Customer experience in a transformed world

An in-depth global study about how brands can engage, inspire, and sustain conversations in a transformed digital landscape

In the first half of 2020, enterprise brands faced a digital reckoning. As the pandemic unfolded and local restrictions on movement took hold, the ways consumers socialized, shopped, entertained themselves, and worked changed almost overnight. The latest research commissioned by Sinch shows **these new habits are likely to persist long after the immediate crisis has passed — and the implications for brands will be profound.**

In a survey of over 2,800 global consumers, plus interviews with leaders in enterprise CX, we examine how the pandemic is affecting customer behavior and the way forward for brands seeking always-on, omnichannel engagement.
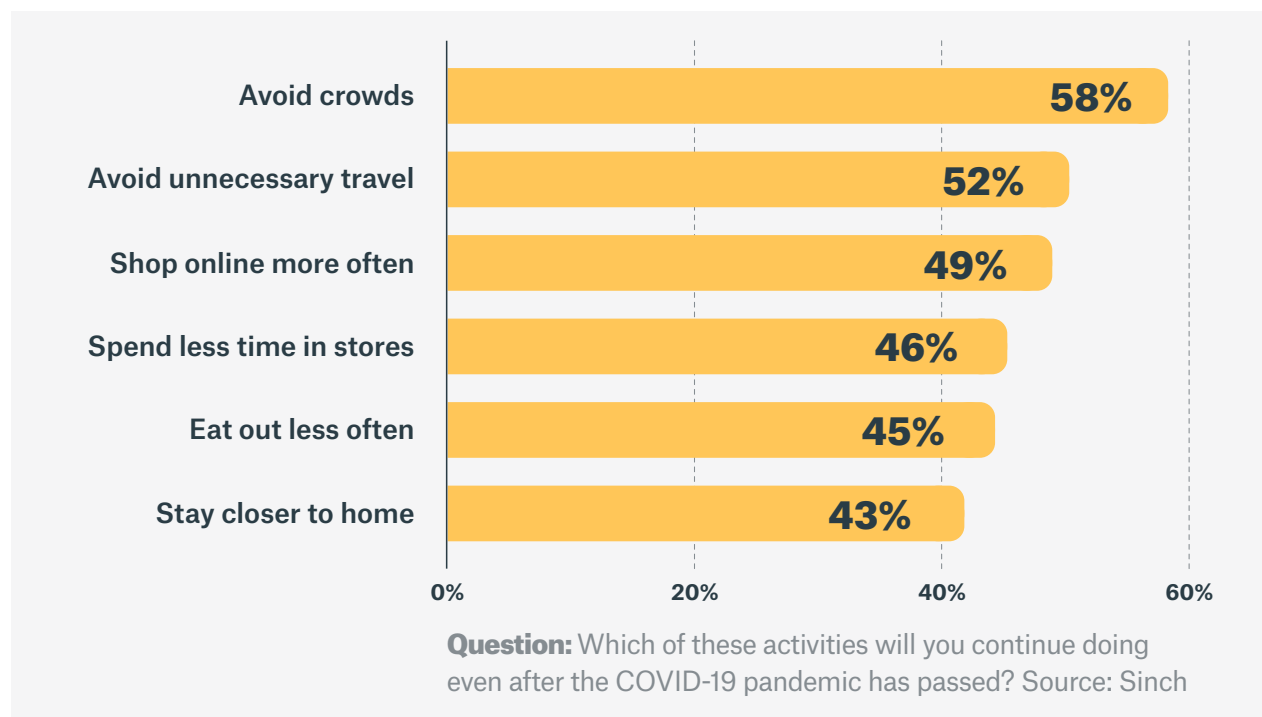
FINDING #1
The homebody economy

Has COVID-19 created a new stay-home economy? The research shows customers won't soon return to the lives they knew pre-pandemic.

Fifty-eight percent of customers say they'll continue to avoid crowds after the pandemic is over, 52% will avoid travel, and 46% will spend less time inside stores. These changes signal a once-in-a-generation disruption to healthcare, travel, events, retail, transportation, tech, and many more industries.

People are not just avoiding physical places; they are also adopting new digital solutions at historic rates. A COVID-19 study from McKinsey found significant uptake of digital channels by first-time users in banking (41% growth), entertainment (60% growth), grocery (100%+ growth), and apparel (42% growth). It also found that 3 in 4 people using digital channels for the first time say they will continue to use them even once things return to "normal."[1]

Post-pandemic behavior changes

People say that even after the pandemic is over, they will continue to limit their activities and movement.

Question: Which of these activities will you continue doing even after the COVID-19 pandemic has passed? Source: Sinch

[1] "The COVID-19 recovery will be digital." McKinsey Digital (2020)

Post-pandemic behavior changes by country

Lingering behavior changes vary widely by region; consumers in India predict biggest disruptions to daily life post-COVID.

	Australia	Brazil	Canada	France	Germany	India	UK	USA
Stay closer to home	43%	46%	51%	34%	33%	55%	44%	43%
Eat out less often	46%	48%	52%	25%	30%	63%	53%	48%
Spend less time in stores	36%	50%	53%	42%	33%	55%	54%	46%
Avoid unnecessary travel	52%	51%	57%	43%	36%	77%	56%	49%
Avoid crowds	65%	52%	65%	42%	40%	79%	63%	59%
Work from home more often	35%	62%	33%	31%	27%	66%	27%	26%

Question: Which of these activities will you continue doing even after the COVID-19 pandemic has passed? Source: Sinch

But what does it mean for business?

For business, it's a critical reminder that a vaccine breakthrough won't transport us back to the way we lived in March 2020. Enterprise leaders must ask: Are we investing in digital transformation as a workaround to a short-term problem, or investing with an eye toward a post-COVID, transformed consumer?

FINDING #2
Make it personal

Millennials and Gen Z are outspoken about what they want: mobile-first, instant, and always personalized.

When asked about new ways to engage via messaging, younger consumers are much more likely to find these useful (see table below). From making appointments and paying bills via messaging to using mobile health assessments, the under-40 set intuitively understands how these features will make their lives easier.

Millennials and Gen Z also say they want experiences personalized at a rate roughly double that of Boomers. And they are far less concerned about the exchange of data required to achieve that personalization. Forty-one percent of Gen Z say they will exchange privacy for personalized experiences.[2]

Driving more utility in messaging

Younger consumers are ready to adopt a wide range of messaging-based features.

● Gen Z (18 - 23)   ● Millennials (24 - 38)   ● Gen X (39 - 54)   ● Boomers (55 & older)
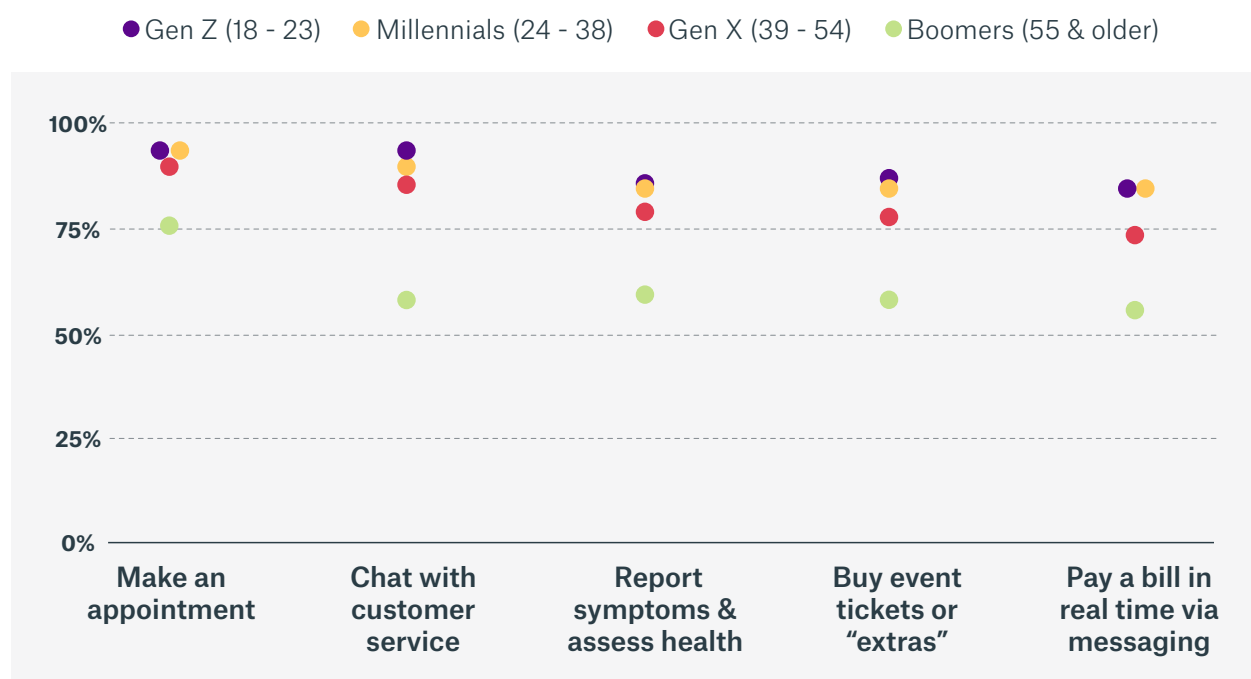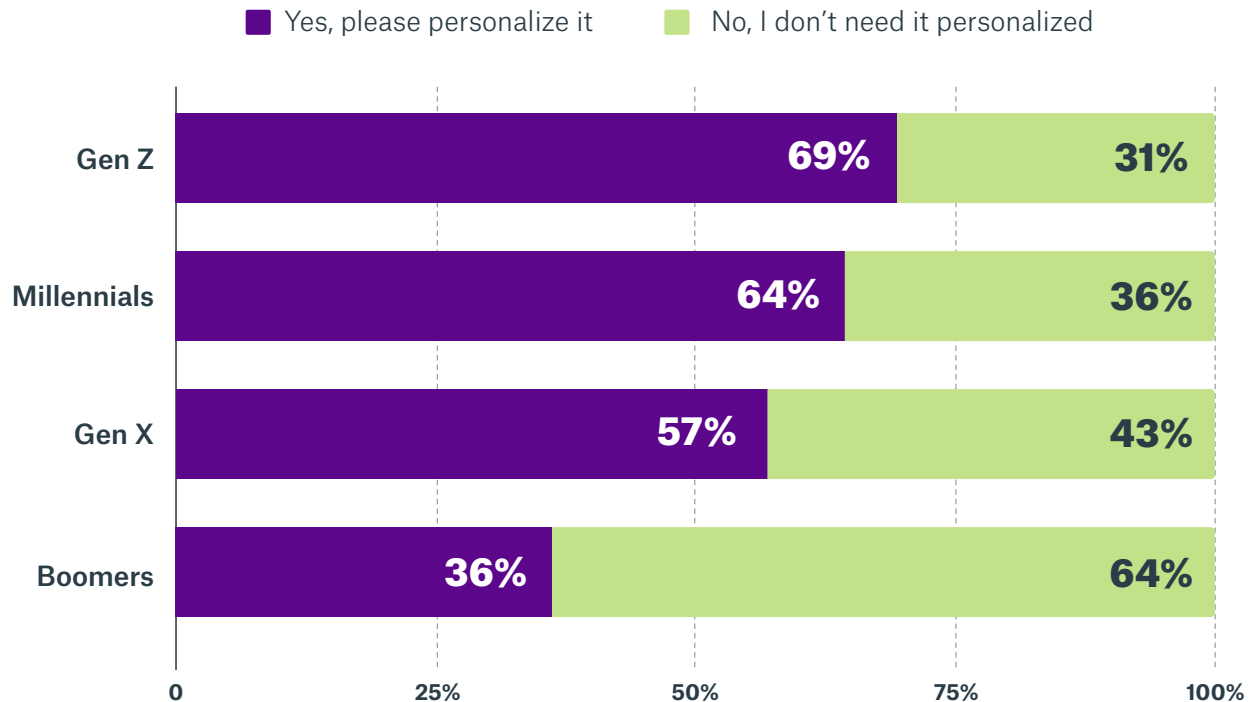

Question: Which of these would you find useful? (Shows "useful" by generation.) Source: Sinch

[2] "Generation Influence." WP Engine (2020)

Demand for personalization by generation

With the exception of Boomers, the majority welcome personalization.

■ Yes, please personalize it   ■ No, I don't need it personalized

Generation	Yes, please personalize it	No, I don't need it personalized
Gen Z	69%	31%
Millennials	64%	36%
Gen X	57%	43%
Boomers	36%	64%

0   25%   50%   75%   100%

Question: Do you prefer when messages from a company are personalized to your buying history and interests? (Gen Z: 18 - 23; millennials: 24 - 38; Gen X: 39 - 54; Boomers: over 54.) Source: Sinch

But what does it mean for business?

If they haven't done so already, brands must invest in AI-driven solutions that deliver highly personalized conversations at scale. And CX leaders must think beyond simple, scripted chatbots to what will drive customer loyalty over the full customer journey. How can we help customers before they arrive in store? Anticipate questions before they surface? Send notifications that are welcome rather than intrusive? Next-generation conversations are intelligent, welcome, and highly useful.

FINDING #3
The opportunity gap

Customers are ready for conversational AI — from making appointments and paying bills within the messaging stream to text-chatting with a retailer to find out if a product is in stock. Yet brands aren't delivering the goods.

We call this phenomenon the "Opportunity Gap," or the extent to which customer demand for new features and functions is outpacing brands' ability to deliver them. This opportunity gap exists even for more mainstream applications, like banking alerts that tell customers when suspicious activity has been flagged in their accounts. Just 31% of customers say they use this feature today, even though 92% say they would find it useful. The gap here is likely driven by both consumers, who may not understand how to set preferences or that they exist, and banks, which either don't offer the feature or don't make it accessible.
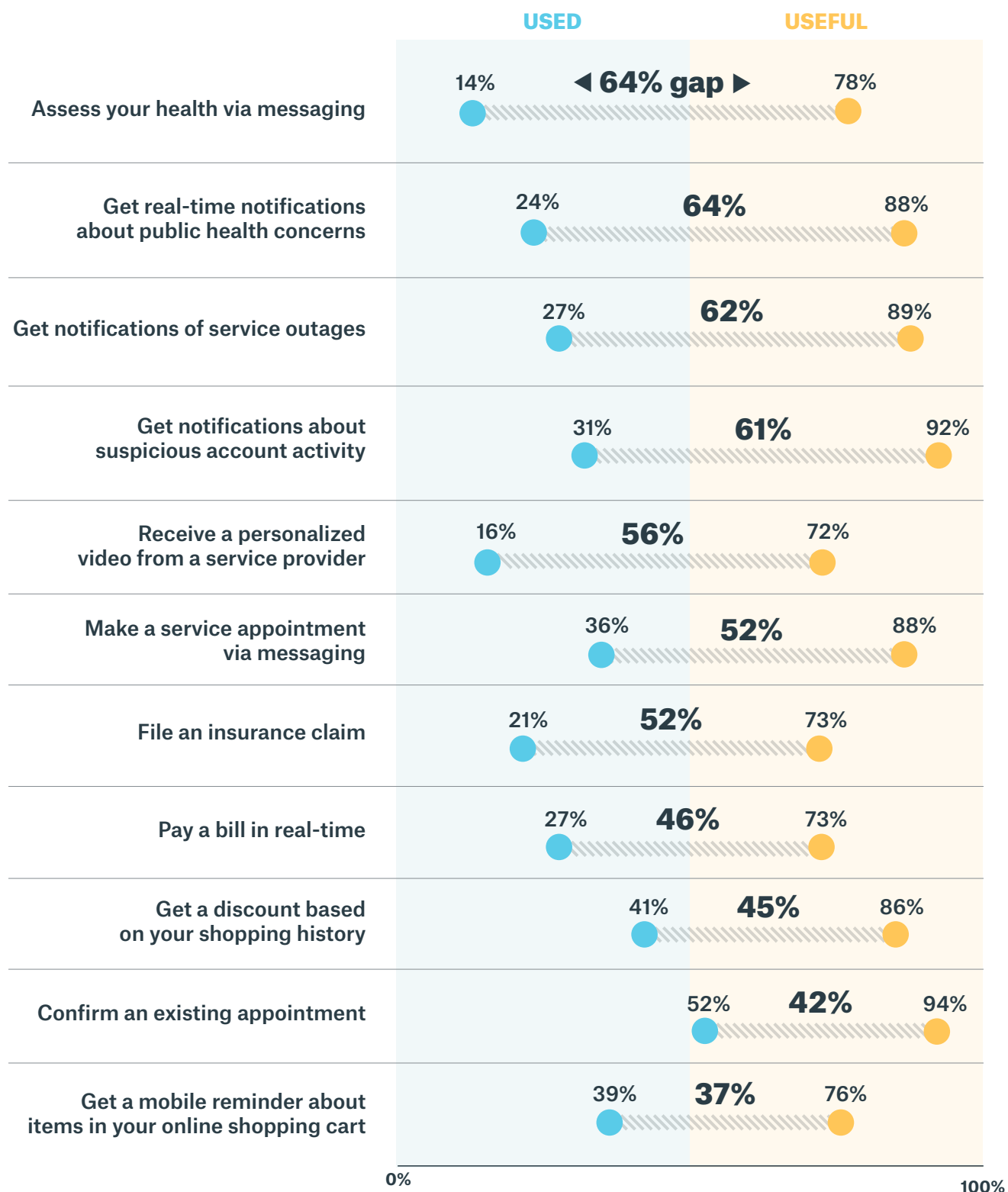
The COVID-19 pandemic will likely accelerate adoption in many of these categories. While many companies have raced to develop new ways to connect remotely, such as "contactless" transactions, now the pressure is on to find digital solutions that are not COVID-centric but customer-centric. For example, an insurance company that lets customers fill out claims paperwork in a quick-and-easy chatbot conversation, or a creditor that presents payment options using conversational AI. The focus: delivering high-value, frictionless interactions that drive revenue and loyalty.

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The opportunity gap

Consumers find a wide range of messaging features useful, but a much smaller portion actually use them.

USED   **USEFUL**

Assess your health via messaging
14% ◀ **64% gap** ▶ 78%

Get real-time notifications about public health concerns
24% **64%** 88%

Get notifications of service outages
27% **62%** 89%

Get notifications about suspicious account activity
31% **61%** 92%

Receive a personalized video from a service provider
16% **56%** 72%

Make a service appointment via messaging
36% **52%** 88%

File an insurance claim
21% **52%** 73%

Pay a bill in real-time
27% **46%** 73%

Get a discount based on your shopping history
41% **45%** 86%

Confirm an existing appointment
52% **42%** 94%

Get a mobile reminder about items in your online shopping cart
39% **37%** 76%

0%   100%

Question 1: Select the ways you have interacted with businesses using mobile messaging (TXT/SMS or in-app). **Question 2:** Which of these would you find useful? (Shows all "useful" responses.) Source: Sinch

FINDING #4
AI-fueled conversations

Digital retail experiences are still stuck in a desktop-optimized-for-mobile mindset. It's time for brands to join the AI-fueled conversation.

Mobile messaging is about to get a lot more engaging. And by that, we mean feature-filled, media-rich, and highly personalized. These options are already available on dedicated messaging channels like WhatsApp and Facebook Messenger. And as RCS becomes more widespread, even native messaging apps will feel a lot more dynamic.

Shopping inside the chat stream

Customers say they're ready for the type of rich chat and shopping experiences RCS will introduce.
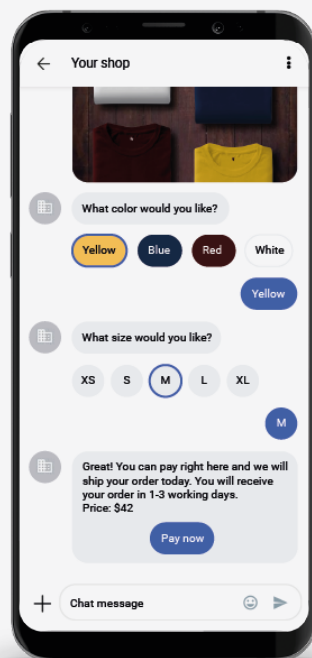
Yes, this is useful
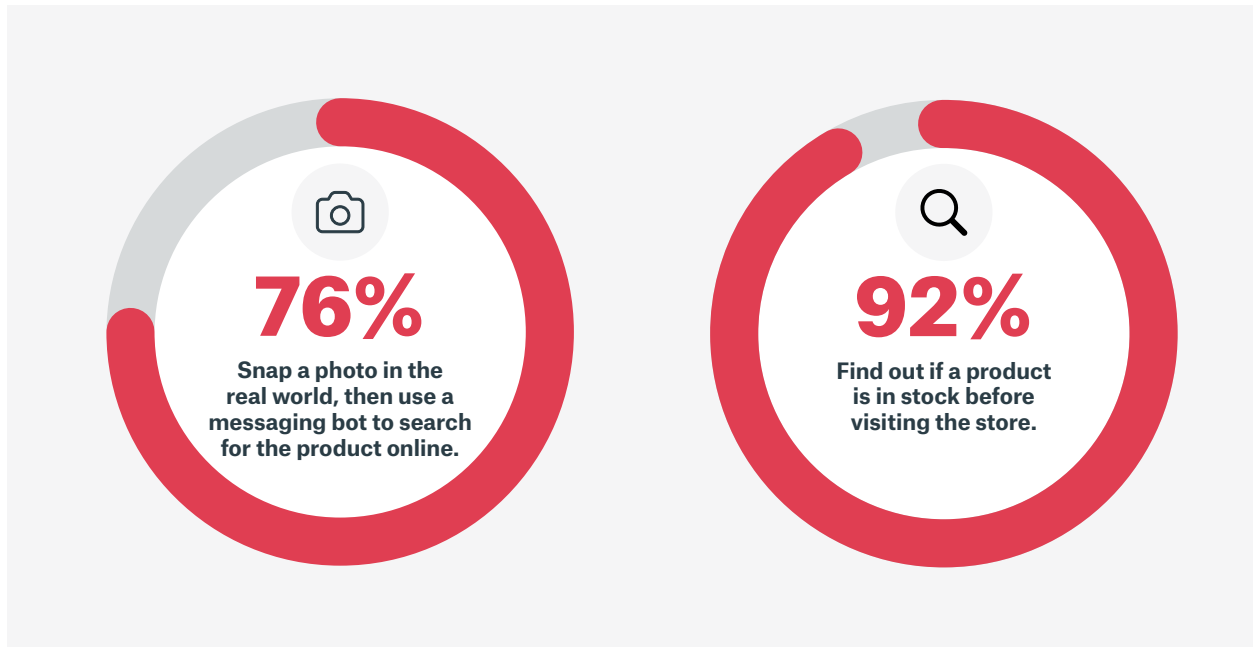
Gen Z/Millennials
82%

Gen X
75%

Boomers
55%

Question: What if you could request goods and services "on the go" by mobile messaging? Would something like this be useful? (Survey-takers were shown a shopping scenario like the one displayed here. Chart shows all "usefuls." Gen Z & millennials: 18 - 38; Gen X: 39 - 54; Boomers: over 54.) Source: Sinch

Real-time shopping experiences

Customers are ready for new ways to search, shop, and pay using their phones.

76%

Snap a photo in the real world, then use a messaging bot to search for the product online.

92%

Find out if a product is in stock before visiting the store.

Question: Which of these would you find useful? (Shows all "useful" responses.) Source: Sinch

But what does it mean for business?

These high-utility, media-rich solutions are not next-generation features, but tactics that can be deployed today. And the imperative to invest has never been higher. The pandemic has created a massive need for self-service mobile experiences — and messaging can provide a frictionless way to complete simple interactions without the need to download special apps. From messaging chatbots that take over customer service calls to real-time order tracking and delivery notifications to the ability to reschedule appointments inside text streams, messaging offers intuitive, immediate, and cost-effective solutions to enterprise brands.

Global brands in a global crisis

Global brand leaders have heard the drumbeat of "mobile transformation" for years, but the COVID-19 crisis brings the need into sharp focus. Consumers are now overwhelmingly mobile-first, and they want utility at the press of a button: the ability to reserve, confirm, purchase, cancel, inform, entertain, and seek connections in an intuitive, personalized way.

What makes this moment particularly powerful is that, just as customers are turning away from physical interactions and transactions, the ecosystem of tools and channels that empower digital conversations is exploding. Facebook Messenger and WhatsApp, the most popular messaging apps in the world, now claim 3.3 billion monthly active users; as well, channels like WeChat, KaKao Talk and Viber are also gaining quickly. And yet, the research shows enterprise brands have been slow to innovate via messaging.

Using next-generation messaging, voice, video, and chatbots, global companies can talk to their customers with a highly personalized voice. Rather than one-way bill reminders, enable conversations with banking customers to understand the financing solutions they need at that moment (and offer the opportunity to pay within the chat stream). Instead of sending plain-text coupon links via text/SMS, find out what fashion trends your customer is interested in and serve up interactive, shoppable style boards using rich messaging. These and thousands of other scenarios are now possible for brands ready to move to the future of conversational, personalized, customer-centric mobile engagement.

Join us for a deep dive into the *Customer experience in a transformed world* study.

This summary is the first in a series of data-driven reporting from Sinch about customer behavior and digital transformation. Over the coming months, we will release detailed industry reports on banking, healthcare, telecommunications, and retail.

Find out about all industry trends releases @wearesinch.

Methodology: Sinch surveyed 2,890 consumers from 14 countries during July and August 2020. The study aimed to understand consumers' current and desired use of mobile messaging, as well as their attitudes about chatbots, industry-specific solutions like telemedicine, and customer engagement. Respondents came from 14 countries (Australia, Belgium, Brazil, Canada, Denmark, France, Germany, India, Luxembourg, Netherlands, United Kingdom, United States, Singapore and Sweden) and were divided equally between men and women.