Customer Experience Challenges in Pandemic Times

Why Keeping the Status Quo Isn't an Option for Contact Centers

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Summary

The foundations of good customer service have never changed, and while new technology can help provide a great customer experience (CX), outdated technology can just as easily undermine even the best contact center agents, and the issues have only been amplified with COVID-19. Call volumes are rising, and customers are anxious about everything in the current environment, both of which raise the stakes for CX.

This report draws on findings from a market study about CX during pandemic times and validates the need for contact center decision-makers to take a closer look at how digital technologies are driving CX. There is an important balance to strike between enabling agents to do what they do best — provide helpful, personalized service — and deploying the right technologies to automate self-service for more routine inquiries. If that balance is not struck, the research illustrates the business-level impact of providing poor CX, which will only continue if maintaining the status quo with legacy technology.

Background

This report is based on data drawn from a recent market research study commissioned by Mitel in July 2020. There were many notable findings and implications for contact centers from the research, and these have been distilled within the report. The analysis is divided into two sections, first with descriptive findings about how COVID-19 has impacted CX. Following this is a prescriptive analysis, where the implications of these findings are presented for contact center decision-makers and others tasked with improving CX.

The market research was conducted by Sapio Research, using online surveys drawn from various online customer panels. The response base was consumers who use or have used some form of customer service. Overall, 4,075 responses were compiled, with equal distribution across four regions — US, UK, France and Germany. With over 1,000 responses per region, the data should be viewed as accurate at a 95% confidence level, within a variance range of +/- 1.5%.
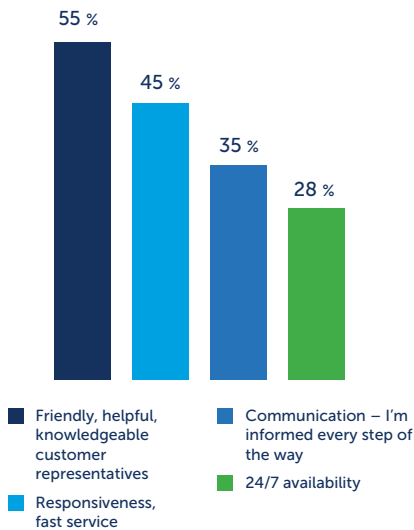
Key Findings

This section provides a descriptive analysis, where key findings have been grouped into four areas. Collectively, these lay the foundation for the prescriptive analysis section which offers implications for contact center decision-makers. Understanding the data at face value is one thing, but to realize business value from it, the analysis must shift to developing a CX strategy during pandemic times.
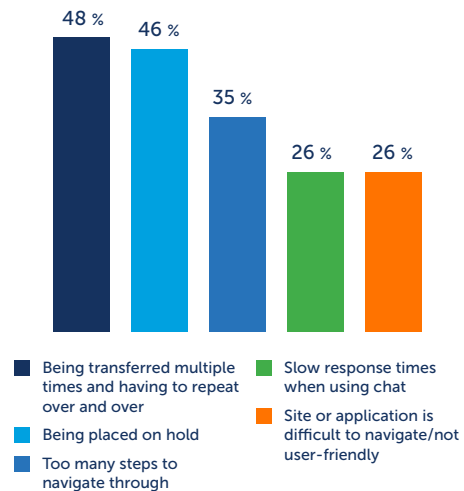
Primacy of CX

This is the central theme of the research, where the premise holds that good CX leads to greater customer satisfaction, from which a business benefits in many ways. Conversely, a poor CX leads to negative consequences. The following tables illustrate what both good and bad CX look like.

What makes a great customer experience?

55 %
45 %
35 %
28 %

- Friendly, helpful, knowledgeable customer representatives
- Responsiveness, fast service
- Communication – I'm informed every step of the way
- 24/7 availability

What's most frustrating to consumers when dealing with customer service?

48 %
46 %
35 %
26 %
26 %

- Being transferred multiple times and having to repeat over and over
- Being placed on hold
- Too many steps to navigate through
- Slow response times when using chat
- Site or application is difficult to navigate/not user-friendly

None of these drivers should be surprising, but the data validates their importance, and descriptively illustrates what constitutes good and bad CX. To be fair, no single attribute defines CX, so the path to success isn't a matter of fixing one thing at the expense of all else. Rather, contact center leaders should view these as guide points to prioritize improvements.

Channels Used for Customer Engagement

There are two related elements for this theme. First is the usage profile across four major channels, both for actual usage, as well as preferred usage. Following that, the data takes a closer look at usage trends for online channels, all of which reflect the rise in self-service for contact center inquiries. At face value, these findings underscore the prevalence of more traditional channels – namely telephone and email – but also the rising importance of digital channels.

How consumers prefer to engage with an organization's customer service team versus channel typically used

	Telephone	Email	Online chat	In-person
	49 %	42 %	28 %	28 %
	59 %	50 %	32 %	24 %
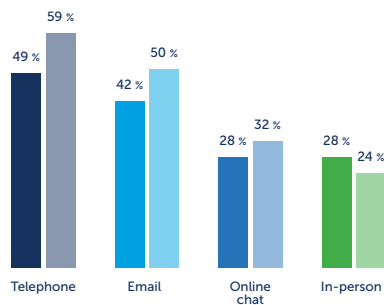
Two things stand out from this data set. First is the dominance of telephone and email in both modes. While contact centers managers need to think carefully about prioritizing resources during the pandemic, these channels should not be abandoned. As subsequent data will show, digital channels are growing, but overall, they remain well behind the legacy channels.
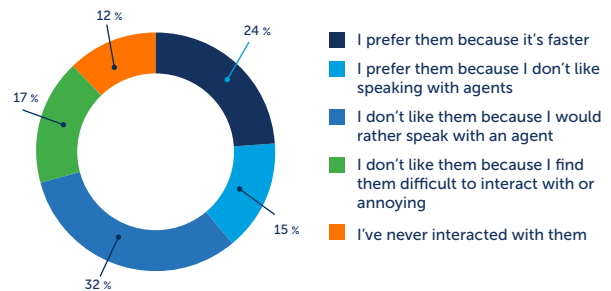
Another indicator of that trend would be the gaps between preferred and typically used. They are notably large for both telephone and email, suggesting customers would rather use other channels if possible. Online options are one of those alternatives, and as will be explored later in the analysis, there is good reason to be investing here as well. Many contact centers have lagged in supporting these options, and the data suggests the shift away from legacy options would happen faster if there was more investment in this area. As a sidenote, in-person is the only channel where the preference level is higher than the actual, and that's clearly due to the pandemic, where customers simply aren't going into stores unless absolutely necessary.

Aside from the four channels above, survey respondents were also polled on their usage and preferences around text and video. For both, the incidence level was quite a bit lower – 15% and 10% respectively, with no difference between actual and preferred. Pandemic or otherwise, there is nothing in the data to suggest contact centers need to change their current position on using these channels.
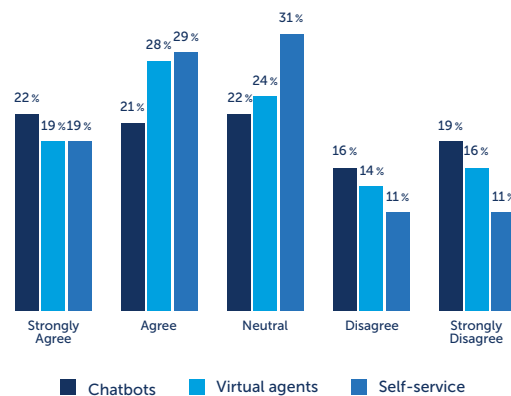
Building on these findings, the research further indicates that 4 in 10 "prefer" to use online options, and while 5 in 10 "don't like them," customers with a positive attitude towards online options have now reached critical mass.

By all indications, the data additionally reveals strong intent to make greater use of these options. Although the survey did not specify the time horizon for when respondents would make greater use – nor did it specify how strong that intention might be – almost 5 in 10 are thinking along these lines. Since roughly 3 in 10 do not plan to use these options more, the net impact for contact centers will be positive.

How consumers feel about interacting with chatbots or virtual agents

- 24 % — I prefer them because it's faster
- 15 % — I prefer them because I don't like speaking with agents
- 32 % — I don't like them because I would rather speak with an agent
- 17 % — I don't like them because I find them difficult to interact with or annoying
- 12 % — I've never interacted with them

Consumers who plan to increase use of chatbots, virtual agents or self-service, where available

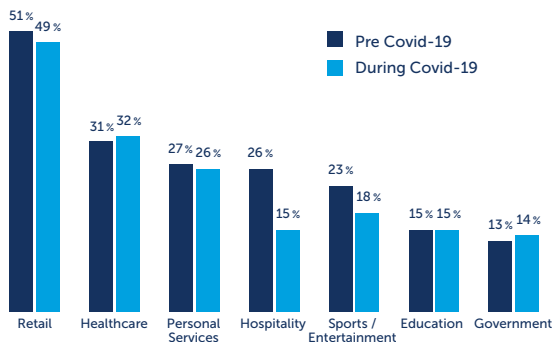|	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Chatbots	22%	21%	22%	16%	19%
Virtual agents	19%	28%	24%	14%	16%
Self-service	19%	29%	31%	11%	11%

Vertical Market Differences

In the course of our daily lives, we interact across many different verticals as customers, patients, citizens, etc. Some notable findings emerged from the research around this aspect and will be presented in the next section. The focus here is explaining the overall usage profile, along with how the pandemic has impacted the usage of each vertical.

Respondents were presented a list of seven verticals and asked to indicate the top three based on frequency of engagement.
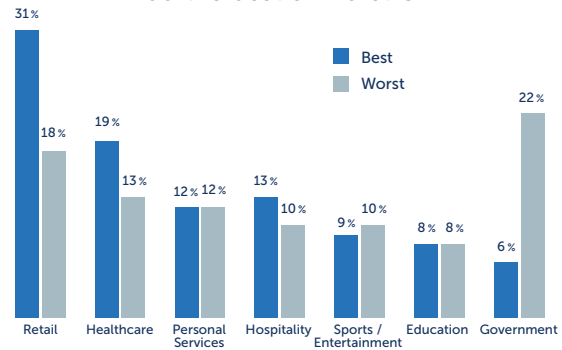
Industries engaged with most often as a customer, whether in person, online or through an app

Legend: Pre Covid-19, During Covid-19

Retail: 51%, 49%
Healthcare: 31%, 32%
Personal Services: 27%, 26%
Hospitality: 26%, 15%
Sports / Entertainment: 23%, 18%
Education: 15%, 15%
Government: 13%, 14%

- *Retail is by far the most commonly used vertical; CX findings here will be particularly noteworthy.*

- *While the pandemic has impacted all sectors of the economy, on the basis of usage, only two of the verticals addressed in the survey had a substantive drop-off – hospitality and sports/entertainment.*

- *For the other verticals, the change has been nominal, so there's no rationale to scale back any focus on CX due to COVID-19.*

- *Given retail's dominance, the 2% drop-off is worth noting; however, retail remains the leader by far – both pre and during the pandemic. The response here to COVID-19 sets the tone for other verticals to follow.*

Respondents were also asked to pick one vertical segment representing their best customer experience and one representing their worst. Their answers indicate that not only is retail the most commonly used vertical, it's by far the leader in CX.

Industries in which consumers have had the best or worst CX

Legend: Best, Worst

Retail: 31%, 18%
Healthcare: 19%, 13%
Personal Services: 12%, 12%
Hospitality: 13%, 10%
Sports / Entertainment: 9%, 10%
Education: 8%, 8%
Government: 6%, 22%

This report will further explore what retail is doing right when it comes to CX and how other verticals can take note. Admittedly, retail has its share of bad CX, yet the net difference in favor of best CX – plus 13 – is greater than all other verticals, so despite the low marks it received from 18% of those surveyed, the best practices for retail should carry the most weight in this study.

The only other vertical rated worse is government. While it can be argued that CX expectations are different for public sector, it's worth noting that of all verticals, this one has the most room for improvement.

Regional Trends and Differences

Response patterns across all four countries were quite uniform, but a few slight differences emerged:

- *Germany had the highest percentage of positive experiences with the retail industry at 36%. The UK was close behind at 34%, but the UK population seemed divided in their opinion also attributing the highest percentage of worst experiences to retail.*

- *The US had the highest percentage of best experiences with healthcare at 21%, while Germany had the lowest at 14%.*

- *France had the highest percentage of worst customer experiences in dealing with the government at 24%.*

Overall, the profiles for good and bad CX – along with vertical segments – did not vary enough for any one region to fully stand out. The broad consistencies here imply universal realities – at least among these Western countries. Changes made in any of these countries to improve CX should translate to the others. Similarly, best practices found from this study, should largely hold up across each.

Implications

As CX becomes a strategic business driver for staying competitive, contact center decision-makers must become more strategic in their technology investments. In this section, the analysis shifts from being descriptive to prescriptive. First, the impact of COVID-19 on CX will be addressed, followed by how perceptions related to CX are shaping the reality facing contact center decision-makers. Finally, regional differences will be reviewed, especially around how the US leads in adopting new technology and how that pertains to CX.

The pandemic has proven to be a real test for contact centers as customers deal with a new-found uncertainty around getting things done. Whether dealing with everyday needs such as groceries, pharmacy visits, household goods, etc., or services such as banking, medical visits or license renewals, everything is being retooled for touchless experiences, social distancing and e-commerce.

There is a lot of new to the "new normal," putting added pressure on contact centers, not just in terms of handling higher call volumes, but also supporting anxious customers – not to mention supporting home-based agents. With no more "business as usual," both public and private sector organizations now operate under fluid conditions. Routine inquiries – hours of operation, how to make payments, how to access goods and services – become moving targets, and contact centers need to be more agile in providing accurate and current information.
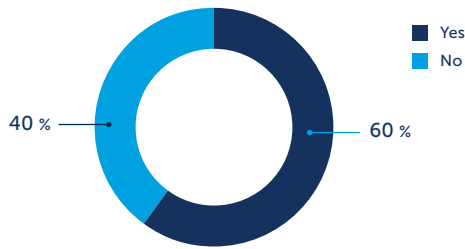
This adds new complexity to the regular workload, putting added pressure on agents as customers come to them with heightened concerns about everyday needs. During the pandemic, contact centers have become the front door for many businesses, and in this climate, CX matters more than ever. Despite these new realities, 6 in 10 customers say they've seen a "positive shift" in CX, an encouraging sign. The implication here is that businesses recognize the importance of CX, and for the majority, they have responded accordingly.

When CX is good, satisfaction increases, customers are more likely to make recommendations to others and businesses ultimately gain share of wallet. These are exactly the kinds of outcomes that executive management pays attention to, which helps build the case for investing capital and other resources into making CX better.

Bad CX, on the other hand, undermines customer retention, and leads to negative behaviors – and sentiments – that can quickly undo the brand loyalty carefully built up over many years. Any of these outcomes is simply too high a price to pay, especially during the pandemic when consumers are being very careful when spending.

To further amplify this theme, it's worth noting that the sentiment around bad CX is considerably stronger than good CX. Across the board, the incidence levels for bad CX are much higher than for good CX. That means the associated behaviors for delivering a bad CX will be more prevalent, making the risk that comes with bad CX greater than the rewards related to good CX.
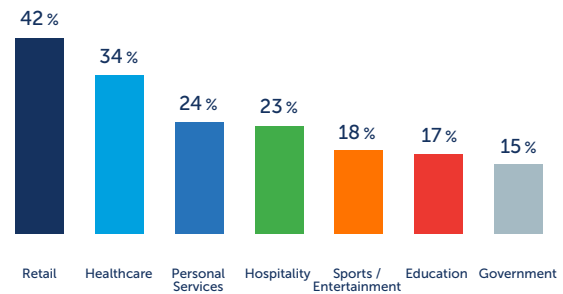
Consumers who say they have seen positive shifts by organizations in response to the pandemic

- **Yes** 60 %
- **No** 40 %

Considering how extensively retailers have needed to adapt to COVID-19 – especially in shifting from in-store to online environments – other verticals can learn from best practices here for improving CX and deploying the right mix of contact center technologies.

Industries in which consumers have seen a positive shift in CX since the pandemic

Retail	42 %
Healthcare	34 %
Personal Services	24 %
Hospitality	23 %
Sports / Entertainment	18 %
Education	17 %
Government	15 %

Survey respondents who noticed a positive shift in CX during the pandemic were also asked in which verticals they were seeing this change. Retail emerged as the clear leader, and while the research didn't explore what each vertical was doing in particular to improve CX, this finding reinforces the earlier conclusion about retail having the best CX overall.

Biggest impact a great CX has on a consumer's relationship with a business/organization

- 36 %
- 28 %
- 26 %
- 11 %

- **Increases my satisfaction**
- **Increases my willingness to recommend the organization**
- **Will shop or engage with them even more**
- **No impact on my relationship with them**

How consumers respond to a bad customer experience

- 47 %
- 44 %
- 40 %
- 28 %

- **I stop shopping or using their services**
- **I tell friends and family**
- **I make a complaint to the organization**
- **I write a bad review or share my experience on social media**

Perception is Reality for CX

Industry-wide, contact center vendors are reporting strong surges in volume from their customers, and so long as the pandemic stays in place, these elevated levels are expected to continue. The data from this research validates the importance of CX, and while the "positive shift" cited above is good news, no contact center delivers great CX 100 percent of the time. For many reasons, the reality falls far short.

Contact centers are doing their best to keep up with higher calling volumes, but with so much uncertainty around the pandemic, it's often difficult to know why customers are calling. This puts a lot of pressure on agents, especially when dealing with inquiries they've never had to field before.

Over time, they'll learn how to handle all this, but the environment is fluid, and new needs will keep emerging. Agents can't be expected to have all the answers, and the best way to enable them is to provide the right tools so they can communicate effortlessly using whatever channel suits the customer.

The data from this study provides important clues as to why contact centers don't always provide a great CX. While the reasons may not always be self-evident to contact center decision-makers, they're clear in the eyes of the customer, and in this regard, perception is reality.
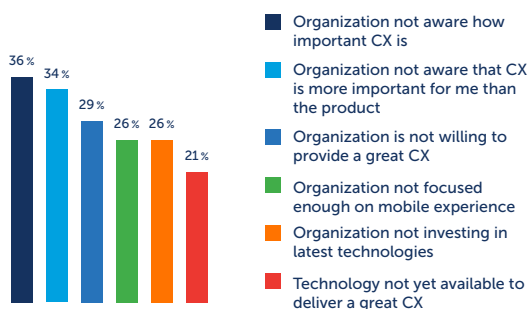
When CX fails to hit the mark, there are several common criticisms that touch on to two distinct issues: organizational and technology. Many contact centers can deliver great CX with limited technology. If there's a customer-centric culture, for example, agents will make the best of what they have and find a way to delight customers.

That said, many contact centers are hampered by their current technology, and some are being called out in the research for not investing effectively. Customers holding that perception will be difficult to win over. They may have already decided to move on, thinking that upgrades will never be made, or they may only be willing to wait a short time. Culture change to become customer-centric can take years, but a technology upgrade can be done quickly, especially with cloud-based offerings.

This unpeels another layer of the perception-is-reality theme. When it comes to providing great CX, the importance of digital options must be considered, especially in times when most forms of customer engagement are shifting online. The survey findings indicate strong interest in online options, not just now, but post-pandemic.
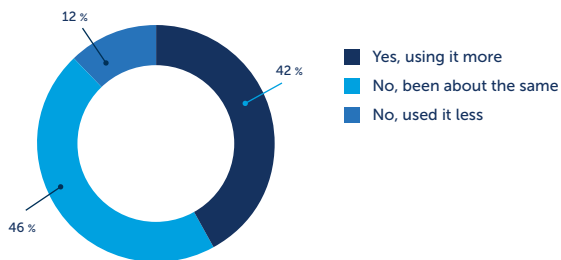
For contact center decision-makers who are skeptical about the value of providing online contact center options, the implication here is clear. Regardless of perceptions, the reality is that once customers start using them, the majority of them – 71% to be exact – will continue to do so.

Why consumers think organizations are not providing great CX

- 36% — Organization not aware how important CX is
- 34% — Organization not aware that CX is more important for me than the product
- 29% — Organization is not willing to provide a great CX
- 26% — Organization not focused enough on mobile experience
- 26% — Organization not investing in latest technologies
- 21% — Technology not yet available to deliver a great CX

Consumers who have been using online customer services more during COVID-19 than usual

- 12% — (upper segment)
- 42% — **Yes, using it more**
- 46% — **No, been about the same**
- **No, used it less**

What consumers would like to see more of from customer service

- 46%
- 32%
- 26%
- 20%
- 17%

- Tools that are easier to use
- More use of mobile apps
- More use of virtual services
- More options for video interactions
- More use of chatbots
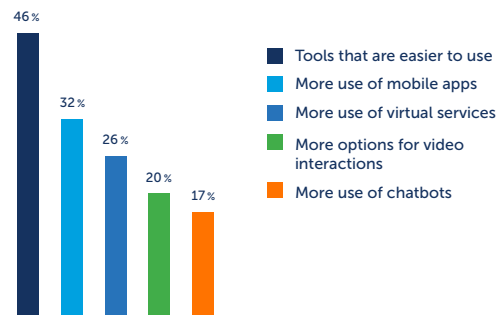
Consumers who plan to continue using online customer service longer-term over other options

- 10%
- 37% — **Yes, I was already relying on this and will continue to do so**
- 19%
- 34% — **Yes, I find them to be more convenient**
- **No, I plan to revert to in-person customer service**
- **No, I plan to revert to telephone-based customer service**

Finally, for contact centers wondering why their CX gets low marks, the best advice is to listen to what customers actually want. Whatever contact center decision-makers may perceive the solution to be for improving CX, the reality is determined by what the customer thinks.

Ease of use is always the leading driver of technology adoption with consumers, and that has certainly been validated here. This isn't necessarily about having the most advanced or current technology; rather it's about having technology that is relatable for customers. When considering technology partners to improve CX, ease of use should be self-evident for all customer-facing applications.
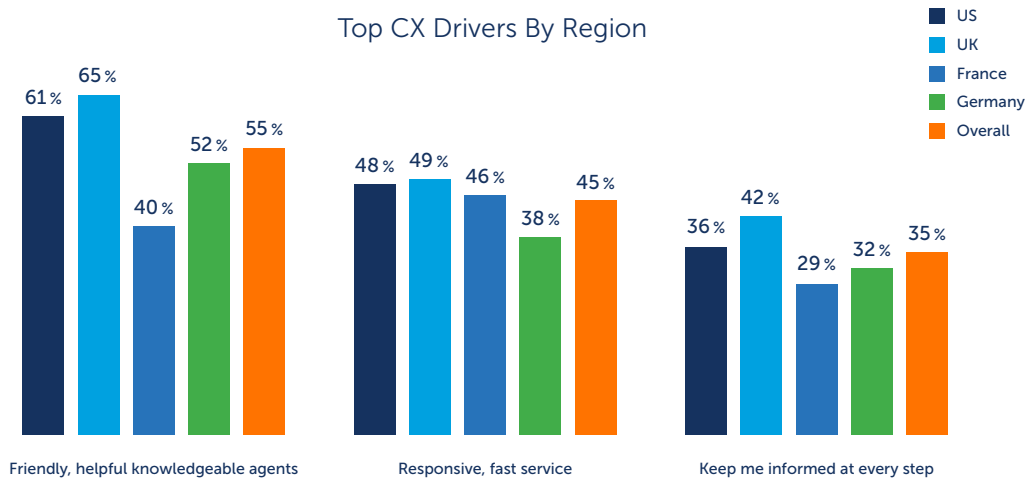
In addition to ease of use, there is a strong call for enabling native mobile support, along with online options such as virtual services and chatbots. Both validate the growing interest customers have for online forms of customer service. Regardless of what contact center decision-makers think will improve CX, these are the things that customers perceive will work best, and in these anxious times, they seem like a much safer bet.

Top CX Drivers By Region

Legend: US, UK, France, Germany, Overall

Friendly, helpful knowledgeable agents
- 61% (US)
- 65% (UK)
- 40% (France)
- 52% (Germany)
- 55% (Overall)

Responsive, fast service
- 48% (US)
- 49% (UK)
- 46% (France)
- 38% (Germany)
- 45% (Overall)

Keep me informed at every step
- 36% (US)
- 42% (UK)
- 29% (France)
- 32% (Germany)
- 35% (Overall)

Before examining regional differences about technology, the key drivers for CX must be considered.

The drivers of good CX suggest that CX is best when agents are attentive to customers, especially for building relationships that make them feel valued. The human touch really matters, and you can't create a great CX simply by being efficient and automating as many steps as possible. Technology certainly plays a key role, but ultimately the connection between agents and customers will drive CX.

This is an area where both the US and UK place higher value on these drivers across the four regions. To be fair, cultural norms can be highly subjective, but it is reasonable to conclude that CX requires a strong personal touch. Investments in contact center technology should make it easy for agents to access information to address customer needs, ensure seamless multichannel communication, and provide tools to support end-to-end service such as outbound notifications. Based on the size of the US market, companies looking to sell there must build their CX around these drivers.

Since the pandemic, a higher percentage of US respondents also said they'd seen improvements in CX. While UK survey responses were on par or better than the US in many areas, that's not the case here.

Consumers who say they have seen positive shifts by organizations in response to the pandemic

- US: 71%
- UK: 60%
- France: 57%
- Germany: 53%
- Overall: 60%

At first glance, US responses around communication channel usage imply a contradiction. Sixty-five percent of survey participants said they mostly rely on the phone for customer service, but also ranked second in usage of online channels at 39%. This mix of both legacy and next-gen options for customer service may appear odd, but it aligns with the drivers of good CX outlined earlier. The takeaway here is how US consumers view personal touch and direct engagement as being key to CX. The high usage of telephony supports that given this is the most engaging channel for communication between customers and agents.

Greater usage of online options by consumers in both the US and UK further indicates they're also more receptive to adopting new CX technology. During the pandemic, the need for efficient, touchless communication has never been greater, and both the US and UK have embraced this shift.
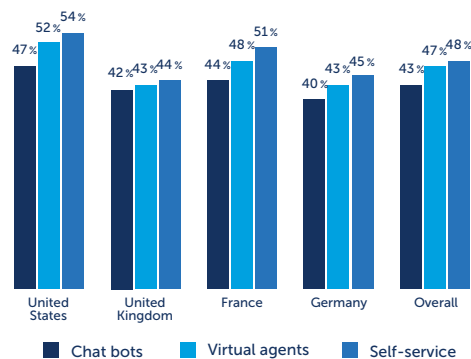
In fact, the data suggests that no country has made this shift more than the US. Aside from being the second-highest user of online options, it has the smallest gap between the usage of online and email – 39% and 43% respectively. The UK's gap is slightly larger at 6% with wider gaps in France and Germany. It's also worth observing that on an absolute basis, the US also has the lowest incidence of customer service-related email usage. Arguably, email is the least personal of all communications channels, so this finding shouldn't be surprising, in light of the data set showing the US as doing the best job of improving CX

When asked specifically about online options, 49% of the overall sample held a negative view of them, while 39% expressed a preference. Despite any current unfavorable opinions, respondents in all four countries said they plan to increase their use of chatbots, virtual agents and self-service. With the US scoring highest for improving CX during the pandemic, it stands to reason that the adoption of online channels played a key role in achieving this outcome, and signals a call to action for the other countries to follow as they look to improve CX.
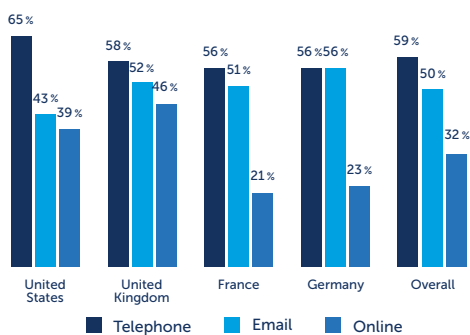
Consumers who say they prefer interacting with chat bots or virtual agents over speaking with a live agent

US	46%
UK	41%
France	36%
Germany	33%
Overall	39%

Consumers who plan to increase use of chatbots, virtual agents or self-service, where available

United States: Chat bots 47%, Virtual agents 52%, Self-service 54%
United Kingdom: Chat bots 42%, Virtual agents 43%, Self-service 44%
France: Chat bots 44%, Virtual agents 48%, Self-service 51%
Germany: Chat bots 40%, Virtual agents 43%, Self-service 45%
Overall: Chat bots 43%, Virtual agents 47%, Self-service 48%

■ Chat bots   ■ Virtual agents   ■ Self-service

How consumers prefer to engage with an organization's customer service team vs. channel typically used

United States: Telephone 65%, Email 43%, Online 39%
United Kingdom: Telephone 58%, Email 52%, Online 46%
France: Telephone 56%, Email 51%, Online 21%
Germany: Telephone 56%, Email 56%, Online 23%
Overall: Telephone 59%, Email 50%, Online 32%

■ Telephone   ■ Email   ■ Online

Conclusion

CX expectations were rising prior to COVID-19 and many contact centers were already struggling to meet customer needs. However, the majority – 60% – feel that organizations have responded positively in terms of CX, and this should be viewed as a strong takeaway from the research.

Contact centers may still have a long way to go to deliver an ideal CX, but the research provides a practical roadmap for what is needed. Regarding agent-to-customer engagement, providing service that is friendly, knowledgeable and responsive is key to success. Equally important, the research indicates what bad CX looks like: having to repeat yourself each time you're transferred to another agent, being placed on hold, or having too many navigation steps to get answers.

Other factors are in play as well, but the research shows that more automation and next-generation technologies are needed to close the gap between what customers expect and what contact centers can currently deliver. Automated forms of self-service like chatbots and virtual agents can help address many of today's CX shortcomings. The research indicates that these capabilities translate into better forms of customer service.

Beyond the contact center, these findings align with broader trends around digital transformation. Providing a great CX today requires digital capabilities that draw from all corners of an organization, and that strategic view should drive technology decisions for the contact center. In this context, technologies like cloud, artificial intelligence, workforce optimization, application programming interfaces and intelligent call routing need to be viewed as the building blocks for digital CX, not just today, but once the pandemic thankfully passes.

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Jon Arnold is Principal of J Arnold & Associates, an independent analyst practice providing thought leadership and go-to-market counsel, with a focus on the business-level impact of digital transformation on the future of work. Core areas of expertise include unified communications, cloud communications, collaboration, artificial intelligence, speech technologies, Internet of Things, contact centers and customer experience. JAA is based in Toronto, Ontario, and serves clients across North America and Europe.

In 2020, Arnold was named a "Top 100 Unified Comms Influencer" and a "Top 10 CX Contact Center Influencer You Need to Follow." His previous recognition includes "Top 50 Unified Comms Influencer," "Top 30 Contact Center Influencer," and "Top 10 Telecoms Influencer." As an analyst, he regularly participates in technology industry events, including Enterprise Connect, ITExpo, Future of Work Expo, Monage, SCTC and others.

Additionally, Arnold is a UC Expert with BCStrategies and a long-serving Council Member with the Gerson Lehrman Group. He is frequently cited in business and trade media, serves as an advisor to emerging technology/telecom companies, and is a board member of the U.S.-based SCTC.