

STAYING CLOSE TO YOUR CUSTOMERS

Why customer experience still matters amid COVID-19 and social distancing

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As individuals become more physically remote and isolated from one another, it does not necessarily follow that brands will also become more remote from customers. In fact, finding ways to keep close to their customers in these ‘fluid’¹ times is more important than ever, in order to continue to meet customers’ needs and maintain strong relationships with them.

New behaviours emerge as the crisis unfolds

In stable times, many consumer behaviours are derived from carrying out familiar activities on a routine basis, such as a weekly supermarket shop. These familiar activities give consumers certainty and simplify decision-making, because they have become routine, meaning they require less consideration, and render behaviours more automatic.

However, COVID-19 has made our environment increasingly ‘fluid’ or subject to change. Moreover, the familiar, routine activities that had been relied upon, no longer apply in this new environment. For many, this has created a state of flux, or even panic, because no ‘new normal’ exists and there is a constant need to assess and navigate the environment as it shifts.

Consequently, customer priorities, attitudes and behaviours are changing. This gives brands an opportunity to provide reassurance that these uncertain times are navigable and, in so doing, strengthen their customer relationships. Building these strong customer relationships is likely to involve three steps:

- 1. Understand:** ascertain the influencing factors and understand the impact of the crisis on customers and brands.
- 2. Adapt:** identify how to best refocus CX measurement and management to meet changing needs and re-allocate resources to address what truly matters, in the most cost-effective way possible.
- 3. Anticipate:** identify how customers are adapting to changing environments and how new needs and behaviours are formed, to evolve the customer-brand interactions and relationships for the future.

We discuss each of these to show how keeping close to customers provides brands with the understanding, ability to adapt and anticipate customer needs to ensure brands develop along with customers throughout this crisis – and beyond.

1. UNDERSTAND HOW NEW BEHAVIOURS ARE BEING FORMED

The current levels of change surrounding customers and brands can seem unnerving and chaotic. However, by systematically exploring how customer behaviours and needs are underpinned by a range of evolving influences, brands can more directly shape their offer to meet consumer requirements.

For example, the COVID-19 pandemic has created a surge in online shopping as a result of external influences, such as lockdowns. Some customers will be at ease with this move, but will require brands to focus on operational efficiency right now to deliver more goods, more quickly. Supermarkets are again a high-profile case study here, where deli or butchers’ counters have been closed to redeploy staff to stock shelves or pick products for online deliveries, and many more delivery drivers are being recruited.

Other customers may be less at ease with online purchasing, but recognise the necessity of making the shift. Here there is an opportunity through service design to empower customers to make online purchases. This could be done through the use of online support or feedback mechanisms to guide customers through an online shopping experience. These guides help to build the skills necessary for customers to feel able to complete an online shopping task, which plays a role in internally motivating the behaviour. This makes those behaviours more likely to be sustained in the long run.

2. ADAPT TO CHANGING CUSTOMER NEEDS AND EXPECTATIONS

In order to stay close to customers it is imperative for brands to understand how any relational needs are changing, and to respond accordingly by focusing on what truly matters. This also helps prepare brands for any changes that will be sustained after the crisis.

We have identified key dimensions that foster the development of close relationships. Focusing on these allow brands to adapt to meet their customers' relational needs:

- **Certainty.** This has become a priority, not just in terms of public health, but also in terms of consumers' abilities to access products, important services, and have clarity on what is/is not available. Many brands have recognised this and contacted customers to offer reassurance about what they are doing to keep their staff and customers safe, along with plans to ensure product availability and delivery (where applicable).
- **Control.** Fluctuating levels of availability and access to products or services can feed a sense of powerlessness among consumers, which in turn fosters panic. Consequently, it is important to find ways to give consumers back their sense of control. Communication and expectation management can help here, whether it be regarding product rationing to ensure supply (and let customers know how much they are allowed); or being clear about how long they will have to wait until delivery, if delivery lead-times are longer than usual.
- **Fair treatment.** Brands should not be opportunistic or profiteer from the current crisis. Some online retailers have already taken steps against this, for example, by clamping down on market place vendors trying to sell high-demand goods at extortionate prices, or delivering immediate refunds (including the delivery fee) when a delivery is not made.
- **Belonging.** Opportunism flies in the face of this key relational dimension. The undeniable truth of a global health crisis is that we are all in this together, and

we all – as individuals, consumers and brands – have our part to play in ensuring the best possible outcome. For everyone, this means following government and public health body advice. Some brands have already translated that advice into specific actions for their consumers, such as dedicated shopping times or delivery slots for more vulnerable customers, or medical staff or carers, or adopting a 'one-in one-out' policy in stores or premises.

- **Status.** Loyal customers will expect preferential treatment and brands need to find ways to show flexibility and recognise loyalty. For example, very loyal customers in the travel sector might expect some form of recognition when it comes to their frequent customer status (e.g. freezing tier membership status for frequent flyers while international travel is banned); for retailers it may mean reserving a proportion of delivery slots for long-term loyal customers; in the automotive sector, it may mean volunteering to give potential new customers who have already registered interest in a purchase a virtual tour of a model of the car, before dropping off the car at the customer's house for a test drive.

What is clear from all of the above is that brands have the ability to make these uncertain times feel a little more manageable for consumers – and this goes beyond meeting functional needs, to addressing consumers' relational needs as well.

Doing this matters. Customers are clearly assessing how brands support them throughout this difficult period and will remember those who show commitment to helping them throughout the crisis, and those who do not. Social media activity is active, with thousands of discussions detailing which brands are seen to be doing the right or wrong thing. Using these dimensions to drive relationship strength now will not only increase the chances of retaining more customers but also help brands protect and enhance their reputation and equity.

CX measurement and management are key to both understanding and adapting. While interviewing itself is naturally impacted by this crisis and face-to-face research has become impossible in some countries, many brands have already shifted their measurement to online. Others are relying on social media feedback to keep track of their customers' sentiment and emotional states and manage key issues that arise. These shifting methodologies may create

challenges in tracking and setting targets, but they provide real and meaningful insights into the evolving situation, which are essential if brands are to remain dynamic, agile and responsive.

Moreover, existing research can also be refocused to deliver more information about the current situation and how things will evolve in the future. For example:

 <p>Research stream</p>	 <p>Objective (understand)</p>	 <p>Outcome (adapt and anticipate)</p>
<p>Relationship studies</p>	<p>Track the strength of your relationship with your customers</p> <p>Identify relational needs that are met – or unmet – by the current experience</p>	<ul style="list-style-type: none"> • Understand whether a brand is successfully maintaining its relationship with its customers • Identify from a more strategic perspective what needs to be improved
<p>Transactional research – real-time customer feedback about specific touch point interactions</p>	<p>Track impact of situation across touch points and brand's abilities to meet customers' needs</p>	<ul style="list-style-type: none"> • Quantify impact • Track key pain points to identify priorities for action • Close the loop on key pain points – and identify the most successful interventions • Quantify success of new initiatives from the customer's perspective as the brand responds to changing context
<p>Social media analysis</p>	<p>Understand consumer reactions to the way a brand (and its competitors) is responding to the crisis</p>	<ul style="list-style-type: none"> • Capture customer response to brand's actions to identify what works and what doesn't work when it comes to offering reassuring products or services • Identify best practice within/across a category to inform strategy
<p>Customer connection 'check-ins' 1-hour video interviews</p> <p>Day in the life – multiple day diaries through app</p>	<p>To understand qualitatively what the impact of COVID-19 has been on customers' lives, the products/services they are choosing and using, and the impact on the brand</p>	<p>Recalibrate service design and communications to support customers now and build a long-lasting emotional connection in the future</p>

3. ANTICIPATE WHAT THE FUTURE OF CUSTOMER EXPERIENCE WILL LOOK LIKE

The last recession showed that sudden shifts such as those generated by the current crisis can lead to long-term changes in the nature of brand-consumer interactions². In addition to making short-term adjustments to their offer, listening to and responding to consumers' needs now also puts brands on a stronger footing when looking beyond the crisis. Fundamentally, it keeps the relationship going – showing flexibility and meeting your customers' needs in these challenging times will certainly have positive consequences on their emotional attachment, goodwill and long-term loyalty.

But it also helps brands anticipate what the future might look like. Brands that actively manage these changes now might

end up being more ready for the future than those who are not able to adapt to and support their customers.

Brands are clearly focusing on dealing with the current situation. Some have taken drastic decisions including reducing headcount to keep their business afloat. Some have shut down parts or the entirety of their operations. But will they be prepared to deliver the right customer experiences when demand for services grows once we come out of the crisis?

At this stage no one knows where this is leading – so it is only by understanding how consumers are adapting to changing environments that brands can do the same – and therefore help create a new set of behaviours and experiences.



IN CONCLUSION

There can be few winners in such a crisis. But now is not the moment for brands to turn inwards and ignore their customers (tempting though the instinct to hunker down and weather the storm may be). Instead, continuing to strive to understand, adapt to, and anticipate consumer needs provides a foundation for strengthening customer relationships. As we've seen, concretely this means:

1. Preserving a research stream to **understand** customer motivations and needs.
2. Acting on the research findings so that brands evolve and **adapt** to meet those needs.
3. **Anticipating** that the changes implemented now may in fact be early indicators of permanent changes both to what a brand should deliver and to the consumer needs unpinning that delivery.

Brands that keep close to their customers will strengthen their customer relationships by showing that we are all in this together. They will also put themselves in a stronger position for future-proofing by adapting and evolving with consumers so that they emerge together into the 'new normal', whatever and whenever that may be.

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