

Redefining Customer Experience in the New Normal

**CX is what makes the brand
successful today!**



People's lives have been strongly affected by the **COVID-19** pandemic. Lockdowns, remote work, concern for friends and family, and juggling childcare have all been challenges, albeit in different ways.

Hence, the survey was taken between December 2020 and April 2021 with thousands of U.S. consumers to know how the **COVID-19** pandemic affected their health, happiness, and social and professional relationships.

"**Redefining Customer Experience in the New Normal**" explores how people's feelings and expectations have changed during the pandemic and how that made companies engage with their consumers.

People's sense of connection to others has been greatly influenced by "**pandemic life**," They need empathy in both digital and human interactions. With the overwhelming majority of survey respondents stated companies are only as good as their service, it becomes increasingly apparent when building trust and loyalty with consumers.

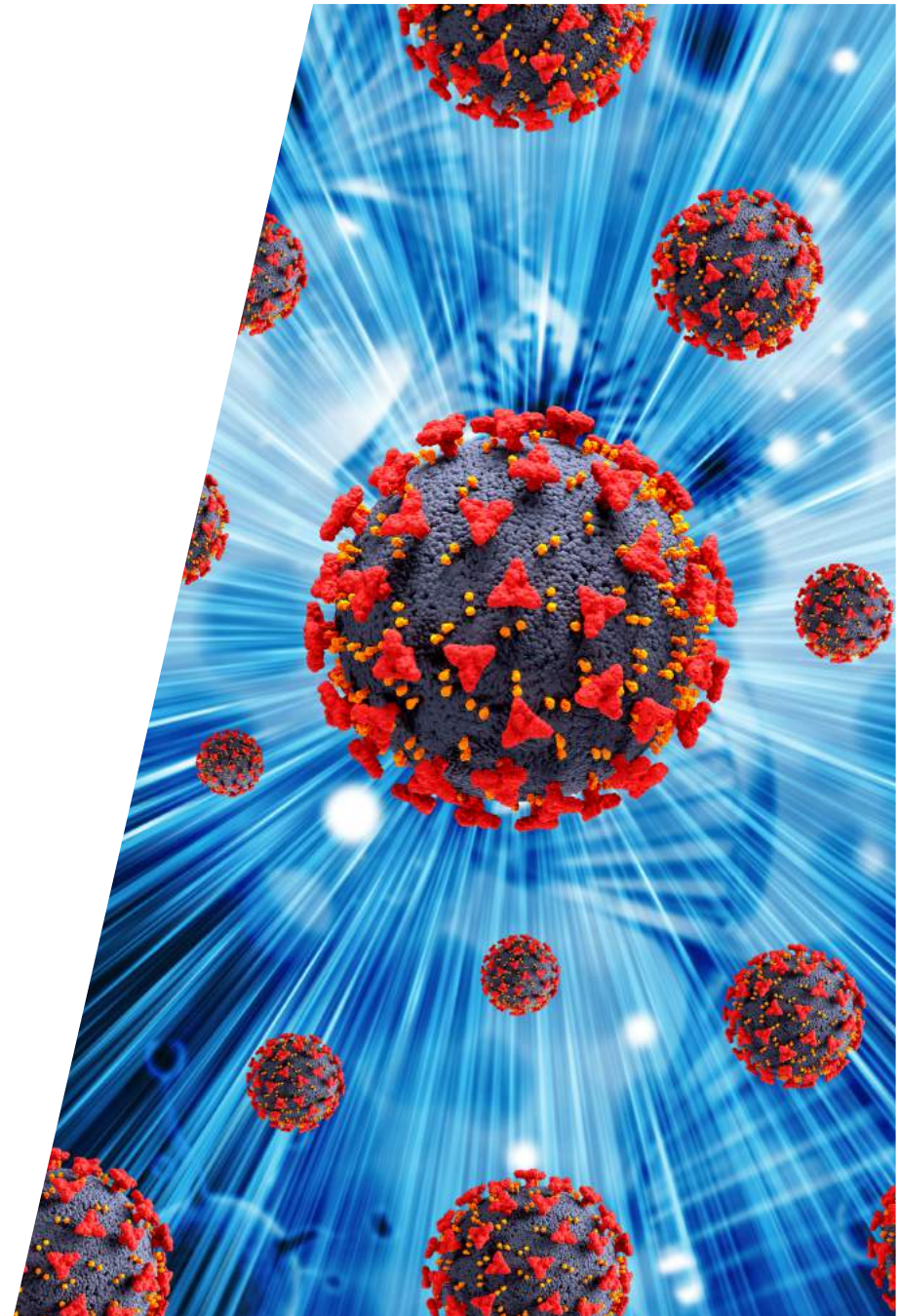


Table of Contents

- 04 Human Interactions During Pandemic
- 07 Impact on health, well-being & the connection
- 15 The New Normal Customer Experience
- 21 Consumer's Customer Service Expectations



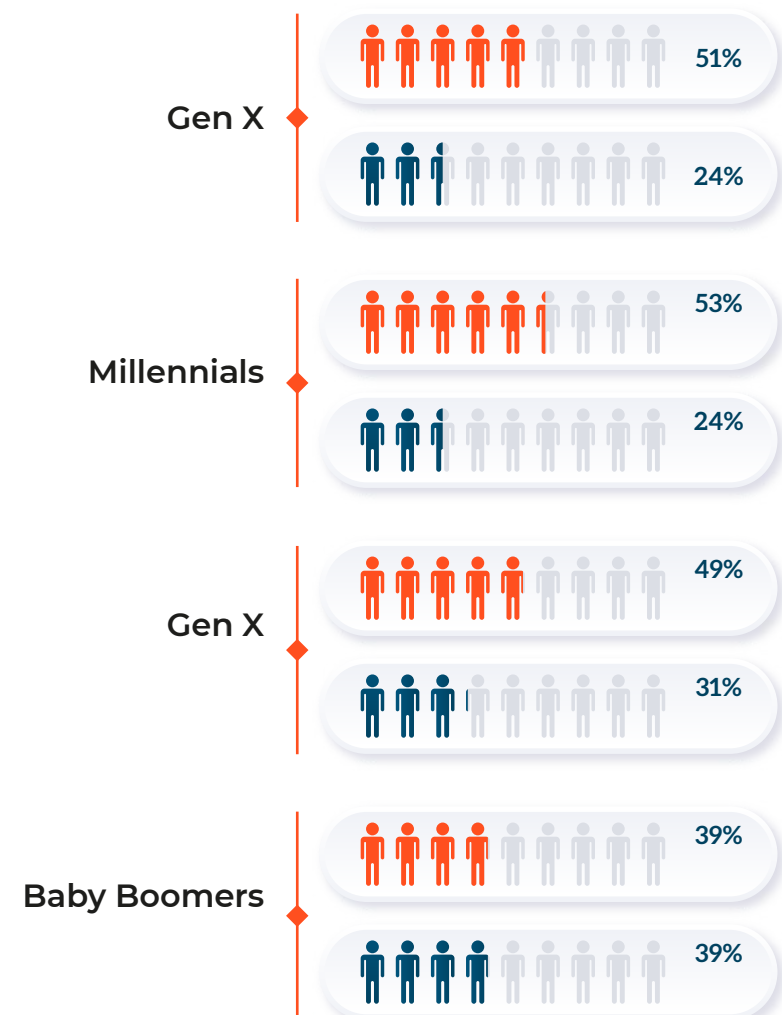
Human Interactions During Pandemic

Almost half of the consumers globally said that the pandemic has been challenging for them and it forever changed their lives.

The impact has been felt most severe in the United States. When publishing this ebook, it was globally found that the U.S. suffered more COVID-19 infections.

It is also noticeable that across the world, the most significant impact of Covid 19 was caused to the youth. Almost half of the millennials and Gen Z respondents said the pandemic has been challenging and life-changing for them. In spite of this, many respondents during the survey said that the pandemic has had no major impact on their lives. And one-third of Baby Boomers said this isn't a hard time.

A generational comparison of the pandemic impact





The stark divide in experiences is also reflected in a person's sense of connection to others.

The report revealed social isolation due to the pandemic-where 33% of consumers worldwide felt less connected to their friends, family, and others. Also, this is the most heard word from 42% of respondents- "**feeling less connected**".

Apart from **COVID-19**, other factors like the Black Lives Matter movement, which gained traction in the U.S. to confront systemic racism, and a highly controversial presidential election likely severely impacted respondents.

On the other hand, 25% of consumers felt they are more connected to others only after the pandemic.

The pandemic has created a connection deficit

33%
Less connected

25%
More connected

42%
No change





Key Takeaways

Disruption & dislocation

With half of the consumers worldwide said lockdowns have been challenging and felt less connected than before. It's explicit there's a human relationships crisis.

The greatest toll

Although the people in the U.S. have experienced large numbers of **COVID-19** cases, the emotional and social impact of the pandemic varies between countries. However, U.S. consumers reported feeling significantly less connected than those in other regions.

Living with uncertainty

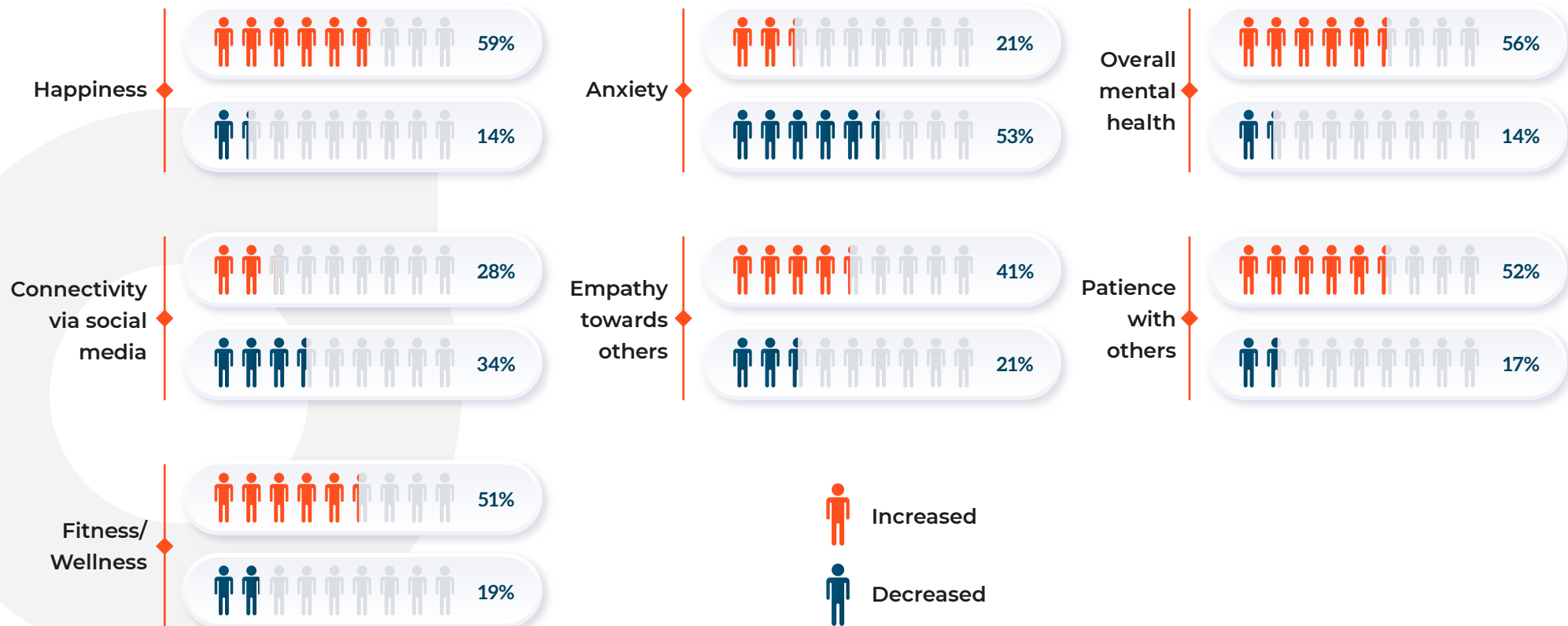
Millennials and Generation Z respondents, who had a reputation for always being connected, reported that the pandemic has been challenging and changed their lives completely. Moreover, youth across all regions felt that ongoing uncertainty highly limited their education, a lack of employment opportunities, and many restrictions.

COVID-19 has brought a new normal of social distancing, remote working, and separation from friends and family. This human connection significantly impacted happiness, health, and well-being.

One-third of consumers worldwide who are less connected to others reported- they felt higher levels of anxiety, were less happy, the toll on their mental health, and had lower fitness and wellness levels. Moreover, the lack of connection has even caused them to have less patience and empathy when interacting with others.

Impact on
health,
well-being,
and the
connection

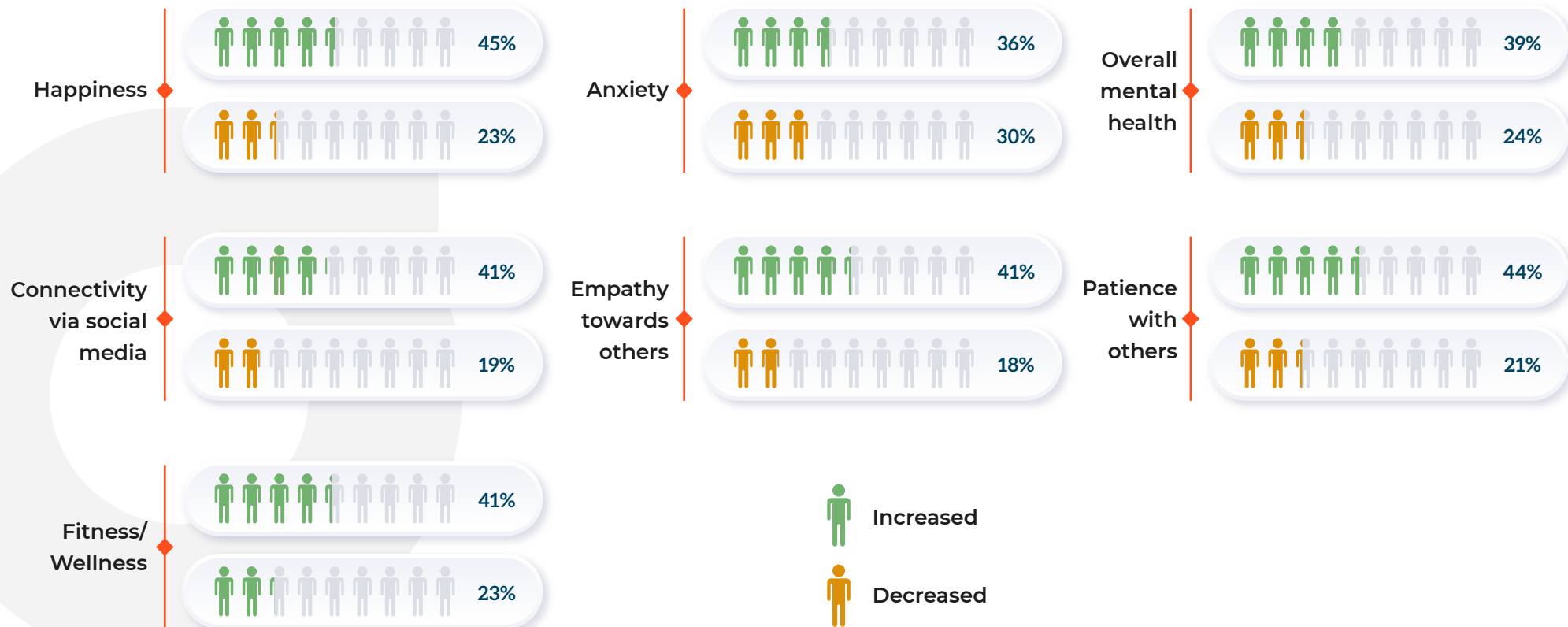
How are the less connected feeling?



Benefits of the 25% of consumers who felt connected

More connected people felt happier, experienced better mental health, and improved fitness than before. They have also said they now have more patience and empathy for others.

How are the more connected feeling?



There was an increase in anxiety among both groups of consumers, but the increase was less dramatic among those who felt more connected. Generally, this group is experiencing better mental and physical health now than before the pandemic.

The impact of the Covid 19 on the lives of U.S. citizens.

It is reported that 44% of U.S. consumers are more anxious than those in all the other regions.

When trying to build human connections, Digital interactions have overtaken the place of physical contact.

To bridge the gap in in-person interactions, the more connected consumers, who are younger, regularly turn to social media. They started to use their phones to share their experience and love to talk to someone new. On the other hand, less connected respondents typically became even more independent and isolating during the pandemic.

Know the behavioural differences of more and less connected respondents using data and applications.

Consumers who are more connected generally used digital technology and services to maintain a sense of community. For this, they used interactive apps like social media and video to engage with other people more regularly.



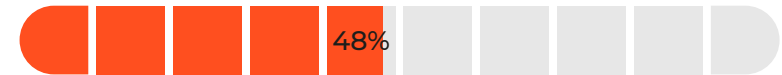
Like to solve things on my own



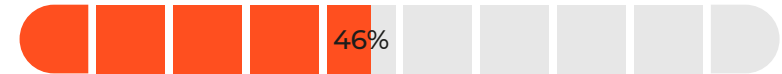
Like alone time



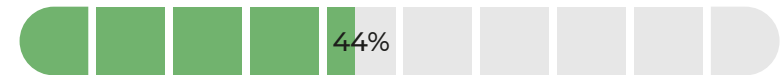
Pandemic/Lockdown has been hard on me



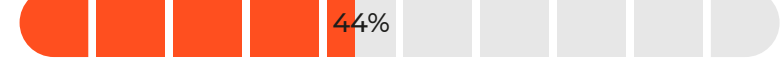
Prefer to talk on the phone than text/message



Videoconferencing makes me feel more connected to people than text or audio



Like to always be talking to someone



I am on phone call a lot



Pandemic/Lockdown has not been hard for me



Like to express how I feel on social media



Data shown at overall level. Highlighted items represent where respective group was statistically higher in comparison

Significant difference shown by



They have also downloaded music and food delivery apps and stated they were creating a positive environment for themselves. However, the less connected are gravitating toward more transactional, informational apps like news outlets and weather forecasting.

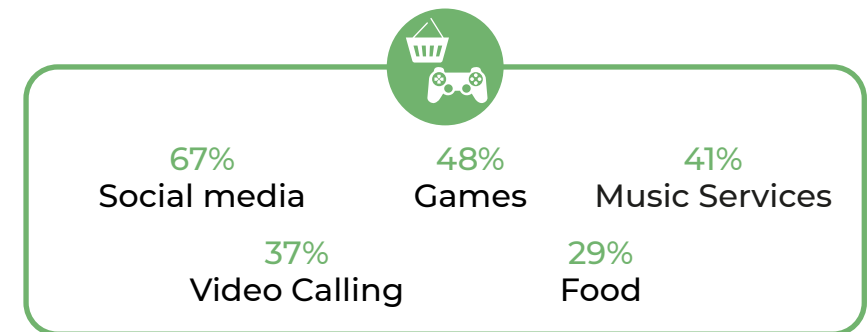
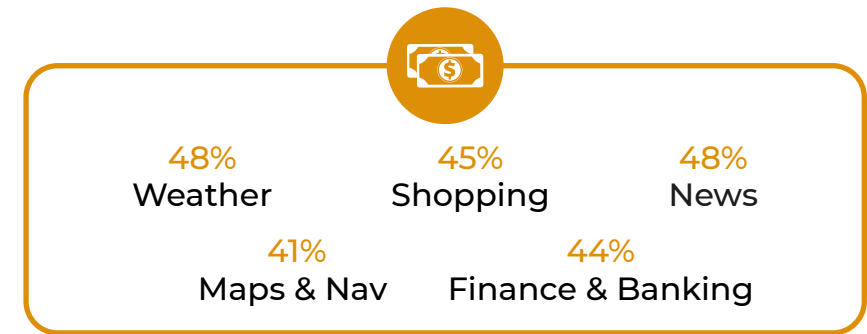
During lockdowns, social media provided a meaningful sense of connection.

The survey taken shows that five out of six people in the U.S. are highly connected through social media apps. They also spend more time watching videos, gaming, and chatting online.

U.S. consumers' most popular app category includes messaging, social media, and games.

The most popular category of apps worldwide are social media and messaging

67% Messaging 49% Photo/Video 26% Health & Fitness



Data Shown at overall level. Highlighted items represent where respective group was statistically higher in comparison
Significant difference shown by

- Less connected
- More connected

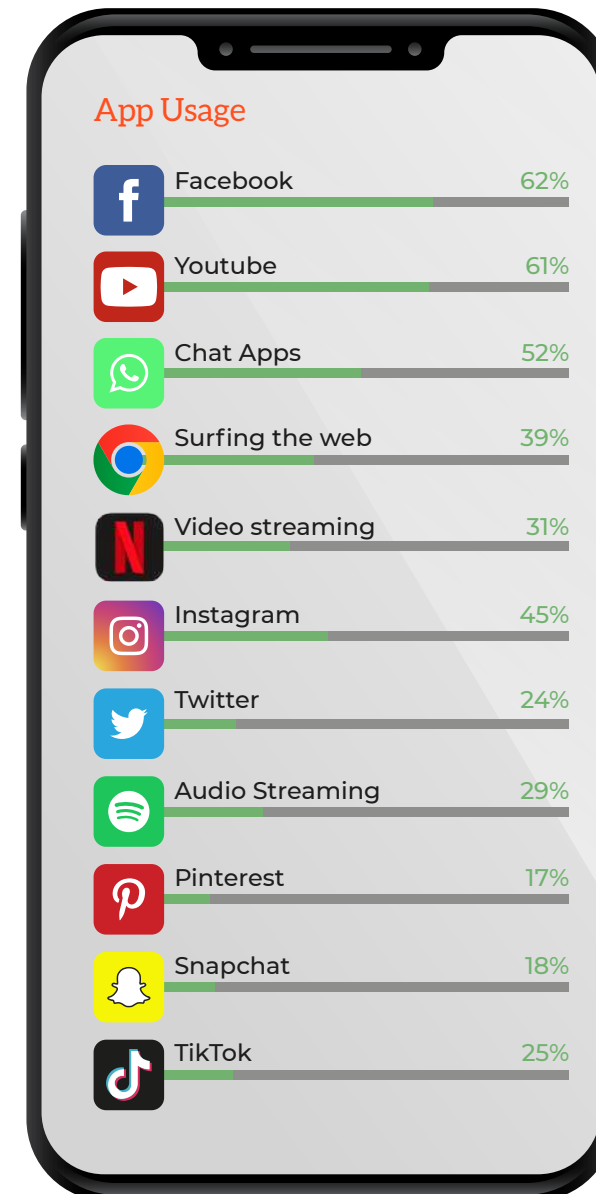
Key Takeaways

Connection is key:

Being disconnected from others affects all other areas of citizens' well-being, too. Almost half of the respondents reported being less happy, feeling more anxious, and experiencing poor mental and physical health. Those who've been able to nurture human connections reported these negative feelings at a much lower rate.

The pandemic paradox:

More than half of millennials and Gen Z found pandemic life hard (53% and 52%, respectively, compared to 39% of Baby Boomers), but they've also become more connected to others at a higher rate than any other generation. Some 38% of Gen Z is more connected to others now than before, compared to just 23% of Baby Boomers. What can explain the difference? They have more digital interactions than any other age group and used the digital world to create positive experiences.



Clicks, likes, and shares

It's possible the digital world could help close the connection gap. More connected consumers gravitate to social media and chat apps and stream music or videos. The less connected favor more functional apps, such as weather and news, perhaps missing out on opportunities to engage with others. Netflix documentary "The Social Dilemma" says that the more digitally engaged we are, the less engaged we are with others. However, our research shows that digital interaction played an essential role in bridging the connection gap and enabling humans to engage with one another in an isolated world.



The New Normal Customer Experience

When the pandemic has strictly denied in-person interactions, digital interactions have taken their place.

While voice remains the most frequent channel for interacting with customer service, live webchat has grown in popularity during the pandemic, and now more than two in five respondents use it.

Consumers are also engaging with voice bots and chatbots at a higher rate than they were before the pandemic.

100% growth in the use of video chat across every region.

Digital Interactions

have replaced in-person experiences, with live chat and chatbots being the **fastest growing channels globally**



Moreover learning how consumers use digital platforms, they've also learned how they interact with companies.

While technology is important in enabling this efficiency, many consumers still prefer human-to-human interactions. For example, in the U.S., one in six consumers has called customer service just to hear a human voice.

How can companies remove the hassle and put each customer at the heart of the experience?

Through empathy, communication, and a connected experience.

1. Prioritize Empathy

Almost two-thirds of consumers prefer an empathetic customer service experience over a speedy resolution. One of the critical factors for building and maintaining a successful business is customer trust and loyalty. And while this may sound obvious, a company's customer service plays an essential role in gaining customer trust and retaining business.

70%
Of Consumers

across the globe believe that a company is *only as good as its customer service*



59%

of consumers

prefer an empathetic customer service experience to a speedy resolution

Consumers want customer service employees to:

83%

Listen to them

83%

Understands their needs

82%

Solve their problems completely

80%

Provide consistent answers

76%

Respond quickly

75%

Set realistic expectations

While brands and companies are always keen to enhance their customer service, they should also look beyond the efficient resolution of customer problems as the primary measure of effectiveness.

Consumers want to feel heard and know that their issues are being taken care of. They don't want to just read a script.

Across all regions,
characteristics of
empathy are the most
valued by consumers
when it comes to
customer service

2. Communicate to connect, not just to sell

Today's consumers greatly appreciate non-sales-related communications. Nearly 60% said this is a mark of great service. In some regions, consumers even indicate that they love companies that listen to their customers and avoid more sales-related communications. Moreover, companies that avoid selling during service interactions can create more successful experiences.

More Than Half

59% of companies recognized for excellent customer service **send non-sales-related communications**

Furthermore, while asked what constitutes a phenomenal customer experience to the respondents, two in five people (39%) said that it's when companies don't try to up-sell during a customer service call and focus instead on handling the existing issue.

And 37% of respondents said that having a business remember or know them and anticipate why they've contacted the service department is a sign of a phenomenal experience.

Fifty-nine percent of respondents said that receiving non-sales-related communications from companies is an example of great service.



2 in 3 Consumers feel that companies collecting data on their customers improves the service experience

3. Enable connected experiences

When companies use data effectively, it offers seamless customer experiences. This means identifying who their customers are and what their issues might be and then proactively acting on solving the issues or suggesting solutions. They can connect customers to the right person to help. Overall, consumers feel positive about data collection, which enhances their service. Two out of three said that companies that collected data had offered better service than others. Almost half feel more connected to companies that remember them. It is also reported that only 18% feel uncomfortable about a company's use of data.

This is because Data use and privacy are always areas of caution among consumers—they want to know how much data is shared in exchange for a more effortless experience.

Compared to other demographics, millennials are broadly more comfortable with having their data collected. Furthermore, those who frequently engage with customer service are more likely to allow this type of data collection.

12%

Always allow data
to be collected

77%

Try to control data
collection to some
extent

11%

Never allow data
to be collected

The majority of
consumers like to
have some control
over how their data
is collected

Key Takeaways

It's all about empathy:

Three in five consumers worldwide value empathy feeling listened to, heard, and understood over a quick resolution or even a personalized experience. This has deep ramifications for customer experience organizations, from managing and incentivizing employees to measuring customer journey success.

CX problems persist:

Consumers have high expectations of service. Nearly two-thirds of survey respondents said a company is only as good as its customer service. Yet, there's still a considerable gap to close. One in three consumers said that dealing with customer service is always a hassle.

Building connections, digital and human:

Digital connections help companies deliver great experiences. In that case, two-thirds of consumers are happy to share their data if that improves the customer experience. And nearly 60% not only appreciate receiving non-sales communications, they also believe it's a hallmark of excellent service.

Consumer's Customer Service Expectations

Delivering the best customer connection: Bots Vs. Human Representative

Most consumers like to talk with a real person about complex issues than bots. They feel bots and self-service options are beneficial for handling simple transactions.

A human customer service representative is one of the best options when there's an issue with a product or when a customer needs additional information on billing or a service feature. These are all areas where empathetic interactions can be essential to the resolution.



Top issues where a **Human Rep** is most desired

- Physical problem with a product or service
- Billing is inaccurate
- Technical issues (Software, Digital, Online)
- Product replacement/return
- Delayed package or delivery problem
- Clarification of benefits or account features
- Internet outage
- Reservation or booking issues

Bots and self-service options shine in dealing with smaller issues, such as requesting more information or getting account details.

Industries that serve the best customer service

Respondents consider banks and financial institutions to have the best customer service, followed by cellular providers, pharmacies, retailers, and insurers.

38%
Bank/Financial

23%
Cellular Provider

22%
Pharmacy

22%
Retail

18%
Insurance

Big Brands Given a Huge Comeback to Customer Service

72% 72% of the companies that consumers think have an excellent customer experience are large national companies.

85% 85% of people rated these businesses with a satisfaction score between 8-10 (on a 10-point scale).

#1 Amazon was the most frequently mentioned company with excellent customer experiences across the globe.

Top issues where a bot can help

- Make a payment
- Update account information
- Request information on a product
- Login issues (Username, Password)
- Checking status of a claim

Key Takeaways

Humans and bots:

Complex issues require humans to resolve them. And globally, consumers prefer talking on the phone. But they also consider bots to be equally valuable in providing quick resolutions to basic issues, such as account updates, payments, and status checks.

Banks in front:

Banks outperform other industries by 15% or more in providing the best service, according to respondents. In most regions, pharmacies, cellular providers, insurers, and retailers round out the top five.

Big brands raise the game:

Nearly three-quarters of consumers (72%) said that large companies provided the best customer experiences. This is especially notable because only 27% cited these firms as service leaders versus 44% who cited small and medium-sized businesses as CX leaders in a 2019 GTS consumer survey.

Summary

The true drivers of customer loyalty: challenging conventional wisdom

Since more than a year into the pandemic, consumers have learned how to adjust to work, live, and play. Yet, although friends, family, a meal, or a workout are just a tap in an app away, still one in three individuals reported feeling more isolated than before. This is because digital has completely replaced many physical interactions, not just in personal relationships but increasingly in how consumers connect with companies.

The survey found that consumers seek empathy above all. They're more ready than ever to try new channels and engage with companies in new ways, but their priority is to be listened to, heard, and understood whether by a human or a bot. Customers want a fast resolution, but a great experience isn't just about speed. And great experiences matter. Two-thirds of consumers said that a company is only as good as its customer service.

What defines empathy in customer service?

1. Understanding each other's preferences, knowing about each other, and anticipating what they need instead of asking them multiple times the reason why they've made a call.
2. Giving them a seamless experience that transfers customer context across channels.
3. Knowing, in real-time, whether an agent interaction or a technology-enhanced interaction would be more beneficial to the customer.
4. Moreover, providing customers what they need in the way they need it before they know it's a need.

Companies deliver empathetic experiences by connecting the right people with the right technology, powered by artificial intelligence. When they orchestrate this cohesively, companies can differentiate themselves driving connections with customers and becoming loyalty leaders in today's digital economy.