



2018 Customer Experience Excellence Report

Australian Summary



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KPMG.com.au

Since 2010, KPMG's *Customer Experience Excellence Centre* has been evaluating consumers' appreciation of the experiences they receive from brands across a range of sectors. With over 2 million consumer reviews, these reports are amongst the most extensive in the world in understanding consumer preferences and future trends.

While prior Customer Experience Excellence (CEE) reports have been limited to a few markets, the scope of the 2018 report has been extended to 14 countries with 54,231 respondents providing input on their experiences with over 1,400 brands. Included are 2,502 Australian consumers who were asked to rate the brand performance of 120 brands, across nine sectors. The respondents surveyed had interactions with these brands in the six months prior to the survey taking place.

CEE rankings are determined by the survey scores across The Six Pillars — Personalisation, Integrity, Time and Effort, Expectations, Resolution, Empathy. The overall CEE score is derived via a weighted average of the brand score for each pillar.

The Six Pillars of Customer Experience Excellence are invaluable as a business tool. Whilst leading CX brands achieve outstanding performance across all of The Six Pillars, the tool helps companies to identify where they should focus their efforts to drive Loyalty and Advocacy with their customers.

Global scope



*including 2502 Australian consumers

Key Metrics: The Six Pillars

 <p>Personalisation Using individualised attention to drive an emotional connection.</p>	 <p>Time and Effort Minimising customer effort and creating frictionless processes.</p>	 <p>Resolution Turning a disappointing experience into a great one.</p>
 <p>Integrity Being trustworthy and engendering trust.</p>	 <p>Expectations Managing, meeting and exceeding customer expectations.</p>	 <p>Empathy Achieving an understanding of the customer's circumstances to drive deep rapport.</p>

Key Highlights in Australia:

International companies are providing leading customer experiences

The top CX leaders as rated by Australian consumers are based overseas. These firms have entered Australia with a value proposition and operating model that has been refined and proven in highly competitive overseas markets.

Personalisation is the most appreciated CX attribute

Brands that excel in Personalisation are doing this through a deep understanding of what their customers value and adding a personal touch. Brands like PayPal, Bendigo Bank, and Singapore Airlines were standouts in this area and were recognised by their customers for consistently delivering a 'top service'.

Trust is becoming more important

A shift in consumer sentiment and a decline in trust in key sectors indicates that products and services are becoming more of a personal statement, and consumers are paying increased attention to the Integrity of the brands they choose. In *The Integrity Economy*, there is heightened transparency and lower barriers to switch, increasing the importance of companies being perceived as trustworthy.

Australian consumers perceive most experiences as lacking differentiation

For many brands, customers reflect on their experiences as having limited or no differentiation. This 'flatness' in perception is unique compared to other markets where there is a wider range of experiences on the top and bottom end of the scale and fewer brands being rated as average. This creates opportunity for Australian brands to do more to differentiate.

Current environment offers a great opportunity for sustainable growth

The current environment offers a great opportunity to differentiate and drive sustainable growth through a Connected Enterprise, better aligning the brand promise and company culture across the front, middle and back of house, and consistently delivering across customer touch points.



“With trust in brands declining around the globe, we expect the focus on Integrity as a key attribute in defining Customer Experience Excellence to increase. The data is clear. Consumers are becoming more conscious of which brands they intrust with their business, personal data, and advocacy. Thus, making Integrity more valuable to companies as a brand asset.”

Kelly Owens

Head of Customer Advisory, KPMG

Personalisation matters most in Customer Experience in Australia, closely followed by Integrity

Personalisation is the pillar recognised by Australian consumers as the most important in driving overall Customer Experience. Personalisation also was noted by respondents as having the most impact on Loyalty. This focus highlights our strong appreciation of experiences that make meaningful connections.

Integrity, closely followed by Personalisation, are the attributes that have the most impact on overall Customer Experience. When it comes to Advocacy, the likelihood to recommend a product or service, the importance of Integrity increases, which shows that brand Trust really matters to Australian consumers.

With the selection of products and services becoming more of a personal statement and trust in certain sectors declining across Australia, consumers are paying increased attention to the Integrity of those they choose, and the companies offering them.

Focus on this attribute is made more important with increased transparency. Lower barriers to switching between brands has shifted buying power to consumers and is redefining the importance of trustworthiness on company perception. The global CEE report explores this topic in *The Integrity Economy*.

In the Australian market, Personalisation and Integrity are noted as the main drivers of consumer Advocacy, at 20% each. A recommendation always reflects back on the person making the endorsement. When it comes to Loyalty, Time and Effort is increasing in importance (19%), indicating that customers adjust their expectations when the initial allure fades after being a customer for an extended period.

Comparing Australian consumers to their US and UK counterparts, we find consumers in the US put increased focus on Personalisation as a driver for Advocacy (26%)—in return Australian consumers pay more attention to Integrity (20%) and Expectations (17%). Preferences of consumers in the UK are mostly aligned to Australian consumers for both Advocacy and Loyalty.

Personalisation:



“I find PayPal to be extremely trustworthy and professional. I use them to buy goods and to top up my phone and internet. I didn’t know how to do this so I contacted them and they advised me. Happy with the outcome and I would recommend them to anybody—their customer service is excellent and knowledge impeccable.”

AUS CEE respondent and PayPal customer

Integrity:

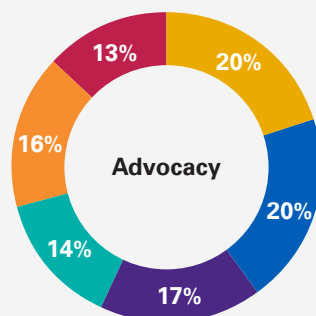
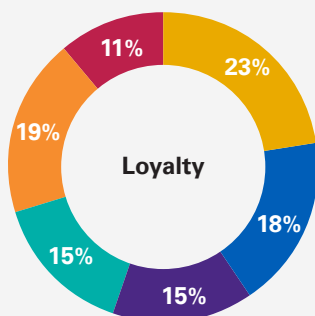


“They contacted me with information about changing my account to one with a better return for me.”

AUS CEE respondent and Bendigo Bank customer

Australia’s Pillar Importance

Customer Experience Excellence



- Personalisation
- Integrity
- Expectations
- Resolution
- Time and Effort
- Empathy

Customer focused strategies help lead the way

Four brands in Australia were noted with providing a highly valued experience by their customers, but for most brands, customers reflect on their experiences as not standing out.

Singapore Airlines led the market with survey respondents, closely followed by long-haul competitor Emirates. Ranked third and the best Australian-based brand, as well as the best financial institution, was Bendigo Bank. Also in Financial Services, PayPal completed the Top 4.

For these brands, receiving outstanding results in Australia is a testament of each company's successful and consistent execution of a customer-focused strategy. This commitment is noted by customers to flow throughout the organisation to employees at all levels, with clarity in delivery principles that are deeply ingrained in the company culture.



Best Australian-based CX brand: Bendigo Bank

Bendigo Bank was recognised for the close connection it builds with its customers and community. This connection is translated as ease of doing business, where Bendigo Bank was the highest rated brand overall in the pillars of Time and Effort, and Resolution.

Strong international competition

It also stands out that three of the top four brands' headquarters are based overseas, a trend of international companies leading the Australian market in Customer Experience.

When international brands hit the Australian market, they do so with a value proposition and operating model that has been refined and proven in highly competitive overseas markets. This *Glocal* trend is covered in more depth in the CEE report.

Best Sector: Grocery Retail

From a sector perspective, the Australian consumer rates the Grocery and Non-Grocery retail sector highest. Both sectors are led by Australian brands with Dan Murphy's (7th overall) and Bunnings Warehouse (5th overall) respectively. 30 of our Top 50 brands belong either to the Grocery or Non-grocery Retail sector, making this sector highly competitive with little differentiation noted in the experiences delivered.

See the full ranking of Australia's Top 50 CX brands on Page 7.

Australian sector ranking

Sector	CEE score (of 10)	vs. average CEE score in Australia
1. Grocery Retail	7.26	+0.16
2. Non-grocery Retail	7.25	+0.15
3. Travel, Hotels & Airlines	7.23	+0.13
4. Entertainment and Lesiure	7.17	+0.17
5. Financial Services	7.08	-0.02
6. Logistics	7.06	-0.04
7. Restaurants and Fast Food	7.02	-0.08
8. Telecoms	6.63	-0.47
9. Utilities	6.44	-0.66

We have seen increased investment to improve Customer Experience in Australia, but differentiation is lacking

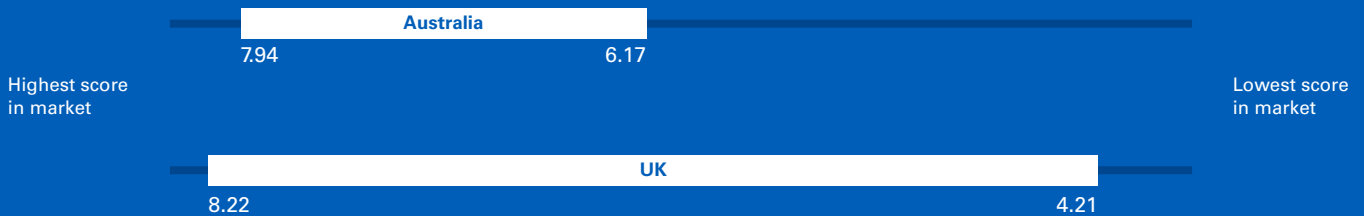
From 5th place on the list and beyond, there was an overall lack of differentiation in how respondents viewed the brands with which they engage. There are a range of reasons for this ‘flatness’ in customer responsiveness to experiences they receive in Australia: in recent years there has been increased focus on improving really bad experiences, OK experiences are still rated as OK, or are perhaps now being scored lower, as better ones enter the market. In addition, consumers are less impressed with experiences that once really resonated, or were once viewed as innovative. All of these factors drive a convergence around the middle point in the overall ratings.

This seems unique to our market, as other countries’ results have a wide range of variance between their top and bottom performers—that is almost 250 basis points larger than in Australia, as per the below graph.

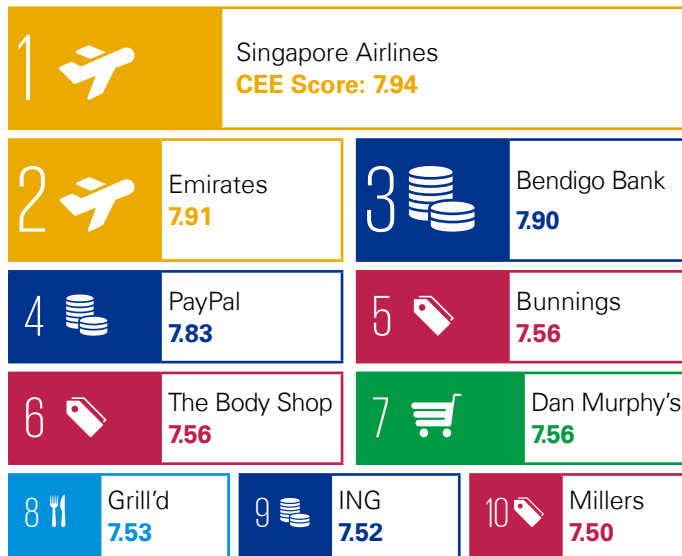
While we see increased focus and investment on improving Customer Experience in Australia, organisations seem to be primarily focused on getting the fundamentals right and fixing pain points. Whereas, global peers are creating differentiated experiences and utilising new technologies to connect with customers in differentiated and meaningful ways.

Additionally, globally, brands are gaining respect and making deeper connections by demonstrating a strong commitment to making the customer’s life better, and allowing customers to ‘mix and match’ buying and engagement experiences across their lifecycle to meet changing needs. This trend is reflected in the CEE report in *Fragmenting Customer Journeys*.

Distribution of CEE scores in market



Top 50 CX brands in Australia



Rank	Brand	Industry Sub Sector
11	The Iconic	Online Retail
12	Qantas	Domestic Airlines
13	Kmart	Discount Variety
14	Suncorp	Insurance
15	Virgin Australia Airlines	Domestic Airlines
16	Netflix	Streaming Services
17	Best&Less	Apparel
18	Coles	Grocery
19	ALDI	Grocery
20	First Choice Liquor	Liquor
21	Ebay	Online Retail
22	Spotify	Streaming Services
23	Mitre 10	Home and Hardware
24	JB Hi-Fi	Home and Hardware
25	BWS	Liquor

Rank	Brand	Industry Sub Sector
26	Target	Department Store
27	Big W	Discount Variety
28	Woolworths	Grocery
29	AAMI	Insurance
30	NAB	Banking
31	Priceline	Health and Beauty
32	IKEA	Home and Hardware
33	David Jones	Department Store
34	Boost Juice	Quick Service Restaurant
35	Flight Centre	Travel Services
36	Uber	Logistics
37	The Good Guys	Home and Hardware
38	Catch.com.au	Online Retail
39	YouTube	Streaming Services
40	The Reject Shop	Discount Variety
41	Myer	Department Store
42	Cotton On	Apparel
43	Kathmandu	Sports and Outdoors
44	Fantastic Furniture	Home and Hardware
45	IGA	Grocery
46	Expedia	Travel Services
47	Airbnb	Accommodation
48	FedEx	Logistics
49	Kogan	Online Retail
50	Rebel	Sports and Outdoors

● Grocery Retail
● Non-grocery Retail
● Travel and Hotels

● Entertainment and Leisure
● Financial Services
● Logistics

● Restaurants and Fast Food
● Telecoms*
● Utilities*

No brands in the Telecoms and Utilities sectors were rated in the Australian Top 50 by CEE respondents.

References: 1. The survey was conducted online in November 2017. In order to be included in the final rankings for each country, each brand must have achieved a minimum of 100 consumer responses.

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Key Takeaways

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Best CX brand in Australia: Singapore Airlines

With a score of 7.9, Singapore Airlines has been rated by Australian consumers as the highest rated CX brand in Australia. Singapore Airlines also scored highest in the pillars of Integrity and Empathy.

7.1

Overall customer experience in Australia: 7.1

Respondents rate the overall experience in the Australian market as 7.1. Of the 81 brands surveyed, only 10 CX brands received a rating above 7.5.

★

Best Australian-based CX brand: Bendigo Bank

The highest rated Australian-based brand with a score of 7.9 was Bendigo Bank, which also received the highest scores in Time and Effort, and Resolution.

⚖️

Best performing sectors are Grocery Retail (7.3) and Non-grocery Retail (7.3)

With 30 of our Top 50 brands either from the Grocery or Non-Grocery Retail sector, this sector is highly competitive with little differentiation noted in the experiences delivered.

📈

Drivers for overall CX: Personalisation and Integrity

Personalisation and Integrity are the pillars recognised by Australian consumers as the most important in driving overall Customer Experience, with an impact of 22% and 19% respectively.

EMPATHY

Australian consumers rate brands lowest in delivery of Empathy

Australian consumers rate CX brands just 6.5 for Empathy indicating that Australian brands need to show more understanding of their customers.

👥

Making connections through Personalisation: PayPal

PayPal was rated as the brand providing the most appreciated experiences through Personalisation in the Australian market.

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Best brand managing Expectations: Emirates

Emirates is market leading in Australia for setting, managing and meeting Expectations.

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