



Customers and Employees Need Your Empathy

Your company's actions during this crisis will demonstrate to people whether your relationships with them are genuine.

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For most of us around the world, the Covid-19 crisis came very slowly—then all at once. While unique, this crisis shares at least some characteristics with prior situations. Some solutions and approaches in this setting will be new because we haven't encountered this situation before. Others, however, we can adapt from prior experience.

When dealing with a crisis such as this, we often use some version of the following categories to help organize actions on different time horizons.

- **Urgent actions:** Actions required for business survival, stabilizing and reassuring stakeholders.
- **Anticipatory actions:** Anticipate customer, employee and business needs.
- **Relationship investments:** Invest in relationships to create future value.
- **Strategic investments:** This is the time to build enduring capabilities.

Since this situation is new and changing rapidly, we will focus on urgent actions for customer relationships and marketing decisions.

Dealing with a new reality

For a majority of consumers and employees, companies should approach the social and economic disruptions caused by Covid-19 empathetically through the lens of reactions to loss. Most will experience various degrees of the typical set of emotions that characterize the five stages of grieving a loss:

- Shock, denial
- Anger
- Bargaining
- Depression, reflection, loneliness
- Acceptance, hope

The challenge for us all is that different people are at different points along the continuum. It's difficult to know where in the process anyone in particular may be. You will almost certainly have customers distributed among all the stages at any given time, and communicating with someone at one stage of the process as if he or she were at a different stage can be frustrating for both parties.

Communities, companies and individuals experience the disruptions in different ways and at different times. In the US, as late as March 18—a full week after Italy's crisis had become dire, days after six California counties had been given the order to shelter in place and the day after Ohio canceled its primary elections—some citizens could be heard complaining about the overreaction, others were

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still decrying the massive hoax being perpetrated, and others were simply wishing away the situation and attempting to maintain a normal schedule. In other words, while some were still in the first stage, others were entering (if not well into) the fourth stage.

Implications:

- Avoid assumptions about the mental/emotional state of customers and employees.
- Give them opportunities to signal where they are in the process.
- Listen with empathy.
- Tune communications and actions to the emotional state of stakeholders the best you can—focus on reducing their anxiety, helping reduce their risk and helping them feel that your company is on their side.
- Your best, largest and most loyal customers may merit one-on-one human outreach. Do not default to mass emails or surveys in the case of important relationships that need to be handled with a personal touch. (This is especially important with business-to-business/commercial and high-net-worth financial services businesses.)

Tuning in to the nature of the relationship

The actions and tone you take with customers must reflect the nature of the relationship you have with them. At this moment, you might consider the role you play for your customers in the following categories.

Essentials

Electric utility, industrial supplies, raw materials vendor, bank, grocery store, telecommunications, video and entertainment, pharmaceuticals, healthcare

- High need for reassurance, security and safety.
- Actions and communications should signal consistency, stability, security and reasons to trust that the service will continue during the crisis; seek opportunities to demonstrate stability and security through actions.
- Consider going the extra mile with extra value to help customers in a cash crunch (for example, free Wi-Fi check at home, free conference calls, discounts on grocery delivery and the like).

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Local vendors and services with which customers have personal relationships

Local parts supplier, gym, restaurant (favorites), dry cleaner, hairdresser, local coffee place

- Generally, customers want to support their inner circle above all.
- Explain how you plan to work through the crisis.
- Give them opportunities to support you in new ways, if possible (for example, fine-dining restaurants creating lower-cost take-out options).
- Find ways to stay in contact that feel genuine and empathetic (not self-interested).

Local stores: Support the community

Local clothing stores, local restaurants, local commercial vendors

- Same implications as local vendors and services with which customers have personal relationships.
- Many customers want to support local small merchants.

Beloved nonessential chain stores and services

Starbucks, Rent the Runway, Lululemon, Warby Parker, Apple Store, Sephora

- Limit communications during initial crisis to absolute minimum.
- Explore ways to provide support to customers in new ways.
- Avoid the trap of being seen as self-interested, opportunistic or promotional.
- Double down on ensuring high service levels for essentials such as smartphone repair; explore options to lead by example (take symbolic initiative for the community).

Nonessential, nonlocal, unbeloved

Banana Republic; Pier 1; Lord & Taylor; any vendor or supplier generally nonessential; very low Net Promoter Score® suppliers, providers and the like in nonessential categories

- Limit communications to business continuity essentials.
- Unless you have some real value to offer to customers, keep quiet for now.

Some practical and tactical concerns to address

A number of very practical issues have emerged during the early stages of the crisis.

Should we continue to gather Net Promoter Score feedback right now?

- Customers are being bombarded with Covid-19 emails right now.
- Feedback requests may come across as lacking in empathy or understanding.
- Responding to our request for feedback is the last thing we would expect during a crisis.

Do not stop seeking customer feedback, but make sure to check that the messaging and questions are sensitive to the current environment. If you can't ensure this, it may make sense to briefly pause your Net Promoter Score feedback process long enough to reposition it.

More than ever, request feedback only if you can actively follow up with any customer whose feedback merits it.

Pay particular attention to trends by location. Given where we are in the crisis, feedback from the most highly impacted regions can help you prepare in other geographies.

For the next couple of weeks, use your feedback system to give customers ways to ask you for help, rather than as a way to measure your Net Promoter Score or likelihood to recommend. Now is not the time to focus on scores but on relationship support and quick response. Once we have established a new normal, consider reestablishing the scores.

Pay particular attention to social media, employee observations and other informal signals.

Regular, operational customer feedback can serve as an early-warning indicator if actions, policies or execution are not going as expected. For example, this applies to value proposition and execution adaptations made for business continuity or adaptation to the social-distancing environment.

Caution: It is crucial to revisit the frequency of feedback solicitation, triggers and invitation wording. The risk is high that existing triggers, invitations and even questionnaire wording will come across poorly at a moment like this (a real moment of truth) without some changes.

Should we continue to gather employee feedback right now?

- Employees have been massively displaced.
- Stress levels are through the roof.

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- Why give employees one more task to do?
- We already know they are stressed out; we don't need a score to tell us that.

We strongly recommend continuing to gather employee feedback. Right now is the most important time to give your employees a way to express their needs and concerns.

Give employees a way to raise questions or issues without identifying themselves so that they can offer feedback and suggestions without fear of retribution. In addition, explore other options for employee listening (for instance, internal comment boards, virtual town hall meetings that include employee Q&A, input and the like). Explicit and fast follow-up on employee feedback will reassure your workforce at a time when they most need reassurance.

Should we continue to hold huddles?

- Obviously, face-to-face meetings cannot happen right now.
- We are so busy putting out fires that this feels like an optional activity that should be put on hold indefinitely.
- We are concerned that these will just become gripe sessions and will further undermine morale.

In most cases, you should attempt to continue holding employee huddles. Employees working from home run the risk of feeling isolated and uncared for. Huddles can offer an efficient and effective way to give employees a way to help each other by sharing techniques while also demonstrating care for each other and building relationships.

Of course, different groups will have different needs, and there may already be other avenues for achieving the objectives of experience sharing and building camaraderie.

Should we continue to execute follow-up calls?

- Customers don't want to hear from us right now.
- We don't have capacity to make follow-up calls right now.

We strongly recommend continuing follow-up calls, but with significant modifications. Criteria for follow-up need to be reexamined.

The capacity to follow up is a legitimate and real issue. Consider using employees who are working from home as extra capacity, especially retail and others who are essentially sidelined right now (note that they will need tools and training to support follow-up actions and escalations).

This is the best way to demonstrate caring and empathy for customers who give feedback.

Should we change our sales or customer service incentive schemes?

- Existing incentives were developed for a different time.
- There's no way our employees will meet their incentive goals in this environment.

Now is not the appropriate time to institute a new incentive scheme nor to change the basis of compensation. Instead, communicate clear, simple principles and objectives as well as ways employees can self-regulate.

If possible, suspend existing programs and reassure staff that they will be compensated fairly. Also, reassure them that the compensation and incentive scheme will be reexamined as soon as the immediate crisis abates and there is bandwidth to address this issue.

Should we stop all marketing spending?

- Customers are not paying attention to advertising or email marketing right now.
- Our plan includes spending in media or locations that now do not make sense.

No, this is impractical given commitments that are already in place, and it doesn't serve the brand to go dark. If you have some flexibility to shift spending to reflect shifting eyeballs—for example, currently a lot more eyeballs are on news sites—do so.

Customer behavior has already changed dramatically, and that will continue. It is not clear how media consumption and other exposure opportunities will evolve over the next few months.

You should immediately begin to reexamine all spending, mix and so on. Chances are good that you will want new spending to be deployed in a very different way than you had initially planned.

Monitor tracking metrics closely, and observe emerging trends.

How should we change our marketing messages?

- We are all being bombarded by slight variations of the same message from a huge range of companies.
- I'm getting marketing messages about prom dresses and spring sales events; obviously, those are just wrong right now.
- It sounds tone-deaf to be promotional during this time of crisis.

Immediately stop and reexamine all existing advertising and direct marketing programs and communications, particularly with a view toward eliminating anything that comes across as tone-deaf. Avoid the traps of being perceived as insincere, self-interested or engaging in promotional opportunism. This is not a time for autopilot digital marketing.

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Focus as much as possible on how your company can support customers and the community. Customers will start shopping again and probably sooner than most of us realize.

Choose messages and communications appropriate to the relationship characteristics as well as the brand's position in the customer's life, and pay attention to regional differences, since some areas are impacted quite differently than others.

Prepare for the immediate postcrisis period. Once the new normal begins to settle in, buying habits and preferences will have changed dramatically in most cases.

Is this crisis an opportunity to build stronger relationships with our customers?

- When customers are most in need is when we can really make a difference.
- We are uniquely positioned to offer real support to some of our customers.

This crisis, indeed, may offer opportunities to reinforce relationships with customers, but only as a result of genuine caring and support. So companies should seek ways to add real value for customers, demonstrate real support and express genuine human empathy. Opportunism and insincerity will likely be quickly identified and harshly punished.

Now is a good time to identify the most important segments of customers (based on current and future lifetime value models) and begin outreach and other actions to support them. In some cases, companies have certain resources that are idle or underutilized; explore putting them to use with outreach or delivering added value to your best, most loyal customers.

“Signature actions”—symbolic actions that are clearly in the interests of customers (or employees), even with some noticeable pain for the company—can have an outsized impact on customer trust and loyalty.

If possible, all of the above should be informed by an understanding of the Elements of Value®; this is a good time to explore ways to move up the pyramid.

Other resources

Bain & Company will continue to provide a series of resources and points of connection for clients and friends. We also generally track a number of other sources of good information. Below are a few resources you might find helpful.

- Bain's coronavirus resources online: This is the online collection point for all of Bain's resources related to the outbreak.
 - The Situational Threat Report from Bain's Macro Trends Group, which evaluates the effect on global business and is updated each week.

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- Marketing under different scenarios—how to be prepared for what is likely to come.
- A review of the most important Elements of Value to help guide messaging to customers right now.
- Other material that is currently under development and will be released over the coming days and weeks on a variety of topics.
- The NPS Loyalty Forum: The members of this experience-sharing group are committed to helping each other. To learn more, contact Stu Berman, the director of the forum.
- Your Bain & Company team is available to help you find other resources and answer questions. Moreover, we can introduce you to others within the Bain family (clients, friends, community members) facing similar issues and questions.

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