InMoment

CX TRENDS UPDATE:

The Continuing Impact of COVID-19 on the Customer Experience

How Far We’ve Come

It is safe to say that 2020 was a year like no other—civil unrest, increased unemployment, and, of course, COVID-19. While it is still too early to conduct a true post-mortem on the impact Coronavirus has had on consumer expectations and experiences, we are here with an update from our previous Pandemic Trends Report. And you’ll be happy to hear, there’s good news!

Before we get into consumers’ experiences in 2020, let us take a more macro view and reflect on the US economy, since that can indirectly impact consumer expectations. The news here, surprisingly, is better than you would expect. After an initial steep decline in March 2020—when the impact of COVID-19 was just beginning to gain momentum and concern about the unknown was escalating rapidly—**the S&P 500, Dow Jones Industrial Average (DJIA), and Nasdaq all rebounded significantly** as the year progressed. In fact, the S&P 500 and DJIA, both ended the year with record gains of 16.3% and 7.3% higher than in 2019, respectively.[1]

In March of 2020, very few would have predicted the leading U.S. financial indicators to end at record highs by the end of the 2020, but then again, the Federal Government helped soften the impact by offering support for small businesses, expanding unemployment compensation, providing stimulus payments, and several other concessions to millions of Americans. Like the Federal Government, companies offered similar incentives and increased “empathetic communications” to keep their customers happy, such as reduction in insurance premiums, curbside delivery, no penalty for deferring payments, “we are in this together” messaging, local/state regulations preventing evictions, etc.

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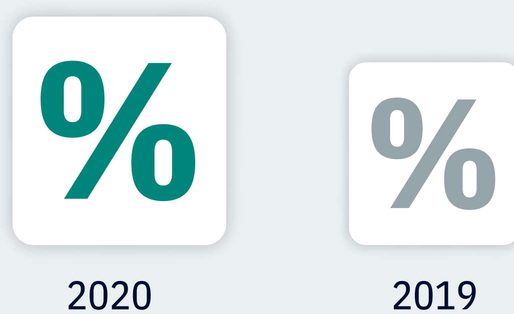
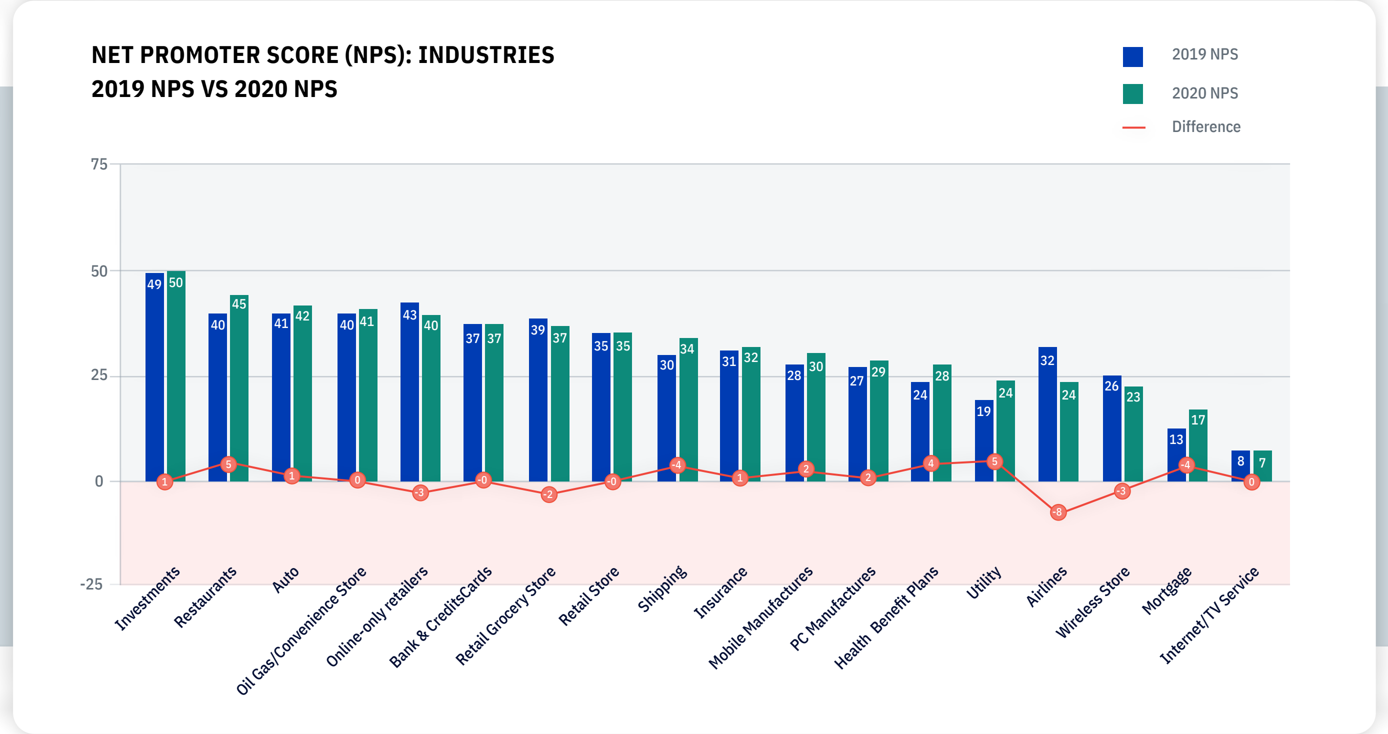


How Brands Have Faired Thus Far

Brand and industry response to COVID-19 has been varied—and how that response was perceived can make or break the customer experience as well as a brand's reputation. So as companies and industries each developed their own strategies to survive 2020, the question we asked ourselves was, "while these incentives may have helped the key U.S. economic indicators (even with millions still unemployed), did the incentives companies offered translate into a better or worse experience for consumers?" We looked to find the answers in our ongoing CX study, CX Standards.

About CX Standards CX Standards is InMoment's ongoing customer experience study, tracking thousands of customers' interactions with over 300 companies spanning 17 industries in the United States. The latest fielding includes new COVID-19 questions that rank U.S. consumer perceptions of companies' responses to the pandemic.

According to this study, the simple answer is 'yes', the incentives companies offered appear to have at least maintained consumer perceptions. **Most industries experienced an increase in their NPS in 2020 compared to 2019.** Most notably, restaurants and shipping. Many other industries improved a few points and only airlines saw a noticeable drop in their NPS.



To supplement the findings from our CX Standards Benchmarking study, when we look across some of InMoment's larger clients in the technology, utilities, and professional services industries, we see that when COVID-19 was gaining momentum in the Spring of 2020, the median satisfaction scores were 9% higher than they were in the months leading up to the pandemic. Likewise, when we look at median satisfaction scores from the Fall of 2020 and compare them to the same time in 2019, we see an increase of 4%.

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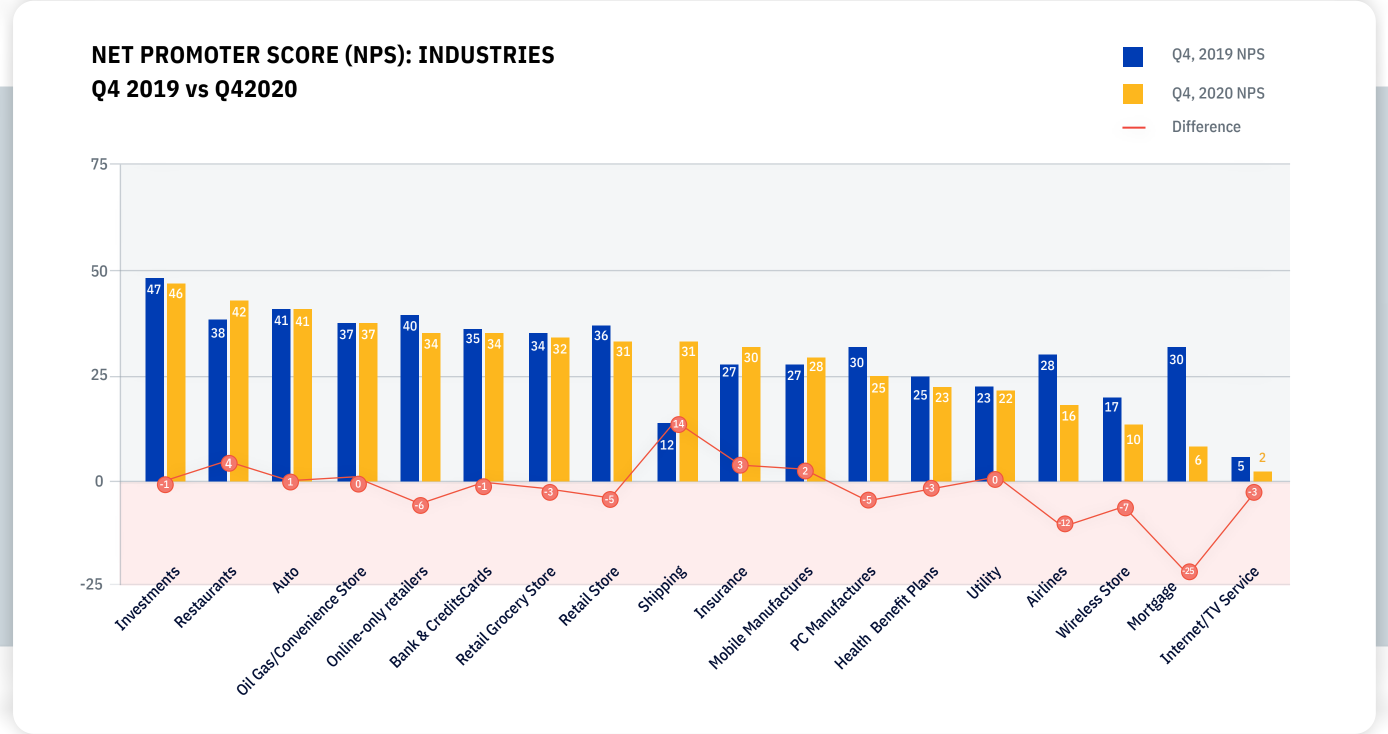
While this is a good news story for most industries, we also look at these results with a bit of skepticism. As with the stock market, eventually there will be a “CX correction” once some of the incentives and services in place today are removed and consumer expectations adjust. In fact, when we look at CX Standards, we are already starting to see the correction in Q4’20 across many industries.



For some companies, this correction might take a couple months and for others, a bit longer. The question then is how prepared are you to reduce the swing? Customer expectations will forever be changed, and therefore, so should our approach to customer experience. It is imperative we ask ourselves questions like, “how well are we communicating with our customers? What other value-added services should we consider offering instead of the current incentives? What expectations should we set and are we in a position to maintain or exceed those expectations? Do we know what our com-petitors are doing to reposition and prepare themselves?

If you’re looking to answer these questions and solidify your strategy, we at InMomentcan help you identify the areas of greatest risk and thus opportunity to maintain—or even improve—your current levels of customer experience. Let’s chat!

[1] https://www.kiplinger.com/investing/stocks/602023/stock-market-today-123120-dow-sp-500-close-out-2020-on-top

About InMoment

Improving experiences is why InMoment exists. Our mission is to help our clients improve experiences at the intersection of value—where customer, employee, and business needs come together. The heart of what we do is connect our clients with what matters most through a unique combination of data, technology, and human expertise. With our hyper-modern technology platform, decades of domain authority, and global teams of experts, we uniquely deliver a focus on Experience Improvement (XI) to help our clients own the moments that matter. Take a moment and learn more at inmoment.com

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