Tallwave

Data-Driven Insights into the Evolving Customer Experience

Pre and Post Pandemic

The world as we know it has changed forever. Or has it?

The effects of COVID-19 were immediate and felt by every industry and business across the globe. Customer behaviors and expectations changed overnight as fear and anxiety swept through communities, resulting in pandemic trepidation. Some businesses struggled to restock products that were flying off shelves, while others were directed to lock their doors and go home.

Events and experiences of all types – especially traumatic ones – shape customer expectations and needs. Since the initial onset of COVID-19, analysts and forecasters predicted that buyers' behaviors would change for good – forcing businesses to pivot from prioritizing convenience and cost to safety and wellbeing. Following suit, automotive brands began reimagining how they could incorporate mask holders and anti-microbial features into vehicles. Brick & mortars started redesigning spatial layouts and offering curbside experiences.

But instead of latching onto a single line of thinking and blindly following the suggested "new normal" best practices for our clients and their customers, we took pause. How do you validate where you really want your business and the experiences you craft to go? Is incorporating health and safety precautions more important than overburdening the customer? Do you continue to invest in something without first confirming it's what customers really want?

Best practices are guidelines to be referenced, not hard and fast rules. In fact, innovators and market leaders who want to implement experiences of tomorrow shouldn't be followers. Curiosity and critical thinking should lead the way. Uncovering pockets of opportunity that can change market strategies and transform experiences should be the goal.

That's why we gathered insights to facilitate a different type of conversation. Is safety indeed the number one priority for customers across demographics and customer groups moving into a post-pandemic world? Or will businesses see digital experiences abandoned and customers eagerly flooding their physical stores?

We have to admit, the results of our research surprised us. And you might be surprised, too.

About the survey

The Data-Driven Insights Into Evolving Customer Experience Report relied on quantitative research, surveying 1,010 individuals ages 24-65+ from across the U.S. through the Harmon Research consumer panel. Respondents were asked a series of questions in order to understand changing consumer behaviors, perceptions, and needs before, during, and after COVID-19.

The quantitative survey was conducted online in April 2021. Some of those surveyed work from home, while others work in an office. Income levels varied, as well.

1,010

Individuals surveyed from across U.S.

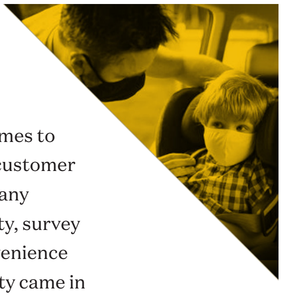
24-65+

The average age of individuals surveyed about their COVID-19 experience

Key highlights

Customer behavior changed as a result of the pandemic, but not as starkly as we initially believed it would. While respondents willingly tried several new customer experiences during the pandemic, they also yearn to return to in-person experiences that were the norm in 2019.

Convenience Is Still King



Convenience is still King when it comes to developing experiences that meet customer expectations and needs. Despite many brands focusing on health and safety, survey respondents clearly identified convenience as their top expectation/need. Safety came in second with all age brackets except Generation Z.

Digital Experiences Increase Customer Sentiment

Majority of respondents who used digital experience provided by businesses during COVID-19 reported a more favorable impression of the business, proving that flexibility to choose their own "adventure" is essential for the post-COVID customer.

Hybrid Experiences Are More Important Than Ever

More than half of respondents said they want to return to in-person experiences once COVID-19 is over. This highlights a need to bring brick & mortars to connect in-person with digital experiences in stores to offer one cohesive, seamless experience that empowers customer engagement, value realization, and increased brand affinity.

Digital Experiences Aren't Universally Accessible... Yet

Interest in accessing experiences that are solely digital decreases with age – typically dropping off starting with the 45-54 age demographic. Sixty-six percent of respondents 55 and older reported no desire to continue any type of digital experience in a post-COVID-19. This highlights a growing need to personalize experiences and provide education by persona groups and digital literacy to drive greater adoption and long-term engagement.

"Experiences are what draw customers into a brand and keep them hooked over time. It's the strongest differentiator and next greatest frontier for brands. Markets are disrupted and new markets are created when a new entrant is able to take CONTROL of the experience. Making an investment into your experience today will enable you to control the experiences of the future."

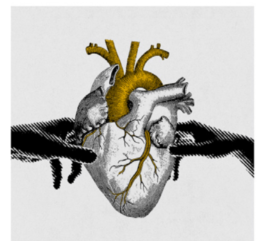
Jesus Ramirez
Vice President of Strategy & Innovation

How does this impact the future of your industry?

How should your business continue driving and investing in digital transformations as customers leave their homes and embrace the COVID-19 reentry phase? Download our industry insights to use while crafting a holistic plan.

Healthcare

Use of telehealth saw some of the greatest increases compared to other digital consumer experiences, with 63% of respondents saying they used telehealth medical visits over the last year, and 59% using them more than before the pandemic. The demographic that reportedly used telehealth services more during COVID versus before fell between the ages 24-36, closely followed by respondents ages 37-54. Our survey results illuminated a sharp decrease in telehealth adoption during COVID for those 55+. This highlights potential barriers for patient groups who are less digital literate.

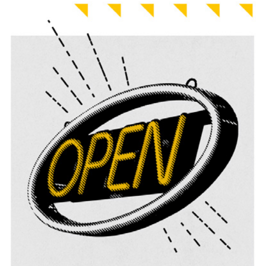


Insurance & Finance

Mobile banking saw huge use and adoption during the pandemic, with 85% of respondents confirming the use of mobile banking during the past year, and 46% of respondents saying they used it more than before the pandemic. However, only 24% say they plan to use mobile banking technologies and services once COVID ends. Respondents between the ages of 24-44 engaged with mobile banking & insurance services almost twice as much as those 65+. Without improved education and/or removing digital literacy barriers, these digital experiences will likely only be embraced by Generation Z and millennial post-COVID consumers.

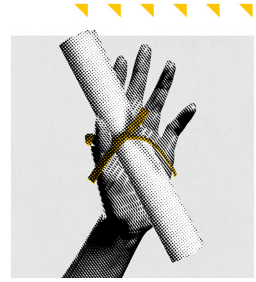
Retail

Grocery stores and delivery services successfully attracted new customers across all age brackets, with those 55+ being primary users during the pandemic, due to safety concerns; however, only 31% of people who tried grocery delivery services plan to use them once COVID-19 ends, illuminating potential barriers and friction points to be addressed to ensure continual digital adoption. Convenience was cited as the top benefit for all digital retail experiences, including BOPIS, DTC, online shopping, and subscription models.



Education

44% of respondents said they participated in virtual educational classes or courses during the past year. On average, of those who participated, 49% said they engaged with e-learning more than before. An increase of virtual education was greatest for those between the ages of 37-44 (62% of respondents who reportedly engaged with e-learning did so more than before COVID), followed by age groups 24-30 (52%), 45-54 (52%), and 31-36 (50%). 42% of respondents 55+ reportedly use e-learning more during the pandemic than before. At least a fourth of all respondents plan to continue e-learning courses in the post-COVID world.



The 5 Pillars of Future CX Design

So, our survey results ended up challenging predictions made by larger organizations in 2020 and even early 2021. But the fundamentals for crafting and driving excellent customer experiences are only reinforced by the survey results. Business leaders and changemakers dedicated to prioritizing, strategizing, and implementing new experiences for the post-COVID consumer should keep five things in mind as we progress further into the pandemic's re-entry phase:

01 Digitize the Traditional

Because of COVID, consumers have become a lot more familiar with and accepting of digital experiences. This provides organizations and companies with opportunities to digitize what was traditionally done in-person to improve and streamline the overall consumer experience for employees and customers alike.

02 Lean Into Personalization

Personalization is now a key factor in driving customer loyalty. Providing individualized attention helps remove digital barriers and build emotional bonds with customers by giving them the control back and making them feel understood and valued.

03 Provide Curated Education

Many companies and organizations across industries struggle with customer retention and engagement, which prevents customers from realizing the full value of their services or offerings. By improving educational offerings (personalized to meet the needs of different consumer groups) and increasing learning opportunities through omnichannel marketing, brands can help consumers discover, navigate, adopt, and engage with services, products, and/or offerings faster and long into the future.

04 Bring Your Digital Transformation In-Store

As our research suggests, people are craving to return to in-person experiences. But that doesn't mean companies and organizations halt digital transformation. Instead, it's important to bridge in-person and digital experiences by implementing digital transformation strategies into the physical spaces to create cohesive brand experiences, rather than differentiated ones.

05 Rely on Data to Continually Iterate & Improve CX

Data is the key to unlocking cross-functional alignment, agile decision-making, and unstoppable momentum when it comes to customer experience design. By ingesting, aggregating, and analyzing first, second and third-party data, companies and organizations can better target, personalize, and customize content to satisfy ever-evolving consumer needs.

Pre-Pandemic

WORKING FROM HOME

17% of U.S. employees worked from home 5 days or more per week*

ORDERING ITEMS ONLINE

36% of people ordered items online to be shipped to their homes

VIRTUAL DOCTOR VISITS

23% of people utilized telehealth services

VIRTUAL FITNESS CLASSES

24% of people have used virtual workouts

*Some of these stats were pulled from Change in remote work trends due to COVID-19 in the United States in 2020 from Statista

Post-Pandemic

WORKING FROM HOME

44% of U.S. employees worked from home 5 days or more per week

ORDERING ITEMS ONLINE

52% of people ordered items online to be shipped to their homes more often

VIRTUAL DOCTOR VISITS

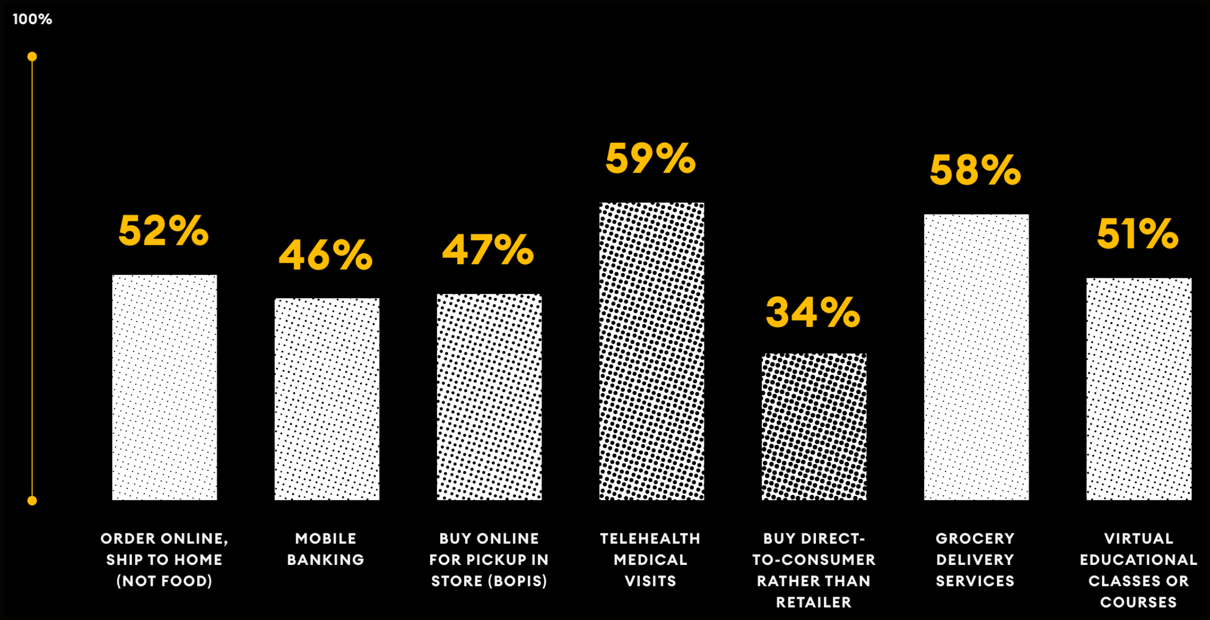
59% of people utilized telehealth services more often

VIRTUAL FITNESS CLASSES

49% of people have used virtual workouts

*Some of these stats were pulled from Change in remote work trends due to COVID-19 in the United States in 2020 from Statista

This graph represents the percentage of respondents who utilized specific digital experiences *more* during the pandemic than they did before.



Final takeaways

Despite living through a viral pandemic for the past year, what customers still value most in experiences is convenience. Whether in-person or digital, they must be easy, satisfactory, and frictionless, and value must be realized in a short amount of time. Affinity for supporting local and avoiding human interaction will no longer drive purchasing behaviors for the post-COVID consumer, according to our survey results.

Safety, though, does have its place. In fact, survey respondents voted it the second most important factor for customer experiences in most age brackets (excluding Gen Z). But the new information calls for businesses to shift their thinking and look through a new, slightly different lens. One in which experiences are designed with convenience as King, and safety, security, and certainty as “new normal” best practices.

Our survey respondents also showed a lot more enthusiasm and affinity towards in-person experiences than we expected. Many anticipated that – after a year of digital-everything – consumers would covet the internet for making their lives and daily routines easier. Businesses across industries were forced to speed up digital transformations by five years (simply to remain relevant and stay afloat), and because of customer adoption and preference to digital-first, it was expected that the trend would continue.

41%

of respondents reported convenience as the primary benefit of using digital experiences during COVID-19.

Price and cost savings still played a factor, averaging 20% of respondents' primary vote. Older consumers were more likely than younger to choose "safer"as a primary benefit.

But it seems everyone is Zoom fatigued. While some survey respondents said they plan to continue with digital experiences (grocery shopping delivery was higher on that list), 10% said they plan to go back to doing everything in-person once the pandemic ends. Only time will tell whether that desire for in-person activities will persist. Running errands and dealing with customer service lines can lose their appeal pretty quickly.

So, as people venture out of their homes and in-person business bounces back, should the digital-first transformation be put on pause? No. Many companies may do that. They may be forced to, so that they can recoup some of what they lost, but for others, it's an opportunity to become leaders and pioneers in delivering exceptional hybrid experiences. Because one day soon, there will be no differentiated experiences. In-person and digital will (or should) be one in the same.

With this, leaders are called to empower internal teams to be change makers and use this reentry phase as an opportunity to be one of the first to offer cohesive, connected hybrid experiences. When done right, it's these that will drive differentiation, fuel business growth, increase customer engagement, and empower ongoing value realization. Because innovation is the key to unlocking unstoppable momentum.

Now is the time, and experience is everything.

50%

of survey respondents say there is at least one experience they won't return to in person after the pandemic is over.

In-person banking is the experience they are most likely to avoid. As we saw earlier, 85% reported using mobile banking during the pandemic, and close to half of those said they used it more than before the pandemic. However, on the flip side, it's important to note that half of respondents said they want to return to doing everything in person, post-COVID.

What's next?

There are efficient and effective strategies that can be employed by any industry to identify gaps or opportunities throughout the consumer journey and brainstorm for innovative solutions to meet changing consumer behavior post COVID-19.

Some common practices used at Tallwave to help brands optimize the conversion journey, reduce churn, accelerate value realization, acquire new customers, and expand into new markets include holistically mapping the customer experience; redesigning specific elements of the user journey; conducting qualitative and quantitative research to inform core consumer group and competitive market decisions; facilitating design studios to help teams envision and implement tomorrow's experiences; utilizing proprietary tools to breakdown data silos; and optimizing performance marketing strategies to increase customer engagement, share of voice, and overall brand awareness.

We're ready to help you craft exceptional customer experiences and unlock unstoppable momentum. Are you?

Contact us now.

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