

The Paragon logo features the word "PARAGON" in a bold, white, sans-serif font. The letter "O" is replaced by a stylized globe icon consisting of three horizontal lines of varying lengths, creating a sense of motion or a globe. The logo is positioned in the upper left corner of the page, set against a background of a low-angle shot of modern glass skyscrapers reaching towards a clear blue sky.

PARAGON

*Paragon Reports*

# Customer communications in a post-pandemic world

January 2023





# Table of Contents



5	Introduction	16	Financial Services
7	Methodology	21	Telecoms
8	Utilities	25	Conclusion
12	Retail		



4.720

68

RUSSIA

3.056 deaths  
Hubei China

827 deaths  
Italy

429 deaths  
Iran

66 deaths  
Korea, South

55 deaths  
Spain

48 deaths  
France France

31 deaths  
Washington US

22 deaths  
Henan China

16 deaths  
Japan

13 deaths  
Heilongjiang China

50,318 recoveries  
Hubei China

2,959 recoveries  
Iran

1,289 recoveries  
Guangdong

1,249 recoveries  
Henan China

1,197 recoveries  
Zhejiang

1,045 recoveries  
Italy

999 recoveries  
Hubei China

984 recoveries  
Anhui

93 recoveries  
Jiangsu

7 recoveries  
Shandong

# Covid changed the world as we know it.

The arrival of the pandemic in 2020 brought a host of new challenges, especially in how we interact with each other in both a personal and commercial context.



Covid lockdowns forced people away from in-person interaction, so a shift in consumer behaviour was inevitable. At this point, customers' hands were completely tied, but it's important to note the lasting impact this had on how they wanted brands to communicate with them.

Throughout the lockdowns it didn't actually come down to consumer *choice* – they did, after all, have no option but to stay at home and engage with organisations remotely. Now that this is no longer the case, and customers do have a choice, the big question is how much has the pandemic influenced long term behaviour?





# Methodology

This report is designed to outline the ways in which the pandemic affected customer preferences when it came to engaging with service providers. It does so by dividing customers by demographic to accurately account for differences in opinion or experience based on personal characteristics.

This research was undertaken between 7-11 July 2022 by research agency Vitreous World. It used a fully online methodology to conduct an online survey of 2,000 nationally representative consumers in the UK, with quotas for the following demographics: age, gender, region, segmentation, ethnicity, sexuality, and disability. This was done to ensure the research results were fully representative of all customers.



Pandemic-era communications introduced consumers to a range of benefits, but there were also obvious downsides, which made it hard to know whether customers respond well to the increasingly digital model of customer communications.

When we started to think about this question in more depth, it became clear that 'customers' is not a uniform, singular group, so it isn't a matter of finding a broad 'yes' or 'no' answer.

One thing we can be sure of is that COVID was divisive. If your business had a mature digital model, it was easier for you to cope. If not, it stood out like a sore thumb and

customers were quick to see how far you were lagging behind your competitors and businesses within other sectors.

'Customer services' encompasses a varied range of experiences and communications across every vertical, which in turn means that customer experience can vary depending on the sector.

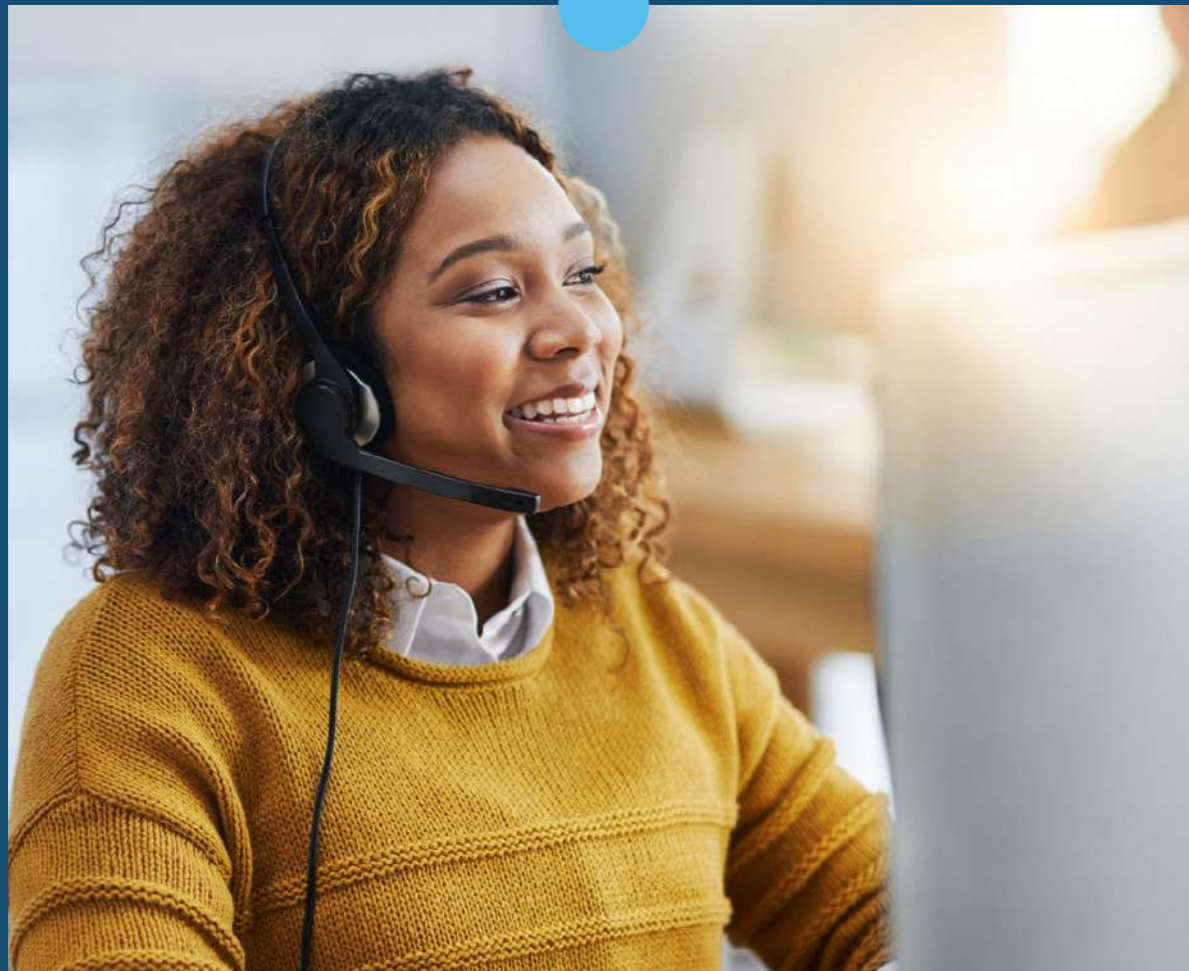
This report explores how consumers experienced customer service in four key sectors: retail, financial services, utilities, and telecoms. Breaking it down in this way is crucial to understanding the lasting impacts of the pandemic on customer communications.



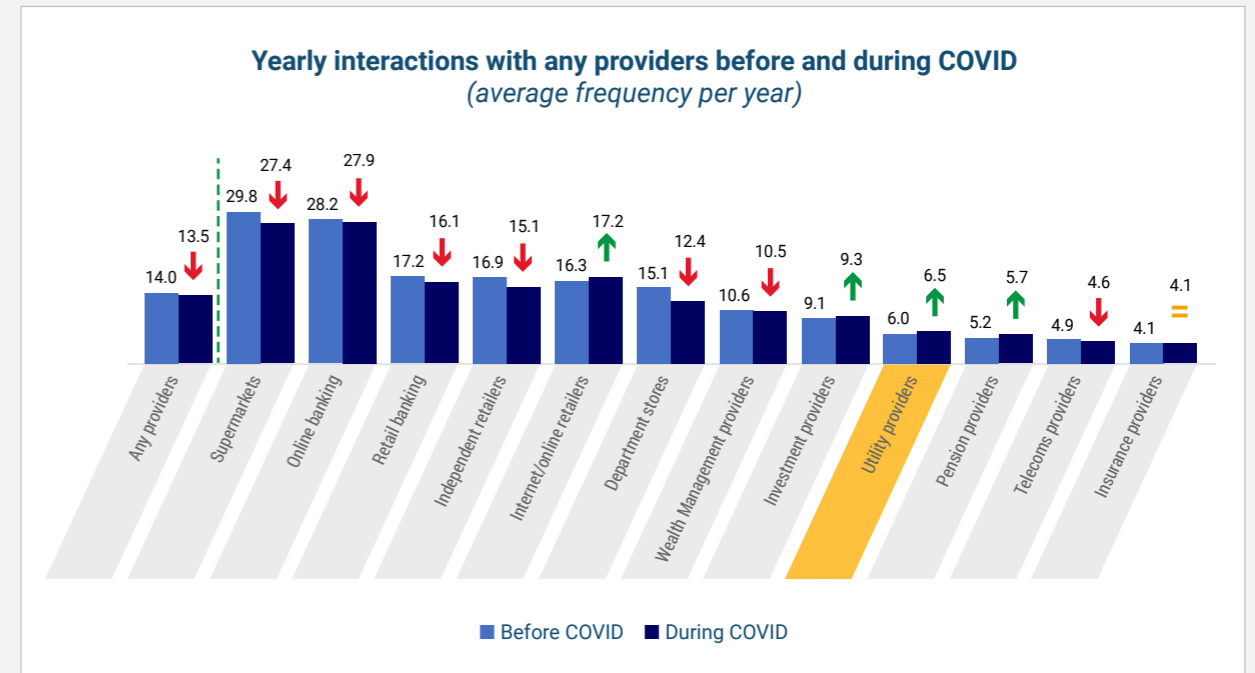
# Utilities

For every sector, Covid changed the way customers interact with businesses. But obviously, different sectors engage their customers in different ways. The utilities sector is a prime example. Ordinarily, consumers engage with their utility providers much less frequently than they do with retail companies, for example.

However, the pandemic created conditions in which consumers depended on their utilities more than ever. Working from home meant that consumers valued – and relied on – a stable internet connection. This led to customer service interactions increasing in this sector, while consumers engaged with almost all other sectors less frequently.



During COVID, interactions with utilities providers increased. This could reflect the shift to home working and the increased burden this placed on customers' gas and electricity supplies.



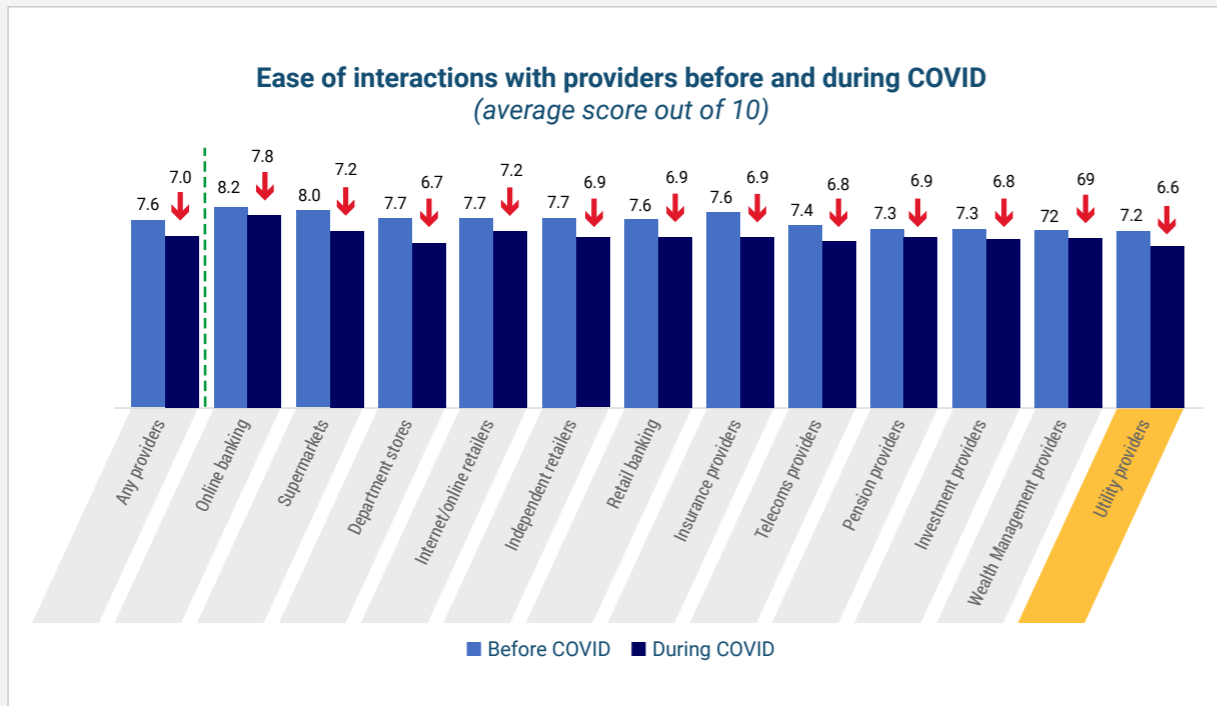
Utilities are essential so even in the best of times, issues with internet access, electricity, water, and gas are highly frustrating. With office closures and lockdowns, the inconvenience was magnified for consumers as they couldn't go elsewhere to access these essential services. This urgency and annoyance might explain why there were a number of negative experiences with utilities' customer services.

Average ease of interaction fell from **7.2** to **6.6** out of 10 but, in addition to this, utilities was the worst-hit sector when it came to

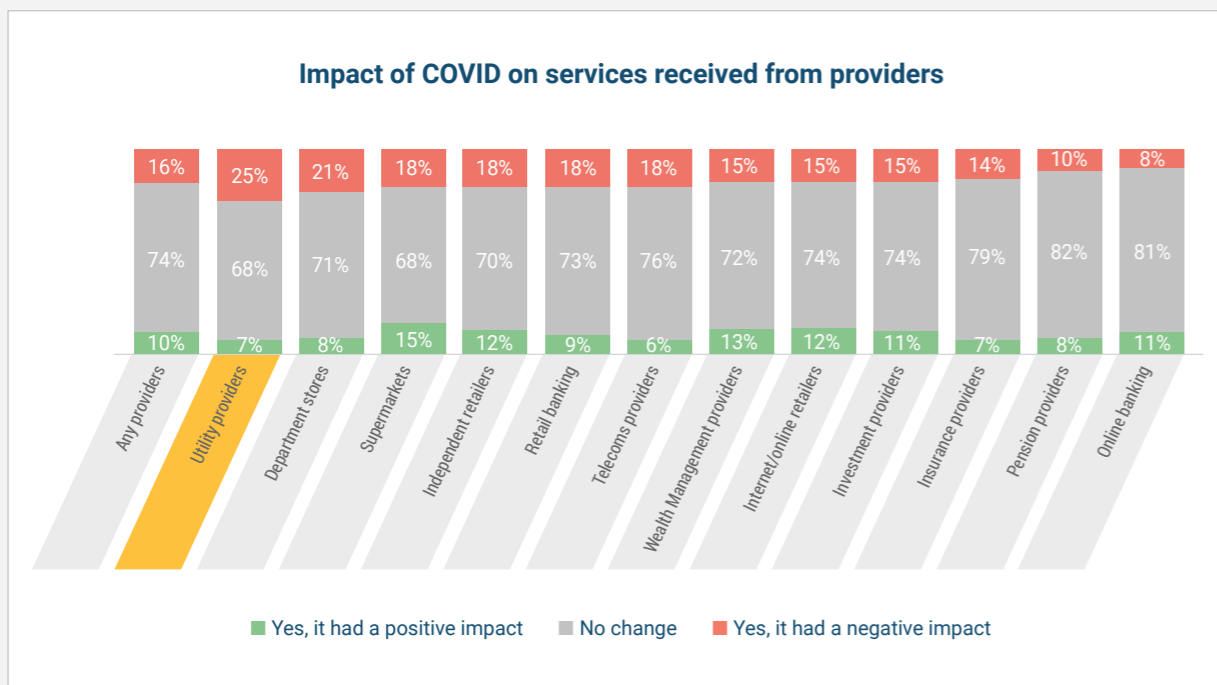
the impact Covid had on how consumers received services from their providers. 25% of respondents found that Covid had a negative impact on their interactions with utility providers. This is a difference of more than 15% compared with the least impacted sector, which highlights how customer experience was a key problem area for the utilities sector. Considering that the frequency of interactions increased during the pandemic, added demand may have been a contributing factor to this, as customers faced longer wait times.



This chart shows how customers experienced increased difficulty in interacting with providers, across every sector. Understandably, the sharpest decline was seen in the department store sector.



This chart highlights the extent to which COVID negatively impacted the service customers received from their providers. Utilities was the sector for which customers reported the biggest negative impact from COVID, followed by department stores.



“

When Covid hit we managed to get our staff working from home within three days, which changed the way we interacted with our customers. But with a strong digital and smart meter-based business model we were in a great position to stay connected to our 800,000 customers. In the first four months of the lockdowns, we went from 350,000 to 420,000 active app users, and that has continued to grow since. This meant we could engage with customers in lots of ways, without any of the barriers that were being thrown at us getting in the way. As a market disruptor we don't have the legacy in our business that some more traditional companies have so the overnight switch to digital was pretty intuitive for us.

At the time we also saw a dramatic change in the energy market, our competitive environment transformed and price comparison websites stopped offering energy altogether. We were able to retain our sales teams through Covid and I'm convinced that helped us along with the market changes to reduce our churn by 75%.

I think during Covid we got so used to being isolated, we now need to rebuild those human relationships and give our customers that sense of human interaction. We've got digital, but you still lose something by being behind that screen.

**Louise Walsh,**  
Chief Customer Contact Officer at Utilita Energy,  
a leading UK electricity and gas supplier.

”



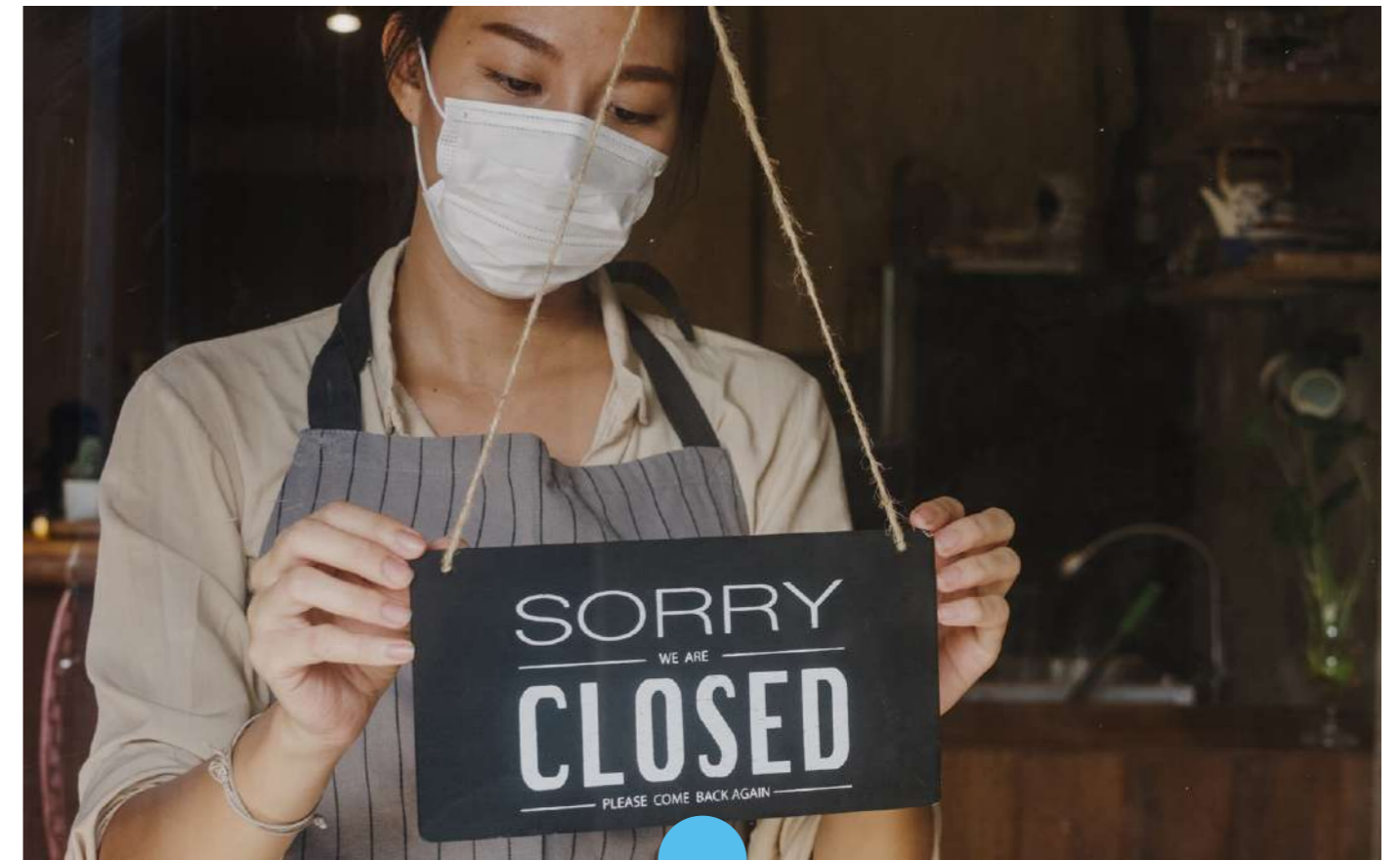
# Retail



Retail presents one of the most notable examples of radical change to customer experience. Whereas during Covid, engagements with utilities providers, for example, were mostly remote and infrequent, retail experiences were very different.

Supermarkets were some of the few businesses permitted to operate in-person, which required significant adjustments to the customer experience they could provide. However, businesses across the retail sector vary considerably in their operating models, and therefore offer different customer experiences. This was evident in the survey responses.

While ease of interaction reduced for all retail providers, it's striking that supermarkets saw a reduction of less than one point in ease of interaction (from 8 out of 10 to 7.2 out of 10). This may be explained by the high visibility of the measures implemented to maintain a safe and accessible shopping environment, even during the pandemic's peak, as customers recognised and appreciated the provisions made in these exceptionally challenging circumstances.

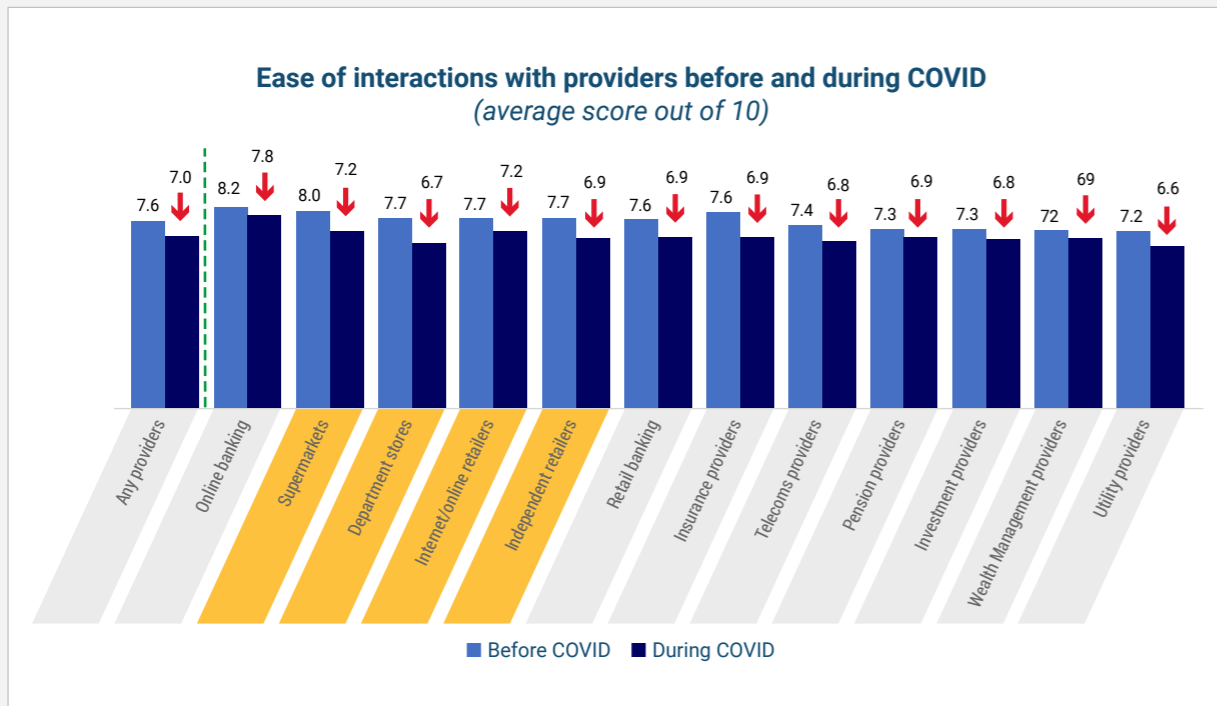


Department stores, as non-essential retail businesses, were worst hit, which may be explained by their lower ability to adapt to, and implement, Covid measures.

Independent retailers experienced the biggest drop in ease of interaction. In comparison to large supermarket and department store chains, independent retailers have considerably less resources available for responding to big, unforeseen events like the Covid pandemic. This is likely a key factor that influenced customer ease of interaction.

Interestingly, online retail did not necessarily escape this, nor was it a universally convenient or accessible option. Although less pronounced than other types of retail, respondents also reported a reduction in ease of interaction during their online retail experiences. This is likely due to the consequences of the increased volume of customers, meaning, for example, that websites become slower and the wait for customer service agents increased. It should also not be assumed that the majority of users find online retail accessible, as common issues like difficulties in navigation without guidance were exacerbated during the isolation of the pandemic.

For retailers, it is understandable that their customers saw the biggest decline in 'ease of interactions'. Supermarkets remained open but with extensive COVID mitigation measures, which wasn't the case for providers who could move all their services online.



“

The key change for us during covid was having to be more reactive than proactive. During lockdown, everything went digital, and suddenly our customers weren't where we expected to find them. Previously, print and direct mail were an important way to reach customers, but we had to change rapidly to make ourselves more accessible for our customers, so Pearson became even more active on digital channels. It was all about supporting our customers and making sure they had access to the right information.

Our strategy was already to drive more subscription-based activities and, Covid acted as an accelerator. Surprisingly we didn't see a big change in our channel mix but it did drive our learning process and proved how important it is to stay responsive to customer needs.

**Nelly Musteata,**

Head of Performance Marketing at British owned education publishing and assessment provider, Pearson.

”

“

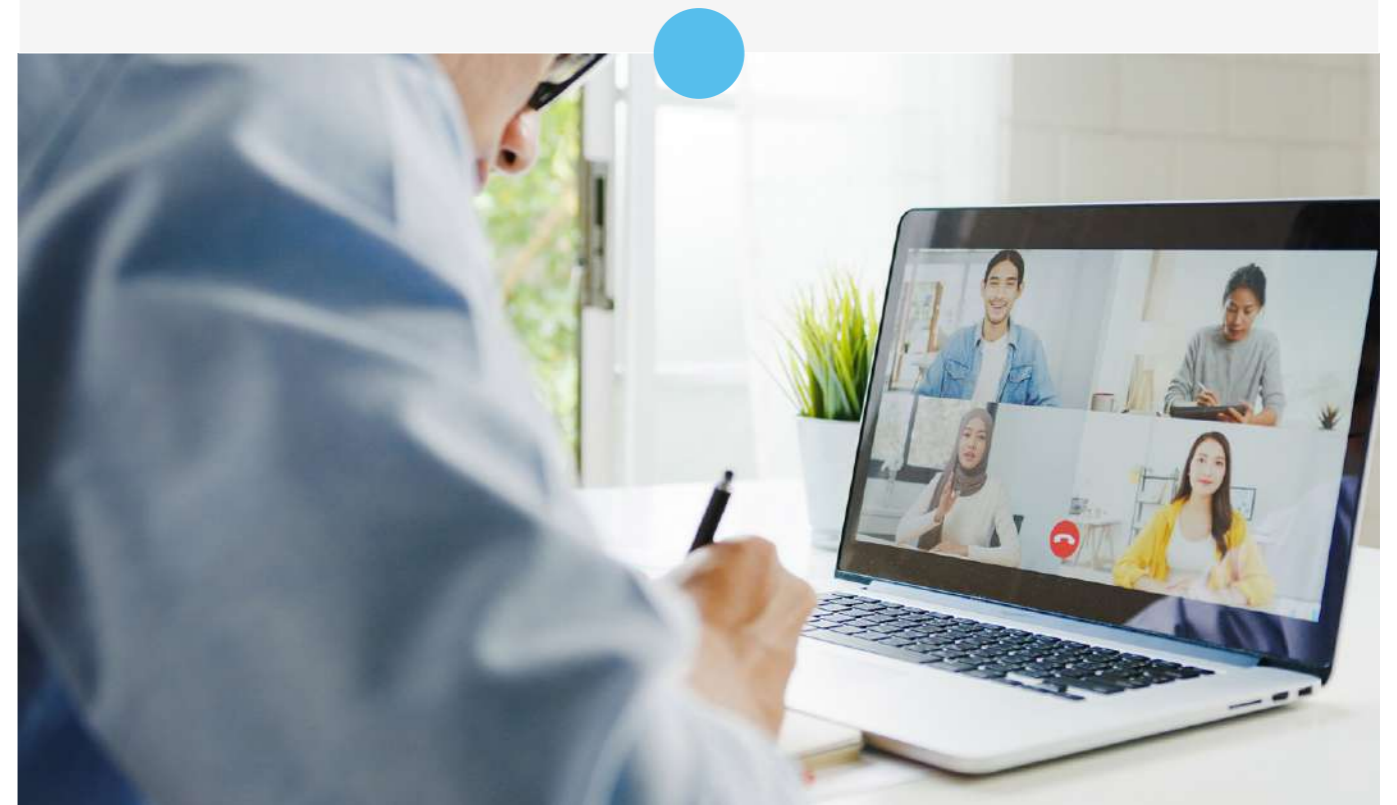
The pandemic was an unexpected test on our existing customer communications capabilities. We needed to introduce additional up-to-date communications very quickly when our in-person business model was removed overnight. Our pre-pandemic investment in the customer database proved vital; we could communicate at an individual level to prioritise conversations and use email to update our customers as new information emerged. We were able to show empathy and reassurance with our customers when it was most needed.

Using real feedback and our KPI data we made permanent changes to how we communicate with customers. These changes remain in place, and we've maintained the positive sentiment as a result.

**Alison Parsons,**

Head of Customer Insight at Hillarys, a leading manufacturer and retailer of made-to-measure window blinds in the UK and Ireland.

”





# Financial Services



“

Having all of our operational and customer data in one place for all channels meant we could react quickly when the pandemic hit. We'd already embedded click and collect into our model. We could see it becoming the dominant channel even without the influence of Covid, although the change from 75% of sales via traditional 'walk up' customers to 100% digital was still dramatic.

When our loyal customers turned up to store and realised that they needed to register digitally before they could pick up their order, it was a tough test of our digital experience. It had to stand up to the 'car park test' and proved that we could join up the physical and digital channels in near real time.

To give walk up customers a bit of extra support we incentivised use of the app by giving users a preferential service in store, and a bit of in-person advice on how to use it.

The changes we've seen have been lasting. We've moved from 25% to more than 60% of our sales starting with digital in the last few years. We've also started to develop new initiatives like the Sprint service (delivery within an hour) for app users only. We're also testing everything to make sure it could stand up to a future lockdown.

There are a couple of areas that still remain a concern. Supply chain stress still remains a challenge. We're also very aware of the need to support our loyal walk up customers. Having 800 stores helps support this, but we must ensure this group of loyal customers is not left behind as our digital offering grows. We're using our customer and operational data to help manage these challenges.

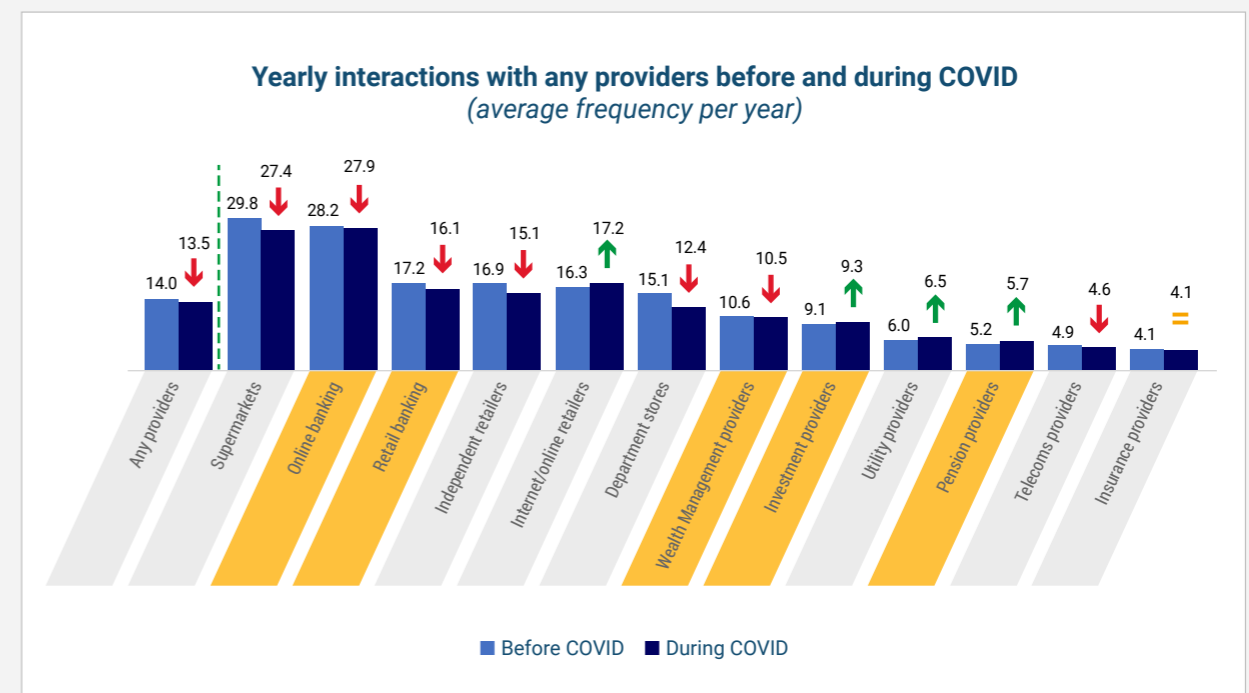
**Rob Bowditch,**

Senior CRM Manager at Screwfix, the UK's leading retailer of trade tools and hardware products.

”

While the number of yearly interactions with retail and online banking services decreased during the pandemic, the number of interactions with other types of financial service providers saw an increase. In the same way that the pandemic placed a greater emphasis on utilities for home working, it also brought to light the importance of financial planning.

During COVID, internet/online retailers, utilities companies, and pensions and investment providers all saw an increase in interactions from before the pandemic. This highlights how COVID brought about a shift in consumers' priorities.





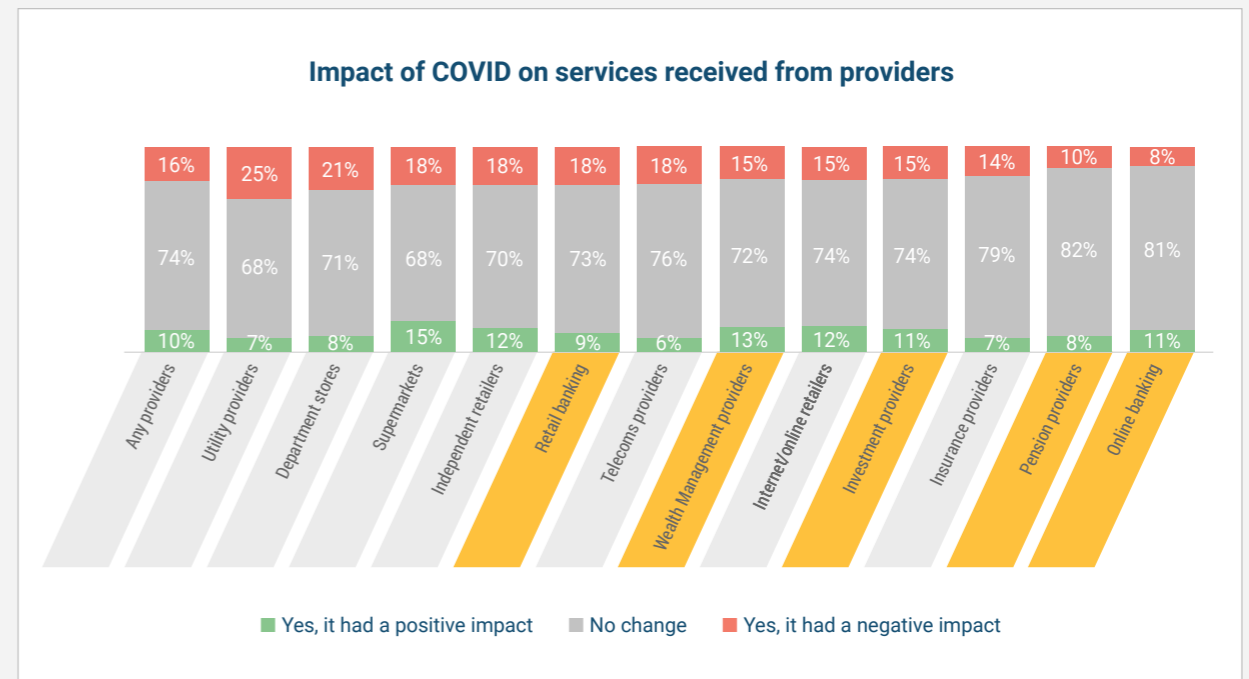


Measuring yearly interactions with providers before and during the pandemic demonstrated that customers interacted with pension providers and investment providers more than before. Given that 72% of respondents had never interacted with wealth management providers prior to the pandemic, it's clear that it pushed consumers to make these types of financial planning decisions for the first time.

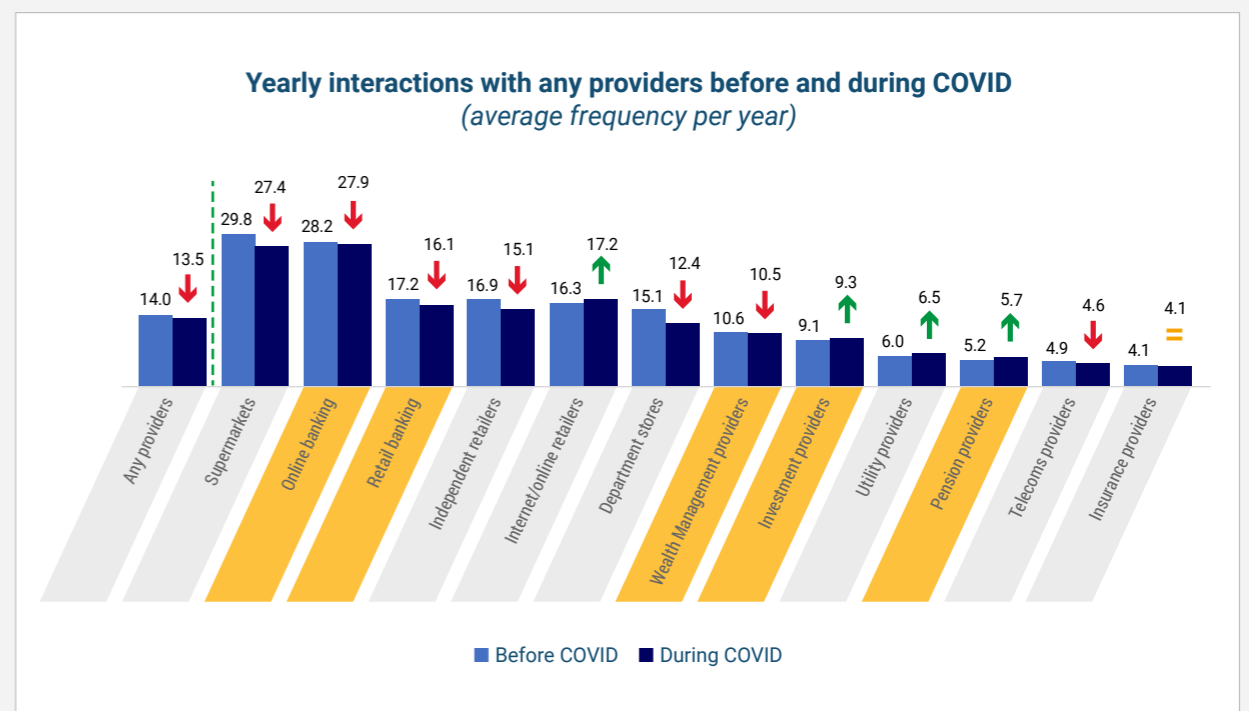
There has been little change in the frequency of interactions with online banking services before and after the

pandemic. What is notable is that customers reported particularly positive perceptions of online banking based on their engagements during Covid. Of all sectors and services surveyed, online banking saw the highest number of positive perceptions, with 21% of respondents reporting an increase. At the same time, the customer service experience offered by online banking received the lowest number of negative impressions from respondents. This may be explained by the initiatives made by many financial institutions to ensure that customers felt supported during these times of exceptional economic upheaval.

Online banking, as well as pensions and investment providers, were among the sectors to see the lowest negative impact from COVID on services reported by customers.



Here we see one potential impact of COVID on the financial services sector: financial planning decisions became more important, so customers were increasingly concerned with their pensions and investments.





“

We had to face up to the cold, hard truth that the pandemic rapidly and permanently changed our customers' behaviours. The customer we acquired using direct mail is now a digital native with high expectations. We've learned that if you don't provide a smooth multichannel experience, your retention and acquisition rates suffer. The adoption of the QR code and online shopping by 'boomers' is a great example.

We are working towards meeting our customers' digital expectations and targeting new customers using a wider range of channels, through which they now expect us to be talking to them. By driving the digitisation process we're also noticing additional parts of the customer journey that still need work. We want to join the journey up and be even more consistent across channels. As soon as you improve in one area it provides a benchmark for every other area, so you need to digitise the entire customer experience once you've started. Inconsistency stands out like a sore thumb.

Galvanising our teams and partners around the digitisation goal will change how we communicate, but one change we won't make is to drop direct mail. It is still highly effective but for some customer groups we need to evolve the role of direct mail. By working on the design of campaigns, we're testing it as the entry point for our new digital journeys as well as delivering its more traditional role. By investing time in improvements across all channels and not exclusively on digitisation, we'll be in better shape than before.

---

**Kristy McCready,**

Director of Marketing Communications at HomeServe, a British multinational home emergency repairs and improvements business.

”



“

We didn't introduce specific new customer retention strategies during the pandemic period, as we found our customers were less likely to move their mortgages and savings products around at that time. We did allow our customers to access funds more freely during lockdown and relaxed some rules around sending money to bank accounts when customers couldn't access branches. In addition, we made setting up a mortgage payment holiday simple and straightforward to help customers when they needed it most.

When in-person meeting became impossible, phone appointments and our video service, Skipton Link, became important channels for our customers. Now we have moved out of Covid, we have seen our customers use a range of different channels more often than they did prior to the pandemic. As a result, we have moved to delivering more digital communications where we can and have a programme of works to continue this development.

---

**Clare Davey,**

Head of Direct Distributions at Skipton, one of the UK's leading building societies.

”



# Telecoms

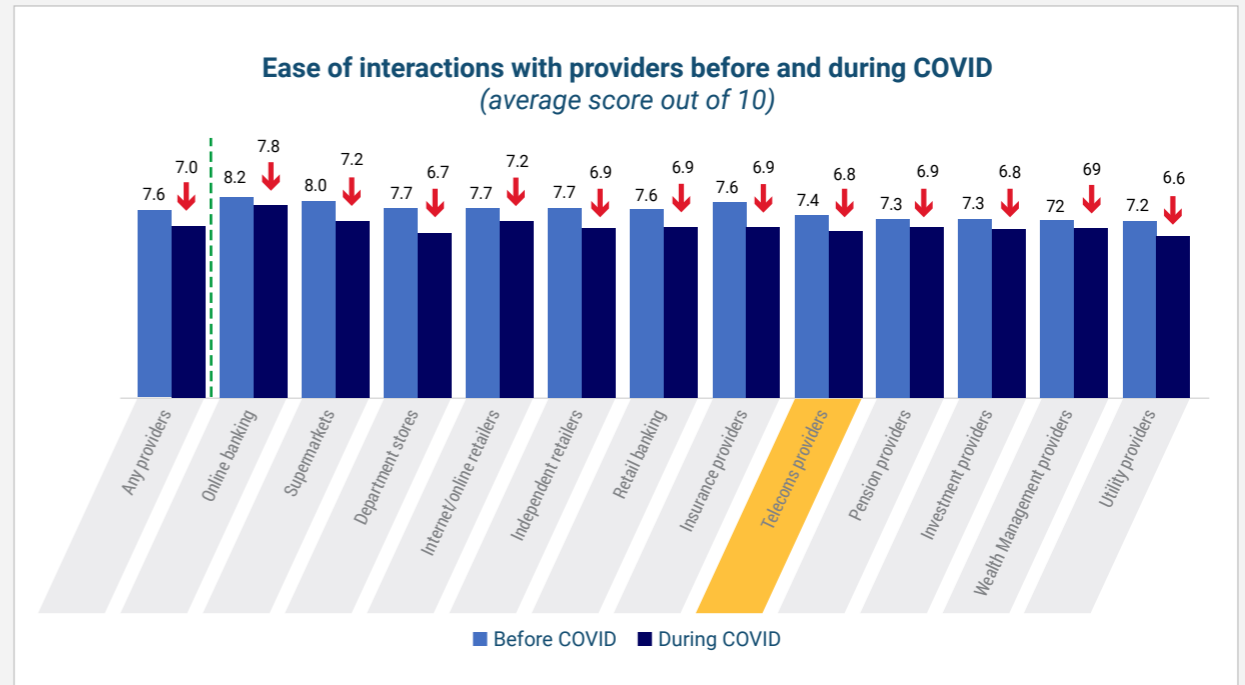


The pandemic emphasised the importance of feeling connected, so we might expect that to mean, as with the utilities sector, that customers felt the need to contact their telecoms provider more frequently than before.

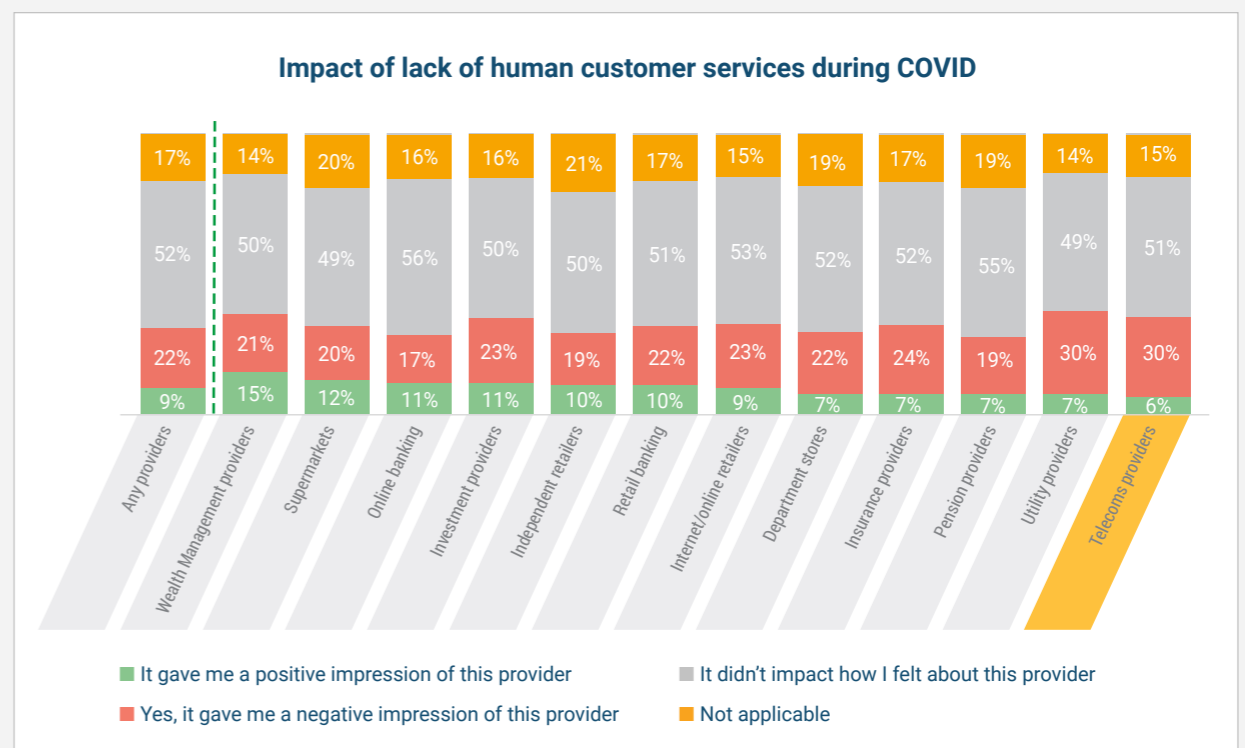
However, this was not the case. The frequency of interactions decreased by a small amount, but this may demonstrate a broader trend away from telephone communications as digital options become more prevalent. The pandemic heralded a new age of Zoom, which has natural consequences for the popularity and usefulness of phone calls. Indeed, respondents who indicated that the pandemic positively impacted how they received services from their telecoms provider did so because they were impressed by how easy it was to contact them online.

However, overall respondents' ease of interaction with telecoms providers decreased. As frequency of contact decreased, this was probably not fuelled by excessive demand leading to slow service, so this decreased ease may have been driven by frustration with a lack of access to in-person customer service during the pandemic. This is likely to be felt more acutely considering that if customers have issues with their phone signal, but lack the ability to resolve this in person, it can be more challenging to get in touch with telecoms providers remotely. For 29% of customers, the lack of human customer service options during COVID gave them a negative impression of the provider.

The telecoms sector showed the joint highest 'negative impression' score from customers when it came to a lack of human customer service during COVID. This is perhaps because, with millions of people forced to work from home, their broadband connection took on a greater significance to their daily lives than it had previously. Any subsequent issues with their connection would therefore need to be resolved quickly.



Across all sectors surveyed, telecoms providers saw the biggest dissatisfaction among their customers when it came to a lack of human customer services during COVID. This can perhaps be explain by the increased significance that a customer's phone and broadband connection took on during lockdowns.



“

The total volume of our customer communications reduced, and this was mainly because we dialled down our direct sales campaigns to be considerate in our response to COVID. Our physical stores were closed, but we increased our call centre agents and amended our calls to action to direct customers to our contact centres instead. Our core channel for EE Mobile customers is SMS and Email, so these were relatively unaffected by COVID.

**Chris Jeffrys,**  
Head of Base Decisioning at BT/EE.

”



“

When it came to collections and recoveries, we were encouraged by the Government and Ofcom to avoid barring or suspending customer accounts. So, while we did send letters to customers who had missed payments, we changed our approach and gave them more time to contact us rather than chasing them. The changes brought about by COVID also encouraged us to look to digital collections methods, to avoid customers having to speak to an agent. However, in our experience, suspending a customer's account - while it may sound drastic - will usually prompt them to pay their bill and not bury their head in the sand, which inevitably causes further problems down the line.

**James Cuthell,**  
Head of Group Collections & Recoveries BT/EE.

”

## Conclusion



The pandemic rewrote everything we knew not just about communications, but about the world around us. Because of this it seemed destined to change everything, yet it hasn't been the turning point we may have expected. Our results show that its impacts on customer experience were minor.

**T**he key takeaway is that flexibility and adaptability are crucial. Businesses survived never-before-seen levels of disruption because they were able to think on their feet and form a solid communication strategy to meet the changing needs of their customers. This remains important as we now find ourselves in the midst of a cost-of-living crisis and recession.

Ease of interaction decreased on the whole across vertical, but by small amounts. This suggests that customers are adaptable and flexible, often willing and able to change the way they engage with businesses. Ultimately, flexibility is a two-way street: customers demand it, and businesses need it to survive.



# About Paragon



Paragon combines leading-edge technology and exceptional people to deliver business-critical products and services that enhance our clients' performance.

**W**e work with many of the UK and Ireland's best-known brands, and the general public will interact with something Paragon produces every single day. Our offering is extensive, ranging from the production of bank statements, mobile phone bills and email campaigns, to Point of Sale marketing in supermarkets. We're multichannel and build websites and ordering systems that handle everything you can think of, from COVID test kits to pizzas.

We work with our clients to simplify the complexity of today's business landscape throughout the lifecycle of our clients' relationships with their customers and employees. Paragon is one of the UK's largest business services providers, giving our clients a safe pair of hands, delivering rigorous governance to manage risk, and improving efficiency across their organisations.

## Contact

For more information on the contents of this report, please contact:  
[marketing@paragon-cc.co.uk](mailto:marketing@paragon-cc.co.uk)



Twitter



LinkedIn



Youtube





PARAGON