations - 90% have seen business challenges, and 91% have seen technological challenges when trying to embrace digitalization.

Considering the necessity of digital transformation, it is important that organizations can successfully navigate the minefield of challenges when embracing digitalization if they are to achieve their priorities, such as optimizing the customer journey and improving digital performance and availability.

Only a third (33%) of respondents are finding the initial technological cost a challenge, with respondents' organizations more likely to be struggling with speed to market (44%) and technological complexity (42%). Struggling with either of these aspects is likely to impact on the customer experience. It seems that money can only buy so much, and technological skills are an invaluable resource.

This indicates that organizations will need to remain receptive to potential challenges even with the ability to throw as much money at it as possible. In this situation, more specialized knowledge and technical know-how becomes key, either in-house, or from a third party.

Disparate departments

While embracing digitalization, disparate 'siloes' data is a challenge for 14%, but 'siloes' people is also a problem for some. It can be difficult for organizations to achieve their priorities if different departments are embracing digital at different rates.

However a lack of enthusiasm from departments when it comes to embracing digitalization may not be the only thing holding back organization-wide digitalization. Only a minority of IT decision makers believe that other departments (for example, marketing - 46%) should be embracing digitalization. This lack of support and encouragement from IT may be holding back other departments, leading to further disparity.

It could be that respondents simply do not appreciate the need for all departments to be equally digital in order to facilitate effective collaboration. This is likely, considering that business departments are resistant to change (48%), and some departments such as IT are leaving others behind (34%). These challenges will be exasperated if the IT department cannot recognize the need for other departments to completely embrace digital.



Business challenges when embracing digital



Figure 2: Analysis showing business challenges when embracing digitalization. Not showing 'Digitalization is not particularly beneficial to my organization and industry' and 'We have not experienced any business challenges when embracing digitalization'. Asked of all respondents, showing US responses only (125 respondents)

There does appear to be a departmental struggle within organizations as different departments embrace digitalization at different rates. This is potentially driven by a lack of collaboration between departments, which is bound to cause problems when developing mobile applications, as the majority (84%) require involvement from different departments when doing this.

Potential benefits of digital

Despite the varying degree of enthusiasm and success regarding digitalization across the business, respondents are still anticipating their organization will enjoy benefits. In fact, all respondents (100%) are expecting at least one benefit as a result of embracing digital practices.

More than half expect to attract new customers (54%) and reduce IT costs (54%), while more than a third (34%) feel that embracing digitalization will help them remain competitive in their market, something that is more crucial now than ever as the competition for customers moves online.



Benefits anticipated as a result of embracing digitalization

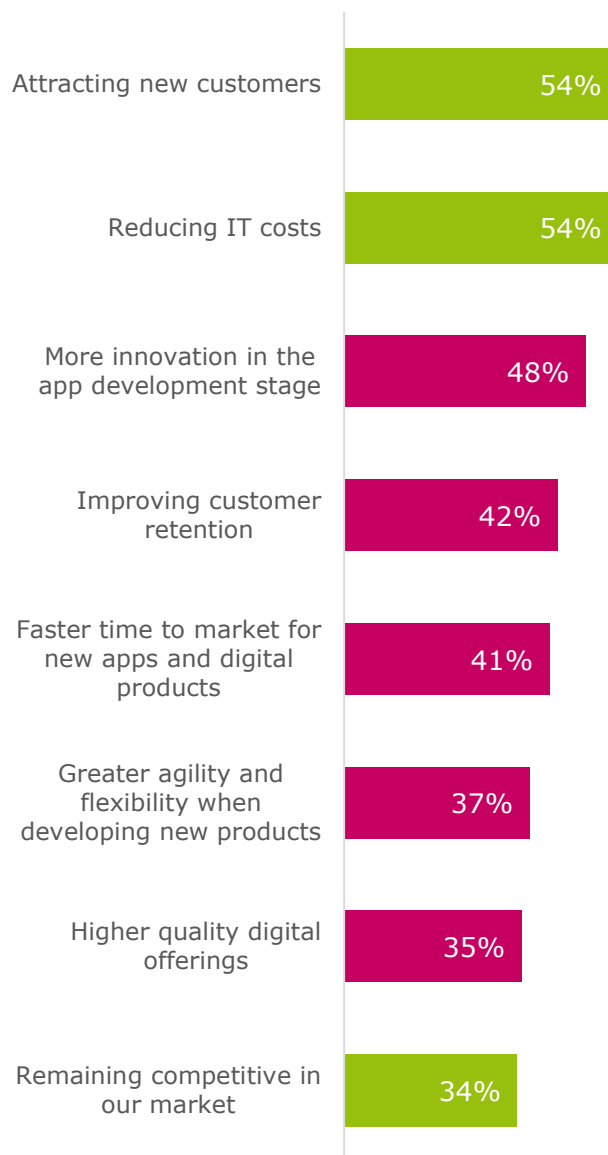


Figure 3: Analysis showing benefits already seen as a result of embracing digitalization, only showing answers selected by 30% or respondents or more. Asked of all respondents, showing US responses only (125 respondents)

Despite challenges to embracing digital, the potential benefits are providing a powerful lure to organizations. And like it or not, it would appear that digitalization is an essential development organizations have to undertake in order to remain competitive moving into the future.

Delivering a seamless experience

Prioritizing and recognizing the importance of a seamless experience

Only the minority (37%) of respondents see delivering a seamless experience across digital channels as one of the top three priorities for digital transformation in their organization, but half (50%) see this as a top area for focus when aiming to improve the digital experience for customers.

While respondents do recognize the importance of the seamless experience for their customers, they are focusing more heavily on other, more general, areas across digital transformation such as improving digital performance (60%). This may be because the challenges when embracing digital have been larger and more numerous than first anticipated. As a result, only 25% think their organization is 'very good' at providing this seamless experience across multiple platforms, and only 28% think their organization is completely successful at it.

How good is your organization at providing a seamless digital experience across multiple platforms

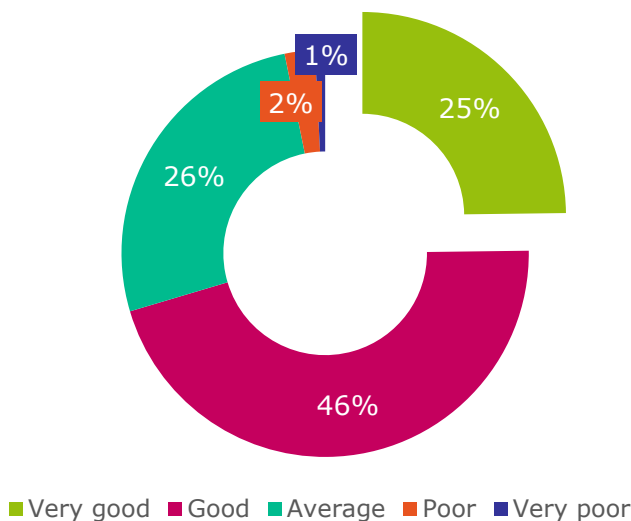


Figure 4: Analysis showing how respondents rate their organization at providing a seamless digital experience across multiple platforms. Asked of all respondents, showing US responses only (125 respondents)

There does, however, seem to be some confusion, as respondents recognize the importance of a seamless experience and want to improve it for customers, but optimizing the customer journey is not a top three priority for nearly half (48%) when digitalizing their organization. Again, more evidence perhaps that the initial challenges of security and cost are weighing down organizations and preventing them shifting their focus on to more forward thinking digital initiatives.

Additionally, 90% of respondents' organizations encounter challenges when trying to deliver a 5 star digital experience. It is fair to say that the difficulties in providing a seamless experience is causing this. A ubiquitous flow between channels and platforms could be seen as essential to a 5 star experience, and may lessen the challenges organizations are experiencing to get there.

Improving the customer digital experience

A lack of insight into the digital experience may be one of the reasons why so many of respondents' organizations encounter challenges when trying to deliver a 5 star digital experience. In fact, the vast majority (90%) feel their organization lacks this insight. The same number (90%) agree that their organization could do more to fully understand all aspects of the customer journey.

This lack of insight would explain why the vast majority (94%) feel that their organization could improve the way that they measure customer experience. This inability to measure is leading to a lack of insight into customer experience, which in turn is making the 5 star experience very difficult to achieve.



Does your organization need to improve the way you measure the customer experience?

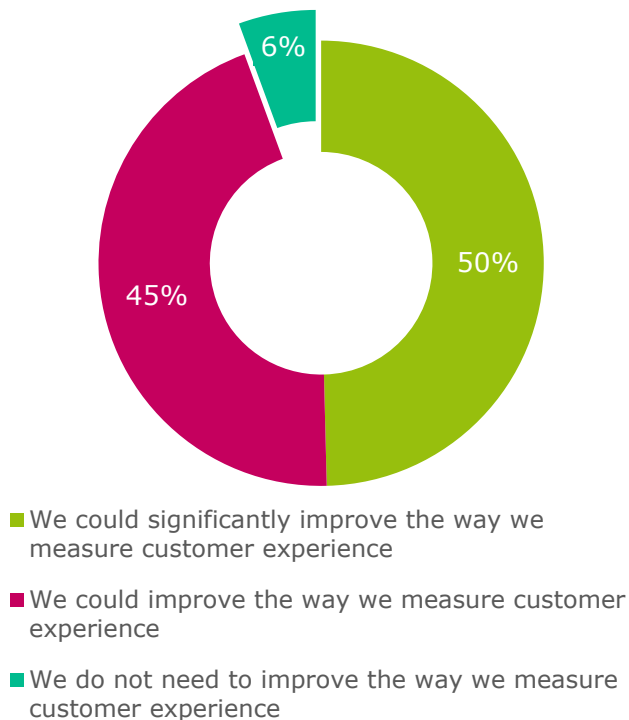


Figure 5: "To what extent could your organization improve the way it measures customer experience across digital channels?" Asked of all respondents, showing US responses only (125 respondents)

So where specifically are organizations struggling with insight? More than half (54%) of respondents feel that they are lacking insights into usage analytics that measure user location and retention etc.

Around a third or more feel they are lacking insight into the customer journey from one channel to another (42%), performance analytics for monitoring transactions from the user device to backend (36%), and developer analytics for crashes and app flow optimization (32%).



Insights into the digital experience organizations are lacking

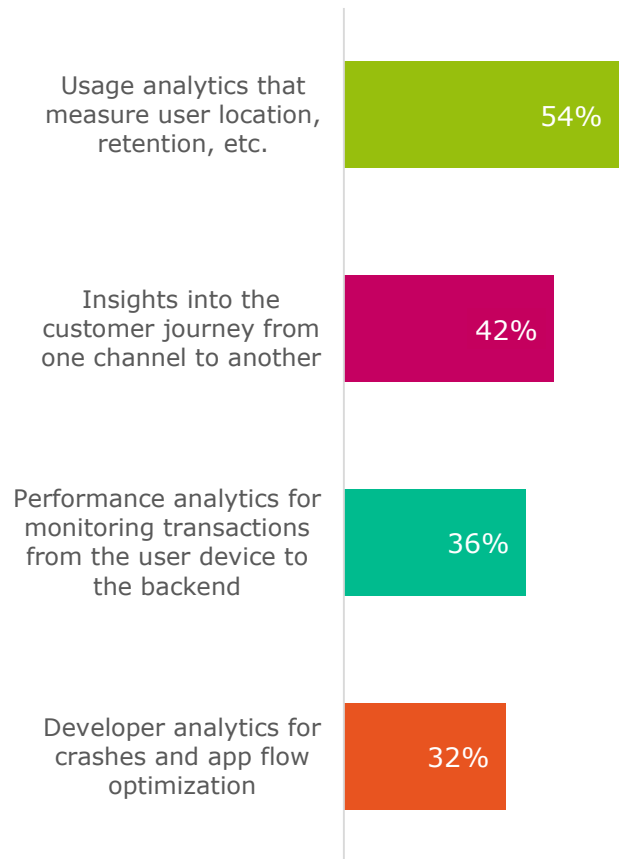


Figure 6: "What insights into the digital experience is your organization currently lacking?" Asked of all respondents, showing US responses only (125 respondents)

These gaps in insight are made more impactful when we consider that 99% of respondents felt that their organization needs to improve at least one area of the digital experience for customers. On average, respondents see three areas of improvement required and nearly all (98%) have tried to make these improvements in the digital experience. However, 85% encountered challenges when trying to do this.

Slightly more than four in ten (42%) respondents feel that their organization lacks cohesion between departments which has led to a lack of a clear digital strategy, and more than a third (35%) worry that they lack the in-house technical skills to improve the digital experience. Improvement will be difficult if there is a lack of clear strategy and required skills. This lack of strategy may also be leading to some departments being left behind in the pursuit of digital.

Challenges experienced when trying to improve the digital experience

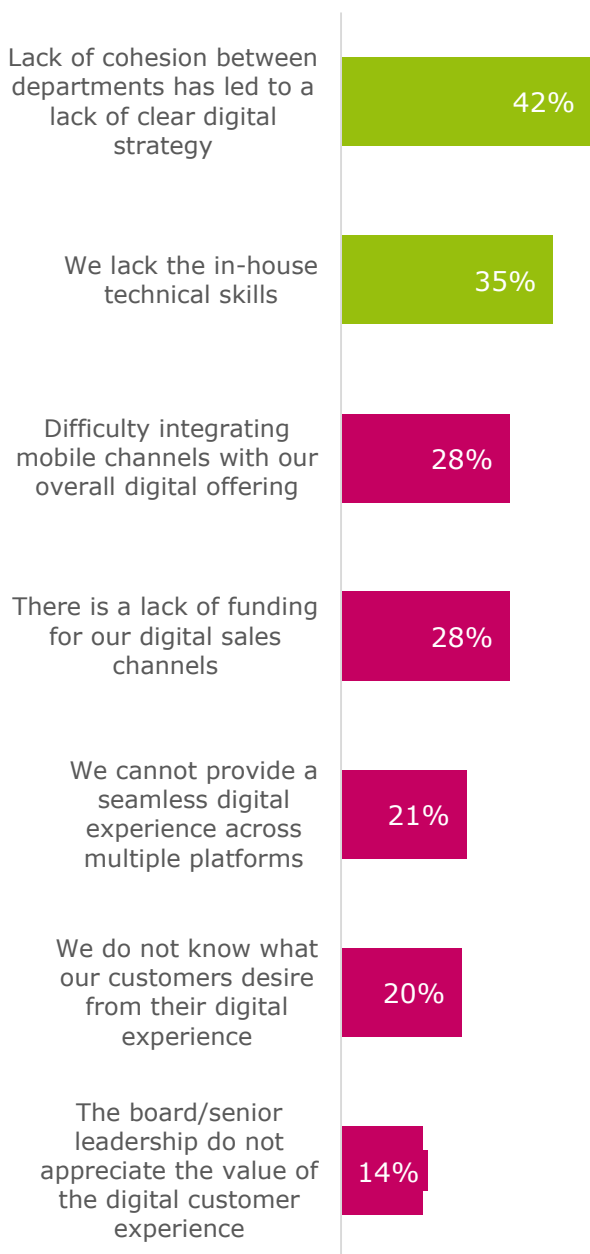


Figure 7: “What challenges has your organization experienced when trying to improve the digital experience for your customers?” Asked of all respondents, showing only US responses (125 respondents)

But why should an organization strive to improve the customer experience and what benefits would this have for any business with an online presence? Well, among respondents, it is believed that making this improvement could have some

organization-wide benefits with some potentially game-changing impacts. A majority (70%) of respondents say that their organization would, in their opinion, attract more customers, while more than half would be better at retaining existing customers (54%) and encourage more new customers to purchase (54%).

Benefits from improving the digital experience

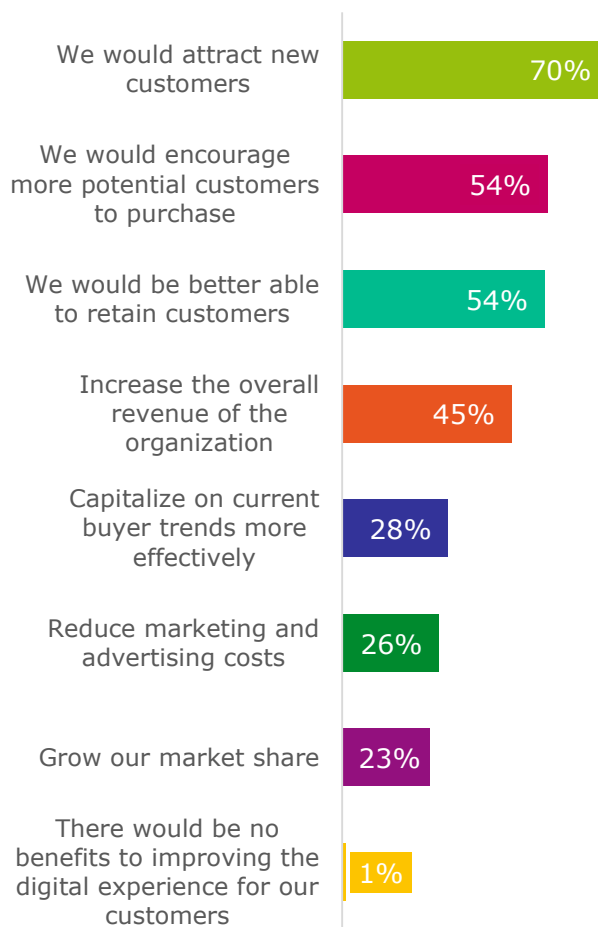


Figure 8: “What benefits would your organization experience if it was able to improve the digital experience for your customers?” Asked of all respondents, showing US responses only (125 respondents)

For a lot of retailers these three outcomes are the gold standard achievements and something that separates a successful retailer from the rest, highlighting the fundamental importance of getting the customer experience right. And there is no better place to get the customer experience right than online, the most accessible and visible aspect of many businesses.

Using a CA Technologies solution

The statistics in this section are US and UK combined

Insight into the customer journey

We have seen a worrying lack of insight from organizations into the customer journey, performance and development. But is this because organizations are not emphasizing or realizing the true value of accurate, real time analytics, or simply because they are using the wrong tools? For many organizations, analytics can be an 'extra-curricular' activity that they do if they have additional budget available at the end of a quarter. And when this is the case, organizations can turn to generic or overly simplistic tools rather than investing in a specialized, fully integrated tool, from a provider like CA Technologies (CA).

This is demonstrated by the digital investment made by respondents' organizations who are using CA App Experience Analytics and/or CA Application Performance Management solutions from CA to measure customer digital experience across digital channels, compared to those not using a CA solution. Nearly two thirds (65%) of respondents using a CA solution have seen significantly more investment into digital initiatives in the past 12 months, compared to just over half (51%) of respondents not using a CA solution. This could indicate a greater digital maturity among organizations who use a CA solution - organizations who take the customer experience more seriously than most.

This extra investment by organizations using a CA solution is interesting as these users also tell us that they are more likely to be seeing reduced IT costs as a result of their digital initiative (63% using a CA solution vs. 41% not using a CA solution). With more investment in general and less of it going to basic IT functions, these users can turn their minds to the more creative aspects of digitalization - with respondents whose organization uses a CA solution more likely to be seeing more innovation (53%) than those who are not using a CA solution (37%).

Benefits seen by CA users vs. non-CA users

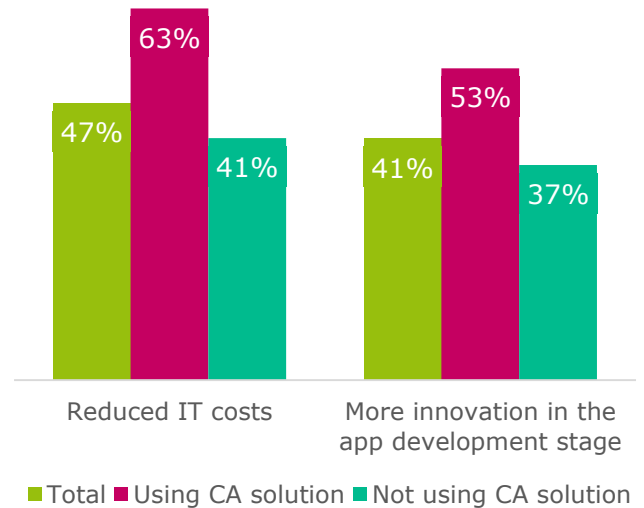


Figure 9: Analysis showing respondents who selected 'reduced IT costs' and 'more innovation in the app development stage' as a benefits seen as a result of embracing digitalization. Showing data split by respondents whose organization use a CA solution to measure the customer experience vs. those whose organization does not. Asked of all respondents (200 respondents)

'Trickle down' benefits

In addition to experiencing these benefits, respondents whose organization uses a CA solution are half as likely to experience a lack of strategic alignment (12% vs. 24%), and only a third of CA solution users struggle with technological complexity compared to more than half of non-CA solution users (33% vs. 51%). It seems that using a solution such as CA App Experience Analytics or CA App Performance Management allows users a more comprehensive grasp on technology allowing for the extra innovation and better strategic alignment. It's easier to find your destination if you know how to read a map.

These benefits are only worthwhile if they can be turned into something more tangible. Well this is the case for CA solution users compared to non-CA solution users surveyed. Of surveyed respondents, CA solution users were more likely to rate their organization as completely successful at app reliability (43% vs. 25%) and innovation (43% vs. 30%), speed to market (51% vs. 22%), and multi-

channel integration (45% vs. 24%). From the respondent base, those using a CA solution are better at getting their apps/products to more markets faster, and once they are there they are more innovative and reliable - a win-win for these organizations.

Respondents whose organization is completely successful at the following...

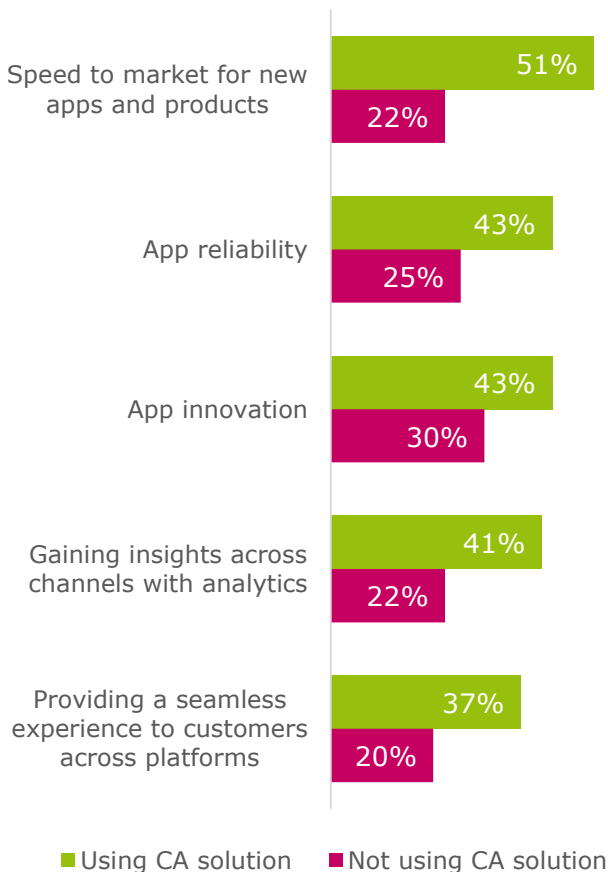


Figure 10: Analysis showing respondents who rate their organization as completely successful at the above attributes, showing data split by respondents whose organization use a CA solution to measure the customer experience vs. those whose organization does not. Asked of all respondents (200 respondents)

As mentioned earlier, perhaps the organizations who look to more specialized and content focused analytic tools such as those provided by CA, are more digitally mature than the average organization. Not only are these organizations more likely to be investing significantly more into digital, but they are more likely to have collaborating development and operations teams (84% of respondents using a CA solution are using DevOps vs. 54% of those respondents not using a CA solution).

DevOps adoption in organizations using a CA solution

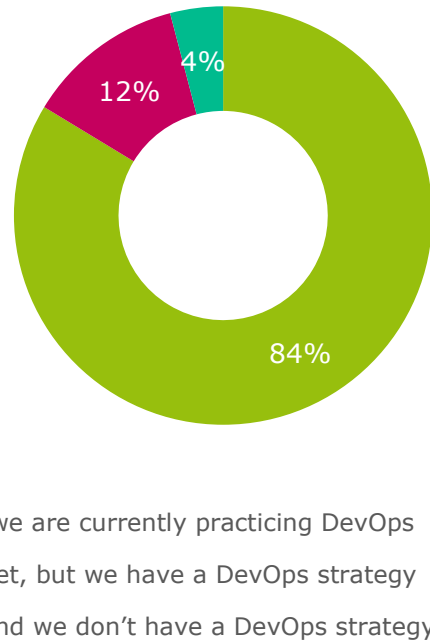


Figure 11: Analysis showing the level of DevOps adoption of those respondents whose organization is using a CA solution to measure the customer experience. Asked of all respondents, showing responses of CA solution using organizations (49 respondents)

This suggests that organization-wide these businesses are better set up for digital transformation. Not only have they ensured the required resources are in place, but the structure and culture of the organization allows for the requisite cross-departmental collaboration in order for digitalization to be a success. To achieve this success, all departments need to be able to work with IT to develop and integrate the digital initiatives, and the disparate data and siloed departments we saw above need to be addressed. Some organizations seem to have done this.

Regarding the elusive seamless experience, the Holy Grail for the online retailer, can the benefit of extra innovation provide a solution to the areas organizations are lacking (namely insight, departmental collaboration, and in-house skills) when trying to provide this seamlessness?

Well, respondents using CA Technologies solutions are almost twice as likely to rate their organization as completely successful at providing a seamless omni-channel experience (41% vs. 23%) than

non-CA users. Unsurprisingly therefore, CA users are more likely to agree that their customers currently enjoy a seamless experience across all digital platforms than non-CA users (88% vs. 69%).



Figure 12: Analysis showing respondents who agree that their organization's customers currently enjoy a seamless digital experience across all digital platforms, showing data split by respondents whose organization use a CA solution to measure the customer experience vs. those whose organization does not. Asked of all respondents (200 respondents)

Why aim for seamless?

The end goal of offering this improved and seamless customer experience has to be customer satisfaction, something that is more important now than ever considering the instantaneous access to other retailers – if customers are not happy with your site, the competition is only a click away. Respondents who are not using a CA solution to measure the customer experience are cautious when estimating their organization's customer satisfaction - only one in five (21%) would completely agree that their customers are satisfied. This jumps to just under half (47%) when asked to respondents who use a CA solution. At the very least this demonstrates the higher levels of confidence in their products and services this group has compared to their non-CA using counterparts.

Level of complete customer satisfaction



Figure 13: Analysis showing level of customer satisfaction with the data split by respondents whose organization use a CA solution to measure the customer experience vs. those whose organization does not. Asked of all respondents (200 respondents)

There would appear to be a common link between respondents who use a CA solution, from reduced IT costs to better insight into the customer journey, through to more app innovation and reliability and a faster time to market, all the way to a more seamless experience and more satisfied customers. This only demonstrates the importance of getting digital transformation right from the start as the consequences of getting the right foundations in place can trickle all the way through to the customer. And it would appear that selecting the right partner to guide and assist in this process is at the very heart of this.



Conclusion

The pressure to digitalize successfully continues, and some organizations are treading water at best. Despite the significant levels of recent investment, challenges persist when adopting digital initiatives, displaying that this is not a problem that can be solved simply by throwing money at it. A worry considering the anticipated future investment – the wrong future investment can only be seen as a wasted investment.

The challenges encountered, business challenges such as disparate data, disconnected departments and lack of empathy from IT, and technological challenges such as the complexity of tech, and lack of innovation, could all prove to be stumbling blocks on the road to successful digital transformation. Organizations are recognizing the importance, as seen by the high levels of investment, but in the super competitive world of digital services organizations may be sacrificing their competitive edge through unsuccessfully embracing digital.

On top of this, and most likely as a result, organizations are struggling to provide a seamless experience for their customers. This is something of paramount importance considering the advent of mobile technology and mobile optimization, requiring an omni-channel presence. Additionally, disconnected departments can be just as destructive to the seamlessness of an organization's digital service. Until this changes, the seamless customer experience remains a distant dream, as this requires all departments to work together to deliver the completely seamless customer journey.

Organizations need to think of the next step - what can they offer that gives the customer more, and what can make their digital experience stand out? But to do this, they need to get more from digital, eliminate the entry level mistakes and surpass the challenges when embracing digital, and the answer to this could be in the way they gain insight into the customer journey.

This can improve the customer experience, which can increase customer satisfaction, and potentially lead to the attraction and retention of more customers. Is CA Technologies the correct partner to provide this insight? CA Technologies users surveyed are seeing faster time to market, more innovation and better reliability. This could be the reason they are more likely to be successful at delivering a seamless experience to customers, leading to more satisfied customers.

How CA can help you...

In today's app economy, the end-user experience is key. Despite the complexity of today's application delivery chain, end users expect a flawless experience, no matter how, when or where they access your app. For application owners and IT operations teams who are responsible for digital transformation and who need to deliver a five-star customer experience across web, mobile and wearable devices, [CA App Experience Analytics](#) provides proactive, real-time insights into real user behavior, buyer trends, and omni-channel performance.

What makes a great user experience? An intuitive design, error-free code and flawless performance. You need an analytics solution that delivers digital experience insights and helps you quickly determine if an issue with an app lies in the design, code or infrastructure, so you can triage the problem before it impacts the customer experience. These insights, along with the ability to track the buyer's journey and identify how, when and where your customers use the app, help you better understand your users and provide them with a five-star experience across web, mobile and wearable apps.

With CA App Experience Analytics, you can:

Optimize the customer journey

Improve user experience across web, mobile and wearable apps to deliver a five-star customer experience.

Improve digital performance

Gain insights into performance to determine if the issue is with design, code or infrastructure.

Design for the experience

Enhance application development based on real user insights

To get your app firing on all cylinders, CA App Experience Analytics provides app performance, developer analytics and usage analytics for Web, mobile and wearable apps, in one complete package.

Start your [free trial](#) today and get up and running with CA App Experience Analytics in under 5 minutes.

About CA Technologies:

CA Technologies (NASDAQ: CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business, in every industry. From planning to development to management and security, CA is working with companies worldwide to change the way we live, transact and communicate – across mobile, private and public cloud, distributed and mainframe environments. Learn more at www.ca.com

About Vanson Bourne:

Vanson Bourne is an independent specialist in market research for the technology sector. Our reputation for robust and credible research-based analysis, is founded upon rigorous research principles and our ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com