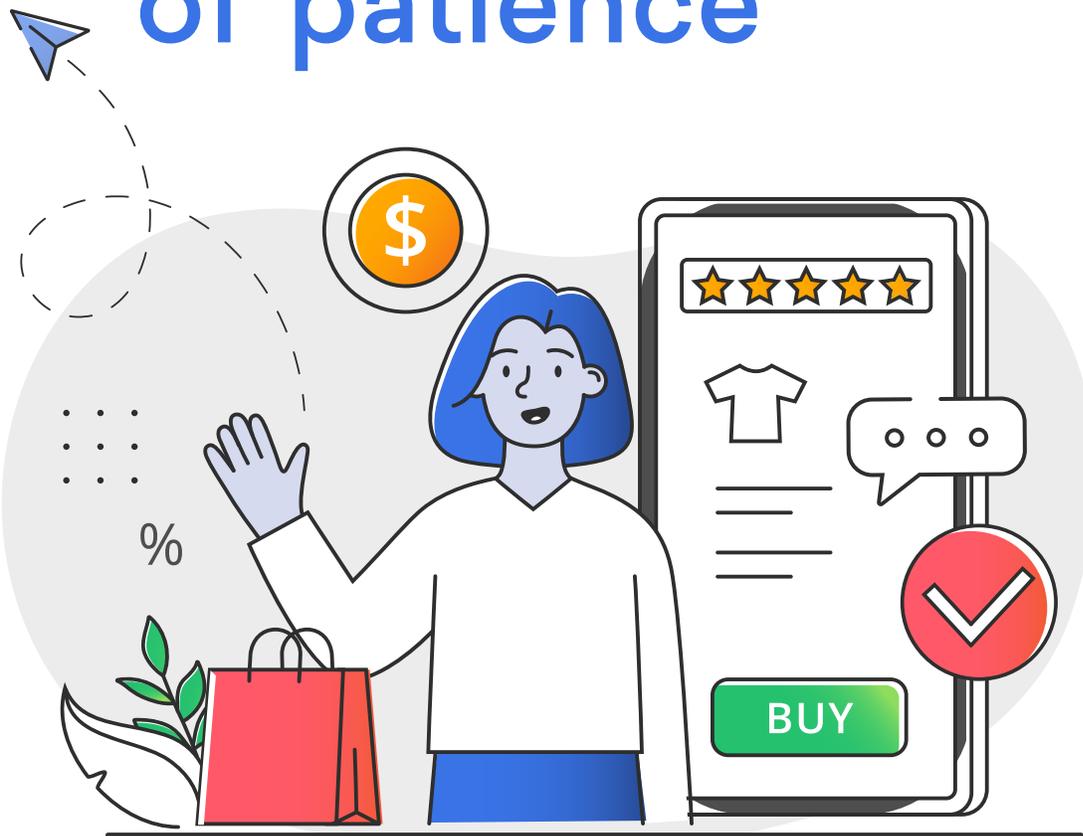




Meet the Post COVID-19 consumer:

# Going local + out of patience



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## ABOUT THE RESEARCH

The data used throughout this report is from a research study Freshworks conducted using an online survey prepared by Method Research and distributed by Dynata among n=10,500 global adults ages 18-75. Respondents came from Australia, Brazil, France, Germany, India, the Netherlands, Singapore, Sweden, the United Kingdom, and the United States. The sample was balanced to match nationally representative age and gender groupings within each individual country. Data was collected from March 23 to April 7, 2021.

# Key Global Findings



## Local businesses have won the hearts of consumers during the pandemic.

- 41% of global consumers indicated the pandemic inspired them to try to shop from local businesses during the pandemic and 94% plan to continue post-pandemic.
- Globally, 18% of consumers said they spent more money than they normally would during the past year because they wanted to support struggling workers and businesses.
- 34% plan to support local businesses or companies where they have a personal connection post-pandemic.



## SMBs went digital to deliver great customer experiences, and it didn't go unnoticed.

- Nearly half (48%) of global consumers said small businesses got better at customer service during the pandemic, by starting to offer online ordering (53%) and delivery service (52%), and providing a better level of personalization (47%).
- 32% of consumers said that post pandemic they'll be supporting those companies that maintained great levels of customer service during the pandemic.



## Consumers are gearing up to spend again, and leisure industries can expect a boom.

- A majority (84%) of consumers have post-pandemic spending plans.
- The top ways consumers are eager to spend their money include domestic and international travel (41%), at restaurants and bars (31%), and shopping for clothes and accessories (30%).



## Businesses need to meet consumers where they are now — in person and online.

While most (89%) consumers are planning a return to in-person interactions as economies reopen, approximately half (47%) of consumers say they will continue interacting with brands digitally/remotely after the pandemic.



## Consumer expectations have increased and will stay high post pandemic.

- Half of consumers globally (50%) say that while they were patient with companies during COVID-19, they won't tolerate poor service after the economy reopens.
- When things do go wrong, fixing the problem once and for all (38%) is the top thing consumers say they need in order to continue shopping with a brand.

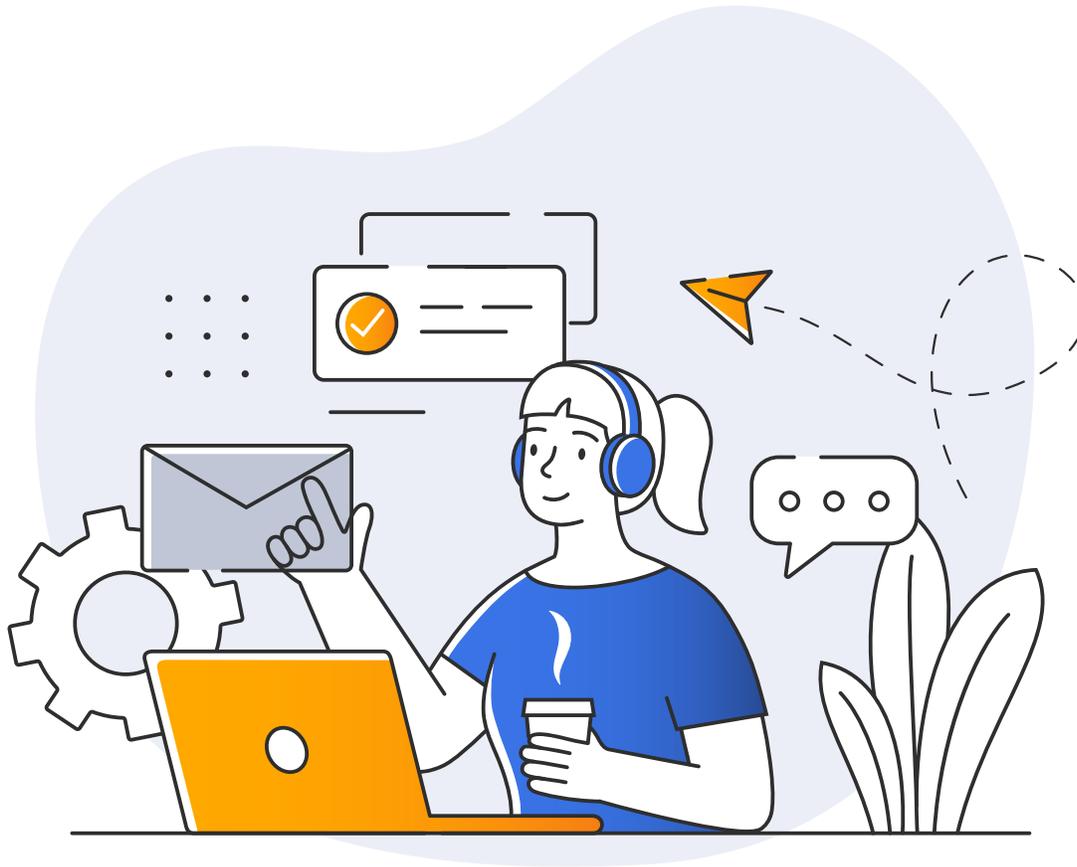
# Introduction

COVID-19 has forever transformed businesses and consumers globally, changing the way we buy, how we interact with brands, and the expectations we have for our relationships with brands beyond product selection. Businesses adapted to the crisis by taking their offerings digital, and consumers largely followed despite some hiccups along the way.

Though digital consumerism isn't something new, the rush towards digital has dramatically accelerated. Over the past year, digital became the dominant way brands interact with consumers — a trend unlikely to reverse. To understand how the consumer-brand relationship has transformed, Freshworks surveyed more than 10,500 consumers from 10 different countries and discovered that many of the pandemic adaptations are here to stay.

Though the pandemic still surges for people on some parts of the globe, many other consumers are entering a “post-COVID” world in which they have new expectations, new demands, and a new desire for how and where to spend.

Given these expected shifts, businesses need to continue growing their digital presence and offerings while readying themselves for the re-opening of global markets. With this timely view into customer behaviors and preferences, businesses can prepare to meet the opportunities and challenges that lie ahead. Consumers are getting ready to spend again and businesses that meet them where they are — in person and online — will win.



## SECTION 1

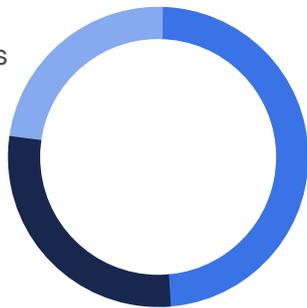
# Shifting Consumer Standards as a Pandemic Wears On

# Consumers Patient Through Pandemic

Throughout the past year, everyone across the globe was impacted by COVID-19 in some way. Businesses were no different, and many faced challenges to adapt and maintain operations. While some weren't able to weather the storm, others benefited as consumers took a more patient approach with brands.

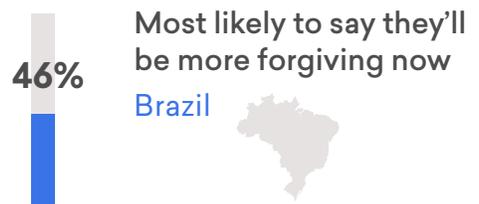
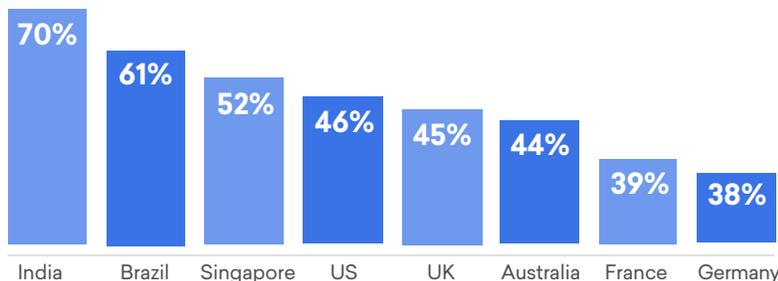


23% of consumers don't trust pandemic messages



Trust of pandemic messages from brands varies drastically depending on where you live

Europeans are typically the most skeptical.



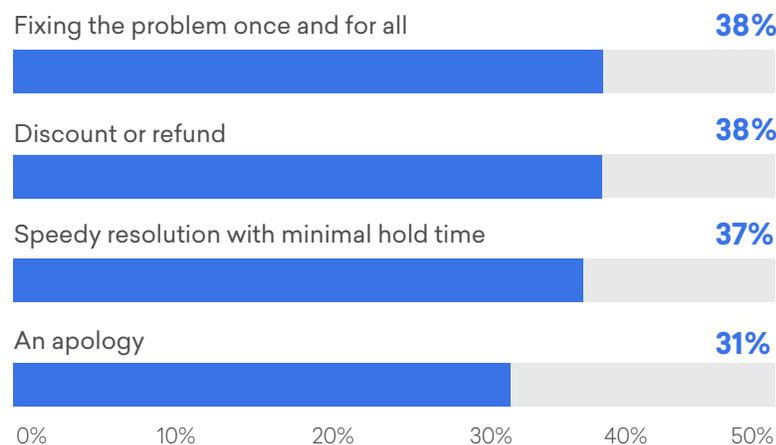
Half of consumers said they believed the sincerity of pandemic messages from companies. But one in four took a more cynical view, instead thinking that companies were saying whatever they could to survive the pandemic.

# Rising Expectations Post Pandemic

Though patient and forgiving during the height of the crisis, many consumers say that COVID-19 has only upped their standards, causing them to demand that companies make it right when things go wrong.

The best path to keeping customers happy remains fixing any problem that occurs, or providing compensation.

## What consumers require to forgive a brand after a bad experience

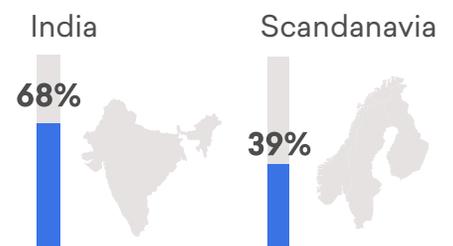


Globally, we see a geographical difference around whether or not consumers expect to build a relationship with a brand or whether they approach these interactions as purely transactional.

**Those in India are twice as likely as those in Germany and France to want an apology in order to forgive a brand.**

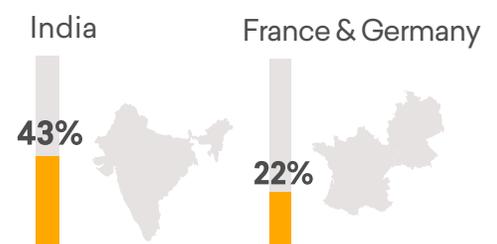
Those in Germany (14%) and Australia (12%) are the most likely to just switch brands if they have a bad experience.

Half of consumers globally (50%) say that while they were patient with companies during COVID-19, they won't tolerate poor service after the economy reopens.



68% in India say their patience won't last once the economy reopens, compared to 39% in Scandinavia.

## Say they want an apology



# COVID-19-related excuses will no longer be tolerated by some consumers

The pandemic spurred customer service improvements for many companies, especially those that were seen to have struggled in the past. Yet at the same time, consumers felt that companies doing well before the pandemic actually regressed.



24% of companies with poor customer service before the pandemic actually improved over the past year. 32% of companies with good customer service before the pandemic actually got worse over the past year.

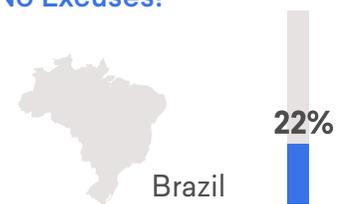
Consumers in India saw the most dramatic gains in customer service levels, where nearly half (49%) said companies with poor service before the pandemic improved. Those in Europe were the most likely to say there was no real change in service levels.

When service levels are poor, consumers are no longer accepting the COVID-19 excuse.

**27% of global consumers say they're weary of the COVID-19 excuse for bad customer service and they expect more from brands.**

22% of consumers in Brazil never accepted the COVID-19 excuse from brands for poor service.

### No Excuses!

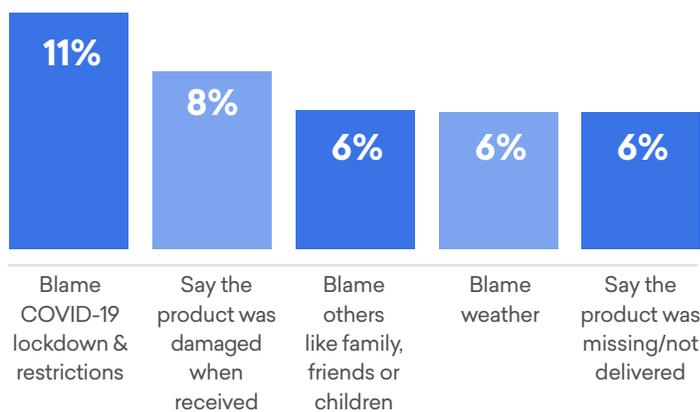


# Businesses weren't the only ones using the COVID-19 excuse

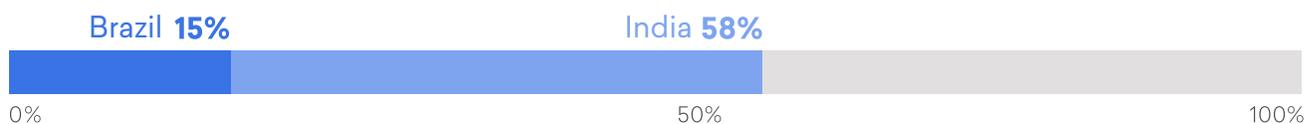
When things went wrong with a brand during the past year, what did some consumers do in response?

**They lied.**

Most common customer lies during 2020



Who was the most likely to stretch the truth?



But not everyone was trying to trick customer service. 25% of consumers globally said that their response to a customer service issue during the past year was to be extra kind or compliment the agent. Only 8% said they yelled, were rude, or threatened to take their business elsewhere.

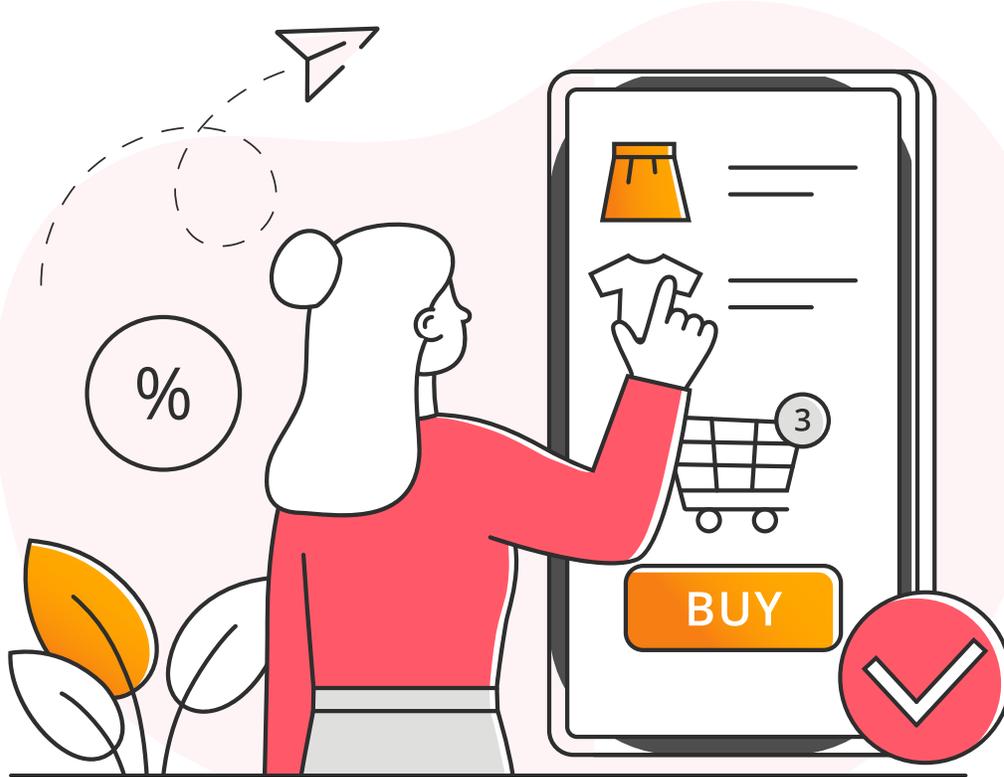
29% of consumers admitted to telling a lie when dealing with a brand or customer service representative during the past year, with COVID-19 related lies being the most popular.

But when it comes to lying, age **mattered**. Younger consumers were far more likely than older consumers to stretch the truth when interacting with customer service.

**5.5x**



as many Gen Z (age 18-24) as Boomers (age 57-75) admitted to lying during the past year

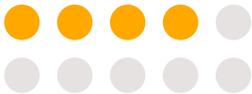


## SECTION 2

# Digital Service Improvements: How Local Businesses Won Over Consumers

# Love for local & SMBs will last beyond the pandemic

With the pandemic taking its toll on local businesses and economies, many consumers kept their spending close to home to help corner stores and local markets stay afloat.

**41%** 

of global consumers tried to shop more from local businesses during the pandemic

18% of consumers say they spent more money than they normally would during the past year because they wanted to support struggling workers and businesses.

**22%**

Americans are most likely to spend more money during the pandemic

**12%**

French & Germans are least likely to spend more money during the pandemic

16% of consumers also reported giving larger or more frequent tips during the pandemic, and Americans were the most generous in this regard, with more than 1 in 4 saying they did so. With all the generosity of consumers towards local businesses, can we expect this behavior to last?

**94%** of consumers who **shopped locally** during the pandemic say they will keep this up some or most of the time even when the pandemic ends.

This lasting consumer loyalty to local companies should inspire global brands to improve strategies and capabilities that increase their personal connection with consumers.

## Top two reasons for supporting companies post-pandemic:



**34%** Local businesses or companies where I have a personal connection



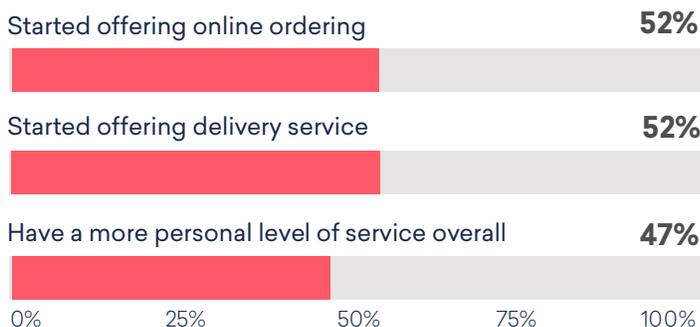
**32%** Companies that maintained great levels of customer service during the pandemic

# Great customer service driving loyalty to local SMBs

Consumer support for local businesses isn't just due to generosity spurred by a crisis. The pandemic was a catalyst prompting SMBs to enhance their service offerings and reach customers digitally.

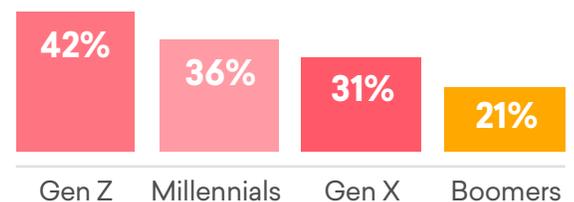
**1 in 2**  consumers say small businesses *got better* at customer service during the pandemic.

## How small businesses improved customer service during the pandemic



Young people in particular appreciated moves to digitization and delivery, while personalized service is what keeps older consumers loyal.

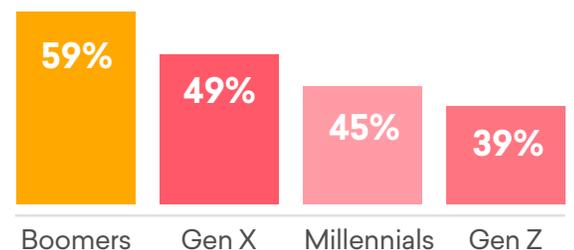
## Say more digital support is how small businesses improved



 **1 in 3**

When it came to customer service experiences with large businesses consumer reactions were more mixed. 1 in 3 consumers think large businesses got better at customer service, while 1 in 3 say they got worse.

## Say personalized service is how small businesses improved



Consumers noticed and applauded the small businesses that went digital. Many businesses made these improvements out of necessity, and the overall evidence suggests that the bar has been permanently raised. A silver lining is that with the democratization of technology, artificial intelligence and machine-learning capabilities are now accessible to companies of all sizes. Businesses have been taking advantage and are leveraging these technologies to delight their customers.



## SECTION 3

# Consumer Priorities Post Pandemic: Leisure, Digital Offerings & Social Consciousness

# The world is increasingly digital

Consumers are eager to get back to face-to-face interactions after being relegated to digital-only options for the last year. Yet, digital and remote service offerings aren't going away.

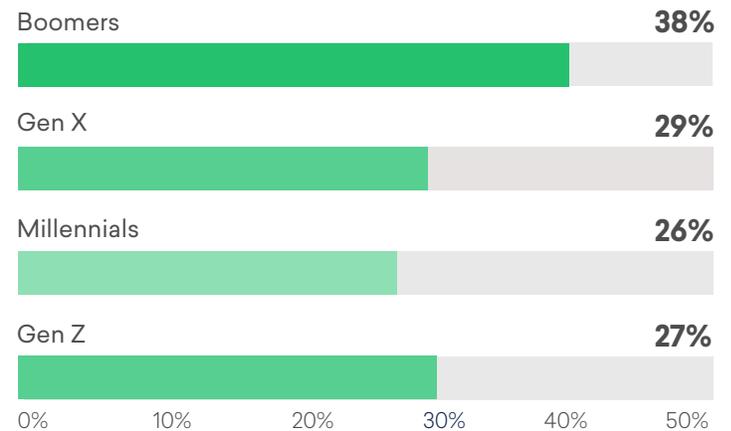


Nearly half (47%) of consumers globally say they will continue interacting with brands digitally/remotely after the pandemic.

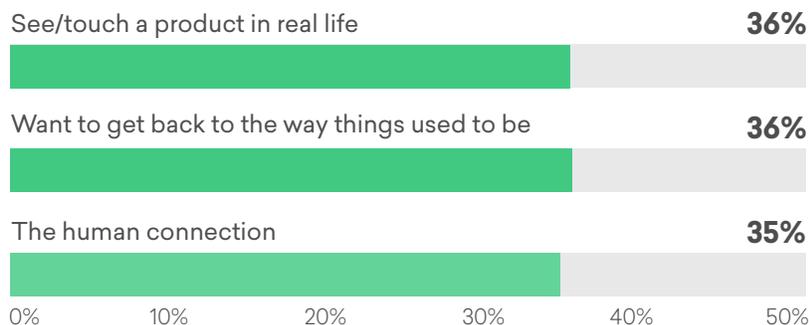
In fact, more than 1 in 10 say they are never going back to in-person interactions. To recoup this lost revenue, businesses need to double down on their digital presence.



## Who wants to return to face-to-face interactions?



## Why return to in-person consumer interactions?



Businesses need to be ready for the new expectations of consumers post-pandemic, and the potential for an economic boom in their industry. Despite wanting in-person interactions, data indicates that consumers will still want methods to interact within the digital sphere.

**89%** But in-person brand interactions still matter, with 89% of consumers planning a return to in-person interactions when the pandemic ends.



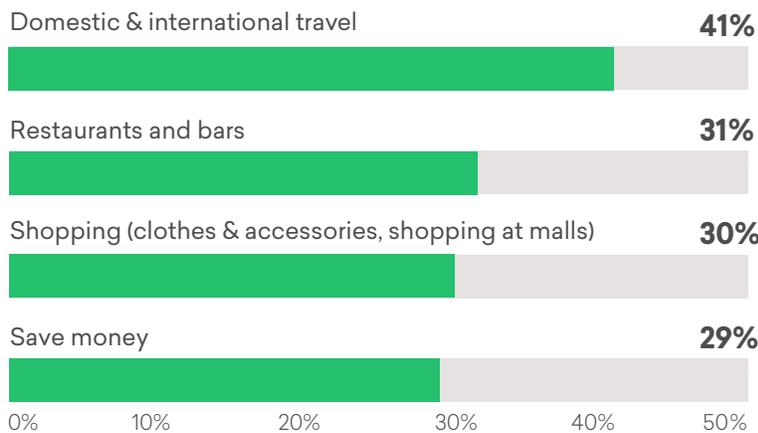
Of note, the French are the most nostalgic, and are most likely to want to return to the way things were (40%)



# Leisure, shopping & savings

Consumers are eager to spend when the pandemic recedes and restrictions are gone, but COVID-19 has also influenced a desire to save money.

## Post-pandemic Spending Plans

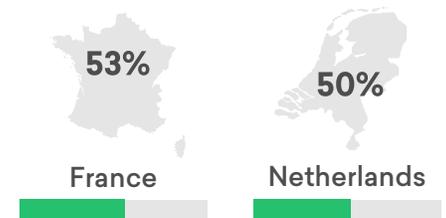


# 84%

of consumers have new post pandemic spending plans, and leisure is their top priority.

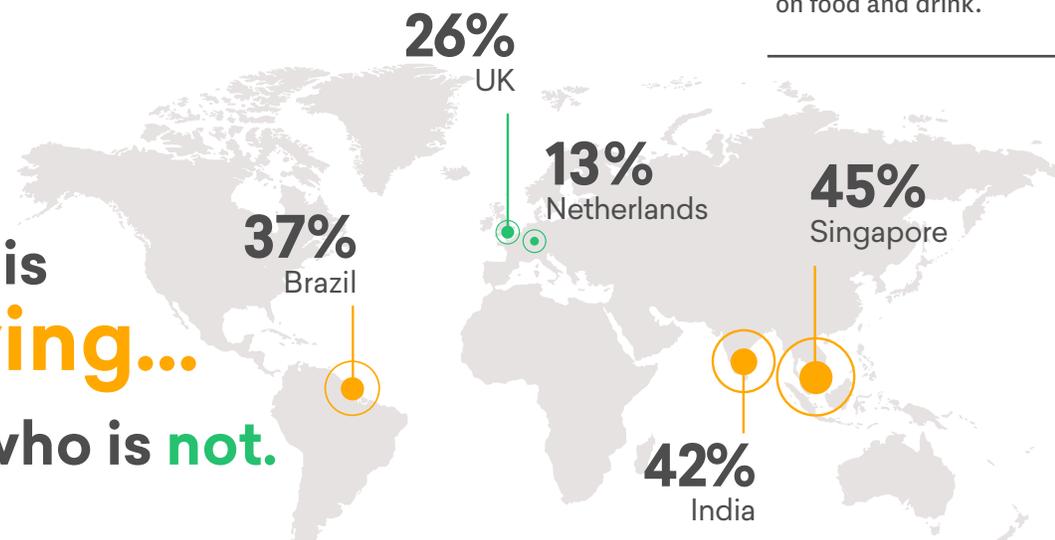


Young people are the most likely to say they plan to save money, while Boomers are the least likely to plan to save.



A desire to spend money in restaurants and bars is particularly strong among Europeans, with the French nearly twice as likely as the global mean to plan more spending on food and drink.

Who is **Saving...** and who is **not.**



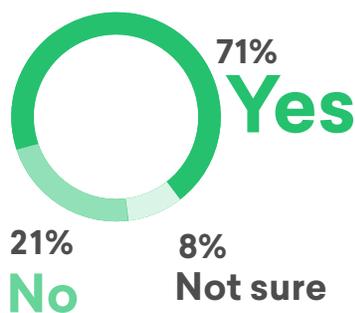
The travel, leisure, and hospitality industries should be preparing now for the coming surge in demand.

# Pandemic profiteer?

## Expect to give back post-pandemic

Expectations around the customer service experience aren't the only thing that's changed in consumers' minds post pandemic. Their expectations for corporate behavior have also changed. Consumers that saw companies performing well during the pandemic think it's now time for them to be giving back to customers or society. It's not only on local companies either: Big brands must work harder, give back and be a part of their community.

### Should companies that did well during the pandemic give back?

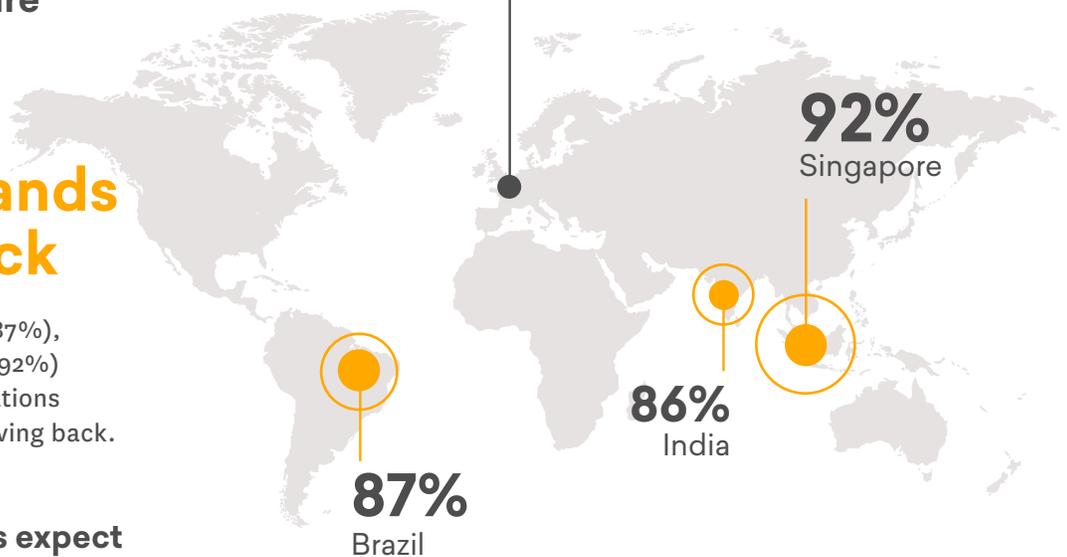


**32%**  
Netherlands

1 in 3 consumers in the Netherlands (32%) say companies don't owe them anything.

### Expect brands to give back

But those in Singapore (87%), Brazil (86%), and India (92%) have the highest expectations that brands should be giving back.



### How do consumers expect companies to give back?



The data suggests that consumers increasingly value companies that consider their broader role in society, in addition to their service offerings and digital touchpoints.

## Conclusion

The past year has been one filled with struggles for businesses and consumers alike. But many of the changes businesses made improved their relationships with their consumers by meeting them where they were, digitally. These new services improved customer experience across the board and will be expected to continue. Consumers will now expect businesses to be able to meet their needs both digitally and in person.

For any businesses that haven't already invested in a digital transformation of customer experience, they must invest now — or risk missing the next wave of opportunities. Consumers are eager to spend, and plan to do so with businesses that provide increased digital offerings and services. The enhanced digitization of business-consumer interactions is here to stay and will accelerate in the future. This virtual consumer experience will be key as businesses look to maintain and grow their consumer base.

As global markets begin to reopen and enter a post-COVID era, the businesses that put their consumers' new expectations first will be able to meet the coming opportunities, can better weather the challenges ahead, and will increasingly delight their always evolving customers.



### **About Freshworks**

Freshworks makes it fast and easy for businesses to delight their customers and employees. We do this by taking a fresh approach to building and delivering software that is affordable, quick to implement, and designed for the end user. Headquartered in San Mateo, California, Freshworks has a dedicated team operating from 13 global locations to serve customers throughout the world. For more information visit [www.freshworks.com](http://www.freshworks.com).