Should Loyalty Metrics be Reassessed Post-Pandemic?

VOC
VOICE OF THE CUSTOMER
POWERED BY CONCENTRIX CX

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The coronavirus outbreak flipped our world – and customer experience strategies – upside down. Eighteen months later, CX pros are still curious about the impact the pandemic has had on customer expectations and how to modify CX measurement programs accordingly. Common questions include:

- Does Net Promoter Score® (NPS) still have the same predictive power?

- Do loyalty metrics need to be reassessed?

- Have the drivers of customer experience changed?

To answer these questions, we analyzed VOC data from programs across a variety of verticals – including Financial Services, Healthcare, B2B Services, Technology, and more.

Here's what we found.

Does NPS still have the same predictive power?

The short answer is yes. Loyalty metrics, like NPS, are just as important today as they were pre-pandemic. For example, one telecommunications client found that attrition rates amongst Detractors in 2018 are comparable to those in 2021. In 2018, Detractors were about 3X more likely to churn within 90 days of survey completion when compared to Promoters. NPS has the same predictive power today for the client, with Detractors still being nearly 3X more likely to churn in 2021.

Do loyalty metrics need to be reassessed?

It's a good idea to continuously pressure test how well your loyalty metrics predict customer behavior. But the pandemic hasn't created any reason to do that more or less frequently. As mentioned above, loyalty metrics are showing the same predictive power today as they did pre-pandemic. However, we did observe changes in the drivers of customer loyalty.

Have the drivers of customer loyalty changed?

There is no "one size fits all" approach for measuring what matters most to customers, but we have seen several factors rise in importance since the pandemic.

- **Empathy**
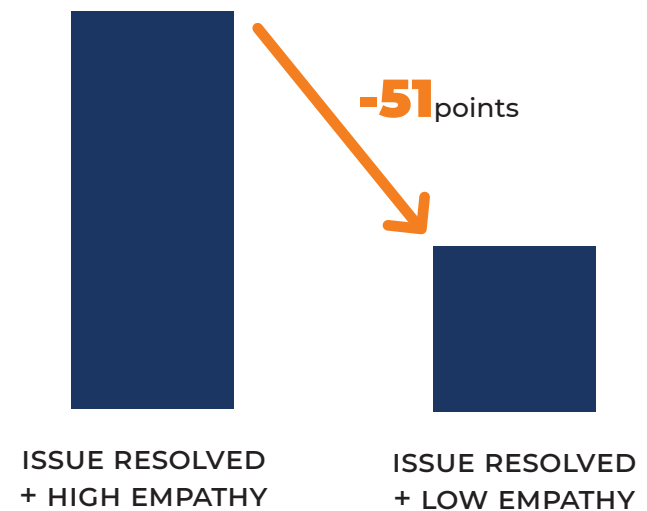- **Trust**
- **Speed to Resolve**
- **Self-Service**

Empathy

Empathy – or lack thereof – is having a significant impact on customer loyalty across clients and industries. What we found: Brands don't get a lot of credit when empathy is present, but if it's glaringly missing, how customers feel about you will take a drastic hit.

In the past year, one credit card provider found that when agents failed to demonstrate empathy, NPS dropped by 51pts, even when the immediate issue was resolved.

Client Example: Credit Card Provider
Customer's Likelihood to Recommend
March 2020

-51points

ISSUE RESOLVED
+ HIGH EMPATHY

ISSUE RESOLVED
+ LOW EMPATHY

Trust

Skepticism is at an all-time high and not limited to government agencies and medical fields. Another driver of loyalty growing in importance is trust – in the brand overall and in its ability to follow through with promises of resolution, timeliness, and more.

Between 2020 and 2021, trust has been the top driver of NPS overall for one telecommunications client – above value for price, reliability, and ease of doing business.

Client Example: Communications
Key Drivers of NPS: Overall

|	
TRUST	30%
VALUE FOR PRICE	28%
RELIABILITY	22%
EASE OF DOING BUSINESS	20%
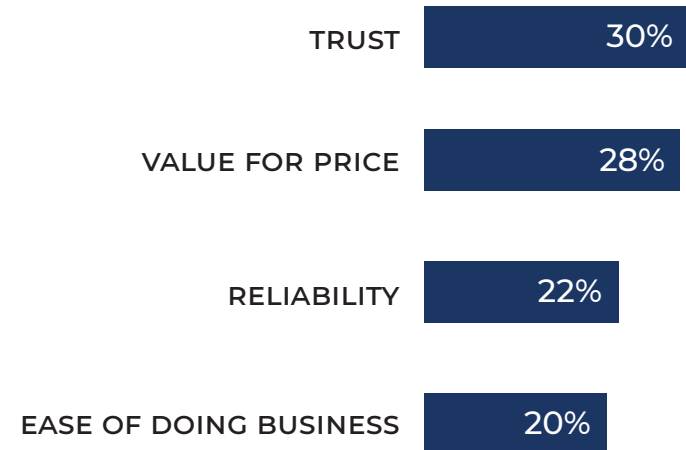
Speed to Resolve

Employment continues to take a major hit as a result of the pandemic. Coupled with increased consumer demand in some industries, the speed of getting customers the help they need has been slowed.

One banking client experienced staffing challenges in 2020 and wait times for calls increased from two minutes in Q1 to 11 minutes in Q4. As a result, satisfaction scores decreased significantly.

Customers are placing a higher value on speed of resolution, so long wait times – whether in-person or over the phone – are causing loyalty metrics to suffer.

Client Example: Banking
Avg. Wait Time

11 minutes

2 minutes

66%   57%

Q1'20   Q4'20

● Satisfaction with process
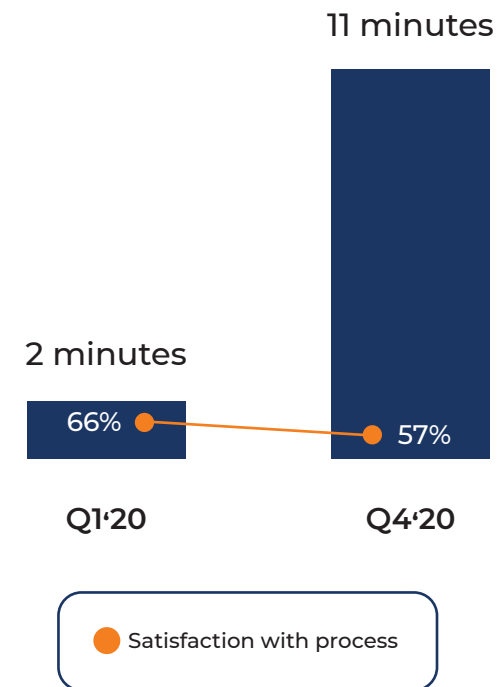
Self-Service

Digital transformation since the start of the pandemic has gone into overdrive. Customers now expect brands to have optimized websites, apps, and chat channels – making it easy for them to self-serve without visiting the store or calling in for assistance.

Our syndicated research showed that preference in mobile support climbed to their highest levels in 2020 whereas preference for phone or voice support has dwindled. If businesses do not have a fully developed mobile and online service capability, it can drive down loyalty metrics long-term.

Syndicated Research: Concentrix VOC 2020 Digital Trends

25%   27%   31%
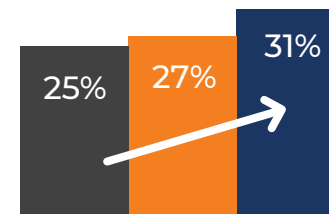
MOBILE DIGITAL TOUCHPOINTS
- - - - - - - - - - - -
Mobile Web
Mobile Chat
Mobile App
Text
Messaging App

34%   33%   28%
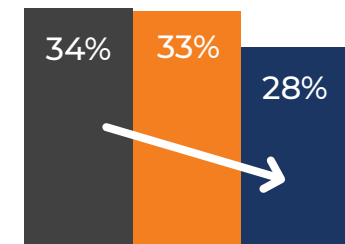
PHONE/VOICE TOUCHPOINTS
- - - - - - - - - - - -
In-person
Agent

Global pandemic or not, there are a few practices CX pros should do on an ongoing basis when evaluating their VOC programs:

- Pressure test your loyalty metrics on an ongoing basis to see how well they're predicting customer behavior.

- Assess whether or not the attributes you measure underneath your loyalty metrics are still the most relevant.

- Redesign your survey if the loyalty questions, like NPS, and attributes are no longer serving their purpose or producing insights for your organization.

This will help you to get the most out of customer feedback collected — COVID-19 and beyond.

Interested in learning more?
Contact us today!

+1 800 747-0583
voc@concentrix.com
www.concentrix.com/solutions/voc

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