

The Evolution of the Customer

How Technology, Collaboration and Behaviours
are Changing the Landscape



Introduction

Changes in technology, collaboration and behaviours are shaping a new type of customer and how suppliers engage with them. The coronavirus pandemic has accelerated and exacerbated change that was already taking place, both in demand and supply.

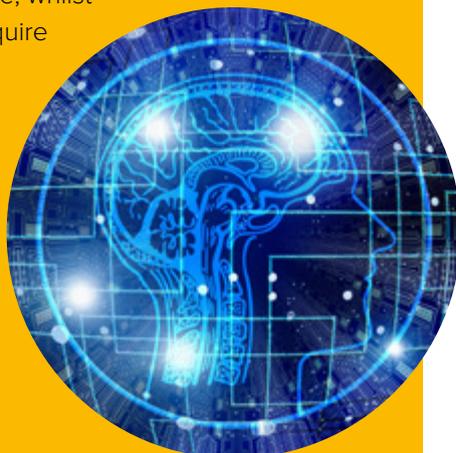
To compete in this new and evolving reality, organisations across all sectors will need to rethink customer experience in a connected, digital and more remote world. Everything from brand messaging to your marketing, sales and servicing journey counts. The overall end to end experience will decide if a customer is going to choose your product or service, purchase it again or recommend it to a friend or colleague.

In this whitepaper we'll look at various markets from mass-market Business to Consumer (B2C) markets and Business to Business (B2B) markets, as well as the downstream impact on wholesale and complex supply chains.

We'll also give our views on how an integrated CRM solution can help organisations adapt to the evolution of the customer.

The Difference between B2C and B2B engagement

As we discuss the evolution of the customer, it's important to understand the differences between business-to-business (B2B) and business-to-consumer (B2C) engagement. B2B often involves higher priced products and services, longer sales cycles, and more complex purchasing decisions with multiple influencers and decision makers. B2C is simpler, with faster selling to one, or maybe two, buyers. B2C sales have traditionally take place in retail stores, over the phone and more recently online, whilst B2B sales often require telephone and / or face to face sales contacts.



Business to Consumer Evolution

With the pandemic forcing businesses to close branch offices and retail stores, B2C businesses had to switch almost overnight to digital, remote selling, home delivery and click and collect. At the same time, consumers not only became more comfortable buying online, they also began to desire performing more of their buying journey online and on mobile devices. These coinciding trends are changing B2C sales for the long term.

In March 2021, Barclaycard Payments, which processes nearly £1 in every £3 spent in the UK, released [research](#) showing shifts in buying behaviours, particularly in retail. Some of these findings are below:

- Home delivery - growth in deliveries is here to stay, with over half of people expecting to receive either the same amount (47 per cent) or more (10 per cent) in the future.
- Click and Collect - Almost all (90 per cent) of those who have been using 'Click and Collect' more often since the start of the pandemic will keep this up once all restrictions have been lifted.
- Returns - 12 per cent report returning more because they are not able to try items on in-store and nine per cent have used home deliveries as a try-on service, ordering multiple sizes and colours in the absence of a shop changing room. Returns pose a number of challenges to retailers, both logistically and financially, so it will be interesting to see whether the market moves towards disincentivising excessive returns once lockdown restrictions end, by tightening up returns policies.
- Mobile Payment - 30 per cent of consumers and 55 per cent of 25-34-year olds say they now regularly leave their wallet or purse behind because all they need is their mobile phone.



- Infrastructure Investment - small and medium sized businesses are responding to this new landscape, with nearly three in ten (29 per cent) planning to invest in new equipment and technology in 2021, and 13 per cent viewing technology as the top opportunity for growth over the next year.

No one knows for sure just how many of the consumer behavioural changes accelerated by COVID-19 will gain permanent traction, but similarly to the Barclays Payments research, recent PWC consumer research is pointing to an increased desire among citizens for transparency, sustainability, cleanliness, community living and social consciousness.

PWC - Global Consumer Insights Survey

“At such a pivotal moment in our recent history, the need for all consumer-facing companies to establish trust with the consumer could not be any clearer. Our insights suggest that the pace of change and industry disruption underway will drive the emergence and establishment of a new cohort of winners and laggards in our industry over the next decade, with the consumer at the centre as never before.”

2020 has shown that loyalty is more important than ever, and keeping customers sticky is crucial in such a competitive market. Statistics reveal that 56% of customers feel more loyal to brands who understand their needs and expectations.

In 2021, retailers will offer a more competitive service by connecting the online and offline delivery experiences. Providing customers with detailed information to meet their every command and query will ensure a new type of customer loyalty that is built on an exceptional delivery experience. With new customers in the market – particularly those who have been forced online due to the pandemic – blending a consistent online and offline experience will increase the chances of converting these customers on a permanent basis, even when a cheaper product offer may be available elsewhere.

The shift to Omnichannel

Ever changing consumer behaviour means that 75% of consumers now prefer to receive brand communications via email or mobile, and only a third prefer to start customer support interactions via phone or customer service representatives. This underpins the importance of both marketing and customer service being available across channels, including email, website chat, social, and SMS/text.

Brands that can adapt and offer digital and real-life experiences that weave seamlessly together will drive economic recovery for the commerce industry. Omnichannel fluidity and flexibility will allow brands to cater to changing consumer needs addressing things like safety, real-time updates and options in this “new normal” of consumerism.

There is a real opportunity for brands to continue to instil consumer confidence with strong offerings and relevance focusing on delivering what customers truly want and need during this time.

In March 2021 Google in association with Trinity McQueen produced UK specific **research** highlighting five key areas of permanent change to B2C buyer behaviour:

1. Online-based experiences are here to stay
2. Shopping attitudes have shifted across demographics
3. The pandemic is not the only reason people are choosing to shop online
4. New brand loyalties have formed
5. The strategic role of the physical store has evolved

COVID-19 was a major accelerator in the shift to digital for most of us; how we take classes, do our jobs, connect with friends, and definitely how we shop. Online shopping had already been the norm with Gen Z and Millennials, but COVID-19 served as the inflection point for older demographics and slow adopters. Gen X and Baby Boomers are often reluctant to change their habits, but 2020 disrupted the status quo for nearly all aspects of life.



Business to Business (B2B)

The behaviour patterns of B2B buyers have been evolving over the last decade as they become increasingly focused on controlling their own purchase journeys and gaining access to self-service or “low touch” buying. In parallel, buyers are beginning to value references and testimonials over companies’ own promises to meet their needs. As these trends show no signs of slowing, B2B providers have to contend with a more discerning and demanding target market.

In order to overcome the challenges posed by these developments, Forrester suggests that sales teams in B2B organisations must prioritise openness, connectedness, intuitiveness and immediacy. Furthermore, failure to stay ahead of these changing dynamics is likely to have a direct negative impact on results.

But while having highly trained sales teams is a defining factor of success in the B2B channel, it’s not the only one. To drive success in this demanding market landscape, they must have access to technology that aids them in engaging with customers and meeting their expectations.

The COVID Effect

The disruption caused by the global pandemic has led to some profound changes in our values, attitudes and behaviours to both our personal and work lives. For B2B channels, this has accelerated the adoption of some existing trends that were already in ascendancy, such as digital transformation and the increased use of data to understand and respond to changes in buyer behaviour and embedding new ways of working through a more agile approach to marketing. It also helped to create some interesting new trends which we expect to see gain momentum in B2B marketing in 2021 and beyond.

The absence of face-to-face interactions has restricted our ability to measure client relationships using inter-personal contact. Managing a sales pipeline across myriad different communication channels, stakeholders and geographies in today’s environment requires a strategic overhaul in sales approach. Enterprises need to unlock the hidden insights which lie within their unstructured client engagement data, or risk losing significant market share and revenue generating opportunities.

Customer Centricity Accelerates

Most businesses think they know their customer, but there has been a tendency for businesses to focus on what they want to talk about, rather than what their customers want to know or will find most useful. The disruption from the pandemic has certainly





shone a light on this. Suddenly people were thinking and behaving differently, both in their personal and work lives, and buying decisions were often put on hold. In 2021, organisations will be focused on truly understanding what their customers want, their business environments and how they can best support them. Customer centricity therefore needs to be at the very forefront of every sales, marketing and customer service decision, campaign and communication.

The Shift to Digital

Similar to what we've seen in the B2C environment, the importance of digital channels for B2B companies has grown significantly in recent years and has dramatically increased since the COVID-19 crisis began. According to McKinsey, global sales leaders on average rate digital channels approximately twice as important now as they were before, with B2B decision makers in Spain and the UK rating them even more highly (close to triple their previous importance) while those in Japan and South Korea, at the lower end of the scale, rated them closer to 1.5 times more important than before.

Remote Selling

Like almost all functions in essentially every sector, the shift to remote selling was born of necessity as lockdowns, work from home orders, and quarantining have forced people to stay at home. B2B sellers reacted with speed: around 90 percent of them are working via videoconferencing or

phone. China and India lead the way in the scale of this shift, with Spain and the UK not far behind according to McKinsey. Not surprisingly, the trend is more pronounced in some sectors than in others: in technology, media, and telecoms, it is almost at 100 percent.

In an environment where habits and practices have changed so quickly and will likely continue to do so, sales leaders need a clear view of what their customers want and what steps their company can take to address their needs. Traditional face-to-face interactions have given way to sales and service support by videoconference, webinar, phone, human chatbot, and other means. In this remote and digital world, however, there is still a crucial role for the human touch.

Leverage the right customer data

Maintaining customer relationships has been critical during the Covid-19 and will be even more so during the recovery phase. In our experience, enterprise customers are looking at how they gather and contextualise their data so that the insights gleaned are robust and actionable.

By using data carefully, businesses can learn to improve their ability to communicate with their audiences at the critical moments they are most receptive. Additionally, by leaning on analytics, marketers will be able to use the data to prioritise services and content that matter the most.





Wholesale and Supply Chains

The impact caused by COVID-19 have had a huge impact across all areas of the economy, but nowhere has this been as clear as in the world of supply chains. At its peak, the pandemic shut factories, stalled shipments, closed borders and cut off labour supplies for organisations all over the world.

The disruption caused to global supply chains will yield plenty of lessons for supply chain planners, but it has also served to accelerate existing trends. The move to remote working combined with smaller, furlough-reduced teams has accelerated the need for digital transformation, with some businesses likely to never return to pre-crisis headcounts. The logistics industry itself has changed. While bottlenecks and delays may continue for many months yet, when they eventually do clear, freight costs may be permanently inflated, while contracts may become stricter for shippers. Meanwhile, newer modes have flourished, with rail freight seeing record business and Sea Air emerging as a valuable alternative. All these changes will be shaped by customer demand. Lockdown has boosted UK e-commerce to the tune of £5.3bn in 2020, accelerating existing trends. However, in the face of lost jobs, reduced consumer confidence and recessions, businesses will need to find new ways to keep customers engaged.

Leveraging Customer Relationship Management (CRM) Solutions

What makes organisations succeed in the 'new normal'? One of the key success factors is that they're making the right investments, breaking down internal and supplier silos and integrating capabilities to deliver the services their customers want, when they want them.

Organisations that are putting the customer, and their people, at the centre of their digital transformations are coming out in front. They're going beyond marketing messages to enhance and deliver a greater customer experience as well as improve the internal processes that are impacted. They're prioritising agile ways of working, growing revenues and increasing efficiencies. They're looking to grow through greater customer loyalty, better productivity, and more engaged workforces.

At StyleTech, we've spent over 21 years building bespoke solutions to support organisations large and small, public and private sector, B2B and B2C. We invest time in understanding your business challenges, your systems and processes as well as your aspirations as an organisation.

We've developed ViewPointCRM and ViewPoint Vantage to support existing customers with their challenges and aspirations and have brought a flexible, configurable and secure application to market that can be tailored to individual customer's needs.

We understand that organisations have multiple legacy systems that they've invested huge amounts of time and money in. We understand that their data sits across multiple servers and users' hard drives and isn't consistent. And we understand that processes across established organisations are not optimal.

We will work with you to implement a CRM solution that not only works for the 'new normal', but we'll continue to work with you to adapt to industry and market changes as your customers and products evolve.

To find out how ViewPointCRM can help your organisation, click [here](#) to arrange an initial meeting with our team.

About StyleTech

We Are All About You

At StyleTech we are committed to building a deep understanding of your organisation, its strategic goals and challenges. Equipped with this knowledge we work with you to deliver a fit-for-purpose CRM solution that will help drive your organisation forward.

Why our clients choose us:

- **Trust**
We are trusted by leading private and public sector organisations across the UK.
- **Security**
We keep our clients' systems protected and secure at all times.
- **Award-winning**
We have won multiple awards by applying best practice to the areas of analysis, design and software development.
- **Specialists**
Our expert team of developers have decades of experience in developing software across current and legacy platforms, ensuring seamless integration of applications.



Joshua Chapman
Marketing Director
Scientific Laboratory Supplies

"We chose StyleTech because their system was unlike anything else we had seen. Not only did their functionality tick more boxes than many other systems with functionality like the Quotes Hub and Discovery, but their programme allowed for significant bespoke interfacing to other areas of our business that would have required cost-prohibitive development from other packages we were looking at. This would allow for a much more consolidated programme with opportunity for further development as we continue to develop and innovate our systems."



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