



HubSpot research report overview

Hybrid customer experience in a post pandemic world: Where do we stand on the Human Touch?

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Introduction

Why is understanding the role of Human Touch in CX so important?

Many organisations have offered multi-channel customer service for some time now. Then the pandemic forced all businesses to shift to a digital-first engagement strategy almost overnight. This meant that brands urgently needed to reassess their customer relationships and how best to nurture and develop them.

At the start of lockdown, cancellations across events, hospitality and travel (to name just a few sectors) forced customers and businesses to communicate with one another urgently and often in new ways. Delivering a delightful customer experience (CX) became more essential than ever for survival.

Is digital CX still enough?

In the post-pandemic race for growth, businesses need to understand how important 'the human touch' is going to be. Could it now be more significant than ever or have customers come to accept, over the last 18 months that digital connection is a simpler, faster and more effective way of doing business?

To answer this and other pressing questions, we commissioned some extensive B2B and B2C research. We wanted to find out how important the human touch is to customers. We looked at what consumers want in terms of CX and what businesses are providing (or not, in some cases). We also looked at the experiences of businesses and customers during the pandemic and their different expectations coming out of it.

Above all, after a period of enforced digital interaction, the aim of this report is to guide businesses on where and when face-to-face interactions will provide value in a post-pandemic customer journey, to inform future investments and aid growth.



88%

of CX professionals said that leaning on more digital channels to serve customers has had a positive impact on their business performance.

Measuring the rush to digital

Armed with the results of our research, we have the insight to guide businesses on the best ways forward. As well as coming to an understanding of what mix of in-person and digital interaction is likely to be most effective, this report also looks at how well current business investment for CX tallies with what consumers are actually looking for.

Just 8% of businesses stated that they didn't make any changes to the way they served customers during the pandemic because they were already digital-first. At the same time, **30%** had to move to digital channels for the first time while **20%** claimed to have moved entirely.

But now what?

While reducing human interaction was mandated for most during the pandemic, almost three quarters (**72%**) of CX professionals surveyed said they have taken steps to invest in more 'human' customer interactions going forward.

For consumers, the overarching desire seems to be a return to the way things used to be. Understandable, considering the tough 18 months we've all just been through. Over 4 in 10 (**44%**) consumers said they were most looking forward to getting back to working, shopping and socialising, just like before.

There's also a determination for many to make up for lost time, with retail and hospitality likely to be the biggest beneficiaries of a desire to splash the cash. Over 1 in 5 (**21%**) UK consumers planned to spend more as restrictions lifted than they did prior to the pandemic.

Finding the sweet spot

The pandemic removed choice for consumers. Clearly as businesses adapt to a world that involves living with and moving beyond Covid, finding the sweet spot between digital experiences that hit the mark and wowing customers with the human touch will be vital.

One thing is clear: businesses will need to keep their ear to the ground and remain sensitive to what their customers want if they wish to participate in the bounce-back we're all hoping for in 2021, and beyond.

Reading this report is a good place to start.

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Chapter 1

Which businesses did best during the pandemic?

The research reveals that companies with strong digital backgrounds going into the pandemic fared best during it. The simple explanation is that they could continue the same level of CX without breaking stride when we went into lockdown.

Smaller non-digital businesses (those with up to eight employees) ended up doing worst. One third of these smaller businesses made no changes because they didn't use digital channels and they effectively came to a standstill as soon as the country did.

“ At HubSpot, one of the core beliefs we stand by is that companies that align their success with that of their customers grow better. HubSpot was founded on the idea that the way people shop and buy had changed and the pandemic has further shifted people's behaviours online through necessity. Even as a digital-first company that serves more than 100k customers, we had to adapt. Leading with empathy in the way we communicated with customers, partners and employees, we continued to put their needs at the heart of every business decision. We also acted quickly with practical ways to help, such as offering flexible payments to customers and by releasing free products that would provide businesses with additional tools to help them get closer to their customers. Our growth during the pandemic, and that of our customers, is testament to the need for a customer-centric approach that understands their intricate needs as the world changes around them. ”

ED BARRETT
HubSpot Vice President of Sales, EMEA

HubSpot



Winners and losers

There were some big winners during lockdown, such as the technology sector and courier companies, while other sectors like hospitality and travel were badly hit. However, the truth is, businesses generally did better during the periods of lockdown than one might have imagined from the persistently negative stories in the media.

We revealed that **10%** of CX professionals surveyed said their business achieved record growth in 2020- 2021. **Over a third (35%)** said they achieved strong growth. To put those figures in perspective, **just 1 in 9 (11%)** said their business reduced over the same period.

Dig a little deeper and we can detect a strong link between businesses using more digital channels and those that successfully grew during the pandemic. Respondents who achieved growth* were more likely to state that they had moved partially to digital channels than those who did not achieve growth** in 2020-2021 (37% versus 25%, respectively). The same can be said for businesses that moved entirely to digital channels (23% versus 14%, respectively).

Doing whatever needed to be done

Whatever sector they were in, and no matter whether they were swimming with or against the tide, most businesses naturally shared the common desire to make all changes within their means to remain as profitable as possible during lockdown.

4 in 5 (80%) CX professionals surveyed said they had to invest in new digital technologies to be able to offer the best possible customer experience during the pandemic. The top five areas for investment were:



45% of CX professionals surveyed said their business achieved record or strong growth in 2020-2021.

*sample of respondents who achieved growth combines: 'We achieved record growth'. 'We achieved strong growth'. 'We were still able to grow as a company'.

**sample of respondents who did not achieve growth combines: 'Business stayed about the same'. 'Business reduced'. 'Business struggled significantly'.

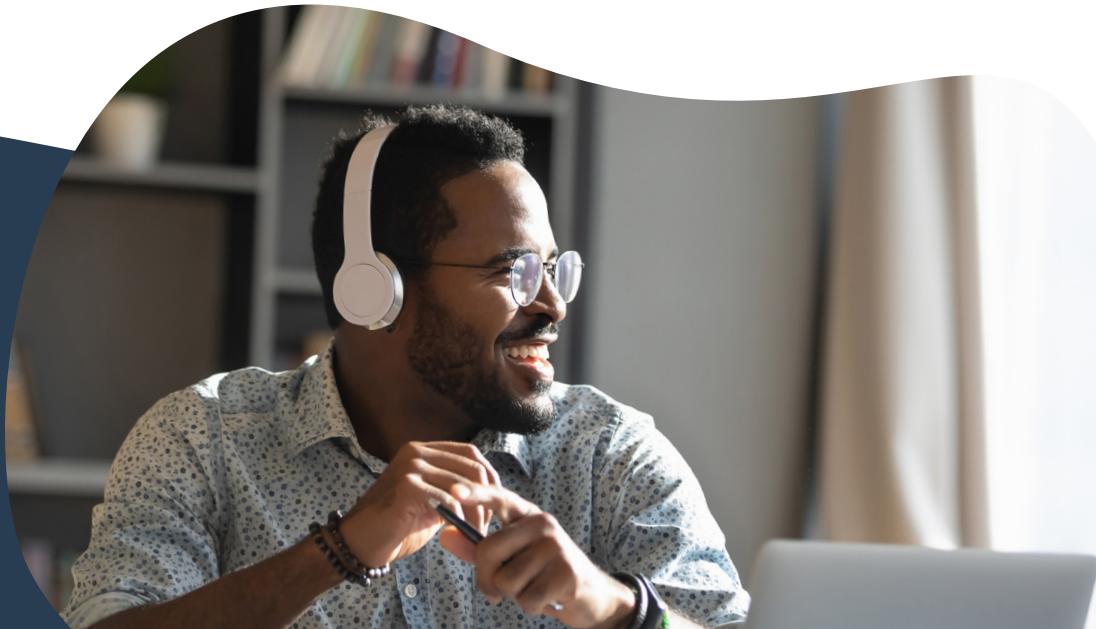
The average amount spent per company on these investments was £125,221. How great a commitment that figure represents obviously depends on the size of the company, but it does indicate a general determination to make whatever changes were needed to adapt to the new ways of doing things.

Investing in technology to support human interactions

But that's not the whole story. While an investment in digital technologies was required to get through lockdown for most companies, dig a little deeper and we can reveal that many of the investments in digital actually support human interaction in some way.

Those prioritising a more human touch revealed they were investing in the following areas:

- Providing easier access to speak to a customer representative such as a sales assistant or a customer service agent (40%)
- Spending more time listening to customers before attempting to sell (36%)
- Offering greater support to customers experiencing technical issues (36%)
- Making more direct calls to customers (32%)
- Using personalised touches when sending products (31%)
- Softer sales techniques (30%)
- Engaging with greater empathy (29%)
- Added acknowledgement for repeat purchases (28%)



Removing barriers for customers to get in touch

The high level of investment suggests it was important for companies to provide a way for customers or clients to engage with the business directly. This viewpoint is supported by the research results. Respondents who achieved business growth in 2020-2021* were more likely to say they have a way for customers or clients to engage with their business directly than those who did not achieve growth** (82% versus 68%, respectively).

What lessons have we learnt?

The majority (**52%**) of CX professionals surveyed said they saw a positive impact on their business from a reduction of 'human' interaction with customers, while just 3 in 10 (**30%**) registered a negative impact. Of course, much of that can be put down to a 'needs must' approach during the pandemic. The urgent shift to digital was a business necessity as human touch interactions, particularly physical ones, were impossible for many businesses working outside of critical services.

So where should businesses focus their efforts going forward? To help us answer that question, we need to look for some clues by assessing how businesses performed in the eyes of the consumer during the pandemic.



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Chapter 2

Did businesses meet consumers expectations with their online offering?

Online interactions offer distinct benefits for customers and were undoubtedly a lifeline for businesses during the periods of lockdown. But there is something important missing from the interaction: human input.

16% of consumers have abandoned a purchase over the past 12 months because they couldn't find a person to answer their questions at key moments during the sales journey.

Online fatigue



Yes, just over a fifth (**22%**) of consumers would rather keep making purchases and interacting with brands online. But the majority (**52%**) would prefer to be dealing directly with a person again.

Indeed, the lack of human-to-human conversation is leading to some companies

losing out on business. **16%** of consumers have abandoned a purchase over the past 12 months because they couldn't find a person to answer their questions at key moments during the sales journey.

Even more damning, in the past year over 1 in 10 (**11%**) consumers have been driven to complain on social media or review sites about not being able to get hold of a human being when they needed one. That might not sound like a huge number but, in the current uncertain economic climate, every customer counts. Besides, you never know how many sales a negative review on a popular website will end up costing the business.



58%

of those who interacted with a person are more likely to shop with the brand again.

Proof that humans drive business

But can just providing a human being at the most opportune times really make all the difference? According to our research, yes. Simply offering consumers the opportunity to speak to humans at key stages of the customer journey can often be all it needs to get a prospect over the line. Indeed, **58%** of those who interacted with a person are more likely to shop with the brand again. Better still, **51%** are more likely to pass on this positive experience to friends.

In the case of B2B, this rings even more true. If there was a general rule, here, it would be the more complicated the sale, the more important it is that a person is on hand to add vital assistance to the customer. B2B consumers are even more likely to abort a potential sale if they do not receive the (personal) service they expect than B2C customers.

70% of CX professionals surveyed said over the past year, they have had an issue with a product or service where they have been unable to reach a human contact to provide a resolution.

Over a third (**36%**) of CX professionals reported they have pulled out of a purchase because there was no person to assist them with their enquiries. That figure alone that should set the alarm bells ringing with businesses tempted to stick with the online CX that served them so well during the pandemic.

Lasting dissatisfaction

It doesn't stop there. **40%** of those who couldn't find someone to help them with their problem are still having issues with the product or service. **36%** even felt they had lost revenue themselves due to not being able to resolve their issues satisfactorily and the same number stated their faceless experience had negatively impacted the level of service they have been able to provide for their own customers.



The deeper one digs, the easier it is to understand that customers are not yet ready to completely replace the human touch with fully digital interactions.

45% of CX professionals surveyed declared that, as a B2B customer, they had resorted to complaining on social media or review sites about not being able to get hold of a person when they needed one.



The need to find the right balance

Our research shows that consumers are keen to maintain the benefits of both online and personal CX going forward. A blended experience is the popular choice.

So, the key questions that remain are what is the optimum balance between digital and personal CX? And what are the key stages of the customer journey, both B2B and B2C, where personal support is most needed?

To better understand where businesses see the best balance, we need to know which areas of CX they are investing in as we leave the pandemic behind.

“With all the technology we have at our disposal today that can easily connect every customer touch-point, the fact that 40% of those surveyed are still struggling to reach a human to resolve an issue in the sales cycle is truly shocking. With 70% still stating they have an unresolved issue is also a sign that this isn’t a one-off glitch in a system. That’s an awful lot of missed sales at a time when a business’ recovery is so essential. While the thought of introducing new technology to get past these hurdles can seem daunting, particularly for IT teams, platforms like HubSpot that have been purpose-built to work off one central tech stack, deliver an easy to integrate platform from which all the business functions (sales, customer experience, customer service, marketing, operations) can capture customer insight and resolve any issues. There’s little excuse for businesses to be missing the mark on the basic principles of a good customer experience.”

SCOTT BRINKER
Vice President of Platform Ecosystem at HubSpot





Chapter 3

Where are businesses looking to invest in the future?

32% of businesses are looking to invest in new software for customer service teams. This percentage increases as the size of the company grows.

31% of businesses stated that, to meet their business objectives, they would need to invest in a new CRM platform.

While only **15%** of companies with 50-99 employees want to invest in new software for customer services teams, the figure jumps to **35%** for businesses that employ 250-500 employees. This suggests larger companies are looking to benefit from the economies of scale made possible by automating their processes.

Investment in all areas of CX

However, even with larger companies, the investment in software solutions for CX will not be coming at the expense of investment in people. The human touch is also high on the list of priorities in terms of forward planning for most organisations. **30%** of companies will be putting money into staff training, for example, over the next 12 months.

We are already seeing chatbots being adopted by many as a way of driving efficiencies and freeing up employees to focus on tasks that will add more value for customers. Bearing in mind this current trend, it's hardly surprising that **25%** of companies declared that they would be investing in chatbots.

Investing in tech

In the technology space, new CRM platforms are the biggest priority for investment over the next 12 months. This tallies with a general view across all industries that the customer experience is now an even bigger differentiator for competing companies than the quality and value of the products or services on offer, which explains why businesses are prioritising investments in new CRM capabilities to meet their business objectives.



Coming a close second to CRM platforms was email marketing software. This automatically nurtures engagement throughout the customer journey without the need for input from employees. **27%** of companies stated this was an area they'd be investing in.

One thing that surprised our experts is only **27%** of companies declared an intention to put more money into video conferencing. While we appreciate that most companies invested in video conferencing before lockdown, or in a big hurry during it, we felt the new 'working from anywhere' model would lead to ongoing refinements of each company's video conferencing platform and the equipment used to access it. However, only **22%** of companies said this is a priority investment area.

Less surprisingly, only **3%** of companies said they would not be investing in new technologies in the foreseeable future. With each company at a different stage of their digital transformation, new technologies will be vital to ensure businesses don't fall behind the competition.



What are customers looking for?



The secret to knowing where companies will be making their investments over the next 12 months is understanding the current expectations of customers. There's little point in spending money on things that consumers don't want.

25% of customers are looking for human interaction either before they purchase or while they're in the process of buying something. That figure drops to **5%** for customers who feel the need for a person to communicate with after they've made the purchase. That makes sense - this is the part of the process that is now primarily completed online, via CRM platforms, chatbots or other digital tools.

However, the human touch seems to be important before customers have made their purchase, when questions may need to be asked and expert advice is most likely to be sought. We need to explore this a little bit more to understand at exactly what stages of the customer journey, the human touch provides most value.

Chapter 4

The role of human touch in the customer journey

Before we dig any deeper here, it's worth defining what we mean by the human touch. Is that literally having human interactions or could it come from a brand seen to have personality?

The data shows that having a "human touch" has more to do with person-to-person customer service than it does with image of the brand. Just over half (**51%**) of consumers said a brand appears to have more of a human touch if they have friendly, helpful staff and **43%** said this is the case if the brand has staff that are easy to get hold of.

Reality over perception

This can be compared to just **19%** who said this is about having a human story around how the brand was founded. Just **16%** said a brand appears to have the 'human touch' if the brand tone of voice in advertising and other communications projects a strong personality.

Marketing-savvy consumers, it seems, are more interested in the realities of the CX than image.

Exploring the importance of human interaction at different stages of the customer journey, **23%** of CX professionals surveyed think that personal input from an employee is most needed when it comes to awareness of the brand, product or service. A similar percentage (**22%**) think human interaction is most important when it comes to longer-term, post-sales customer engagement.

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of consumers said a brand appears to have more of a human touch if they have friendly, helpful staff.



Neglecting the customer

Strikingly, with a figure of **35%**, it's in the engagement phase (sales) of the customer journey that the highest percentage of CX professionals surveyed think businesses turn their back on the consumer.

There was one more stat that caught our eye here. **26%** of CX professionals believe that it's the delight phase (customer service) that is most neglected in terms of human interaction. Interestingly, a higher percentage of those who achieved growth during 2020-2021* think businesses tend to neglect the customer experience at the delight phase than those who did not achieve growth**. This indicates that simply an awareness of the importance of the human touch stands companies in good stead when it comes to business success.



“ Our research tells us loud and clear that we all still crave access to helpful, friendly staff when we have a query or issue around a purchase, whether we'd rather the transaction happened face-to-face or via digital channels. While digital channels and digital ways of serving customers are becoming more efficient, user-friendly and self-serving, many people still prefer the reassurance and flexibility of in-person interactions. While businesses have had to become digital-first as a result of the pandemic, our data shows being digital-only, with no access to a helpful human contact within the business, would be very detrimental to future growth. **”**

SUSSANNE RONQVIST-AHMADI
VP International Marketing, HubSpot

HubSpot



Chapter 5

Business Leaderboard



So, who's been doing CX well then? As part of our research, we asked consumers to give us open-ended responses on which brands were making the best job of CX, during these difficult times, and tell us what makes for a memorable experience.

From the consumer feedback, we were able to put together a Top 10 chart of the brands that were most highly regarded for delivering top-notch CX during the pandemic:



Well done, Tesco

Hats off to Tesco for receiving more favourable reviews than the likes of Marks & Spencer, John Lewis and Waitrose (24th), brands that are all well known for customer service.

Tesco were applauded for having people available to answer questions and solve issues when support was needed. Over half of respondents said Tesco customer teams were 'very helpful' and the process for returning products was particularly smooth and painless.

Playing to Amazon's strengths

Amazon finished second and, bearing in mind the unrivalled importance of their service during lockdown and the revenue they generated, you might have expected them to have gone one better.

Still, there's no doubt that when a digital platform is highly responsive and efficient, the lack of human touch is not seen as being a drawback. Bearing in mind the delivery drivers are the only human interaction most of us ever have with Amazon, and the



inconsistency this can bring, it's impressive this brand is still so highly regarded.

Just behind, Marks & Spencer were lauded for their friendly staff, reminding us of the importance of the human touch in CX.

All-round appeal of Asda

Another brand that was punching above its weight was Asda. As well as being efficient, easy to deal with and good with returns, the delivery drivers were seen as being 'very nice and helpful'. Given the lack of control that the brand has over drivers who spend so much of the time out and about on their own, this positive feedback is inspiring.

Of the brands without any kind of discernible human face during lockdown, Nike finished

the highest in our chart. Customers were appreciative of the prompt and efficient service and the fact that information was readily available on request.

While not finishing as high as we might have predicted, John Lewis is still considered by most to be a champion of customer service. The fantastic click and collect service was the John Lewis feature that attracted most appreciation in our survey.



Plaudits for Argos

Finishing one place behind John Lewis, Argos was also given the thumbs up. There was plenty of praise for a range of different aspects of their CX. Customer service was rapid and 'lovely', the sales staff were 'delightful' and the delivery drivers were 'really helpful'. The opportunity to talk to a person, when required, was also greatly appreciated.

The last thing we'd like to draw your attention to is that Primark, with its limited online presence, beat ASOS (35th), a brand that invested heavily on the digital presence during the pandemic. While not wishing to read too much into that, it does seem relevant in our overall discussion about digital vs the human touch in CX.

Conclusion

The need to find the perfect balance

The disruption caused by the pandemic has shown us the extraordinary value that digital can play in the future of CX. Ironically, it has also highlighted the importance of the human touch, particularly at key points in the customer journey such as before the purchase for B2C customers and with aftersales for B2B customers.

While **88%** of CX professionals said that leaning on more digital channels has had a positive impact on their business performance, still almost three-quarters (**72%**) say they are investing in delivering more human interactions.



Make the most of your resources

Finding the right balance between digital and human will be different for each company and each industry sector, but the rewards for finding it will provide the key to success moving forward.

While CX is now a priority for many companies, in terms of focus and investment, money is invariably limited. So, the more time-saving initiatives that can be introduced, like automated email marketing software and chatbots, the more employees can focus on other tasks that will add real value for the customer in terms of meaningful human interaction.

Welcome to the age of Hybrid CX

We should never underestimate the amazing job that digital technologies are now doing in CX. However, customers will always want to interact with a person when they need to, and the secret for companies is understanding when that's most likely to be.

In the era of hybrid working, it seems appropriate to be talking about the new age of Hybrid CX.



About the research:

The research was commissioned by HubSpot and conducted by Censuswide in May/June 2021.

B2C sample: 2,003 UK nationally representative consumers aged 16+.

B2B sample: 250 18+ respondents who are responsible for decision making/ investment in customer experience within companies in the UK.



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