

Poorly Performing App? 79% of Your Customers Are Prepared to Jump Ship

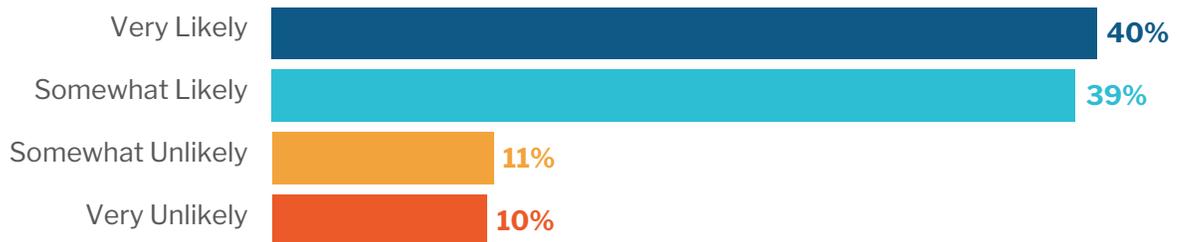
The 451 Take

It's a fact that software, namely mobile apps and websites, represent the primary means of interaction with – and in some cases, the primary sales channel for – customers of businesses across practically every vertical. As such, applications have to perform well. If they don't, the consequences are severe. In a recent 451 Voice of the Connected User Landscape survey, we asked consumers how likely they'd be to switch brands or providers due to poor application or service performance. Nearly 80% of respondents said they are somewhat or very likely to switch. For e-commerce businesses or others that rely on an app or service for sales, each customer that switches due slow or buggy performance represents lost revenue potentially long into the future.

Customers Will Abandon Businesses due to Poor Performance

Source: 451 Research's VoCUL, Consumer Representative Survey, Q1 2019

Q. If an online app/service you use performs poorly (e.g., slow, buggy, unavailable), how likely are you to switch to a different brand/provider as a result? (n=1101)



Organizations are ever more aware that ensuring top app performance is a business-critical issue. However, one of the most common problems we hear about from businesses struggling to ensure top app and service performance is how to gain visibility into new technologies and application architectures. Microservices, containers, multiple public clouds, orchestration and automation tools are increasingly common in organizations that are driving innovation in their apps and services.

Business Impact

To support the kinds of digital interaction that customers demand, be it via a mobile app or an e-commerce site, development teams are embracing a host of new technologies. But each of these technologies presents new challenges when it comes to achieving the visibility necessary to ensure the level of performance required to serve and retain customers.

MULTI-CLOUD: Organizations are increasingly choosing the best execution venues that fit particular workloads, with the result that many apps and services now span multiple clouds and datacenters. Operations professionals require tools that deliver insight into workloads no matter where they run. In addition, they need to understand the relationship between workloads, particularly for distributed applications running on shared infrastructure, in order to quickly discover the root cause of problems.

Business Impact (continued)

CONTAINERS AND KUBERNETES: To more quickly iterate applications and services, organizations are embracing containers and, in turn, container orchestration tools like Kubernetes. While these technologies significantly reduce the time it takes to push out new services, they also add complexity when it comes to monitoring. Operations teams require tools that can monitor container environments, despite their dynamic natures. Insight into orchestration environments helps, too, since it ensures that operations pros understand the relationship between containers and the infrastructure they run on.

SERVERLESS ENVIRONMENTS: For some workloads, using a functions-as-a-service offering can lead to significant cost savings. But such environments require a totally new approach to monitoring because historical approaches aren't feasible in serverless environments or come with unacceptable downsides, such as the possibility of the monitoring system significantly impacting the performance of the application. Learning about the best approaches to monitoring serverless workloads is key to adoption; without this knowledge, organizations are unlikely to be comfortable embracing serverless for mission-critical workloads, including those that support e-commerce platforms.

In a sense, some of these new technologies represent double-edged swords. They deliver clear benefits, while at the same time presenting new challenges in terms of observability. With applications representing the primary opportunity for interaction with customers for many companies, these problems must be solved. The risk is lost customers and revenue.

Looking Ahead

As the operations function matures in many organizations, we anticipate a number of important shifts:

Tools landscape: Companies are looking for new monitoring and incident-response tools that can help them get better insight into their complex technology environments and more quickly solve performance problems when they occur. At the top of their list is reducing the number of siloed tools in use, instead employing tools that can collect and analyze a broad and large set of operations data. We anticipate that more companies will shake up their tools environment, with an approach that supports sophisticated analytics across what were historically siloed technologies, as well as better collaboration across teams such that they more efficiently cooperate around the common goal of top application performance.

Organizational models: Tools alone won't solve the problems facing businesses that are struggling to support top performance in complex application environments. We anticipate continued experimentation around organizational models that include a thoughtful division of operations functions between DevOps teams and central operations or observability teams. However, we anticipate that best practices will begin to emerge, including a recognition that some tools can be most efficiently managed centrally by an expert team that delivers monitoring tools and expertise to nimble DevOps teams.

Reliable performance is now a business-critical issue – not an IT issue – because poor performance directly impacts the bottom line. As such, the evolution of tool capabilities and organizational models must continue as the industry pursues best practices. Particularly for organizations like e-commerce businesses that derive the bulk of their revenue from customers interacting with their apps and services, the stakes are just too high not to have the visibility required to ensure top app and service performance.



From every day to your biggest day, your customers demand an exceptional experience. Instrument and gain visibility into your entire digital customer journey so you can drive your business at peak performance. Learn why the largest retail and e-commerce customers around the world leverage New Relic. <https://newrelic.com/solutions/industry/retail-and-ecommerce-monitoring>.