



Tomorrow's experience, today

**Harnessing a customer first approach
in a changing world**



KPMG Global Customer
Experience Excellence report



Foreword

In today's hyper-competitive and customer-centric world, it is those who know the most about their customers and harness this knowledge who achieve the greatest success.

Julio J. Hernandez

Head of Global Customer
Centre of Excellence
US Customer Advisory Lead
KPMG in the US

CEOs know they need to continue to sharpen their focus on the customer.

The challenge is that new experiences and new competitors are continuously resetting customer expectations. At the same time, new technologies – artificial intelligence, machine learning, bots, predictive analytics and a host of others – are radically changing the way brands engage and interact with their customers. The customer relationship has never been in such flux.

But how do customers feel about the experience they are getting from their brands? And what steps are companies taking to ensure they are able to continue to manage and meet customer expectations while also delivering value for shareholders?

According to Gartner's 2017 Customer Experience in Marketing Survey, two-thirds of marketing leaders surveyed currently compete mostly or completely on the basis of customer experience and 81% said they would be in two years' time.¹ In a global survey of CEOs conducted by KPMG International, 70% of CEOs felt a growing responsibility to represent the best interests of their customers and 67% want to focus on building trust. Three in five agreed that protecting customers' data is one of their most important jobs as a CEO, likely reflecting higher expectations as a result of the new European General Data Protection (GDPR) regulations. One in three said they are actively repositioning their brand to respond to the expectations of millennials.

In this report, we share the results of our first multicountry survey of customer experience. Based on the responses of almost 55,000 consumers across 14 countries, we have identified which brands are delivering the best experiences from the consumer's perspective.

We also go beyond the data to explore how the leading brands are creating exceptional customer experiences. And we share insights on how top brands are addressing the need to not just connect things today, but to connect to the ideas and technologies of the future.

There is good reason to want to understand how the leaders are differentiating themselves. Indeed, this report finds that brands that master customer experience excellence generate significantly more value than those that don't.

Our study demonstrates that the leading companies are the ones that have already found the economic value of where expectations and experience align. They are the ones that are now working to connect their enterprise in a way that removes silos and eliminates friction in the customer journey. And they are enjoying success as a result.

The very best brands for customer experience excellence are now starting to think of their customers as assets that should be protected, nurtured and invested in. They view their customers' loyalty as a form of equity in the company. And they are thinking about how they might start to move their customers onto their balance sheets vs a simple transactional relationship that appears periodically on the income statement as a revenue item.

I believe that, to cultivate true loyalty and trust with tomorrow's customers, today's companies need to look beyond the traditional demographic and segmentation approaches to understand each customer as an individual. They need to then use these insights to engage intelligently.

The leaders of tomorrow will also need to offer their customers something more than just products and services. Indeed, our research shows that customers of all ages – but millennials in particular – are looking for brands that are working towards a higher vision than simply making profits for their shareholders. They're looking for organizations with integrity – those that communicate their core beliefs openly and credibly – and where the 'why' and 'how' is as important as the 'what'.

While this report includes many of our topline findings, there are more insights to share. If you would like to discuss any aspect of this report, please contact your local KPMG member firm to learn how they can help you shape the profitable customer experience of the future.

1. Gartner, Realizing the Benefits of Superior Customer Experience: A Gartner Trend Insight Report, 11 May 2018



The best way to predict the future is to create it.

Peter Drucker

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Strategic overview

William Gibson once observed that the future is all around us, it just isn't evenly distributed yet. And so it is. Indeed, the technologies, ideas, methods and approaches that – at some point in the future – will seem 'disruptive' are already present in our world today. The challenge is making sense of them in a way that delivers a competitive advantage and a superior customer experience.

Our research finds that the leading firms in each country have made considerable progress in how they make sense of – and utilize – the technologies and approaches of the future in order to create unique experiences for their customer today.

In fact, the leaders in our research tend to share four common signs of success:



A deep understanding of the mind of the customer and their evolving needs

Firms are finding the mind of the consumer more difficult to fathom; past behavior is no longer a reliable indicator of future behavior. The underlying drivers of human decision-making have become exponentially more complex in recent years. Macro and micro environmental factors, demographic and economic shifts have accelerated the mass adoption of new technologies. The impacts on consumer behavior have been unpredictable.

This means decision-makers now need to understand their customer at a deeper, more profound level than ever before. The problem is that – for today's companies – transactional data, traditional market research and demographic profiles alone are no longer enough; they explain what customers are doing, but not necessarily why or when.

Our research suggests that the leading firms are combining advanced qualitative insight methodologies (such as ethnography and cognitive research) with an entire ecosystem of quantitative data-driven observations about their customers to achieve ever-deeper customer understanding.



First-mover knowledge and experience of new technologies and approaches

Whether through innovation labs, experimentation or advanced ethnographic design, the brands offering the top customer experiences in our research are those that are committed to matching emerging customer needs with advanced technologies. They are the ones working to get to the future before their competitors.

Artificial intelligence, machine learning, bots, predictive analytics and innovative digital applications all play their part in the leading firms' technology palette. It is how these technologies are harnessed around the organization's brand purpose that creates differentiation.

This will require organizations to take an iterative approach of matching new technologies to emerging needs while minimizing time to market – something that start-up firms are particularly adept at. The challenge for traditional firms is to decide not only which technologies and where they should be deployed, but also how to get them to market quickly and in a customer-ready way.



Mastery of The Six Pillars of customer experience

Mastery of The Six Pillars of customer experience gives these companies an edge – an advantage over competitors. Firms that master The Six Pillars are purposeful and deliberate in the experiences they create; they are authentic and transparent; and they are able to create new and exciting customer journeys, often globally.



Orchestration and connectedness across their ecosystem of partners

How connections are being made across each of these areas to ensure a consistent outcome for the customer is critical to delivering a superior – yet economical – customer experience.

The leading organizations in our report connect with their customers in the right way, empower their workforce to deliver on this experience, remove barriers across the front, middle and back office to execute effectively and ensure their partners understand and honor the commitment they have made to customers.

They realize that customer experience excellence is not a destination, but rather a journey. It starts with a deep understanding of the customer and the ability to creatively connect technology, people and process to solve an underlying customer need.



Many organizations are struggling to turn their strategies into reality. The successful ones are focusing on the customer.

Lisa Heneghan

Global Head of Technology,
KPMG International

Research methodology

For nearly a decade, our member firm professionals have been asking customers in the UK and the US about their individual customer experiences. Over that time, more than 170,000 consumers have been interviewed and 2,300 brands measured to collect more than 2 million individual evaluations.

This year, we have expanded our research around the globe, taking in the views of more than 54,000 consumers across 14 different markets.

The research for this report was collected via an online survey methodology, completed Q4 2017.¹ A nationally representative consumer sample was targeted for each market, to be representative in terms of age and gender.

To participate in the research and to be able to respond to questions on a specific company, respondents must have interacted with that company in the last six months. An interaction is defined as making a purchase, using the company's products and services, contacting a company with a query, or even browsing their website. As such, not all respondents will have been existing customers of the brand they evaluated.

In order to be included in the final rankings for each country, each brand must have achieved a minimum of 100 consumer responses.²

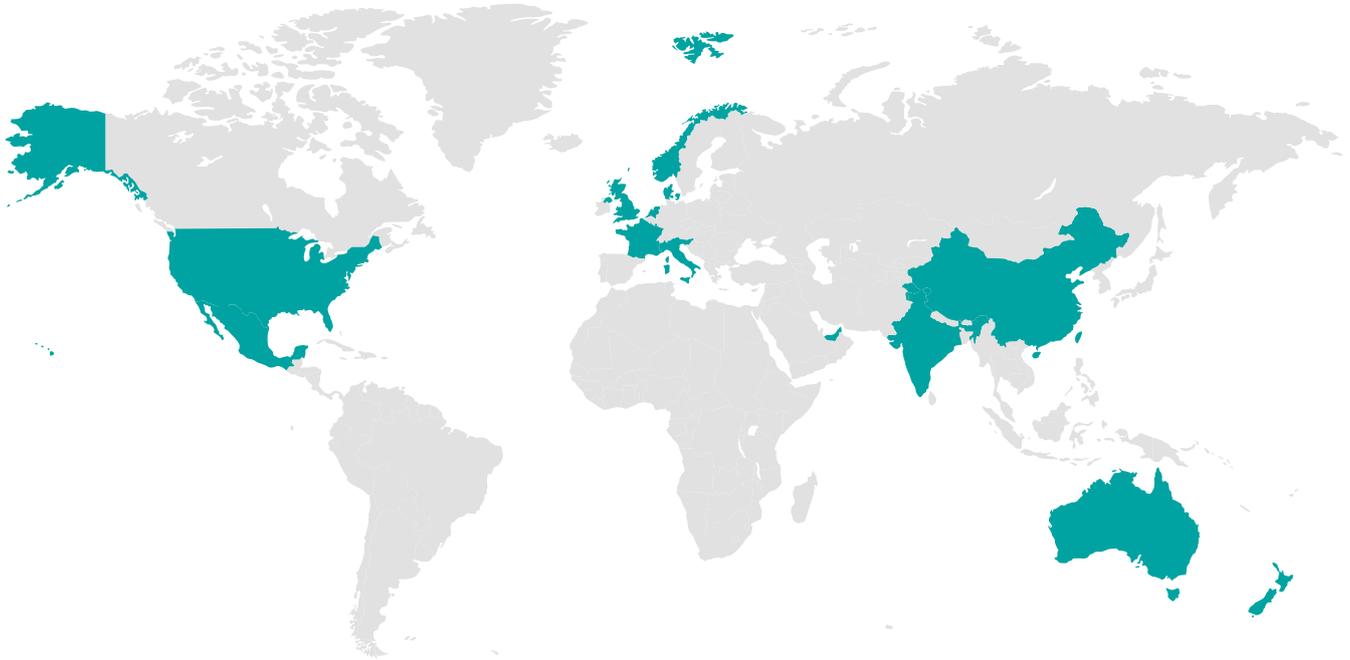
1. UK fieldwork was completed in July 2017; US fieldwork was completed in March 2018.

2. Due to market nuances, a minimum sample of 80 responses per brand has been used for the UAE rankings.

This report analyzes the results of a customer survey undertaken in Q4 2017.

Mentions of individual companies should not be interpreted as an endorsement by KPMG International or its member firms.

Global Customer Experience Excellence (CEE) coverage



14
countries



54,233
consumers



c. 1,400
cross-sector brands



593,355
individual brand
evaluations



Australia
2,502 consumers



Mexico
2,501 consumers



China
4,116 consumers



Netherlands
5,004 consumers



Denmark
2,502 consumers



New Zealand
2,504 consumers



France
5,000 consumers



Norway
2,509 consumers



India
2,508 consumers



UAE
1,529 consumers



Italy
5,001 consumers



UK
10,042 consumers



Luxembourg
1,008 consumers



US
7,507 consumers

The Six Pillars of experience excellence

Based on nearly a decade of research and more than 2 million evaluations across multiple markets, we have identified and validated six fundamental components of every great customer experience – they are The Six Pillars of customer experience excellence.

The Six Pillars are inextricably intertwined and, in combination, provide a powerful mechanism to help decision-makers understand how well a customer experience is delivered across channels, industries and company types. The leading firms demonstrate mastery of these pillars and are outstanding at all of them.

The Six Pillars are rooted in human psychology and motivation and, as such, are relevant across B2B and B2C. They are also as relevant for employees as they are for customers.

The Six Pillar model of customer experience was developed to provide a precise and practical definition of the kind of emotional outcome a successful

experience needed to deliver. Our research was initially born as a problem of definition; it seemed clear that neither the definitions associated with existing ways of explaining customer experiences, nor the associated measures (such as NPS or CSAT) were sufficient for defining what a good customer result looked like. Most evidence was largely anecdotal rather than data-driven.

Our research clearly shows that there are actually six discrete, fundamental components of an ideal experience: The Six Pillars. Based on detailed customer reviews, The Six Pillars have been validated in each market and modeled against the commercial outcomes of retention and recommendation.



Personalization

Using individualized attention to drive emotional connection.

Personalization is the most valuable component of most experiences. It involves demonstrating that you understand the customer's specific circumstances and will adapt the experience accordingly. Use of name, individualized attention, knowledge of preferences and past interactions all add up to an experience that feels personal.



Integrity

Being trustworthy and engendering trust.

Integrity comes from consistent organizational behavior that demonstrates trustworthiness. There are trust-building events where organizations have the need to publicly react to a difficult situation, and trust-building moments where individual actions by staff add up to create trust in the organization as a whole. For all customers, it is the degree to which the organization delivers on its promises that is consistently top of mind.



Expectations

Managing, meeting and exceeding customer expectations.

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organizations understand, deliver and – if appropriate – exceed expectations. Some are able to make statements of clear intent that set expectations (“never knowingly undersold”) while others set the expectation accurately (“delivery in 48 hours”) and then delight the customer when they exceed it.



Time and Effort

Minimizing customer effort and creating frictionless processes.

Customers are time-poor and increasingly looking for instant gratification. Removing unnecessary obstacles, impediments and bureaucracy to enable the customer to achieve their objectives quickly and easily have been shown to increase loyalty. Many companies are discovering how to use time as a source of competitive advantage. Equally, there are clear cost advantages to saving time, as long as the other pillars are not compromised.



Resolution

Turning a poor experience into a great one.

Customer recovery is highly important. Even with the best processes and procedures, things will go wrong. Great companies have a process that not only puts the customer back in the position they should have been in as rapidly as possible, but also make the customer feel really good about the experience. A sincere apology and acting with urgency are two crucial elements of successful resolution.



Empathy

Achieving an understanding of the customer's circumstances to drive deep rapport.

Empathy is the emotional capacity to show you understand someone else's experience. Empathy-creating behaviors are central to establishing a strong relationship and involve reflecting back to the customer that you know how they feel, then going that one extra step because you understand how they feel.

Key takeaways

- ✓ The Six Pillars are the DNA of commercially outstanding experiences
- ✓ They are the way customers describe their experiences and are therefore linked to human psychology
- ✓ The leading companies are competitively superior at each of them
- ✓ The Six Pillars provide a checklist for creating both outstanding employee and customer experiences
- ✓ They provide a mechanism for prioritization and sequencing customer experience (CX) implementation

Creating the customer- centric organization of the future

In the old days, when the primary thing CEOs wanted to achieve was consistent, low-cost output across their increasingly complex manufacturing processes, the traditional 'division of labor' approach was an unmitigated success.

But, in this day and age – when even manufacturers are trying to think less like manufacturers – the old organizational paradigm is no longer enough. That is because today's businesses are no longer centered around the manufacturing line – they are centered around their customers.

Today's organizations are striving to be organized around ideas, concepts, individualized designs and unique personal experiences. In this world, success goes to those that are the most interconnected, intertwined and creatively juxtaposed. The winners recognize that it's about ecosystems, not functions; relationships, not divisions; and journeys, not structure.

The problem is that the vast majority of today's leaders still manage functionally, not cross-functionally. With commercial advantage now going to those that are the quickest to develop quality connections both internally and externally, the need for a centrally organized and unifying set of principles that both encourages collaboration and drives towards the overarching mission and vision is critical.

The challenges for CEOs and decision-makers will be considerable. Indeed, they will need to have one foot in the present and one in the future – and be able to shift their weight from one to the other – if they want to stay ahead of the game.

In this report, we leverage our consumer data to help CEOs and decision-makers bridge that gap – to find their footholds in the present and the future. We provide examples of how the leading firms are crossing this divide. We explore how they are addressing the need to not just connect things today, but to connect to the ideas and technologies of the future to gain competitive advantage.

What we found was that the firms that provide the highest-rated customer experiences tend to be those that excel across all of The Six Pillars of customer experience excellence. And they are often the ones that structure their internal and external connections to align against four key attributes:



A commitment to excellence and competitive superiority



High levels of staff engagement and employee experiences that connect with the customer experience



An obsession with high-quality execution



Clarity on the economics of experience

Obviously, there are no silver bullets for creating a more connected business. Rather, it requires organizations to take a holistic approach – to consider the organization as a system with multiple connections that each need to be managed, nurtured and harmonized. It is the whole, not the parts, that matter.

We believe that – if firms hope to prosper in tomorrow's customer-centric business environment – they will need to overcome the limitations of the 18th-century organizational design. And they will need to start thinking more holistically about how they embrace the technologies of the future to deliver tomorrow's customer experience today.

55% of CEOs have aligned middle and back office processes to reflect a more customer centric approach.

Source: KPMG CEO Outlook, 2017



The ruling organizational paradigm of businesses today is rooted in the division of labor, the aggregation of specialist skills into functional groups – an 18th-century production concept that has cast a long shadow. The ruling paradigm for the businesses of tomorrow demands inter- and intra-functional connectedness – its complete antithesis.

The Silo Effect

Financial Times, 28 August 2015

Key takeaways

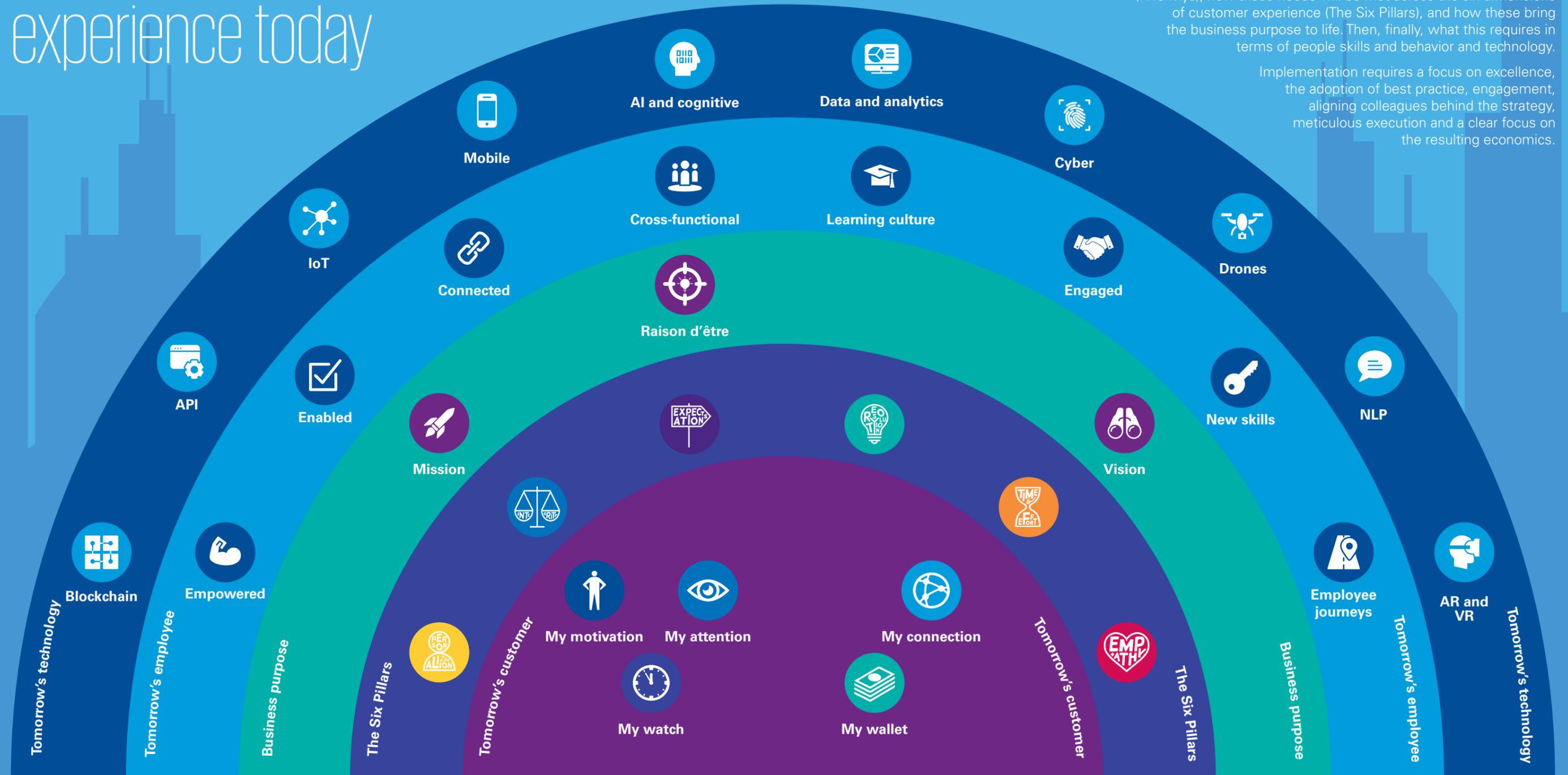
- ✓ The organization design of the past will not support the customer needs of the future
- ✓ Removing disconnects between silos is a critical enabler of success
- ✓ Organizing around the customer requires thinking in terms of segments, needs and customer journeys – not functions
- ✓ There are four key attributes of future-focused connected organizations: a commitment to excellence, a focus on employee engagement, meticulous execution and an understanding of customer experience economics
- ✓ It requires a holistic approach – seeing the organization as an interconnected system – a connected enterprise

Creating tomorrow's experience today

When it comes to delivering tomorrow's experience today, there are two distinct components: the strategy and the implementation.

The strategy should start with the changing needs of the consumer (Five Mys), how these needs will be met across the six dimensions of customer experience (The Six Pillars), and how these bring the business purpose to life. Then, finally, what this requires in terms of people skills and behavior and technology.

Implementation requires a focus on excellence, the adoption of best practice, engagement, aligning colleagues behind the strategy, meticulous execution and a clear focus on the resulting economics.



Excellence

Engagement

Economics

Execution

Excellence

Excellence is a state of mind. It is the unrelenting desire to learn from the best, to set stretching levels of ambition and to value being outstanding.

The following are the characteristics of organizations that consistently demonstrate customer experience excellence:



A commitment to excellence in delivery



Continual senior manager monitoring of the drivers of excellence



Benchmarking excellence across competitive peer group and best in class



A clear, prioritized route map to experience excellence



A well-defined, consistently applied, enterprise-wide method of experience design

While excellence spans everything a firm does, there is one area where CX leaders differentiate: their ability to understand their customers' needs – not just their needs for today, but also their needs for tomorrow.

Understanding tomorrow's customer

While digital applications continue to automate existing processes, they are increasingly being designed to solve a number of life problems. What life problems can be solved by new technologies? To find out, it is first necessary to understand the evolving customer. And to do that, the leading organizations are using deep customer understanding to design tomorrow's experience today.

The dominant thinking paradigm for organizations is 'inside out' – viewing the world through the lens that has historically brought success for most organizations. But the disruptive nature of technology and today's discontinuous geo-demographic trends means that this lens has become limiting for a company's growth.

The paradigm that is proffered instead is 'outside in' – where the lives and needs of the customer come first and are used to shape the strategy of the organization.

While these two approaches are often presented as alternatives, our experience suggests that the leading organizations use both lenses simultaneously. They recognize that – if they want to get to where the customer is going before their competitors – they need to be able to predict customer needs before they emerge.

As Steve Jobs, co-founder of Apple, famously advised, "Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves."

The Five Mys

Through a multi-dimensional lens called The Five Mys, organizations can gain insights that navigate the complexity of consumer decision making. Each of the Five Mys in isolation tell only part of the story: together they can help provide companies with a clear picture of the collective influences on today's consumer and how those affect decisions, preferences, choices and spending.



My motivation

Show me that you understand me, what drives me, what motivates me.

Business impacts

Knowing what customers really value in an experience and what's setting the benchmark can help eliminate wasted efforts and focus on the ones that make a difference.

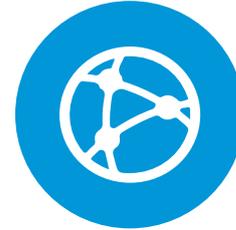


My attention

Break through the noise to build a relationship with me.

Business impacts

Knowing how to get customers' attention can help target investment at the moments that matter, maximizing return on investment.



My connection

Recognize how I interact digitally with others and help me off-load jobs to technology.

Business impacts

Getting smarter about customers through their connections contextualizes big data and generates actionable insights.



My watch

Help me balance the constraints of time and make the most of this resource.

Business impacts

Identifying the pockets by life events yields new opportunities to build customer loyalty and stickiness.



My wallet

Understand how I make trade-offs between time and money.

Business impacts

Understanding the trade-offs customers make between time and money can identify the best future customers and expectations.

Source: Me, my life, my wallet, KPMG Global Customer Insights, September 2017

Generational surfing emerges

To understand the experience customers will expect tomorrow, organizations will need to look at millennials, Generation Z and their respective parents at the same time. Being able to interpret the interdependent changes and their impacts is called 'generational surfing', a process of focusing on demographic drivers of customer needs.

The process is founded on the recognition that life stages are shifting and extending, and life events aren't as reassuringly predictable as they once were. While certain life stages may be enduring, the way different generations approach and move through them is showing signs of change.

For companies, this evolution means anchoring everything you do to your customers and looking afresh at their motivation, attention, connection, watch and wallet to anticipate their needs, behaviors, trade-offs and choices as they move from one life stage – or wave – to another.

Understanding these life event 'drifts' can help businesses anticipate changing needs and preferences and can help companies ride the waves of change.

38% of CEOs believe that their brand needs repositioning to meet the needs of millennials.

Source: KPMG CEO Outlook, 2018

The 'Baby Boomer Echo Effect'

For the first time in many generations we are seeing parents being educated by their children rather than the other way around – a phenomenon known as the 'Baby Boomer Echo Effect'. The most obvious example is where digital, social media and advanced technologies are adopted first by millennials who then introduce them to their parents. In fact, the boomer parental group is significantly influenced by their offspring, perhaps more so than any previous generational demographic.

The challenge for businesses seeking to capitalize on this demographic effect is to deliver a mobile, unified and digitized customer experience that is affordable, sustainable and meaningful. Artificial Intelligence (AI), chat bots and virtual agents, voice synthesis and a range of machine learning technologies provide a platform for engaging this group in a way that resonates with their worldview.

Looking at the leading companies, our research indicates there are four areas where technologies are playing a significant CX role:

- Equipping employees with the tools and information to successfully resolve customer inquiries at first point of contact
- Delivering high levels of customer personalization and engagement throughout the customer journey
- Pre-empting customer problems using remote diagnostics and internet-enabled technologies
- Improving customer interaction and complaint resolution by enabling multiple mechanisms for contact.

For many firms, there are significant barriers to adopting and getting value from these technologies. Silo-based organizations, systems that reflect historic silos, legacy infrastructure and limited resources all need reconnecting in new ways.

By 2019, millennials will outnumber baby boomers. As a generational demographic, they have several defining characteristics:



They are extremely connected to their mobile devices; their rite of passage is no longer their first car, but their first smartphone



They are mobile and would happily move between companies if they found a better combination of value and experience elsewhere



They use social media apps to communicate



They are predisposed to dealing with companies that are both purposeful and meaningful to them as individuals and the values they hold



They value convenience and personalization



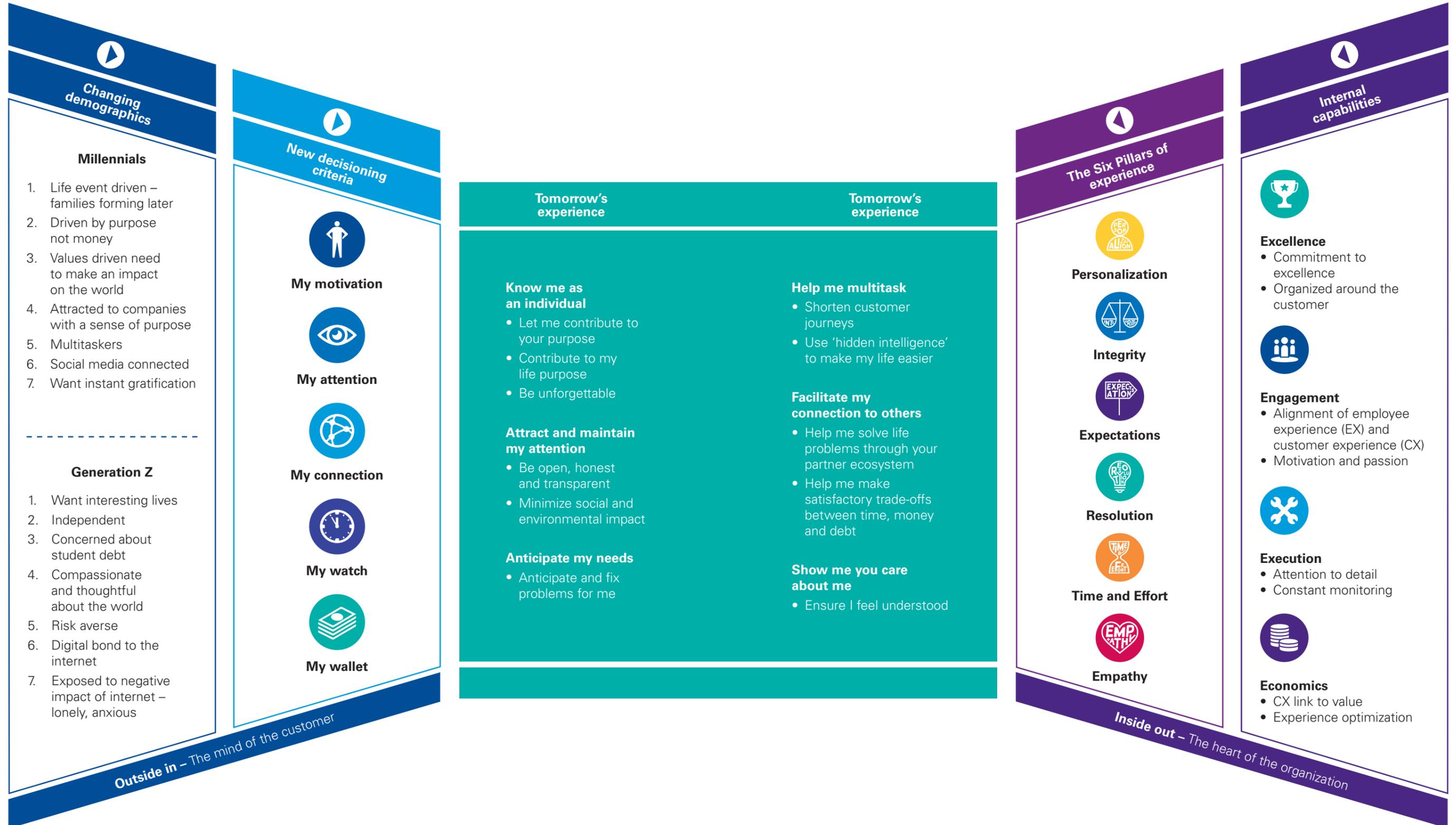
They are reticent or less inclined to trust the established institutions

Key takeaways

- ✓ There is a discontinuity between demographic generations – the needs of this digitally connected generation are very different to their forebearers
- ✓ The Five Mys provide a framework for not just understanding these needs but also framing a response
- ✓ It requires organizations to think 'outside in' and 'inside out' simultaneously
- ✓ In the world of 'tech' delivering tomorrow's experience tomorrow is too late – it requires action and experimentation now
- ✓ Leading firms are developing their own 'labs' to push technical boundaries

Tomorrow's experience, today

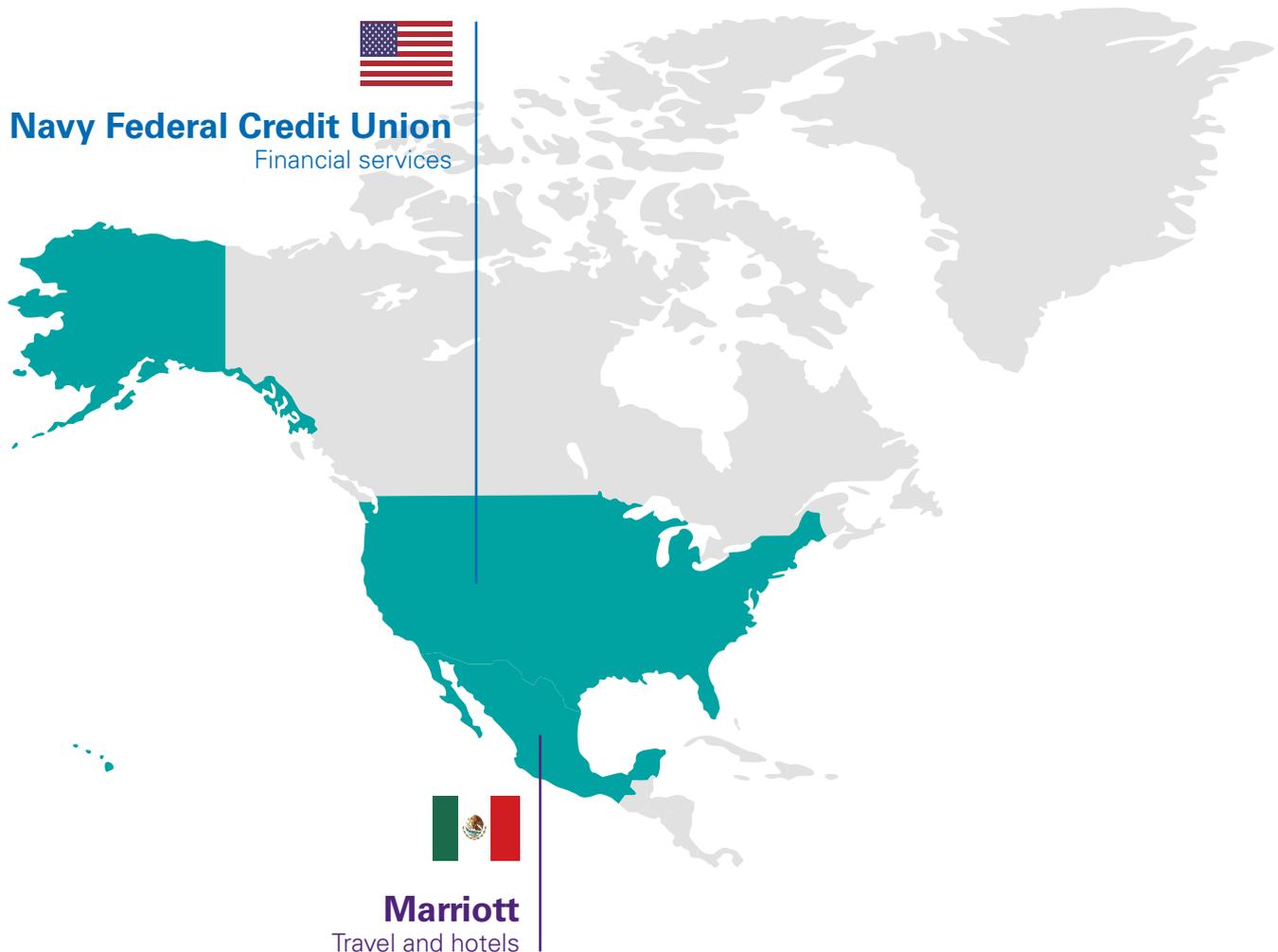
Delivering tomorrow's experience tomorrow is too late. Getting to the future first (in a world of ecosystem-led platforms) and cultivating loyalty early will be a vital driver of success.



The customer experience excellence hall of fame

Given how different cultures rate individual brands, we have not produced a global league table. Instead we have focused on welcoming the leaders in each country into our customer experience excellence hall of fame. These companies are the exemplars, the most effective firms from the perspective of their customers, in delivering great customer experiences.

What is remarkable is the number of Mutual organizations that have achieved top status. In fact, five of the companies in the leading first or second positions across the 14 countries are 'Mutual' organizations (KLP, MAIF, Farmlands Co-operative, Navy Federal Credit Union and USAA). These are customer-owned businesses where ownership confers membership and a strong voice in the running of the business. Unsurprisingly, these organizations are very close to their customers, organized to make membership meaningful and rewarding and, as a consequence, are felt to deliver outstanding customer experiences. The following are the outstanding organizations, the leaders in each country.





Ranked 1st in Mexico

Marriott

Travel and hotels

As the parent company to Ritz Carlton, Marriott sets the benchmark for service across the globe. And the high standards set by Ritz Carlton have clearly been absorbed by the parent. For consumers in Mexico, the level of service provided by the various Marriott brands defines the standards for not just hospitality in Mexico, but across all industries.

Since its founding in the US in 1957, the company has stuck to the vision laid out by its founder. As Jennifer Hsieh, Director of Insight, Strategy and Innovation at Marriott noted, "Culture is what drives this organization. We recruit the right talent that really care about our guests, and we give them the right tools to be able to bring that to life. We have made the shift from obsessing about what our competitors are doing, to deeply understanding our customers' needs, wants and unarticulated desires."



We decided to stay at JW Marriott in Polanco. What a great decision. The staff were unbelievably kind and tried to make our stay as pleasant as possible. Customer service is on a level most hotels cannot even imagine. The employees enjoy being nice and courteous. They genuinely take pride in doing their jobs and it shows.

CEE Mexico respondent



Ranked 1st in the US

Navy Federal Credit Union

Financial services

This is the first year we have included the Navy Federal Credit Union in the US research and they have started at the top. Credit unions are member-based businesses owned by their members. The link between ownership and dedication to members is a strong one. Driven by the values of integrity, commitment and service, Navy Federal are very focused on creating an emotional link with their customers. Their interface with the customer is the member representative, and they are highly trained to ensure they deliver an outstanding customer experience. A commitment to collecting real-time customer feedback ensures that issues are detected and dealt with very quickly. Trust lies at the heart of their customer emphasis. Public trust is managed through a highly intensive social media presence. Rapid reaction times to Twitter and Facebook posts enable Navy Federal to manage customer enquiries quickly and efficiently.



We work continually to make sure that Navy Federal is an outstanding place to build a career. Our mission is about excellent service to our members and that mission starts with our employees. I believe that our success is all about putting employees first.

Cutler Dawson

President/CEO,
Navy Federal Credit Union



Singapore Airlines

Travel and hotels



Farmlands Co-operative

Non-grocery retail



**Ranked 1st
in Australia**

Singapore Airlines

Travel and hotels

Singapore Airlines' stated goal is to be committed to deliver outstanding service and world-leading experiences. Thousands of employees are engaged to deliver the brand promise.

The airline maintains a focus on service excellence and knowing what that means for its customers. Senior managers continually monitor the key drivers of excellence. Recruitment focuses on finding the right people with the right level of soft skills. And, while a culture of empowerment allows staff to react appropriately to different circumstances, they also have a clear understanding of the boundaries of their authority.



As I was dozing off, a stewardess gently put a very comfy blanket over me. I don't know why but that really impressed me – they are the best surely – everything was just perfect.

CEE Australia respondent



**Ranked 1st in
New Zealand**

Farmlands Co-operative

Non-grocery retail

As its name suggests, Farmlands Co-operative was founded by everyday farmers wanting to work together. And 50 years later, it has grown into a US\$2 billion company with 1,400 staff and 82 stores.

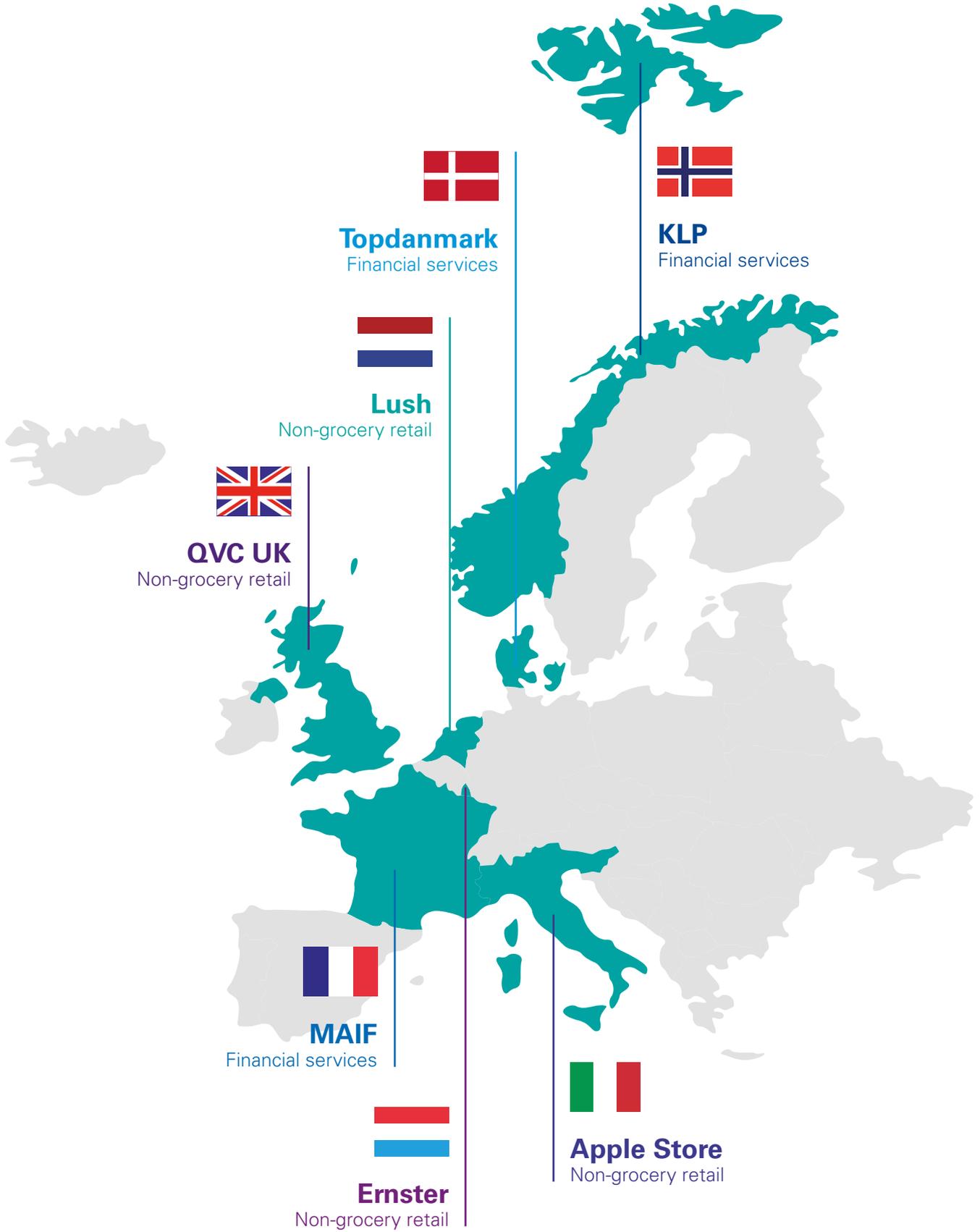
Farmlands does not see itself as a retail enterprise, but rather as a way of life. As a mutual organization, its customers and producers are shareholders and shareholder success is at the center of everything it does. It has grown by creating a mutually interdependent ecosystem where the needs of farmers and producers meet the needs of purchasers and customers.

It is also an organization that is focused on using its 50 years of accumulated expertise and knowledge to support its customers and shareholders. For example, Farmlands provides rural support and services to those that are separated by difficult geographies and, as such, is seen as a business that stands up for its members and shareholders.



Our position in this survey reflects our people living our values every day to deliver great customer experiences and outcomes.

Peter Reidie
CEO, Farmlands Co-operative





**Ranked 1st
in Denmark**

Topdanmark Financial services

Billed as an insurance company with a difference, Topdanmark is loved by their customers who call them "fair and kind" and "honest and efficient". The company focuses on helping their customers minimize their costs and maximize their benefits – a powerful combination. Staff are recognized for being empathetic and sympathetic, building a strong emotional connection with their customers.

For Topdanmark, integrity is a two-way street: they assume the integrity of their customers and trust that their customers are as committed to a fair relationship as they are.



Amazing service. No questions asked payouts on all my claims. All the horror stories you read about insurance companies finding loopholes to avoid paying out on their policies have been proven wrong with Topdanmark.

CEE Denmark respondent



**Ranked 1st
in France**

MAIF Financial services

MAIF wants to do more than simply provide insurance products – they want to make their customers' lives simpler and be at their side, ready to assist with life projects. It is a philosophy, not a set of products, that they sell.

While they certainly sell car and home insurance, they see the most important aspect of what they do as looking after people. One tangible example of this is their 'customer life problem-solving department' (Organisation Vie Pratique) which acts as a virtual A-Z of one-off or regular personal services – everything from childminding to assistance for vulnerable persons, and from educational support to meals on wheels.



MAIF benchmarks its customer experience not only against insurance companies but also against the best performing companies across other sectors.

Christine Mathe-Cathala

Head of Operations and
Member Relations, MAIF



**Ranked 1st
in Italy**

Apple Store

Non-grocery retail

Apple wants their Apple Stores to be “community gathering places rather than just a place to buy the latest iPhone or iPad”. To create an environment where people feel comfortable gathering, Apple Store has evolved a program called “Today at Apple” which schedules free classes, experiential events and other programs that people can sign up for online. The Photo Walk, where an Apple employee walks customers through a scenic walk providing the tips and tricks for getting the best photos out of an iPhone, has proved extremely popular.

The Italian stores certainly conform to this desire. The selection of appropriate architecture and building design is critical to stores in historic cities and locations – Apple has been highly diligent in selecting and designing stores that match the iconic locations.

In a city of fountains, the Apple Store in Milan is designed around two indoor waterfalls with beautiful hand-carved Italian staircases enabling access between sales floors.

Against this local backdrop, Apple continues to deliver excellent, highly informed and inspirational experiences.



**Ranked 1st
in Norway**

KLP

Financial services

KLP is a mutual, customer-owned, life insurance and pensions company that was founded on the principle of integrity. Initially set up as a public sector pension fund, KLP has absorbed a number of other private and public pension funds and now boasts around US\$80 billion in funds under management.¹

KLP believes strongly in ‘responsible investing’ – ensuring that their funds are being invested into businesses that are both ethically and environmentally sound – and strives to keep corporate responsibility, sustainable development and social fairness at the heart of every decision their employees make. Every investment is measured against a high standard of ethics and many fail to achieve it.

At the same time, KLP is highly focused on employee and customer satisfaction, motivation and engagement. It discharges its responsibility for openness and transparency with customers through regular customer dialogue. Indeed, it sees the ongoing conversation with its customers as critical to its success.

1. Infranode website



The genius in Porta di Roma couldn't have been more helpful or professional. I was really grateful for the timely polite service.

CEE Italy respondent



It is not enough to be customer-oriented, you must see the world with customers' eyes. What's good for the customer is good for the company.

Sverre Thomes

Group Chief Executive
Officer, KLP



**Ranked 1st in
Netherlands**

Lush

Non-grocery retail

Non-grocery retailer Lush sees itself as a brand that is defined by its values and its products. Indeed, many customers view Lush as reflecting their own personal values and personality, bringing a unique level of identification.

It also sees itself as a campaigning brand. From spearheading anti-animal testing campaigns, to working to minimize packaging or using ethical sourcing methods, customers in the Netherlands feel that each aspect of the Lush experience reflects the moral code that guides the business.

Stores are designed using a delicatessen motif. Staff are encouraged to be consultative and diagnostic rather than sales-focused; they are trained in detail as to what each product contains so they can advise customers on particular skin conditions, for example.



I am a huge fan of Lush and everything they do to make the world a better place. All products are 100% vegetarian, and they do not buy ingredients from companies that use, fund or commission animal testing. They support areas of human conservation, animal welfare and human rights. I am happy to spend my money with organizations such as this.

CEE Netherlands respondent



**Ranked 1st in
Luxembourg**

Ernster

Non-grocery retail

Ernster is a small chain of bookstores with a big reputation. Throughout Luxembourg it is seen as the focal point for those passionate about books. Established in 1889, the firm has long known that books can build bridges between cultures and so most staff can speak four languages. But it is those that demonstrate a passion for books (“L’esprit livre”) and a willingness to smile that are most heavily recruited. And it is the smile that seems to have the greatest impact with customers.

Their passion for books manifests itself in numerous literature events, signings and readings. The company seeks out opportunities to allow their customers to not just buy and read a book, but to also understand the author’s intent, the context that the book was written in and the deeper, more profound meanings. Not surprisingly, Ernster has a reputation for providing a deeper and more insightful perspective for those who are truly energized by reading.

Rapid service, advanced multichannel ordering systems and an almost legendary ability to source rare or out-of-print books ensure high levels of customer satisfaction.



Having a core set of values is one thing; living and delivering on them each and every day is something else.

Fernand Ernster

Owner, Ernster



**Ranked 1st
in the UK**

QVC UK

Non-grocery retail

In 2011 QVC UK began to refocus on their customer experience. They started the process internally by focusing on their values. They focused on Empathy, from the presenters on TV, to their distribution center in Liverpool, through to how they delivered digital experiences. In support of this, QVC restructured the organization and incorporated new technologies with the aim of getting closer to the customer. They focused on understanding customers' expectations and connecting their organization across channels to deliver them. In the process they adapted their product range, based on how their target customers' expectations changed in response to seasons, events and times of the day. Consumers in the UK now rate QVC UK as the leading brand according to our research.

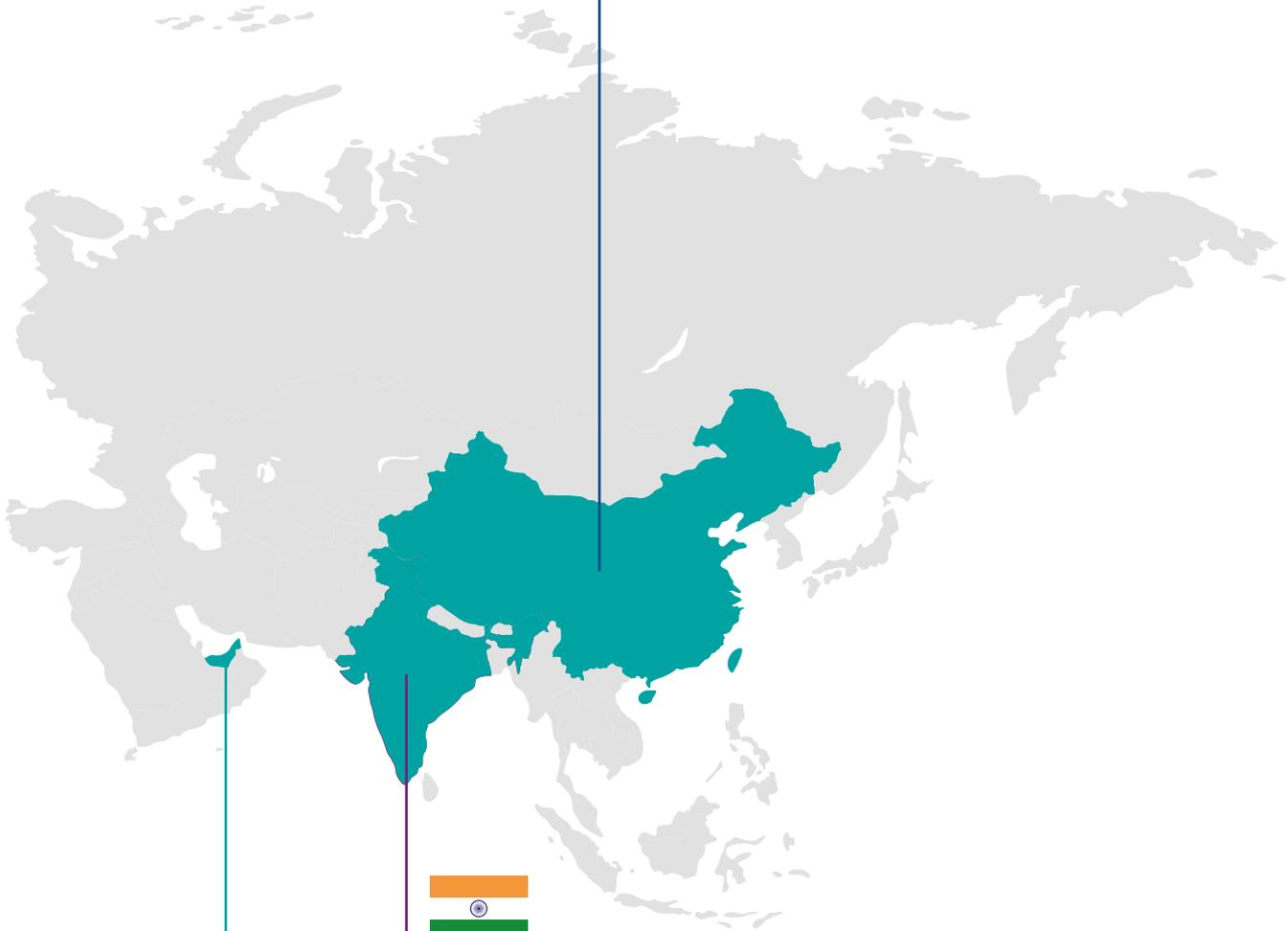


**It is extraordinary:
whenever I watch
QVC, I feel like they
are talking to me
personally and no
one else is watching.**

CEE UK respondent



Alipay
Financial services



**Taj Hotels, Resorts
and Palaces**
Travel and hotels



Emirates
Travel and hotels



**Ranked 1st
in China**

Alipay

Financial services

Mobile payments app Alipay reports more than 520 million users and a volume of 100 million transactions per day. It focuses on innovating around the needs of its customers; for example, when the company discovered that customers were holding large amounts of funds in their accounts, they worked with the money markets to provide a competitive rate of interest.

Acknowledging that many of their customers travel abroad, with over 109 million Chinese travelers spending some US\$229 billion each year², Alipay has introduced an app that automatically recognizes the location of the user and provides details about restaurants, attractions and shopping destinations, as well as various available payment options.



**Ranked 1st
in India**

Taj Hotels, Resorts and Palaces

Travel and hotels

The hotel chain focuses on service experience by encouraging staff to continually look for unique ways to meet their guests' needs.

If things do go wrong, Taj staff are empowered to use their best judgment to fix things for the customer, including when it involves substantial costs. One respondent from the Indian research stated that the customer experience was, "simply excellent. Top class cuisine and best of all is the attitude of staff who really want the best for the customer."



Alipay has brought a lot of convenience to my life.

CEE China respondent



I stayed at a Taj Hotels property in Delhi last week, for a conference. And I was blown away by the customer service there: from entering to leaving, this hotel is a great experience. Nothing is too much trouble for you.

CEE India respondent

2. GfK 2016 analysis



Ranked 1st
in UAE

Emirates

Travel and hotels

Since first starting operations in 1985 with just two aircraft, Emirates Airlines has been on a continuous quest for customer service excellence. As one of the first companies globally to 'industrialize' the use of customer journey maps, Emirates continually reassesses the experiences it delivers to different types of customers embarking on different types of journeys. And this has unlocked important innovations and improvements.

From how cabin crews look on long journeys, to the food and drink selection, to the way in which they empower passengers to create their own personalized experiences, every aspect is meticulously planned. They also put significant effort into scanning the world for great ideas and draw inspiration from any source. Their new first-class suites, for example, were inspired by the Mercedes-Benz S-class. Its aircraft replenishment cycle is borrowed from Formula One racing. Not surprisingly, Emirates is a global customer experience leader.



Amazing airline to travel with. I would choose it every time when flying to Europe. The food is amazing, the staff so attentive; it is unbelievable.

CEE UAE respondent

Key takeaways

- ✓ Five of the leading organizations (ranked first or second) across each country are customer-owned
- ✓ The leading companies are both loved and respected by their customers
- ✓ They demonstrate a single-minded purpose focused on making life better for the customer
- ✓ They are intent on solving life problems first and product second
- ✓ They are felt to be great places to work by their employees

Engagement

It is vital to ensure that the employee experience and the customer experience are aligned and connected. Brands that deliver exceptional customer experiences tend to understand that employees need a flag to rally around; a sense that they are creating societal value over and above making money for shareholders. They also need to feel energized, motivated and engaged.

Leading organizations focus on creating an employee experience that enables the desired customer experience to naturally emerge through:



The alignment of culture and strategy



The integration of brand and internal values with a focus on authenticity



The creation of a strong link between the employee experience and the customer experience



The ability to unlock critical customer behaviors such as empathy and empowerment to act



The recruitment of staff whose personal values align with the organization and who are committed to serving the customer

The integrating power of purpose

Purpose is the unique, authentic and defining characteristic that sets the experiences employees and customers enjoy apart from all others. It is the overarching 'raison d'être'.

Customer experience is a complex idea. It combines the consumer psychology, neuroscience and economic behavior with the organizational, employee and structural factors of the firm. Success comes from being able to align each of these around a 'unifying concept' that ensures the ongoing integrity of the whole.

Key takeaways

- ✓ Purpose energizes both employees and customers
- ✓ As a 'unifying concept', purpose helps ensure alignment and cohesion across multiple disparate teams
- ✓ Purpose doesn't have to be social or cause-related, it can be the single-minded focus on improving things for a particular customer group
- ✓ At the heart of purpose is an aspiration that at once motivates and encourages employees to align personal values with company values
- ✓ It results in the world being a better place



For some firms, this 'unifying concept' may have come from an inciting event. **Air New Zealand, QVC** and **Netflix**, for example, each faced a burning platform before deciding that they would focus on building customer relationships to attempt to gain a source of advantage.



While **Taj Hotels, Marriott, Singapore Airlines** and **Emirates** are focused on customer service delivery.



For **first direct** and **Sbanken**, the 'unifying concept' has been the desire to establish a new form of banking more suited to today.



For **PayPal, Mobile Pay** and **Alipay**, the mission is to bring integrity and trust into new forms of purchasing.



For **Apple, Lush, Specsavers** and **Amazon**, it is the vision of their founders.



And in Luxembourg, **Ernster** has combined history, friendliness and innovative ways of combining 'bricks and clicks' to create a seamlessly inspirational experience for book buyers.



For others, like **MAIF, Navy Federal Credit Union** and **KLP**, the unifying concept is the uniqueness of being customer-owned.



Critically, what each of our leaders displays is an unrelenting desire to deliver a market-leading customer experience underpinned by a quality employee experience.

These experiences are carefully curated and architected; their success lies as much in the execution of small details as it does the careful planning and management of the big picture. The focus is on creating customer outcomes, not through the default delivery of multiple departments, but rather through the consistent delivery of their target experience.

At the heart of all these organizations is an all consuming sense of purpose.

Spotlight on: Air New Zealand



Ranked 2nd in New Zealand

When, in 2001, Air New Zealand posted the largest loss in New Zealand's corporate history, the company's future seemed particularly bleak. But that was when Air New Zealand staged one of the most customer-centric turnarounds in world history. It identified an 'essential Kiwiness' – a pride in all things New Zealand. From that point onwards, its people, its communications and virtually every facet of every touchpoint radiated pride in its country of origin. Today, it is one of the most consistently profitable, full-service airlines in the world.

The catalyst for this change was Sir Ralph Norris, a well-respected New Zealand banking CEO, who was called in to transform the business. Sir Ralph's customer-centric leadership and customer-focused strategy was embodied in the mind set change from "we fly planes" to "we fly people".

One of the first things Sir Ralph did was to engage the top 800 leaders at Air New Zealand in thinking about, discussing and acting on insights from customer feedback and observations. He wanted them to find out what customers valued and what they hated about the flying experience. What they learned was that customers loved the friendly, outgoing and slightly tongue-in-cheek humor that typifies Kiwis and this provided the platform for change. Staff were encouraged and empowered to exhibit their Kiwi personalities and to engage customers in a warm, welcoming and friendly way.

All of this customer knowledge is embodied in their 'essential Kiwiness'. You can see it when you fly with Air New Zealand – even the safety announcements are engaging and feature some of New Zealand's star rugby players, spectacular scenes of the country and references to some famous movies made in the country.



We have a really clear internal sense of purpose which is to supercharge New Zealand's success. Our purpose is bigger than flying people from point A to point B – it's about connecting New Zealand with the world.

Anita Hawthorne

General Manager of Customer Experience, Air New Zealand

Tomorrow's employees: purposeful engagement



Every market leader understands that talent unlocks competitive advantage. But workforces and workplaces are changing, and so are the relationships between employers and employed. Even in a digital world, human beings will still be your most important investment.

Mark Spears

Global Head of Corporate Services,
KPMG International

The leaders in our research are grappling with advancements in technology, multigenerational workforces and global economics.

In particular, organizations are facing a radically changing context for their workforce and the workplace. Life event drift and the redefinition of life stages affect not just customers, but employees too. These shifts are changing the rules for almost every organization and impact the way they think about culture and the overall management of change. As such, the roles of managers and leaders are evolving rapidly.

The nature of employees is also changing; they are more digital, more global, more diverse, more comfortable with automation and more social media savvy. And that means they are more connected than ever before. Millennials have a very different view on the role that work plays in their lives.

The expectations that customers, regulators and governments have of companies and their products are also changing rapidly. This is causing leading companies to rethink how they approach leadership, management, talent acquisition, retention and how they organize their business.

Engagement of employees requires firms to get a number of factors right. The environment, the culture, the purpose of the business, the internal communication and guiding how people grow and develop and how they are managed and led all contribute to employee motivation and loyalty.

Key takeaways

- ✓ The employee experience and the resulting customer experience are inextricably linked
- ✓ The employees of tomorrow are digitally enabled millennials who want to work for purpose-driven organizations
- ✓ The emerging design concept is no longer silos but a network of cross-functional teams – the organization becoming “a team of teams”
- ✓ Empowerment, enablement and a learning culture are critical for success
- ✓ New methods of reward and recognition aimed at customer-centric behavior are required

So how are these factors affecting the global employee landscape? We observe the following strategies:



A focus on true empowerment.

Firms are recognizing that great customer service demands employee discretion, enabling those closest to customer problems to make sensible decisions. And that means they are having to become much clearer on what empowerment means for their workforce. This is leading to frameworks that describe what employees can and can't do, greater personal control over how employees perform their role and greater accountability for the outcomes. This, in turn, requires employees to exercise judgment and to ensure they have the necessary knowledge and experience to make the right judgment.

How are they doing it? Ritz Carlton have long been the exemplar of employee empowerment, enabling their employees to spend up to US\$2,000 to put things right for a customer. Singapore Airlines empowers their front-line crew to make decisions on customer service delivery and take corrective actions on customer service recovery.



A focus on enablement.

Ensuring employees have access to the right tools and techniques. Clear methodologies and techniques that enable them to make improvements to processes, services and experiences at the point of need. Continuous feedback from customers as to the relative success of the actions they take at a local level. Voice of the customer systems are being integrated with voice of the employee processes to bring a 360-degree perspective on customer and employee problems.

How are they doing it? Apple Stores are constantly monitoring customer feedback in the context of the employee experience and the degree to which employees feel enabled to resolve customer issues themselves.



A move from hierarchies to cross-functional teams or networks of employees.

The traditional hierarchy cannot manage the pace of change required to survive. Cross-functional teams have historically been a means of overcoming the limitations of traditional silo structures. General Stanley McChrystal describes the organization of tomorrow as a "team of teams".

How are they doing it? For firms like Kiwibank, USAA and Netflix, cross-functional teams have become the new steady state – the means by which the day-to-day is managed.



A focus on developing learning cultures.

For most companies, career development is the responsibility of the employee. But predicting a career path in this new multifunctional and rapidly evolving team-based world is not easy for employees to manage. So some firms are now thinking through how employees grow outside of silos and specialisms. Moving between teams requires an environment where team members can develop the necessary skills quickly and easily. Micro learning packages, ready access to the latest knowledge and education are being facilitated by technology and advanced learning systems.

How are they doing it? Firms such as Taj Hotels, Hilton and Marriott are focused on creating an environment of continuous learning and development for their employees.



A more scientific approach to talent acquisition.

The intellectual requirement on employees to deal with the more complex issues means companies can no longer just throw low cost resources at customer service. It requires employees who share the values of the firm and its customers to have a desire to deliver outstanding customer service internally and externally and care about the firm and what it does.

How are they doing it? first direct, a UK bank, only recruits new employees from the caring professions. Zappos famously relocated from San Francisco to Las Vegas to get access to a large pool of hospitality trained staff. Emirates recruit over 140 different nationalities, yet each recruit needs to be able to convey the Emirates experience.

An understanding of the workforce of the future.

The skills that distinguish employees at world-leading companies are changing dramatically. Today's employees need vital cognitive skills such as complex problem-solving, critical thinking, systems thinking, creativity and emotional intelligence. These are the skills that are powering firms to break traditional service boundaries and set new standards in customer service.

How are they doing it? Emirates looks for employees who can problem solve when faced with a wide variety of unexpected challenges such as flight delays and disruptions, dealing with complaining customers and helping agents who might be experiencing technical difficulties.



A focus on employee experiences and employee journeys.

The mind-set that is shaping experiences for customers is equally important when shaping experiences for employees. Firms are beginning to think in terms of employee journeys and how employees achieve their personal 'missions' or objectives.

How are they doing it? The Apple Store has defined key employee missions and designed self-service systems that mirror their approach to customers.



A new approach to reward, recognition and performance management.

Organizations need to move from a structure that rewards position and title to instead incentivize skills development and performance. Ongoing mentoring and coaching, the provision of continuous feedback and an organizational environment that enables people to be the best they can be will all be critical enablers in recruiting, motivating and retaining the new generational workforce.

How are they doing it? As our case study on Google clearly demonstrates, one key is to carefully connect the employee experience with the customer experience (see page 40).



Spotlight on: Google

Consistently ranked as one of the best companies in the world to work for, Google strives to treat its customers and its employees well. It makes the connection between the employee experience and the target customer experience they are seeking to create every day.

At the center of Google's approach is its hiring process. By choosing the right people and then giving them the freedom to express themselves, Google encourages these people to be excited and energized by Google's purpose of making information available to everyone.

The company's philosophy is that with the right tools you can attract the best talent and develop happier and more productive employees. And this means that enablement is critical. Employees have an enormous amount of freedom and are empowered not just to find the best way to solve problems, but to be the best they can be.

The culture is also critical. The organization strives to create a flat hierarchy with only such structure as is absolutely necessary. At the same time, teamworking and collaboration is a way of life. The working environment is designed so that teams can easily combine and work together in the right atmosphere. It is also designed so people can 'bump into each other' and make their own connections. To keep the culture constantly invigorated, Google creates 'culture clubs' made up of local volunteers who strive to ensure Google's culture remains true to itself regardless of the geographic location.

The company also recognizes, however, that finding the right career path in this environment is not as easy as climbing the hierarchy. So Google has created an 'optimize your career' program designed to help their people understand how to progress within the organization.

The Six Pillar employee experience

The employee experience generates employee behavior which, in turn, delivers the customer experience. Transparency and authenticity require synchronization of the internal to the external.

For The Six Pillars to naturally emerge in an organization, the following employee experience and customer-oriented leadership behaviors are required.



Personalization

Using individualized attention to drive an emotional connection



Employee experience

- Help me develop as an individual – be the best I can be
- Enable me to improve my sense of self-worth – make me feel my contribution is valued and that my work is meaningful
- A job role that enables me to utilize my unique talents
- An environment that promotes continuous learning and improvement



Customer-oriented leadership behaviors

- Focus on the customer as an individual
- Aim to make the customer feel special and important
- The target experience for customers is articulated and understood
- Empower people and encourage creativity within each individual



Best practice exemplars

Marriott Hotels

Farmlands Co-operative

Air New Zealand



Expectations

Managing, meeting and exceeding expectations



Employee experience

- The organization has stretching objectives
- Leaders are clear on their expectations
- Leaders provide helpful and constructive feedback



Customer-oriented leadership behaviors

- Ensure we accurately set the customer's expectations
- Objectives are clearly communicated
- Acknowledge when we don't deliver against our commitments



Best practice exemplars

USAA

Nespresso

Taj Hotels, Resorts and Palaces

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Integrity
Being trustworthy
and engendering trust



Employee experience

- Business has a higher purpose than just making money
- Fairness is key
- Interpersonal relationships are based on trust
- The environment is safe to be myself
- There is consistency between word and deed
- Communications are open and explanatory
- Rules are applied consistently
- There is trust between and across teams



Customer-oriented leadership behaviors

- Convey what we stand for to the customer
- Leaders inspire trust
- Leaders role model the organization's values
- Teams are enabled to see how they impact the customer
- Doing the right thing for customers is the top priority here



Best practice exemplars

Lush

KLP

Topdanmark



Resolution
Turning a poor experience
into a great one



Employee experience

- There is support when I need it
- Personal concerns are resolved with a sense of urgency
- Able to participate in decisions that affect me and my team
- Leaders look after my interests
- I am supported to learn from mistakes without blame
- I am empowered to make sensible decisions



Customer-oriented leadership behaviors

- React rapidly when dealing with a customer issue
- Work to leave the customer feeling better about the organization



Best practice exemplars

Ritz Carlton

Specsavers

MAIF



Empathy

Achieving an understanding of the customer's circumstances to drive rapport



Employee experience

- The organization and its leaders care about me
- I am able to bond and affiliate with my colleagues
- Issues are dealt with sensitively and with emotional intelligence
- Leaders react positively and in line with our values when under pressure
- Leaders show sensitivity and concern over needs and feelings



Customer-oriented leadership behaviors

- Demonstrate the organization cares about its customers and employees
- Leaders start by considering the customer when making decisions
- Foster passion for the customer



Best practice exemplars

Kiwibank

Singapore Airlines

Emirates



Time and Effort

Minimizing customer effort and creating frictionless processes



Employee experience

- My time and extra effort are recognized and appropriately rewarded
- Leaders and managers show respect for my time
- Employee journeys to achieve a personal objective are clear and straightforward



Customer-oriented leadership behaviors

- Look to minimize the effort a customer has to make to engage with us
- Show the customer that we value their time



Best practice exemplars

Apple Store

Lush

Alipay

Execution

Great execution means paying attention to the small details, conducting continuous monitoring of the consistency of delivery and using customer feedback to drive continuous improvement.

Insight on the customer and employee experience comes from many sources. For leading firms, outstanding execution comes from properly managing their insight ecosystem. This means that:



All aspects of the organization are connected around the customer



The target operating model is aligned to customer needs and journeys



Any silos impacting the customer are removed and barriers to execution across the organization are reduced



Customers are connected to the organization through continuous dialogue which leads to better engagement



Decisions are powered and informed by the voice of the customer programs



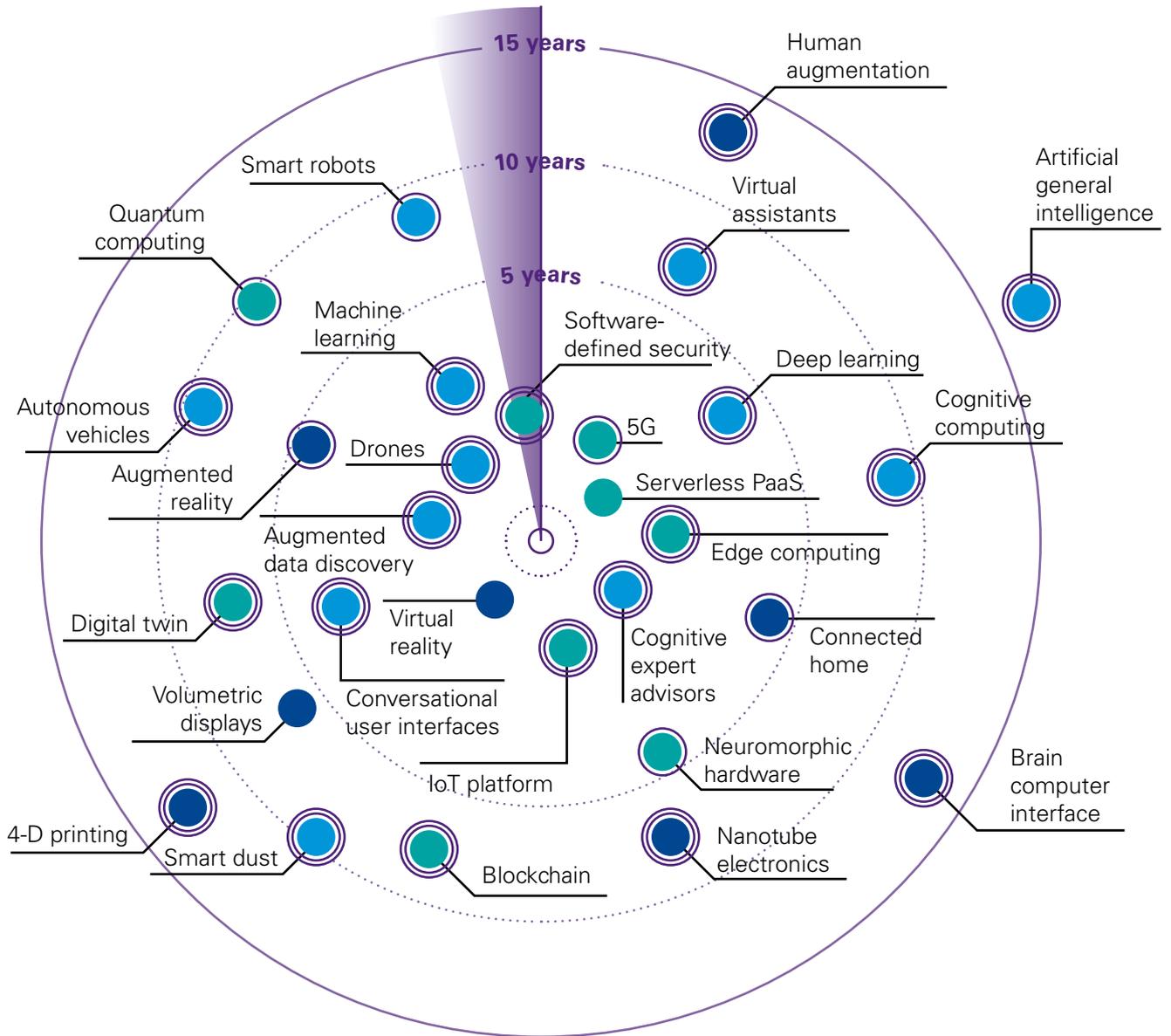
Diagnostic and measurement frameworks are developed to continually monitor execution

It also requires careful deployment of new technologies, often in a test and learn environment. The technologies of tomorrow will very quickly become everyday steady state. How customers react, utilize and co-create use cases is a vital source of information for future-focused organizations.

In this environment, access to real-time, curated feedback has never been more important.

Tomorrow's technology: creating the intelligent customer experience

New technologies are transforming every aspect of the customer experience. Our research shows the leading companies are already implementing these new technologies as a source of competitive advantage. But with the pace of new technology introductions, firms are having to make clear choices about which they pursue and prioritize.



Impact

- Transformational
- High
- Moderate

Types of technology

- Immersive experience
- Artificial intelligence
- Digital platforms
- Immersive experience, AI and digital platforms

61% of organizations that are effective at using digital technologies see higher revenue growth than their competition.

Source: Harvey Nash, KPMG CIO Survey 2018

The challenge for many firms is not necessarily in mastering the technology, but rather in generating the rules and insights that will make them most effective for the customer. And this depends on the availability of high-quality, accurate, real-time customer data supplemented by unique insights into lifestyle and needs of the customer.

Here are some of the key technologies that are either being adopted or tested in the market today:

Key takeaways

- ✓ Success is rooted in experimentation and iteration
- ✓ The new technologies will accelerate Personalization and drive a reduction in Time and Effort, making life easier for the customer
- ✓ At the core, organizations need to build a digital spine that unites front and back office
- ✓ Successful use cases require a deep understanding of the customer, their lifestyle and the problems they face day-to-day
- ✓ Ethnographic design methodologies identifying customers' 'jobs to be done' lie at the heart of innovation



Blockchain

Blockchain promises much in ensuring security and integrity of payment and contract management systems. But it is important to note that it is an infrastructure technology rather than a disruptive technology. It is perhaps best known for providing the basis for secure use of cryptocurrencies such as Bitcoin, but it is now being applied in enterprises and industries to manage customer data in a much safer and transparent environment. It does, however, require a critical mass of companies to begin using it before it becomes mainstream. Firms such as DHL and British Airways are using blockchain for specific secure use cases.



Application Program Interfaces (APIs)

APIs are opening the doors to wider ecosystems of suppliers and partners. The ease of transferring data between applications, thereby saving both firm and customer Time and Effort, is key. Alibaba and Alipay, which lead our index in China, have embedded API access into their platforms to facilitate the exchange of information and data between apps and core systems.



Cyber

Cybersecurity has become a critical aspect of our digitally enabled society. As the Internet of Things develops, it will be vital that data and personal information is protected and 'hack proof'. This will be a critical area for customers evaluating whether to trust a particular organization.



Mobile

As the processing power of mobiles accelerate in line with Moore's Law and as firms design for mobile first, increasingly advanced apps are being made available for mobile technologies. The hospitality industry has been early movers in linking mobile technology to hotel systems and increasingly provide 'digital keys' that enable their guests to have an easier check-in experience.



Internet of Things

In the very near future, there will be billions of connections between devices across the home, the car and the office. Leading firms are thinking about how this connectivity (and the avalanche of data that will ensue) will be managed and mined. British Gas in the UK is leading the way with its Hive product, ushering in the connected home.



3-D printing

Printing on demand for spare parts and for service items is just beginning; domestic 3-D printing is still expensive. We are already starting to see the advent of 4-D printing with 'self-healing' products becoming the next generation and firms are already thinking about how they might utilize this technology. The medical and dental professions are early adopters of this form of technology.



Drones

While the use of drones as a delivery mechanism across rural areas is getting all of the publicity, there are other commercial applications for drones as well. USAA, for example, are already using drones to survey areas of natural disaster as a means of establishing how quickly they can help their members.



Data and analytics

Predictive analytics in particular is proving especially powerful. When Netflix created a model to predict which movies its customers wanted to watch, it found its recommendations were correct around 75 percent of the time.¹ The predictive power of data is making this an area for rapid development for Personalization.



AI / Cognitive automation

AI-powered chat bots provide an instant service support function for customers enabling conversations across apps, online and SMS and instant messaging. AI is improving decision-making capabilities and providing support staff with complex information immediately at their fingertips.



Robotic process automation

Robots have, of course, been used in manufacturing, logistics and warehousing for a number of years. It is their use in the customer environment that is changing the way service is being delivered. In many industries, cognitive automated advisors are already in use (though mainly to help employees). Investment firm Vanguard in the US uses 'Personal Advisor Services' to combine automated investment advice with human advisors. The plan is for customers to interact with the cognitive advisor directly.



Augmented reality and virtual reality

Kiwibank have for some years been using augmented reality in their home buyer app – superimposing information about individual properties on the screen as the user scans a street where they are interested in buying a property. Retailers are using this technology to provide shoppers with views as to how they might look in different outfits. Travel agents are also using virtual reality to provide immersive experiences when selecting a holiday destination.



Voice/Natural Language Processing (NLP)

Deep machine learning is providing the capability for machines to recognize, process and action speech-based commands. Virtual assistants are becoming a way of life. USAA has developed their own personal assistant trained in financial services speech to assist its members.

1. Business Insider, 2012

The leading firms are making singular efforts to understand the strengths and limitations of each, and they are making use of these technologies before they become mainstream.

At the center of their future use in the world of the customer is the 'intelligent experience' and the 'intelligent interaction'. Facilitated by rapid advances in AI, the cloud and mobile technologies. This includes:



Big data to personalize the experience



Predictive analytics to anticipate and pre-empt customer problems



AI to deliver rapid expert service and facilitate first-time resolution



Predictive insight to understand the life journeys that individual customers are following, identifying the points where firms can add value

This is much more than just making timely product suggestions; this is technology being used for the benefit of the customer to resolve life problems, make things easier and help them to prosper. USAA's car-buying app, for example, enables its members to get a good deal and drive a new car off the lot in under an hour.

It isn't just by using these technologies at the point of contact with the customer that will improve the experience. It is the use of these technologies across front, middle and back office processes that will make the customer's life easier.

As we can see below, Personalization and Time and Effort may be the dimensions of customer experience that will see the biggest benefits from harnessing new technology:

Impact of new technology on The Six Pillars

						
Blockchain		●		●		
API	●			●		●
Mobile	●			●	●	●
Internet of Things	●			●		●
3-D printing/Advanced manufacturing	●			●		
Cloud				●		
Drones				●	●	
Data and analytics	●	●	●	●	●	●
AI / Cognitive automation	●	●	●	●	●	●
Robot process automation	●			●		●
Augmented reality and virtual reality	●			●	●	
Cyber		●			●	●
Voice / NLP	●			●		●

Spotlight on: Singapore Airlines



**Ranked 1st in
Australia**

Singapore Airlines (SIA) states that it wants to be the world's leading digital airline.

To help achieve this goal, SIA has established a digital lab to enable staff to work with a variety of companies, incubators and accelerators to help stimulate new ideas and facilitate collaboration. They are working with partners in data science, cyber security, analytics, optimization, robotics and automation.

The role of the lab is to explore such fields as data analytics, IoT, virtual and augmented reality and AI across the front, middle and back office – from helping lower maintenance costs, decrease aircraft delays and enhance internal service standards through to personalizing the end-to-end passenger travel experience and transforming ground handling processes.



An excellent check-in experience. Attentive flight staff who arranged for a wheelchair to be provided on landing. The staff were very obliging and made sure we were at the correct area for transfers.

CEE Australia respondent

Customer understanding: the insight ecosystem

The leading companies are distinguishable by the depth of understanding they achieve about their customers. They have learned to synthesize customer insight from multiple different sources into a more cohesive view through the management of an insight ecosystem. These joined up insights fuel higher degrees of personalization, reduces customer effort and fosters innovation and emotional connection through experience design. Here is how seven top companies are doing it:

QVC UK

QVC, the UK television and online shopping company, is working to understand its customers' psychology. Its technology is focused on helping the company identify customer likes and dislikes, what they will respond to and what they won't respond to. The business has been rebuilt around the concept of Empathy – focusing on being able to individually and collectively put themselves in their customers' shoes and tailor experiences accordingly.

The QVC lounge, for example, is a customer feedback forum where new ideas are shared and discussed. QVC is building capabilities in managing Big Data and bringing together multiple data inputs from its TV channel, online sales, transaction details, customer behavior and direct feedback to improve the customer experience.

Bendigo Bank

Australia's **Bendigo Bank** has implemented an enterprise-wide measurement framework that enables every team member to understand their contribution to overall customer experience excellence. Using customer journey-based metrics, they use their framework to improve the experience across three areas: attract, please and grow. This aligns data from multiple survey sources (such as brand and voice of the customer) with internal metrics (such as risk and financial outcomes) and operational data to build an integrated picture of customer needs and how they are being met. Importantly, Bendigo is able to use their framework to isolate the experience factors that drive economic success.

Air New Zealand

Air New Zealand practices ethnographic design. When looking to redesign and radically improve aircraft seating, the firm built a mock-up of the interior of a Boeing 777 in a hangar at Auckland airport and observed how people reacted and behaved in different social situations. The result is their unique business class seat that recognizes that passengers may want to be in their own space for the majority of the flight but interact with their neighbor during meal times. The economy offering was improved by watching how people tried to get comfortable on long flights and generated the idea of enabling two traveling companions to purchase the middle seat and turn the row into a lie flat arrangement.

Hilton Hotels and Resorts

Hilton Hotels has also learned how to capture customer insight from multiple sources and use this data to deliver highly individualized experiences to their customers. Experiences are designed and delivered based on an individual customer's behaviors, individual customer feedback and insight derived from advanced segmentation. The more the customer engages with Hilton, the more Hilton learns about them. Hilton ingests large amounts of data and then uses machine learning, look-alike modeling, algorithms and multidimensional attribution to drive engagement. As Mark Weinstein, SVP of the Hilton global loyalty program notes, "We get to know who the guest is, what they like, what they don't like about their stay experience, so tailored offers can be made through the product experience."

Alipay

Chinese payments provider **Alipay** has used its understanding of the online consumer to develop a specialized interface. Aimed at millennial smartphone users, the interface enables them to buy through the Alipay portal, where they can make payments, buy theatre tickets, check their investments or buy plane tickets. Much of its design has been based on behavioral observation.

USAA

USAA describes their approach to keeping close to their customer as 'customer surround sound' – essentially the constant feed of customer insight into the organization. They also measure Net Promoter Score (NPS), in their words "every which way to Sunday". This data drives world-leading innovation as they deliver digital apps that help solve everyday customer problems as well as a highly personalized communications program that sequences and tailors communications to individual customers.

Singapore Airlines

Singapore Airlines has built its Customer Experience Management approach by continually analyzing customer data to learn more about how they can improve and tailor the customer experience. Data is assimilated from multiple sources, such as internal operational data, real time customer feedback and staff generated insight to provide an insight ecosystem that is capable of driving continuous improvement, enhanced customer recovery and innovation.

For each of these firms, the emphasis is on understanding their customers better than their competitors are able to. They then use that information to sharpen their experience edge. There is no one source of absolute customer insight; it must be synthesized from numerous different sources.

Indeed, it is the insights gained from behavior, transactional activity, attitudes, opinions and actual experiences that help form a 360-degree view of the customer, and this requires these firms to learn how to harness their entire insights ecosystem.

Key takeaways

- ✓ Insight is fragmented within organizations – deep insight requires harnessing the insight ecosystem to unite internal data, primary research and customer feedback
- ✓ Needs and expectations are volatile. Keeping abreast of this requires 'customer surround sound' continually bringing the customer into the organization
- ✓ Insight is derived from behavior, transactional activity, opinions, attitudes and psychological signals and responses to actual experiences
- ✓ Ultimately you have to understand your customer better than your competitor

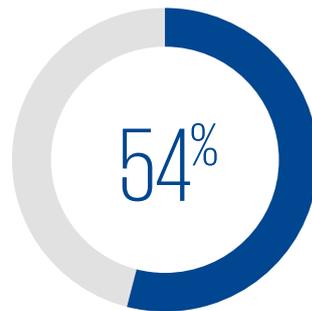
Economics

The leading companies in our research demonstrate a clear understanding of the link between the quality of the experience being delivered and value created. They use return on investment (ROI) modeling to enable the prioritization and optimization of the initiatives that will drive the customer experience. They also understand whether the customer experience they are delivering is under- or over-engineered financially.

The economics of customer experience excellence

To find out how exceptional customer experiences influence brand profitability, we assessed the financial performance of companies from five of the markets in our research and compared the top 50 companies against the bottom 50 companies.

What we found was that outstanding customer experiences deliver outsized financial returns.



The revenue growth of the top 50 brands in the measured countries is 54% greater than the bottom 50, at an aggregated level.

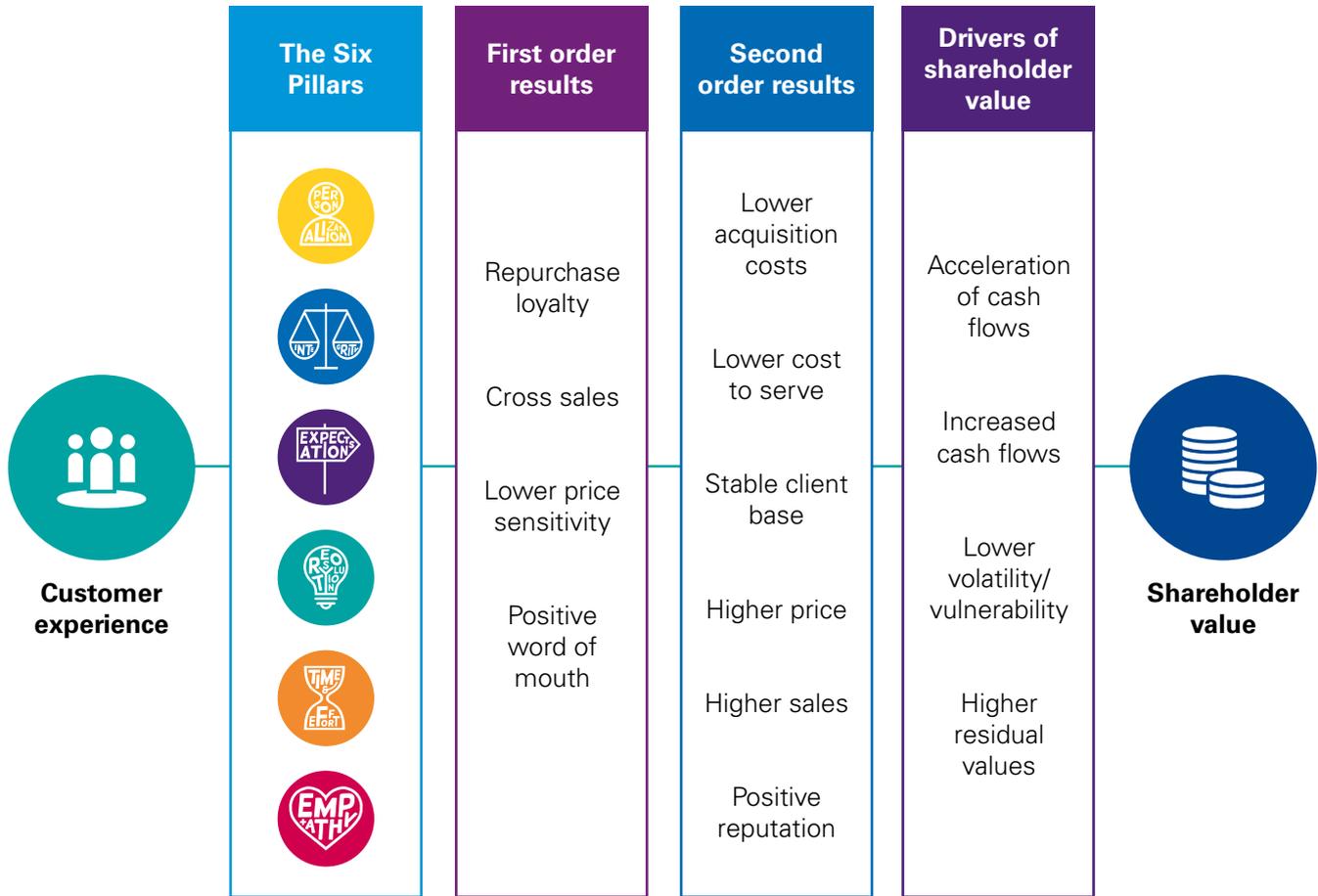


The EBITDA growth of the top 50 brands in the measured countries is 202% greater than the bottom 50, at an aggregated level.

This analysis is based on publicly available financial information for the CEE measured organizations across Australia, France, Italy, UK and US. Not all organizations have publicly available financial information. This analysis takes into account the latest available figures at the time of publication. All data is collected by KPMG Global Services team.

Driving shareholder value

Customer experience optimization is a real opportunity to create value, by delivering multiple, tiered commercial outcomes.



‘Customer-centric’ organizations are 38% more likely to report greater profitability than their competitors.

Source: Harvey Nash, KPMG CIO Survey 2018

Key takeaways

- ✓ There is a proven link between the quality of the experience and the commercial outcomes the business enjoys as a consequence
- ✓ There is a clear difference in commercial returns between the top 50 organizations and the bottom 50 organizations
- ✓ Customer value works both ways: value for the customer and value for the firm
- ✓ High quality CX provides a level of goodwill equity that helps protect the firm against competitor product introductions and price reductions
- ✓ CX excellence is a clear driver of growth

Global themes

Our research across 14 countries and over 54,000 consumer interviews uncovered a number of themes that seem to be influencing the delivery and value of today's customer experience.



In search of truth -
the integrity economy



Going 'Glocal'



Fragmenting
customer journeys

In search of truth - the integrity economy

What we consume says something about who we are and who we want to be. And, increasingly, so does who we buy it from. Customers not only buy what brands do, they buy why they do it. Perhaps not surprisingly, Integrity is the most important pillar for driving recommendation in our study overall.

Trust is in crisis around the globe. Indeed, with few exceptions, trust has declined in nearly every major economy and many developing ones. All brands operate within a larger narrative and the narrative of today is cynical and mistrusting.

Against this backdrop, what consumers conceive a brand to be is changing rapidly. Customers form their perceptions of a brand based on their experiences; it is built in every interaction, at every touchpoint and in every social media post. A brand is the sum total of its words, deeds and operating philosophy.

Millennials, in particular, are drawn to organizations that display values and convictions beyond simply making money. They seek organizations that communicate their core beliefs openly and credibly; that are built around a compelling purpose; and where the 'why' and the 'how' is as important as the 'what'.

Over time, we have moved through several stages of branding from brand as an identity, a differentiator, as a quality mark and, more recently, as a compelling idea. It must be linked to a philosophy containing values and beliefs and wrapped in a well-told story.

The brand-building ploys of the latter part of the 20th-century have left many organizations with empty marketing shells. CSR (Corporate Social Responsibility) as a corporate nod to an ethical purpose is no longer good enough.

The leading brands seek to build trust wherever and whenever possible. And they establish a two-way relationship with their customers, encouraging them to participate - to be involved as active shapers of the products and experiences that improve their lives.

Simply put, brands must have fewer tricks and more truth. There is no hiding place on the internet.

The successful brands in our study have mastered the art of trust-based brand building. They have moved from an era where trust can be bought with advertising and product quality to an era where trust is built slowly over time, interaction after interaction. This is not consumption; it is a relationship. And at the heart of every successful relationship is trust.

Customers of Lush in the Netherlands say they love the product, love the people and love the mission. It is a campaigning brand that communicates its purpose and its pursuit of ethical relationships with its people, its customers and the planet. That is a large part of why Dutch consumers ranked the brand top in the country for customer experience.

In China, where consumers have become wary of false advertising and false products, mobile payments platform Alipay has developed an escrow account where customer money is held until the goods arrive in a satisfactory condition. Steps like this have helped build confidence in the platform and eased consumer fears while accelerating the adoption of online purchasing.

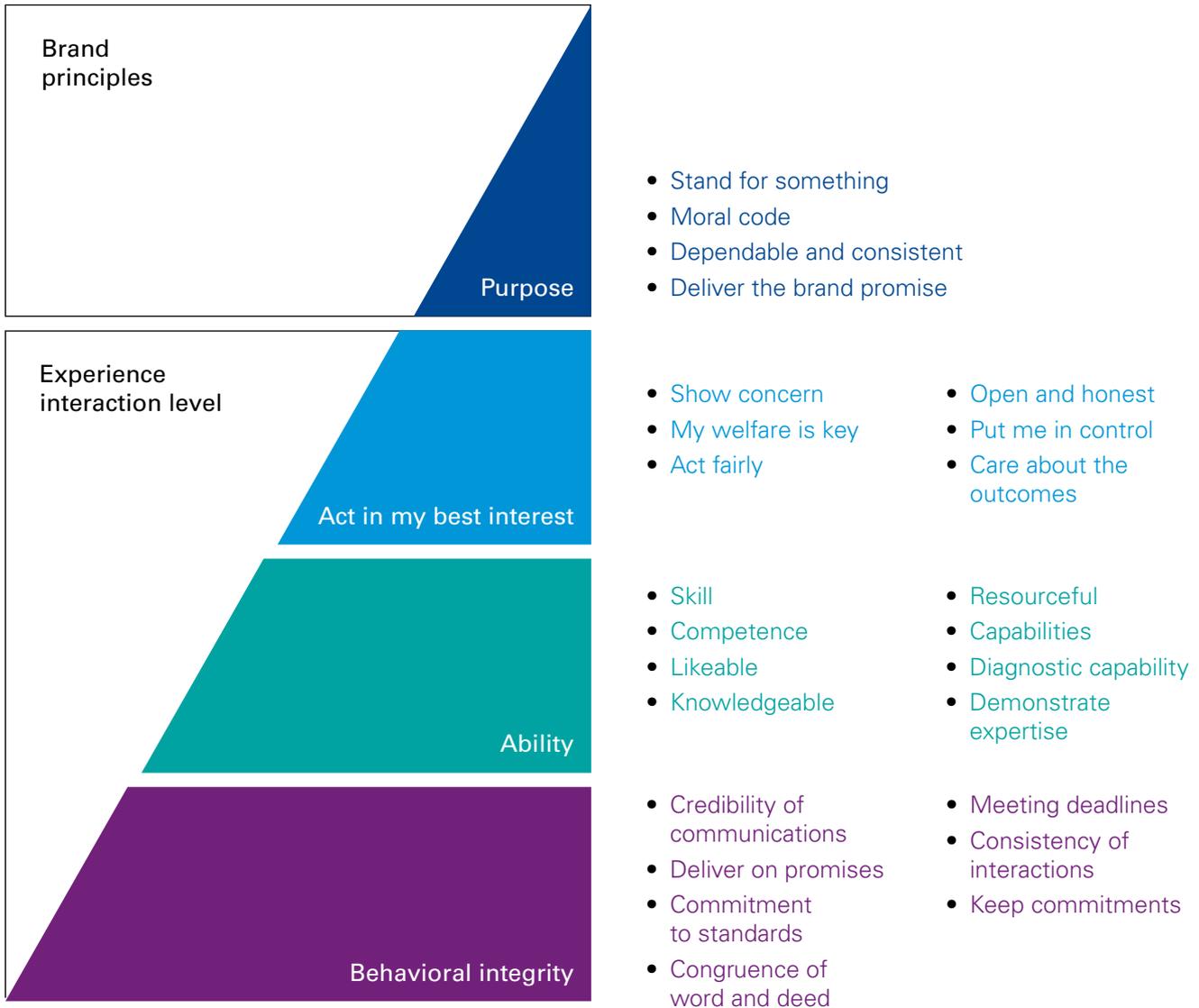
Brands such as USAA have become adept at 'signaling behaviors' – continuously demonstrating to customers why they can be trusted. For example, at the height of the financial upselling scandal in the US, USAA ran an advertising campaign stating, "We practice downselling, only selling you exactly what you need".

Our experience suggests that, in every interaction a consumer has with an organization, there is a perceived moral code – a way of being that must align with the values of the consumer.

The leading brands share a common characteristic: they seek to build trust wherever and whenever possible. And they establish a two-way relationship with their customers, encouraging them to participate – to be involved as active shapers of the products and experiences that improve their lives.

Trust framework

The following trust framework illustrates the key areas for focus:



Key takeaways

- ☑ Integrity and its outcome – trust – are the basis of all relationships
- ☑ It is gained in drops and lost in buckets
- ☑ In these days of cynicism and mistrust, organizational integrity is vital to attract customers
- ☑ Social media and 24-hour news coverage requires extensive risk management – organizations can no longer afford to continue doing things they are not proud of
- ☑ 'Caveat emptor' has been replaced by demonstrably acting in the customer's best interest

Spotlight on: KLP



**Ranked 1st
in Norway**

KLP in Norway is a life and pensions company whose entire ethos is based on ethical and responsible investing. They recognize that, when your focus is on doing the right thing, you need to be able to make tough choices. Commercial success can often lie in gray areas.

To help their employees live the brand, the company has developed a set of principles that they will not compromise on. They also publish a list of companies that they will invest in and a list of those they have excluded (those whose commercial practices are outside of the principles KLP espouses).

In some cases, this has meant withdrawing from companies who operate in current war zones or those whose practices towards indigenous people are open to question.



We believe that customers value us because we are true to our origins and our business side, in everything we do, every single day.

Sverre Thomes

Group Chief Executive Officer, KLP

Going 'Glocal'

The brands that are successful globally are those that have identified an experience that translates across different cultures. But while these experiences are anchored in a unique point of difference that resonates universally, they are combined with local branding and experiences that reflect local lifestyles and cultures to deliver highly personalized and localized experiences.

Top ranking global firms have learned where to draw the line between standardization and local sensitivity. This ensures there is a connection between the local consumer and a global product. Apple markets their iPhone in 115 different countries.¹ And, as a product, it varies little across geographies.

What does differ, however, is the way it is positioned, communicated and marketed in each of these countries. They maintain a universal theme across the board, telling a consistent brand story while understanding and being sensitive to the nuances of each of the markets they operate in. They recognize that the priorities for customers vary by market, and it is important to reflect these priorities (and pain points) as part of their localization process.

For global players, organizational design becomes a key consideration. How do they find a productive balance between standardized global processes and diverse local ones? Where do they locate the corporate center and what should or shouldn't be centralized

there? And how do they deploy knowledge and skills effectively around the world and get the right people communicating with each other?

Connectedness is critical to these companies. Indeed, it is the operational connections between networks of people that make the whole greater than the sum of its individual parts.

In countries where global providers have yet to make their mark, local providers are filling the gap with highly relevant and locally engaging approaches.

In China, the online payments market is now dominated by two local players – WeChat Pay and Alipay – whose competition for the local user has left little room for international giants such as PayPal. In Denmark, MobilePay dominates. Of course, given the 'local' nature of financial services generally, it is not surprising that local firms such as KLP, USAA, Topdanmark and MAIF not only dominate their local market in financial services but also lead the index in their respective countries.

Key takeaways

- ✓ The great companies have become adept at localizing around a universal concept
- ✓ Localization, for the global players, refers to marketing, positioning and merchandising
- ✓ Local companies are springing up where the large global players have yet to reach
- ✓ This emphasizes for the global players the need to be first to market, to get big quickly
- ✓ The degree of tailoring to local cultures varies; the global firms have managed to get the boundary between global and local just right

1. Apple website

Spotlight on: Netflix

Netflix has operations in 190 countries and boasts 125 million memberships.¹ So the company focuses on 'flexing' its product – within a consistent framework – to meet the diverse needs of its members.

The company is highly focused on managing its content, its costs and its competition to achieve its customer experience goals.

On the content side, the company has made massive strides. Originally, content was largely based in English with an 80/20 mix of English language to local content, which limited its audience somewhat.

However, dubbing, subtitling and an increasing mix of local content is now making Netflix more relevant in the countries it serves. It works with thousands of translators and has developed a sophisticated internal translation approach that ensures key words and phrases do not get lost in translation as international audiences watch its shows. There is also an extensive pipeline of shows in development, created with local talent and themes.

To manage costs, Netflix has built an extensive network of local cable operators and distributors to ensure that marketing costs are optimized in markets where its brand and content are largely unknown.

Netflix's main challenge, however, is how it engages competition (most often large international firms themselves). In Europe, this is Sky; in other markets, it is Amazon.

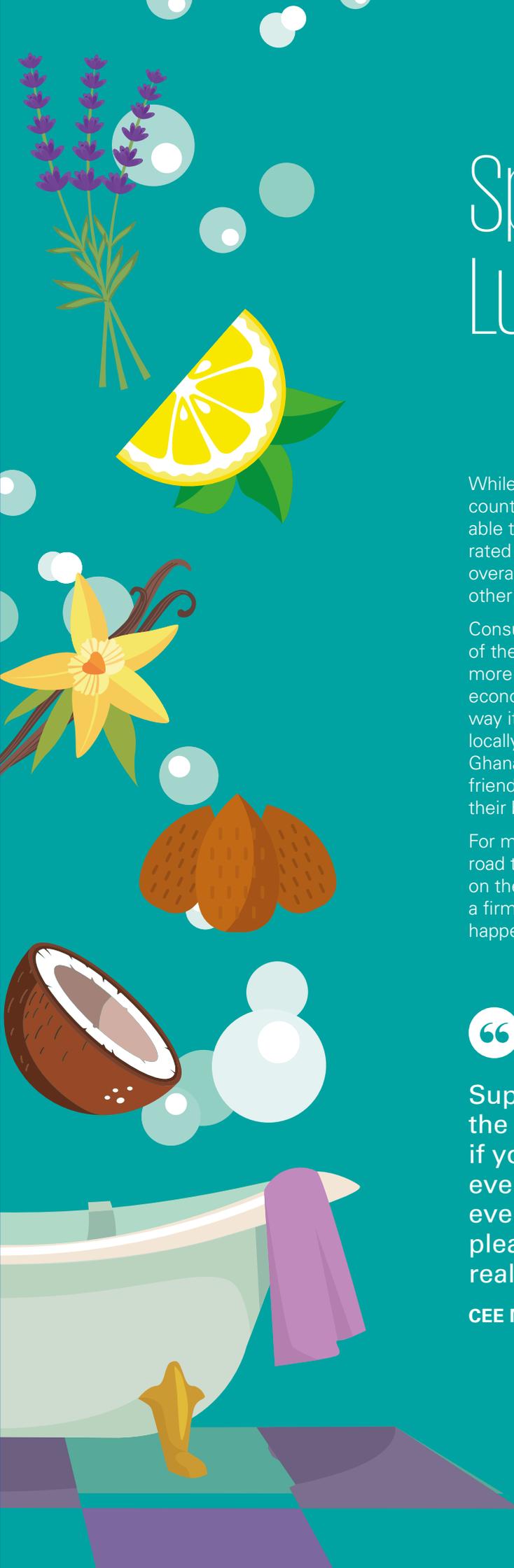
Netflix's differentiation has always been rooted in its technical ingenuity. Advanced hyper-personalization is now being complemented by interactive technology and story branching options. Netflix is testing content which enables the viewer to select how the story plays out. In the future, the company believes viewers will want to see all of the story branching options and develop a much more three-dimensional view of standard content.



Thanks to Netflix I can watch whatever I want, whenever I want. I find their original content compelling, and there's always something on the suggested content that interests me, so that justifies the monthly cost for me.

CEE US respondent

1. Netflix website



Spotlight on: Lush

While UK-based Lush may have operations in more than 51 countries, customers in the Netherlands say the brand is able to delight them at a very local level. In fact, Lush was rated as the top brand for customer experience excellence overall in the Netherlands and ranks highly in a number of other markets as well.

Consumer comments in the research suggest that part of the appeal of Lush is their response to some of the more negative impacts of globalization on local crafts and economies. Lush attempts to offset these impacts in the way it conducts its global business; they source products locally and abide by fair trade practices in countries such as Ghana and Kenya. They are also seen to be 'local community friendly', helping producers to improve their economy and their business for the people of that country.

For many companies with a clear mission and vision, the road to customer experience is not through selling products on the global stage – it is about applying a philosophy of how a firm should act within a tightly defined retail space that happens to be present in multiple geographies.

“

Super shop with super staff. They take the time for you, and it doesn't matter if you buy anything or not. They explain everything very well and demonstrate everything you want. I was really pleasantly surprised by this store. It's a real experience to go inside.

CEE Netherlands respondent

Fragmenting customer journeys

Customers are increasingly 'mixing and matching' as they unbundle and then reconfigure their buying experience to suit their individual needs. Firms that react to the connected consumer and enable customers to re-bundle in unique and personalized ways are beginning to achieve a market advantage.

The arrival of the internet has enabled customers to create their own customer experiences. It has been particularly true of the travel industry where customers have long been able to unpick components such as flight, hotel, car hire and transportation.

More recently, customer configuration has also hit the retail sector. Customers may walk into a physical store for information, but then purchase online and have the product delivered and installed (if necessary), all at a time of their choosing. The process may involve several different entities, but it is seamless to the customer.

The reality is that this digital democratization of the purchasing process is fragmenting what has historically been a stable and predictable process.

The leading firms in our research are those that are connecting their customer in unique and exciting ways by developing a network of ecosystem partners that enable and empower the customer to bundle services and products in ways that suit them best. These firms realize they cannot do everything themselves, but they can create an integrated environment where consumers can construct seamless journeys using the power of connected digital technology.

Singapore Airlines (SIA), for example, took top spot in our Australian survey because customers there assessed that it had the ability to get closer to them and understand their needs and requirements at each stage of the travel life cycle. This has meant looking beyond the touchpoints that are managed or controlled by Singapore Airlines to understand how value is being added to the end-to-end experience regardless of who actually delivers the experience.

Investments into a customer experience management (CEM) system have allowed the company to listen and react to the customer's voice as they moved through this unbundling and re-bundling process. This, in turn, uncovered opportunities to improve their passengers' experience across multiple touchpoints. One of the areas it identified was a need to catch up with their digital experience. Recognizing the emergence of the 'ultra-connected traveler', SIA set about creating an app that reconnected and re-bundled different components of the on-board and pre-boarding travel experience for the benefit of its customers.

In New Zealand, New World is a food retailer that aims to integrate both online and instore shopping. Examples include delivering healthy dinner kits, and instore demonstrations with competitions to inspire and incentivize customers to participate with the brand. Customers in New Zealand note that the brand demonstrates its Integrity through fair trade and a strong environmental focus.

Rebuilding and integrating customer journeys is a process of aggregation, selecting appropriate partners, orchestrating them and then presenting the options to customers in new and exciting ways. Many of the leading firms in our research are using this re-bundling process to create a cohesive whole that delivers on the brand promise.

The reality is that this digital democratization of the purchasing process is fragmenting what has historically been a stable and predictable process.

Key takeaways

- ✓ Internet e-commerce is moving into a new stage of maturity
- ✓ Initially, the internet facilitated unbundling so customers could tailor more precisely to their needs
- ✓ The emergence of platforms is enabling a re-bundling around an ecosystem of suppliers with related loyalty programs and offers
- ✓ Increasingly, the internet will become the battle of the platforms as integrated ecosystems of related products vie for the customer's attention
- ✓ There is a need for firms to consider their strategic position: the owner of the platform or a product line in someone else's platform



Spotlight on: Alipay



**Ranked 1st
in China**

Chinese firm Alipay is a mobile and online payment platform. When it realized that its customers were holding balances in their accounts, it put this money into a money market fund and started paying its customers a level of interest that often exceeded the level paid by banks.¹

Alipay also provides direct links into more than 65 financial institutions (including Visa and MasterCard) to facilitate payment services for more than 460,000 online and local Chinese businesses.² QR codes can be used for local in-store payments. The Alipay app can be used by customers to conduct credit card bills payment, bank account management, P2P transfer, prepay mobile phone top-up, bus and train ticket purchase, food order, ride hailing, insurance selection and digital identification document storage. Alipay also allows online check-out on most Chinese-based websites such as Taobao and Tmall.



Alipay's activities are numerous and full-featured. There are discounts and points for payment, as well as daily payment and bicycle sharing via Alipay. There are also charitable activities that I can participate in.

CEE China respondent

1. <https://www.forbes.com/sites/stevenbertoni/2014/05/08/why-alibabas-alipay-and-paypal-will-and-should-destroy-physical-banks/#13cb7dca23f3>
2. Worldcore article, June 2017

Country OVERVIEWS



Australia

Leading pillar



Time and Effort

Leading sector



Grocery retail



International brands are raising the bar by educating the Australian consumer on what good can look like. The challenge for brands in Australia is to strike the right balance between these global standards, their individual brand promise and customer expectations.

Paul Howes

Partner, Head of Customer, Brand and Marketing, KPMG Australia

Customer experience management continues to evolve in Australia. A significant part of delivering a good customer experience (CX) begins with the employee experience and this is something that the leading Australian organizations demonstrate a particular strength in. Our research shows that Australian customers exhibit an appreciation of premium experiences, however, they also value those who deliver on the broader promise of their brand.

Australian consumers ranked Singapore Airlines the most highly in our survey. The airline describes itself as offering some of the most spacious and luxurious aircraft in the world, delivering flights that are “every bit as delightful as the destination itself.”¹ They believe that “when everything is designed around you, flying becomes a personal experience,” and they encourage travelers to “experience how intuitive service brings each encounter to life”². Consumers in Australia note the carefully recruited flight attendants; a ‘book the cook’ service for special meals in first and business class; a signature scent blended into attendants’ perfume, the airplane interiors, and hot towels given out on take-off.

Ranked second is another airline with a penchant for first-class travel experiences. Consumers have rated Emirates highly in other countries. And, in Australia, the airline continues to offer a consistently high level of CX, performing well in all of The Six Pillars – most notably Personalization and Empathy. Indeed, one customer commented that they always feel as though they are traveling in ‘luxury’ even when they are traveling in economy with Emirates. These feelings are often kindled by the airline’s ability to put the customer at the center of its operations, catering to unfulfilled needs ahead of time. For example, some of its flights offer variable lighting experiences,

Leading CX brands in Australia



enabling passengers to maintain their sleep patterns and avoid the effects of jet lag. And, in the future, Emirates hopes to be able to cater to customer needs in even greater depth by offering tailored Netflix and Spotify playlists.³

Number three in the Australian rankings is Bendigo Bank. It's a brand that is very closely connected to local communities. "Every day our customers help change lives, and save lives, simply by banking with us," the company says. "Their home loans are building skate and sports parks, hospital wings and classrooms. Personal loans are funding ambulances."⁴ This outlook has helped Bendigo Bank to become a more empathetic and personalized brand with customers referring to staff as consistently friendly, approachable and helpful. In the words of one respondent: "Each and every time I go there, I am greeted as a friend and nothing is too much trouble"

One challenge for the Australian market is presented by the global incomers; international brands are arriving in the Australian market and providing consumers with more choice, which is putting pressure on local companies to match the prices and product ranges that foreign companies can offer. The subsequent challenge is for the quality of the customer experience to also become a competitive factor, allowing local organizations to set themselves further apart from overseas rivals. Personalization – which, depending on the brand promise, plays out differently across the CX leaders – will be key to this evolution. Australian customers are already acknowledging this in our research with this pillar having the highest impact on loyalty and advocacy at 23 and 20 percent, respectively.

Australia pillar importance

Loyalty



Advocacy



1. http://www.singaporeair.com/en_UK/gb/flying-withus/our-story/our-fleet/
 2. http://www.singaporeair.com/en_UK/gb/flying-withus/our-story/making-every-journey-personal/
 3. CAPA Centre for Aviation website, 2017
 4. <https://www.bendigobank.com.au/public/community/community-bank>

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China

Leading pillar



Integrity

Leading sector

Travel and
hotels

The CX leaders demonstrate that for Chinese brands to progress there should be three key areas of focus: a desire to innovate and continue leveraging digital and mobile technologies, a commitment to integrity, and the ability to offer premium experiences to meet growing customer expectations.

Reynold Liu

Head of Management Consulting, KPMG in China

Brands in China have a unique opportunity to capitalize on digital channels and mobile technology to deliver a leading customer experience.

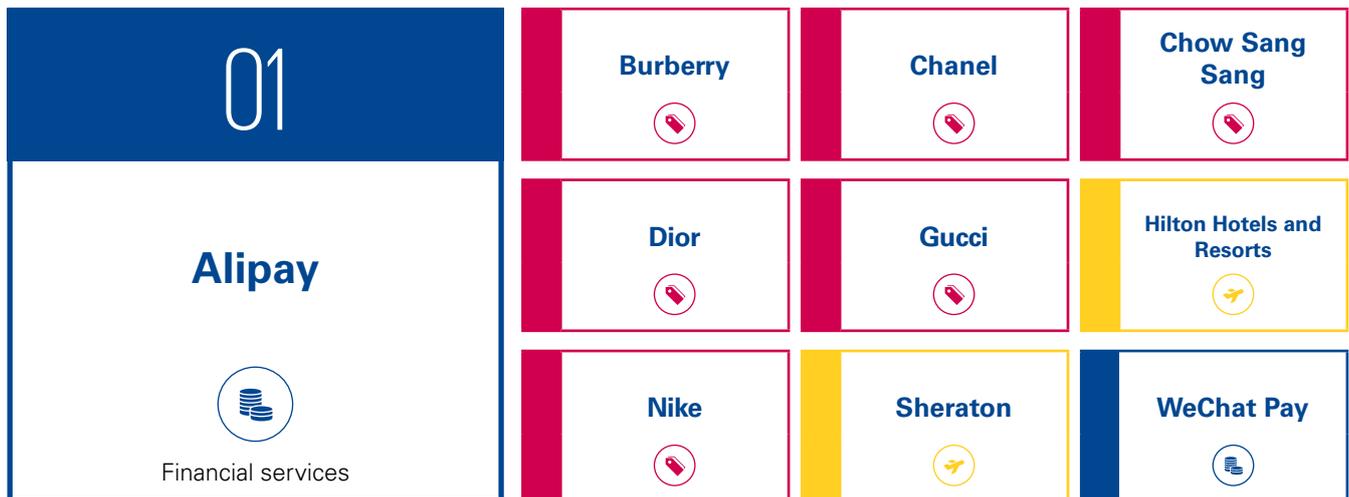
Total internet users in China reached 772.0 million in 2017, making it the world's largest internet market, and 97.5 percent of these users accessed the internet on their mobile devices.¹ The scale and speed of mobile adoption has transformed how Chinese consumers expect to interact with organizations across all sectors. Consumers have become more connected than ever, and they are empowered by the convenience and accessibility that mobile technology provides. This has fueled the growth and success of China's FinTech and e-commerce companies, which have put customers at the heart of their business models, setting the standard for customer experience in China and globally.

The wide acceptance of mobile payments and the trust placed in them by Chinese consumers has played an important role in the increasing penetration of and preference for mobile in China. It is not surprising then that two of the top 10 brands in mainland China's analysis are mobile payment companies Alipay and WeChat Pay. These brands have created ecosystems where the customer can carry out financial transactions, book travel and hotels, hail rides, and carry out an array of tasks such as booking doctors' appointments and claiming overseas tax refunds. These brands have moved beyond financial services to also provide their customers with lifestyle services within their app. The convenience this provides is reflected in these payment platforms' Time and Effort scores in the research, with Alipay and WeChat Pay holding two of the top spots for this pillar in mainland China.

Alipay, the world's largest mobile payment platform with 520 million users,² also stood out in the pillars of Personalization and Integrity, which were the most important pillars for customers in mainland China for driving brand advocacy and loyalty, respectively. Alipay has focused on building confidence between seller and buyer on Alibaba's e-commerce site Taobao. By expanding its global reach, Alipay has enabled Chinese customers to use the app they are familiar with in their travels outside of China, whether that be in European boutiques, claiming instant tax rebates at the airport, or for inflight purchases.

The importance of integrity in mainland China is symptomatic of a consumer base that is maturing, with an increasing number of young, middle-class customers becoming commensurately aware of market rules and CX best practice, and upholding brands to these. Brands that performed well in the Integrity pillar were synonymous with delivering

Leading CX brands in China



Rankings are unavailable for mainland China

on brand promise and continually meeting customer expectations by providing consistent quality products and services. Luxury retail brands in mainland China appear to be particularly successful at building trust with their customers, holding four of the top five Integrity pillar scores. The top performing sector in mainland China – travel and hotels – also outperformed other sectors on the pillar of Integrity.

The hotel chain Hilton was another of mainland China's top-ranking brands. Hilton successfully uses technological innovation to enhance its customer experience, with a bespoke app intended to make guests' lives easier and enabling them to manage all aspects of their stay. This is not just booking and check-in, but also selecting a preferred room, opening the hotel room door or ordering food and drinks ahead of arrival. Correspondingly, Hilton performs highly in the pillar of Personalization for acting upon guests' individual preferences. Hilton has the advantage of being able to use this knowledge in the future in order to anticipate – and even exceed – guests' expectations on their return visits.

Chinese consumers also ranked the fashion brand Gucci highly for customer experience. While customers in China

place particular value on the in-store experience, Gucci has developed a narrative-inspired e-commerce interaction that mimics a luxury in-store experience. The brand has also launched a number of WeChat mini-programs, providing personalized and customizable experiences to its customers.

For a consumer base that is so digitally connected, it follows that a number of the top performing brands in the analysis have been recognized for their successful investment in digital technology, particularly mobile apps. Chinese consumers are becoming increasingly dependent on their mobile devices with 71% preferring to lose their wallet over their phone.³ Brands can capitalize on this attachment to increase brand presence in their customers' everyday lives and collect data and insights to better understand their behaviors, motivations and preferences to build brand trust and deliver personalized experiences. Customers' needs, desires and expectations are constantly evolving. The most successful brands will be those that stay connected to their customers and evolve alongside them.

China pillar importance

Loyalty



Advocacy



1. 'Five surprising facts about China's internet users', Man-Chung Cheung, 26 February 2018, eMarketer, <https://www.emarketer.com/content/five-insights-on-how-china-s-internet-have-grown-in-the-past-year>
 2. 'Alipay homepage', Alipay, accessed on 15 May, <https://intl.alipay.com/>
 3. Me, My Life, My Wallet, KPMG International, February 2018, <https://home.kpmg.com/xx/en/home/campaigns/2017/11/me-my-life-my-wallet.html>

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Denmark

Leading pillar



Integrity

Leading sector

Entertainment
and leisure

We've seen an increased focus on customer experience in Denmark. Organizations are developing CX strategies, appointing journey owners and deploying CX metrics as part of their KPIs. The role of digital is also increasing across all sectors. However, many organizations are still struggling to connect their online and offline assets into a seamless experience for the customer.

Joakim Abeleen

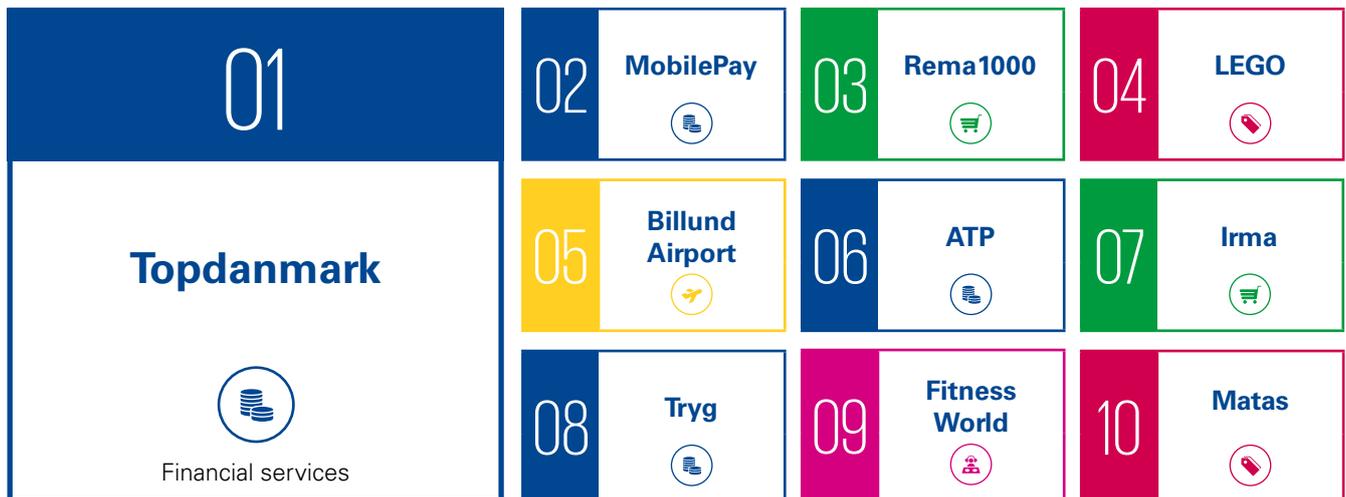
Customer Lead, KPMG in Denmark

The pillar of Integrity has risen in significance across the globe with all brands having to win over the trust of customers who have become more cynical and suspicious following a number of public crises. This is particularly important for financial services brands. So, it is encouraging to see two such companies emerge highest-ranked in Denmark.

Topdanmark is the country's second largest insurance organization. Of The Six Pillars, Topdanmark performs strongest for Integrity. This is, in part, driven by a strong belief that its business should be beneficial to society providing social and financial security to customers at key moments in their lives. The brand considers itself to be 'socially responsible' to run a 'sound business'¹. Topdanmark strives to give people a sense that they are being looked after and that help is available when they need it. To ensure this happens, there is a strong commitment to digital innovation. Three-quarters of Topdanmark's 400+ IT employees are focused on development, helping the company to continuously improve service efficiency and bring new customer-facing features to market. The organization works hard to harness technology in a way that delivers value to customers. The website was recently redesigned using insights uncovered through a journey mapping exercise to enable customers to find the information that is important to them more easily. Customers can also access an online portal where complex situations (such as making repairs on a damaged property) can be coordinated between customers, the company and third-party suppliers. Topdanmark is managing to maintain Integrity in this increasingly digital world, balancing online and offline in an effective manner.

Ranked second for customer experience excellence in Denmark is MobilePay. It is a strong example of a brand that recognizes the importance of Time and Effort, creating a seamless customer experience using innovative technology. Indeed, the company was built on this premise; MobilePay began life because its founders wanted to create an easier way for individuals to transfer money – one that was as simple as sending a text message. The brand has succeeded in this respect,

Leading CX brands in Denmark



with an app that allows users to carry out transactions using just the recipient's mobile number. Furthermore, it's a payment solution that is becoming more widely integrated. MobilePay can be used "in thousands of shops, supermarkets and restaurants, as well as in other apps and for online purchases."² As one respondent stated: "In general, I just love using MobilePay as a paying method... So simple and fast."

Customers ranked the grocery retail brand Rema1000 third. It's an organization that is shopper-centric in its approach to CX. It often makes choices that are designed to enhance people's lives in some way. An example of this can be seen in its dinner planner app which is intended to save time for customers by suggesting recipes that are simple to cook using ingredients that can be sourced in its stores. The app also aims to help shoppers save money and reduce their food waste by guiding them towards exactly the right ingredients in the optimum quantity.³

With a growing number of digital challengers seeking to enter the Danish market, the greatest challenge facing

Denmark's traditional top brands is how to successfully (and profitably) move from an offline to an online world. This will require them to not only provide a seamless experience across all channels, but also to deal with the increasing fragmentation of the Danish customer journey. One of the reasons that financial services rank so well in Denmark is that they have – more than most – been able to make the transition from bricks and mortar to digital. And, by balancing their investment into customer experience against expectations, they are doing so in a profitable manner.

Where Denmark certainly stands out is in the pillar of Integrity. The country has the honor of having the world's highest trust rate between people, government and corporations – a reflection of just how integral 'trust' is to the Danish culture. It is expected that brands can be relied upon when customers engage with them and the strongest organizations, such as Topdanmark and MobilePay, are fulfilling this expectation. They stand as good examples of brands that place looking after the customer at the heart of their operations.

Denmark pillar importance

Loyalty



Advocacy



1. <http://www.topdanmark.com/en/about-topdanmark/>
 2. <https://www.mobilepay.dk/da-dk/Pages/The-story-in-English.aspx>
 3. <https://translate.google.co.uk/translate?hl=en&sl=no&u=http://www.rema.no/&prev=search>

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France

Leading pillar



Personalization

Leading sector



Financial services



Our 2018 study clearly shows three main trends. First, that customer experience has become universal – all sectors are now competing against each other and consumers now compare their experiences against the best in the country rather than the best in the sector. It also demonstrates that the human side of the relationship is key to delivering a lasting and superior customer experience. The third trend is the movement of customer-centricity into the back office; the entire enterprise needs to be working towards excellence in customer journeys in order for the experience to be excellent. The good news is that customer experience leaders in France understand these trends and have been working to improve their performance day by day in a continuous way.

Emmanuel Hembert

Partner, Strategy, Customer and Operations, KPMG in France

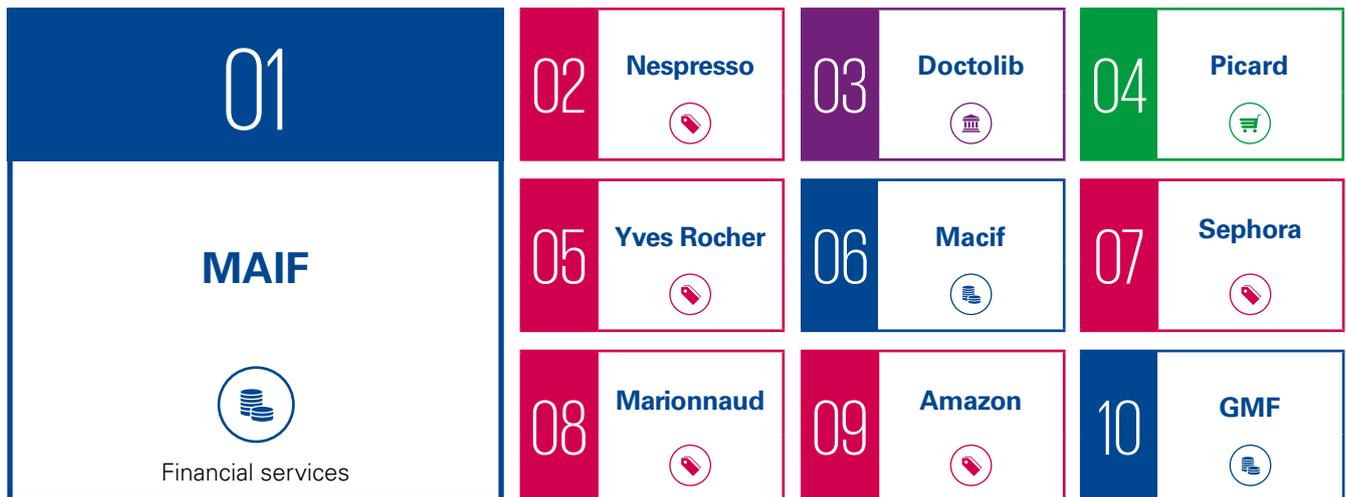
France is a fairly mature market in terms of customer experience, with many organizations recognizing CX as a key differentiator. Yet some organizations remain unaware just how critical CX is to compete in today's marketplace.

Non-grocery retailers (specialty retailers in particular) and financial services brands are leading the charge in France. Specialty retailers have placed the customer at the center of their strategy and, by doing so, have been able to duplicate outstanding experiences beyond their original distribution channels. In financial services, insurers rank among the top performers, with mutual organizations (owned by their members) demonstrating strong capabilities for successful CX execution.

Consumers ranked MAIF, a mutual insurance company, as the leader for customer experience in France. MAIF describes itself as a “proactive insurer” whose role is to be “at your side, ready to assist you with your life projects.” Performing particularly well in relation to the pillars of Resolution and Empathy, MAIF has invested decades into understanding its customers intimately in order to find the best ways to help them. By combining a strong focus on the human side of the relationships with investments in innovation, particularly into the collaborative economy, MAIF is viewed as a forerunner for CX in France.

Second-ranked by consumers in France is the coffee brand Nespresso. Nespresso sells coffee through a chain of Nespresso stores. The brand stood out for the pillar of Expectations in the research and secured the highest score on the loyalty index, suggesting the brand is meeting or exceeding its customers' expectations. The stores offer design elements like a coffee tasting

Leading CX brands in France



bar, supported by staff on hand to assist and explain the company's products and services. The brand regularly introduces new technologies such as an Easy Ordering service (enabling automatic recurring deliveries according to customer preferences) and in-store capsule recycling (to reduce waste and protect the environment).

Following Nespresso in the leading CX brands in France is Doctolib, a website that helps people organize their medical appointments. Doctolib has revolutionized the way medical appointments are made, enabling patients to quickly and simply find the practitioner they want, in the neighborhood they want and at the time they want. This has resulted in high scores across The Six Pillars, particularly for Personalization and Time and Effort. Unlike other similar sites, Doctolib is not just a matchmaking platform. They invest 90 percent of their resources into training practitioners to make them knowledgeable and motivated to use (and then promote) the service to

their patients.¹ Working with 45,000 practitioners across 1,000 health facilities and arranging 16 million visits per month, it's an organization with considerable breadth.

French organizations must look to these market leaders to understand the levers of success. It is crucial that a market-wide perspective is taken, not simply a closed view within one's own sector.

In France, Integrity is the greatest driver of loyalty for consumers; creating customer trust is a critical foundation to a positive customer experience. Meanwhile, the pillar of Personalization is the greatest driver of advocacy – both pillars that are clearly evidenced by the leading French brands.

France pillar importance

Loyalty



Advocacy



1. KPMG management interview

India

Leading pillar



Integrity

Leading sector

Non-grocery
retail

India is continuing its indulgence with experiences which customers can live, share and feel connected with. Brands need to find a way to bring experiences to life and fulfill their customer promise at each transaction.

Aditya Rath

Partner, Customer Advisory,
KPMG in India



Brands present in India, and those wishing to enter India, have to realize they will have to make a choice on which of the many diverse segments of customers they would like to serve, and what they want to promise them. A one size fits all approach will just not work.

Abhijeet Ranade

Partner, Customer Advisory,
KPMG in India

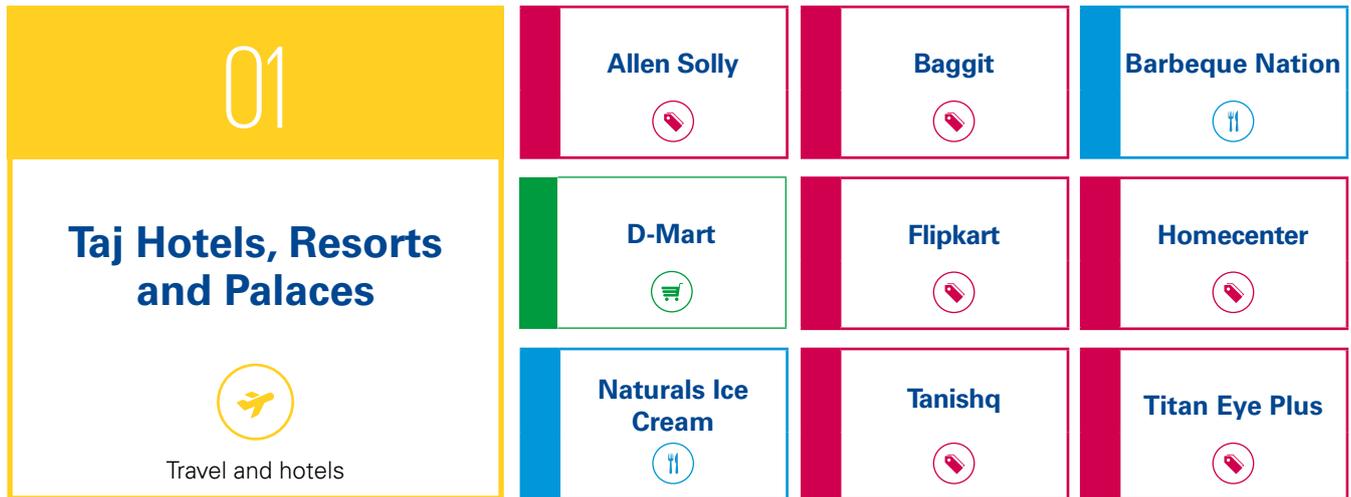
India has an incredibly diverse population. Brands have to cater to a wide range of consumers from a myriad of backgrounds, cultures and varying sensibilities. The winners are those organizations which appeal to customers' core values, score highly for Integrity, and reduce friction in the transaction cycle.

Over the last few years, customer spending power has increased dramatically. This has fuelled competition in products and services between local businesses and MNCs, meaning that consumers have been afforded more choice. Because of this, Indian and global brands are going to have to discover how they can remain relevant in an increasingly crowded marketplace. In reality, this is not easy; it requires businesses to continually reinvent themselves in order to secure the loyalty of their customers.

Indian consumers ranked Taj Hotels, Resorts and Palaces first in our research. Taj describes itself as an organization which is "quintessentially Indian" and aims to deliver "luxury the Indian way" by creating a chain of properties which offer traditional Indian ambience. Recently, the company unveiled 'Tajness,' which it describes as a "brand and operations philosophy for the future" rooted in "sensorial touchpoints." This is coupled with local experiences such as traditional tea services and epicurean journeys that provide an experience that one Indian respondent described as "One of my favourite places to be."

Barbeque Nation is another Indian brand which ranks highly. In India, the tandoor or 'the grill' is a very popular cooking technique, and the company capitalizes on this by bringing a live grill to each table, affording customers a unique and memorable dining experience. This is a reflection of Barbeque Nation's strong belief that innovation is the key to attracting customers and with innumerable options available to diners in India, the 'grill-on-the-table' concept helps the organization to stand out from the crowd.

A selection of the leading Indian CX brands



This is a selection of the highest performing Indian brands in the research. The study also included global brands. Read the Indian report for further details.

Another successful Indian brand is Tanishq, a jewellery retailer which is part of the Tata Group. Jewellery is a largely unorganized retail experience in India, but Tanishq, with its promise of purity, transparency and purchase value has ensured that it remains at the forefront of the market. Its friendly service, together with its personalized interactions and strong loyalty program, help Tanishq to remain a household name for the Indian customer.

Despite these success stories, customer experience excellence is not without its challenges in India. The country's diverse range of consumers make for a difficult country in which to deliver consistently good CX; companies often struggle to fully understand the cultural behaviors and purchase motivations of their consumers. That being said, the good news for businesses is that customers are more favorably disposed towards those brands that offer a higher level of CX. Organizations that

are able to cater to the specific needs of the individual, in a manner which is efficient and timely, are the ones which are most likely to succeed.

Hence, a deeper understanding of the population's segments is essential. In the case of B2B and B2C, brands need to ask themselves, what is the value proposition expected by the customer, and what is the customer promise that can be delivered? Also, at what price point should these products and services be offered? Once these questions have been answered, companies should look to formulate and streamline fulfillment processes and systems that can deliver these specific customer promises, and do so in a manner which is profitable.

This is quite a challenge, and the organizations which are able to turn this difficult combination of variables into a strength will build a customer-centric business which is sustainable in a busy and competitive marketplace.

India pillar importance

Loyalty



Advocacy





Italy



Premium brands are delivering a consistent high-quality experience for the Italian customer. For the everyday brands to keep up, they must master an omni-channel approach that will reap commercial rewards.

Paolo Capaccioni

Partner, Head of Customer Advisory, KPMG in Italy

Many of Italy's leading brands are found in the non-grocery retail sector. Out of all the measured Italian brands, consumers rated Apple Store most highly. Indeed, a visit to one of these stores is more of a sensory experience than an everyday shopping visit. Customers are afforded the luxury of browsing a bright open space, lined with an array of technology to play with. Staff members are invariably on-hand to guide and assist, armed with a deep level of technical expertise to help the consumer discover which product is best suited to their needs. The brand also boasts an effective technical support service in the form of its Genius Bar, which many respondents cite as being key to their experience.

Italian consumers rank online retailer Amazon second for customer experience excellence. Amazon performs strongly under the pillar of Personalization, despite limited human interaction. The brand's algorithms make it possible for Amazon to recommend appropriate products based on a customer's previous purchases and browsing history, creating a sense that the company 'knows' the individual. In addition, Amazon performs strongly in the pillars of Time and Effort and Resolution, having created a simple returns policy which forges a more trusting relationship with the brand. Amazon has a dedicated Made in Italy section, a space for both artisans to sell their handcrafts and customers to find handmade items. Such an initiative enhances the quality and intrinsic value of artisanal work, which is of great importance for the Italian culture. Italian customers recognized the meaning of such an initiative and attributed a strong score to Amazon for its Integrity.

Leading pillar



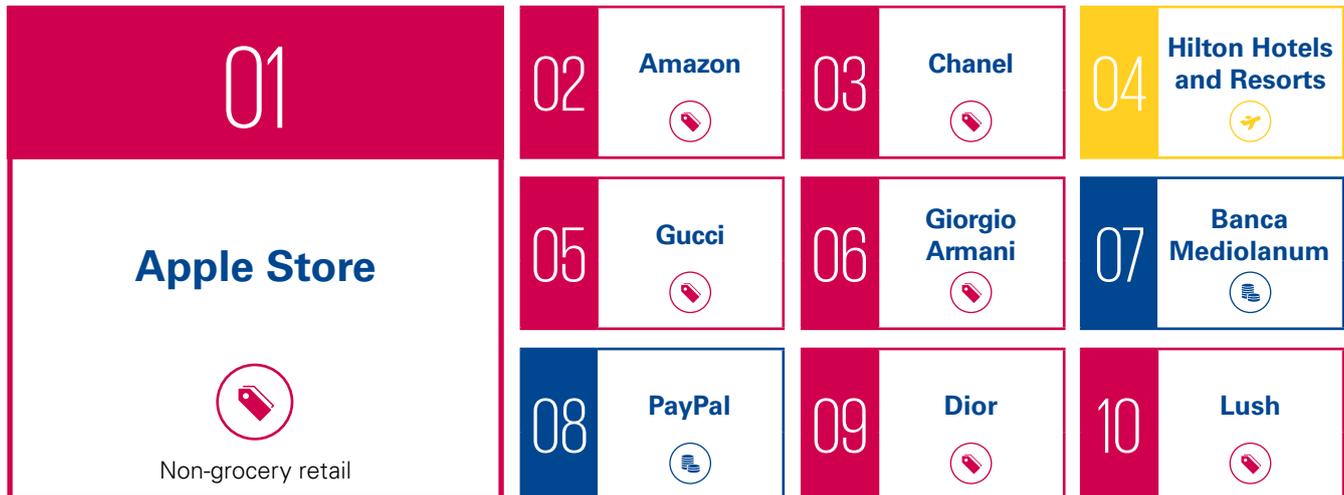
Time and Effort

Leading sector



Non-grocery
retail

Leading CX brands in Italy



Ranked third by Italian consumers is luxury fashion retail brand Chanel. An haute-couture brand with high standards to maintain, the pillar of Integrity is particularly important to Chanel. It's also one the retailer is successful in. The retail assistants are recognized by respondents as always available to attend to their needs in a manner which frequently instills positive emotions. The brand is developing a series of digital initiatives in-store and online to build better customer experiences as part of a 'store of the future' program. The vision is to provide in-store experiences that are personalized to the customer through the use of data, by connecting customers in the physical space with data relevant to their own behaviors.

For many brands in Italy, CX management is not without its challenges. First, it is clear that mastering the omni-channel experience is a complex initiative; the end goal for Italian brands is to adopt a strategic approach for blending together the key dimensions of marketing, technology, sales, operations and digital.

The second challenge is for organizations to become more streamlined and industrialize CX management capabilities while still leveraging Italian culture based on emotional values. Thirdly, Italian brands are challenged with successfully linking customer experience performance with financial and commercial outcomes. Doing so would enable them to invest more clearly in initiatives which could better serve the customer and the organization as a whole.

That is not to discount the country's CX proficiency, particularly in the pillar of Personalization. Increasingly, customers are wishing to be 'recognized' by the brands they are interacting with, expressing the need for a high level of Personalization through tailor-made products and services. This is a need that many organizations have acknowledged. Most are working hard to meet these high levels of expectation. The non-grocery retail sector, it would seem, is the current customer experience champion for Personalization in Italy.

Italy pillar importance

Loyalty



Advocacy



Luxembourg

Leading pillar



Time and Effort

Leading sector



Financial services



With such a variety of nationalities living, working and consuming in Luxembourg, the opportunity here is for businesses that cater to the many cultures – brands need to have a strong set of intercultural capabilities across the customer experience to adapt and to achieve greater customer satisfaction.

Jean-Pascal Nepper

Head of Customer and Operations, KPMG in Luxembourg

Located in the heart of Europe, Luxembourg is an incredibly diverse country, with 170 different nationalities, three official languages and 167,000 cross-border employees. While Luxembourg has a number of cross-cultural factors to overcome, its brands actually have a firm finger on the pulse of customer experience, with leading brands found particularly in the financial services and travel and hotels sectors.

Consumers rated Ernster as the strongest-performing CX brand. It is one of the last of the locally owned book retailers, with a presence in Luxembourg since it was established in 1889. It offers a broad shopping experience that stretches beyond books with an integrated café and stationery department. But it is not just the facilities that drive consumers to rate this brand so highly; Personalization is a key pillar for Ernster and the book retailer's strength in this area is fueled by its employees. With most staff able to speak four languages, their passion for books and desire to share this passion with their customers is evident. One respondent from the research described an occasion in which a book they were seeking was unavailable in-store. The Ernster shop assistant suggested they could source the book and, since it turned out they lived in the same village, the employee offered to personally deliver it to the customer's home – a true representation of an employee 'going the extra mile' for the customer.

Ranking second is LuxairTours. As the leading organization in its sector, LuxairTours is particularly strong in the pillar of Expectations. This is an important theme from the research, as strength in this pillar helps brands develop an experiential advantage over their competitors by crafting differentiated and innovative experiences that can exceed customers' expectations. For LuxairTours, this is evident in the all-inclusive service that it

Leading CX brands in Luxembourg



offers. The travel company has recently invested in its online experience, focusing on ease of use, inspiring design and clear navigation, aiming to offer a more personalized experience for the customer.

In third position is LALUX, a financial services organization that scores highest in the pillars of Resolution and Empathy. Indeed, LALUX belongs to a sector which is leading in all of The Six Pillars, with the exception of Time and Effort. LALUX's focus on customer closeness is one of the driving factors of its customer experience, reinforced by the brand slogan "My Insurance in Luxembourg." Moreover, some of its customers are staunchly loyal. One respondent stated: "I've been with LALUX for 40 years and have never had any problems with them, whatever my query or issue. My advisor always delivers skilled and individually tailored assistance."

As such, these organizations are already on the road to delivering world-class customer experiences. For other organizations in Luxembourg, there remain a

number of challenges to overcome, such as delivering optimum customer satisfaction in a part of the world occupied by a number of different nationalities. Another challenge is the move towards a 'customer obsessed' mind-set – one which puts the consumer at the center of a company's operations, meaning that it is not simply 'aware' of their needs. Finally, Luxembourg is challenged by its size. The level of competition – in terms of physical presence – is limited and customers often look for alternatives in neighboring countries, or use the internet to purchase products from elsewhere.

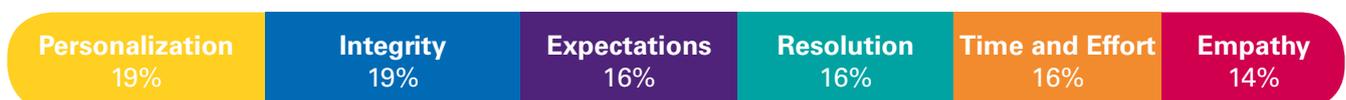
Despite these challenges, the biggest successes for brands lie in the pillar of Personalization. The strongest organizations use their cultural intelligence to get closer to their customers and are able to fully understand them and demonstrate they know them. They also provide personally relevant pieces of information and services, which are highly appreciated, and most brand employees are multilingual and can interact with customers in their native languages.

Luxembourg pillar importance

Loyalty



Advocacy



MEXICO

Leading pillar



Time and Effort

Leading sector



Entertainment
and leisure



The leading brands in Mexico demonstrate the importance of understanding consumers, and the moments that matter to them, to be able to personalize experiences. It's a crucial aspect of customer experience that cannot be overlooked in such a competitive landscape.

Manuel Hinojosa

Partner, Head of Innovation and Customer Advisory, KPMG in Mexico

Mexico is a diverse country with traditions, habits and expectations for products and services that differ by the various regions and demographic groups. Many companies in Mexico are struggling to achieve profitable growth due to a lack of understanding of the distinct requirements of these customer segments.

Nevertheless, some Mexican industries have invested more in consumer understanding and, from the leading CX brands, it is evident that the travel and hotels sector is one such industry.

The international hotel chain Marriott is strong in this regard and consumers ranked it the leading company for customer experience in Mexico. It's an organization that is committed to making the travel experience as smooth as possible for its guests and embraces innovation to continually deliver what respondents cite as a "first-class" experience. As the first hotel chain to offer check-in and room ready notifications via mobile app, Marriott has continued to use technology to enhance the experience. For example, the Marriott Rewards members' app offers a personalized travel concierge, including suggestions for days out, a messaging service to communicate with hotel staff, room service ordering and an electronic room key. To test such innovations, Marriott has its own innovation lab. M Beta is a working hotel that allows new ideas to be tested with guests as they are developed. The hotel chain recognizes the important role of the customer in co-creation of new concepts, ensuring they only launch what they know will resonate with their guests.

Ranked second is grocery retail brand City Market, a chain that performs particularly well in the pillars of Personalization and Time and Effort. City Market has created an efficient customer experience where all its

Leading CX brands in Mexico



products are easy to find. One individual described the products as being “really well located for a fast search,” while also remarking that the store always looked “impeccable.”

Following City Market is Mexican hotel chain, Fiesta Americana, which consumers ranked third. Consumers feel that the company offers a premium hotel experience which raises the bar for the many international brands that are currently operating in Mexico. Fiesta Americana retains customer loyalty by creating an experience which one respondent described as “world class.” Similarly, another respondent referenced the kindness of the staff when they were faced with a travel problem and the “carefulness” with which the company went about its business. Such focus on the moments that matter is key to gaining a competitive advantage.

Digital escalation is undoubtedly one of the challenges currently facing brands in Mexico. In 2017, three out of four people made at least one online purchase¹, suggesting that Mexican companies are having to compete locally and internationally. In addition, many new brands – some of which are more digitally savvy and more socially connected – are raising the stakes and adding to the salvo of online content. Brands are also being challenged to design their CX from the outside in (creating more customer-centric experiences) rather than from the inside out (which tend to be more product-focused).

As companies such as Marriott attest, Mexico is a country that is strong in the pillar of Personalization. The Mexican culture is one which is often looking for a more individualized service or product where the customer has a unique experience compared to their peers. The highest-ranking brands are succeeding in this regard and there is much to commend them for.

Mexico pillar importance

Loyalty



Advocacy



1. Statista, 2018

Netherlands

Leading pillar



Personalization

Leading sector



Grocery retail



In a world of rising expectations, the pillar of Personalization is becoming increasingly important for Dutch brands to consider in their CX strategy. It drives customer loyalty and will ultimately help to ensure organizations have a competitive advantage in the marketplace.

Jan-Paul van Term

Customer Advisory Lead, KPMG in the Netherlands

The Netherlands has its finger on the pulse of customer experience with established brands demonstrating they recognize the importance of the discipline and new entrants to the market using CX to gain a competitive advantage.

It is the retail sector that dominates the Netherlands' leading customer experience brands. Chief among these is cosmetics retailer, Lush, which consumers awarded first place. In the Netherlands, customers ranked Lush highly in the pillar of Empathy, driven by its ethical stance on a range of issues. Respondents acknowledge how staff engage with shoppers to gain a greater understanding of their needs. As one customer commented: "They really take the time to help you, it doesn't matter if you buy something or not. They explain everything very well and demonstrate anything you like. I was pleasantly surprised by this experience."

Following Lush is mobile phone network, Simyo. Telecom brands are scarce amongst the leading CX organizations across the globe, yet Dutch consumers rated Simyo the second-highest performing brand for CX. It describes itself as a customer-centric organization, stating that the most important part of its work is to ensure that its customers are happy. It believes that good CX is in the company's DNA. As the first telecom provider in the Netherlands to operate entirely online, Simyo puts the customer in charge by allowing them to put together their own mobile subscription and to manage everything themselves, including being able to adjust their subscription every month without a fee. As a result, the brand scores particularly well in the pillars of Empathy, Expectations and Resolution.

Leading CX brands in the Netherlands



Consumers ranked the online retailer bol.com third. Much like Amazon, bol.com began life as a book retailer in the early days of e-commerce but has since expanded to offer a broader product range. In many ways, bol.com is a stand-out brand; its Personalization and Time and Effort scores are some of the highest in the Netherlands and it is setting the standard in terms of speed of delivery. One regular customer described the experience as being consistently positive, regardless of whether the purchase was large or small, and acknowledged the brand's strength in Resolution if something goes wrong.

In terms of the CX challenges currently facing businesses in the Netherlands, there is arguably a need for Dutch companies to be adaptable if they are to stay relevant to customers in a global marketplace.

Some organizations have been successful in capitalizing on their Dutch heritage in their CX strategies but there is a risk that this will not translate on a wider scale.

Personalization is the country's most important pillar when it comes to driving customer loyalty, and many brands in the Netherlands are working hard to deliver on customers' expectations for personalized and tailored experiences. Going forward, Dutch brands will need to find more ways to collect, analyze and then translate customer data into real insights that support decision-making and further Personalization. This, combined with a compelling customer vision and effective internal capabilities, will be key to delivering on Dutch customers' expectations.

Netherlands pillar importance

Loyalty



Advocacy



New Zealand

Leading pillar



Time and Effort

Leading sector



Financial services



Facing increasing competition from overseas, NZ organizations need to keep up with the digital pace that is being set. They need to leverage digital technologies to create frictionless experiences that minimize customer effort.

Simon Hunter

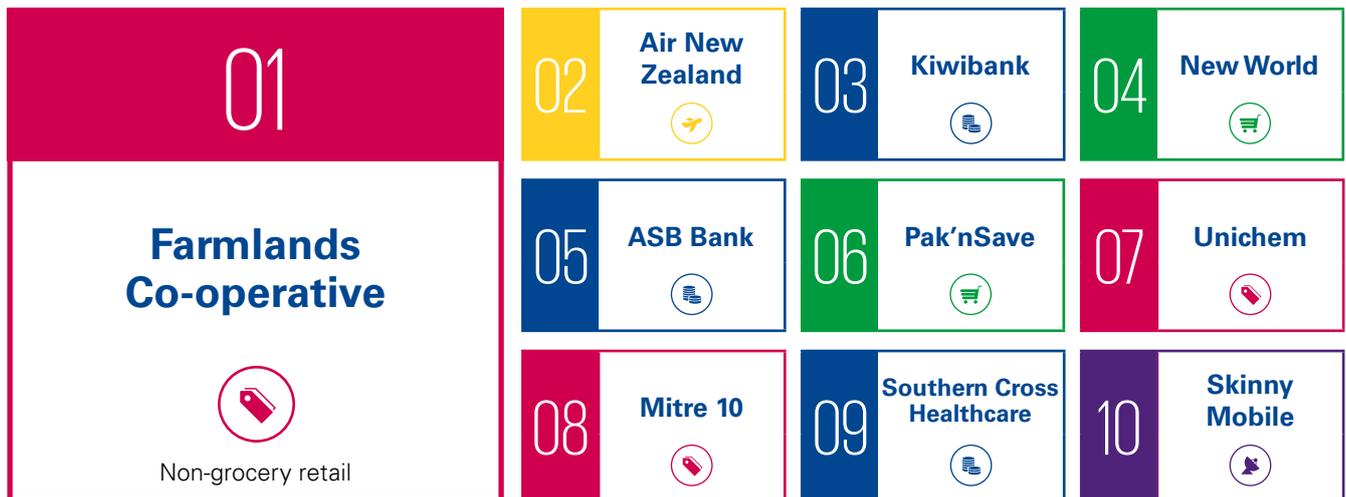
Partner, KPMG in New Zealand

New Zealanders have a strong sense of pride and loyalty to the brands they connect with. And this characteristic comes through in many of the country's leading organizations. Of these highest-ranking brands, there is a particular dominance from the retail and financial sector.

According to consumers in New Zealand, the best customer experiences in the country are delivered by retailer Farmlands Co-operative. Farmlands has been an important part of rural communities for more than 50 years. More than just a typical retailer, they provide solutions to a diverse shareholder base of various farming disciplines and farm size. While you don't need to be a shareholder to shop at Farmlands, the co-operative membership makes members feel like they are part of a special club, providing valuable deals, discounts and access to tailored specialty advice. This type of personalization and flexibility is where Farmlands truly distinguishes themselves – Farmlands' shareholders trust that, no matter how unique their needs, Farmlands will go above and beyond to meet them.

Ranking second is Air New Zealand, a brand recognized all around the world for its 'essential Kiwiness'. It is known and loved for its original in-flight safety briefings, which often play up uniquely New Zealand themes with a global appeal. The end-to-end customer journey is a top consideration for the airline, with insights from customer feedback used to add value across all customer touchpoints and moments of truth. For example, the airline recently introduced the Airband, a device which tracks the progress of children traveling unaccompanied and sends updates to nominated guardians; and the Biometric Bag Drop, designed to speed up the check-in process. Such innovations demonstrate Air New Zealand's clever use of technology and Personalization at the appropriate times in a customer journey. This is combined with an empathetic, human touch from ground staff and in-flight attendants – a true example of 'Kiwi hospitality'.

Leading CX brands in New Zealand



Kiwibank ranks third for customer experience and, as the largest NZ-owned bank in the market, has a loyal set of customers who are keen to keep banking profits from going overseas – something Kiwibank is wise to use as a key component of its marketing and brand positioning. The bank draws on local services that are already familiar to customers, especially those in the regions, by leveraging space within NZ Post network as the retail front. The bank is also well known for its staff who are described by customers as being “sensational”.

Kiwis are known for their pioneering spirit and form a nation of start-up businesses. However, the geographical makeup of New Zealand brings its own unique challenges from a customer experience perspective: a small and geographically dispersed population can mean constrained investment in businesses, limiting competition in industries and choice for consumers. This, in turn, can lead to complacency within some organizations when it comes to the customer experience. Increasingly though, NZ organizations are having to contend with the rising threat of new and

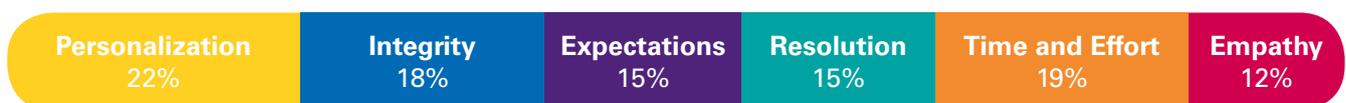
non-traditional competition from overseas, often with enhanced digital offers driving customer interest.

New Zealand remains brick and mortar focused in comparison to other global markets who were analyzed in the survey. Many NZ businesses have been slower to adapt their customer experiences and leverage digital strengths – areas the market needs to focus on to meet customer expectations. Indeed, some businesses are still grappling with the basics of how to engineer an experience that generates loyalty and advocacy at a competitive cost.

Along with Personalization, Time and Effort is one of the biggest drivers of loyalty in the market. Respondents to the research in New Zealand cite the desire for experiences that are straightforward, employees who are responsive and situations that do not keep them waiting. NZ is seeing increasing overseas competition, offering digital innovation that can minimize customer effort and offer the frictionless processes they are looking for. Competing against these claims will be a key area of focus for New Zealand businesses.

New Zealand pillar importance

Loyalty



Advocacy



Norway

Leading pillar



Time and Effort

Leading sector



Travel and hotels



Norwegian businesses must work to meet the high expectations of consumers that are being set by global brands. Seamless omni-channel experiences, combined with more personalized interactions with customers leveraging digital technologies, will advance their CX performance.

Yngve Fjell

Customer Advisory Lead, KPMG in Norway

Consumers have high expectations in Norway. They are digitally advanced and enjoy seamless interactions with organizations that provide consistent experiences across all touchpoints. However, a number of the organizations providing these experiences are global brands rather than local Norwegian businesses. These global brands recognize that their customers like to 'mix and match' their interactions, alternating the way in which they access services depending on the most convenient method at the time. This is a level of digital maturity that Norway is being challenged to rise to. Yet, from the research, it is evident that a number of local organizations are already delivering.

Chief among these is financial services brand, KLP, which consumers ranked in first place. It is Norway's largest insurance company, providing pensions, finance and insurance services to municipalities, public health enterprises and businesses, as well as to their employees.¹ Integrity is undoubtedly an important pillar for KLP; it speaks proudly of the fact that it is owned by its customers and describes itself as an organization that is "contributing to a better economy, a simpler daily existence and a world that is a bit better." Variousy described by respondents as very trustworthy and honest, the firm takes an ethical approach to investing and a responsible approach to the environment and wider society, through its expansive corporate social responsibility program.

Second-place ranking was awarded to optical retailer, Specsavers. Specsavers puts its dedication to the individual at the heart of its business and its employees are notably service-minded. This is a reflection of the brand's mission "to bring you the highest standards of service and expertise"² and, as such, Specsavers performs well in the pillar of Personalization with every

Leading CX brands in Norway



pair of glasses individually made to meet the person's vision requirements and lifestyle needs. Respondents from Norway reference Specsavers' ability to meet their expectations for fair prices without comprising service or quality, with staff that are "passionate," "caring" and provide the guidance customers would like, without undue pressure.

Third-ranked is ferry operator, Color Line, the highest-ranking travel and hotels brand in Norway. It is also the country's largest, transporting almost four million passengers, 900,000 cars and 180,000 trailers each year.³The scale of Color Line's operations elevates the importance of its digital offering and this is an area in which the organization has not been complacent. In recent years, it has invested more than US\$60 million in new technology and product development, creating a new digital booking system with an automatic check-in function. In addition, the brand has installed Wi-Fi networks on all its ships, noting that its technology is "continuously developed so as to ensure efficiency and increase customer satisfaction."⁴

Organizations such as KLP, Specsavers and Color Line set a high standard for Norway. As a country, it is challenged to deliver customer experiences that match growing expectations, specifically the expectations of seamless customer journeys that are made possible by more integrated digital and physical touchpoints. Gaining a 360-degree view of the customer is also an important consideration; one of the biggest challenges for Norwegian brands is to find a way to handle large amounts of personal data with integrity.

Despite this, there is much to commend Norway for. The pillar of Personalization is one of its key strengths and, indeed, it is one of the most important aspects of CX, with a 19 percent influence on advocacy and a 21 percent influence on loyalty. The strongest Norwegian brands have been able to capitalize on this by creating strong omni-channel experiences – ones that are able to filter out unnecessary noise while building closer, more personal connections with their users.

Norway pillar importance

Loyalty



Advocacy



1. <http://english.klp.no/about-klp>
 2. <https://www.specsavers.co.uk/news-and-information/customer-care>
 3. <https://www.colorline.com/about-us/about-color-line/about-color-line>
 4. Ibid.

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UAE

Leading pillar

Time and Effort

Leading sectorEntertainment
and leisure

Customer experience is a top of mind concept in the UAE. More and more companies are appreciating the benefits of investing in CX, and the results of doing so are clear from the leading brands in our research.

Farhan Syed

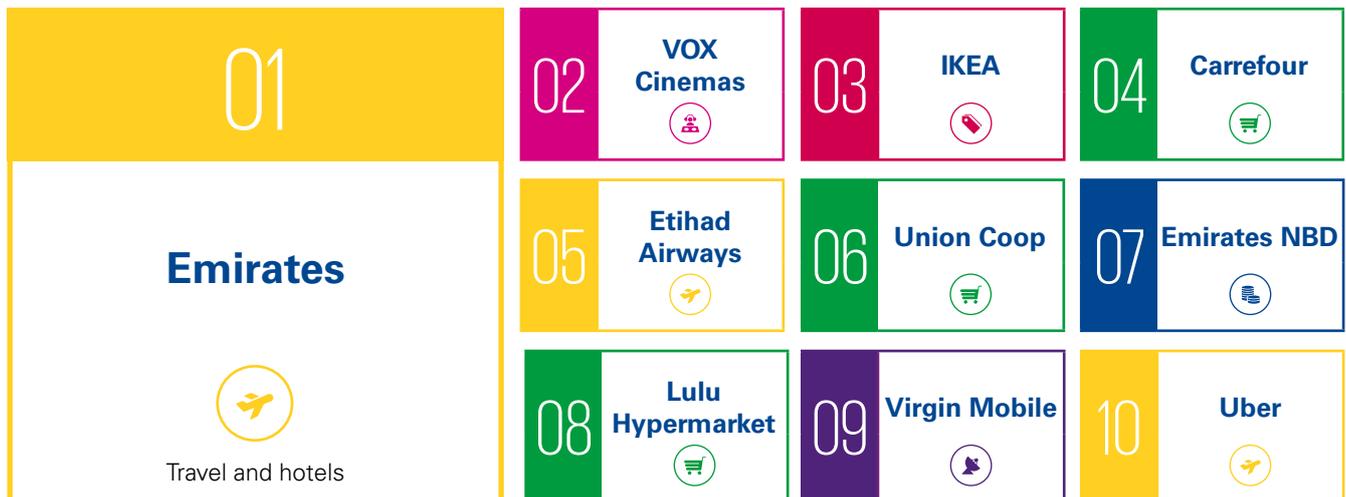
Partner, Head of Customer, KPMG in the UAE

The United Arab Emirates (UAE) government is committed to fostering a spirit of happiness and positivity. For private corporations also, customer experience is a priority. A key group of brands perform better in terms of customer experience. Some of the UAE's leading organizations are delivering experiences that may come with a relatively high price tag but offer premium quality, helping to engender customer trust and set higher customer expectations.

Consumers in the UAE ranked Emirates first, an airline renowned for delivering a first-class customer experience attuned to passenger needs at a microscopic level. The quality of flights is luxurious, complemented by careful attention to detail. This stems from customer experience training that is an integral part of every employee's role. It is based on extensive customer journey mapping to guide employees through the customer's perspective at each stage. It links staff behavior to customer emotions to understand how they can make a difference.

The entertainment brand VOX Cinemas is ranked second in the UAE research. It is a company that describes itself as going "far beyond the confines of cinema theatres to create great moments for everyone every day." The company invests in providing the latest audio technologies; it offers playrooms for children; roof top views and, for its VOX GOLD offer, fine dining options with gourmet menus designed by Michelin-starred chef Gary Rhodes. The brand views customer feedback as a crucial barometer of success, with the cinema chain launching the first open air cinema concept for the cooler months in response to customer demands and a VOX 4DX offering that includes movement motion chairs and special effects.

Leading CX brands in the UAE



Integrity is one of the biggest drivers of advocacy and loyalty in the UAE. Respondents to the research cite the employees of the stronger organizations as proving themselves to be trustworthy time and again. Additionally, the products these organizations offer are of a value that matches their price points. As such, customers are learning to trust these organizations as they build memories of positive previous interactions.

Despite this, the CX challenge for the UAE remains. There is the challenge of understanding where to make appropriate investment and which key performance indicators (KPIs) to monitor. The link between customer experience and business performance tends not to be understood. Some companies are investing in unsuitable metrics and subsequently risk losing interest in CX as they do not appear to be receiving the expected returns.

There are, nevertheless, initiatives such as the federal ministry of happiness and the ministry of artificial intelligence that show the vision that the UAE rulers have for the country. The UAE happiness agenda is coupled with first-class performances of the better performing brands – which draw attention to the more emotive aspects of The Six Pillars. It may only be a matter of time before a greater number of organizations in the UAE come to understand the link between CX, loyalty, advocacy and positive commercial outcomes.

UAE pillar importance

Loyalty



Advocacy



UK

Leading pillar

Personalization

Leading sector

Grocery retail



What will distinguish the competitively superior companies of tomorrow will be digital experience excellence combined with deep knowledge and insight about their customers' preferences and behavior.

Adrian Clamp

Customer Lead, KPMG in the UK

UK organizations are operating in a difficult climate. The pillar of Expectations has become increasingly important; exceptional global organizations have set a benchmark that customers expect to be constantly exceeded, meaning that even the shrewdest companies are having to work hard simply to stand still.

Despite this, there are some brands that are succeeding in their CX execution. These organizations have a preoccupation for excellence at all levels and frequently enable and empower their employees. Moreover, their CX designs are more carefully integrated and connected across all their departments and touchpoints, and the companies themselves have a clear understanding of the economic value of a strong customer experience.

Consumers in the UK rated online and televisual retailer QVC the leading organization for CX. QVC aims to communicate with shoppers on a human level with presenters that act as brand advocates, helping shoppers understand items in a down-to-earth, manner. The organization began a process of CX improvement several years ago, starting with a review of their brand values, then restructuring the organization in an effort to get closer to the customer, with a particular focus on understanding customer expectations and connecting the organization across channels.

In second place is John Lewis Finance. The fiscal arm of the John Lewis retail brand, John Lewis Finance deals primarily with insurance, loans, currency exchanges and bank transfers. The pillar of Integrity is important for the organization as a whole and John Lewis Finance benefits from the brand positioning that emanates from the retail arm's "never knowingly undersold" policy. Since its launch in 2016 the brand has brought about innovations to the industry, including being the first to enable new customers to apply for – and receive – their permanent chip and PIN card in-store, on the same day as application.

Leading CX brands in the UK



In third place is another financial services brand, first direct. It's a company that operates solely in the world of telephone and online, not possessing any physical branches. However, this is certainly a strength rather than a weakness for first direct. It meets people's expectations of availability by providing a service that is available 24 hours a day, 7 days a week, be it over the telephone or via social media. Moreover, first direct is notable for its proficiency in the pillars of Personalization and Empathy, with employees that are empowered to tailor the interactions to the specific needs of the individual. In recent years, the bank has been seeking to connect with millennials and so has tailored its approach and communications to appeal to a younger, more entrepreneurial mind-set.

One of the biggest challenges facing UK organizations is that of finding ways to continue to surprise and delight as customers' expectations rise at a significant rate. Consumers are discussing brands in much more comparative ways and factors such as loyalty and

advocacy are being impacted to a greater degree by the pillar of Expectations. Brands are also being challenged to better connect their operations both internally and externally; finding ways to create a seamless experience for today's customer who wants to regularly alternate their method of engagement.

Despite this, the pillar of Personalization is the UK's undoubted strength. It represents a company's ability to tailor the customer experience to the specific needs of the individual, and it remains the most important driver of the key commercial outcomes of loyalty and advocacy.

UK pillar importance

Loyalty



Advocacy



US

Leading pillar

Personalization

Leading sector

Grocery retail



As the US continues along the journey toward customer experience excellence, we find ourselves at a crossroads, with companies accelerating core CX competency development while abandoning initiatives that no longer deliver value.

Jeffrey Mango

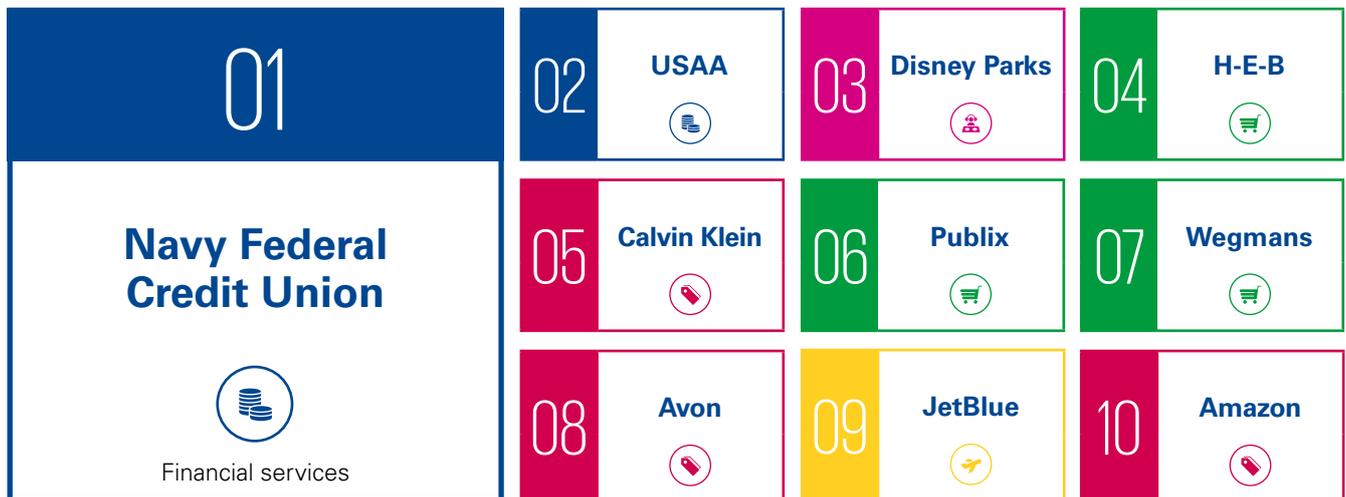
Advisory Managing Director, Customer Solutions, KPMG in the US

The US is widely considered a world leader when it comes to customer experience management. Indeed, some of its brands are amongst the strongest in the world in terms of their performance across The Six Pillars. Much of this can be summed up in the way US organizations tell people to “have a nice day” and genuinely mean it – emphasizing their focus on customer-centricity and integrity. On top of that, many US CEOs recognize the strong economic case for investing in CX, which encourages organizations to forge ahead with customer-centric operating models.

Ranked first by US consumers is financial services organization, Navy Federal Credit Union. Its customer base of seven million members is made up solely of people who serve in the US military and their families. Its ambition is to “be the most preferred and trusted financial institution serving the military and their families” – a service that continues even after the individual leaves the military, “Once a member, always a member,” the company states.¹ As such, there is a pronounced level of commitment to the customer with the brand keen to emphasize that it truly operates with its members in mind. “We always act in your best interest and are ready to serve you, no matter where you are.”²

An organization with a very similar purpose is USAA, an organization that consumers rank as the second strongest brand in America. Standing for the United Services Automobile Association, USAA provides financial services to people connected with the US military. “When you join USAA, you become a part of a family that stands by you during every stage of your life,” the company says.³ USAA puts the customer at the heart of its business. It goes to great lengths to see the world from the customer’s perspective and to design the experience around this. Technology plays a key role, with recent

Leading CX brands in the US



developments including a mobile voice recognition system and online access to health records to accelerate life insurance purchases – all leading towards USAA’s strong performance in the pillars of Empathy and Time and Effort in particular.

Entertainment and leisure brand Disney Parks ranks third in the US. Like its counterparts, Disney Parks is another brand that is invested in technological innovation. MagicBands serve as all-in-one devices that enable visitors to unlock their hotel rooms, buy food and merchandise, and gain FastPass+ access to busy attractions. The brand has also engineered a more individualized touch, with the MagicBands unlocking “special surprises, personalized just for you” as people make their way around its parks.⁴ This is a reflection of the customer-centricity instilled by the company’s founder Walt Disney, who was so preoccupied with the overall experience that he used to visit his attractions in disguise, asking visitors what they thought of the park. Disney employees – known as cast members –

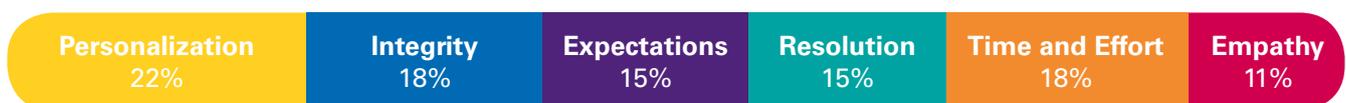
continue the work of Walt today, living and breathing the brand in all they do.

Despite the US’ evident CX maturity, organizations still have challenges to overcome. Many organizations in the US have been investing in customer experience for several years now but those still languishing in the lower part of the rankings are starting to question the value. The reality for these businesses is that they may not be investing in the right areas and may require guidance to prioritize. Similarly, not all organizations have the talent internally to be able to move the organization along to redesign experiences to meet customer needs, highlighting the importance of the employee in the link to customer experience.

The US generally performs strongly across all The Six Pillars. Its ability to understand customers at an emotional level, together with its penchant for technological innovation to reduce Time and Effort, make it a country widely considered a world leader for customer experience excellence.

US pillar importance

Loyalty



Advocacy



1. <https://www.navyfederal.org/about/about.php>
 2. <https://www.navyfederal.org/membership/become-a-member.php?intcmp=nav|mbrspmenu||eligibility|10/19/2017||>
 3. https://www.usaa.com/inet/ent_logon/Logon?redirectjsp=true
 4. https://disneyworld.disney.go.com/en_GB/faq/bands-cards/understanding-magic-band/

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Tomorrow's experience, today checklist

In a digital economy, where organizations need to move quickly to seize disruptive opportunities, CEOs will need to balance organic tactics (such as internal R&D) with speedier, inorganic approaches. The checklist below will help you shape your approach to getting to the future first.

The Six Pillars of customer experience

- Do we understand how and why we perform as we do across The Six Pillars?
- How can we use The Six Pillars to create a competitively differentiated experience?
- Are we implementing in the correct sequence of maximum customer impact?

Creating the customer-centric organization of the future

- Are we clear on our customer strategy?
- Does our organization design accelerate or hinder the achievement of our strategy?
- Are we disconnected cross silos – what is our connection plan?
- How do we manage successfully end-to-end across customer journeys?

Understanding tomorrow's customer

- How do we use the Five Mys to understand the changing needs of our customers?
 - What are the implications of the boomer echo effect and generational drift on our customer's needs?
-

The customer experience excellence hall of fame

- Do we have a plan to embrace excellence and learn from the best?
-

The integrating power of purpose

- Are we clear on our organization's purpose?
 - Is it energizing and uplifting for employees and customers alike?
-

Tomorrow's employee: purposeful engagement

- What do we need to do to align the employee experience with the customer experience?
 - Do we empower and enable our people? Are they clear on the boundaries for decision-making?
 - Do we operate as a 'team of teams'?
 - Do we reward customer-centric behavior?
-

Tomorrow's technology: creating the intelligent customer experience

- Are we testing and trialling new technologies?
 - Do we have a view as to the customer life problems we can fix?
 - Are we developing our digital spine – uniting front, middle and back office and enabling customer self-service?
-

Customer understanding: the insight ecosystem

- Do we really understand our customers?
 - Is everyone in the organization able to describe our customer's distinctive needs?
 - Do we synthesize customer insight through an insight ecosystem?
 - Do we systematically collect customer information and use it to drive our day-to-day decisions?
-

The economics of customer experience excellence

- Are we clear on the value customers perceive we create for them?
 - Do we understand the lifetime value of each customer and treat them accordingly?
 - Are we sure our customer experiences are optimized: neither over- or under-engineered?
-

In search of truth - the integrity economy

- Do we have a trust-building agenda?
 - Do we understand the trust-building and trust-eroding moments that occur in our customer journeys?
-

Going 'Glocal'

- What is our international agenda?
 - What do we universalize and what do we localize?
-

Fragmenting customer journeys

- How will platforms play out in our industry?
 - What is our platform participation strategy?
 - How can we re-assemble customer journeys in new and creative ways?
 - How do I build an ecosystem of partners and drive value from them?
-

Methodology and terminology

Sector coverage

For this report we analyzed brands across 11 key sectors:



Financial services



Grocery retail



Non-grocery retail



Restaurants and fast food



Entertainment and leisure



Travel and hotels



Logistics



Utilities



Telecoms



Public sector



Real estate

Real estate included for the UAE only.

Key metrics

The Six Pillars

The Six Pillars of customer experience excellence are measured within the survey.



Personalization



Integrity



Expectations



Resolution



Time and Effort



Empathy

Advocacy

In order to understand the respondent's likelihood to recommend, we ask them to rate how likely they would be to recommend each company to a friend or colleague.

Loyalty

To understand likelihood to repurchase, we ask respondents to rate how likely they are to continue buying goods/services from each company in the future.

Critical incident technique questioning

An open question is included to encourage respondents to share more about their experience with a particular brand. Example responses cover details of a specific experience, what happened and how it made them feel about the company.

Customer experience excellence (CEE) scores

The rankings for each country are determined by the CEE scores of the brands surveyed.

The CEE score is derived for each brand through a weighted average of the brand's score for each of The Six Pillars. The weighting is calculated through regression analysis to understand the relative importance of each pillar in driving the two commercial outcomes measured in the analysis: advocacy and loyalty.

Methodology developed by the *Customer Experience Excellence Centre*

How KPMG can help



Today's customers are better informed, better connected and more demanding than ever before. Customer experience is overtaking price and product as the number-one brand differentiator. Organizations are investing record amounts on customer-related initiatives, but not all are seeing a credible return on investment.

KPMG member firms work alongside organizations on their journey to help them become customer-centric, balance cost against customer satisfaction and identify opportunities to increase revenue.

Julio J. Hernandez

Head of Global Customer Centre of Excellence,
US Customer Advisory Lead,
KPMG in the US

Customer strategy

Using innovative approaches to product development and new business models, KPMG member firms help clients focus on their customer strategy. KPMG's network of strategic alliance partners bring innovation and mastery of new digital technology to help build strategies that respond to digital disruption.

Customer experience

Using the KPMG *Customer Experience Excellence Centre* that has led this research, we help to define winning customer experience strategies, help clients redesign customer journeys which improve customer loyalty and help maximize customer lifetime value.

Marketing, sales and service transformation

KPMG member firm consultants can help you to digitally enable and transform the effectiveness of your marketing, sales and service functions to create a connected enterprise - integrating front, middle and back office operations to enable a more agile and responsive business.

Customer-centric organization

Helping clients to empower employees and improve the employee experience with engaging digital solutions.

Customer data, analytics and insights

KPMG customer analytics solutions and decision engines can help harness insights to power improvements in customer experience and customer lifetime value.

Digital transformation

KPMG digital specialists can help you to succeed in the digital world. From strategy to technology enablement to cultural change, our member firm multi-disciplinary teams take a holistic view of how processes, platforms and behaviors across the front, middle and back offices need to evolve – and offer clear methodologies for executing that transformation.

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