



Customer experience priorities in a post-pandemic world

A study into the rise of digital consumer behavior during the pandemic and the implications for brands delivering customer experience in the “next normal”

Introduction

The pandemic has shifted and shaped how Americans interact with one another, work, shop, bank, maintain their health and entertain themselves. As physical distancing became necessary, Americans adopted digital behaviors in many parts of their lives overnight, including how they want brands to interact with them and vice versa.

For customer-centric companies, engaging with consumers in a contactless manner became a critical opportunity to position their brands strongly during the pandemic and beyond. Companies learned they have a much greater capacity to deliver a customer experience (CX) that is efficient, engaging and personalized by integrating next-generation digital and dynamic touchpoints.

Now, with vaccination programs underway and in-person interactions on the horizon, it's time for brands to reflect once again on how they can deliver exceptional customer experiences that will map to the “next normal” in post-pandemic life.

TELUS International, a leading digital CX provider powered by next-gen digital solutions, surveyed 1,500 adult Americans in Q1 2021 to understand how willing consumers have been to adopt digital ways of engaging with brands and what CX trends brands can expect to either continue on or fizzle out in the next normal.

This industry report provides newfound data on Americans' digital behaviors as a result of the pandemic and key opportunities for brands in 2021. One thing is certain – consumer behavior and expectations have changed over the past year and companies must be ready to adapt their CX to meet these evolving needs.



Key findings



Customers' digital demands soared in 2020

The pandemic drove consumers to try new ways to do old things, such as online shopping, digital banking and attending health visits virtually. For example, almost two-thirds (61%) of Americans said most of the purchases they made during the pandemic were made online.



Brands upped their digital CX game during COVID

As customers expressed greater digital-leaning behaviors, brands stepped up to the challenge to provide better digital experiences. This includes their customer experience. Three-quarters (78%) of Americans found their digital customer experiences since the start of COVID-19 to be better than prior to the pandemic. Consumers are noticing that brands have been making a better effort to connect with them online and in most industries (retail, banking, gaming) speed was favored as the top quality of excellent digital CX.



People experimented with new digital CX tools

Among the digital CX tools brands used to communicate with their customers, chatbots rose the most in usage from pre-pandemic levels (16% of Americans said they had used chatbots) to almost a quarter (22%) of people during the pandemic, and almost a quarter (19%) planning to continue using them post-pandemic.



Consumer digital behavior will prevail post-COVID

In a post-pandemic world, an overwhelming majority of Americans will continue shopping (71%), banking (92%) and engaging in e-health and wellness activities (77%) online because of their positive digital experiences in 2020. Convenience is the top reason for continued digital behavior.



Privacy and security concerns are the biggest barriers to customer comfort online

While the majority of Americans engaged in online shopping, banking or gaming during the pandemic, those that didn't largely pointed to personal privacy and security concerns while online, with 85% noting it as the main reason for not taking the leap to online banking pre-pandemic. To convince the large majority to adopt digital behavior in a post-pandemic world, brands need to figure out how to get privacy and security right.



Empathy is a gap in digital CX that companies need to fill

While companies redesigned new customer experiences with digital at the forefront, customers didn't feel that delivering empathetic experiences was prioritized. Banks and online gaming storefronts fared the worst at providing empathetic digital CX. When people had negative digital customer experiences during the pandemic, a quarter expressed frustration at being unable to reach a real person and 14% blamed the impersonal nature of the interaction.

CX trends in 2021 by industry





Retail

Online purchases rose during the pandemic and older age groups are the most likely to continue the trend in a post-pandemic world.

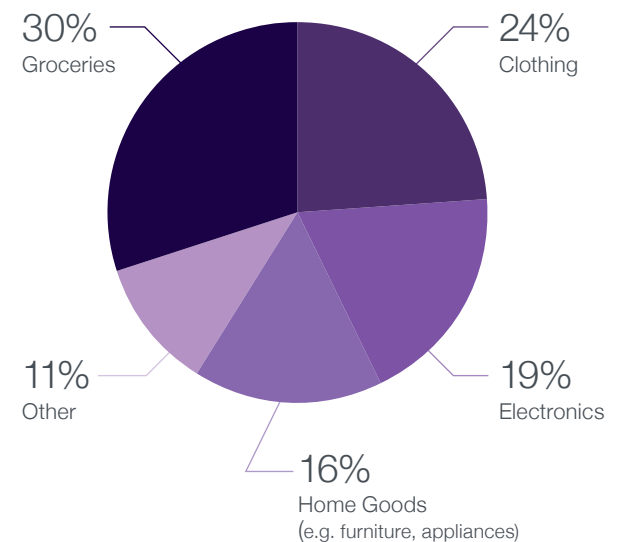
Almost two-thirds (61%) of Americans said most of the purchases they made during the pandemic have been online. And over half (55%) believe they've purchased more goods online since the pandemic began. Online grocery orders are the most common online pandemic purchases.

Certain categories of goods were more common among individual age groups: 18-24 year olds (31%) and 25-34 year olds (29%) are most likely to purchase clothing online and 35-44 year olds (36%) are most likely to purchase groceries online.

More than 70% of online shoppers will continue to use those services once the pandemic is over. Older age groups are more likely to say they'll continue with online service usage – 98% of 45-54 year olds and 94% of those aged 55+ will continue shopping online, compared with two thirds of 18-24 year olds.

Inventory and personalized experiences are the top two factors that would compel people to shop more online post-pandemic. Almost a third (31%) of people said they would shop online if there were more products available, while 1 in 5 (22%) expressed they would be most tempted to shop online if brands made personalized offers available to them.

Online purchases people made most during the pandemic





Banking

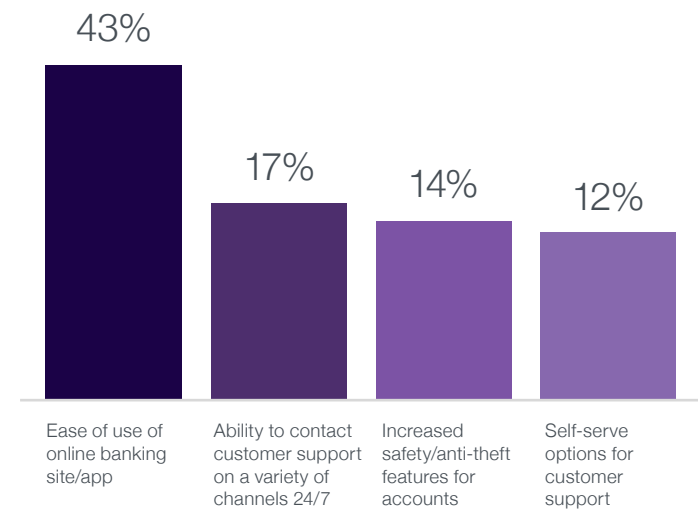
Consumers favor online customer service to in-branch banking.

77% of all Americans have interacted with their bank's online customer service representatives during COVID-19. More than two-thirds (69%) found those digital experiences to be on par or better than their experience of in-branch banking. When asked what contributed to their positive online experiences, two-thirds (66%) named the speed they receive online versus the in-branch experience.

Almost all (92%) Americans that used their bank's online function during the pandemic will continue to do so once the pandemic is over. This number was high across every age group.

Only 6% of people believe they will never conduct banking online. But those that said they would never or only occasionally bank online also suggested that an exceptional digital experience could potentially sway their decision.

The digital experience features that will encourage people to take up or continue online banking





Health & Wellness

Consumers sought digital health and wellness solutions amid the pandemic and don't plan to drop them any time soon.

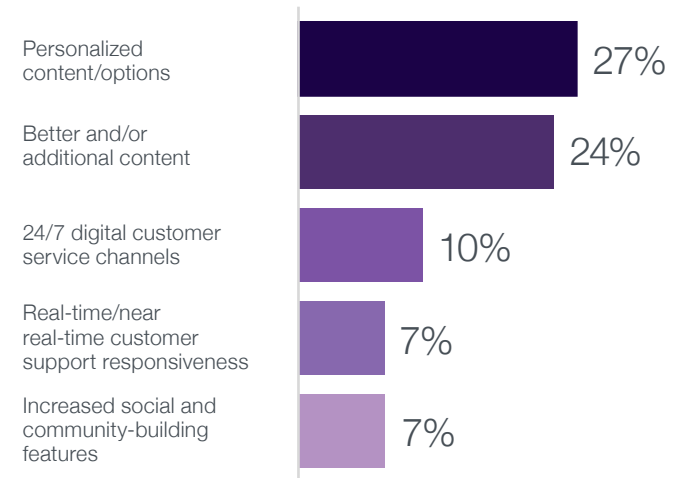
Over a third (35%) of Americans had never used a health and wellness tech device, wearable or app at home prior to the pandemic. Yet digital products, apps and services like Peloton, Headspace and Noom made their way into the homes and lives of 71% of people during the pandemic as consumers sought physical and mental reprieve from the added stress and worry of 2020.

63% of people that used a health and wellness tech device during the pandemic found the experience on par or better than their experience pre-pandemic, with 3 in 4 planning to incorporate some form of digital health and wellness into their lives as a permanent post-pandemic fixture, even once gyms and fitness facilities re-open.

The quarter of people who said they didn't plan to use digital products, apps and services after the pandemic pointed to the lack of personalized content/options as the primary reason.

When it comes to health tech companies delivering a great CX to their existing and future users, over half (58%) of people agreed that the best feature their provider can offer is personalized content and options. In more than half of industries (retail, banking, gaming) speed was favored as the top quality of excellent CX.

The top digital experience features that will encourage people to take up or continue using digital health and wellness solutions





Gaming

Online gaming was popular with Americans as a pandemic pastime, but Gen Z in particular will fly the flag for the industry once the world re-opens.

39% of Americans had never purchased a video game or downloadable content from an online storefront prior to the pandemic. But stay-at-home orders promptly changed that. 64% of Americans purchased games this way versus in a physical retail store during the pandemic and overall, their experiences were positive – 60% found purchasing games online better or about the same.

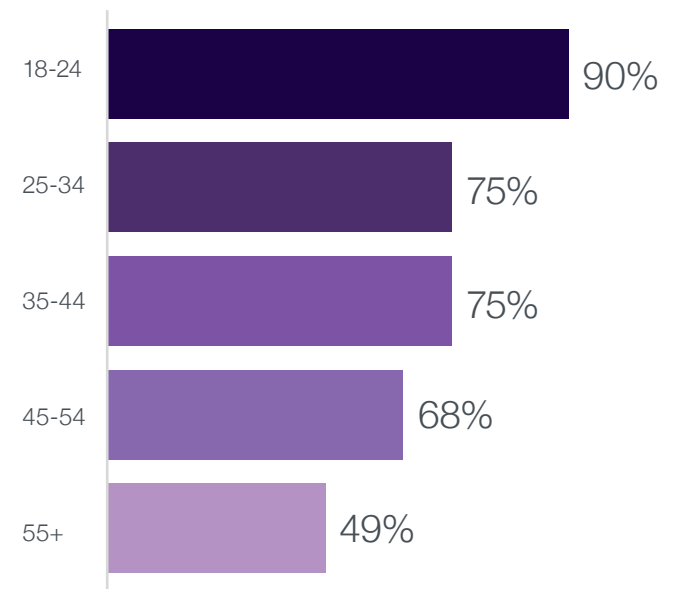
71% of Americans said they will purchase video games from online storefronts after the pandemic is over. Convenience trumps all other factors — over half (54%) of people found an online gaming store/provider's customer experience speed to be their most defining quality.

That said, digital purchasing behaviors are expected to vary fairly significantly among age groups in a post-pandemic world. Gen Zers are by far the most likely cohort to stick to the digital purchase habits formed over the past year.

Once the world re-opens, gaming fans still expect to be hooked to their screens. Three-quarters (77%) of people said they would continue gaming after the pandemic. The same Gen Z age group, 18-24 year olds, is the most likely age group to continue.

For Americans of all ages that are currently on the fence about whether they'll game regularly or at all, the ease of digital experiences and strong content moderation (such as censorship/monitoring of hate speech) are both factors that would sway them.

Age groups that would continue purchasing games online after the pandemic



Action Plan



Step 1: Seek ways to improve digital customer experiences

Digital-first CX should be an imperative for all companies in 2021 and beyond. But while the rapidly unfolding events of 2020 forced many companies to rush and reactively digitize their businesses, 2021 should be a year of carefully planned and longer-term digital transformation strategies. To stay competitive, these strategies should include next-generation technology like artificial intelligence (AI) to augment and/or simplify the customer experience.



Step 2: Balance digital and human in CX delivery

The best customer experiences come from human-centered digital design. Ensure your CX team (in-house or through a trusted partner) receive training that empowers them to deliver empathetic customer experiences. Don't overlook the fact that you can't expect empathetic CX unless you extend the same treatment to your frontline team members. Model open dialogue, consistent communication and a caring culture, especially when your teams are working remotely. Also look for ways to use digital solutions internally – like internal knowledge base bots – to better enable your frontline teams to better serve your customers.



Step 3: Prioritize privacy and security

Ensuring that sensitive data is secure is one way to build trust and loyalty with your customers. Ask the hard questions around whether you've invested sufficiently in the right, up-to-date technology, or are partnering with the right companies that will protect your customers' privacy. Lean on the experts, or those of your CX partners, including CIOs, CTOs and other Trust & Safety, and Fraud Prevention & Detection experts.

Elevate your own digital CX in 2021

For over 15 years, TELUS International has supported the customer experience and digital IT needs of top global brands. Reach out to one of our digital CX experts to learn more at telusinternational.com/contact

About TELUS International

TELUS International designs, builds and delivers next-generation digital solutions to enhance the customer experience (CX) for global and disruptive brands. Our services support the full lifecycle of our clients' digital transformation journeys and enable them to more quickly embrace next-generation digital technologies to deliver better business outcomes. Our integrated solutions and capabilities span digital strategy, innovation, consulting and design, digital transformation and IT lifecycle solutions, data annotation and intelligent automation, and omnichannel CX solutions that include content moderation, trust and safety solutions and other managed solutions. Fueling all stages of company growth, we partner with brands across high growth industry verticals, including tech and games, communications and media, eCommerce and fintech, healthcare, and travel and hospitality.

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