

# J.D. POWER

Customer Service Advisory Practice Insight

August 2020

## **Work-at-Home Customer Service Model is Holding Up Now, But Dark Clouds are Forming on the Horizon**

### ***Stop-Gap Measures Helped Keep Customer Satisfaction High During Pandemic, but Organizations Face Higher Hurdles to Make the Remote Model Sustainable***

Speculators have been forecasting the death of the brick-and-mortar customer service call center for decades. Has COVID-19 proven to be the catalyst to finally make that happen? Are work-from-anywhere flexible tech platforms the future of customer service? That's been the consensus of many major customer service and technical support providers who've moved most of their employees to remote work models during the COVID-19 pandemic, many of which say they plan to make these changes permanent.

The work-from-anywhere environment for customer service and technical support operations has been slowly gaining momentum as companies have realized that technology can help mitigate privacy and security risks. Additionally, some workers thrive in the work-at-home model which reduces corporate operating costs, while putting more money in the pockets of workers who no longer have to drive to work. But the pandemic forced the change literally overnight. Now, after six months of juggling tech challenges and trying to suppress barking dogs in the background while dealing with massive changes in consumer behavior, the question is: *Will the remote customer service model be sustainable for the long term?*

To find out, we conducted a pulse survey comparing the pre-COVID-19 customer service environment to the COVID-19 environment, surveying 124 customer service organizations across 13 industries throughout North America in May and June of 2020. Ultimately, we found that customer service organizations have been remarkably successful at managing the transition to large-scale remote work, but many challenges remain before this approach will be sustainable.

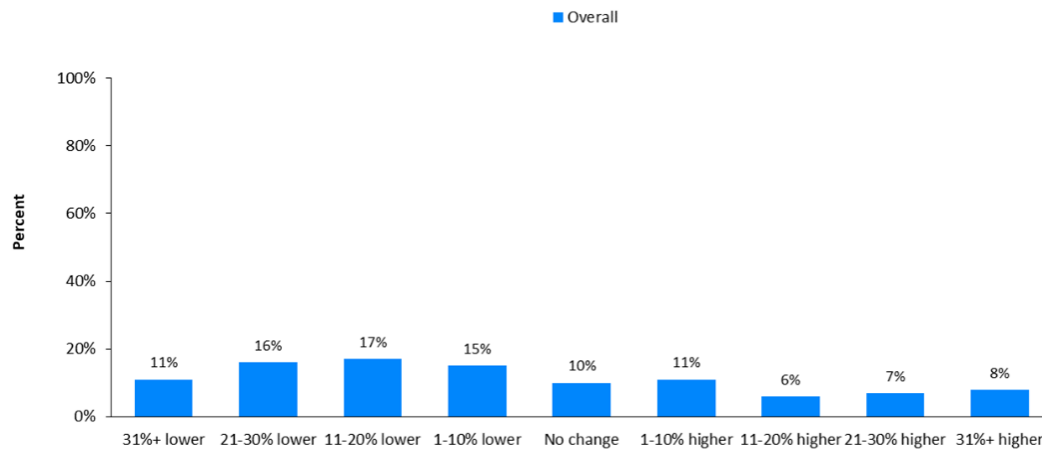
### **Call Volumes Drop but Average Handle Time Increases**

Due to a combination of longer-than-expected hold times, proactive messaging of brands to use the phones only if the issue was urgent and the large-scale shift in customer behavior, consumers moved heavily into digital self-service channels for customer service during the pandemic. Overall, 56% of companies in the study reported declines in overall call volume in May and June. Meanwhile, 57% of companies indicated an increase in web self-service volumes; 50% noted higher e-mail volumes; 47% saw greater social media engagement and 45% cited more chat use.

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How does the volume in your Assisted phone channel compare to your pre-COVID-19 average? (V3)

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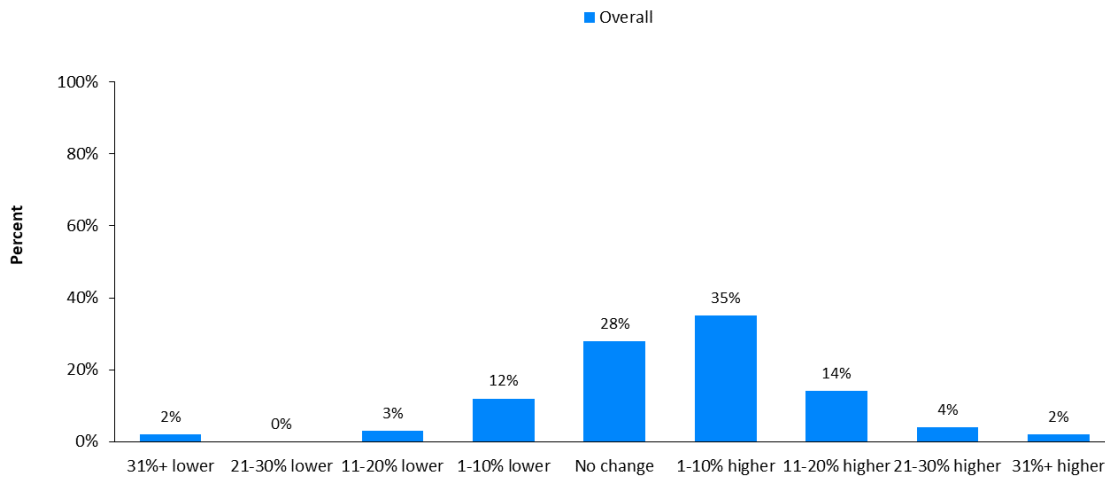
But the raw trend in volume away from phone-based agents and toward self-service, does not tell the full story. While overall phone volume declined during the pandemic, the average handle time (AHT) for each call decreased for only 18% of companies, while it remained the same for 28% and increased for 55% of the companies in the survey. This reflects an increased complexity of calls being handled by phone agents and an increased degree of interaction and empathy among agents.

One call center operator commented on a phenomenon that's been playing out on the live phone channel: "Much of the work-at-home staff who were previously in the office live alone and have been forced to quarantine. With this sense of social isolation has come longer AHTs as both customers and employees are using their time on calls to help bridge some of the social distance."

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For your live phone channel, how has your Average Handle Time (AHT) changed this week from pre-COVID-19 averages? (AT2)

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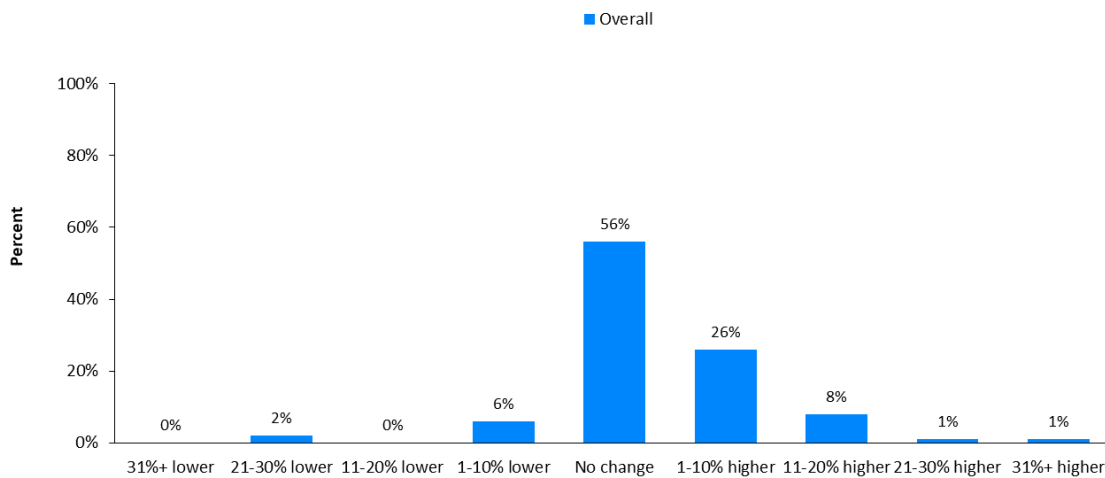
## Customer Satisfaction with Live Phone Channel Stays Strong...For Now

The added level of engagement being provided by live phone agents in helping customers address more complicated problems had the benefit of keeping customer satisfaction strong during the pandemic. Across the survey, 92% of companies saw their customer experience scores stay the same or increase throughout the pandemic.

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For your live phone channel, how has your Customer Satisfaction or NPS changed this week from pre-COVID-19 averages? (AT4)

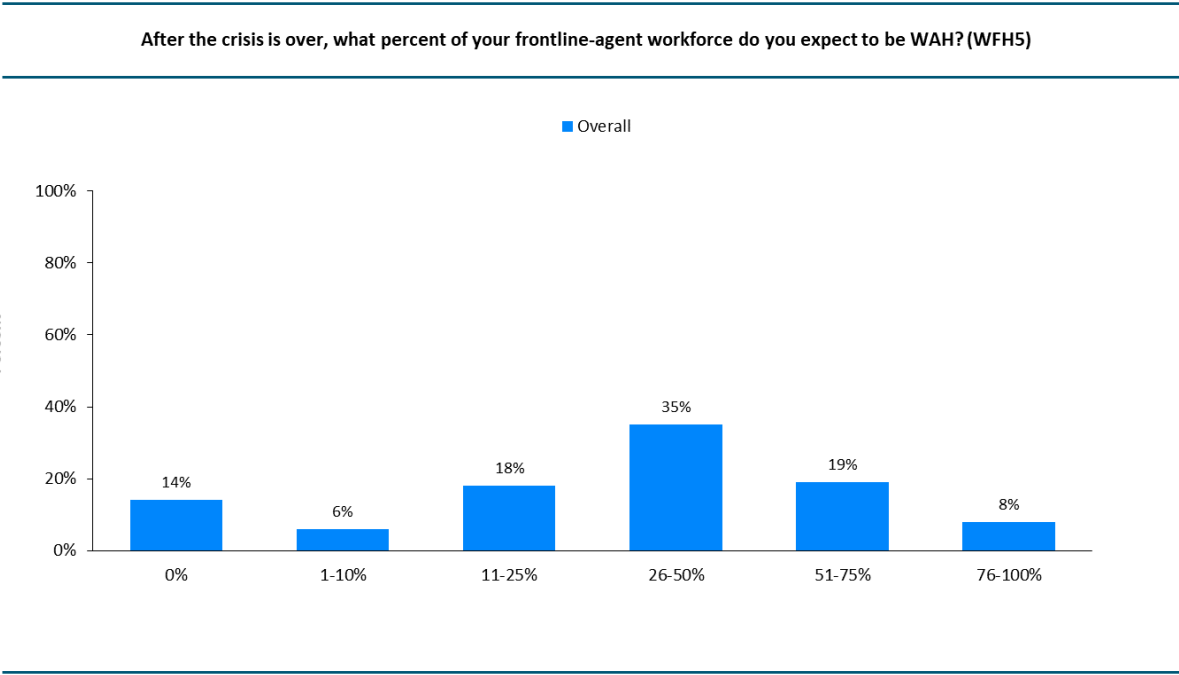
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One big wild card in that strong CX performance, however, is that many of these calls involved setting up deferred payment arrangements, which phone support representatives were largely able to grant. From the postponement of mortgage payments to the removal of some co-pays to the elimination of late fees, brands have worked hard to help their clients and build up goodwill during this extreme time of hardship. Satisfaction scores will be negatively affected once late fees are reinstated and deferral programs are no longer in place. It is also worth noting that customers generally had lower expectations for phone-based support during the height of the pandemic but will soon be expecting a more normalized experience in terms of average speed of answer (ASA), AHT and successful problem resolution.

### Plans and Projected Challenges on the Road Ahead

Customer service business leaders are aware that there are still many challenges ahead before they achieve a truly seamless work-from-anywhere model, but the majority still plan to move in that direction. All told, 86% of organizations in the survey said they plan to implement permanent work-at-home models even after the pandemic is no longer an issue.



Among the biggest challenges to achieving this, managers cite effective training and coaching and technology limitations as their biggest hurdles.

“Training new hires for eight hours via Skype is a difficult adjustment for facilitators used to training in person,” one call center operator explained. “It’s also challenging for new hires, since curriculum was designed to be delivered mostly in-person.” Trainers and their training materials, like the other aspects of managing a remote service organization, will get better over time as the remote environment becomes the norm for many organizations.

On the technology side, call center leaders are dealing with a range of challenges, from facilitating real-time collaboration and connectivity between dispersed teams to basic issues like making sure employees have the right equipment and space to be able to work efficiently for an extended period. One manager described the situation bluntly: “Getting an adequate desk set up is a real issue. We have emergency workarounds in place, but this is going on longer and we need a better set up if this is going to be permanent.”

If COVID-19 is indeed going to be the catalyst to the eventual demise of the traditional brick-and-mortar contact center, these are all issues that will need to be addressed.

Despite the fact that brands will continue to execute better, it is likely that the grind on the frontline agents and supervisors associated with the isolation and lack of support that can often come with the work-at-home model, will take its toll on performance and agent attrition. The reality is that not all people are able to work effectively over long periods of time in a work-at-home environment. Once other employment options open up after the crisis, many otherwise excellent employees will either need to be moved back into a scaled-down center environment, or they will leave.

Combine the risks of underperforming agents, agent attrition and the scaling back of consumer-friendly financial policies, and the stage is set for a significant decrease in employee experience and customer experience over the next several quarters. Smart brands will do well to take actions now to understand how well their employees fit emotionally and psychologically in a work-at-home environment. Ensuring that the right people are working at home, and providing the culture, management practices and technology to maximize employee engagement and effectiveness will enable brands to take care of their customers and build a competitive advantage now and into the future.

## **Methodology**

This J.D. Power Customer Service Insight is based on an online survey of 124 North American customer service organizations operating in 13 different industries. The survey was fielded in May and June of 2020.

## **Find out More**

This Customer Service Insight was authored by Mark Miller, practice leader, customer service advisory at J.D. Power. Please contact us at the numbers below to connect with Miller, or to learn more about the underlying data.

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