



# Global Insights Report

September/October 2020

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A look at the impact of Covid-19 on consumer behaviours and business strategies



As the world faces another resurgence of the coronavirus, businesses will again be tested on their response—but this time consumer expectations will be much higher. In the beginning of the pandemic, businesses scrambled to set up remote workforces and new ways to support customers as everything locked down. In the short-term, many consumers stayed loyal to businesses they frequented before Covid-19. However, our recent research shows that loyalty may not be a given going forward.

In mid-September 2020, we surveyed 3,000 consumers and 900 businesses in 10 countries, including: Australia, Brazil, France, Germany, India, Japan, Singapore, Spain, the United Kingdom and the United States. This report is the second of three in a longitudinal study exploring the major shifts in consumer behaviour and business strategy pre- and post-Covid-19.

Though businesses worldwide have started to see their operations stabilise, moving from survival mode toward sustainability, growth still presents a challenge. High expectations for security and convenience compounded by the increased demand for online payments, banking and shopping are pushing businesses to re-imagine the customer journey—and the investments they make to drive future growth.

Most consumers reported a positive experience in their sudden shift to the digital channel and plan to increase their online transactions. The pandemic has also accelerated the move toward contactless payments for when shopping in-person is essential. The result has been a merging of consumers' online and offline worlds calling upon businesses to create a fluidity between cross-channel interactions.

Regardless of where they're transacting, consumers expect a secure, convenient experience—and they'll quickly abandon financial transactions if they're let down. Are businesses adapting the customer journey as quickly as customers are expecting more from their digital experience?



# Top 15 Insights

## Consumer expectations of their digital experience are increasing



**60%** of people have higher expectations of their digital experience than before Covid-19. Consumers in the U.S. (81%), India (79%) and the U.K. (75%) believe these high expectations are being met



**1 out of 3** consumers are only willing to wait up to 30 seconds before abandoning an online transaction, especially when accessing their bank accounts



**Two-thirds** of consumers globally have remained loyal to their favorite brands during the pandemic. Loyalty is highest in India (80%) and lowest in France (57%)



**61%** of people surveyed now regularly order groceries or food delivery online. This is a 7-point increase in this type of online payment since July



**77%** of people said they feel most secure when using physical biometrics, and 62% of people said it improves their customer experience when managing finances or payments online



Consumers are most concerned about protecting their financial data over other types of information (e.g. personal, contact, web history). Concern is highest in France (46%) and Japan (43%)



For the past 3 years, consumers trust payment system providers (e.g. PayPal, WePay, Apple Pay) the most for consistently providing a secure and convenient digital customer experience



Adoption for mobile wallets has jumped **+11%** since July as consumers continue to increase their online activities and contactless in-person transactions

# Top 15 Insights

## Businesses are looking for new ways to keep up with consumer expectations



**Half of businesses** surveyed have [mostly/ completely] resumed operations since Covid-19 began, but only 24% are deliberately making changes to their digital customer journey

**70%** of businesses have a plan to move customers out of Covid-induced collections but the implications of that impact on the balance sheet and future provisions are not yet clear



**70%** of businesses are focused on fraud prevention over revenue generation, increasing measures to protect consumer's online transactions

Top 5 initiatives amongst retail banks, payment providers and retailers that have been accelerated by Covid-19:



Use of AI to improve customer decisions



Strengthening security of mobile and digital channels



Increasing digital acquisition and improving engagement



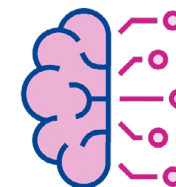
Automating customer decisions



Understanding customer profiles (e.g. affordability, preferences, behaviours)



**3 of the top 5** solutions businesses are using to help improve the customer journey are designed for driving insights into faster customer decisions, including on-demand cloud-based decision apps



Artificial intelligence is the top model businesses are considering to help manage credit risk but nearly half are feeling constrained to explain customer decisions when using advanced analytics



**40%** of businesses are doing a better job communicating how customer data is used to enhance the customer experience, protect consumer information and personalise products and services

# Conclusion

Lenders and retailers play a critical role in helping consumers and getting economies back on track. Experian Decision Analytics helps clients around the world to seamlessly integrate data, analytics and technology so that they can quickly adapt decisioning strategies to minimise risk, preserve valuable relationships and remain fair and compliant. From consumers needing short-term support like payment holidays to those facing longer-term challenges like unemployment, businesses are accelerating their digital transformation initiatives to address individual customer needs safely, conveniently and at scale.

Fieldwork dates for this second study was September 16 – 30, 2020. Market and community response to Coronavirus has been different in country, state and city which should be taken into consideration when reviewing these results.