COVID-19: THE LONG-TERM LEGACY

HOW 2020 TRANSFORMED THE TECH INDUSTRY & WHAT THAT MEANS FOR ITS FUTURE

HARVARD: | **COLEMAN PARKES**
RESEARCH

WELCOME

To say 2020 was a challenging year for businesses would be an understatement. If we think back to March last year, few predicted how drastically our lives would change at the hands of Covid-19. But even fewer foresaw just how lasting the impacts would be – and still are.

Yet, just under a year on, the global pandemic continues to fill the front pages and barely a conversation goes by without mention of the unprecedented levels of disruption. This, combined with the aftermath of Brexit, understandably has many organisations fretting for the year ahead.

Alongside economic and business disruption, we've also experienced some significant social change through the Black Lives Matter movement, which has put a stronger spotlight on the way we act, the way we talk and the way we work.

So businesses have displayed their ability to pivot and prosper in the face of economic adversity, and diversity and inclusion has surged to the forefront of any forward-thinking organisation. Seemingly, there's a lot to be hopeful for in 2021 and beyond. But we've still got a long way to go.

Back in April 2020, in partnership with Coleman Parkes, we explored the initial mood among organisations during the immediate aftermath of Covid-19. Following our intriguing findings, we wanted to revisit the same type of organisations to uncover the pandemic's lasting impact on business and business decision-makers, the shift in attitudes towards the tech industry and the ongoing importance of communications during these uncertain times.

Of course, technology has been at the heart of the resilience and innovation for many businesses, with the tech industry's enablement of transformation and empowering of employees. So, we'd like to extend a huge pat on the back to our peers for keeping us all connected and talking throughout these challenging times. To say thank you, we hope this report can bring value to your own organisation to enjoy sustained success in this – excuse the cliché – new normal.

LOUIE ST CLAIRE
CEO, Harvard

Technology has been a blessing and a curse over the past 12 months.

Consumers – some for the first time – have been able to communicate with their loved ones by way of an accessible, virtual 1-2-1 experience, but have been unable to find the most basic essential items online and in-store.

Society has become aware of how pivotal technology has become in campaigning against social injustices but also in the spread of misinformation, notably in the midst of public health and political crises.

CEOs were thrown a lifeline in the form of accelerated transformation opportunities, enabling some of the busiest people to work from the comfort of their home, whilst the mental health of employees suffered.

However, in recent months technology has been fighting back; advanced data analytics providers are helping supply chains better predict and prepare for rapidly changing customer demands; social media giants are tackling the spread of misinformation; and AI is helping workplaces assess hygiene safety levels in vast office spaces in anticipation of a return to the workplace.

This report, in partnership with Harvard, will discuss how tech brands are now fighting back for the greater good of consumers, society, businesses and its employees.

We are hopeful that 2021 will be the year when the advantages presented by technology begin to make real headway.

Thank you everyone who participated in this second wave of our research into **Covid-19: The long-term legacy.**

STEPHEN SAW
Director, Coleman Parkes Research

NOTES ON THIS RESEARCH

In each piece of research, we surveyed 450 UK business decision makers in medium to large companies across six industries: Financial Services, Professional Services, IT/Tech Services, Manufacturing, Healthcare and Telecommunications.

In April 2020, our initial aim was to understand how decision makers were feeling about the impact of Covid-19. Following the report's compelling findings, we wanted to revisit the same organisations – in October 2020 – to further understand the reality for business leaders over the course of the year.

The first survey captured the initial business response to Covid-19, whereas this second survey focuses on the bigger societal shifts to occur. From the data, we've defined some key trends arising from the pandemic and have made recommendations for how comms and marketing professionals can best react in 2021.

EXECUTIVE SUMMARY

Since our _first report_, a lot has changed for business leaders. Primarily, respondents' recognition of the pandemic's impact – both positive and negative – increased significantly between each piece of research.

In terms of the factors impacting business, issues with longer-term consequences such as climate change, political unrest and trade wars reduced in importance, giving way to more immediate factors like Covid-19 and Brexit.

Since our first survey, tech has also enjoyed a renaissance of positivity. But this renewed positive sentiment hangs finely in the balance, with lingering concerns about tech's power and a belief from consumers in its continued responsibility to drive positive change in society.

One of the key insights to emerge from this second survey was the growing importance of employee wellbeing – although, compared to other sectors, the tech industry reported less focus on the need for access to mental health support for employees.

In the time between both surveys, businesses also experienced substantial changes to organisational purpose and culture. This resulted in a significant shift in comms and marketing, with an increased focus on demonstrating and communicating businesses' more meaningful role in society.

In terms of digital transformation, barriers that were challenged in our first survey were, in the main, swept away by the time of the second. This created fundamental changes to everyday business and also longer-term effects, such as the increasing speed of product and service delivery and innovation.

For tech comms professionals this has led to vast change; a need to review and refresh how, where and when they communicate with customers, the industry and their peers. We hope our report's findings will uncover your customers' most pressing challenges and opportunities, to help you enjoy success in the next year and beyond.

CHAPTER 1
THE COVID ACCELERATION

CHAPTER 1

TRANSFORMING AND INNOVATING THROUGH COVID

Ten months since the global outbreak of Covid-19, our research found that the pandemic's impact has actually been _more_ seismic than organisations _originally anticipated._ It's had a deeper effect and will be more long-lasting than business leaders thought in the first few months of the pandemic response.

The short-term implications of Covid-19 on businesses are well known. Forced by circumstances, firms invested rapidly in digital tools and infrastructure. The pandemic served almost as a time machine, with just under three-quarters of respondents agreeing that advancements they thought may take years have accelerated dramatically. This helped make their business more resilient and future-proof.

Now we can more clearly see that the accelerated rate of investment in tech has initiated a wave of new product and service offerings and supercharged industry innovation, with two-thirds of respondents saying that these advancements will remain in place as part of their business strategy.

Some businesses tried anything just to get through the pandemic and stay afloat. But some of those temporary measures and short-term experiments will have paid off and will form the basis of new business models, revenue streams, working processes or whole new companies in 2021 and beyond.

KEY STATS

69% agree that Covid-19 will have a direct impact on their business in the next 12 months (an increase from 49% in April 2020).

77% agree the impact of the pandemic has increased the focus on business resilience.

69% agree that innovation in the business has improved (an increase from 42% in our first survey).

73% agree that technological changes they thought may take years have accelerated dramatically.

63% agree Brexit is the second most important factor impacting business (an increase from 50% in Survey 1).

CHAPTER
1

CUSTOMER BEHAVIOUR LEAPS AHEAD

Most firms track customer behaviour closely and adapt as they see attitudes and preferences evolve gradually over time. The upheavals of 2020 changed all of that.

A series of enormous changes happened one after the other – a global pandemic, a dramatic economic crisis, transformed consumer habits, and a moment of socio-political activism. People's behaviour took a sudden leap forward, not a gradual evolution.

UK ecommerce, for instance, went from 22% to _30% of all retail spending_ in the space of a month in spring 2020. Meanwhile, _more than 70%_ of UK adults made video calls at least weekly in May 2020, double the level of three months before.

Businesses are continuing to adapt to these changes in behaviour and mindset. Tech companies have actually been relatively insulated from the disruption of Covid-19 itself, as so many of their processes and products were able to cope in a remote working environment. For them, other issues are higher on the agenda as 2021 kicks off.

KEY STATS

66% of respondents have made pivots in product or service offering that will remain in place as part of their business strategy (an increase from 42% in our first survey).

77% agree the impact of the pandemic has increased the focus on business resilience.

Of all sectors surveyed, the tech industry anticipates Covid-19 and Brexit to have the lowest impact on them (45% and 49% respectively, compared to the average of 69% and 63% in our first survey).

Instead, the two biggest challenges for tech businesses in 2021 will be cybersecurity (55%) and social activism (47%).

WHAT THIS MEANS FOR MARKETING AND COMMS IN 2021

- The impact of 2020 has been even greater than people imagined. All companies will need to take time to pause and reflect, **making sure their comms and marketing is still aligned to the business strategy, direction and goal – and most importantly to their customers and employees.** From the rising importance of purpose to transformed processes, it's never been more important to stop and listen before acting.

- With the vaccine roll-out in full swing and the UK's withdrawal from the EU, it may feel as though disruption is dissipating. But the reality is that more uncertainty is coming. Agility and flexibility will be critical, as will the need to balance short-term wins versus long-term goals. **Customer communications that recognises and empathises with this tug of war** will be received best.

- The acceleration of innovation means the narrative around digital transformation needs to evolve – and quickly. Added to that is the nuance that while the pandemic and remote working has catalysed some areas (such as collaboration and cloud adoption), businesses will be playing catch-up in other areas like cybersecurity and customer experience. **Getting to grips with where your customers have progressed and where they're lagging will be important to your digital transformation story.**
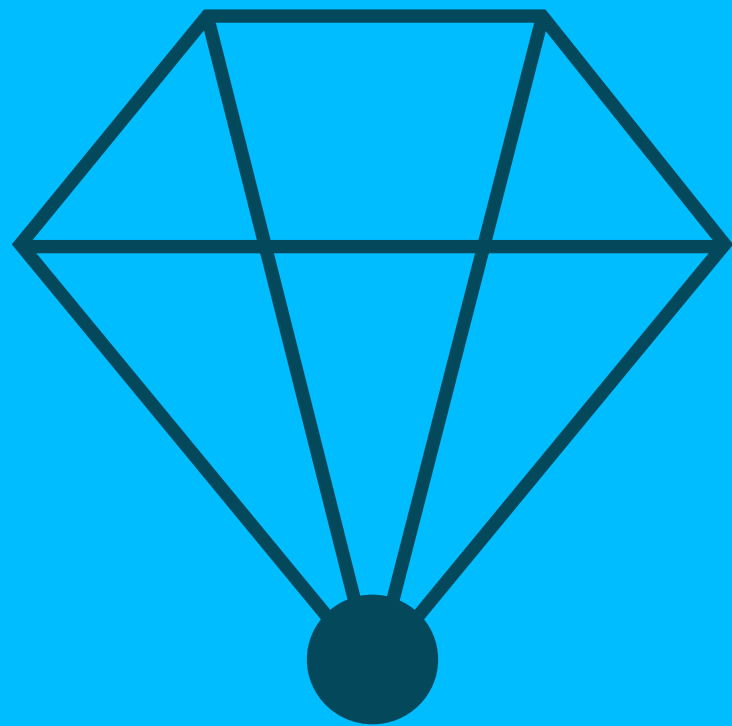
CHAPTER 2
CHANGING WORKPLACES

CHAPTER
2

WFH AS STANDARD

Working from home became the default model for millions of businesses in the UK in 2020. shows that 30% of adults were wholly WFH in November and a new lockdown means it's likely that many of us will carry on like this for some time yet.

For businesses and employees alike, the upsurge in remote working has given rise to the concept of an office without borders, which seems to be redefining work as no longer a place we go but a thing we do.

Our research found two different ways in which comms and marketing people need to think about the implications of their changing workplaces.

KEY STATS

83% agree increased remote working is a trend that will remain in place as a result of Covid-19.

65% agree the adoption of a permanent hybrid workforce model is one of the top business impacts of Covid-19.

CHAPTER
2

WFH AS STANDARD
TECH & INFRASTRUCTURE

Thanks to the new hybrid working model, companies' IT teams will become increasingly important in the internal comms experience for employees. Indeed, it's plausible that the IT staff responsible for on-boarding new employees and troubleshooting for existing ones will become among the most significant communicators within their organisations

That's because technology has become integral to both our happiness and our productivity at work. And for the same reason, companies are being judged on their technology capabilities more than ever, by both employees and customers.

Digital transformation budgets reflect this, with organisations prioritising their capacity to promote a hybrid working model – resulting in continued investment in technology (software and hardware) in order to keep pace with the needs of its people.

KEY STATS

71% agree that employees' experience of tech will impact their view of the employer.

The biggest priority in 2021 will be an investment in upgrading tech, with half of businesses (51%) looking to increase spend this year.

CHAPTER
2

WFH AS STANDARD
CULTURE & PEOPLE

Despite all of the challenges of the pandemic, our research suggests that organisational cultures have got stronger as a result – mainly thanks to the continuing support and compassion shown towards employees. This is largely as a result of organisations' understanding of work-life challenges and their willingness to promote and empower flexible ways of working.

Employees' continued appetite for flexible working since our first survey suggests that it's here to stay. The fact that staff are no longer in physical contact with their colleagues, and are experiencing intensified work-life pressure at the same time, has put an extra focus on the intangible elements of company life. Just under three-quarters of respondents report an increased focus on employee wellbeing and less focus on office premises.

KEY STATS

**62%** agree that organisational culture has strengthened as a result of Covid-19.

68% agree that there's an improved culture of innovation as a result of Covid-19.

73% agree that more focus on wellbeing and less focus on office premises are trends that will continue in 2021.

74% think access to mental health support has become more important.

WHAT THIS MEANS FOR MARKETING AND COMMS IN 2021

- The role of IT within businesses has never been more important or indeed central to day-to-day operations – and with that comes significant shifts in priorities and remit. As IT teams become increasingly close to employees, **communicators need to consider how they arm this audience with guidance** that accounts for these new expectations.

- Covid-19 has meant the removal of many of the 'perks' office employees enjoyed and a shift in their priorities. Brands need to reflect this in their communications and in their offerings to prospective employees. In short, this means **a co-dependent internal and external narrative** that ensures those inside the business and outside it hear and experience the same story.

- In times gone by, flexible and remote working have been talked about as being at odds with productivity. In a new environment, where businesses proved they could operate as 'business as usual' during the pandemic, the question will soon become: "How can we best optimise and drive improved productivity?" Comms and marketing teams in the technology sector will need to **explain how their brand helps customers drive that productivity and connectedness** in their business.

- For business leaders, the challenge will be in ensuring that this productivity doesn't come at the expense of their team's work-life balance. In fact, as we move into a new era of work, **we can expect the narrative around productivity to change to better encapsulate the need for downtime**. Tech brands need to stay ahead of that and ensure they are seen as a help and not a hindrance on this.

- Finally, changing workplaces also means **a change to how and when you can reach your audience**. With commutes disrupted, what does that mean for the golden age of podcasts? Moving forward, the task for marketers is to understand this evolution and be mindful of the timing and tone of their comms.
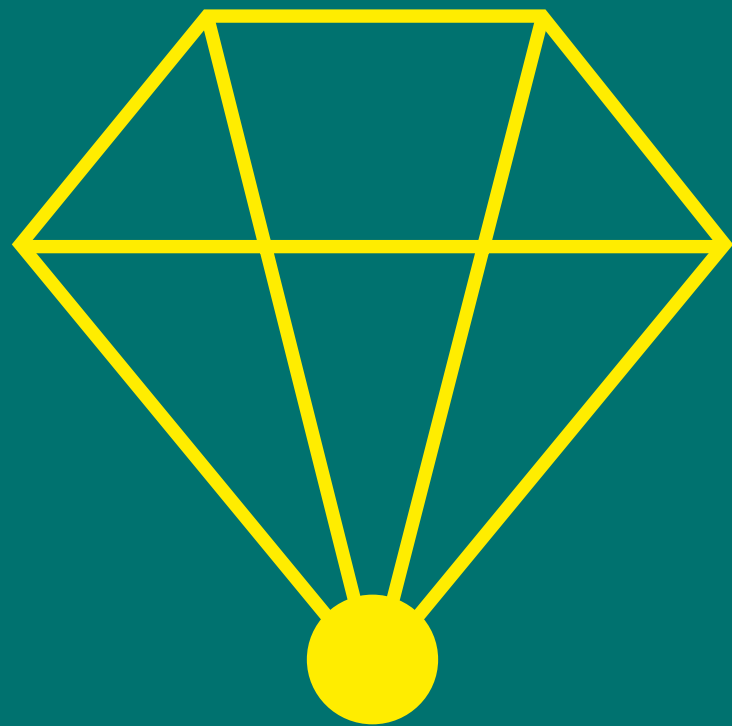
CHAPTER 3
PERCEPTIONS OF THE TECH SECTOR

CHAPTER
3

GREAT POWER = GREAT RESPONSIBILITY

In our first wave of research, we discussed how technology has been something of a lifeline during this pandemic and the backbone of many of the changes businesses have undergone in the immediate aftermath of Covid-19.

The technology industry has continued to rise to the challenge, with perceptions of tech companies becoming more positive between spring 2020 and the end of the year. But with great power comes great responsibility.

Perhaps inadvertently, tech companies have become the front line in societal debates, like those surrounding inclusion and free speech. But our research shows all other industries now expect tech to lead the way in other big societal challenges – such as encouraging inclusivity, combating misinformation and contributing to how society runs – which are often now integrally linked to technology platforms and networks.

The reality is that tech has become a bellwether and benchmark – the industry that others measure themselves against.

KEY STATS

64% felt more positive about tech companies, increasing from 48% in our first survey.

69% expect tech brands to set an example for other industries.

61% agree that tech brands are setting the benchmark for language inclusivity.

73% think that tech brands have a responsibility to combat misinformation.

78% agree that tech will continue to play a bigger role in the way society runs.

CHAPTER

3

REGULATION IS COMING

As 2020 has shown more clearly than ever, tech is now strategically vital to the functioning of our democracies and the running of our economies. This has put in firmly in the crosshairs of politicians and regulators.

Stronger regulation is inevitable in the years ahead, in the UK, EU and US. We saw the beginnings of that this year: social networks placed _information labels_ on the posts of certain politicians in the run up to (and after) the US presidential election; Big Tech bosses were _summoned before Congress_ to discuss their impact on competition and innovation; and the UK has set up a _Digital Markets Unit_ to govern the behaviour of market-dominant platforms like Google and Facebook.

It's not a surprise, then, that our respondents are also deeply concerned with the power of tech and its ability to affect society. They now expect the tech sector to play a more proactive role in propelling positive change. If it doesn't, politicians will force it to.

KEY STATS

50% think that the power of tech companies currently hurts democracy.

72% agree that tech companies have a responsibility to ensure they are good for society.

70% agree that the tech industry should participate in more purposeful social action.

70% agree that following the events of 2020, there will be increased pressure on using tech for the good of society.

WHAT THIS MEANS FOR MARKETING AND COMMS IN 2021

- We might be through the first wave of the "techlash" but is it the calm before the storm? There's increasing pressure on technology organisations to be more purpose-driven and responsible. Indeed our research shows they're often viewed as the leaders in doing what's right. So now, more than ever, this means **doing the right thing before you say it** – the moment for comms to really step up at the boardroom table (and/or video call).

- Tech brands must be thoughtful about the potential implications of their product or policy decisions and consider their possible impact far beyond a narrowly defined user base. In order to build trust, **tech brands will need to more open about how they operate** and make often complex and difficult decisions.

- It's unlikely that the tech sector can stop regulation from happening, but it can keep telling positive stories about its impact. It must also **show how it's listening to a broad and diverse set of stakeholders** to help shape decisions and drive a positive contribution to society at large.
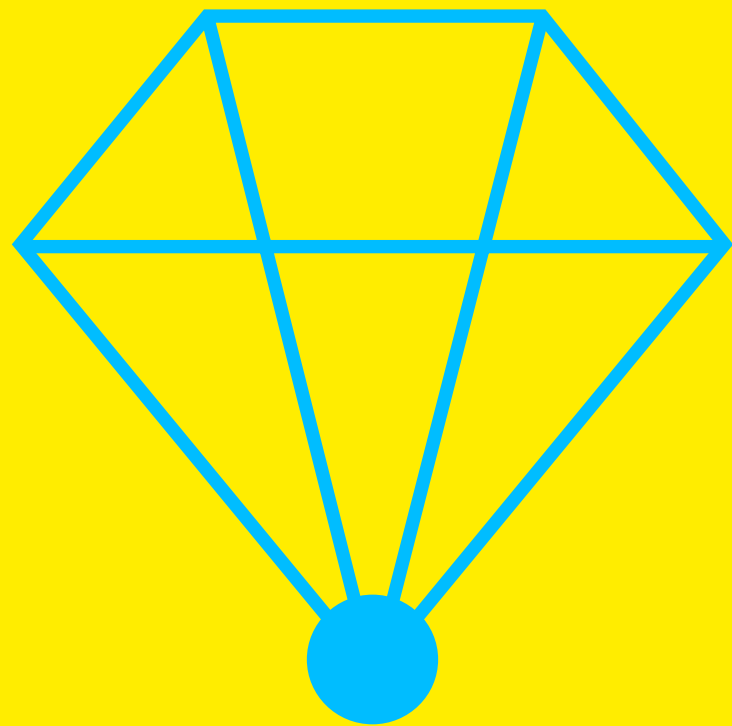
IN SUMMARY

It's no exaggeration to say that tech has hit a tipping point. While it's more powerful, prosperous and influential than ever, it's also under far greater scrutiny – both politically and socially.

Politicians have their sights set on regulating the industry. Other businesses, and millions of consumers, look to tech firms to set an example on everything from free speech to recruitment.

This puts huge pressure on the comms and marketing folk within tech companies to avoid missteps. Tech brands need to work harder to understand the nuances of the nation's mood, and demonstrate a willingness to be part of the solution to our shared challenges, rather than just money-making machines.

This all points to the need for a greater emphasis on brand purpose for tech companies. A focus on committing and demonstrating with action – not just words – that you are part of positive change. That will mean spending money on long-term programmes, not short-term stunts; on being willing to be in the background of the story, not at the centre of it; and on being a collaborator, not an owner.

We hope those in comms and marketing roles at tech brands can help lead this charge.

KEY STATS

62% think there's an increased demand on brand purpose.

59% foresee a change in business investment priorities towards building brand trust and reputation.

70% agree that the language used to engage with customers, partners and employees has never been more important.

45% have increased their focus in employee engagement and internal communications.

A LITTLE ABOUT US

Harvard is a technology PR and marketing agency that creates lasting change for its clients. An award-winning London-based agency, it works for a raft of technology brands, from global giants to the coolest start-ups, helping them to tell their stories in the most imaginative way possible, and take them to the right people, in the right places, time after time. For more information, contact hello@harvard.co.uk

Coleman Parkes is a full-service B2B market research agency specialising in IT/technology studies, targeting senior decision makers in SMB to large and enterprises across multiple sectors globally. For more information, contact research@coleman-parkes.co.uk

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