Customer Experience Excellence

Understanding tomorrow’s customers, today
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Looking to the future

In today’s fast-paced world, technology is growing at an exponential pace, data is becoming the new currency, resulting in an increasingly complex consumer ecosystem. Experiences—and therefore expectations—are constantly changing as cutting-edge brands are introducing new standards across sectors.

How do customers feel about their experiences? How are brands tackling the demands of the shifting landscape and ever-changing expectations, while also delivering value for shareholders?

For this Customer Experience Excellence (CEE) report, KPMG Lower Gulf Limited analyzed 1,529 individual customer experiences with 44 different brands, spanning eight sectors in the United Arab Emirates (UAE). This report includes overall results of the study, utilizing KPMG Nunwood’s Six Pillars of experience excellence framework and highlights the ten top-performing brands in the UAE.

Today’s sector leaders are those capable of delivering not only a best-in-class customer experience, but also creating an emotional connection, grounded in efficient and convenient technologies. Additionally, we see that market and sector frontrunners are creating a business environment wherein each member of the organization is operating in a customer-centric manner.

This report also reveals the importance of trust underpinning customers’ interactions with brands. Customers are increasingly conscious about the data they share and expect their personal information to be used to better anticipate their needs, individualizing products and services.

Our research notes that brands in the UAE are performing best in terms of ‘time and effort’ required by the customer—the highest scoring Pillar. At a sector level, the UAE’s significant investment in tourism and high service standards has transformed the country into a destination with a variety of offers, combining luxury, entertainment and culture. Therefore it is not surprising to learn that ‘Entertainment and Leisure’ is the leading sector in our study.

In this year’s CEE report, we aim to provide you with a better understanding of what constitutes a ‘superior experience’ for UAE customers. We also seek to support you and your business with the necessary tools and methodologies to create memorable experiences using The Six Pillars framework.

We hope you find this report helpful in providing your customers with an experience above and beyond their expectations.

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For nearly a decade, KPMG member firm professionals have been asking customers in the UK and the US about their individual experiences. Over that time, more than 170,000 interviews have been conducted and 2,300 brands measured to collect in excess of two million individual evaluations. Our most recent research uncovered a number of themes, figures and trends that show the increasing importance of customer experience (CX) among leading brands across the world, as shown below.

### Global customer experience themes

**Excellence**
- Commitment to excellence
- Organized around the customer

**Engagement**
- Alignment of employee experience and CX
- Motivation and passion

**Execution**
- Attention to detail
- Constant monitoring

**Economics**
- CX link to value
- Experience optimization

### Economics of experience excellence

- Greater revenue growth of the top 50 brands compared to the bottom 50, at an aggregated level.
- Greater EBITDA growth of the top 50 brands compared to bottom 50, at an aggregated level.

### Leading sectors for customer experience

1st Non-grocery Retail
2nd Grocery Retail
3rd Financial Services

### Global hall of fame

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand</th>
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<tbody>
<tr>
<td>China</td>
<td>Alipay</td>
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<td>Denmark</td>
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<td>France</td>
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<td>India</td>
<td>Taj Hotels Resorts &amp; Palaces</td>
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<td>Italy</td>
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<td>Luxembourg</td>
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<td>Mexico</td>
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<td>Netherlands</td>
<td>Lush</td>
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<td>New Zealand</td>
<td>Farmlands Co-operative</td>
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<td>Norway</td>
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<td>UAE</td>
<td>Emirates</td>
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<td>OVC UK</td>
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<td>US</td>
<td>Navy Federal Credit Union</td>
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<tr>
<td>Australia</td>
<td>Singapore Airlines</td>
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Integrity is the most important pillar in driving customer advocacy

Personalization leads in the importance of building customer loyalty
Our approach

This year, we expanded our research around the globe, taking in the views of 54,000 consumers across 14 markets, including the UAE. The research for this report was collected using an online survey, completed in Q4 2017.

To participate in the research and respond to questions about a specific brand, respondents must have had an interaction in the last six months. An ‘interaction’ is defined as making a purchase, using a company’s products and services, contacting a company with a query or browsing their website.

In order to be included in our analysis, each brand required a minimum of 80 responses.

8 industries
- Entertainment and Leisure
- Financial Services
- Grocery Retail
- Telecommunication
- Non-Grocery Retail
- Travel and Hotels
- Utilities
- Real Estate

6 Pillars = Customer Experience Excellence (CEE) Score:

- **Advocacy**: willingness to recommend
  - Personalization: Using individual attention to drive an emotional connection
  - Empathy: Achieving an understanding of the customer to drive rapport
  - Integrity: Being trustworthy
  - Expectations: Managing, meeting and exceeding expectations
  - Resolution: Turning a disappointing experience into a positive one
  - Time and effort: Minimizing customer effort, creating frictionless processes

- **Loyalty**: likelihood to continue purchasing

- **Value**: Customers’ perception of value for money
Due to globalization and the increasingly digitalized nature of our world, customer interactions are occurring with higher and higher frequency, across a range of platforms. Given the numerous channels available, gone are the days when customers would simply shop their favorite brands for a particular service or product. Companies across the globe must tailor their offerings to deliver an exceptional experience, differentiated from competitors, in order to continuously win over their customer base.

From a customer’s point of view, earning power and disposable income are no longer the most influential factors when it comes to spending habits. Although budgets are still important, customers are willing to pay a premium for accessibility, the improvement of self or a unique service. Providing an exceptional customer experience has therefore become increasingly complex.

For the purposes of our study, we define exceptional customer experience using universal, emotionally driven criteria: The Six Pillars. When feedback across Pillars is consolidated, results provide a robust picture of customers’ experiences. Each Pillar is critical, though exceeding expectations across multiple Pillars delivers an experience that is both memorable and unique, driving Loyalty and Advocacy.
Using individualized attention to drive emotional connection.

**Personalization**: The most valuable component of most experiences—personalization—involve demonstrating an understanding of customers’ specific circumstances and adapting the experience accordingly. Use of name, individualized attention and knowledge of preferences and past interactions all add up to an experience that feels personalized.

**Being trustworthy and engendering trust.**

**Integrity**: Consistent organizational behaviour demonstrates trustworthiness. There are trust-building events where organizations must react to difficult situations, and trust-building moments where individual employee actions contribute to creating trust in the organization as a whole. For all customers, the degree to which an organization delivers on its promises is consistently top of mind.

Managing, meeting and exceeding customer expectations.

**Expectations**: Customers have expectations about how their needs should be met, which are typically set by large, influential brands. Outstanding organizations understand, deliver and sometimes even exceed expectations. Some make statements of clear intent that help set expectations (“never knowingly undersold”), while others make explicit service-related promises (“delivery in 48 hours”) and then delight the customer when they exceed it.

Minimizing customer effort and creating frictionless processes.

**Time and Effort**: Customers value their time very highly and increasingly look for instant gratification. Removing unnecessary obstacles and bureaucracy to enable the customer to achieve their objectives quickly and easily increases loyalty. Many companies are discovering how to use time as a source of competitive advantage. Equally, there are clear cost advantages to saving time, so long as other Pillars are not compromised.

Turning a poor experience into a great one.

**Resolution**: Even with the best processes and procedures, things can go wrong. Therefore customer recovery processes are highly important. Great companies have processes that not only put the customer back in the position they should have been in as rapidly as possible, but also make the customer feel good about the experience. A sincere apology and acting with urgency are two crucial elements of successful resolution.

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

**Empathy**: Empathetic companies demonstrate the emotional capacity to understand their customers’ experiences. Empathy-creating behaviours are central to establishing a strong relationship. Brands must make clear to the customer that their feelings are known and then go the extra mile.

Key takeaways

The Six Pillars are the DNA of outstanding commercial experiences. They are the way customers describe their experiences. The Pillars provide a checklist for creating both outstanding customer and employee experiences—leading companies are competitively superior with respect to both.

"In two years’ time, 81% [of companies] say they expect to be competing mostly or completely on the basis of CX." – 2018 Gartner Customer Experience Survey
The Six Pillars’ impact on Advocacy and Loyalty

Strong performance across The Six Pillars leads to improved brand Loyalty and Advocacy. In order to understand customers’ likelihood to recommend a brand (Advocacy), we asked them to rate how likely they would be to recommend each brand to a friend or colleague. In addition, we probed customers with respect to Loyalty—how likely they were to continue buying goods or services in the future.

When it comes to driving both Loyalty and Advocacy, our study finds UAE customers to be most focused on a brand’s Integrity and Personalization.

In summary, UAE brands are well positioned to utilize high-performing and high-importance Pillars (specifically Integrity and Personalization) to drive repeat business and recommendations.
A brand’s ability to deliver an outstanding customer experience contributes to the foundation of a loyal customer base. Customers who have had a positive experience are more likely to repurchase and be receptive to cross-selling, and tend to be less price-sensitive. These customers have the potential to then become brand evangelists, attracting new customers through word of mouth.

Long term, this may reduce the cost of retention and acquisition, strengthen brand value, and increase sales. In combination, these factors potentially contribute to greater financial outcomes for the business.

The following conceptual model draws on the KPMG Customer Experience Excellence Centre’s research to illustrate the economics of customer excellence.

First order results
- Repurchase loyalty
- Cross-sales
- Lower price sensitivity
- Positive word of mouth

Second order results
- Lower acquisition costs
- Lower cost to serve
- Stable client base
- Higher price
- Higher sales
- Positive reputation

Drivers of shareholder value
- Acceleration of cash flows
- Increased cash flows
- Lower volatility/vulnerability
- Higher residual values
Customers are seeking progressively customized experiences, expecting services and goods that recognize and reflect their unique, individual needs and wants. Personalization of services and goods is possible, largely due to companies’ access to consumer data. Leading brands continue to leverage the exponential growth of technology to deliver increasingly tailored customer experiences. However, with access to vast amounts of consumer data comes great responsibility. Companies must be capable and proactive in instilling trust, acknowledging and addressing customers’ security concerns. Companies capable of mastering this combination are well positioned to provide a winning customer experience and achieve commercial success. The findings contained in this report are based on research conducted using KPMG Nunwood’s Six Pillars of experience excellence framework.
“Four out of ten (44%) CEOs see protecting customer data as a critical personal responsibility.” – 2018 KPMG UAE and Oman CEO Outlook

Average CEE score
The average CEE score is 7.22 out of a possible 10. More than half (55%) of the 44 brands included in our survey scored above average.

Emirates Airline is leading the way
Dubai’s flagship brand provides an exceptional customer experience, outperforming other entities—irrespective of sector—across each of The Six Pillars of CX excellence. Emirates Airline has set standards that consumers relate to and expect to experience with other brands. The airline has accomplished this thanks to constant innovation and enhancements across all phases of the passenger journey.

Integrity and Personalization are key in driving Loyalty and Advocacy
Shifts in consumer sentiment and declining trust in key sectors, such as Financial Services and Telecommunications, indicate that products and services are becoming personal statements—consumers are paying more attention to the integrity of the brands they choose. In this ‘integrity economy’, heightened transparency and lower barriers to switching mean that brands must be perceived as trustworthy in order to retain customers.

Brands with the highest Loyalty and Advocacy scores
VOX cinema customers expressed the highest degree of Loyalty, while Emirates Airline customers were most likely to recommend the brand, with an Advocacy (Net Promoter Score) score of 54.09 vs the overall average Advocacy score of 10.65.

Personalisation is crucial
Brands with a deep understanding of their customers’ needs excel. Not only do Emirates Airline, VOX, Carrefour and IKEA stand out as the top four brands in terms of Personalization, they also hold the top four positions overall.

Most brands fail to manage UAE customers’ expectations
In the UAE, customer service standards are changing significantly due to a number of public- and private-sector initiatives emphasizing ‘customer happiness’. Most brands in the current report scored low with respect to the Expectations Pillar, indicating that customer expectations are not being managed appropriately. Failure to meet expectations was found to be a main source of friction in many customer interactions.
“55% of CEOs have aligned front, middle and back office processes to reflect a more experience-centric approach.” – 2017 KPMG US CEO Outlook

Entertainment and Leisure leads in delivering great experiences
The UAE is positioning itself as a major regional and international Entertainment and Leisure destination. Underscoring public- and private-sector commitments to improving and growing the sector, Entertainment and Leisure brands consistently deliver exceptional experiences across The Six Pillars, and the sector ranks first, overall.

Most dominant sectors in top 10
Two sectors—Grocery Retail and Travel and Hotels—dominated our top ten CX champions list, with three brands per sector.

Brands are evolving to become experience-centric
Brands recognise the opportunity to drive Loyalty and Advocacy by delivering an end-to-end, frictionless experience. Leading-edge brands are working to better align their brand promise and company culture across the front, middle and back of house, in order to consistently deliver across customer touch points.

Poorest performing sectors
The Financial Services and Telecommunications sectors scored lowest overall, with CEE scores of 7.07 and 7.00, respectively.
### UAE’s top 10 CX champions

<table>
<thead>
<tr>
<th>Brand</th>
<th>CEE score vs market average</th>
</tr>
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<tbody>
<tr>
<td>Emirates Airline</td>
<td>+12%</td>
</tr>
<tr>
<td>VOX Cinemas</td>
<td>+10%</td>
</tr>
<tr>
<td>IKEA</td>
<td>+10%</td>
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<tr>
<td>Carefour</td>
<td>+10%</td>
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<tr>
<td>Etihad Airways</td>
<td>+8%</td>
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<tr>
<td>Union Coop</td>
<td>+7%</td>
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<tr>
<td>Emirates NBD</td>
<td>+6%</td>
</tr>
<tr>
<td>Lulu Hypermarket</td>
<td>+5%</td>
</tr>
<tr>
<td>Virgin Mobile</td>
<td>+4%</td>
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<tr>
<td>Uber</td>
<td>+4%</td>
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</table>
Spotlight on the UAE’s top 10 CX champions
Emirates Airline ranks first on the UAE CX champions list – the airline’s deep-rooted commitment to creating a personalized journey for each and every customer appears to have paid off. Although the airline has one of the world’s newest fleet of airplanes, Emirates Airline has recently refurbished the interiors of many aircraft. The newest design provides larger screens, wider seats, and more legroom. Emirates Airline collaborated with designers at German brand Mercedes to redesign business class cabins, as well. This, combined with their award winning entertainment system, cements Emirates Airline as an industry leader. “I have always had excellent experience with Emirates. Be it the way the crew treats us or treats my children, the service has been exceptional.”

From multisensory 4DX to gourmet menus, VOX works to differentiate itself with innovative concepts, earning its spot on the CX champions list. Offering a range of cinematic options, customers may choose a luxurious seat at VOX’s GOLD by RHODES or enjoy a meal inspired by a Michelin star chef while watching the latest blockbuster at ThEATre by RHODES. Alternatively, IMAX and 4DX cinemas offer a full sensory experience. Customers may also choose to sit under the stars in an outdoor cinema or watch a movie in VOX’s colourful children’s theatres. “Good movies, good location, well maintained theaters. Makes you go back for more.”
IKEA leads the Non-grocery Retail sector. Customers appear to value the variety of products, multiple shopping options and seemingly unique retail store experience combined with online options. Today, customers may save time by locating an in-store item on the website shop before visiting the brick and mortar store. IKEA has also augmented the retail experience with play areas and food and beverages, making it more than a furniture store.

“IKEA has very good presentation of home interiors...they have given me a lot of ideas about home decor and how to arrange our home. I usually go to IKEA for ideas to design my home.”

Grocery Retail giant Carrefour placed first in its sector—a ranking driven in part by customers’ satisfaction with convenience, customer service and price.

Carrefour has operated in the UAE for 22 years, growing at a remarkable pace; ten additional stores opened in the UAE in 2017. The brand recently revamped digital channels, upgraded their loyalty app, and introduced new payment and delivery options, seeking to make the shopping experience even more convenient and efficient for customers.

“...A good company and easy to deal with. Things are clear and they accept suggestions and complaints whole heartedly.”
**Spotlight on Etihad Airways**

Etihad Airways is committed to providing a sense of warmth and hospitality, offering excellent services and facilities. Recently, the airline expanded their offerings to encompass additional aspects of the customer journey. Economy class passengers can now book an Etihad coach from any city in the UAE to Abu Dhabi International Airport, while business and first-class passengers may opt for a private chauffeur. At the airport, Etihad Airways provides access to a variety of lounges and dedicated check-in desks for loyalty customers.

“The customer service is very good. We often choose this airways.”

**Spotlight on Union Coop**

Union Coop, operating since 1982, is one of the oldest grocery retailers in the UAE. The Coop operates branches across 14 locations in Dubai and is well known for their regular discounts, during national holidays, in particular. Leveraging its loyalty program data, Union Coop targets and rewards its customers with personalized offers. The chain recently launched an online store, in addition to integrating specialized third-party grocery retail mobile apps. In 2018, Union Coop established Fresh’n 1, one of the first endowment grocery stores in the world. Catering to the wants of customers in an integrity economy, this new brand has terrific potential.

“Union Coop’s Tamayaz card is very beneficial… they give good offers.”
**Spotlight on Emirates NBD**

Emirates NBD is the highest performing Financial Services brand in our study, and the only one to represent the sector in the UAE’s top ten CX champions. Emirates NBD has adopted various technologies across web, mobile and voice with the intention to improve customer interactions and experience. The bank has also established a service lab to demonstrate upcoming technologies, including voice banking, robots and advanced smart tellers.

“Good online banking and a nice mobile app experience.”

**Spotlight on Lulu Hypermarket**

The third Grocery Retail sector brand in our top ten—following Union Coop and Carrefour—Lulu’s ranking reiterates the quality of customer experiences and perceived value in the sector.

Lulu recently revamped their website to simplify the shopping experience and allow customers to filter goods by type, brand and store location. As of Q4 2018, customers are now able to make purchases online, from groceries, to home goods, to fashion, with either home delivery or a click & collect option, taking Lulu’s one-stop-shop strategy digital.

“Lulu is the best for groceries, as well as deals on electronics... I purchase many electronic items from there at very low prices.”
**Spotlight on Virgin Mobile**

Virgin Mobile is the newest of three telecommunications providers in the UAE, offering no-commitment plans.

A predominantly prepaid telecommunications provider, Virgin Mobile allows customers to create plans tailored specifically to their requirements. SIM cards are delivered to a customer-designated address, and activated on the spot.\textsuperscript{xiii}

\textbf{CEE score:} 7.51

\begin{tabular}{c c c c c}
\hline
& \textbf{CEE vs market average} & \textbf{Value} \\
\hline
& 0\% & +5\% \\
& 0\% & +5\% \\
& +7\% & +5\% \\
& +6\% & +5\% \\
& +7\% & +5\% \\
& +4\% & +5\% \\
& +4\% & +5\% \\
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“I switched to Virgin Mobile in October. Excellent customer service. Within one hour someone showed up, as promised. Delivery at the door step. For any questions, their customer service is very knowledgeable.”
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**Spotlight on Uber**

The third of three transportation companies in the UAE’s list of top ten CX champions, Uber has disrupted the transportation sector. Customers embrace the brand largely for convenience and transparency.

Continuous innovations and enhancements to the platform, coupled with a customer feedback mechanism, makes usage easy and personalized.\textsuperscript{xiv}

\textbf{CEE score:} 7.50

\begin{tabular}{c c c c c}
\hline
& \textbf{CEE vs market average} & \textbf{Value} \\
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& 0\% & +5\% \\
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“Uber is the best! You can count on them, and having a Lexus at your service is superb. The drivers are knowledgeable and very courteous.”
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Data from 1500+ interactions was collected and segmented according to sector and Pillar. Pillar scores were then used to calculate an overall CEE score. As seen in the table below, the Entertainment and Leisure sector ranked first across all Pillars. Consequently, it received the highest CEE score.

In addition to individual Pillar and overall CEE scores, we have provided a Value score. Value represents customers’ perception of value for money.
The Entertainment and Leisure sector ranked first in the UAE, with an overall CEE score of 7.70.

The UAE has become a hub for Entertainment and Leisure, offering an ever-increasing number of activities and facilities, geared toward tourists and residents alike. The Entertainment and Leisure sector performed well above the market average across Pillars, achieving first place among the eight sectors in our survey. On average, Pillar scores within the Entertainment and Leisure sector were 7% higher than pan-market scores.

Brands in the sector deliver high-quality services and customers were particularly happy with Time and Effort—the highest ranking among all Pillars in the sector. Expectations received the lowest score in this sector, however this was the highest Expectations score across sectors in the market.

In line with Pillar scores, Value among Entertainment and Leisure brands was also high—7% above market average.

Across the public and private sectors, ensuring high-quality service for Entertainment and Leisure customers is a priority. Successfully managing the expectations of such a diverse customer base (e.g., nationality, age, budget, etc.) requires a strong commitment to CX excellence. Given the sector’s performance, UAE brands seem to be meeting this challenge.
Grocery retailers have been expanding their footprints across the country, while simultaneously adding online shopping options. Retailers have also introduced ‘mini’ versions of supermarkets in apartment buildings, business centers and other easily-accessible locations, decreasing the effort required to make smaller purchases. These recent developments are reflected in the sector’s overall performance—all Six Pillars performed 3-4% above the market average. Increased accessibility and convenience in the sector are reflected in customers’ high satisfaction with Time and Effort—the highest ranking Pillar in the sector. Expectations received the lowest score in the sector, although Grocery Retail brands’ Expectations score was second highest in the market. Value scored 4% above the market average. Customers seem to feel this sector is delivering high value for money with respect to their daily needs. Due to expansions, efforts to personalize via loyalty programs, the increasing ease of shopping online and delivery services, the Grocery Retail sector is well poised to continue growing across the UAE.
As a travel and tourism hub, the UAE Travel and Hotel sector must contend with the diverse expectations of both tourists and residents—similar to challenges faced by Entertainment and Leisure brands. Overall, the sector has a minimal lead over the market average across Pillars—approximately 1%.

Of The Six Pillars, all scored above the market average, with Time and Effort scoring highest, followed closely by Integrity. As we have seen with previous sectors, Expectations received the lowest score.

In terms of Value, the sector scored 2% above the market average.

With 15.79 million international visitors in 2017, 6,811 hotels and 78% average hotel occupancy, it is of the utmost importance that Travel and Hotel brands across the country provide an unparalleled customer experience. Although performing well in relation to the overall market, the sector may see an upturn in performance with increased attention to aspects of the Empathy Pillar.
Case study: Emirates Airline

A global brand
Starting with a mere two aircraft in 1985, Emirates Airline is now the fourth largest carrier in the world in terms of international passengers flown,xx and boasts the largest fleet in the Middle East.xii Operating out of Dubai International Airport, the airline runs over 3,600 flights per week to more than 140 destinations in 70+ countries around the world.xiii

To move more than 50 million passengers around the world each year, Emirates Airline works to meet a wide variety of customer needs. Reflecting a focus on CX-related initiatives, the airline has achieved the top Expectations Pillar score in the market. Given the sheer quantity of passengers served and exponential growth since inception, constantly reinventing what it means to deliver ‘best-in-class’ service is key.

Keeping it young
In 2016, Emirates Airline retired 29 older aircraft and added 20 Airbus A380s and 16 Boeing 777-300ERs, bringing the average fleet age down to five years—well below the industry average of approximately 11 years. With the addition of new aircraft, Emirates Airline is able to continuously enhance and develop the products offered on board.
Newer model aircraft offer multiple amenities from updated seat configurations in economy, to Wi-Fi, to augmented reality kits. Ongoing improvements place Emirates Airline in the top ten with respect to Value.

Making it personal
Recognizing the need to focus on CX, Emirates Airline incorporated ‘personalization’ as a company-wide goal. The first step was to identify opportunities throughout the customer journey where personalization would add value. Second, the CX team deployed concepts at priority personalization touch points in the customer journey.

Stakeholders from across the company were asked to participate in order to ensure a 360-degree view of processes and procedures. Cross-functional and intra-company brainstorming and teamwork were encouraged in order to effectively crowdsource ideas for personalizing the Emirates Airline experience, as well as developing a roadmap for implementation. While the program initially started using A/B and multivariate testing, their approach eventually grew to include CX enhancements, feedback and segmented personalization.

In addition, integration of data across various platforms—including onsite behavior, surveys and customer relationship management activity—enables Emirates Airline to proactively provide personalized service, including notifying customers if their passports are nearing expiration and offering the ability to track baggage through an app.

The airline’s loyalty program (another point of data collection and opportunity for personalization) has been successful. Emirates Airline reported a 1% increase in revenue per converted visitor from a single Cash+Miles initiative targeted at key loyalty customers.

CEE, loyalty and advocacy
Overall, the brand’s efforts seem to be paying off, as Emirates Airline scores highest with respect to Personalization out of the 44 brands in our study. The airline also scores the highest with respect to Advocacy (54.09), and is in the top three in terms of Loyalty.
Real Estate

The Real Estate sector ranked fourth in the UAE, with a CEE score of 7.16.

Burj Al Arab, Dubai Mall, Burj Khalifa. The Real Estate sector has contributed some of the UAE’s most iconic symbols. With an Empathy score higher than the market average, we can see that the sector had made an emotional connection with customers. Additionally, the Integrity Pillar received the highest score in this sector, at 1% above market average, indicating a relatively high degree of trust.

Despite extensive investment in improving real estate companies’ processes—incorporation of blockchain, for example—Personalization, Resolution and Time and Effort scores are below market averages.\textsuperscript{xvi}

The sector also received a below-market Value score, reflecting a disconnect between what customers believe they should receive for their money and what is being delivered.

Survey findings suggest improvement across the Personalization and Time and Effort may create a greater sense of Value for customers.
The Non-grocery Retail sector scored in line with market averages for both Time and Effort and Empathy. This suggests UAE consumers are reasonably trusting of Non-grocery Retail brands and customers’ needs are generally met with minimal effort.

The Expectations Pillar shows room for improvement. Only one sector (Telecommunications) received a lower Pillar score. Value within the sector is on par with the market average.

Continuing to develop online shopping options—with attention to CX—may be the most relevant direction for Non-grocery Retail brands. Based on a 2017 study, just 49% of consumers with internet access were making online purchases at least once a month, leaving a good deal of room for growth. Although online retailers are making intensive investments to expand in the UAE market, much of the market remains untouched.
Utilities

As non-competitive and essential services, Utilities customers are most concerned about cost and dependability. The utilities sector received the lowest score of all sectors in terms of Value—9% lower than the market average—reflecting the reality of growing utility bills for UAE residents.

Integrity and Time and Effort Pillars scored highest within the sector; Resolution findings were on par with the market average.

Scores across these Pillars are likely related to providers’ recent efforts to move toward a more customer-centric approach. DEWA is one of the first in the region to provide alternative payment options, usage tracking and clean energy solutions. Time will tell if upgraded service options will result in an increased Value score.

The Utilities sector ranked sixth in the UAE, with a CEE score of 7.11.
In general, the sector has moved toward web and mobile-app based solutions, including contactless payment, digital stores, voice banking and virtual assistants. Despite innovations, Expectations scored lowest among the Pillars, indicating room for improvement.

Time and Effort and Personalization are the top two Pillars in the sector, however these Pillars score -3% and -2% relative to the market average, respectively.

In terms of Value, customers rated the sector slightly below average. Despite rapid technological advancements and digitalization of multiple services, customer experience in the sector lags. Continuing technological innovation is key to improving CX. Receiving the lowest Empathy score across sectors, it may be fair to say that such technological solutions must be effectively combined with a bit of a human touch.
Emirates NBD was formed in October 2007 as a merger between Emirates Bank International and the National Bank of Dubai, an amalgamation of the second and fourth largest banks in the UAE to form the bank with the largest asset base in the GCC region. Its segments are personal, priority, private, business and wholesale banking, with products including savings and current accounts, credit and debit cards, personal loans, home loans, auto loans, insurance and foreign exchange. It currently boasts a healthy Advocacy score of 36.73, in part due to an ingrained *Adventor rex est* philosophy– the customer is king.
Technological innovation
The bank has implemented several digital enhancements to improve customer experience, earning it a score 5% higher than the market average for Personalization. Emirates NBD also performs above average with respect to Time and Effort.

ENBD’s 24-hour phone service is assisted by an automated Interactive Voice Response (IVR) system, a team of phone banking officers, and a virtual assistant called Eva. Eva is the first bot in the MENA Region—and one of the few in the world—who can converse with customers. She answers the landline, asks the reason for the call, and understands English and Arabic, potentially saving customers time by allowing them to skip tedious menus.

Meanwhile, another robot, the humanoid Pepper, supports in-store transactions. Pepper interacts with customers to understand visitation needs and presents product and service alternatives, assisted by the bank’s staff. To allay fears about the risk of exposing customer data, Pepper is only used in non-critical support roles, including presenting product information and issuing queue tokens. ENBD was ranked above the industry average for Integrity, a position it strives to maintain. In a bid to remain in tune with customer expectations, the bank has also equipped the robot with a happiness meter to gather feedback.

The entity’s online banking tool offers tailored services. The Money Bar depicts how much money can safely be used for the customer to still be able to fulfill scheduled transfers and payments due in the budget period. Customers are able to create savings goals suited to their individual financial status, and choose a
favorite account and budget period to receive insights about their money, as the portal tracks their progress. They can upload profile and background images, and create nicknames for accounts and cards to simplify transactions.

Emirates NBD’s range of contactless payment options include the mePay app. This can transfer money instantly to any UAE mobile number without the need to enter the account number or IBAN—even if the recipient is not an Emirates NBD customer. MePay can be used in conjunction with the Mobile Banking App to withdraw money from any Emirates NBD ATM through the Cardless Withdrawal menu on the ATM, and the Split Bill service allows users to request money to be divided between a group of people.

**Making it personal**

With respect to the Empathy Pillar, ENBD ranked higher than the industry average. Keeping in mind the UAE’s vast expatriate population, its DirectRemit service allows customers to carry out instant, unlimited money transfers to their home country for free. In addition, the bank’s initiatives include fitness savings accounts. The principle behind this is that customers can sync their wearable device with the ENBD Fitness App, and transfer funds if they achieve a minimum number of steps per day, with interest being calculated depending on the number of steps.

**CEE, Loyalty and Advocacy**

Within the sector, ENBD has outperformed all other brands. The bank’s favorable customer Loyalty and Advocacy score of 36.73 is a testament to the brand’s customer service performance.
Despite having implemented a number of CX-related initiatives, the Telecommunications sector has scored the lowest on four of six Pillars, placing it eighth on the CEE scoreboard. Customers have rated the Time and Effort Pillar highest in the sector. Well-designed mobile apps, USSD codes, service management through SMS, chat support and other time-saving options all make for a relatively convenient customer experience, boosting this Pillar’s score.

The survey indicates room for improvement in terms of Integrity and Resolution, in particular. These Pillars are -4% and -5% less than market average scores, respectively.

The Telecommunications sector was second lowest in terms of Value, which may be related to low Expectations, Resolution and Empathy scores.

Telecommunications is a high-investment industry with continuously changing technology. With an increasing load on networks and demanding customers, the sector faces challenges like never before. Consequently, brands must invest greater amounts of capital into the required infrastructure, while also preparing for evolving technologies. Greater transparency, increased options and attention to resolving customer issues would potentially boost the sector’s overall CEE score.
Central and federal agencies have taken the lead in raising service standards by instituting customer happiness programs across the Emirates. The UAE happiness agenda and efforts to position the country as a tourist destination are reflected in first-class performances across multiple brands.

Despite progress, CX challenges remain. Brands face the task of understanding where to make appropriate investments and which key performance indicators to monitor. Additionally, the link between CX and business performance is often misunderstood. Companies may invest in unsuitable metrics and subsequently do not receive the expected returns.

With more attention being paid to customer happiness, organizations across the UAE are beginning to understand the link between CX, Loyalty, Advocacy and positive commercial outcomes.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Industry</th>
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<tr>
<td>1</td>
<td>Emirates Airline</td>
<td>Travel and Hotels</td>
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<tr>
<td>2</td>
<td>VOX Cinema</td>
<td>Entertainment and Leisure</td>
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<td>3</td>
<td>IKEA</td>
<td>Non-grocery Retail</td>
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<td>4</td>
<td>Carrefour</td>
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<td>5</td>
<td>Etihad Airways</td>
<td>Travel and Hotels</td>
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<td>6</td>
<td>Union Coop</td>
<td>Grocery Retail</td>
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<td>7</td>
<td>Emirates NBD</td>
<td>Financial Services</td>
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<td>8</td>
<td>Lulu Hypermarket</td>
<td>Grocery Retail</td>
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<td>9</td>
<td>Virgin Mobile</td>
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<td>10</td>
<td>Uber</td>
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<td>11</td>
<td>Reel Cinema</td>
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<td>12</td>
<td>Abu Dhabi Commercial Bank</td>
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<td>13</td>
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<td>Emaar Properties</td>
<td>Real Estate</td>
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<tr>
<td>25</td>
<td>namshi.com</td>
<td>Non-grocery Retail</td>
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Becoming a customer champion

Getting connected and aligned – how can you embed customer centricity at every level of your organisation?

What can your brand do to delight customers? How can you foster loyalty and encourage customers to shop more and for longer? Much will depend on where your brand sits on the CX maturity scale, i.e. how mature you already are in adopting a customer-centric mindset and practices.

Certain specific dimensions have been identified that can assist in defining a brand’s CX maturity level which may turn a brand’s customer experience vision into reality. These five dimensions are outlined in the following pages.

Understanding the multidimensional customer—what really drives customers and opens their wallets?

In an era defined by uncertainty, the companies that get closest to their customers will likely lead. This begins with an ‘outside-in’ view, building new ways of understanding how and why people make decisions.

The Five Mys (motivation, attention, connection, watch and wallet) framework is designed to help identify the real drivers of customer behaviour, along with the critical trade-offs on purchasing decisions across the customer wallet. Effectively identifying these factors should result in more targeted and contextualised experiences, products and services that create value for both the consumer and the company.

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

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

Understanding the trade-offs customers make between time and money can identify the best future customers and their expectations.
As mentioned previously, employees are a major component of the customer experience and frequently determine service quality. In high-performing organisations, employees understand the mission and vision of the company. They know the firm’s value propositions, opportunities and best practices, and understand how to provide the best possible customer experience, according to their role.

Employee experiences at work (feeling valued, growing, etc.) and relationships with colleagues affect behaviour in the workplace. This in turn impacts CX. The Six Pillars of employee experience seek to address various aspects of the employer/employee relationship in order to align internal goals and processes with customer expectations, delivering an optimal experience.
The Six Pillar Employee Experience
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

Expectations

Managing, meeting and exceeding expectations

Employee experience
- The organization has stretching objectives
- Leaders are clear on their expectation
- 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
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 in learning 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

Employee experience
- Business has a higher purpose than just making money
- Fairness is key
- Interpersonal relationships are based on trust
- The environment is safe for me 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 act as role models for 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
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 associate 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

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
Many companies are technologically advanced. Many companies are capable of emotionally connecting with their customers. Companies at the leading edge of their sector are able to combine these aspects to acquire a deep understanding of customer requirements, as well as their emotional journeys. Staying abreast of technological advancements will allow companies to maintain and even deepen their understanding of customers. With increasing amounts of data available, brands have the opportunity to better tailor experiences, attracting and retaining a greater number of customers.

**The hierarchy of digital emotional connections**

**“Humanic” differentiators**
- Humanic and empathetic cues
- Solves a life problem
- Enjoyable for its own sake/evokes emotion
- Surprises me with something relevant
- Reflects our history together
- Improves my sense of self-worth

**Digital basics**
- Simple - maximum of three steps to objective
- Saves time versus the offline world
- Supports rapid task achievement
- Usable, easy - delivers on the brand promise
- Intuitive - in-line with the user’s mental model
- Sets expectations appropriately
- Reversible errors
- Rapid resolution and back up support
- Meaningful FAQs
- Safe and secure
- Rapid access to a human when required
- Effective
Excelling at the economics – what are the most efficient avenues of investment to support customer centricity?

It is one thing to provide a great customer experience; it is quite another to provide a great customer experience, while balancing investment, value and price. The most successful brands have a mature understanding of CX and a credible business case to back related investments, ensuring the firm does not over- or under-spend.

Transforming the customer experience requires brands to find the perfect balance between outside and inside pressure, to deliver value for both the organisation and the customer.

Outside-in
Know your customers, understand what matters most to them, and consistently deliver on their needs

Inside-out
Manage the cost of operations in a sustainable way, while consistently delivering on customer needs

Make unnecessary work go away
Optimize the self-service experience
Apply sourcing strategically
Improve the effectiveness of workforce
Creating a winning customer experience requires attention to many facets, both internal and external. These include investment, motivation, strengths, weaknesses, innovation, emotions, etc. Implementing a customer-centric strategy in the right order is vital. Our study shows a structured approach by which a customer experience transforms. Aligning the transformation of your approach to customer service with this sequence can save costs and ensure consistent progress.

Ultimately, succeeding in becoming a customer champion means not only instilling and promoting a strong customer experience strategy across all levels, but also continuously reinforcing the brand’s stated values.

The Six Pillar checklist will support you in your transformation, taking into consideration the sequence and features that must be analysed. It will also enable you optimize your resources.
Implementation of The Six Pillars

**Personalization**
- We show the customers we know them
- We understand and follow their preferences
- We show the customers we recognize our history together
- We find interesting ways to show how we use the individual knowledge we have of the customers to better serve them
- We apply our knowledge to put the customer in control at point of need
- We show the customers we value them and their business

**Integrity**
- We focus on creating a great first impression to establish trust from the outset
- We have identified key trust-building moments and ensure we deliver on them
- As a company we stand for something more than profit for shareholders
- Our people are wholly competent at what they do
- Our people are likeable and engaging
- We always keep our promises and do what we say we will do

**Expectations**
- We know the set of expectations that customers bring to interactions with us
- We use this knowledge to accurately set and manage customer expectations
- We understand where in the customer journey we need to be accurate in delivering on expectations
- We are careful when we set expectations, even in small ways

**Resolution**
- Our people take clear ownership of an issue and see it through
- We provide accurate and consistent answers at point of contact
- We resolve issues at first point of contact
- We practice heroic recovery and react immediately to customer issues
- We provide accurate timescales for problem resolution
- We equip customers to resolve problems themselves if they prefer to

**Time and Effort**
- We are clear on the return on time we provide to our customer for every interaction
- We make the customer’s time investment pleasurable
- We inform the customer as to the time investment they need to make to achieve their objective
- We are clear on next steps and what may go wrong
- We systematically remove unnecessary steps in the process

**Empathy**
- Our people invest time to listen to their customers
- Our people are able to give the right emotionally intelligent response based on the customer’s emotional needs
- Our people establish an emotional connection with customers at every interaction
- Our people make this connection by expressing our brand
- Our people are able to show that they care personally about the customer
Customer experience is becoming the number-one brand differentiator in this highly competitive environment. KPMG member firms work alongside organizations assisting them in becoming customer-centric, identifying the right balance between cost and customer satisfaction, and identifying growth opportunities.
Using innovative approaches to product development and new business models, KPMG member firms support clients in focusing on their CX strategy. KPMG’s network of strategic alliance partners brings knowledge of new technologies and assists in building strategies that respond to digital disruption.

At KPMG, we assist our clients in empowering employees and improving the employee experience with engaging digital solutions.

In partnership with the KPMG Customer Experience Excellence Centre that has led this research, we assist in defining CX strategies, redesigning customer journeys in order to improve customer loyalty and help maximize lifetime value.

KPMG customer analytics solutions and decision engines assist in harnessing insights to power improvements in customer experience and lifetime value.

KPMG member firm consultants can assist you with digitally enabling and transforming 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.

KPMG digital specialists assist you with succeeding in the digital world. Our member firms’ 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.
Those who respond with a score of 9 to 10 are 'Promoters', and are considered likely to exhibit value-creating behaviors. Those who respond with a score of 0 to 6 are 'Detractors', and they are believed to be less likely to exhibit the value-creating behaviors. Responses of 7 and 8 are labeled 'Passives'. Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).
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