



THE GLOBAL CUSTOMER ENGAGEMENT REPORT

# COVID-19 Reshapes the Global Customer Engagement Landscape

What every organization needs to know about emerging communications channels and consumer behaviors to win over their customers

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# Executive Summary

Has any year blown up business plans as much as 2020? Businesses and service providers around the world are following revised strategies that are very different from the ones they planned to follow in January. The global spread of the novel Coronavirus turned even the best laid plans upside down. Yes, organizations need to be agile and adapt to changes in the market, but 2020 has pushed the agility principle to the extreme.

At Vonage, we experienced our own exercise in agility with the release of *The Vonage Global Customer Engagement Report, 2020*. We collected the data for the report in January, surveying 5,000 consumers across 14 countries to find out how they like to communicate with businesses and each other. Their responses provided valuable insights into how fragmented consumer communication behaviors and preferences were ... in a pre-coronavirus world—which already seems like a bygone era.

Little did we know when we shared those insights that in a matter of months the pandemic would reshape the consumer communications landscape. But given the recency of our January survey, we were uniquely positioned to measure exactly how COVID-19 has altered worldwide channel usages and preferences. **So we re-ran the same survey in August to produce this latest study, COVID-19 Reshapes the Global Customer Engagement Landscape.**

Responses from both surveys told us that a multichannel communications approach is the best way to effectively engage customers across borders. But to deliver a multichannel customer experience, you need to manage a matrix of variables for every single interaction: channel preferences vary; methods for accessing those channels are proliferating; complexity and urgency range widely; communications scenarios

differ by industry. Any one of those factors influences the others and how they are managed could be the difference between a customer leaving the interaction delighted or fuming.

Orchestrating outstanding customer engagement is like competing in the decathlon—a multidisciplinary challenge played out over time, across dozens of touchpoints and channels. It's the combined performance of all customer interactions that ultimately sets you apart and wins the adoration of your fans.

This report highlights how the pandemic has accelerated the adoption of newer communications channels, increased global fragmentation in channel preferences, and rewarded organizations that enable consumers to conveniently receive their goods and services remotely. (Spoiler: Video and e-commerce are winning; SMS and transportation services are flagging.)

Armed with these insights, businesses can make informed communications decisions for a winning customer experience today and in a post-COVID future. And 2020 has proven just how important it is to be a nimble competitor.



# Pandemic Further Diversifies Consumer Channel Preferences

The landscape of communications channel usage and preferences has gotten even more fragmented in the short time since the advent of COVID-19. While video chat adoption surged during the pandemic (more on that in the next section), other channels lost ground. For example, the mobile phone call remains the favorite method for consumers to connect with businesses and service providers—the top choice for 30 percent

—but it came back to the pack (from 35 percent in January).

We asked consumers what their favorite ways to connect with a business or service provider are and instructed them to rank their top three choices in their responses. **Here is how they ranked their favorite methods by communications channel.**

Methods Ranked #1 for Communicating With Businesses and Service Providers by Channel				
Channel	Favorite Method	January	August	% change
Voice call	Mobile phone call	35%	30%	-14%
	Landline	11%	9%	-18%
	Phone call via messaging apps	6%	8%	33%
	Call directly from a webpage or mobile app	4%	4%	0%
	<b>Voice call Total</b>	<b>56%</b>	<b>51%</b>	<b>-9%</b>
Email	Email	18%	18%	0%
	<b>Email Total</b>	<b>18%</b>	<b>18%</b>	<b>0%</b>
Chat	Live chat or in-app messaging	7%	7%	0%
	Chatbot	2%	3%	50%
	<b>Chat Total</b>	<b>9%</b>	<b>10%</b>	<b>11%</b>
Messaging	Messaging via non-SMS apps	4%	6%	50%
	SMS	4%	4%	0%
	<b>Messaging Total</b>	<b>8%</b>	<b>10%</b>	<b>25%</b>
Video	Video	1%	2%	100%
	<b>Video Total</b>	<b>1%</b>	<b>2%</b>	<b>100%</b>
Other	Other (letter, social posts, push notifications)	9%	11%	22%
	<b>Other Total</b>	<b>9%</b>	<b>11%</b>	<b>22%</b>

**Q: What are your favorite ways to connect with a business or service provider?**

Based on these results, offering the voice call channel would cover just over half of consumers' favorite methods. However, focusing only on the top choices misses a key benefit of multichannel customer engagement. The second and third choices gave a fuller picture, revealing a broad range of favored methods, everything from the video chat to chatbots to push notifications.

With 30% of the vote, mobile phone calls are still consumers' favorite way to connect with businesses. But the remaining 70% of consumers prefer a variety of other options.

## Methods Ranked Among Top 3 for Communicating With Businesses and Service Providers by Channel

Channel	Favorite Method	January	August	% change
Voice call	Mobile phone call	66%	60%	-9%
	Landline phone call (including VoIP)	27%	23%	-15%
	Phone call via messaging apps	22%	27%	23%
	Call directly from a webpage or mobile app	16%	15%	-6%
Email	Email	56%	51%	-9%
Chat	Live chat, or messages inside a mobile app	22%	23%	5%
	Chatbot	9%	10%	11%
Messaging	SMS text message	20%	19%	-5%
	Messaging via non-SMS apps	17%	20%	18%
Video	Video chat	6%	10%	67%
Other	Commenting on social posts	10%	11%	10%
	Letter by post	9%	9%	0%
	Push notification	9%	9%	0%

**Q: What are your favorite ways to connect with a business or service provider?**

The diversity of communications methods in people's top three, as well as the frequent disparity we saw between channels used and channels preferred, speaks to consumers' willingness to use the available communication method even if they would prefer a different one. In fact, one of the biggest customer experience frustrations for consumers around the world is when they call a business or service provider for help, no service representatives are available, but they aren't offered any other channels to resolve their issue (more on this in "The Two Biggest Communication Hurdles" section below).

So, not only will people accept an alternative channel if an interaction still meets their needs, but not offering other channels practically guarantees a poor customer experience. The takeaway? Your organization needs to offer more than voice to thrive in the new normal.

### Rise of Social Messaging Apps:

- 23% more consumers chose messaging apps as a top-three method for calling businesses, while all other calling methods (mobile phone, landline, click-to-call from website or app) lost ground.
- SMS dropped by 23% in consumer preference for messaging businesses; Instagram (+75%), Facebook Messenger (+20%), and Line (+20%) all gained.
- WhatsApp took the top spot as the favorite messaging app to connect with businesses (chosen by 32%); SMS dropped to second place (23%).
- WhatsApp is now the favorite method for calling a business in LATAM.

# Video Surges Into the Mainstream

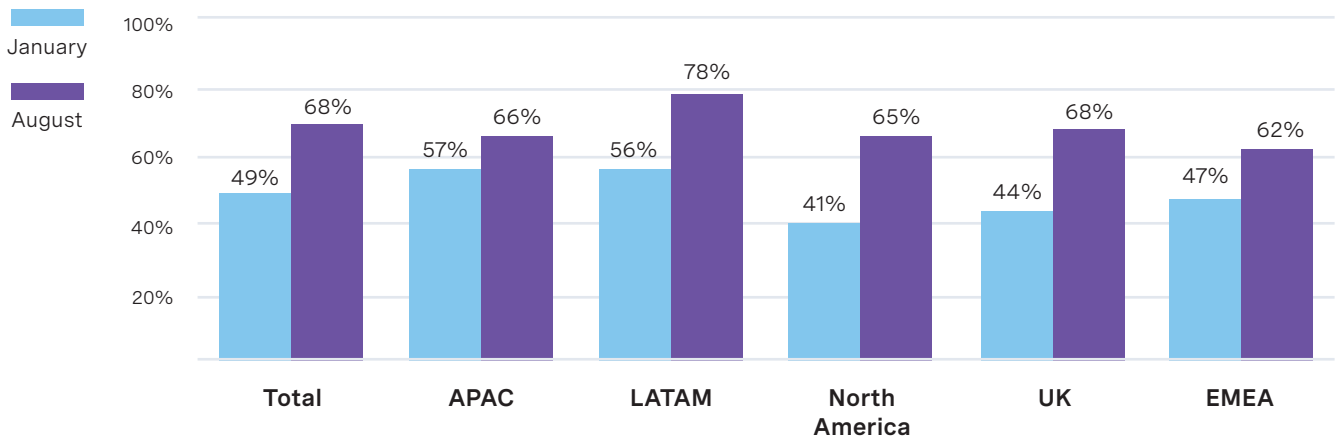
The rise of video as a consumer communication medium is nothing new. We have been tracking increases in use and preference since our first Customer Engagement report in 2012. In that matrix of interaction variables, consumers have consistently favored video for interactions where they want a personalized experience or have a complex problem they need resolved. But in no other year has video chat exploded into mainstream consumer use like it has in 2020.

When in-person interactions suddenly became restricted and voice- or text-only conversations became inadequate for certain services, consumers turned to video for all types of personal and business interactions in far larger numbers than we've seen in the past.

## How large? Consider these results:

Two-thirds of consumers worldwide are video chatting more now than they were just 7 months ago.

## Trend in Increased Use of Video Chat



Q: You said you have video chatted with friends and family. Are you video chatting more, less, or the same with friends and family than you were one year ago?

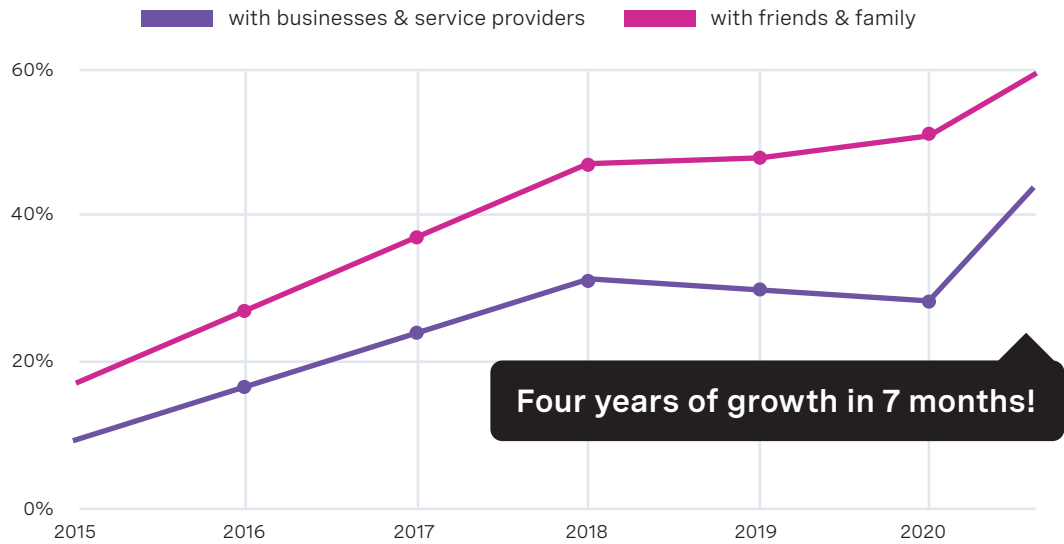
*"...the technology of the pandemic isn't the telephone; it's video chat."*

*The New York Times Magazine | April 2020*

## Growth of Regular Video Chat in the U.S.

Based on the average U.S. video chat adoption rate we've observed from 2015 through 2020, the U.S. experienced **four years of growth in only seven months**, with 43 percent of Americans now video chatting with businesses regularly, up from 28 percent in January.

North America as a whole had the biggest regional jump in adoption, from a global low of 32 percent in January to 48 percent in August.

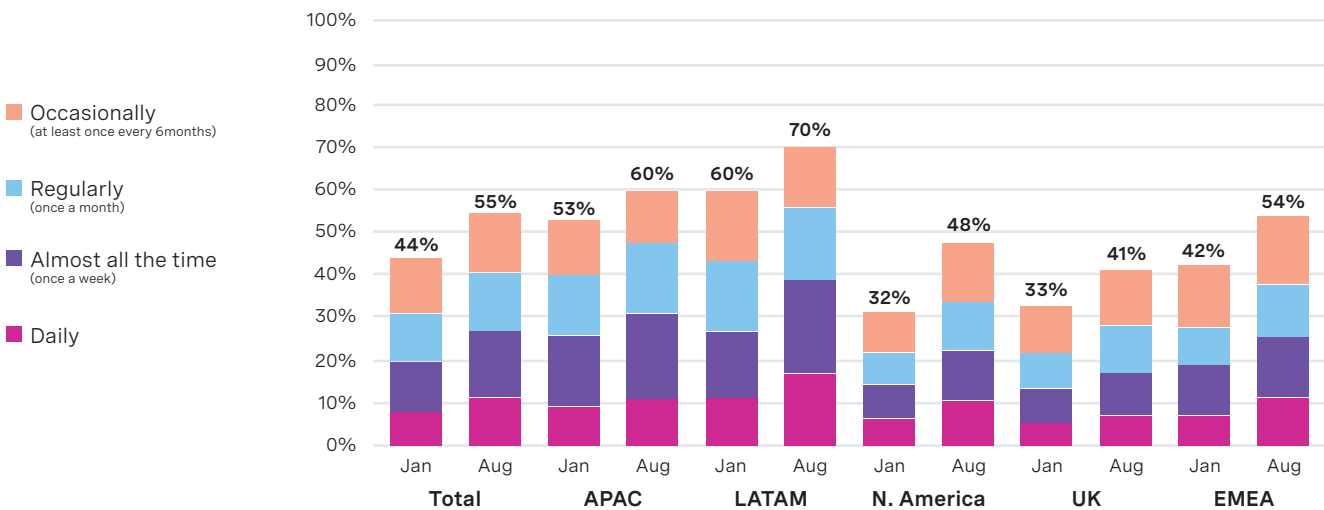


Consumers in Latin America, who lead the world in video chat usage, increased their usage from 60 percent prior to the pandemic to 70 percent today.

Across all regions, 55 percent of consumers have used video to connect with businesses and service providers, up from only 44 percent in January.

Latin America leads the world in video chat—7 out of every 10 consumers in LATAM has video chatted with a business, up from 6 out of 10 in January.

## Frequency of Using Video Chat



Q: How often do you connect with any business or service provider using each of the following?

The rise in usage has also led to a global increase in the preference for video. Led by strong increases among younger U.K., North American, and EMEA consumers (under age 40), video chat is now the favorite way to communicate with friends and family for 9 percent of respondents. Prior to COVID-19, only 6 percent chose it.

### Video a Crowd Favorite:

A growing share of consumers rate video chat as their favorite channel—140% growth in the number of people whose preferred way to connect with businesses is now video chat.

So, should businesses and service providers rush to deploy video across all their customer touchpoints? Not so fast. Determining whether video is the right channel for a given interaction comes back to striking the right balance among all the variables. Is the expense of hosting a live video chat worth it for a low-urgency update or inquiry that can be handled with an automated text chat? Probably not.

Even as consumers increasingly prefer video in specific scenarios across industries, the value of a live interactive experience is much clearer for some interactions than others. For example, with COVID-19 forcing consumers around the world to adopt telehealth and distance learning—and many finding them productive—it’s hard to imagine any provider in the healthcare or education sector not offering video chat.

### Increase in Video Chat Preference for Industry Scenarios

	January	August
<b>Banking, Finance &amp; Insurance</b>		
Getting step-by-step advice about a banking service	9%	16%
Looking for answers to basic questions	5%	9%
<b>Education</b>		
Engaging with other students and teachers in a virtual classroom	35%	42%
Getting fast answers to simple questions	8%	17%
<b>Healthcare</b>		
Speaking with a therapist for a counseling session	18%	25%
Describing your symptoms about a non-emergency condition in order to be matched to the correct service	13%	16%
<b>Retail/E-commerce</b>		
Receiving and replying to order updates and track deliveries	5%	10%
Asking simple questions such as store locations, or completing basic actions like reordering or returning an item	6%	10%
<b>Transportation &amp; Logistics</b>		
Receiving urgent alerts (e.g. about a package arriving)	5%	10%

Q: What communication channel would you prefer to use in each of the following scenarios?



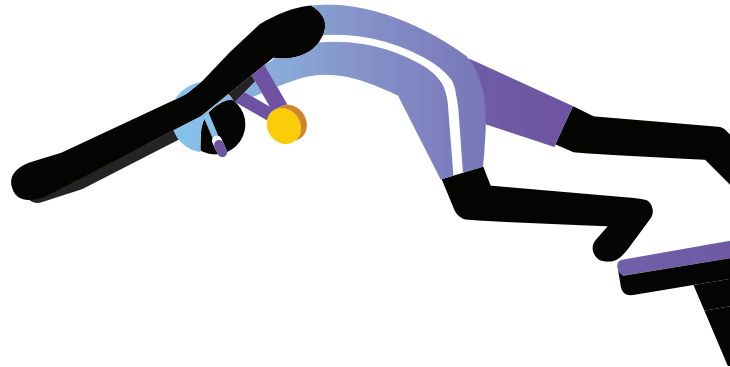
# Industries Adjust to Consumer Evolution During Pandemic

COVID-19 has changed how—and how much—consumers interact with different industries. While leisure industries such as **travel and hospitality** have come to a virtual standstill, others have been able to continue serving customers as they discover and adopt new ways of consuming products and services.

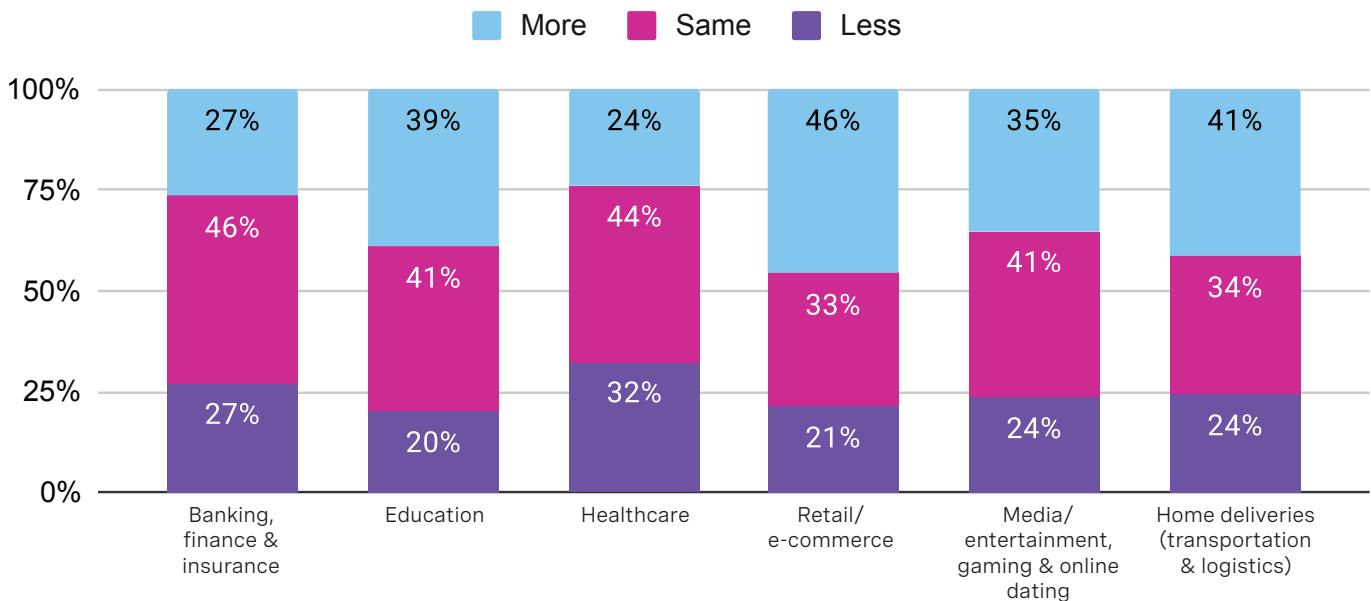
First-time users of a grocery-delivery app like Instacart may have seen it as a safe alternative to shopping at their local supermarket when the pandemic initially broke out. But after months

of using the app, many may cut the in-person grocery shopping errand out of their lives permanently. In this scenario and others such as telehealth, **the outbreak has accelerated the evolution of customer behaviors, permanently changing entire industries in less than a year.**

To determine how much consumers across the globe are interacting with different industries, we asked them whether they had engaged more, less, or the same with different types of organizations since the outbreak. Here are their responses.



## Consumer Engagement Since the Outbreak by Industry





## Banking, Finance, and Insurance

- Consumers are evenly split between engaging more and engaging less with financial service providers.
- Unlike in the rest of the world, older consumers (over 40) in Latin America are engaging more often than their younger counterparts.
- Consumers from Latin America and the APAC region have engaged the most, while those from N. America and the UK remained closest to their pre-pandemic engagement levels.



## Retail/E-commerce

- Consumers worldwide generally report greater engagement with retail and e-commerce businesses.
- The retail/e-commerce industry saw the largest increase in engagement (46 percent).
- Younger consumers reported a change in the frequency of their engagement with retailers and e-commerce providers more often than older consumers.



## Education

- Consumers worldwide reported increased engagement with educational providers.
- Except for Latin America, younger consumers are engaging more often than their older counterparts.
- As with financial services, Latin America and APAC engaged the most while N. America and the UK stuck closest to their pre-pandemic engagement levels.



## Media / Entertainment, Gaming, and Online Dating

- Consumers report greater engagement with media and entertainment providers.
- All around the world, younger consumers have increased engagement with media and entertainment providers more often.
- This category and Education shared the largest disparity in engagement between younger and older consumers.



## Healthcare

- Generally, consumers worldwide decreased their engagement with healthcare providers.
- Younger consumers—especially in the U.K.—are engaging more often with healthcare providers while older consumers are engaging less often.
- Latin America had the most parity in engagement between their older and younger consumers.



## Transportation and Logistics

- Outside of EMEA, consumers report increased package deliveries to their homes.
- Younger consumers generally increased the number of home package deliveries than their older counterparts.

*“Providers are deferring elective and preventive visits, such as annual physicals. When possible, they are also converting in-person visits to telemedicine visits. For their part, many patients are also avoiding visits because they do not want to leave their homes and risk exposure.”*

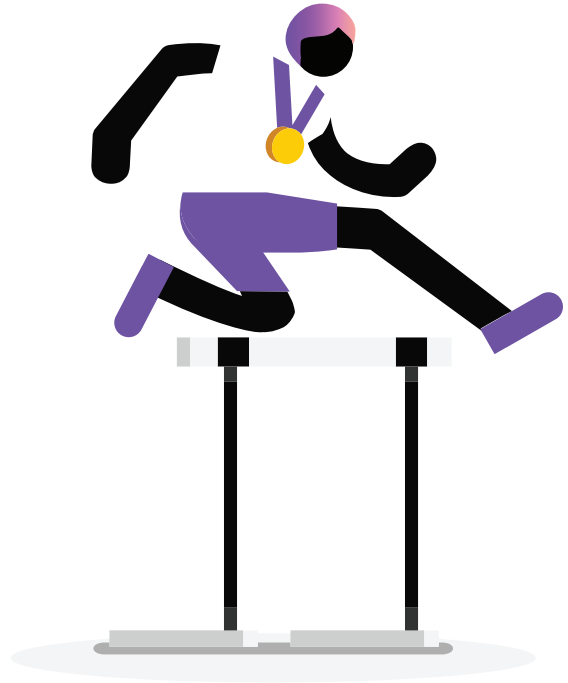
Ateev Mehrotra et al. | *“The Impact of the COVID-19 Pandemic on Outpatient Visits: A Rebound Emerges”* | To the Point (blog) | Commonwealth Fund Updated May 19, 2020.

# The Two Biggest Communication Hurdles

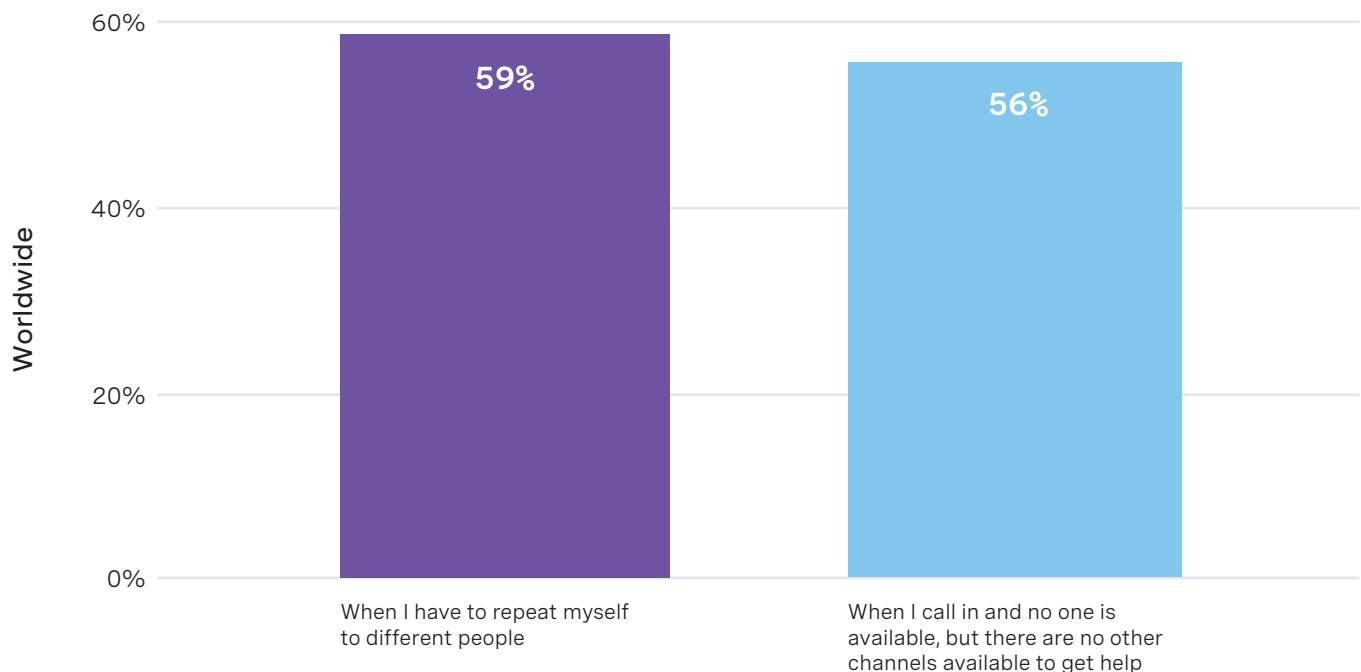
While this report has highlighted the differences among consumers across the world, two universal annoyances unite them all. When engaging with businesses or service providers, consumers the world over are frustrated most by these communication gaffes.

- Repeating themselves to different people
- Calls going unanswered

Consumer preferences may be radically different, but no one enjoys repeating themselves over and over and over again or waiting for a call response that never comes.



## Top Two Consumer Frustrations When Communicating With a Business or Service Provider



Q: Which of the following frustrates you when communicating with a business or service provider?

But these communication breakdowns happen all too often. A conversation starts on one channel, but when a customer switches to another, the history of their conversation is lost.

The frustration of having to go through all that information again is enough to destroy the experience. And that's when the user is lucky enough to even get a response in the first place.

The second frustration underlines the importance of managing those interaction variables and understanding that customers have secondary and tertiary choices for communication methods.

Suppose a customer urgently needs to connect with a business or service provider. We know they likely will reach out via a mobile phone call. If the organization can't respond to the customer's call—maybe it's overwhelmed by a surge of other calls—offering another channel such as live chat can ensure that the customer's needs are still met. Instead of frustrating the caller, a helpful customer experience is delivered.

Interestingly, after the universal top two frustrations, regional variations started to appear in consumers' selections.

Frustration	APAC	LATAM	NORTH AMERICA	UK	EMEA
When there aren't enough options to contact a business to suit my needs at the time	37%	51%	36%	34%	35%
When I receive a message update but I can't reply directly	37%	29%	30%	34%	28%
When I'm using an app but I have to open a separate one to contact someone	34%	37%	22%	20%	30%
When I can't switch between different communication channels	30%	26%	17%	17%	24%

Q: Which of the following frustrates you when communicating with a business or service provider?

Highest Percentage ■ Lowest Percentage ■



# Going for CX Gold With Multichannel Communications

The events of 2020 have reemphasized how quickly businesses and service providers must react to evolving consumer communications preferences if they intend to deliver exceptional customer experiences. Some of these shifts are harbingers of the “next normal” in customer engagement, while others are temporary adaptations that will likely revert to their pre-COVID-19 status. Time will tell which are which, but businesses and service providers across industries would be wise to learn how the people they serve—or hope to serve—want to connect today.

Implementing a multichannel customer engagement strategy puts organizations in the best position for victory. The competition is fierce, but the organizations offering the best customer experience will always stand atop the podium.

While offering multiple channels is vital, that alone won't get a business across the finish line. For an exceptional customer experience, those channels must be orchestrated to effectively manage the variables of every customer interaction. And the context of the customer's interaction needs to be maintained across all touchpoints.

## Vonage, for the Win

With Vonage's cloud **contact center software**, **Communications APIs** and flexible global platform, it's now easier than ever to deliver outstanding customer engagement across a worldwide customer base.

Vonage offers an **integrated experience** that unifies the contact center with the rest of the organization on the same communications platform. This enables agents to collaborate with experts across your entire organization to most effectively resolve customer issues.

Vonage Contact Center also tightly **integrates with Salesforce**, enabling features such as advanced routing to the best available agent and customized dashboards with updated details for service and sales teams. Organizations leverage this integration to reach customers on their channels of choice, automate resources to create time and address more complex asks, and link with Einstein Analytics to unlock hidden insights.

Vonage APIs are communications building blocks you can use to make every interaction count. From growing startups to established organizations, companies such as Alibaba, Expedia, and Uber rely on Vonage APIs to build best-in-class communications solutions at scale with programmable **messaging, voice, video**, and more.

Get up and running fast with our team of experts and flexible plans that can scale to meet your business needs. Choose from simple **pay-per-use pricing** or add the services you need, including our **Enterprise Plan** with hands-on support, consulting expertise, accelerated integration, and platform SLAs.

## Get Started

Vonage APIs  
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Vonage Contact Center  
[Learn more](#) | [See plans](#)





## About the Study

The *Global Customer Engagement Report* is an annual research study conducted by Vonage. In partnership with Market Knowledge Online, Vonage interviewed a statistically representative sample of 5,000 consumers (18-55+ years of age) across four continents and 14 countries (United States, Canada, United Kingdom, Australia, China, Japan, Indonesia, Malaysia, Germany, France, Russia, United Arab Emirates, Mexico, and Brazil).

Traditionally conducted in January, this study was fielded a second time in response to the unprecedented challenges imposed by the global pandemic. In August 2020, Vonage asked a statistically similar distribution of respondents how their communication preferences and usages have been impacted by COVID-19.