

White Paper

# Redefining the Customer Experience for a Post-COVID-19 World



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Since its inception in 2013, the Teleperformance Customer Experience Lab (CX Lab) has remained relentless in its pursuit of providing relevant and important insights that allow our clients to understand customer behavior. By offering a holistic customer experience overview, our clients can better understand customer perception and the factors that drive customer satisfaction, allowing them to improve the customer journey.

## Introduction

### Learn from the Past, Address the Present, Plan for the Future

As the cloud of the pandemic continues to hang over societies, institutions, and industries, new realizations are beginning to dawn on us. The most profound implication of these recent, dramatic lifestyle changes is that there's no going back to any sort of pre-pandemic normalcy. With millions forced to observe extended distancing regulations and continue to isolate whenever possible, global society, as we know, is forever altered.

An important and unique factor fueling much of this change is that there are now five generations actively influencing one another's behaviors regarding technology adoption and channel usage.

This particular circumstance has forced us to reimagine how businesses can meet today's unique, acute needs while forging even stronger ties in a post-COVID-19 world.



For the first time in human history, five generations are living, working, and quarantining simultaneously.

For the past seven years, the Teleperformance Customer Experience Lab (CX Lab) has been conducting a global survey of thousands of buyers spanning all generations and segments to capture consumer insights, sentiments, preferences, and emerging trends. By combining this exclusive data with current market and industry conditions, we have identified five key predictions for the customer experience space:

- Growth in customer service demand from **online-based services**
- Acceleration in **mobile app adoption**
- **Chat with Live Agent** will surpass Email/ Web Form by 2021
- Chatbots will engage with **nearly twice as many users** within two years
- Channel growth will soon **propel Instant Messaging (IM)** into the fifth position in terms of usage

The dramatic realignment of customer expectations, changing value sentiments, and lifestyle disruption driven by the global crisis is significantly impacting buying behaviors. Our findings suggest that customer priorities and preferences will continue to evolve long after the pandemic is over. Hence, companies will need to continue evaluating — and reevaluating — consumer needs in order to adapt and remain relevant in the post-pandemic era.

## The New Customer Mindset

As the dust settles from this unprecedented crisis, and its impact on global markets, major industries, and unemployment rates becomes clear, the economic downturn is expected to be sharp. Customer spending is the driving force behind global economic stability and growth. But with lockdown measures restricting how, what, and when customers can spend their money, combined with surging unemployment rates, spending has significantly decreased across most business sectors.

Unfortunately, this reduction in spending will not be limited to pandemic-related lockdowns — it will also affect future consumption. This long-term spending reduction will translate into greater competition for remaining wallet share. At the same time, it will pose a significant threat to maintaining customer loyalty. Buyers will become far more discerning throughout the purchasing process while also expecting more than ever from the brands they choose. Beyond demanding product variations based on COVID-19 lifestyle changes,

they also want better, simpler, and clearer customer experience engagement — including basic elements, such as easy access to contact information and more channel options.

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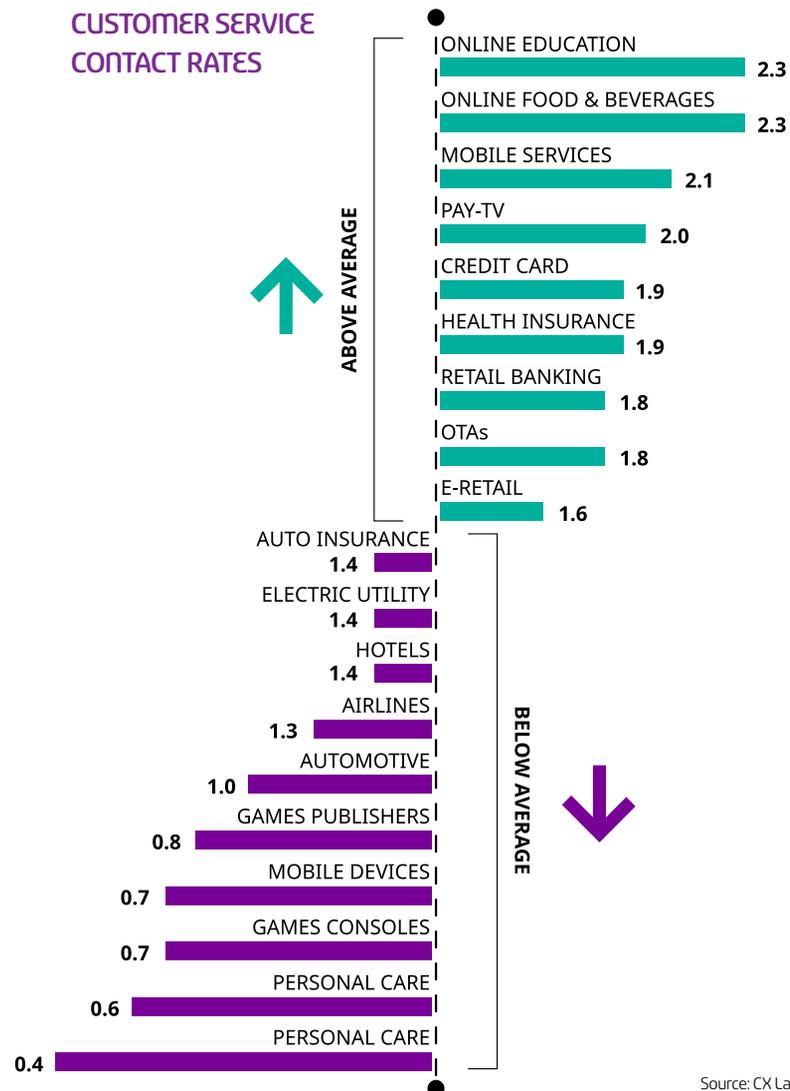


## The Impact on Customer Contact Rates

Due to the nature of the global crisis response, we are now serving a touchless and digital consumer. This customer will be living differently for the foreseeable future. So, what does this mean for brands?

According to our pre-COVID survey, companies were receiving an average of 1.5 contacts per year, per customer. This data also indicates that online-based companies and brands with a robust digital presence tend to generate a higher number of customer service interactions.

Now, with the impact of the crisis, all sectors are seeing an increase in both engagement demand and use of digital channels due to restricted mobility, business closures, and increased demand for commodities, such as grocery delivery and streaming services.



Source: CX Lab Global CX Survey 2019

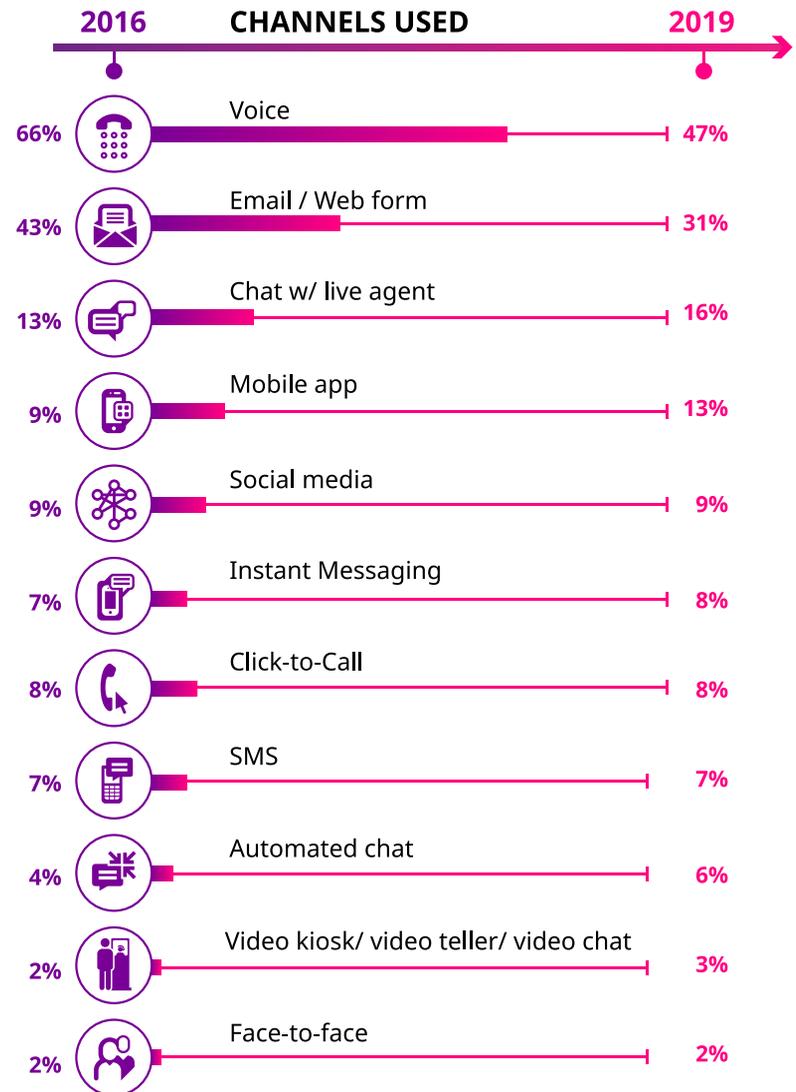
## Accelerated Channel Adoption

While survey data shows that Voice remains the most used customer service channel, Mobile App, Chat with Live Agent, Automated Chat, and Instant Messaging had all seen growth over the last four years. Mobile App usage has grown the most since 2016, and social distancing has fueled a continuation of that trend, achieving even more rapid growth. Mobile App is projected to become the third most-used channel.

Now, with limited face-to-face interactions, younger generations are helping parents and grandparents navigate the digital space. As a result, adoption rates for digital channels are accelerating even more.

**% of respondents among customers contacting customer service – multiple answers**

Source: CX Lab Global CX Survey 2019

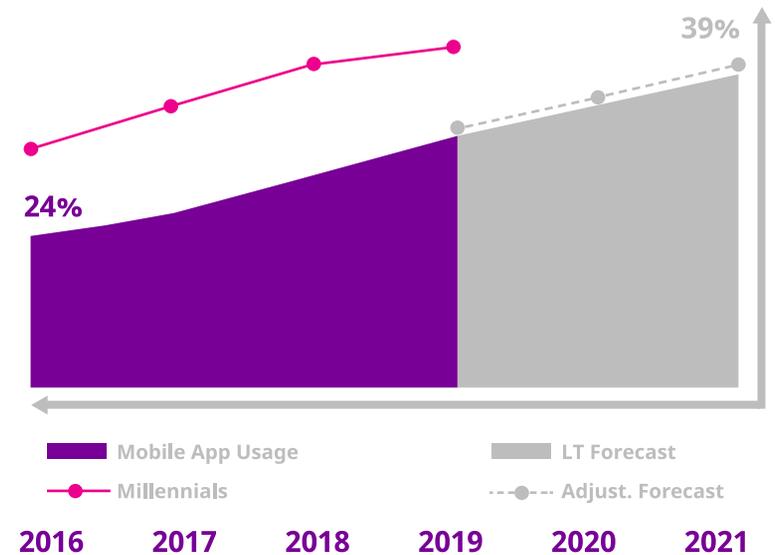


CX Lab research indicates growing popularity for company apps as a customer service channel. In 2019, 20% of users contacted customer service through an app — and these users reported being most satisfied with their last customer service interaction.

Survey data also shows that Mobile App adoption reached nearly one-third of customers in 2019. The percentage of those using mobile apps saw consistent growth year after year, rising from 24% in 2016 to 33% in 2019, and even more among younger generations.

If adoption in all generations follows the same slope as Millennials adoption can reach nearly 40% by 2021.

**% of respondents that used a mobile app in the last 12 months (average for 1 brand considering all 18 sectors)**



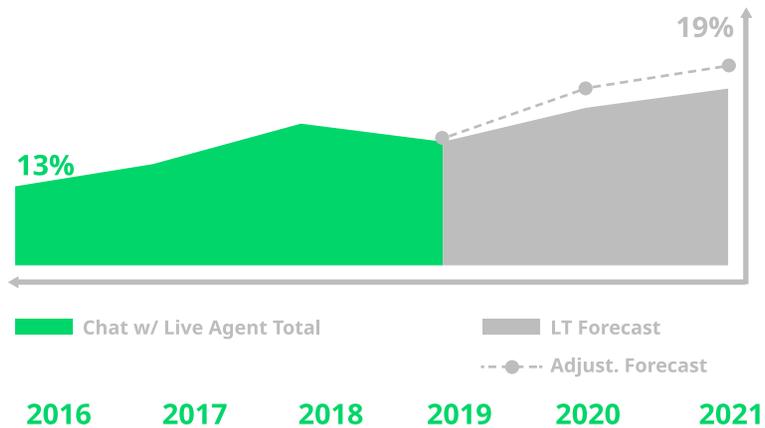
Source: CX Lab Global CX Survey 2019

As the pandemic forces more people into a digital-only way of life, businesses must meet customers where they are today. With mobile apps offering a variety of service channels and solutions, such as Chat, Email, and FAQs, customers have a more effortless means of engaging with brands, especially in these difficult and quickly changing times.

**Chat with Live Agent** will surpass Email/Web Form by 2021. Besides the pre-existing growth trends, today's unprecedented circumstances are likely to accelerate adoption rates.

The forecast below shows that **Chat with Live Agent** will become the second most-used channel overall.

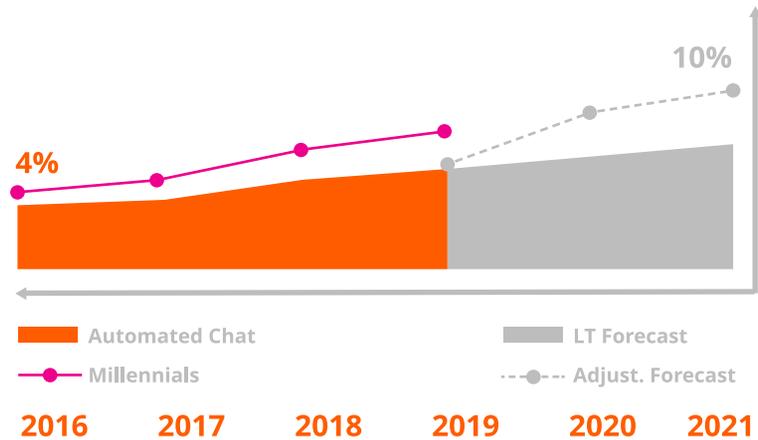
**% of respondents using Chat with Live Agent in the last 12 months (among customers contacting customer service)**



On average, **Automated Chat** solutions were used by 6% of customers looking for support in the past year, achieving the third-highest growth. This data indicates that chatbots will engage with nearly twice as many users within two years.

Estimated rise points to double-digit adoption by 2021.

% of respondents using Automated Chat in the last 12 months (among customers contacting customer service)

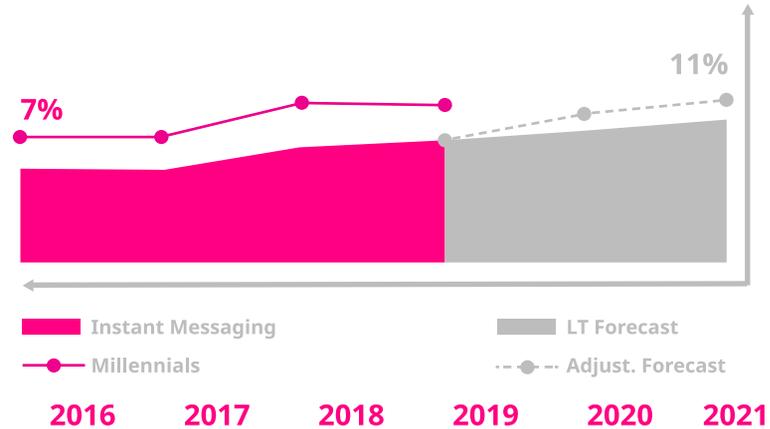


Source: CX Lab Global CX Survey 2019

Mostly driven by Millennials and Gen Zs using platforms like WhatsApp, Facebook Messenger, WeChat, etc., channel growth will soon propel **Instant Messaging (IM)** into the fifth position in terms of usage.

IM has the 3rd highest satisfaction with CS and these positive experiences can reinforce channel growth even further.

% of respondents using Instant Messaging in the last 12 months (among customers contacting customer service)



Source: CX Lab Global CX Survey 2019

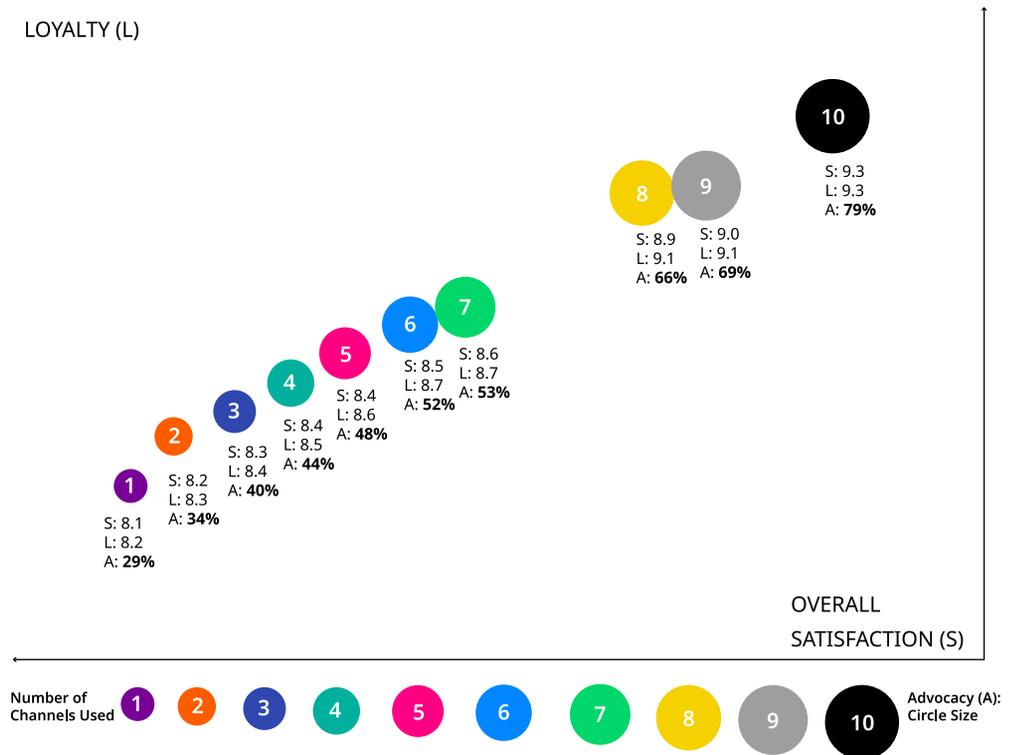
## Making Life Easier for Customers Impacts Loyalty

All relationships have an emotional component, which also rings true for the connection between brands and their customers. Even in pre-pandemic, our 2019 survey data confirms that customers highly value **having choices** for how they engage and **having simplified access** to the assistance they need.

When it comes to channels, the more, the better. Customers with a variety of channel options were not only more loyal to their brands than consumers with no customer service issues at all. Those who were using more channels were the most satisfied, willing to recommend, and loyal.

Customers who used 10 channels to contact customer service had a **14% higher Overall Satisfaction, 13% higher Loyalty, and 53 p.p. higher Advocacy** compared with those who did not contact.

Overall Satisfaction, Loyalty, and Advocacy by Number of Channels Used

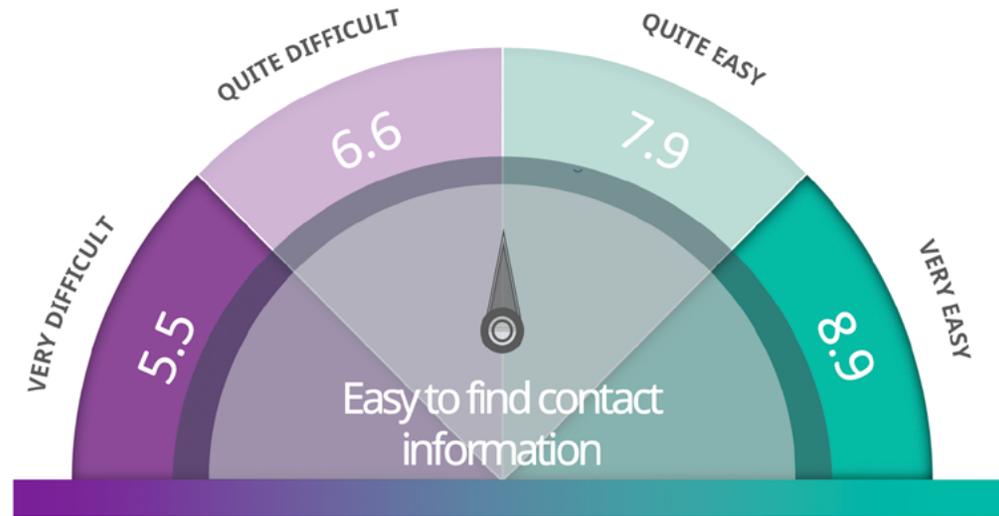


Source: CX Lab Global CX Survey 2019

Consumers also reward brands that make their contact information easily accessible. In fact, those who thought that it was easy to find a contact channel had a loyalty intention that is 32% higher than those who thought that it was difficult. Accessibility to contact information directly impacts customer loyalty.

Customers who thought that it was easy to find a contact channel had a loyalty intention that is **32%** higher than those who thought that it was difficult.

(very/quite easy) vs. (very/quite difficult)



Source: CX Lab Global CX Survey 2019

However, customer service interactions are not the same across all channels.

Customers who were more satisfied with their last interaction with customer service used:



Mobile App (+4%)



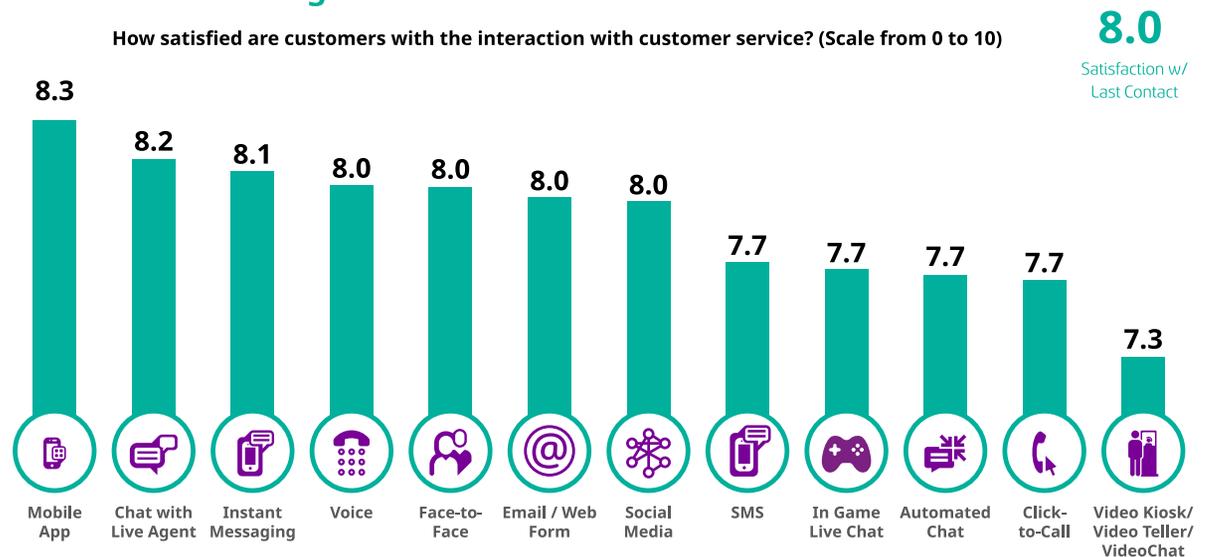
Chat with Live Agent (+2%)



Instant Messaging (+1%)

### Average Satisfaction w/ Last Channel Used

How satisfied are customers with the interaction with customer service? (Scale from 0 to 10)



**8.0**  
Satisfaction w/  
Last Contact

Source: CX Lab Global CX Survey 2019

So what does this all mean amid the backdrop of COVID-19?

External restrictions placed on our lives because of the pandemic have disrupted the normal flow of the company and customer relationship. As a result, customers are likely to need more support now than ever before.

Especially in times of crisis, a customer's experience with a company can trigger an immediate and lingering effect on his or her sense of trust and loyalty. With increased competition for wallet share, brands must urgently address customer needs — eliminating bottlenecks and expediting important customer events, such as processing late payments, cancellations, and accommodating shifts to online services.

Not being agile or ready to adapt to new or changing buying behaviors can pose significant business risk. Companies must rethink their customer service strategies in relation to market shifts, modified lifestyles, and changing buying behaviors to achieve success in the new, post-pandemic "normal".



## Beyond the Crisis: Defining Our New Normal

As we redefine what “normal” looks like and transition beyond the most emergent phase of the COVID-19 crisis, there will be lingering, longer-term effects. So, understanding how customer experience delivery and accessibility can help retain customers will be a crucial concern for brands.

Some of the best examples of customer experience and brand value emerge during times of adversity. Helping a customer navigate a crisis can solidify longer-lasting, emotional attachments that dramatically increase customer loyalty and future spending.

**To accomplish this, organizations should focus on the following:**

- 1. Identifying “quick wins” like optimizing channel availability and support accessibility**
- 2. Considering how to maximize existing digital channels through automation and artificial intelligence (AI)**

**3. Adding new digital channels that meet increasing customer demand for alternate channels**

**4. Redefining their overall value proposition amid the pandemic, pivoting toward virtual, on-demand, or online options**

**5. Adjusting business models to focus on longer-term business resilience and agility rather than just near-term operational continuity**

At the forefront of tracking buying behaviors and understanding customer experience trends, the Teleperformance CX Lab maintains a pulse on evolving market conditions and consumer preferences. We are constantly researching and innovating to engineer meaningful customer interactions — on any channel, at any time, in any context.

**And now, more than ever,  
each interaction matters.**



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