

Marketing & Sales Practice

Connecting with customers in times of crisis

During the COVID-19 pandemic, companies that lead with empathy and genuinely address customer needs can strengthen relationships.

by Fabricio Dore, Oliver Ehrlich, David Malfara, and Kelly Ungerman



The COVID-19 global humanitarian and economic crisis has forced individuals and companies to rapidly change how they live and work. Many elements of business and life are being challenged; in some cases, the next normal may look very different as new ways of working are carried over into the future. Companies are doing their best to manage through this pandemic—from ensuring an effective crisis response,¹ to managing supply-chain disruptions,² to safeguarding the well-being of their employees by adjusting daily working practices.³

Customer experience takes on a new meaning against this backdrop. Executives are typically approaching customer experience by creating seamless, convenient and engaging customer journeys; however, the needs of customers at the moment have shifted dramatically towards more essential concerns. A recent McKinsey survey of US consumers found that 64 percent of respondents have felt depressed, anxious, or both over the past several weeks, and 39 percent stated that they would be unable to pay their bills after one month of unemployment.⁴

Leading organizations are reorienting their customer-experience efforts to meet their customers' primary needs, such as safety, security, and everyday convenience. These actions will inevitably speak louder than words in a world where companies are increasingly advertising a message of "we are here for you." By consciously providing empathy and care during this crisis, companies can build a foundation of goodwill and long-lasting emotional connections with the communities they serve.

Seven actions to demonstrate empathy for customers

Over the past few months, companies have had to quickly adjust to COVID-19. The first step for many organizations was to stabilize operations and safeguard their own employees. From this position, companies can then find genuine, creative ways to show empathy and emotionally connect with

their customers. Many have already begun to take seven actions related to individual safety, security and stability, convenience and ease of use, and emotional bonds and trust (exhibit).

1. Minimize risk in physical interactions with products and services

Society's first responsibility during a pandemic of this scale is eliminating opportunities to spread the virus, especially among the most at-risk populations. Companies have been minimizing the risk of contagion when fulfilling essential tasks, particularly when they involve vulnerable groups.

Grocery retailers have responded by taking extra precautions, such as extending opening hours for the elderly and healthcare workers as well as free home-delivery for customers more than 65 years old. Many are limiting the number of people who can be inside the store at once and putting physical-distance stickers on the floor to aid compliance. E-commerce and online food-delivery companies around the world are offering new contactless delivery options to eliminate direct physical contact between customers and delivery drivers. Companies offering services that require customers to be in close proximity, such as airlines, are taking measures to reduce risk and ensure the health and safety of both their customers and employees. Of course, this approach requires more stringent standards for cleaning as well as new work processes, such as suspending drink refills or recycling to avoid touching passenger-handled items.

2. Actively contribute to safety by innovating the product portfolio

Companies should ask themselves two critical questions: Do we have a product the world needs right now? Or can we rapidly adapt our product portfolio to provide goods that are urgently needed? In pursuing this approach, companies can use their strengths to provide essential products, even if those goods are outside of their current product offering. For example, some distilleries are using

¹ Mihir Mysore and Ophelia Usher, "Responding to coronavirus: The minimum viable nerve center," March 2020, McKinsey.com.

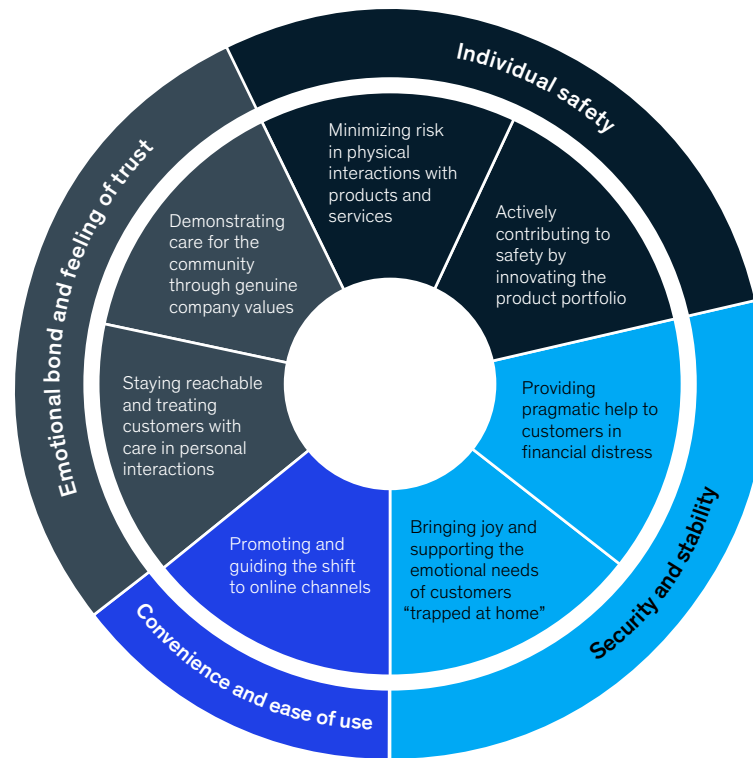
² Knut Alicker, Xavier Azcue, and Edward Barriball, "Supply-chain recovery in coronavirus times—plan for now and the future," March 2020, McKinsey.com.

³ Raphael Bick, Michael Chang, Kevin Wei Wang, and Tianwen Yu, "A blueprint for remote working: Lessons from China," March 2020, McKinsey.com.

⁴ The survey was conducted online between March 16 and 17, 2020 and included 979 US residents.

Exhibit

Companies can consider seven actions to emotionally connect with customers in times of crisis.



their ethanol supplies to provide materials for hand sanitizers through partnerships with refineries.

Companies are also stepping up to meet the demand for more medical equipment and personal protective equipment. Apparel manufacturers are responding to a drop in sales by producing thousands of urgently needed face masks instead. Some automotive companies are shifting production to manufacture ventilators, for example, General Motors is partnering with a US-based medical device company to produce respiratory care products.

Companies beyond manufacturing are still able to innovate their product portfolio to contribute to safety initiatives. Rideshare companies are looking to use their network of drivers to transport medicine and basic goods, rather than passengers. This effort could provide lifesaving drugs to individuals who are not able to go out to purchase them because of the quarantine or other conditions.

In all of these cases, company leaders have demonstrated their commitment to customers and society. At the same time, they are creating alternatives so they can continue providing meaningful work for their employees despite substantial demand reductions in their core business.

3. Provide pragmatic help to customers in financial distress

Once customers have secured their personal safety, their next concern is often financial. As companies are forced to decrease operations for an uncertain time period, individuals and millions of small business owners face massive income and liquidity issues.

Providing flexible solutions when dealing with financial challenges is now both a responsibility and a huge trust driver for companies. Financial institutions are not penalizing customers who cannot meet payment obligations for March. Telcos are not terminating service or enforcing late-

payment fees for customers experiencing hardship for an extra 60 days. And energy companies are not shutting off power for nonpayment; in some cases, they are even reconnecting customers whose service had been turned off prior to the crisis.

In addition, companies are seeking to alleviate unexpected sources of financial stress as events unfold. Travel companies, including most major airlines, are waiving cancellation fees. Families who formerly relied on school lunches to feed their children can benefit from efforts such as those introduced by Burger King, which provides two free kids meals to Americans who make any purchase through the Burger King app.

4. Bring joy and support the emotional needs of customers 'trapped at home'

Many people are forced to stay at home and experience all the concerns that come along with having to do so. Companies are acting to make homelife more enjoyable and to also ensure the well-being of their customers.

Families have to entertain their children at home for weeks to come, making access to online content a truly fundamental need. Telcos are providing free unlimited data for the next 60 days to all mobile customers with data plans. Entertainment companies have released content ahead of schedule: the Walt Disney Company, for example, released the family-friendly blockbuster *Frozen 2* on its streaming platform, Disney+, three months earlier than planned. New York's Metropolitan Opera offered free digital shows to entertain virtual audiences, while Google Arts & Culture has paired with museums around the world to curate virtual tours.

Other companies are checking in with their customers to help relieve stress. Meditation and mindfulness providers, such as the Headspace app, will be providing free subscriptions to healthcare professionals and unlocking free content for consumers. Multiple organizations have launched online services that include food delivery and recipes, shared rides, online courses, and traditional financial services.

Actively shift customers to online channels

With so many directives around the world to remain at home, companies that previously relied on physical operations have had to direct customers to online offerings.

As an example, since many gyms have been directed to close all physical facilities, they are now offering hundreds of free online home workout courses to all members. Companies offering virtual capabilities, as with Cisco's Webex, are assisting schools and universities as they transition to remote learning by offering free tools for teachers, parents, and students to support the development of online-learning plans. Italian banks are encouraging the use of digital channels while providing tutorials for online banking. Medical providers are providing care through digital services, such as telemedicine, with health insurers supporting the initiative by offering zero copays.

Companies without online services can find ways to establish and scale online offerings with substantial demand from customers as their needs increasingly turn digital. This shift to online and digital channels has the potential to dramatically increase online traffic post-recovery.

6. Stay reachable, and treat customers with empathy in personal interaction

With physical channels such as bank branches and nongrocery retail stores closed, many customers are turning to other channels for questions and requests that require personal attention and care.

Service companies in telcos and banking are currently experiencing increased inbound call volumes in their contact centers while at the same time having to shift their customer-service centers to remote-working arrangements. For example, a leading European telco equipped 10,000 call-center agents with laptops and tool infrastructure within a week, enabling them to take calls from their homes. Companies that provide customers with additional guidance and support can maintain communication and engagement. Other companies have enhanced options for seeking information digitally; Erdos

Group launched a WeChat program in China to offer virtual product consultations. Airlines facing traveler cancellations or trip changes are urging customers whose travel is not within 72 hours to address their needs through the company's website.

While most companies must address reachability, some companies, such as those in the medical industry, face callers who have significantly different types of questions than they did prior to the pandemic. Another key priority is proactively responding to this shift by training call-center agents to effectively manage these new questions. Cigna has established a 24/7 customer-resource center specifically to help customers with claims related to the novel coronavirus. Companies should reevaluate how to prepare their agents to address these emerging needs.⁵

7. Demonstrate care about the community through genuine company values

Companies can stay true to their vision while showing that they genuinely care about their customers. Actions taken during crises can help build trust and reinforce brand values (see sidebar, "Forming a purpose-driven bond with customers").

One of the most talked-about company initiatives in Germany came from McDonald's and ALDI. The two companies initiated a staff-sharing plan so that interested McDonald's workers from temporarily closed branches can redeploy at ALDI stores to ensure that the retailer can meet the currently increased customer demand. Supporting local communities while linking these efforts back to company values is exemplified by companies delivering free, fresh meals to medical workers in the cities they serve. Similarly, sustainable-footwear company Allbirds is giving free shoes to healthcare workers, and pharmacies and drugstores are also gearing up to donate space in their parking lots for medical testing.

The Alibaba Foundation has donated medical supplies to 14 countries in Asia and the United

Forming a purpose-driven bond with customers

Companies that show their commitment to the communities in which they operate could build a more loyal customer base in the long run. A 2019 McKinsey survey found that 64 percent of consumers choose to buy from brands they believe are doing social good—up from 13 percent in 2017. In another McKinsey study, 70 percent of respondents said they try to purchase products from companies they consider to be ethical. Gen Z, soon to become the largest consumer segment, is particularly socially minded. Some 65 percent of this segment strive to learn the origins of the products they consume. In addition, they are willing to hold organizations accountable if, for instance, a brand that touts diversity actually lacks diversity in its own ranks.

States and will also be publishing a digital handbook to share learnings from the COVID-19 experience in China. Tableau Software has developed a free data resource hub using case data compiled by leading educational and government research organizations to help stakeholders see and understand coronavirus data in near-real time. LinkedIn, through employee referrals, is providing free access to its premium features for a designated period of time to help employees at small businesses cope with the economic downturn.

Public service announcements and other on-brand communication can be used to send messages of unity: for example, Coca-Cola's marketing has been reminding customers that "staying apart is the best way to stay united."

All these efforts show a clear care for customers and an obligation to serve on the part of companies, bringing local or international communities together with new knowledge and resources. Every action taken by a company should reinforce what

⁵ Alok Kshirsagar, Tarek Mansour, Liz McNally, and Marc Metakis, "Adapting workplace learning in the time of coronavirus," March 2020, McKinsey.com.

customers already know—that companies care and are willing to invest in helping their community.

Forging lasting connections with customers

During times of crisis, leading companies are pivoting from marketing to helping and from fulfilling customer desires to meeting customer needs. Socially conscious organizations across sectors and geographies are finding ways to get involved and support their customers and communities.

The current COVID-19 outbreak is a global crisis and an opportunity for leaders to support their customers and communities. Leading in a caring, empathetic manner during these difficult times has the potential to create real connections that will outlive the social and economic impacts of the pandemic. And large companies should consider it a duty to serve the communities in which they do business.

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