MARKET NOTE

IT Suppliers, COVID-19, and CX: Use Empathy to Help Clients Rebalance Their CX

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EXECUTIVE SNAPSHOT

FIGURE 1

Empathy Must Be Central to Your COVID CX Response

COVID-19 will accelerate the shift from face-to-face interactions to digital communications in omnichannel environments. With many European enterprises struggling to keep pace with customer expectations as the enterprises wrestle with the financial impact of the pandemic, IT suppliers should do all they can to support their clients, helping them weather the storm while enhancing digital CX. Moreover, given the current uncertainty, a structured approach can go a long way towards facilitating action.

Key Takeaways

- Use smart personalization to establish empathy. Getting personal is more than just knowing client names and prior purchase history. It is also about building trust, profiling clients to understand their needs, and seeking deeper data insights to accurately predict their future needs, while showing sensitivity to preferences, opt-ins, and data privacy.

- Proactively emotionally engage with clients: Anyone can tell clients that they feel their pain. Go beyond words to connect with their innate feelings. Empathize with their situation and provide relevant information and guidance, suspending fees (when possible) and sharing joint risk.

- Make the journey an adventure to solidify the shared experience. Turn mundane customer journeys into colorful adventures. In these somber COVID-19 days, a touch of goodwill, humor, and digital magic can greatly elevate the sense of shared purpose, boost perseverance, and set the stage for a lasting business relationship once the crisis has passed.

Source: IDC, 2020
IN THIS MARKET NOTE

This Market Note provides concrete advice on how IT suppliers should employ customer experience (CX) best practices.

The Unfolding Crisis

Almost hourly, headlines remind us that the COVID-19 pandemic and health crisis is wreaking havoc on business and daily life globally. The principle casualties are those industry sectors with high levels of face-to-face interaction, including non-food retail, travel and transportation, hotels and hospitality, restaurants and bars, and entertainment and sports. All these industries are actively switching their attention to digital engagement rather than face-to-face interaction. Within this context, digital direct to consumer (D2C) is a key focus, and one that gives rise to the question "is this a knee-jerk short-term reaction to COVID-19, or a 'new normal' operating model for customer engagement?"

IDC’S POINT OF VIEW

The long-term repercussions on work, travel, personal engagement, financial systems, and social structures will take years to dissect. Having said that, as your clients and their customers hunker down, there is a surge in demand for digital channels. For example, both Microsoft Teams and Slack reported massive jumps in the number of businesses and individuals using their collaboration platforms. Microsoft reported 44 million users of Teams on a single day during the week of March 15, having passed the 20 million mark only four months earlier. Home broadband infrastructure in India is creaking at the seams as India's massive workforce of IT services personnel works online from home.

But while enterprise customers demand more from digital touchpoints, many enterprises will not be able to afford the upgrades and scale ups needed to meet new customer expectations. We have already learned that a number of retailers, manufacturers, and oil and gas firms with once robust and growing IT budgets are cutting back. One large airline has frozen 90% of its IT projects.

It is therefore incumbent upon IT suppliers to act as true partners and help enterprise clients to ramp up their digital channels’ capability so that high levels of CX can be maintained. For great CX, there are three primary areas that IDC recommends enterprises and their IT suppliers should focus on:

- **Smart personalization:** Getting personal is more than just knowing client names and prior purchase history. It is also about building trust, profiling clients to understand their needs, and seeking deeper data insights to accurately predict their future needs, while showing sensitivity to preferences, opt-ins, and data privacy.
- **Emotional engagement:** Anyone can tell clients that they feel their pain. Go beyond words to connect with their innate feelings. Empathize with their situation and provide relevant information and guidance, suspending fees (when possible) and sharing joint risk.
- **Customer adventures/journeys:** Turn mundane customer journeys into colorful adventures. In these somber COVID-19 days, a touch of goodwill, humor, and digital magic can greatly elevate the sense of shared purpose, boost perseverance, and set the stage for a lasting business relationship once the crisis has passed.

Smart Personalization Is Where Empathy Begins

Smart personalization does not just mean producing a 360-degree customer profile. It is about placing the customer first. The CEO of one major international hotel chain emailed a big picture of himself and then addressed his precious customers as “dear members” and then presumptuously announced "we thank you for your loyalty" before announcing what he personally was going to do to avert the COVID-19 crisis. His empathetic competitor addressed her customers personally, authentically feeling their pain, and provided tangible solutions and a helping hand for all. While both offered discounts, the latter CEO delivered the smart personalization that wins new friends and customers.
To earn more of your clients' trust, we recommend the following:

- **Define the industry challenges.** For the next call, message, or email to a client, research and then reference the likely impact of the current crisis on their particular industry. The goal is not to provide a precise forecast, but rather to show that you have taken time to understand the potential implications and the immediate need for digital CX.

- **Apply segment-of-one principles.** Speak to the challenges their industry faces and apply it to their unique case. Pundits predict that some airlines will be going bankrupt before May. If your client is an air carrier, do not shy away from this possibility. Acknowledge the fact clearly and offer guidance and support to help avoid this outcome.

- **Do not try and sell them anything.** Do not turn guidance and support into a product. Keep it informational. The goal is to help clients survive and to develop a relationship that will outlive the crisis.

### Emotional Engagement Is Where Empathy Gets Real

In helping clients shore up their digital channels, whenever possible, be flexible with remuneration. We suggest the following:

- **Offer flexible pricing.** Large retailers with low debt, loyal customers, and solid treasuries will be in better shape to survive the crisis than some airlines and automakers. Still, all will struggle. Lower or suspend fees for licenses and subscription services. Provide pro bono guidance on how clients can get more from existing customer relationship management (CRM) solutions, customer data platforms, and upfront web. Forgive late fees and penalties incurred during the crisis.

- **Offer temporary service expansions.** Again, consider retail. While grocers appear set to survive or even thrive during the crisis, sellers of clothing, furniture, white goods, and other non-essentials are likely to suffer cashflow problems as they attempt set up or enhance websites, mobile apps, ecommerce solutions, analytics, smart products (for smart houses), and omni-channel management tools. Take a page from the telco playbook and offer expanded service for minimal or no charge.

- **Share the risk.** While optimistic economists are forecasting a V-shaped recovery, many airlines, hotels, restaurants, and automakers risk going bankrupt, and every bit of support counts. This goes beyond just the CX portfolio. The extra bit of infrastructure, consolidation of enterprise resource planning (ERP) instances, streamlining of payroll management, or free use of a mobile platform could make the difference. Along these lines, consider tapping the expertise within your organization beyond product functionalities and solution architectures. For instance, your finance teams may be able to help the client restructure debt. Your internal IT team may be able to help them set up architectures and automate processes.

### Make the Journey an Adventure to Solidify the Shared Experience

Dealing with the current pandemic and its repercussions is far more than a point-to-point journey, and it should be treated as such. Adventures are often rough, dangerous, painful, and thrilling. Adventures can also be immensely rewarding, especially for those that share them together. To recognize your customers as protagonists in the epic that is unfolding around them, we suggest:

- **Map the way.** Your clients will be overworked and pulled in multiple directions. Make it easy for them to ramp up their digital CX and help them identify steps to take, key milestones, and a destination.

- **Prepare clients for key challenges.** Work closely with your clients to name key challenges related to staffing, connectivity, infrastructure needs, governance, security and privacy, and architectures. Be ready to step in and offer help where you can.

- **Help clients keep an eye on the long term.** As mentioned above, the COVID-19 crisis will accelerate the consumer and corporate move to digital engagement. The habits adopted over the next few months (and possibly the next few quarters) will likely persist after the crisis has
run its course. Many users will discover "hidden functions" as they become increasingly adept at working, doing business, shopping, and playing online. Help your clients stay focused on delivering positive customer experiences.

**Final Word: Be the Example Your Clients Will Follow**

Despite the hardships ahead, customer experience is something that cannot be sacrificed. Digital CX is more important now, in this critical world-changing moment, than ever before. A hospital call center switchboard on hold could result in fatalities. The non-delivery of an online food order could end a pensioner's life. It is incumbent on all enterprises to ensure their digital omni-channel capability is working optimally so that service availability and continuity can be assured.

Those enterprises that deliver great digital CX during the COVID-19 crisis will be remembered long after the event is over, and will gain the rewards of lifetime customer value and loyalty. Tech vendors have a duty of care to ensure their enterprise customers' survival and long-term prosperity. Tech vendors need to keep their eye on long-term goals by making the necessary empathetic gestures in terms of philanthropy, shared risk, and payment holidays to help enterprises maintain their CX standards through the crisis so that both you and your customers might continue to benefit "on the other side."

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**Synopsis**

This Market Note provides concrete advice on how IT suppliers should practice DX with their clients.

COVID-19 will accelerate the shift from face-to-face interactions toward digital communications in omnichannel environments. With many European enterprises struggling to keep pace with customer expectations as the enterprises wrestle with the financial impact of the pandemic, IT suppliers should do all they can to support their clients, helping them weather the storm while enhancing digital CX.
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