Beyond COVID-19: An opportunity for brand trust and customer loyalty

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Deeshraf Elias: As COVID-19 forces us further into the digital life, our virtual customer experiences take center stage in shaping our perspectives of brands. Along with that, we as customers have increased our expectations of brands, perhaps more than ever. As this difficult crisis unfolds, and levels the playing field for brands, some may earn our loyalty, while others may lose our trust.

Hi everyone, welcome to another episode of Thriving in Volatile Times. Today we will explore beyond the COVID-19 crisis and the opportunities arising for brand trust, customer loyalty and digital engagement. I would like to welcome Matt Collette, Vice Chair of Digital at Edelman Asia, Leora Nevezie, Deloitte Digital Partner for Melbourne, and Pete Sedivy, Asia Pacific Deloitte Digital Leader. Welcome all and thank you for being here.

Since the onset of COVID-19, our lives have all undoubtedly changed. Although we may not know which new trends are here to stay, how have consumer behaviours and expectations changed, and what does this mean for brands? Leora perhaps can we start with you?

Leora Nevezie: Sure. Look, I think there's no doubt we've seen years of change really condensed into two or three months. So I think in terms of expectations, they've absolutely changed, particularly for the dual interaction with brands. When I talk about that, I'm talking about things particularly like ecommerce and service support. That's because more people have now experienced those digital interactions than they've probably ever did before. And it's worth also pointing out, that expectations won't just be formed by their interactions with

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your brand. People are going to bring their expectations of experiences with other brands to yours, and definitely not necessarily from those product categories either. They're going to bring all those expectations to the way they interact with you.

In terms of behaviour, I'm probably a little bit more cautious on calling out big lasting swings. It might be a little bit controversial, but I do think that perhaps, behaviours might be hard to shift. So is three months long enough to completely redefine behaviour going forward? I'm not sure. I think the mix has definitely changed, I think we've seen people move much more towards digital. Will that percentage stay the way it is when things return to normal? Whatever that normal might be. I don't think so. I think we've seen a little bit of a glimpse into the future and I think the needle has definitely shifted. But I think behaviours themselves are hard to change. It will be very interesting to see once restrictions lift, in those countries that still have them in place, what that looks like.

Matt Collette: I agree with Leora. I mean I think that what we're seeing is first up, consumer adoption curve almost overnight with traditional barriers, that were there initially having being eliminated very, very, quickly. I think the point made around ecommerce is certainly something that I'm looking at.

It's going to be very interesting coming out of the current lockdown, that most countries are in, and how is that going to impact ecommerce strategy, specifically around B2C platforms and what they're going to do, apart from a direct-to-consumer perspective, in terms of being dependent on Alibaba or Amazon, for example. I also think that people have also diversified their channels with respect to from a social perspective.

Previously dominated by Facebook, Instagram and Twitter, for example, now we're seeing people on LinkedIn, now we're seeing people using other platforms such as TikTok, Telegram and Reddit. All of these have seen tremendous increase in usage over the past couple of months and it'll be interesting to see if they continue to be the same, which I expect to a certain degree, they will. So, how companies choose to engage with consumers across traditional social platforms will be interesting to watch.

The last point I'd make is just around content. There's been a bit of an overturn to lower our expectations around the production value we've seen sort of put into the present. We've seen the likes of Stephen Colbert, Jimmy Kimmel, Jimmy Fallon etcetera. A lot of news anchors doing and hosting programming out of their homes, and as a result of that, I think people get more raw content and more of that DIY script that is coming to them. And the creation of content, I think will extend past the end of the lockdown and into the near future as well. That's going to impact how brands think about how they fit content together and communicate with people.

Peter Sedivy: Just to maybe add something on to that, I'll look at it in the context of the economic slowdown that we're seeing as a by-product of the pandemic. If you think about what determines the winners and losers in prior economic slowdowns, you know it's typically the companies that cut off or lower price points with quality. So, bringing value for quality to their product offerings. Those were the companies that you would traditionally, expect to do well. A typical reaction in a period of economic slowdown was some retrenchment, some corporate fiscal austerity in cost cutting, in trying to ride out the dip in demand, while maintaining and potentially gaining market share.

This economic slowdown because of the pandemic is very different. So, what's separating the winners and losers here in the early days of economic shifts and buying-pattern behaviour shifts, is really the ability that companies had to reach to their consumers through digital experience.

Pretty much across the board, there's a few exceptions. Grocery has gone up because people don't go to restaurants as much, streaming services have gone up, but exceptions aside, general consumer products, industrial products across the board have seen a reduction in demand. And when we talk about the next normal and what things will look like when economies start opening up again, you see these predictions that maybe economies will be running at 85, 90 percent of where they were before because there's a dip in demand and some things have gone out of business. The question will be, which I think is probably the case is, will it be this shift in consumer behaviours and channel touch points that continue to define who does well and gains market share versus who struggles and potentially goes out of business?

And we've seen that, I know with our clients, you could pretty much pick any consumer products category and the brands that really had great customer experience, online experience through social media engagement, key opinion leaders and key opinion customers, ecommerce channels and effective data analytics behind that to properly target and respond to customer needs. You know those are the companies that have gained market share, and that was more important than the product itself, that they were selling.

Deeshraf Elias: Now Pete, I wanted to build on top of what you just mentioned. In response to the shifts in customer behaviours, what are some new ways brands have been engaging and working with customers to find innovative ways to drive revenue?

Peter Sedivy: Most of what we're seeing is trends that were progressing anyway, which have sort of accelerated or some companies were ahead of those trends. I'll take an example category, cosmetics, you would think while cosmetics would not do particularly well during a pandemic, because who's really concerned about their make up right? But actually, cosmetics overall, at least in the China market, which went through their earlier phases, dipped a bit but some brands that had these really effective online market place presence, strong brand, their-own-brand.com, and social media presence, that had a large community of key opinion leaders, and were pretty advanced in some of these early trends around social commerce, social selling, engaging with customers from a CRM perspective through typical chat tools like in China, WeChat, or the equivalent, WhatsApp, in other parts of the world. And so, those social CRMs, social selling, and consumer engagement, you know they were on the cutting edge of that. And some of these companies have done fairly well that's where they've taken quite a bit of market share and companies that were much more store-channel driven, they're the ones that really struggle as the stores close down and they just couldn't engage with their consumers, they lost relevancy quickly. And so, those are some of the trends that I'd expect would stick around and I know a lot of our clients at Deloitte are trying to play catch up on.

Matt Collette: I don't really have anything to add in terms of how companies, their customers, are finding innovative ways to drive revenue up. I think we have to look a little bit beyond just the revenue, also potentially how they're building brand affinity and I think specifically around CSR and purpose-driven initiatives.

We'll see some interesting things that we've seen over the last couple of months on platforms like Facebook or Instagram or even TikTok, where those platforms have launched donation buttons or donation stickers, that have allowed companies and communities to come together to support various initiatives together. This has really helped to build greater affinity for those brands and build a greater sense of camaraderie within those communities. I think that's something that we've seen that's pretty interesting over the course of last couple of months and will really define a lot of the views that some people have about those companies as they come out of the lockdown in many markets.

Deeshraf Elias: Now, it has perhaps never been more important for leaders to successfully understand their customer journey. How are brands reviewing and redefining their digital customer experiences? Matt, what are your observations on this?

Matt Collette: Existing customer journey masks will definitely have to be withdrawn. The consensus seems to be increasingly shifting towards the idea that behaviours consumers adopted, during COVID-19, that have become part of the bigger medium in the future as they form these new habits. I think there's a couple of points to consider as part of that. In a back-to-work environment, you know people are still going to be sensitive to potential second wave of infections, I mean social distancing. The second point that I'd make on this is, with respect to how companies are going to add to the data company, how they're going to add the key features of information, how they're going to view and navigate with new friction points that may not have been part of the customer journey in the past, from a B2B perspective. We already know today, that 70 percent of a complex sale is externally self-guided by the buyers themselves.

Post COVID-19, I guess the question is how much of that is going to influence their face-to-face conversations in the new normal. From my perspective, I think the evidence is pointed to even less reliance on vendors and more independence on research.

A study that was done by eMarketer recently, published by eMarketer, showed that close to one third of B2B buyers said that they'd give more quality in accurate content and the future of what they're buying. Compared to pre-covid times because of the fact that what they could do in person, could now be done digitally or over Zoom. That also speaks to how companies are going to adapt to a marketing and sales perspective. One thing that Pete mentioned earlier, such as social selling for example, or even account-based marketing strategies that may be put in place.

I think my last point on this is that what customers potentially cared about, and what Pete touched on a bit earlier as well, before COVID-19, might not be the same thing earlier. Brands with the best-priced product or most memorable marketing campaign might not have an advantage compared to those that exhibit or did exhibit some emotional intelligence and communicative authenticity in empathy and trust with their stakeholders and customers during the pandemic.

I came across a very interesting website a couple weeks ago called didtheyhelp.com, where people have been waiting for responses from celebrities and large companies and brands positively or negatively based on their actions that they have undertaken during the pandemic up till this point. And I think that those pandemics are going to have a long term impact on how people perceive those brands and their willingness to purchase from them.

Leora Nevezie: Similarly, I think the whole redefinition of customer experience is not simply a case of movie or digital channels or digital engagements. There's no question that digital's accelerated, but the way that customers are living their lives has fundamentally changed as this is a very unique situation. I can't think of another time where trying to redefine the experience for your own customers is so affected by the experience that's going on from everything else.

So it's not just about trying to move people along an ideal customer journey just for your products and services. Everything's been impacted. Some of the best customer experience work that I've seen, has taken a very, very, holistic view and actually seeking to understand how customers' lifestyles have shifted through it. What I mean by that is not just with their organisational brand, but with just literally how they're living their lives.

One of the best examples of that at the moment, that's become very, very, real with ecommerce is obviously last mile delivery. And how much of the extension of the digital experience that is of people's brands and how that has had to change to cope with all of the other external factors that we need to think about in this environment. The kind of lack of control, I guess, for many brands is in that last mile delivery, but the fact that it really is the first touchpoint, now physically, for customers with the brand, with no retail store to go into. Pete, I'm sure you've got some views on that as well.

Peter Sedivy: Absolutely, last mile delivery is another one that China was advanced in that area and as the shut-downs happened in China, there were some strains on the online commerce, to delivery logistics, especially food delivery. So you had a lot of the restaurants that were closed. And they actually loaned out

their restaurant employees to some of the meal delivery organisations and these kind of partnerships, so that the restaurant employees kept their jobs and it satisfied the demand for meal delivery.

But outside of that, in terms of buying all the household goods and all the things that people may have bought online in the past, the Chinese last mile delivery infrastructure was able to absorb a lot of that demand because they have this singles day sale, which is like a Black Friday in the U.S., and it's their biggest shopping day. it's just unbelievable, $32 billion in sales in a few hours, type of figures. And the rest of the world is catching up to that. In markets in Europe, Germany, where online commerce was an even lower percentage, they struggled the most with fulfilment, you saw it in the US, where amazon had to prioritize orders and focus on delivering priority goods.

Now we're working with clients on some test markets with self-driving vehicles and stores can be the distribution centres and then the self-driving cars can go and drop off the package, and send a call, and the person comes to the car and picks up the package. So all kinds of experiments happening around that and I think that's the kind of futuristic scenarios that we could have envisioned and this situation has just sort of pushed them to the forefront.

Deeshraf Elias: Edelman released a great report on how to maintain brand trust throughout COVID-19. "Show up and do your part, don't act alone, solve don't sell, and communicate with empathy and facts." Matt, can you share with us your top takeaways from the report?

Matt Collette: Maybe just a little bit of context, basically Edelman has been publishing a yearly report called The Trust Barometer, for the

last few years. We've actually been able to essentially measure credibility in institutions and companies. We've actually been able to show correlation between the performance of these companies and the amount of trust that customers and stakeholders have in them, with respect to the financial result. And this year, while we release the report on a yearly-basis, generally in October, this year we released a special report in April, typically around the coronavirus and the trust that people have in a company and what their expectations are around the pandemic.

I think for me the most surprising piece of information that came out of this was the fact that 65% of people said that how well a company responds to the coronavirus crisis will have a huge impact on the likelihood to purchase from them in the future. That 65% was the global average. In China, that number was 88%. In India 79%, and in South Korea, 73%. The index was higher out in this part of the world. One third of responses have already convinced other people to stop using brands that are not acting, or how they view those brands, are not acting appropriately as a result of the pandemic. Also both on the same idea of trusting credibility in most brands and how they should be responding. That index slightly higher in markets like China, India was 76% and 60%.

The expectations from consumers and stakeholders, with respect to brands, have changed dramatically over the last twenty years. Some of the other outcomes from this study, is that brands have to do everything that they can in order to take the wellbeing and financial security of their employees and their suppliers, even if the expectation from customers seems like they will have big financial lawsuits, until the end of the pandemic. There was also an expectation that brands will use their creativity to make products specifically designed to help

with the challenges that people are facing today. And I think you know in addition to that, at a time when actions have spoken louder than words, brands must still carefully consider what they say and how they say it.

Transparency, empathy and compassion matter most. According to the survey, 9 out of 10 people want to understand exactly how brands they are using, are supporting their employees and customers. How they respond coming out of this pandemic and what they're doing in order to continue to support people, even as we move through different phases of this pandemic. So in South Korea, 61% of them said that simply hearing from a company about what it's doing in response to the pandemic, was comforting and reassuring to them.

Clearly, the public wants brands to step up and to act in the interest of employees, stakeholders and customers. They want them to be an active communicator, with news about the pandemic and what we've seen or what the study tells us is that those that do so, will be in a position to recover faster when the pandemic is finally behind us, as a result of the deeper trust that they built and meaningful connections that would've been created.

Deeshraf Elias: Now Deloitte also published an interesting piece listing five qualities that will distinguish successful leaders through the pandemic, lead from the heart, put the mission first, speed over elegance, own your narrative, and embrace the long view. Leora and Pete, I wanted to hear from both of you. Do you think these leadership qualities translate into brands as well? And how do they complement what Matt just shared?

Peter Sedivy: When we look at leadership qualities that are emerging, it translates both to the employee experience and how the nature of the future or work and how that'll change. It also translates to how these companies interact with their customers. And we talked a little earlier about the need to redefine customer journeys for the next normal, and one of the buzzwords we were using even before the pandemic situation, was this idea of identifying the moments that matter right? By doing that, you elevate the human experience into your company's interaction with customers. You ask questions like whether it's a situation of my target customer, what are they doing before helps them identify that they need my product or what problem are they facing that they need to solve where my product can be the solution to that.

So that just became more obvious with these issues around trust and response. The statistics that Matt pointed out, tell us that the consumer-focused companies that made themselves available and easy to do business with, are the brands that consumers will remember and will continue to work with. I don't think that's really going away so that need to re-evaluate the customer journey, from the context of the pain points, the hardship, the angst, that a consumer may be facing or just the convenience that the consumer needs, that's more important than it ever has been.

It's always been a healthy exercise periodically, to re-evaluate customer experience. If it's something that an organisation hasn't done recently, it needs to be done now. Along with that, I think the next topic around that is the whole data infrastructure needed to do that effectively. That's another one of these capabilities that some companies were fairly advanced on, but most companies were lagging. That's another trend that we're seeing in order to deliver those messages, in order to demonstrate the appropriate type of leadership and convenience and availability as a business.

You need that deep infrastructure of cross-channel customer data. What that translates to in terms of actual work is we're seeing optic in pipeline, around for example, customer data platforms that tied together transactional and event data from stores from a brand's commerce site, any market places that they sell on any social media interactions they have through social channels and then potentially even in-store for those brands that have a retail presence where users have a loyalty card and they identify themselves in-store. So bringing all those things together to better understanding customers' needs, behaviours, and really pick out those moments that matter to the customer. That's kind of the trend that I think is coming out of it.

Leora Nevezie: I was thinking what a great synergy there was between ours and this Edelman report, when you talk about what distinguishes successful leaders from a human sense. I think it's very, very, similar with brands. I think we're seeing that actually play out right now in some of the brand responses that are happening in the political situations overseas. I need to go back to what Matt said, I think people do look for credibility. They're turning to brands that they can trust. I think we've seen that in everything, from people turning to restaurants for takeaway, they trust are doing the right thing. From food preparation all the way to the brands that they're trusting in their first foray into ecommerce. So yes, I think the brands connect the best when they're emotionally connected in their human traits so I think you can absolutely take those same four qualities and apply them to brands.

Deeshraf Elias: The Chinese character for "crisis" has two meanings, danger and opportunity. Although, COVID-19 has turned the customer-brand relationship fragile and delicate, what may be the prize for brands that successfully manage to nurture that relationship? Pete, any thoughts on this?

Peter Sedivy: I think this is a line you hear in China. You never waste a crisis and it doesn't have the negative connotation especially when it's said in mandarin. It's viewed as an opportunity to improve yourself, improve your business, improve your offering, make yourself more relevant, more valuable, more meaningful to customers and that has been I think a real focus in the China market.

I think that's been one of the cultural aspects that have helped them through recovery. So we've seen people go back out where they can, where lockdowns have ended, we've seen people back in stores, back in restaurants. We've seen pretty good social discipline around wearing masks and distancing, where they were supposed to. But we've also seen a lot of those behaviours around consumer engagement and online engagement that have not changed or gone away. And we still see brands trying to improve themselves in that area. Recognising that this is a make or break time right? There has been a shift in market share across a lot of different product categories and so that need to stay relevant is still there.

Deeshraf Elias: And Given the complexity of the pandemic, the road to recovery will likely be long and uncoordinated. Leora, I wanted to hear from you. How can brands think about their customer and brand progression from the Response phase, through the current Recover phase, and into the Thrive phase?

Leora Nevezie: I'm not sure we can look at it in a linear, before, now, after. I think it's going to be a long period of adjustment as those restrictions slowly lift, and consumer behaviour then reacts and adjust to that. So it'll probably be a lot of after we've moved, talking about a new normal to the next normal. I think there will probably be a next normal, and a next normal, and next normal, before it feels like we've settled down into what we're probably comfortable, then refer it to as a new normal. The Respond phase that was very much about survival, about adapting quickly. Most brands and most companies now would be in what we call the Recover phase and making sure they're in a position to do well. The Thrive phase though, that's the most interesting for me. This is an opportunity to really rethink things and reinvent for the future.

Although things may not shift permanently I think the last few months gave everybody a bit of a crystal ball and a glimpse into the "what if", so I think we've really had a good look into where things are headed. It might be that once things return to normal, it might still be another few years before we get to the digital adoption that we had over that period of time. But I think that this is a good time to use that and reflect and think what's the future of brands and business. How do you need to change to be a leader in your market. And I think it's definitely not a linear process to think about either. So, a lot of brands are looking already, at the Thrive phase, looking at how to reinvent while they're taking a more recovery-focused look at activities.

Deeshraf Elias: Now to wrap up our discussion looking beyond COVID-19, and this is where I want to get a little bit personal here. Can you share with us what innovations you are most excited about? Matt, let's start with you.

Matt Collette: I guess there's not really one individual innovation that I'm super excited about. I think it's more about seeing how companies are going to adapt and change as we and also consumers are going to change as they come out of lockdown in many places. And as we continue to move through this period of the pandemic in the greater circumstances that we've mentioned already.

I think there's a lot out there already, in terms of the technology that companies can look at. From a service perspective, there's been a huge increase in the amount of customer service engagements that have been taking place on platforms like WhatsApp, for example. And even the reliance on AI bots and the adoption of those things, which have been accelerated, as a result of the pandemic.

So I think how companies adapt and how many of these behaviours are going to remain changed, as a result of the pandemic that I'm looking forward to seeing and understanding. I also think that the better that we can understand people, the more effective that will be from a digital marketing perspective. So for example, using psychographics, the behavioural science, to understand people, what impacts them, how they're going to adapt after and into the next few months or six months to a year it's going to be important as well so I'm excited to see how that'll evolve.

Leora Nevezie: Similarly, it's not an innovation but one of the things I found most fascinating was the real move towards local. As supporting local businesses, local brands but at the same time having this huge surge towards what's essentially, global online digital market place. I just found that a really interesting juxtaposition and I'm really interested to see how that plays out. Not an innovation, but that's definitely a space that I'm watching.

Peter Sedivy: I think the most interesting thing for me, is going to be seeing how this shift in work from home or office culture changes. So you've had some of the pioneer companies that have said employees never need to come back into the office, work from home will always be an option. Then you take this out to its logical extension and you get into call centres or where potentially, maybe we'll need less call centres and the call centre agents who used to take phone calls and respond to chats, they're now working from their homes that they are in. The company, instead of investing in a call centre, gives them some money to fix up their space and they can take your typical service calls from home. Maybe they even have a camera set up, and they can do video and then potentially they can do sales as well.

So that in-store sales associate experience can be replaced through video chat. Picture a call centre agent who's actually got products in their house and they can walk a customer through, show them a couple different types of blenders or here along my back wall here are the four leading refrigerators that we sell and let me walk you through the features all through a video call. This is just kind of a natural outcome of this move and this comfort with video conferencing and I think it's a real innovation.

It's not long ago, most corporate offices have that video conference room and it's that special conference room with the big TV, so you can do these things and we sort of shifted that into this Zoom model and probably the one thing that much of the world is lacking is kind of the killer app for video conversation.

So China has it, everyone on their phones, one of the apps almost everyone has is DingTalk. It's from Alibaba and it's basically your Zoom plus your WhatsApp messenger plus some Facebook equivalent social platform All-in-One. And it's the killer app, in that anyone would

have it and customer agents could initiate just by having your phone number, could ask to be your friend or connection and then initiate a customer service call and you can remove them after that or whatever. So I think the rest of the world is going to get there and it'll be interesting to see how that aspect of engagement evolves.

Deeshraf Elias: Well, that was definitely a very insightful session! Thank you for sharing your perspectives on customer engagement, and how brands can uphold and earn trust throughout the COVID-19 crisis. That's it for today's episode of Thriving in Volatile Times. I would like to thank our guests once again, for joining us on this episode, Matt, Leora, and Pete. Thank you

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