



EVALUATING THE CONSUMER'S **INFORMATION-SEEKING BEHAVIOUR AND USER RETENTION FACTORS**

FOR MOBILE APPLICATIONS OF APP-BASED
BUSINESSES IN PAKISTAN

Compiled by:
R&I Department



TABLE OF CONTENTS

Executive Summary	00
Background & Objectives	01
Survey Method	02
Sample Specifics	03
Survey Report (Consumer Activation)	05
- Factors influencing discovery of app-based businesses - Factors Influencing Downloads of Applications for App-Based Businesses	
Survey Report (Retention)	09
- Factors influencing regular usage of applications for application-based businesses. - Assessing the consumer comfort level with the maximum size of an application in their phones - Quantifying the degree of consumer comfort - Understanding what customer-care features are deemed most important - Assessing the importance of business application services features - Application interface and impact of its features on customer experience - Understanding the significance of promo codes, discounts, and vouchers, etc. - Factors influencing consumers' decision to delete applications	
Limitations & Constraints	18
Meet The Team	19

EXECUTIVE SUMMARY

- Top factors (given a rating of 4 & 5) influencing Discovery of App-Based Businesses for each generation.



57.4% GenZ
48.15% GenY
32.35% GenX

Recommendation by
friends and family



42.36% GenZ
14.81% GenY
19.12% GenX

Social media advertisements/
influencer marketing

- Top factors (given a rating of 4 & 5) Influencing Downloads of Applications of App-Based Business.



60.07% GenZ
34.38% GenY
42.65% GenX

Need of the service/product
business application is
providing



40.28% GenZ
40.63% GenY
35.29% GenX

Playstore/Appstore
reviews



40.64% GenZ
31.25% GenY
30.88% GenX

In App security features
provided

- Top factors (given a rating of 4 & 5) Influencing regular usage of app-based businesses.



71.08 %GenZ
61.30 %GenY

The quality of the
product and services
products



60.30 %GenX

Customer support
services



70.03 % GenZ

The checkout
process



73.17 % GenZ
54.80 % GenY

The first customer
experience of product/
services

- Top customer care/support features (given a rating of 5) that were most important.

28.5% GenZ
27.2% GenY
28.4% GenX



Confirmation email/
messages

22.3% GenZ
22% GenY
26.4% genX



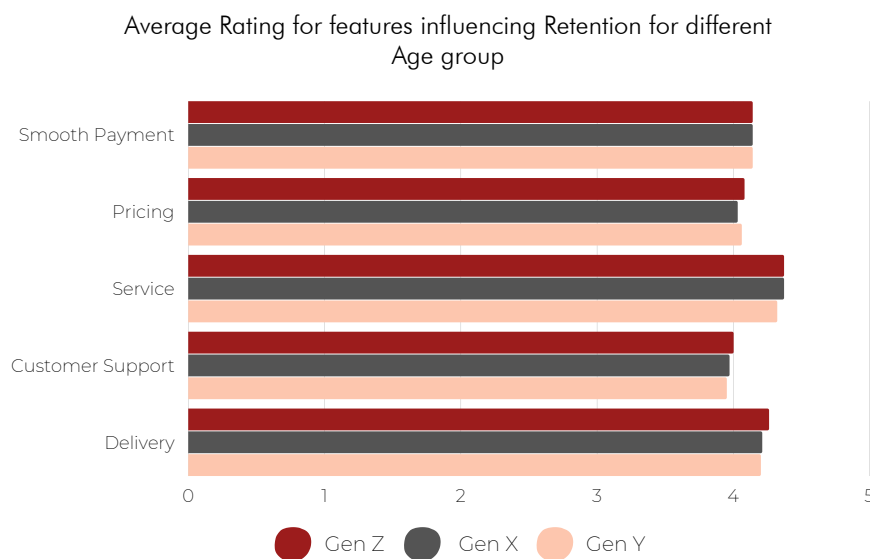
24/7 helpline support

19% GenX



WhatsApp/Messenger support

- Adding the age wise graph analysis for business service features.



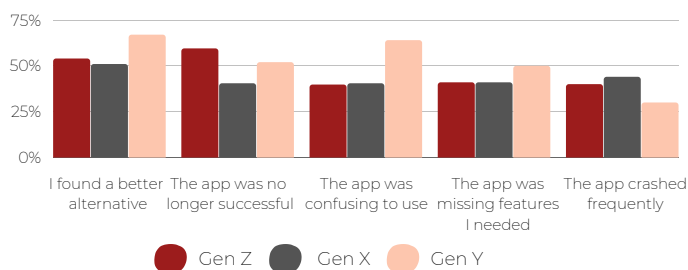
- Percentage of respondents who gave 4 & 5 ratings to the promo code and discount questions.



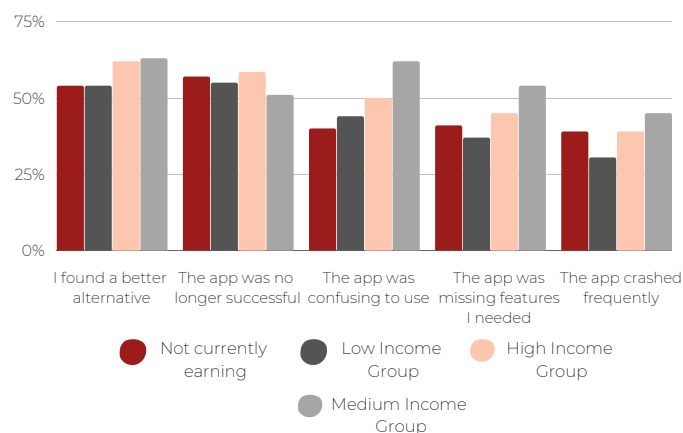
67% Gen Z
57% of GenY
35.3% GenX

66% Currently not earning
75% Lower income group
55.8% Medium income group
19.5% Higher income group

- Top 2 factors that made the respondents delete their apps- age wise analysis .



Age based analysis of why consumers chose to delete any business applications they had previously installed.



Income based analysis of why consumers chose to delete any business applications they had previously installed.

BACKGROUND & OBJECTIVES

The prime purpose of this research is to assist application-based businesses functional in Pakistan by quantifying the influence of various information sources on the application utilization procedure. The objective is to evaluate the consumer's outlook towards using or deleting certain applications from their mobile devices; while looking deeper into the causal factors behind their decision. We intend to extract statistical deductions from this research while concurrently trying to better our comprehension of application-based firms in the country and how underlying elements like monthly income, living standards, consumer psychology, and literacy rate actively affect these businesses.

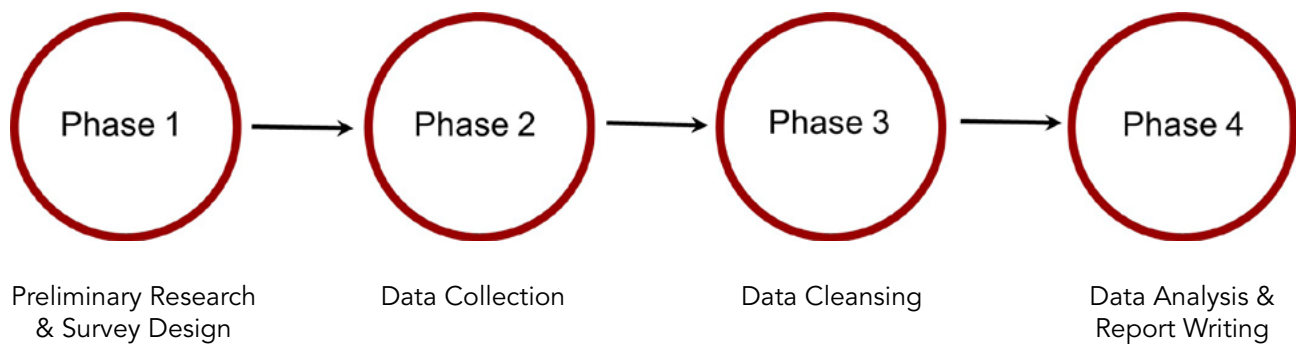
The study aims to provide Pakistani application-based businesses with insights regarding the aforementioned components, so these businesses can make improvements in their respective applications in an attempt to acquire and retain more customers.

SURVEY METHOD

This research has been conducted by the LUMS Consultancy Group (LCG) members, mandated under its Research & Insights (R&I) department. The study was administered using surveys from 18th to 28th May, 2021. The survey was structured to encompass three distinct sections targeting demographics, factors influencing user activation, and factors influencing user retention on apps, respectively. The survey was self-designed and each section enlisted the objectives of the component to aid in the understanding of the questions to allow for more valid data collection.

The team only conducted quantitative research and comprised 21 questions which can be found here. The matrix questions are ranked 1 (not at all important) to 5 (extremely important). In light of COVID-19, convenience sampling was used by circulating the survey online on different social media platforms and emails. The anonymity, privacy, and confidentiality of all the responses was maintained.

The research was divided into four phases as follows;



Resultantly, a total of 410 responses were collected, out of which 25 responses were discarded in the data cleansing process, leaving us with 385 responses for analysis.

The data analysis primarily consisted of an age-based analysis whereby the respondents were categorized into demographic cohorts being Generation Z (Aged under 14 - 25), Generation Y (Aged under 26-39), and Generation X (Aged 40 and above).

Additionally, the team also conducted an income-based analysis by grouping the respondents as below, on the basis of their individual incomes:

- Not Currently Earning= Not applicable and Below PKR 10,000
- Low Income Groups= PKR 10,000-20,000 and PKR 21,000-50,000
- Medium Income Group= PKR 51,000-99,000 and PKR 100,000-199,000
- High Income Group= PKR 200,000 and above

SAMPLE SPECIFICS

The demographic information of respondents collected in section 1 is represented below:

- Age and gender wise distribution:**

The age groups 14 and below, 15-20, and 21-25 are categorised as the Gen Z.

GEN Z
74.5%



60.7% of the respondents identified themselves as women

The age groups 26-30 and 31-40 are categorised as the Gen Y.

GEN Y
7.8%



38.5% of the respondents identified themselves as men

The respondents 40 and above are categorised as the Gen X.

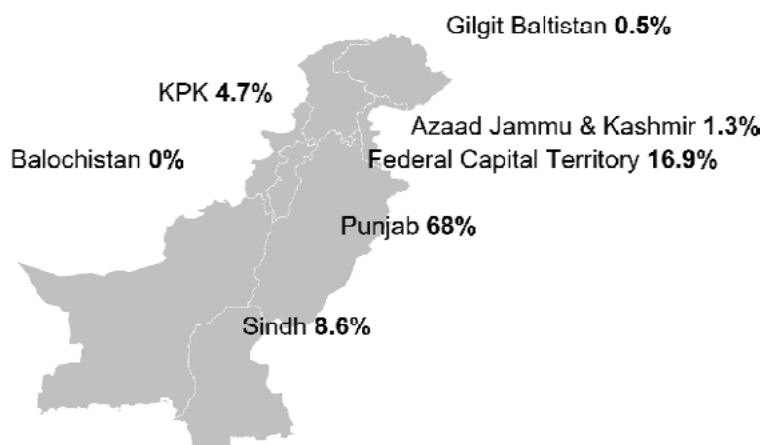
GEN X
17.7%



0.8% preferred not to disclose their gender

- Location wise distribution:**

Our survey was limited to respondents residing in Pakistan. The map below shows the percentage distribution.

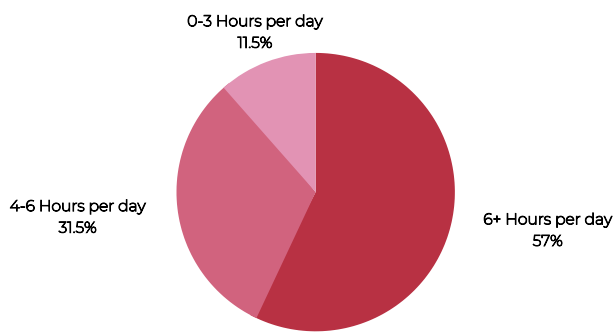


- Employment wise distribution:**

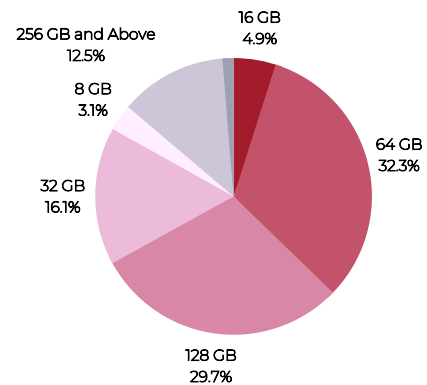
32.6% of our employed respondents work in the following sectors:

Government sector	2.1%
Personal Business	8.1%
Private Sector	22.1%
Armed forces	0.3%
Not applicable	67.4%

• Technological usage of respondents:



Daily internet usage for respondents



Maximum Memory of Mobile Phones

• Type of mobile software used by respondents:



40.1% of our respondents were iOS users



58.9% of our respondents were Android users

1% of the respondents used mobile softwares other than android and iOS

• Business application usage of respondents:

The respondents were asked to select all kinds of app-based businesses that they make use of.



64.3% of our respondent use mobile applications for B2C ECommerce marketplaces



64.1% of our respondents use Mobile applications for mass-transport/cab services



28.9% of our respondents use mobile applications for Ed Tech services



4.9% of our respondents use mobile applications for B2B e-commerce marketplaces



71.6% of our respondents use mobile applications for Food/grocery delivery services



79.2% of our respondents use mobile applications for entertainment/music purposes



42.2% of our respondents use mobile applications for fintech/mobile wallet services



9.6% of our respondents use mobile applications for health tech services



29.2% of our respondents use mobile applications for online reselling platforms



11.2% of our respondents use mobile applications for real-estate tech services



1.3% of our respondents use mobile applications for logistical services

SURVEY REPORT - SECTION 1 (Consumer Activation)

This section aims to gain an insight into the factors that influence the discovery and subsequent download of applications of app-based businesses. Respondents were required to individually rate each factor on a scale of 1-5. Ratings for each factor were averaged out generation-wise and graphed which can be seen below.

1. Factors Influencing Discovery of App-Based Businesses

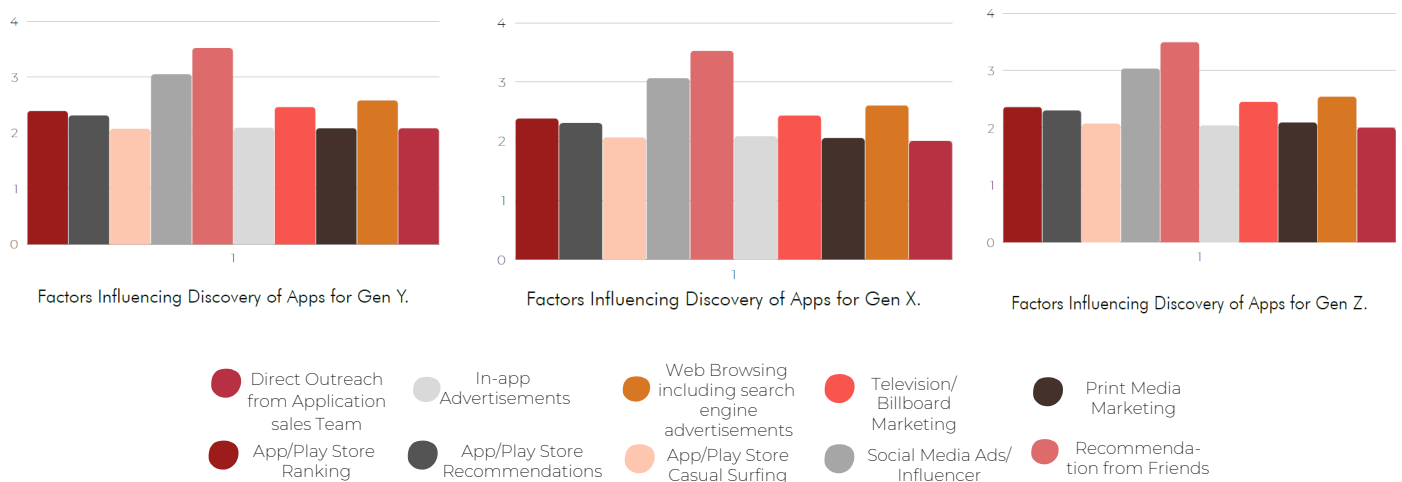
The respondents rated the following factors influencing the discovery of app-based businesses on a scale of 1 - 5 as outlined above:

1. App Store/Play Store Rankings
2. App Store/Play Store Recommendations
3. App Store/Play Store Casual Surfing
4. Social Media Advertisements/Influencer Marketing
5. Recommendations from friends and family
6. In-app advertisements, e.g., ads in games
7. Television/Billboard Marketing
8. Print Media Marketing
9. Web browsing including search engine advertisements
10. Direct outreach from application sales team

Results & Findings:

a. 'Recommendations from friends and family' received the highest average rating across the 3 generations. Thus, this factor must be the top priority for app-based businesses

b. Across all 3 generations, no factor had an average rating lower than two or higher than four. All ratings lied between 2-4 and a generally even spread was observed, as can be seen in the graphs. Therefore, app-based businesses must focus on all aforementioned factors as no one factor is overwhelmingly important for consumers.



2. Factors Influencing Downloads of Applications for App-Based Businesses

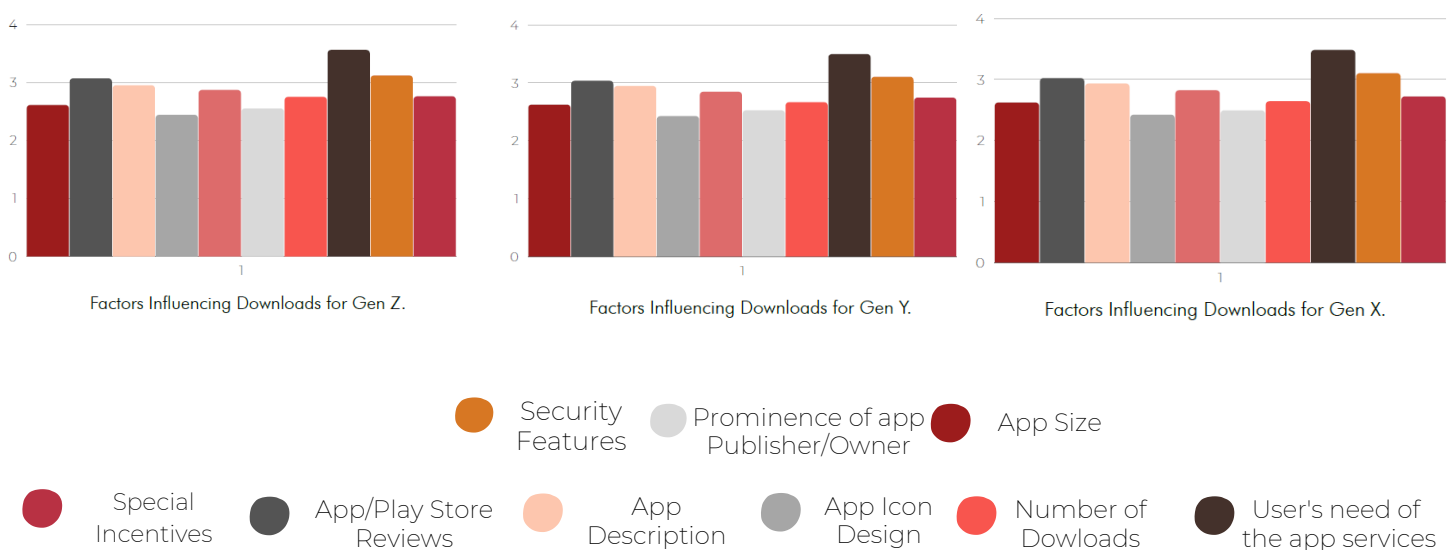
Same as the previous question, the respondents rated the following factors influencing downloads of applications for application-based businesses, on a scale of 1 - 5:

1. App size
2. App store/Play store Reviews
3. App Description
4. App Icon Design
5. App reviews on App store/Play store
6. Name/prominence of app publisher/owner
7. Number of Downloads
8. Your need of the service the app is providing at the time of download
9. Security Features
10. Special incentives e.g., discounts and offers

Results & Findings:

a. One factor seems very popular across all generations; 'the need of the service the app is providing at the time of download,' which received the highest average ranking among the others factors. Thus, this factor should be the top-priority for improvement, for the app-based businesses.

b. No factor received an average rating of less than two or more than four across all three generations. As can be seen in the graphs, all of the evaluations ranged from 2-4, with a fairly even spread. As a result, app-based businesses must focus on all of the aforementioned elements, as no single aspect is more important to consumers than the others.



SURVEY REPORT - SECTION 2 (Consumer Retention)

This section aimed to gauge the extent to which certain application features impact the user's willingness to utilize the application more than once. Followed by some logistical questions about storage and update schedule preferences to gain additional insights.

1. Factors influencing regular usage of application for app-based business:

The respondents rated the following features in a preferential order, on a scale of 1-5, indicating which factors prompt their regular usage of business applications:

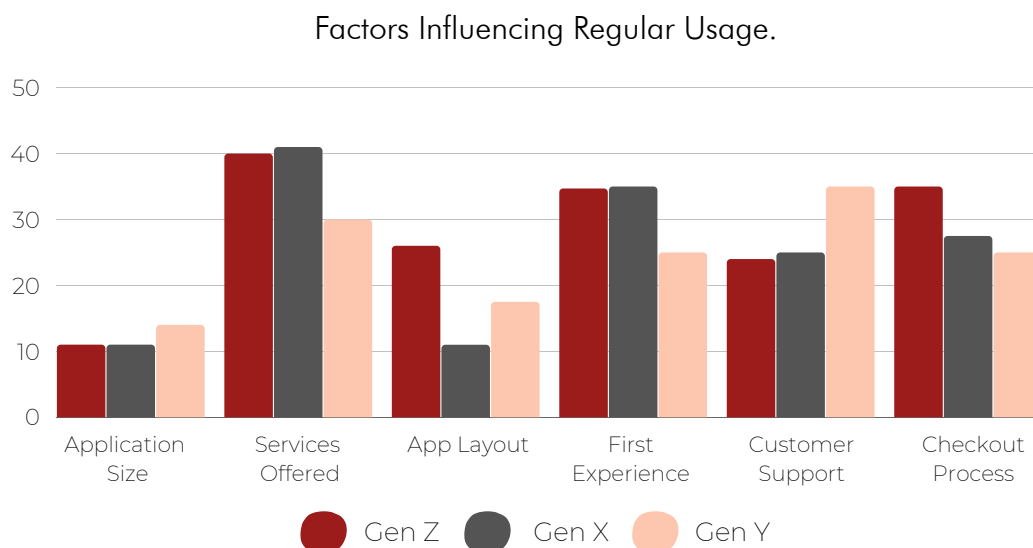
1. Application Size
2. Application Layout
3. Services Offered
4. First Experience
5. Customer Support
6. Checkout Process

Results & Findings:

a. 41.11% of the Generation Z respondents believe 'services offered' is the chief factor in determining whether they would use a business application more than once. Similarly, around 41.9% of the Generation Y respondents had the same preference. However, according to the Generation X respondents, the most important aspect is 'customer support', which received the highest rank by 36.8% of the category's respondents.

b. In addition, application size and application layout were both voted the least important factors by all three factions; thus depicting that instead of maintaining the application's layout, app-based businesses should allocate major chunk of their resources towards improving the quality of the customer experience as it would aptly cater to both:

- The quality of the services they offer
- Customer support



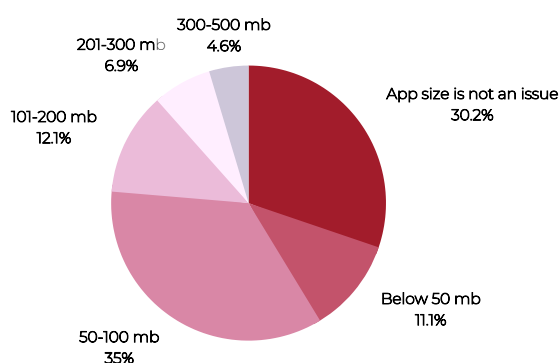
2. Assessing Consumer Comfort Level with the Maximum Size of an Application

The respondents selected the maximum application size that they would find acceptable to download.

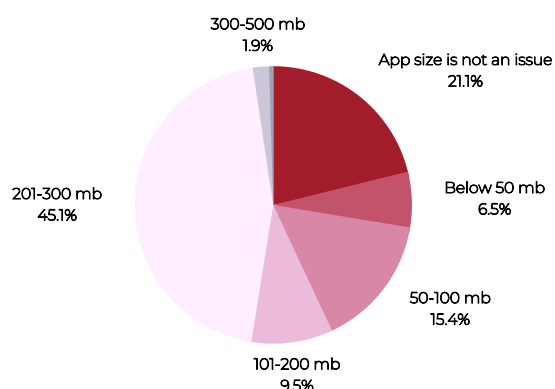
Results & Findings:

- 34.47% of the respondents said that application size is not an issue.
- 25.53% chose 50-100 MB as the maximum acceptable size.

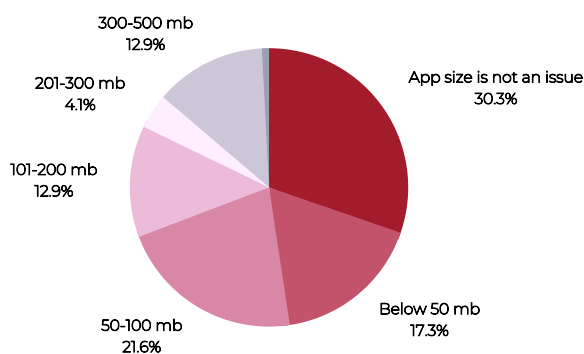
a. The statistics showed a minor variation across different income groups. As for most of the respondents, application size did not seem to be an issue. Nonetheless, as the income-wise analysis suggested, respondents falling within the low-income and middle-income categories demonstrated restrictions on the maximum size of an application they would comfortably download. A vast majority of the middle-income group, i.e 34.9% voted the maximum application size in the 50-100 MB limit. As Pakistan's economic stature primarily comprises middle-income groups, application-based businesses should be aware of their preferences and design applications which do not take up more than the preferred storage space.



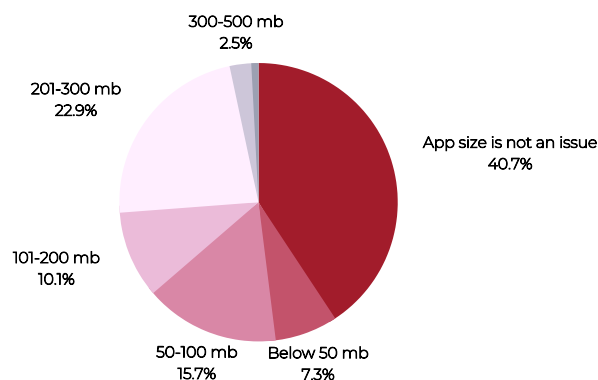
Maximum size of an application the medium-income group is comfortable downloading for an app-based business application



Maximum size of an application the not currently earning group is comfortable downloading for an app-based business application



Maximum size of an application the low-income group is comfortable downloading for an app-based business application



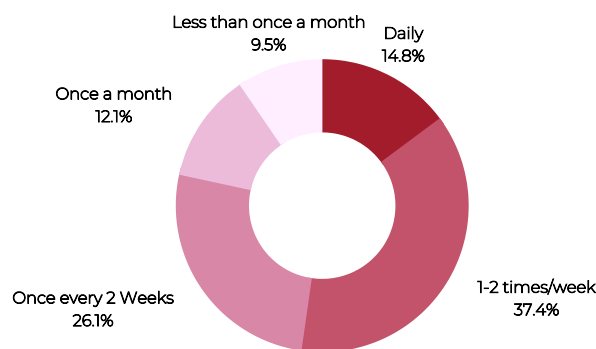
Maximum size of an application the high-income group is comfortable downloading for an app-based business application

3. Quantifying the Degree of Consumer Comfort

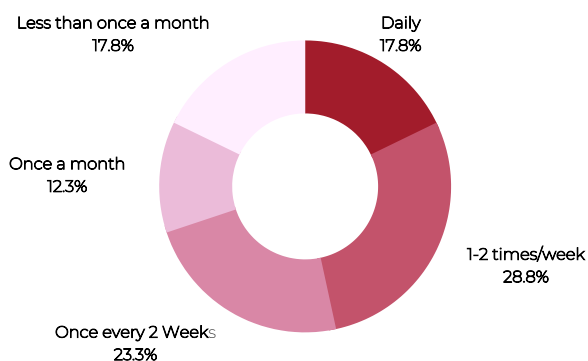
The respondents were made to choose the maximum number of updates that they find acceptable in a given period of time

Results & Findings:

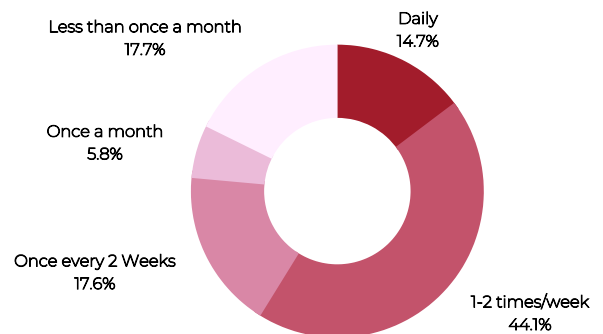
a. 20.57% of the survey respondents including 14.9% of the Generation Z respondents, 46.9% of the Generation Y respondents, and 30.4% of the Generation X respondents were comfortable with application updates occurring every 1-2 weeks, while only 6.25% of all respondents voted that the application should update less than once each month. This depicts a larger consumer body agrees with more frequent updates to enhance the application's functional capabilities. Thus, fortifying the recommendation that businesses update their applications regularly to satisfy and retain their customers.



The frequency of Generation Z's utilization of app-based businesses.



The frequency of Generation X's utilization of app-based businesses.



The frequency of Generation Y's utilization of app-based businesses.

4. Understanding importance of customer-care features

The respondents selected the top three customer-care features, from a list of features, that they consider most important in maintaining a favourable app usage experience.

Results & Findings:



Confirmation emails/messages



24/7 Helpline

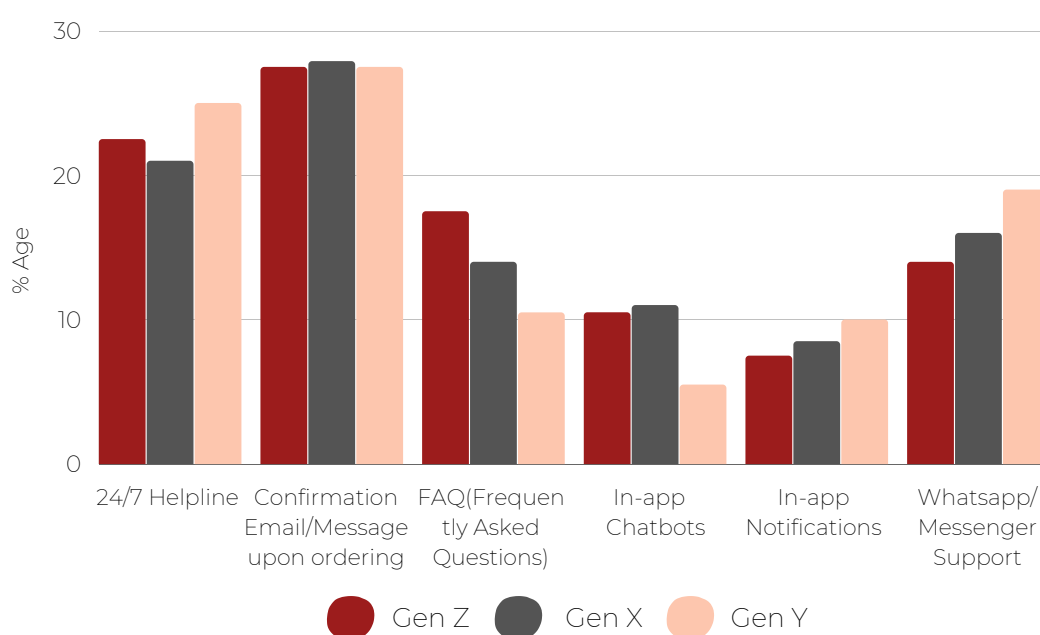


WhatsApp/Messenger support

a. The above features are ranked in order of preference. FAQ sections appear to decline in popularity as age increases from 17.6 % for generation Z to 10.7 % for generation X. Similarly, generation Y prefers WhatsApp/messenger support at the expense of in-app chat bots.

b. In-app notifications seem to be preferred equally across all age-groups, ranging between 7.5% and 10.1%. Thus, businesses should develop the 3 main features - confirmation emails/messages, 24/7 helpline and WhatsApp/Messenger support - for all targeted demographic and priorities the rest based on the predominant age group of their user base.

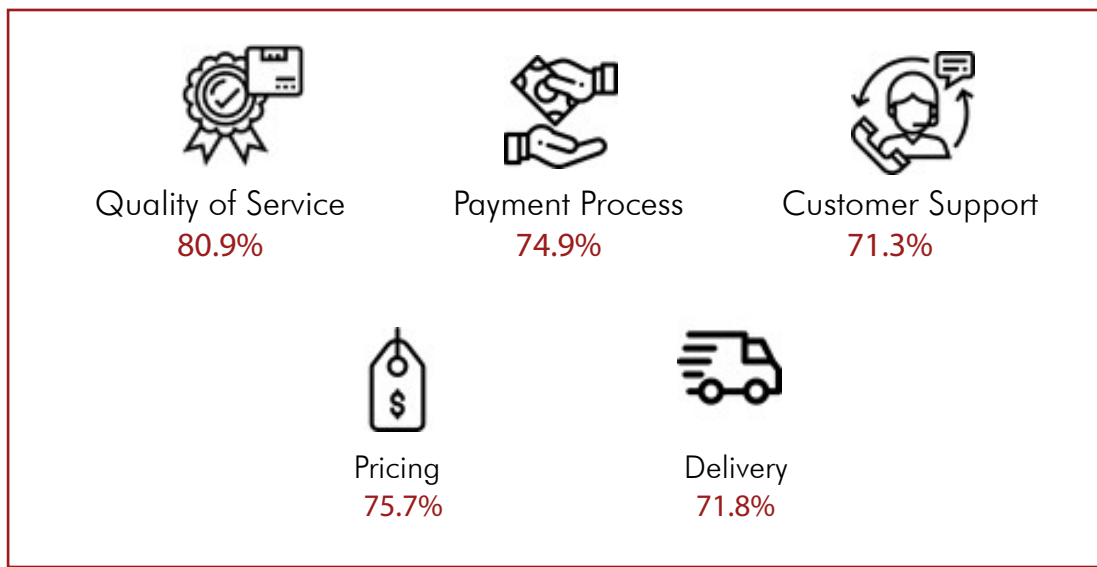
Factors Influencing Downloads for Gen Z.



5. Assessing the Importance of Business Application services features

The following factors were rated in terms of importance, on a scale of 1-5:

1. Delivery
2. Pricing
3. Customer Support
4. Quality of Product
5. Smooth Payment Process



Results & Findings:

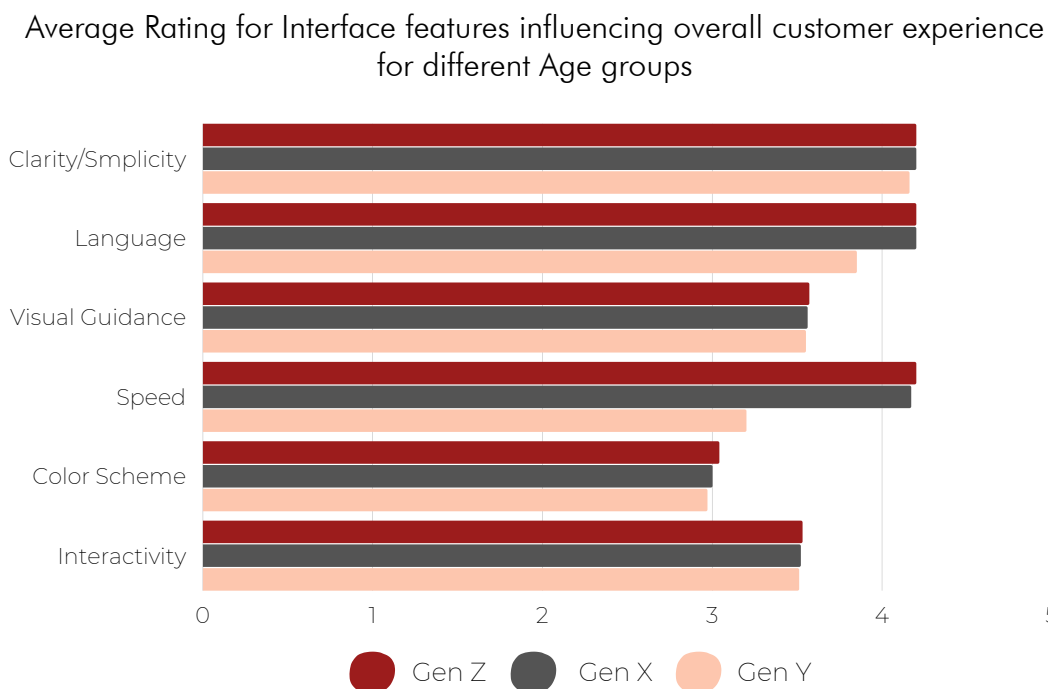
a. Percentages above represent how customers perceive all of these factors as triggers when deciding which factors are the most important parts of a business service. At least 70% people believe that every factor is important in a business product, hence showing that app-based businesses cannot compromise on any of these features.

6. Application interface and impact of its features on customer experience

The respondents were asked to rate the application interface features on a scale of 1 - 5.

Results & Findings:

- a. The graph below shows that different age groups showed similar insights portraying that age is not a differentiating factor when analysing application interface.
- b. On average, the colour scheme showed the lowest rating depicting least relevance in customer experience. The average rating for the importance of colour in an app was given as 2.97 by Gen X whereas Gen Z gave it a rating of 3.01.
- c. Speed and Clarity were the most important factors in all age groups. Thus, the businesses need to lay more focus on optimising the speed of apps and providing a clear and user-friendly app usage experience.

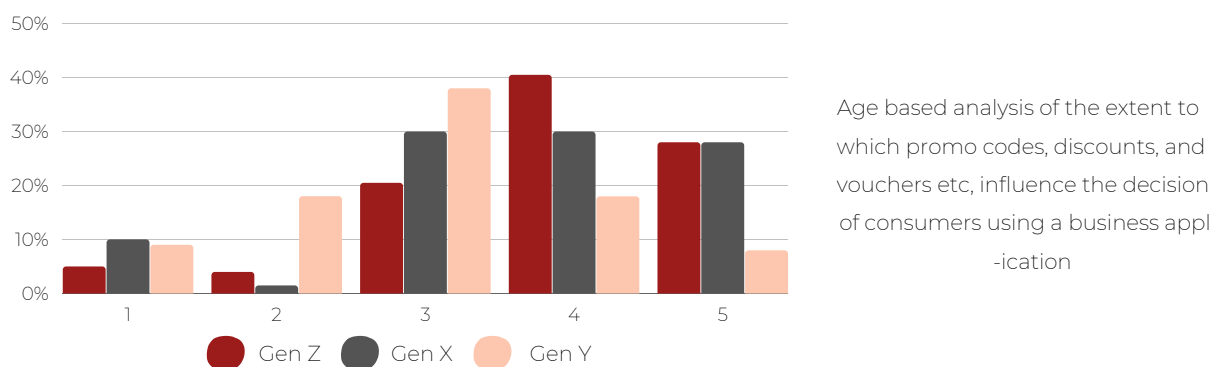


7. Understanding the significance of promo codes, discounts, vouchers etc.

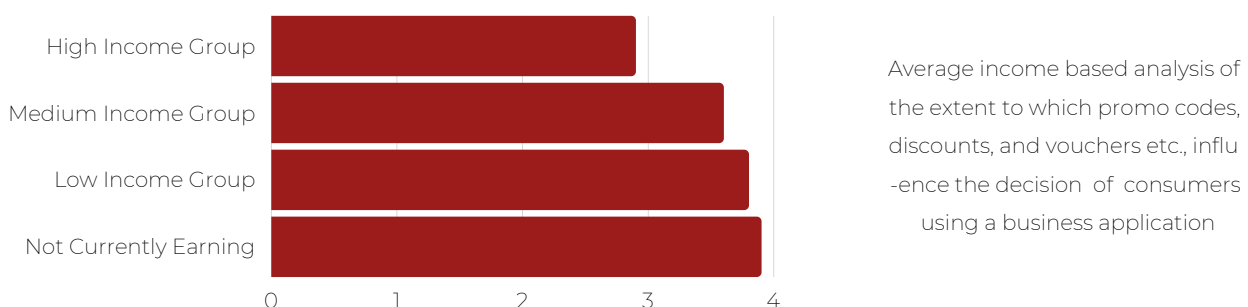
The respondents rated on a scale of 1 - 5, the extent to which promo codes, discounts, and vouchers, etc., influence consumer decision to use an app more than once.

Results & Findings:

- a. Across all 3 generations the average rating given is 3-3.5 which showcases the level of importance that is given to promo codes, discounts, and vouchers. Therefore, app based businesses could definitely make use of promo codes, discounts and vouchers as a means of incentivising the consumer base to install and use their apps.
- b. Generation Z in comparison with Generation X and Y is the most receptive towards promo codes, discounts and vouchers as around 70% of the respondents have given a rating of 4 or 5. Therefore, app based businesses should target Generation Z when marketing or launching promo codes, discounts and vouchers.



- c. In an income-wise analysis, there is a general trend of the average rating increasing from the 'high income group' to the 'not currently earning group'. The average ratings given by the 'low income group' and the 'not currently earning group' are nearly equal. Therefore, the app based businesses could benefit more by offering promo codes and discounts to 'lower-income' or 'not currently earning' groups.



8. Factors influencing consumers decision to delete applications

The respondents selected all those factors from the list below that might make them delete certain applications. The top 5 factors selected by the respondents are chosen for further analysis.

Factors:

1. The app was missing features I needed
2. The app was confusing to use
3. I experienced bugs
4. The app crashed frequently
5. The app was no longer trendy
6. The app was no longer useful
7. The application's new update took too much space
8. I found a better alternative
9. The app was visually unappealing
10. None of my friends/family members use it now

Results & Findings:

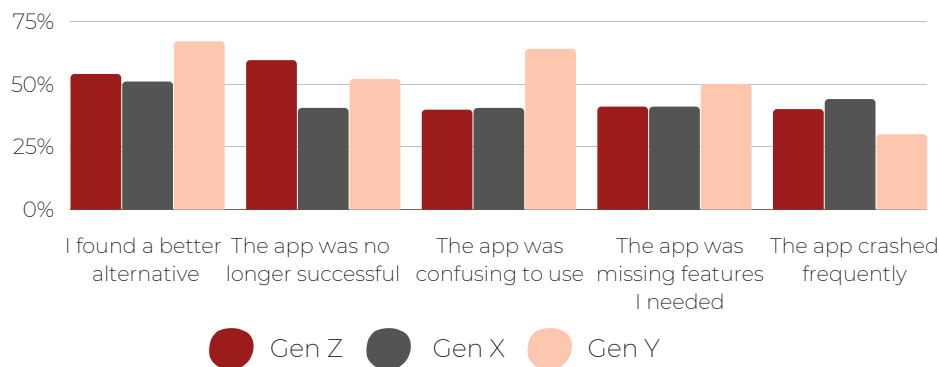
a. The top most selected options by all age-groups included 'I found a better alternative' (59.7%), 'The app was no longer useful' (58.9%), 'The app was confusing to use' (46%), 'The app was missing features I needed' (45.5%), 'The app crashed frequently' (41.1%). Therefore, app based businesses should focus most on these 5 factors to ensure that consumers do not delete their apps.

b. The 3 factors selected by less than 20% of the respondents included 'The app was visually unappealing' (19.3%), 'The app was no longer trendy' (13.9%) and 'None of my friends/family members use it now' (12.7%). Therefore, app based businesses should focus least on these 3 factors when working towards ensuring that consumers do not delete their apps.

c. Around 68% of the respondents belonging to Generation X chose the factor 'I found a better alternative' and around 65% chose 'The app was confusing to use' as the major reasons for deleting previously installed business apps. Therefore, app based businesses when targeting Generation X should ensure that the app is straightforward and user friendly whilst maintaining their position in the market.

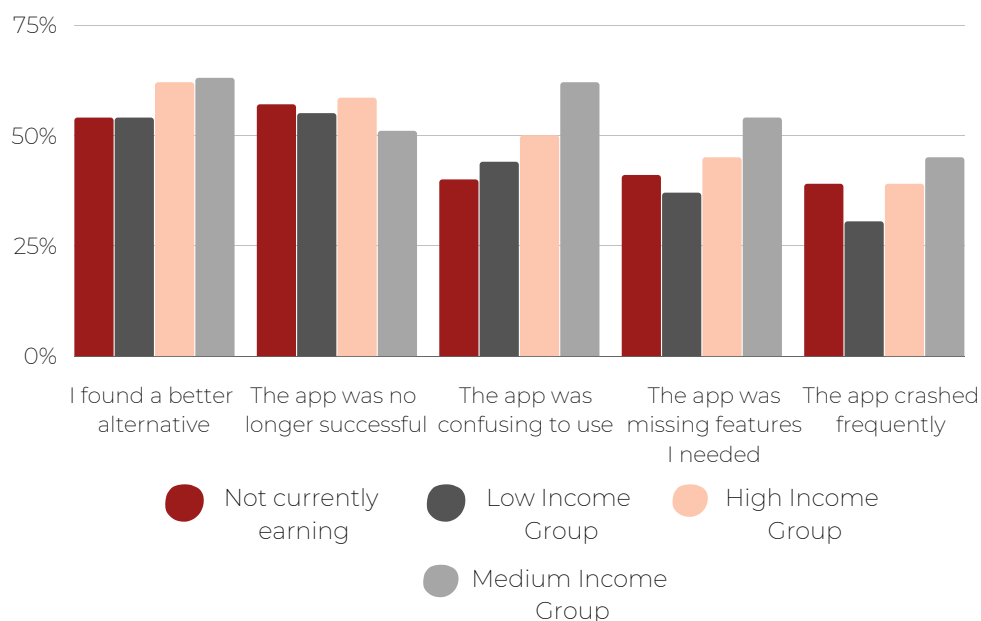
d. Around 59% of the respondents belonging to Generation Z chose the factor ‘The app was no longer useful’ as the major reason for deleting previously installed business apps. Therefore, app based businesses when targeting Generation Z should ensure that the app maintains its utility.

Age based analysis of why consumers chose to delete any business applications they had previously installed.



e. There is an increase in the selection of the factor ‘The app was confusing to use’ as a reason for deleting the business app along the 4 income groups in an ascending order from the ‘Not Currently Earning Group’ to the ‘High Income Group’. Therefore, app based businesses should be mindful of ensuring their app is straightforward and user friendly especially when targeting higher income earning consumers.

Income based analysis of why consumers chose to delete any business applications they had previously installed



Limitations and constraints

1. Only 8.3% of the respondents belonged from the 26-40 age group, creating an imbalance between the students and the working population. This problem is further explained by how 63.8% of the respondents were students.
2. Only 5% of the respondents used B2B apps like Dastgyr, Bazaar, etc., depicting a strong inequality between users using B2C applications and users using B2B applications.
3. Only 0.2% of the respondents belonged to the 14 and below age category.
4. Owing to the conventional mobile layout of google forms, a few respondents stood unaware of the availability of more than two ranking options in certain questions.

MEET THE TEAM

Momina Malik - Team Member

I am a rising sophomore enrolled in SDSB, pursuing Accounting & Finance (I hope). During this past year, I have worked in the learning and development department on the consolidation, deployment, and refinement of knowledge within LCG. Apart from that, I am a cricket fanatic (our KuchKhaas team can vouch for that), and I am deeply passionate about gender egalitarianism. When I am not busy cracking lame jokes, you're most likely to find me in a basketball court.



Hamza Tariq - Team Member

I am a rising Junior, pursuing a major in Economics, also hoping to complete a minor in Computational Finance (Read: Hoping). The pressure to be witty and funny here is too much so I'll just write a little bit about myself. I served as the Assistant Director of Operations here at LCG this year. I also had the honour of serving as the engagement head for the only in-person engagement at LCG this year: Dastgyr. Outside of LCG, I am a Fantasy premier league champ (finished 81st in Pakistan) and love football. I am also a part of Lums Football, and my other interests include watching anime and trading in the Pakistan stock exchange.



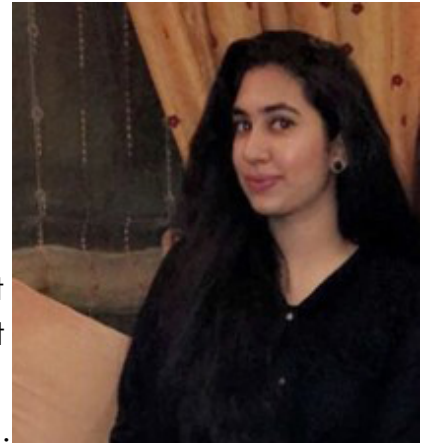
Shahmir Ahmad - Team Member

I am a Sophomore student at LUMS intending to major in Economics. At my time in the LUMS Consultancy Group, I have worked extensively on knowledge creation within the society as part of the Learning and Development department. Beyond that, I am deeply passionate about debating and public speaking, and am an avid cricket fan.



Zainab Ashraf- Team Member

I am doing the BA & LLB (Hons) degree from LUMS and am about to start my 1st year at law school. I have been serving as the marketing department manager in LCG and have worked towards establishing successful partnerships and affiliations with MNC's and consultancy firms. I have also worked as an associate consultant on an engagement with credit book, securing a bonus per immense client satisfaction. Aside from LCG, I am highly interested and passionate about debates, mootings, and community service.



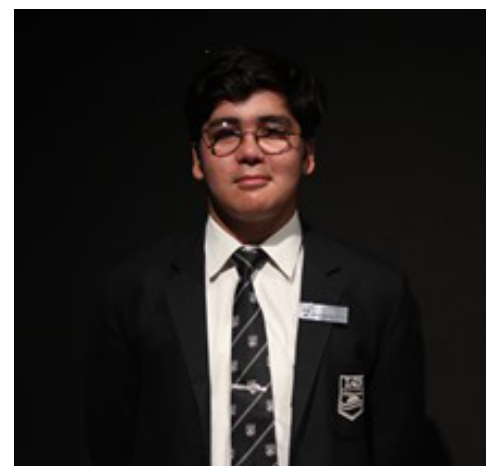
Sufyan Shahid- Team Member

I am a rising sophomore in HSS and thinking of pursuing an economics degree. Being in this project, as a team member was very unique, it was more fun than having to feel a burden on one's self. I also worked on the credit book engagement as a team member. Recently, I got interested in digital marketing because the more the pandemic, the more the world goes towards online setup. Besides this, I am fond of cars, and at the end, I am always looking towards challenges.



Ahmad Hasan Cheema - Team Member

I recently completed my first year from LUMS and my academic interests vary greatly between economics, politics and English. Hopefully, my major will be somewhere between those 3 fields. At LCG I have been part of a tireless Operations department and the KuchKhaas engagement team, both of which have been invaluable learning platforms for me. My non-academic interests, much like the academic ones, vary a lot, between cooking, music, and reading. Like Hamza I also follow football fanatically (even though I finished a much more modest, 125th in FPL), and have been plagued by recent Champions League heartbreak.





Muhammad Ali Siddiqui - Media & Branding

I am an aspiring management scientist, who loves to analyse businesses and have a great passion for entrepreneurship & consultancy and have spent a lot of my time with incubated start-ups. Besides, graphic designing is a tool that I am proficient with, and hence, I am a part of the Media team at LCG, Shah Jewellers, and some other companies. Other than that, I love to play the guitar, and remain fit through running, or travelling.

Zain Shan - Media & Branding

Hi, I'm a sophomore at LUMS intending to major in Econ/Pol. During my time at LCG, I refined my digital artistic skills in the Media & Branding department and met wonderful people who helped me develop professionally as well as personally. Other than that, I have an interest in the history and politics of the world in the hope to unravel the underlying aspects that drive our world. I'm also an avid music listener but too lazy to discover new music.



Safwan Ghani - Project Head

I am a sophomore at LUMS with an intended major in Economics. During my time at LCG, I have worked with a sustainable housing startup helping them acquire sustainable financing. Furthermore, I also want to analyze and engage with emerging Fintech startups in Pakistan. Outside of LCG, I have worked extensively with a B2B e-commerce startup in its seed round and currently working with a rising Fintech startup in Pakistan. I also love to cook, and my YouTube feed is filled with recipe videos for famous, and really delicious Italian dishes.



Sumayah Noor - Project Head

You've met my team by now and you must be thinking 'what a wonder team it is!' You're 100% right.

I am Sumayah Noor, a rising junior, majoring in Sociology and Anthropology. You will always find me working on or thinking about some new initiative. I am always too eager to put my ideas into reality and I love keeping myself occupied. I run an e-commerce clothing line and lead an Ed-tech project. I am also extremely patriotic at heart and I wear a Pakistan badge everywhere.

