

**COVID-19:**

***the CX Impact***

WHITE PAPER - SITEL GROUP

sitel.com

 **sitel**  
group

# *In this white paper...*

<b>1</b>	<b><i>The laws of brand attraction</i></b> .....	<b>03</b>
<b>2</b>	<b><i>Is time on your side?</i></b> .....	<b>04</b>
<b>3</b>	<b><i>A web of intrigue</i></b> .....	<b>05</b>
<b>4</b>	<b><i>Time to act</i></b> .....	<b>07</b>
<b>5</b>	<b><i>Is it the end of apps?</i></b> .....	<b>08</b>
<b>6</b>	<b><i>Help your customers help themselves</i></b> .....	<b>09</b>
<b>7</b>	<b><i>The human touch</i></b> .....	<b>10</b>
<b>8</b>	<b><i>Conclusion</i></b> .....	<b>11</b>
<b>9</b>	<b><i>Key findings</i></b> .....	<b>12</b>
<b>10</b>	<b><i>Further reading</i></b> .....	<b>17</b>

# 1 The laws of brand attraction

If your organization is serious about acquiring and retaining customers, the time for competing simply on price to attract attention has come to an end. Money may not be able to buy you brand love – but investing in an end-to-end customer experience (CX) can.

CX - the emotional sum of the interactions your customers have with your brand, from discovery to post-purchase support - and beyond - is now the biggest driver of engagement, loyalty and advocacy and, of course, increased customer lifetime value.

This is the headline finding from Sitel Group's COVID-19: the CX Impact study. Even with the disruption of a global pandemic, consumers prefer doing business with companies that can make and maintain positive connections - 38% of consumers are ready to pay more for a product or service if it means receiving a superior customer experience, while 73% of respondents are prepared to sever ties with a brand after a single poor experience.

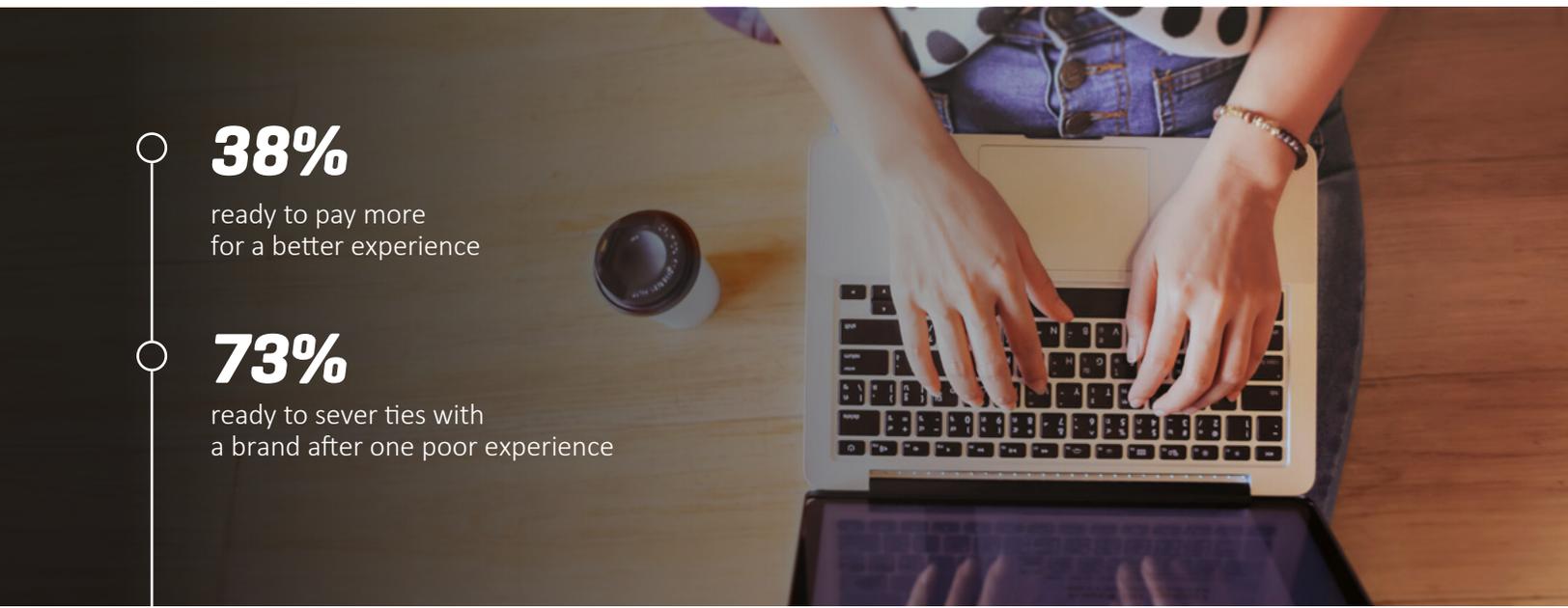
Because of our unique position as a global leader in end-to-end CX management, when the coronavirus

began to spread, we were well placed to study its impact on customer behavior and derive actionable insights to help brands deliver a value-adding customer experience as they transition to a post-COVID-19 world.

Our COVID-19: the CX Impact study combines findings from surveys we commissioned (in the U.S. and the U.K.) both before and during the pandemic. By combining the findings with our existing insights we can present a clear picture of how COVID-19 is reshaping the customer experience and how the restrictions implemented to curb the spread of the virus may impact on consumer habits over the months and years to come.

Armed with the insights shared in this white paper, organizations can identify:

- the right steps to take to deliver the experience customers expect in a post-COVID-19 world
- the optimum use of resources
- the best technologies to deploy



**38%**  
ready to pay more  
for a better experience

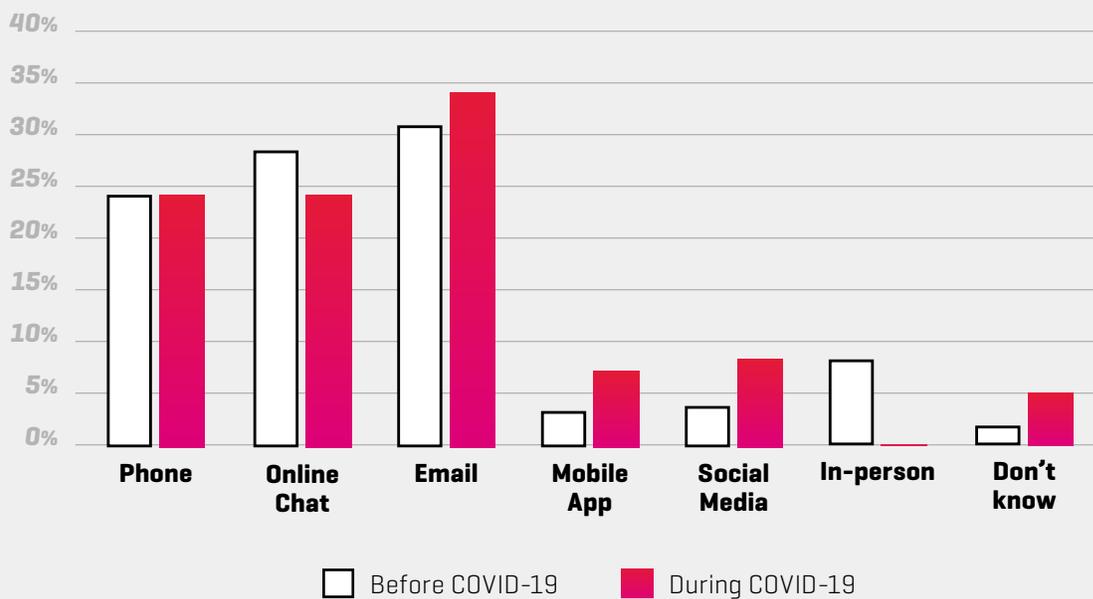
**73%**  
ready to sever ties with  
a brand after one poor experience

## 2 *Is time on your side?*

COVID-19 is changing what constitutes a positive CX. When asked to define the qualities that meet their needs now, consumers are placing a premium on convenience, ease and speed. In a world that's always on and always connected, time has become the most valuable commodity and the benchmark against which your brand will be judged. This is why customers are

hanging up on the phone when resolving issues – 78% of U.K. and 65% of U.S. consumers now prefer connecting with brands via digital channels to resolve issues, and why the speed, convenience and round-the-clock availability of chatbots, knowledge bases and how-to guides are driving consumers towards self-service.

### Preferred communication channel



Our study reveals that, as companies begin to navigate away from the uncertainty of coronavirus and towards a new normal, the route to take is clear: businesses need to plot a course straight to their customers. At a time when everything is complex and life is anything but easy, less effort and more ease will bring you closer to your customers.

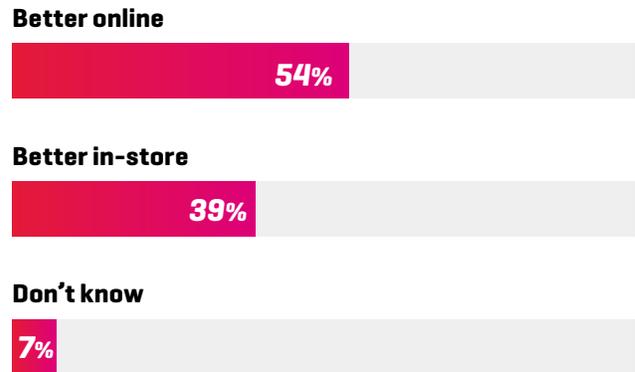
Your customers want you to assume this journey. Our findings show they understand COVID-19 presents challenges for all businesses. They're willing to support you and even reward you for your efforts – but only for so long. This is a powerful opportunity but is also a limited time offer. Brands must act now if they want to build a CX that boosts the bottom line.

# 3 A web of intrigue

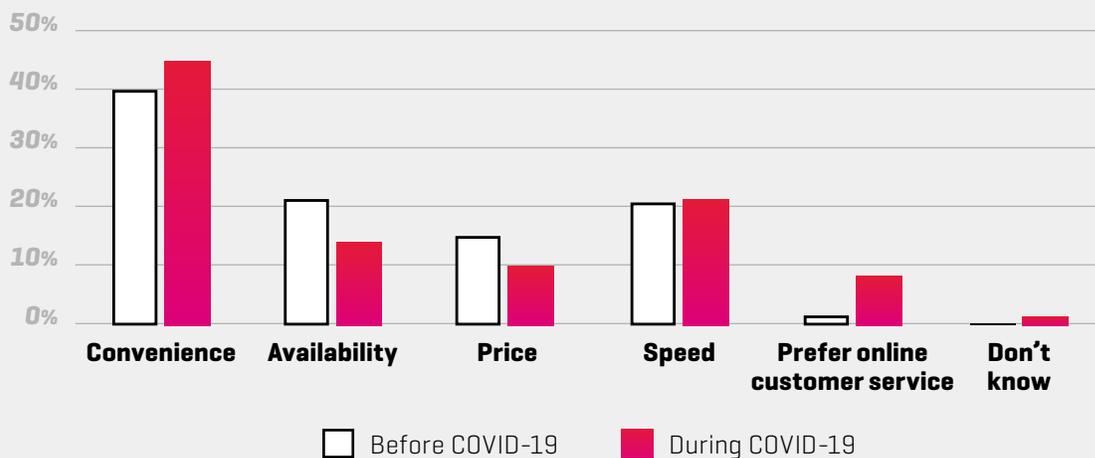
During the first quarter of 2020, ecommerce accounted for just 11.8% of total U.S. retail sales<sup>1</sup>. Across Europe where online retail is more established, it still only accounts for 19%<sup>2</sup> of all retail in the U.K. Yet, when it comes to customer satisfaction, online retailers were outperforming their brick-and-mortar peers, even before COVID-19 started driving consumers online for everyday purchases.

When we initially surveyed the U.S. and U.K. public at the beginning of March (before COVID-19 was designated a pandemic), 51% of American and 57% of U.K. respondents said they enjoyed better experiences when shopping online - a figure in line with our 2018 findings. Likewise, when asked to identify the biggest single advantage from a CX standpoint, 40% singled out convenience while 21% focused on speed and 20% availability, compared with just 15% that said price was a deciding factor in their preference for online shopping.

## Which offers the best shopping experience?



## What makes the online shopping experience better?



As coronavirus took hold, and with it the introduction of social distancing, lockdowns and the suspension of all but essential businesses, there was a wholesale

online migration – with 76% of consumers saying they moved to the web to shop for items they typically would have purchased in-person.

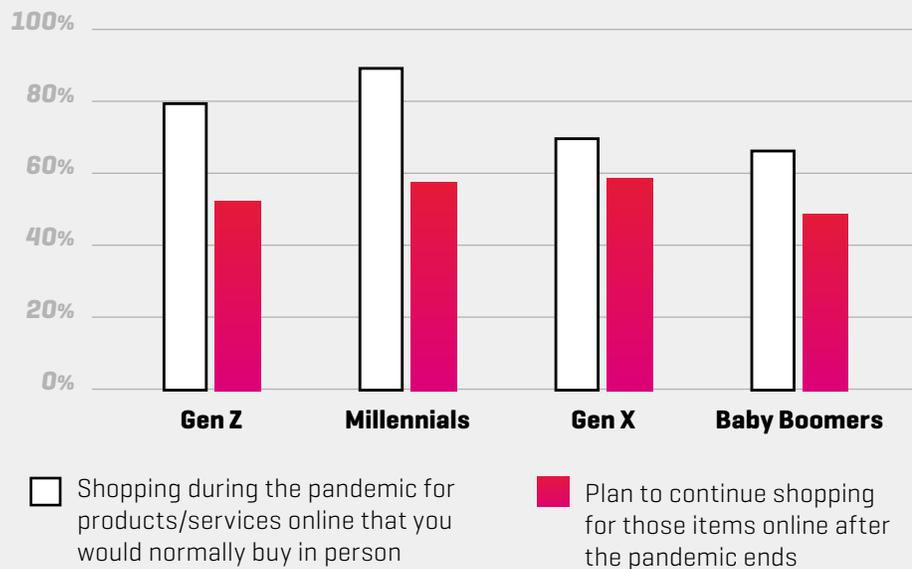
<sup>1</sup> U.S. Census Bureau Q1 2020  
<sup>2</sup> U.K. Office for National Statistics December 2019

However, more dramatic than this shift in consumer behavior is the fact that 57% of those that have started shopping online due to COVID-19 now intend to keep doing so once the pandemic ends – making the change permanent.

Spikes in online retail traffic are historically driven by holidays, such as Thanksgiving or Christmas, and are concentrated on specific goods and products. But the coronavirus pandemic has not only driven a large percentage of the population online it's doing so for a much wider selection of goods and services, exposing consumers to a potentially better CX that will become the benchmark against which future brand interactions are measured.

Online retailers need to think carefully about how to retain these new customers who may have a significantly different profile to the existing customer base, particularly in terms of onboarding and ongoing engagement. For instance, pre-pandemic, a majority of American baby boomers expressed a preference for the in-store customer experience (47% v 43% for online shopping). While 46% of this cohort that have moved online for shopping now intend to keep using ecommerce, 31% said they're not certain. Online retailers can help overcome this uncertainty by remapping their customer journeys and looking for potential friction points.

### The move to online shopping



Of the consumers who have overcome the initial online hurdle and intend to keep shopping through digital channels when the pandemic passes, greater convenience (45%), speed (22%) and availability (14%) were the top reasons given for maintaining this new behavior.

The findings of this study act as a blueprint for brick-and-mortar retailers looking to rebuild their customer experience and entice consumers back post-COVID-19. Now is the time to reassess the business from the

customers' perspective and identify areas to improve convenience and speed. In this respect, some brands are already making headway. The service or measure consumers most appreciate since the pandemic began (cited by 53% of U.S. consumers and 43% of U.K. consumers) is Click and Collect or Buy Online Pickup in Store (BOPIS). This is a service that combines the speed of online ordering with the convenience of same-day collection and creates a unique experience that can only be provided by brands that boast a physical presence.

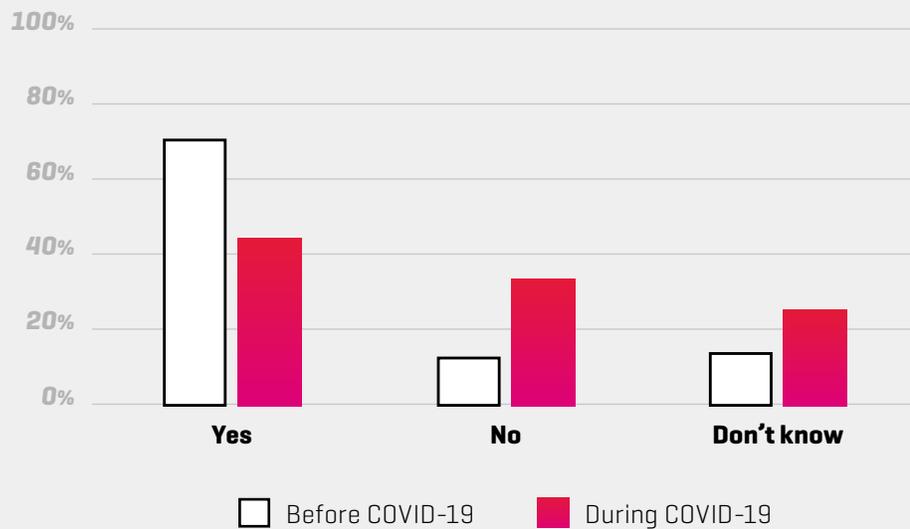
## 4 Time to act

The virus has stretched most organizations' resources and negatively impacted their ability to help customers resolve issues quickly – 22% of respondents who had submitted a complaint during the pandemic said that the issue was yet to be resolved – a 37.5% increase compared with pre-pandemic levels.

Yet despite this spike in unresolved issues, during the pandemic instances of customers leaving negative

reviews and of severing ties with companies due to a poor CX actually fell – just 14% of consumers said they'd publicly shared a negative experience with a brand (down from 40% in March), while fewer than half (43%) of respondents would consider taking their custom elsewhere due to a sub-standard customer experience (down from 73% of respondents surveyed in March).

### % of consumers who would stop doing business with a brand due to poor CX



It's clear that customers understand the unique set of circumstances currently facing brands, meaning organizations are experiencing a state of grace. Just 6.6% of U.S and 10.6% of U.K. respondents said their opinion of brands had changed for the worse as a result of their actions in relation to coronavirus. However, as time progresses, expect patience to begin wearing thin.

For this reason, now is the time to act. Traditionally, customer demands and expectations change faster than organization's ability to deliver. COVID-19 may

be accelerating some of those changes but because consumers understand how the situation is impacting on brands' ability to serve, this situation also provides an opportunity for companies to make up the CX distance.

Just as important, this is a moment for companies to examine their business resiliency. There is every possibility the coronavirus could cause further disruption in the months to come. This in turn could mean the reintroduction of movement and even business restrictions.

## 5 Is it the end of apps?

With a score of just 3.2%, consumers placed companies' own mobile apps dead last as their channel of choice for connecting with brands for general inquiries.

For years mobile apps have been a means for brands to deliver a heightened and tailored user experience but UX does not equate to CX. Since 2017, the top 500 global brands with mobile apps have been reaching and engaging with 2.2 times as many consumers via their mobile websites<sup>3</sup>.

This doesn't mean that apps are dead, but it does mean rethinking mobile strategy as part of an omnichannel approach to ensure your organization is where your consumers are when they need to engage. Our data shows consumers are migrating away from the phone and apps as their channels of choice. For instance, 17% of U.S. and 13% of U.K. Gen Z respondents want to use social media to converse with organizations.

And these changes in preference are happening at pace. In our 2018 CX Index report, voice was the most popular channel, cited by 28% of respondents. Post-COVID-19 that figure has dropped to 23%. Over the same period, live chat has gone from being the

channel of choice for 19% of consumers to being the preference of 28% of consumers, second only to email.

Therefore, creating a dedicated presence within the world's leading social networks and focusing on supporting the use of messaging apps as an alternative to a dedicated branded app could pay dividends.

Globally, consumers spend 50% of all in-app time using social or communications apps<sup>4</sup>. The average American adult now spends two hours and 11 minutes a day on the major social networks<sup>5</sup> while at the same time the popularity of messaging apps is increasing rapidly. U.S. consumers are spending 24 minutes a day using apps like WhatsApp - a four-minute increase from 2019<sup>6</sup>.

Leveraging messaging apps would enable a brand to support both synchronous and asynchronous forms of communication and offer a means of not just maintaining a connection with customers; but, ensuring that connection feels personal and personalized. Over half of all respondents (53%) want personal, customized brand communications.



**50%**  
the percentage of in-app time consumers spend using social or communications apps

<sup>3</sup> ComScore The 2017 U.S. Mobile App Report

<sup>4</sup> App Annie The State of Mobile in 2020

<sup>5</sup> eMarketer Time Spent with Social Networks U.S. 2018-2022

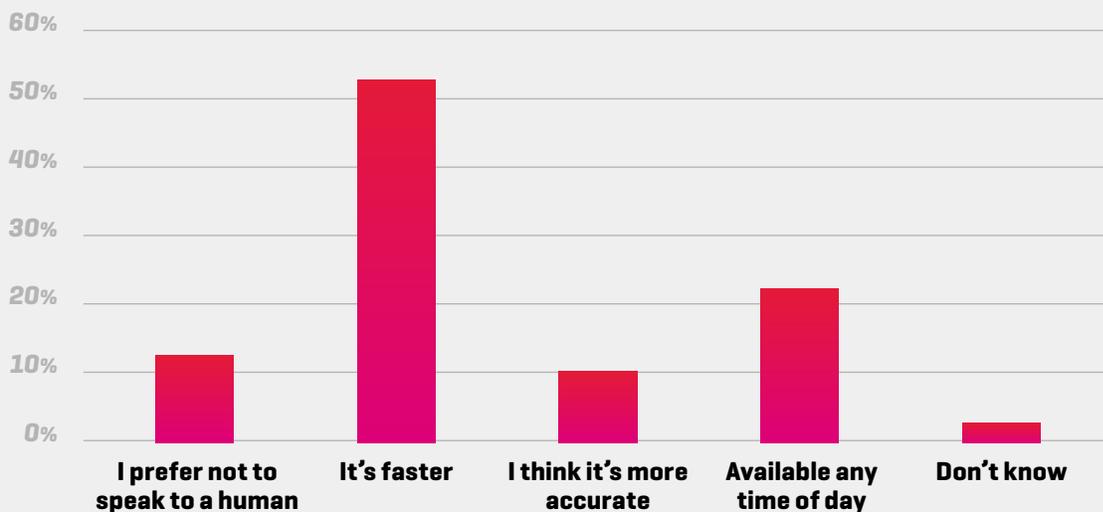
<sup>6</sup> eMarketer Mobile Messaging Apps; Average Time Spent in the U.S. 2018-2022

# 6 Help your customers help themselves

The level of customer demand for self-service solutions has been a constant in our data since our inaugural CX report in 2018. For 35% of all consumers (and 42% of Gen Z and millennials), being able to find an answer to a question or resolve an issue for themselves when they encounter a problem with a product or service is a crucial element of the customer experience.

And again it comes back to ease, convenience and saving time – 53% of consumers that want a self-service option want it because they believe it is faster than using any other channel and 22% are looking for a service or solution that’s always available, day or night, rather than during typical business hours.

### Why consumers prefer self-service solutions



Therefore, organizations should make developing and deploying a cohesive self-service strategy a CX priority. Consumers are ready and waiting for the intelligent use of digital assistants such as chatbots and voicebots – back in 2018, 35% of U.S. adults we surveyed were already confident a chatbot could understand and resolve their issue. In October 2019 when we interviewed the U.S. population about the role of artificial intelligence (AI) in improving CX and reducing the risk of fraud, 21% of consumers indicated they were happy to start using voice assistants such as Amazon Alexa as way of engaging with brands.

Meanwhile, in the U.K., a much higher proportion - 41% - of all consumers want self-service options. Combining these technologies with searchable knowledge bases and even branded online communities to handle common issues and typical contact drivers will reduce inbound call volumes and traffic to other live channels. This will actually drive costs down while improving CX for all customers, regardless of their channel of choice.

## **7** *The human touch*

As COVID-19 has so aptly demonstrated, there will always be moments of truth, where a customer needs to engage with a real person who has the necessary emotional intelligence and empathy. Even as consumers move away from voice as their channel of choice for interacting with brands – just 23% of respondents prefer reaching for the phone, down from 28% in 2018 – the human touch is still an invaluable element of customer experience.

Whether the conversation is via email, chat or on the phone, 87% of consumers still feel connecting

with a live customer representative is the best way of resolving a critical issue. This need for human understanding and emotional reassurance underlines the necessity for embracing intelligent contact deflection and routing technologies so that those moments where a direct interaction between a customer and an agent will add value to the brand and add value for the customer are prioritized and can happen quickly.



**87%**

of consumers want to connect with a human to resolve critical issues



## 8 Conclusion

The disruption COVID-19 has created would have been unthinkable, even several months ago. It's forcibly changing consumer behavior and buying habits, causing companies to totally reimagine their traditional approach to work and has led governments around the globe to introduce extraordinary measures to protect their people, their economies and their countries.

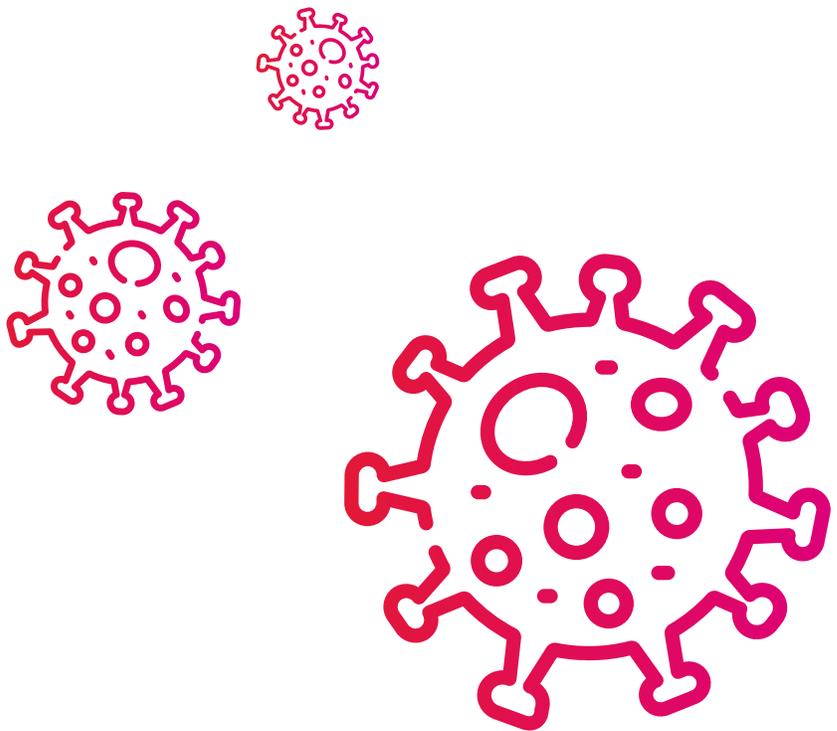
However, even in the midst of a pandemic, consumers are focused on and value emotional connection. They are seeking out brands that understand and can cater to their needs and are actively avoiding those that are judged to have fallen short.

As the immediate threat of coronavirus begins to recede, and as our economies begin to return to a

semblance of normality, the businesses that prioritize customer experience management will be the ones that thrive, rather than survive in the new normal.

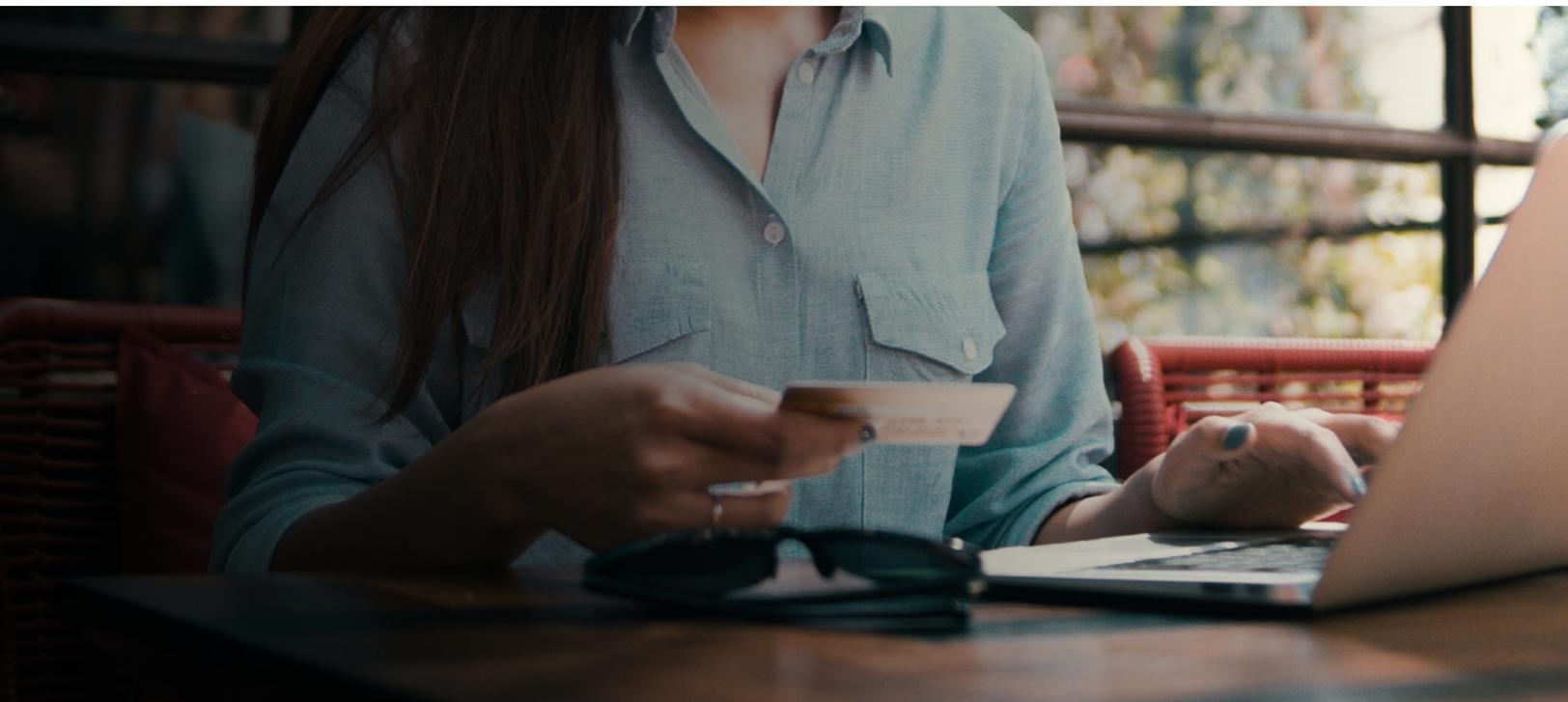
Customer behavior and expectations are constantly evolving. Since the internet ushered in digitalization, interactive experiences and fast, convenient 24/7 services and solutions, what is considered a good CX is redefined on regular basis.

Coronavirus may have moved the goalposts again, but with the findings of our COVID-19: the CX Impact study, forward-thinking brands have a playbook to help guide their investments and develop their customer-centric strategies.



## Key findings:

- **The COVID-19 pandemic has forced consumers online.** Consumers switching to online are recognizing the convenience, speed and ease of use online offers.
- **Consumers will continue purchasing online after the pandemic ends, but only if the experience remains faster, more convenient and offers wider variety.** Both brick-and-mortar and online brands should consider how they will meet these new expectations post-COVID-19 in order to retain new customers or win back those who have experienced the benefits of online.
- **Consumer acceptance and understanding of the challenges businesses face as they respond to COVID-19 will not continue indefinitely.** Brands must act now to build resiliency into their CX, or risk customers choosing to do their business elsewhere.
- **Consumers are increasingly looking to social media as a preferred communication method.** While this remains an emerging channel, the pandemic is encouraging more consumers to use social channels to ask brand questions. Brands must ensure they build an omnichannel experience with consistent and timely responses across all channels.
- **Millennial and Gen Z consumers are especially looking for self-service solutions.** Brands should act now to put these solutions in place, leveraging the opportunity to both deflect calls to more cost-efficient channels and drive customer satisfaction.



## > How customer experience during the pandemic varies by country

Questions	U.S.	U.K.
Shopping during the pandemic for products/service online that you would normally buy in person	79%	73%
Plan to continue shopping for those items online after the pandemic ends	59%	54%
Will continue shopping online after pandemic ends due to convenience	47%	43%
Email as preferred communication method during pandemic	31%	37%
Phone as preferred communication method during pandemic	28%	19%
Would stop doing business with a brand if they received poor customer experience during pandemic	39%	48%
Would rather find the solution themselves online if having trouble with a product/service during the pandemic	30%	41%
Online ordering/curbside pickup has most improved customer experience during the pandemic	54%	43%

U.K. consumers are more likely than their U.S. counterparts to prefer to communicate by email, and less likely to prefer phone-based interaction. U.K. consumers are also more likely to search for the solution themselves online. In addition, U.K. consumers are more likely to stop doing business with a brand if they experience a poor customer experience during the pandemic. This creates an opportunity for brands in the U.K. to leverage self-service solutions, helping to deflect consumers from both email and phone channels and improving customer satisfaction.

U.S. consumers value the benefits of online ordering and curbside pickup more than those in the U.K., where the service is already widely offered by most major retailers. Consumers are likely to want to continue leveraging these services after the pandemic ends. Brick-and-mortar retailers should consider the opportunities this creates to build a hybrid physical/digital retail experience that could attract shoppers back from online only retailers.

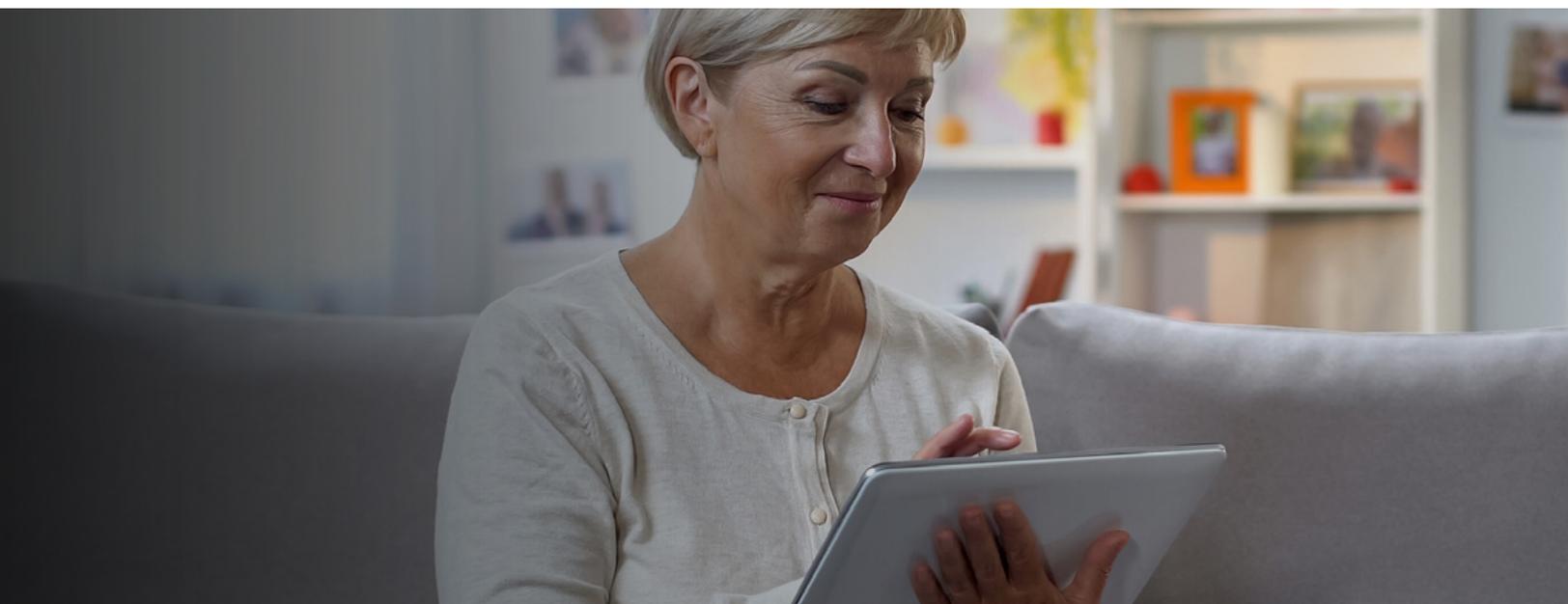


## > How customer experience during the pandemic varies by gender

Questions	Female	Male
Shopping during the pandemic for products/service online that you would normally buy in person	78%	74%
Plan to continue shopping for those items online after the pandemic ends	55%	59%
Will continue shopping online after pandemic ends due to convenience	44%	46%
Email as preferred communication method during pandemic	32%	36%
Phone as preferred communication method during pandemic	24%	25%
Would stop doing business with a brand if they received poor customer experience during pandemic	39%	48%
Would rather find the solution themselves online if having trouble with a product/service during the pandemic	32%	39%
Online ordering/curbside pickup has most improved customer experience during the pandemic	49%	48%

Men are more likely than women to use self-service channels to resolve an issue and are also more likely to stop doing business with a brand if they experience a poor customer experience during the pandemic.

While all brands should be working towards delivering a consistent experience, even in the pandemic, those with largely male audiences should be especially vigilant or risk losing customers.



## > How customer experience during the pandemic varies by generation

Questions	Gen Z	Millennials	Gen X	Baby Boomers
Shopping during the pandemic for products/service online that you would normally buy in person	79%	87%	70%	66%
Plan to continue shopping for those items online after the pandemic ends	52%	58%	59%	49%
Will continue shopping online after pandemic ends due to:	Convenience 37%	Convenience 50%	Convenience 51%	Convenience 44%
Preferred communication method during pandemic	Email 26%	Email 30%	Email 37%	Email 39%
Expect personalized communications	55%	53%	53%	49%
Complained about poor CX during the pandemic	16%	18%	11%	10%
Would stop doing business with a brand if they received poor customer experience during pandemic	40%	35%	31%	36%
Has stopped doing business with a business during the pandemic because of poor CX	17%	21%	15%	11%
Would rather find the solution themselves	43%	43%	32%	27%
Pandemic service that has most improved your CX	BOPIS* 50%	BOPIS* 50%	BOPIS* 48%	BOPIS* 42%
Hold a more positive opinion of brands because of their COVID-19 response	38%	42%	39%	31%

\*BOPIS – Buy Online Pickup In Store

Millennials more than any other demographic have been driven online due to COVID-19, however, Gen X is the group most likely to keep shopping online post-pandemic.

In terms of CX expectations, Gen Z holds the highest standards – 40% said they'd stop doing business, even during a pandemic, with businesses that failed to meet expectations. However, only 17% of Gen Z respondents said that they had actually severed ties >

with an organization due to substandard customer experience – compared with 21% of millennials. Millennials were also the most likely to have made a complaint about poor CX during the pandemic (18%) as had 16% of Gen Z.

While Gen Z is the most technology saturated of all the generations, having been born into a world where technology was all around them, respondents in this demographic group were almost as likely to choose the phone (25%) as they were email (26%) as their channel of choice for engaging with brands.

There is some evidence that this generation prefers face-to-face communications, so it will be important to track how these preferences change and if they adopt the same trends as millennials or decide to go their own way.

The eldest of this cohort are 23 years old today, as this group emerges into the workplace and moves on to peak spending (between the ages of 35 and 55), the way in which this generation leverages technology will be an important consideration for brands who wish to keep pace with consumers constantly evolving needs.



## Further reading

- 2018 CX Index Survey Report
- Phygital Retail White Paper
- Disrupt the Competition, Not Your Customers

## About the Study.

COVID-19: the CX Impact study brings together findings from two surveys conducted in 2020.

The 2020 Customer Experience Index survey was completed March 5, six days before the World Health Organization (WHO) declared a global pandemic. The survey was completed 12 days before the U.S. implemented restrictions on movement aimed at curbing the spread of the virus and 19 days before the U.K. did the same.

The study was completed by 2,000 consumers, 1,000 in the U.K. and 1,000 in the U.S. All participants were 18 years of age or older.

Seeing the impact of COVID-19 restrictions on consumer shopping habits, the survey was fielded again in early May as people were starting to learn to live within pandemic-imposed restrictions. Again, the survey was completed by 2,000 consumers, 1,000 in the U.K. and 1,000 in the U.S. All participants were 18 years of age or older. The second survey was completed on May 2.

Both surveys were carried out on Sitel Group's behalf by Pollfish.

Sitel Group's Customer Experience Index survey was first conducted in 2018.

## About the Study Sponsor.

Sitel Group's 90,000 people across the globe connect many of the world's best-known brands with their customers - 3.5 million times every day. As a global customer experience (CX) management leader, we apply our 35+ years of industry-leading experience and the entrepreneurial spirit of our group's founders to deliver omnichannel experiences through voice, chat, social media and more to customers of our 400+ clients across all verticals – from Fortune 500 companies to local startups.

Our group's breadth of capabilities – powered by our ecosystem of experts including innso, Learning Tribes, Sitel, Sitel Insights and TSC – go beyond business process outsourcing (BPO) to support every stage of the customer journey. We are redefining the contact center and improving business results by pairing innovative solutions – such as self-service and automation – with the human touch, emotion and empathy of our people.

As a CX platform, we are powered by experts to deliver tailored CX solutions to fit our clients' needs through our consultative, customer-centric approach adding value at every touchpoint - regardless of location, channel or time of day.

Learn more at [www.sitel.com](http://www.sitel.com) and connect with us on Facebook, LinkedIn and Twitter.



[sitel.com](http://sitel.com)