



Customer Connections

**Kindness and loyalty
in uncertain times**

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Introduction

Across the world, firms are having to make remarkable changes in how they operate. In these turbulent times they are rediscovering their sense of purpose, innovating rapidly and getting closer to the communities they serve. At the heart of their response needs to be human closeness, with trust and empathy as the corner stones. The challenge they face is having to react to changing circumstances at an unprecedented pace, whilst ensuring their responses are being formulated with the very latest best practice in mind.

Mastering deep, meaningful and human connections with customers and colleagues will become even more important to business leaders as the full force of COVID-19 comes into effect. Firms that invest in ethical, trust-building behaviours now can connect emotionally with their customers, provide invaluable support and secure long term loyalty. As well as providing thousands with kindness in uncertain times, those that get this right will both help protect their business and lay the seeds of future growth.

As the global situation becomes more complex, how and when companies should lend support is still uncharted territory. Unlike disaster relief, there is no roadmap or recipe for company involvement. However, companies must continue to keep their employees' trust, understand evolving consumer and community needs, and provide products, services and resources where appropriate.

We are already seeing companies innovating rapidly to cope with the uncertainties ahead. Working from home may become the new normal, finding unique ways to respond to customer needs being a virtual, rather than a physical, team based approach. There is little doubt that COVID-19 will irrevocably change the way businesses will compete over the next decade. What will decide success is how businesses react to the changing fundamentals.



Our research shows that investing in the customer relationship in times of difficulty will be repaid by enduring customer loyalty. Firms that maintain their ethics during periods of catastrophe grow and prosper.

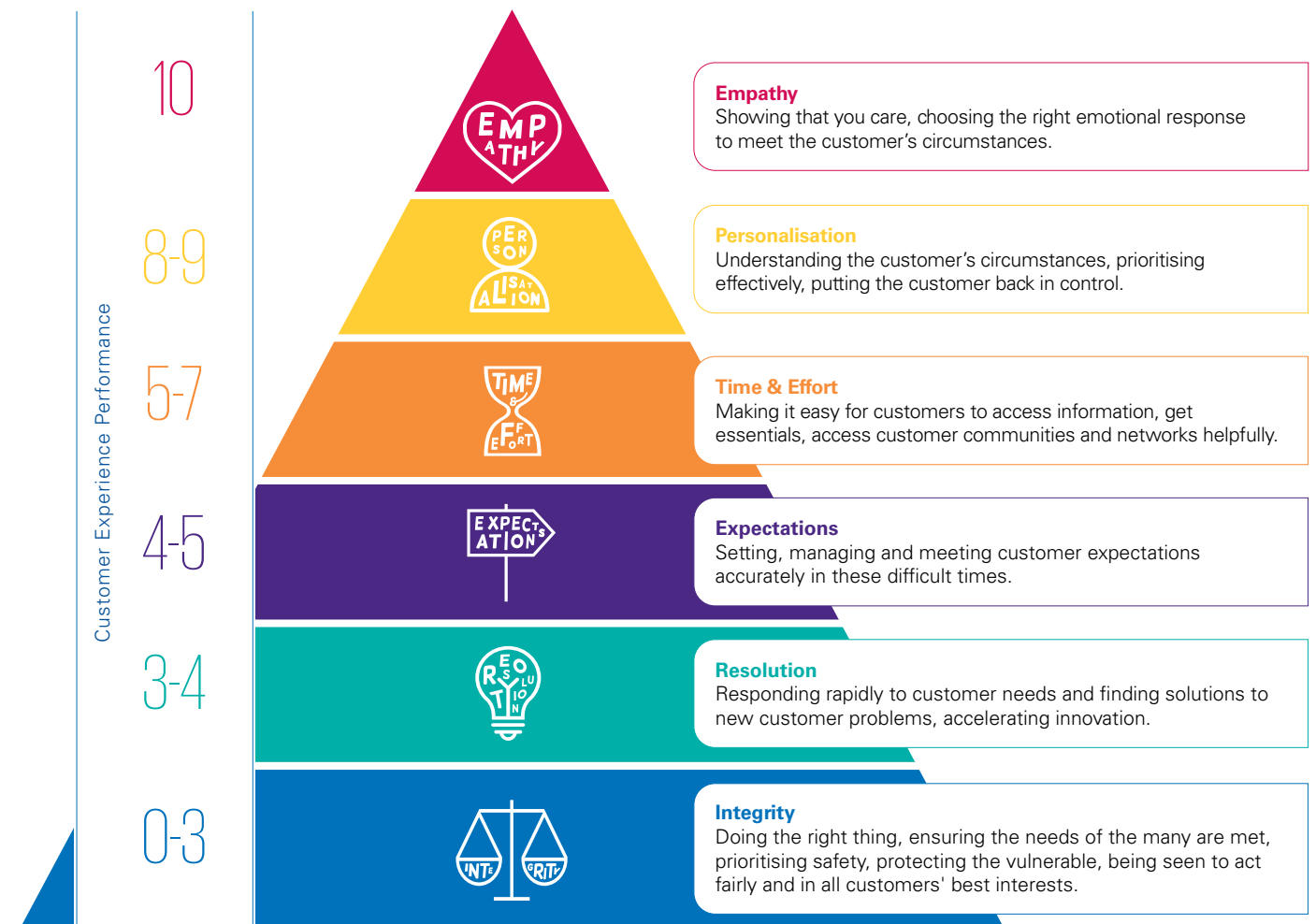


Adopting best practice

As firms seek to ensure they are doing the right thing in the right way, it is helpful to have a set of principles that act as a comprehensive check list to ensure all the necessary bases are covered.

One framework firms might consider is The Six Pillars of experience derived from 10 years of primary research across more than 2,700 brands in 24 countries. It shows the universal principles that govern all positive human experiences with both customers and employees.

The organisations that master The Six Pillars grow more quickly, manage costs better and make people happier. Each pillar is supported by a set of 'golden rules', detailing the specific ways business leaders need to act to position themselves, in these hugely uncertain times, for a fruitful future.



For more information and detailed resources, please visit our [website](#).

How can best practices navigate uncertain times?

We are already seeing significant innovation across The Six Pillars. Starting with Integrity – the most important foundation of all experiences:



Integrity

How companies act today in the midst of a global crisis will strongly influence how customers feel about placing their business with them in future.

Increasingly firms are aware of the good profit/bad profit issue. Sustainable profits arise from exemplary corporate behaviour.

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An airline in the US that eschewed price gouging when Hurricane Dorian hit Florida received widespread plaudits. Similarly, a Florida utility's trust-building response, to provide advanced solar technology to schools and emergency stations to various weather events, has led to dramatic improvements in its shareholder value.

A leading soap store retailer provided Coronavirus support through offering free hand washing to anyone, no purchase necessary. As a soap store, it leveraged its stores, soaps and sinks to provide a basic but necessary service.

Some firms have responded to COVID-19 with guarantees on jobs and pay and supermarkets are working together to prioritise the ill and the elderly. Restaurant chains and cookery schools have previously provided delivery services to those in need, creatively using crowd funding to ensure these services are free. Firms are actively seeking ways of doing the right thing in the circumstances.

A leader in the Italian fashion industry is donating over \$1 million dollars to combat the rapid virus spread in Italy, with funds being split between three Milan-based hospitals and Rome's Spallanzani hospital, in addition to the Civil Protection Agency, which helps manage emergency events.

Hotel owners are making their hotels available to the emergency services at no cost and guaranteeing staff employment.

The Australian distilling industry is pivoting from its usual line-up of gin and rum, to hand sanitiser. The switch not only helping to fill the nationwide product shortage, but keeping staff employed amidst closures of the hospitality industry.



Resolution

Companies that naturally problem solve will innovate and survive the crisis; for others, learning to innovate will be essential for survival.

With self-isolation about to become the new reality for millions of people, novel thinking and new approaches are required.

A streaming provider allows subscribers to watch a feature with their friends and comment on what they see, a potential solution to loneliness. In addition, they are reducing their impact on the Internet as more people work from home.

TV companies that charge for sport are letting customers pause their sports subscription for free whilst sports events are on hold.

Mortgage providers, banks and building societies are providing repayment holidays on loans. Some are not going to charge interest over the three months and will ensure that credit ratings are not affected.

Stores are converting car parks into drive-thrus and creating specific packages of products which customers can purchase online and collect, secure in the knowledge of the sanitation benefits of such an approach. Where necessary the stores will deliver. Supermarkets are setting designated times for the elderly and vulnerable to shop.

Similarly the health service has responded with drive through testing.

In China, 6,000 taxis were mobilised to provide emergency response. To help keep drivers and passengers safe, companies built disinfection stations in their car parks across the country for on-demand mobility vehicles. Logistics companies started using autonomous vehicles (AVs) to help solve delivery issues and provide a 'touchless' system to help reduce the risk of virus spread.

In the UK, supermarkets are linking with taxi firms and the gig economy to ensure deliveries can be made to those who need it or are self-isolating.

A learn-from-home provider in the US has released free daily courses for kids stuck home amid Coronavirus school closures. They have set up a 'Learn From Home' website with four categories: Pre-Kindergarten and Kindergarten, Grades 1 and 2, Grades 3-5, and Grades 6+. Each section is already equipped with one week of content for students with 15 additional days on the way.

US telecoms companies have said they will not charge "coverage" fees for customers using the Internet beyond their contract level and are expanding bandwidth access.

In the UK, telecoms providers have made similar announcements.

Similarly we've seen Australian telco's support their customers need to be more connected than ever, now offering additional data and call allowances, as well as suspending late payment fees.



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COVID-19: Golden rules

Doing the right thing, preventing panic, ensuring the needs of the many are met, prioritising safety, protecting the vulnerable, being seen to act fairly and in all customers' best interests



COVID-19: Golden rules

Responding rapidly to customer and employee needs, government requests and finding solutions to new customer problems.



Expectations

The management of expectations in an environment of potential panic is critical.

Major supermarkets, for example, are shortening their opening hours so that staff can keep shelves full. Nothing causes panic like empty shelves.

The SARS pandemic of 2002-2004 catalysed the meteoric growth of a then-small e-commerce company called Alibaba and helped establish it at the forefront of retail in Asia. This growth was fuelled by underlying anxiety around traveling and human contact. Alibaba prospered by reacting quickly to changing customer expectations, by launching Taobao, the first consumer retail platform in China, enabling customers to make purchases without having to travel to the shops.

We've seen the emergence of exclusive opening hours across the Australian retail sector, where companies vital to the continuation of essential work in our communities, are dedicating time to meeting the supply needs of trade, emergency services, healthcare, elderly and disabled customers.

The panic buying of toilet rolls for example, psychologists believe is attributable to their bulk packing – it doesn't take many purchases for the shelves to look bare and create a desire to stockpile.

People have an inbuilt psychological need to feel in control. Our brains are expectation engines and they need to have expectations clearly set and, when necessary, reset if they are not to feel out of control.

Understanding the psychology of expectation setting will be essential for firms to ensure their customers are able to manage their lives successfully.



The framework is hierarchical in nature, focusing on Personalisation without addressing trust will bring little long-term benefit. Doing the right thing, finding creative ways to meet customer problems, accurately setting expectations, minimising customer effort, addressing customers' individual circumstances and showing you care follow a natural sequence, however in these uncertain times companies will need to ensure they are addressing all six areas if they are to connect emotionally with their customers.



COVID-19: Golden rules

Setting, managing and meeting customer expectations accurately in these difficult times.



Prioritisation triage and rapid responsiveness will be critical for both meeting customer needs and for managing the firm's reputation. Online providers, for example, have focused their warehouses on priority items only.



Time and effort

Minimising effort for key groups is essential. New forms of customer communication are needed.

Neighbourhood WhatsApp groups are forming to protect those most in need.

New, altruistic, communities are emerging as new forms of human connection are required. Firms who are able to support these new networks will be able to get even closer to their customers and help solve real needs.

Prioritisation triage and rapid responsiveness will be critical for both meeting customer needs and for managing the firm's reputation. Large scale online providers, for example, are focusing their warehouses on priority items only.

In China, Keenon Robotics is using meal-delivery robots to reach people in hospitals and quarantine zones in more than 40 cities, minimising the effort for people in difficult circumstances.

With people spending more time working from home, firms in the US are responding by removing paywalls and increasing access to communication products. Providers of collaboration tools and video conferencing have announced enhanced services and free access for a period of time.

Supermarkets have been forced to bring in new measures not only to help keep shoppers and staff safe, but also to minimise time and effort on the part of the customer. From expanding home delivery services to offer more slots for customers that prioritise the most vulnerable, to setting up customer call centres so that orders can be taken over the phone for those who do not shop online.

Innovative new ways to stop panic buying and to help manage the supply chain are also emerging, with some retailers launching simple-to-order food parcels that contain the weekly necessities, delivered by courier to save the customer from venturing out.

For the first time, educators are facing the challenge of teaching remotely at an unprecedented scale. As many Australian educational institutions adapt, technology companies are providing assistance with broadening access to premium products, and tools to help ease the transition into distance learning.



COVID-19: Golden rules

Making it easy for customers to access information, get essentials, harnessing communities.



Personalisation

Understanding a customer's individual circumstances is key to human relationships.

Adapting to a customer's unique circumstances will be beneficial in the long-term. Our research has consistently shown that we remember things that are personally meaningful to us and this, more than any other factor, influences future behaviour.

A person's circumstances and their resultant needs are already varying widely as people are having to react to the virus. Elderly or at risk populations need information and support, those that live on their own may suffer from loneliness; the psychological pressures on individuals will be enormous.

Innovation around personalising the delivery of information has made a big difference to the spread of the virus in South Korea. It drove rapid testing of over 200,000 of its citizens and used smart phones to tag the movement of the infected – alerting the non-infected of those movements via real-time updates.

The virus will be a big accelerant for remote working and online education. It is likely that this shift will impact morale, productivity and mental health of workers throughout the globe and businesses need to prepare for it.

Leading companies in Australia's financial services sector are showcasing their understanding of individual circumstances offering reduced rates, no penalty repayment pauses, accessing investment and superannuation accounts and free redraw options.

“ Our research has consistently shown that we remember things that are personally meaningful to us and this, more than any other factor, influences future behaviour. ”



Empathy

Understanding your customers, putting yourself in their shoes and reflecting back to customers that you are changing what you do because of that understanding.

It is time for all firms to show that they care, that the safety and wellbeing of their employees and customers is their prime concern. As firms around the world grapple with the implications of the virus across their enterprise, customer and employee responsiveness will be a priority.

Corporate kindness are two words not usually put together, but in the examples above, we are seeing that corporate social responsibility is no longer the responsibility of the CSR department, but is now fundamental to how a company operates.

Staying entertained has never looked so different. With families spending more time in their homes, we've seen efforts from Australian media companies to help manage these challenging times by opening access to complete content libraries, and multi-screen experiences to customers, withholding extra charges.

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COVID-19: Golden rules

Understanding the customer's circumstances, prioritising effectively, putting the customer back in control.



COVID-19: Golden rules

Showing that you care, choosing the right emotional response to meet the customer's circumstances.

How we can help you

KPMG Customer, Brand and Marketing Advisory inspire customer-led strategy for a disruptive world - empowering you to understand your customers, embed operational excellence, grow loyalty and achieve commercial success.

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