



# Social-Led Customer Care Through Covid:

What We're Learning  
From the Pandemic

# Introduction

Mark Schaefer recently wrote that the pandemic forced us into an "[Era of Unintended Consequences](#)." Nobody could accurately forecast what was going to happen when the crisis unfolded and now that we are coming out, it may take a generation to accurately see the long-term impacts of new consumer habits becoming permanent behaviors.

This report looks at the impact of the pandemic on online customer service – what we can leverage from a year of mostly playing defense during a crisis, and second, how to apply it to a thoughtful, proactive strategy going forward. By examining the new trendlines and current events, we can establish the state of customer care, including the impact of key dynamics such as:

- 1. The e-commerce surge**
- 2. Remote work and labor availability**
- 3. Supply chain disruptions**
- 4. Privacy trends/social intelligence**
- 5. A growing number of disgruntled consumers**

# The e-commerce surge

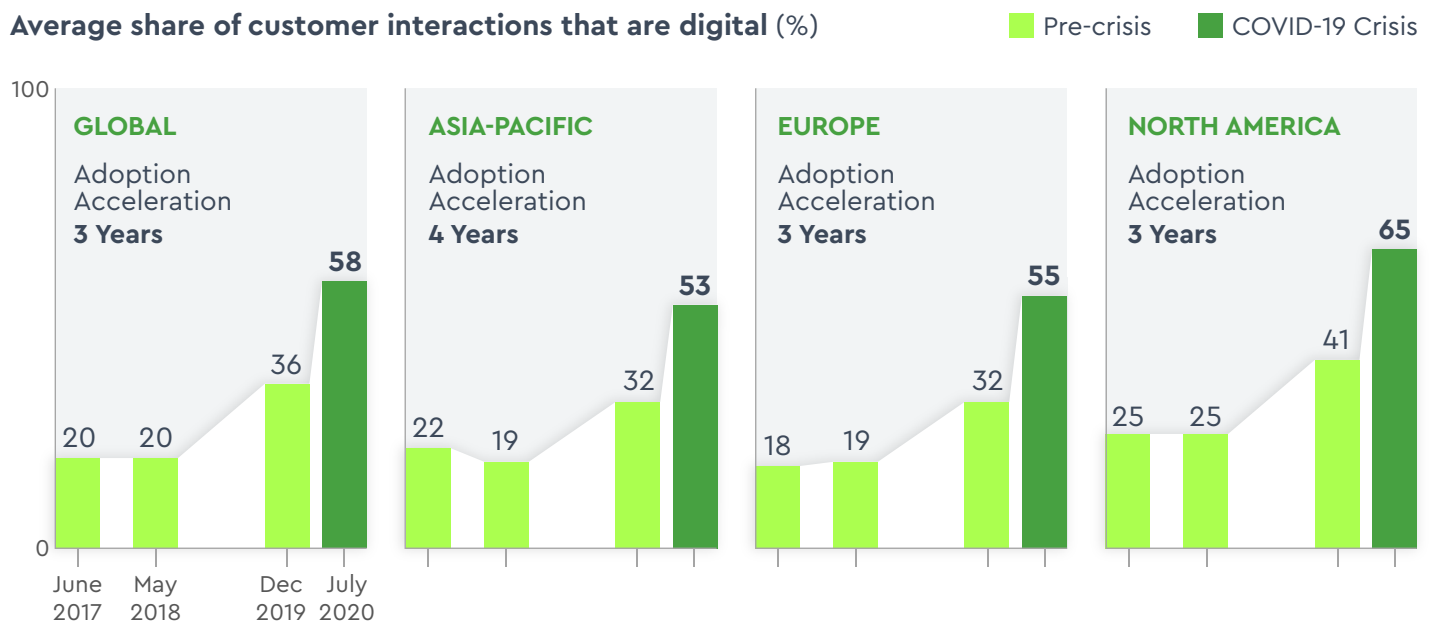
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It's been well-established by now that a major implication of the pandemic was a dramatic pivot to e-commerce. Many believe that the pandemic advanced e-commerce development by 10 years.

As early as April 2020, some retailers were experiencing record "Black-Friday" level sales... every day. With this swell of online transactions came a commensurate increase in online customer service experiences.

A McKinsey survey<sup>1</sup> found that, since the crisis, companies are three times likelier to conduct at least 80 percent of their customer interactions digitally.

## The COVID-19 crisis has accelerated the digitization of customer interactions by several years.



<sup>1</sup> Source: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>

Companies adjusted extremely effectively to the surge in e-commerce. Studies show companies made the technological shifts to both online purchasing and remote working 40 times faster than they thought was possible!

For most, the need to work and interact with customers remotely required investments in data security and an accelerated migration to the cloud. Now that the investments have been made, these companies have permanently removed some of the pre-crisis bottlenecks to virtual interactions.

In fact, the pandemic hasn't just created a technology shift; it's created a mindset shift. In 2017, executives reported that the driver of digital transformation was cost-savings. In 2021, the predominant driver is now reported to be "competitive advantage."

Another McKinsey study<sup>2</sup> said that the surge in customer e-commerce behavior is the trend most likely to persist after the pandemic. So, meeting the need for online customer care is a long-term challenge (or, in our opinion – an opportunity). Now that all our customers are online, what do we do with them?

### **Meeting this challenge is complex...**

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<sup>2</sup> Source: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>

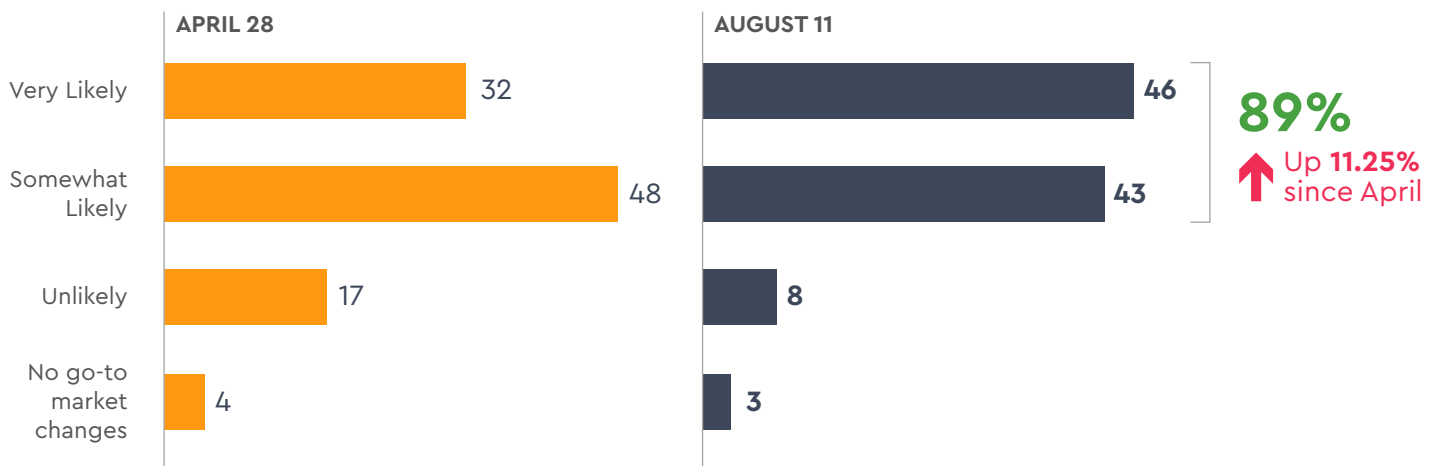
# Impact of remote work and labor availability

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When it comes to online consumer interaction volume, we're at least three years ahead of projected schedule, and companies have had to scramble for people and remote services to handle this surge. At the same time, 70 percent of American companies say that "remote working" is the pandemic-induced change most likely to last beyond the crisis.<sup>3</sup>

## Companies expect the changes to stick.

**Likelihood of sustaining new go-to-market models for 12+ months**  
(% of Respondents)



“ Remote working is much less likely to meet customer expectations better than it did before the crisis.

— McKinsey

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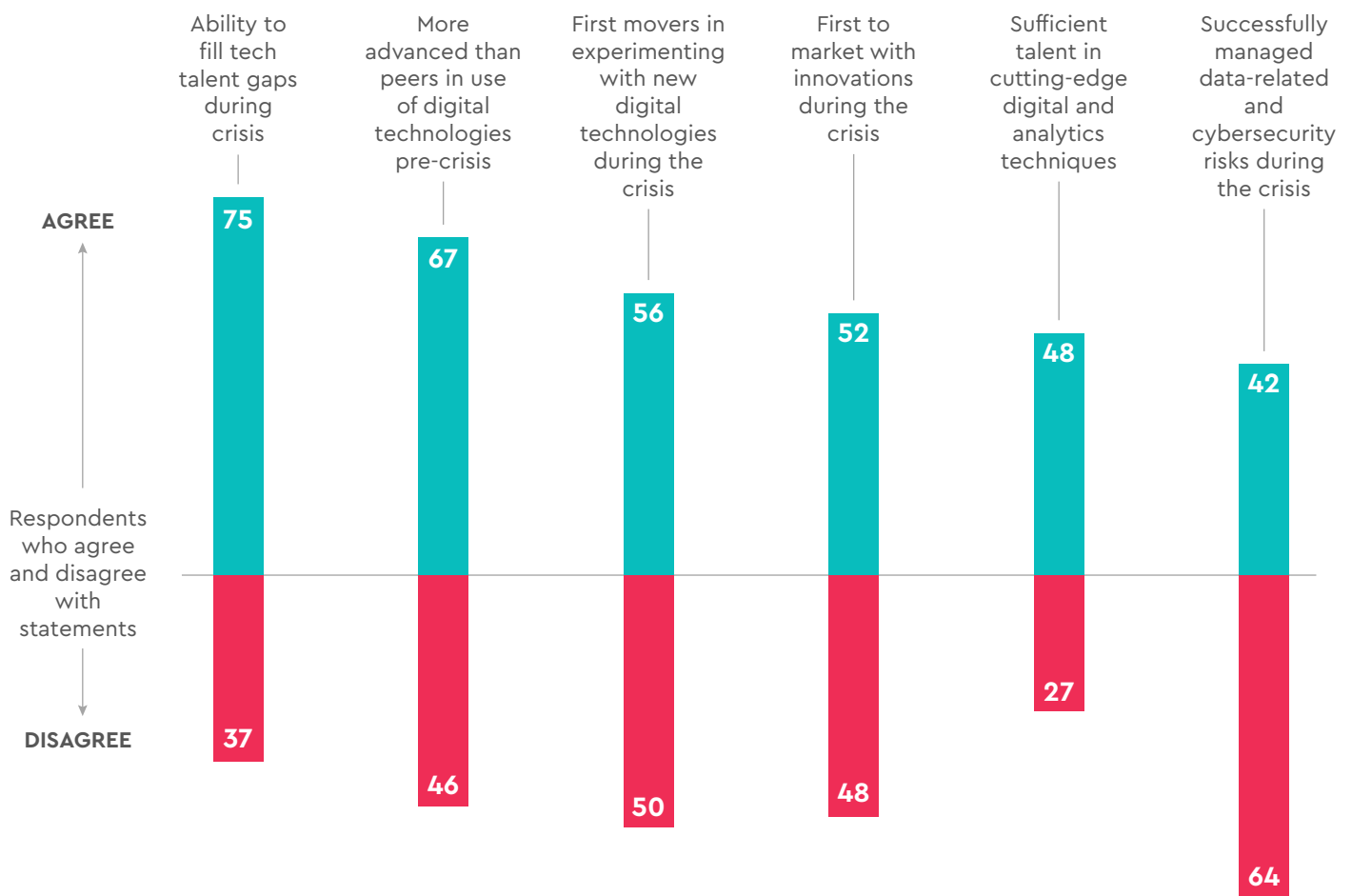
This creates a new tension for many organizations — a trade-off between ensuring customer satisfaction and offering remote work to those who provide that customer interaction.

<sup>3</sup> Source: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/these-eight-charts-show-how-covid-19-has-changed-b2b-sales-forever>

Another interesting insight from the McKinsey study is that neither technology nor speed were the critical factors in a successful transformation. It's the ability to attract the right talent to drive the change and meet customer needs. It's bodies, not bandwidth, that make the difference.

## People, not technology, were most critical in meeting customers' needs.

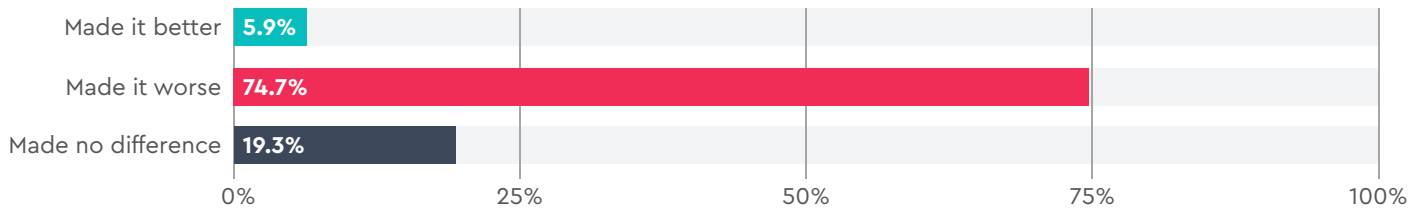
Differences between organizations that implemented COVID-19 responses very effectively and all others (% points)





A national survey reported that 75 percent of consumers reported worse customer service experiences since the pandemic started.<sup>4</sup>

## Effect of COVID-19 pandemic on customer service



Unsurprisingly there is a huge amount of variability in the problem by industry. Here are the best and worst service levels in the pandemic era<sup>5</sup>:

WORST	BEST
<b>1</b> Utilities (18%)	<b>1</b> Finance & Banking (23%)
<b>2</b> Travel (14%)	<b>2</b> Consumer Goods (20%)
<b>3</b> Legal & Government Services (14%)	<b>3</b> Entertainment & Hospitality (13%)
<b>4</b> Consumer Goods (11%)	<b>4</b> Utilities (11%)
<b>5</b> Finance & Banking (10%)	<b>5</b> Technology & Electrical (11%)
<b>6</b> Insurance (9%)	<b>6</b> Insurance (8%)
<b>7</b> Technology & Electrical (9%)	<b>7</b> Travel (7%)
<b>8</b> Entertainment & Hospitality (9%)	<b>8</b> Vehicles & Transportation (5%)
<b>9</b> Vehicles & Transportation (7%)	<b>9</b> Legal & Government Services (3%)

<sup>4</sup> Source: <https://www.nbcdfw.com/news/nbc-5-responds/consumers-feel-pandemic-has-hurt-customer-service-survey-finds/2481819>

<sup>5</sup> Source: <https://www.cxtoday.com/contact-centre/almost-half-feel-customer-service-worse-during-pandemic>

Note that some industries like banking and insurance are seen as both good and bad!

According to the study, the top reasons for customer irritation included:

- **Not being able to speak to a real person**
- **High average wait time for the call**
- **Agents taking too long to resolve queries**
- **Not having the right knowledge and advice**
- **Agents using scripts**

While the need to ramp-up online customer care is acute, labor shortages are exacerbating the problem. These shortages are caused by a number of issues:

- **Rise in demand for customer care positions**
- **Competition from higher-paying jobs**
- **Mismatch in skill sets**
- **Reluctance to re-enter the workforce**
- **Time to transition to new jobs**

We agree with most economists that this should be a short-term issue that begins to resolve in 2022.

**But getting people in place is only part of the problem...  
and only part of the solution.**

# World, interrupted: Supply chain disruptions

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The past two years have seen an unprecedented level and breadth of supply chain disruption, creating chaos in even the most stable workflows. While the “normal” disruptors are natural disasters and global political hotspots, 2020–21 has been a perfect storm that included:

- **Supply chain crashes from the pandemic**
- **Unpredictable surges in supply and demand that wreaked havoc with JIT inventory systems**
- **Geo-political issues that impacted shipments of many goods and commodities**
- **The lodged ship in the Suez Canal**
- **Record winter storms in America**
- **Malware and digital security disruptions**

Both companies and consumers suffered losses related to the chaos. Lockdowns, grounded flights, curtailed cruises, canceled vacations, disrupted concerts and conferences forced customers to scramble for refunds. Complaints against airlines skyrocketed, with more than half of those complaints related to refunds. Some are still waiting for refunds for canceled cruise trips<sup>6</sup>. Almost 60 million people in the U.S. alone lost money<sup>7</sup> due to the widespread cancelation of plans amid the Covid-19 outbreak.

And frustrations weren't limited to those who tried to leave the house. On Amazon, customers logged a record number of shipping-related complaints with the site's third-party sellers, according to The Washington Post<sup>8</sup>. The number of complaints to the Federal Trade Commission doubled in 2020.

Hopefully, customer complaints related to supply disruption will settle down as the pandemic subsides but if the pandemic has taught us anything, it's that the unexpected has become the norm when it comes to customer care.

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6 Source: <https://www.wftv.com/news/action9/cruise-customers-growing-frustrated-over-refunds/OOGJYMP4NBDRLPF-V2DDA65MTAQ>

7 Source: <https://www.bizjournals.com/bizwomen/news/latest-news/2020/04/no-refunds-americans-struggle-to-get-money-back.html>

8 Source: <https://www.washingtonpost.com/technology/2020/05/21/amazon-shopper-complaints>

# Privacy matters: Trends and regulations

One of the most disruptive current trends is the obstacle to collecting and applying customer information to provide targeted ads, services, and custom web experiences. Recent moves by Apple and Google portend what will be happening in the coming months and years through regulations on a global basis (like GDPR, for example).

But we don't have to wait for a strategic alternative to third party data collection. We know that customers are freely exchanging data and viewpoints through social platforms. By identifying and engaging with these customers through powerful analytics platforms, we can draw strategic meaning from social media data, and channel this information to develop a "social intelligence" program that can inform the marketing strategy.

Social listening can't entirely displace current methods of intelligence gathering. But it should emerge for your company as a strong substitute. Social intelligence must become a critical asset for the marketing organization.

Unfortunately, most companies view their frontline customer interface as a box to check – customer complaints to handle and disregard. That's under-utilizing vital data you can surface problem and unveil new opportunities. And savvy, strategic deployment of social intelligence can provide insights into the entire business cycle, including:

- Industry dynamics
- Competitive landscape
- Emerging trends
- Market opportunities
- Customer insights

... all without personal data collection.

## B SQUARED CASE STUDY

# Listening to the Feet on the Ground: Social Listening

**85% of executives report that social data will be a primary source of business intelligence for their company moving forward.**

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A major running shoe brand historically has had great success driving consumer conversation through traditional marketing. After recently launching a holiday-focused social campaign, they expected to see an increase in share of voice. However, the social chatter that took place was not around the social campaign.

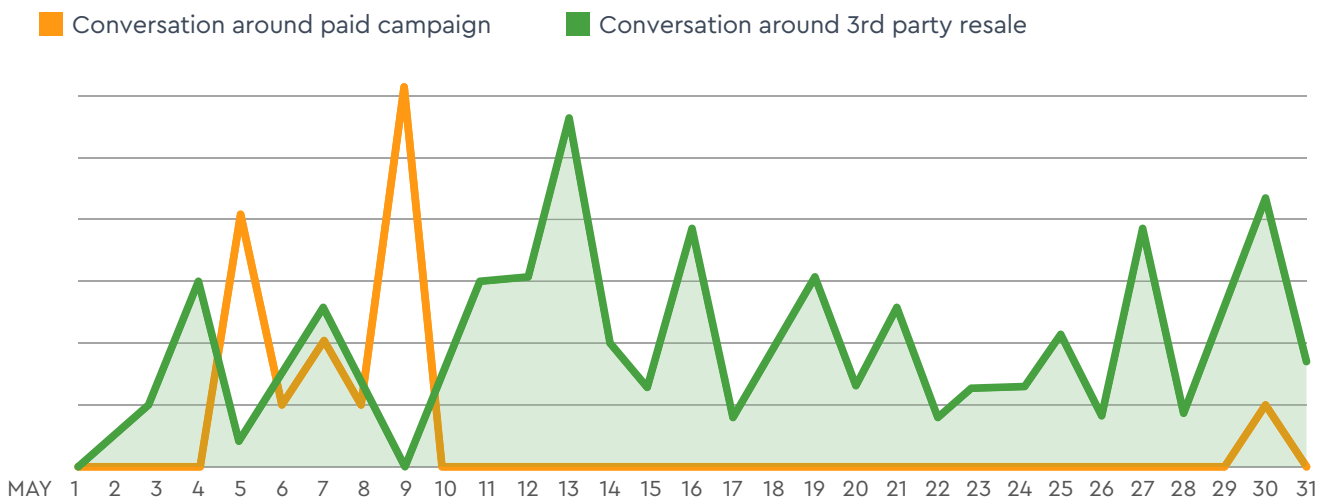
Realizing they had little transparency into the impact of their online campaigns – and the conversations taking place around the brand online – the company decided they needed a social listening tool to help make future strategic social messaging suggestions and other proactive, data-driven decisions.

In hiring B Squared Media, the brand obtained both tool management, including the design and execution of a strategic social listening program to learn how the brand was being discussed online. The findings included an overwhelming number of individual conversations about the resale market for previously owned shoes, and other product lines not being discussed in the holiday-themed campaign.


With social listening, the B Squared Media team was able to collect data on which product lines were being sold on the "after-market" as well as which discontinued lines shoppers were looking for. We also pinpointed conversation around a recently launched limited-edition shoe line that resonated with a new community, not previously targeted by the brand.

## Social listening to identify conversation patterns

Total volume per day (May 2021)





Why that  
 is so  
expensive:  
The cost of  
disgruntled  
customers

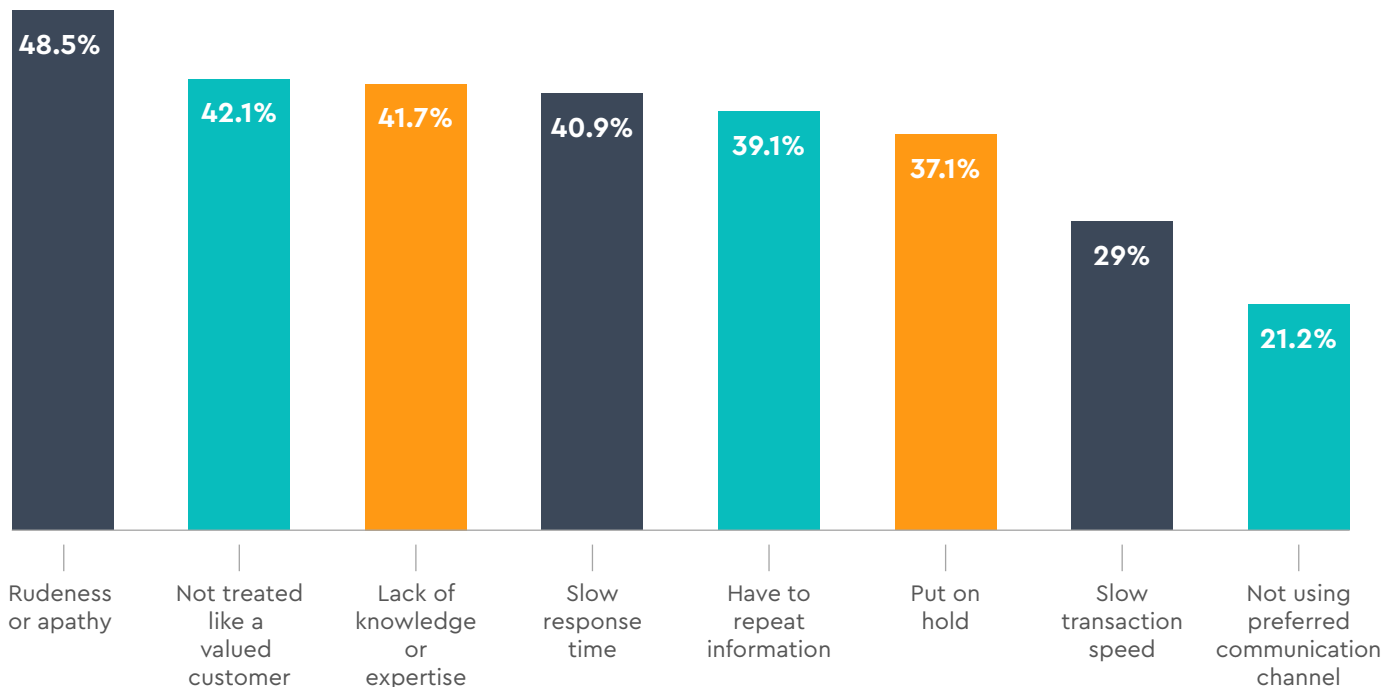
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**If you consider the rise in customer complaints and the impact on loyalty and word of mouth marketing, you could easily argue that online customer care might be the highest marketing priority for 2021 and beyond.**

According to The Wall Street Journal,<sup>9</sup> word of mouth complaining is on the rise. Compared to 2017, dissatisfied consumers are telling twice as many people about their experience. While satisfied customers tell 3.7 people about their positive experience, unhappy customers share their negative experience with an average of 7 people.

Further, more than 95 percent of Americans are willing to switch brands if they receive bad customer service, while a 5 percent increase in customer retention can boost profits from 25 to 85 percent.<sup>10</sup> And word of mouth recommendations based on positive service experiences can have 20 times the impact of regular advertising.<sup>11</sup>

### So what defines poor service?<sup>12</sup>



<sup>9</sup> Source: <https://www.bizjournals.com/bizwomen/news/latest-news/2020/06/complaints-in-2020-customers-have-more-than-a-few.html>

<sup>10</sup> Source: HBR: "Quality comes to services."

<sup>11</sup> Source: Edison research cited in "Hug Your Haters."

<sup>12</sup> Source: Shep Hyken research

Of the three quarters of Americans who changed their shopping behavior since COVID-19 began, around **40 percent** say they have changed brands, with the level of brand switching doubling in 2020 compared to 2019. These switching behaviors are more prevalent among Gen Z and millennial consumers than with boomers (44 percent of Gen Z and millennials have tried a new brand, versus 35 percent of Boomers).<sup>13</sup>

But studies show that when complaints are handled to a customer's satisfaction, they actually become **more loyal** than before they had the problem.<sup>14</sup>

*A complaint isn't necessarily just a negative event – with the right customer care strategy, it becomes a bonding event.*

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<sup>13</sup> Source: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis>

<sup>14</sup> Source: Bain and Company

# Customer care as a marketing priority

## How different are you from your competition... really?

Clearly, an investment in world-class customer care is an unmissable opportunity in this competitive environment. Positive customer care not only can retain more of your existing customers, it can lead others to switch to your brand. Add to that a social listening strategy that analyzes the dialogue with those customers, and you reduce your reliance on increasingly restricted third party data collection.

We think customer care is the IT of 2010 — neglected, with tons of untapped opportunity. Remember when IT was another word for the help desk? In 2010, those were just the guys who helped when the printer stopped working. Now your IT capabilities are a critical function integrated into everything from sales to operations. Investment in online customer care now needs to be expanded from a call center mentality to an omnichannel conversation that supports all stages of customer relationships and brand building.

Increasingly, the marketing function is responsible for a 360-degree view of customer experience. Shouldn't that **START** with the online customer experience? Read on for more success stories!

## B SQUARED CASE STUDY

# Fit to Print: Customer Care

**78% of consumers are more willing to buy from a brand, and 77% will choose a brand over a competitor, after a positive experience with a brand on social media.**

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Brother International, the business and home office products provider, was overwhelmed by the influx of online customer service requests.

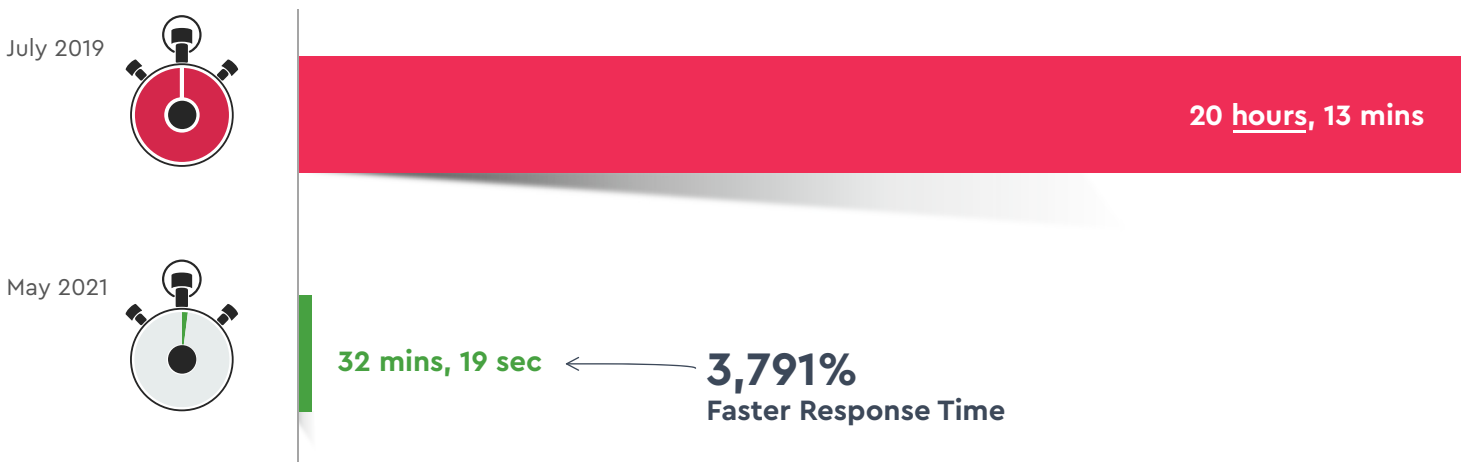
Because internal customer service was staffed 8-4 on weekdays, there was a backload of inbound requests, especially nights and weekends. In addition, only negative feedback could be addressed due to capacity constraints.

Working with B Squared Media, Brother International was able to provide social media-based customer care support 9am to midnight, 365 days per year. (That's more than 3,300 additional service hours annually).

**By partnering with B Squared Media, Brother International:**

- 1. expanded service from Facebook only, to Facebook, Instagram, and Twitter;
- 2. broadened active engagement with all inbound feedback, not just negative issues;
- 3. reduced average response time from 20 hours to just 32 minutes — that's over **3,700% faster!**

## brother customer care response time



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During the COVID-19 pandemic, we were faced with many new challenges on our social accounts and beyond. Although newly onboarded to our business at the time, the entire B Squared Media team jumped in with an all-hands-on-deck approach to assist our customers. B Squared Media ensured responses to our social communities were provided quickly while also successfully leaning into the Brother philosophy of providing consistent and courteous "At Your Side" support. The strategy and support of the B Squared Media team was invaluable during this unprecedented time and we are thankful to have them as part of our team.

- BROTHER INTERNATIONAL

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**brother**<sup>®</sup>

## B SQUARED CASE STUDY

# Extra Credit Project: Customer Care

**Customer care can also mean listening to what your customers are talking about — both positive and, even more importantly, negative sentiment — and acting on it.**

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A Credit Union had limited visibility into which of their products and services (ATM locations, online banking, etc.) were being discussed — and complained about — online.

The Credit Union was making changes to customer service centers during COVID but lacked the ability to gauge community response to those changes or gather data to inform future modifications.



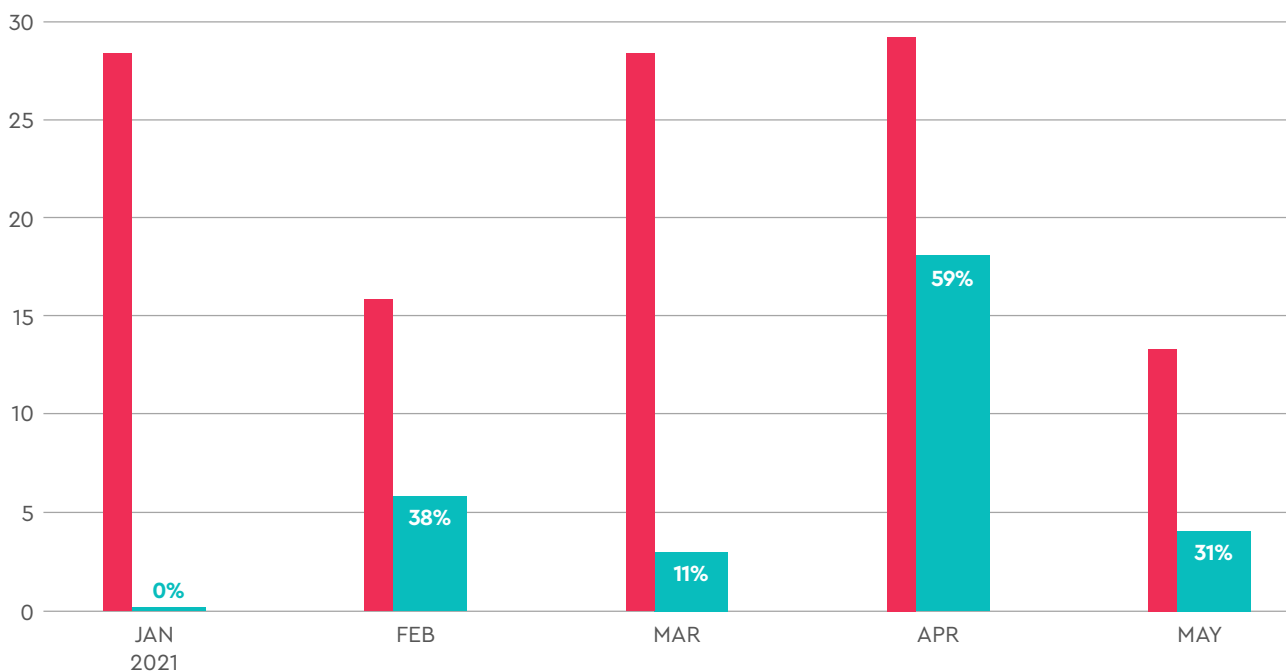
In choosing B Squared Media as their customer care partner, the credit union was consistently able to monitor social media conversations, and using the social listening tool, was able to acquire actionable data on service-specific conversations.

As the credit union made service changes, B Squared Media provided ongoing reporting that tracked month over month and year-to-date changes, by specific service. This helped guide the credit union to create internal and website changes to assist their members during COVID.

## Social listening to improve services

Messages received (volume, by month)

■ Total negative sentiment   ■ Digital banking/branch access negative sentiment



# Conclusion

Customer care is massively overlooked in most companies as an opportunity for sustainable competitive advantage.

Despite the challenges of a surge in service demands, labor shortages, and increasing customer expectations, B Squared can easily scale to meet your needs with world-class out-sourced online customer care. We're not here to check a box. We know that customer care is an important extension of your overall marketing strategy.

**The best customer care is not a campaign. It's a conversation.**

To learn more about how we can create this advantage for you, contact our CEO, Brooke Sellas, at [brooke@bsquared.media](mailto:brooke@bsquared.media).



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