



Customer Experience Excellence Report 2019

Australian Summary

[KPMG.com/au/customerexperience](https://www.kpmg.com/au/customerexperience)

Introduction

CEOs know they need to continue to sharpen their focus on the customer – there has never been a more dynamic or complex time to build strong customer relationships.

Since our last Customer Experience Excellence Report, contextually significant events have put heightened public attention and increased regulatory pressure on business practices in Australia. As a result, we are finding that more organisations in the Australian market think of their customers as assets that should be nurtured and invested in – as well they should, as customer sentiments are mirroring this shift in perspective. These market changing events make our 2019 Customer Experience Excellence Report particularly relevant.

To capture the sentiment of the market we have asked 2,503 Australian consumers to rate their experience with 114 Australian and International brands across The Six Pillars of Customer Experience Excellence. This summary not only lists the Top 50 brands in the Australian market, but also puts perspective and understanding behind why the Top 10 Australian brands stand out. In our study we have identified three key takeaways:

1 | Service with Integrity at the core

A foundation of trust is a mandatory prerequisite to delivering authentic experiences that are valued by customers. The results of our research suggests that brands who are community-led are more likely to engage and resonate with customers over brands who are focused solely on building their customer base.

2 | Holistic, enterprise-wide customer transformations

Whilst we see many Australian organisations putting effort into customer experience initiatives in Australia, these efforts often fail to impact the customer experience at scale. In many cases, it's the holistic approach and breaking down of silos that's lacking. This needs to be recognised in a clear CX strategy that is supported at an executive level and realised through a fundamental cultural change to customer centricity.

3 | Seamless digital experience

Finally, we find new, disruptive companies offering Australian consumers an experience that is purposefully designed and built with digital channels at the forefront. These digital-led companies challenge Australian organisations to overcome the burden of their legacy systems and processes, and provide a compelling omni-channel experience that remains reflective of their traditional brand.

While this report includes many of our top line findings, there are more insights to share. If you would like to discuss any aspect of this report, please contact one of the KPMG Customer & Operations team to learn how they can help you shape a profitable and sustainable customer experience of the future.

Amanda Hicks

Partner in Charge

Customer, Brand and Marketing Advisory

KPMG Australia

Contents

THE SIX PILLARS OF CUSTOMER EXPERIENCE EXCELLENCE	2
.....	
THE TOP 50 CX BRANDS IN AUSTRALIA	4
.....	
THE OPPORTUNITY FOR AUSTRALIAN CX LEADERS	5
.....	
MAJOR CX THEMES 2019	6
.....	
THE TOP 10 LOCAL CX BRANDS	8
.....	
A BLUEPRINT FOR ENTERPRISE-WIDE TRANSFORMATION	16
.....	
KEY TAKEAWAYS	20
.....	

The Six Pillars of Customer Experience Excellence

KPMG developed The Six Pillars methodology of Customer Experience Excellence to provide a precise and practical definition of the kind of emotional outcome a successful experience needs to deliver.

The Six Pillars are inextricably intertwined and when combined provide a powerful mechanism to help organisations understand how well their customer experience is delivered across channels and where they need to improve. The leading firms demonstrate mastery of these pillars and are outstanding across all of them.

Key Metrics: The Six Pillars of Customer Experience Excellence (CEE)



Personalisation

Using individualised attention to drive an emotional connection.



Time and Effort

Minimising customer effort and creating frictionless processes.



Resolution

Turning a disappointing experience into a great one.



Integrity

Being trustworthy and engendering trust.



Expectations

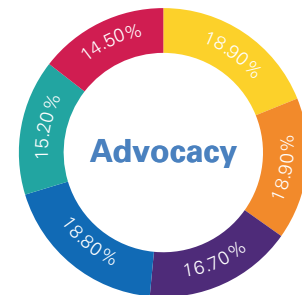
Managing, meeting and exceeding customer expectations.



Empathy

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

Pillar impact on loyalty and advocacy



Each of The Six Pillars are weighted based on their statistical correlation to advocacy and customer loyalty with their respective links highlighted.



PERSONALISATION

Using individualised attention to drive emotional connection

Personalisation 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 their name, individualised attention, knowledge of preferences and past interactions all add up to an experience that feels personal.



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.



INTEGRITY

Being trustworthy and engendering trust

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



TIME & EFFORT

Minimising customer effort and creating frictionless processes

Customers are time-poor and increasingly looking for instant gratification. Removing unnecessary obstacles, impediments and bureaucracy to enable them to achieve their objectives quickly and easily has 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.



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 organisations understand, deliver and 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.



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 behaviours 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.

Top 50 CX brands in Australia



01	Singapore Airlines	02	RACQ Insurance	03	Bendigo Bank	04	PayPal	05	Afterpay
06	ING	07	NRMA Insurance	08	Dan Murphy's	09	RACV Insurance	10	Subway
11	The Iconic	12	Grill'd	13	The Body Shop	14	Apple Store	15	Suncorp
16	Mitre 10	17	AustralianSuper	18	Aldi	19	First Choice Liquor	20	Boost Juice
21	BWS	22	OPSM	23	Bunnings Warehouse	24	Priceline	25	IKEA
26	Officeworks	27	AAMI	28	Netflix	29	Qantas	30	Millers
31	Virgin Australia Airlines	32	Emirates	33	Liquorland	34	The Reject Shop	35	Fantastic Furniture
36	Best&Less	37	The Good Guys	38	JB Hi-Fi	39	Airbnb	40	Kmart
41	Big W	42	Costco	43	Crust Gourmet Pizza Bar	44	Harvey Norman	45	Chemist Warehouse
46	Woolworths	47	Coles	48	IGA	49	Hoyts	50	Domino's Pizza

CUSTOMER EXPERIENCE EXCELLENCE REPORT IN AUSTRALIA ABOUT THE RESEARCH



20 international markets covered making the report one of the world's most extensive studies of consumer preferences.



2503 Australian consumers surveyed



114 Australian and international brands rated



11 Sectors covered in Australia

The opportunity for Australian CX leaders



A breakout market leader in customer experience has the potential to increase the life-time value of their customers, reduce churn and drive customer advocacy.

Amanda Hicks
 Partner in Charge
 Customer, Brand and
 Marketing Advisory
 KPMG Australia

THE FINDINGS

Customer experience scores in Australia reflect good but not great delivery, according to consumers. In our 2019 study the average CEE rating in the Australian market was 7.14, with about three-quarters of companies clustered between 6.5 and 7.5. The overall CEE rating in Australia was only marginally higher (0.04 points) than last year's result, suggesting more impactful investment and effort will be required if brands want to reap the benefits of a truly excellent customer experience. Overall, we find there is still little competition on customer experience in the Australian market, offering an opportunity for brands to disrupt the market and build a lasting competitive advantage.

SECTOR PERFORMANCE

Consumers are not only looking at a brand's competitors to set their expectations of customer experience. Instead, they are looking across sectors and wanting the best experience they receive in any one sector to be matched by all the other sectors. For brands, this means they should not only measure themselves against their direct competitors but also against standout performers in other sectors.



Grocery Retail

The Grocery Retail sector maintains its leading position for customer experience and improved its overall score to 7.4 over the past year.

Dan Murphy's continues to lead the sector in Australia, reflecting continued investment in its wide product range, customer service staff and store way-finding aimed at optimising store experience. Coles and Woolworths have remained constant year-on-year, and with Aldi increasing its CEE score above sector average, there is a widening the gap between Australia's supermarket giants and the German retailer.



Financial Services

The Financial Services sector has overtaken the Non-Grocery Retail sector since last year to become the second highest rated industry sector, with an overall ranking of 7.3. While the result might appear surprising in the light of the Banking Royal Commission, much of the change was driven by the strong performance of newcomers to the study, including RACQ Insurance, Afterpay, NRMA Insurance and RACV Insurance.

In a category that has been significantly disrupted, the smaller brands and fintechs are delivering the high standards of customer experience that other brands should be looking to.



Utilities

Companies in the Utilities sector have been laggards in customer experience but improved strongly over the past year, demonstrating that customer experience efforts are recognised by Australian consumers. Across the industry there has been an uplift across all of The Six Pillars, highlighting the industry focus on improving customer experience to align with pricing regulations and the roll-out of a new Customer Charter.

Despite the improvement, however, the Utilities sector has more work to do as it remains near the bottom of customer experience rankings in Australia with a CEE of 6.75.



The Public Sector

We included the Public Sector for the first time and found the public sector citizen experience is a long way behind commercial CX. The sector ranked the lowest of all industry sectors with a CEE of 6.47.

The gap is largest for the public sector for Time & Effort (14% below market average) and Resolution (10% below market average). These results highlight major challenges public sector organisations face with customer experience improvements initiatives: legacy systems and policies, de-centralised data and budget limitations.

Major CX themes in the Australian Market



SERVICE WITH INTEGRITY AT THE CORE

Over the past year, a series of Royal Commissions and subsequent media coverage, has placed integrity at the forefront of any great experience. Customers recognise organisations who consider not only their customers, but the community in which they operate.

Community-centric brands are rated as CX leaders in Australia. These organisations exemplify authenticity through altruistic initiatives that reflect the intrinsic values of Australian society. As a result, a relationship of trust is instilled and perceived customer experience is elevated.



HOLISTIC, ENTERPRISE- WIDE CUSTOMER TRANSFORMATIONS

Organisations across the board have put significant effort into customer experience initiatives, however projects are often disjointed and do not address the customer experience holistically. In order to improve customer experience at scale, organisations need to establish a clear CX strategy that is supported on an executive level. This should reflect the core needs of the customer base and drive a customer-centric cultural change.



SEAMLESS DIGITAL EXPERIENCE

With evolving customer expectations and an influx of disruptive digital only brands, many Australian organisations are concerned about their digital presence.

A digital transformation must be echoed throughout the organisation to allow for a seamless multi-channel experience that reflects the brand's unique identity. Internally, this involves consolidating and reconfiguring outdated information systems and legacy processes. This empowers staff to provide a brand experience that is tailored to meet customers' individual needs independent from the channel they choose to engage through.

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Overall, we find there is still limited competition on customer experience in Australia, which provides an opportunity for brands to disrupt the market and build a lasting competitive advantage.

Maree Mamo






Partner

Customer, Brand & Marketing Advisory








Top 10 Local CX brands¹

<p>01 RACQ Insurance</p> <p>CEE SCORE 7.83</p> <p>RACQ Insurance is the highest rated local CX brand. Customers comment about RACQ Insurance's excellent customer service and rate the brand highest for Resolution in Australia.</p>	<p>02 Bendigo Bank</p> <p>CEE SCORE 7.78</p> <p>Bendigo Bank embodies both customer and citizen-centric views, exemplifying the operation of an authentic, values-driven organisation in Australia.</p>	<p>03 Afterpay</p> <p>CEE SCORE 7.74</p> <p>Afterpay demonstrates Australia-leading performance in Personalisation and is amongst the top five for Time and Effort, Expectations and Integrity.</p>	<p>04 NRMA Insurance</p> <p>CEE SCORE 7.65</p> <p>NRMA Insurance have engaged customers through reliable service, seamless processes and community advocacy.</p>	<p>05 Dan Murphy's</p> <p>CEE SCORE 7.61</p> <p>Personalisation and Time & Effort were key pillars that Dan Murphy's outperform other brands on, with customers expressing interest in Dan Murphy's liquor range, which is inclusive of over 9,000 wines.</p>
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 <p>1st for Integrity 1st for Resolution</p>	 <p>1st for Empathy</p>	 <p>1st for Personalisation</p>	 <p>5th for Integrity 5th for Empathy</p>	 <p>2nd for Time & Effort 4th for Personalisation</p>
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<p>06 RACV Insurance</p> <p>CEE SCORE 7.59</p> <p>RACV Insurance's success is reflected in its actions, listening to customers, managing customer expectations and standing for more than profit.</p>	<p>07 The Iconic</p> <p>CEE SCORE 7.59</p> <p>The Iconic have proved customers can shop with confidence without entering a physical store.</p>	<p>08 Grill'd</p> <p>CEE SCORE 7.58</p> <p>Grill'd continually seek innovative methods to delight, with customer experience at the forefront of their value proposition.</p>	<p>09 Suncorp</p> <p>CEE SCORE 7.56</p> <p>Suncorp's top 10 Australian placing is reflective of their reputation as a customer-centric and values-driven banking and insurance group.</p>	<p>10 Mitre 10</p> <p>CEE SCORE 7.55</p> <p>Community based organisation with a deep understand and respect for customer needs.</p>
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 <p>7th for Empathy 8th for Expectations</p>	 <p>6th for Integrity 6th for Resolution</p>	 <p>9th for Personalisation</p>	 <p>7th for Integrity 8th for Resolution</p>	 <p>8th for Empathy 9th for Integrity</p>
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¹This ranking considers only brands with their headquarters located in Australia.

RACQ INSURANCE

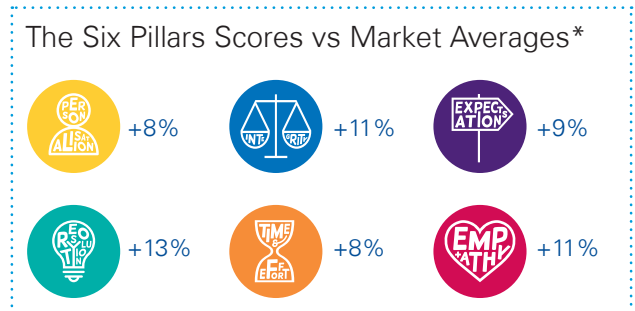
As a newcomer to the study, RACQ Insurance has topped the Australian brand rankings for 2019 (2nd overall to Singapore Airlines), with a CEE score of 7.83

RACQ Insurance is part of The Royal Automobile Club of Queensland (RACQ) group that offers a range of products such as roadside assistance, insurance, banking or travel. Being a member-owned mutual organisation, RACQ is focused on giving back to the community: RACQ's foundation has helped over 190 community groups since its inception in 2011, and it has so far approved \$678,569 in funding for various community organisations. Furthermore, RACQ recently teamed up with Former Origin Greats (FOGs) to help Indigenous students secure their licence and drive safely behind the wheel.

In our study, RACQ Insurance has outperformed the Australian market across each of The Six Pillars and was the highest ranking Australian brand for Integrity (7.92) and the best brand in Australia for Resolution (7.86). Customers mentioned RACQ Insurance consistently provided an experience that they could rely on, where efficiency, urgency and empathy were regularly demonstrated. Customers felt their experience with RACQ Insurance remained reliable across channels and highlighted personal service, effectiveness, ease to deal with and simplicity of policy communications as key determinants for their loyalty toward the brand.

"I have been with RACQ for 20-odd years and have had excellent service and will continue to stay with them for as long as I need insurance."

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

BENDIGO BANK

For the second year in a row, Bendigo Bank holds a top 3 position in the Australian CEE rankings.

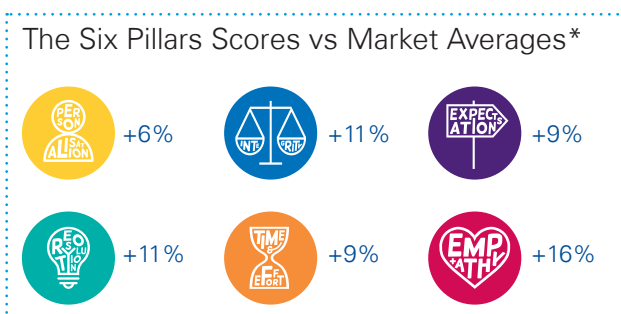
Driven by its community feel, strong customer service and delivery on the Time & Effort pillar (8.18), Bendigo continues to widely promote and exhibit customer-centricity.

Bendigo Bank topped the 2019 Australian CEE rankings in the Empathy pillar (7.50), outperforming the market average by 16%.

Bendigo Bank customers emphasise the extra care, concern and friendliness the bank consistently displays.

“I cannot praise this bank and their attitude towards customer service enough. It is the first bank I ever banked with that no matter what branch you go into you are made feel as if you are a valued customer. Even though I am only a tiny customer I feel I get treated same as the big customers.”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

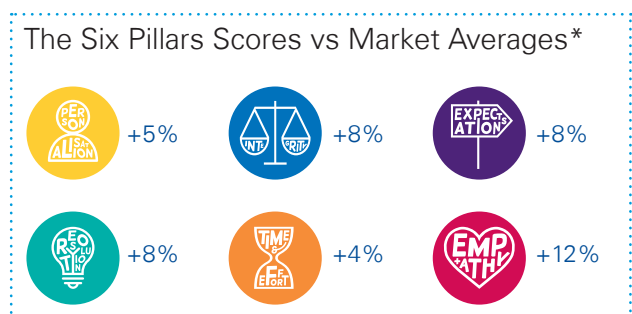
NRMA INSURANCE

NRMA Insurance ranked in the top five brands for Integrity (7.69) and Empathy (7.23), outperforming the market average by 8% and 12% respectively.

They substantiate customer-centricity through staying true to their brand promise of “Help is not something we do. Help is who we are.” One way in which NRMA Insurance helps Australian's is through local community support. As a result of their on-going support for customers affected by adverse weather, they are a principle partner for both the NSW and QLD State Emergency Services.

“I have had NRMA Insurance for many years and when I have had to make a car insurance claim found them to be very helpful. They put your mind at ease from the moment I have contacted them. They follow everything up.”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

Source: [NRMA website](#)

AFTERPAY

Afterpay, the payment service provider, is a new entrant into the Australia Customer Experience Excellence rankings for 2019; moving into fifth place behind PayPal.

Representing the buy-now-pay-later (BNPL) industry, its success is reflected in its ubiquity with around 3.5 million active customers and over 25,000 active retail merchants on-boarded.

Afterpay's performance across The Six Pillars underlies its strong performance in the 2019 ranking. The payment service is a local leader in the pillar of Personalisation and is amongst the top five performers in the pillars of Time and Effort, Expectations and Integrity.

The company's business model is less restrictive than traditional credit providers, in turn this flexibility allows Afterpay to move at the pace of customers.

A growing number of retailers displaying Afterpay's services has been crucial for establishing solidarity and building rapport with its customers. This has been reflected in the CEE data.

"I can't fault Afterpay, the whole concept is brilliant, the app is very easy to use and I use it regularly, I have never had a problem and would recommend this company easily."

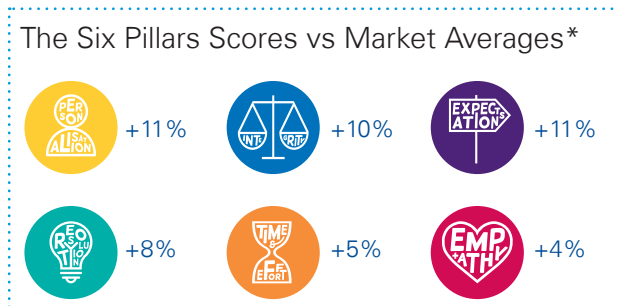
Australia CEE 2019 respondent

Behind Afterpay's network effect is what they describe as a 'frictionless customer experience'. The payment method understands customers' circumstances and helps them obtain what they need. It recalls customers' shared history and uses it to support responsible spending. Purchases on the platform are approved on an individual basis and failure to make payments prevents users from making further purchases.

The technology-driven payments company is expanding geographically and is exploring other services that can potentially improve its utility. The business has also recently introduced Cross Border Trade, allowing Australians to make purchases using Afterpay from New Zealand online stores.

"The user experience with Afterpay is truly wonderful. Easy, intuitive on-line website and the freedom of buying much-needed goods with the peace of mind that they can be paid for with interest-free instalments."

Australia CEE 2019 respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

Source: [Afterpay website](#).

DAN MURPHY'S

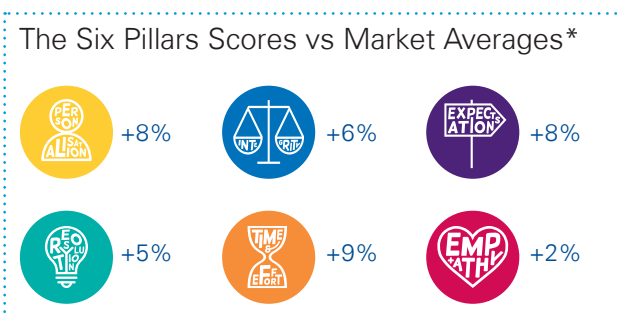
Grocery Retail (driven by liquor as a sub-sector) were ranked as the top performing category in the 2019 CEE rankings, with Dan Murphy's ranking first in this category.

Convenience, friendly staff and a wide range of products have all contributed to Dan Murphy's position as the #5 Australian brand in the CEE rankings (#8 overall).

Personalisation (8.04) and Time & Effort (8.21) were key pillars where Dan Murphy's outperform other brands, with customers impressed by Dan Murphy's liquor range, which is inclusive of over 9000 wines.

"Always cheaper prices than most of the opposition, stores are clean and service is good."

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

Source: [Dan Murphy's website](#)

RACV INSURANCE

RACV Insurance, distributed by the Royal Automobile Club of Victoria, is a new entrant into the Australian Customer Experience rankings for 2019.

Headquartered in Melbourne and established in 1924, RACV was the first to provide emergency roadside assist. RACV exists to improve the lives of Victorians by addressing their needs in the areas of mobility, home and leisure. RACV has established itself as a leading service provider and the largest member organisation in Victoria with more than 2.1 million members.

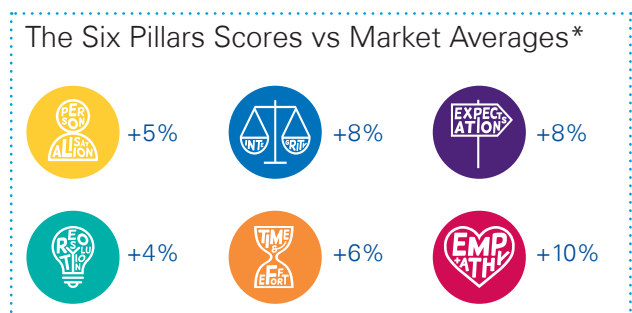
"I believe RACV has become more customer focused in recent years."

Australia CEE 2019 respondent

RACV's performance across The Six Pillars underlies its strong performance in the 2019 rankings. This was particularly evident across Empathy, Expectations and Integrity Pillars, outperforming the market average by 8% or greater.

"I have been a long-time customer of RACV and have always been very happy. They are not the cheapest, but have always been there whenever I have needed them."

Australia CEE 2019 respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

Source: [RACV website](#)

THE ICONIC

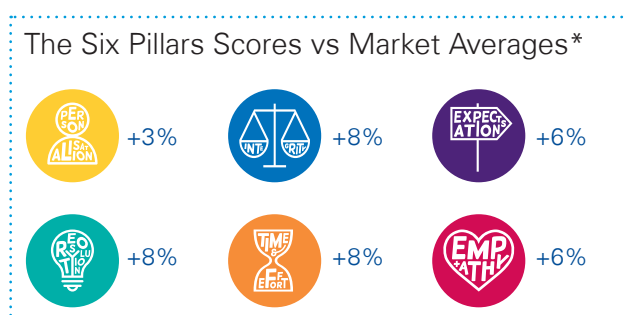
Sydney-based online fashion retailer The Iconic have ranked #7 across CEE Australian brands and #1 in the Non- Grocery Retail sector.

In line with other digital offerings in Australia, they rank #6 in Australia for Resolution (7.54) and outperform the market by 8%.

The Iconic’s mission is to “to turn shopping into a seamless and inspiring experience” with 200 new arrivals daily and a range of over 1000 of the world’s top brands. According to the Iconic its app was one of the most downloaded fashion apps in 2018. The Iconic offer same-day delivery across key Australian cities (Melbourne, Brisbane and Adelaide), 3 hour delivery in Sydney and a free returns policy.

“The clothing I have ordered through them has been as described and arrived in a timely manner. Furthermore, when I did have an issue with an item (the dress did not suit me) the returns process was simple, easy to follow and quick, which was very surprising. It was probably the best returns policy I have ever experienced in shopping!”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

GRILL'D

Eighth overall, Australia’s Grill’d is the second ranked brand in the Restaurant & Fast Food sector after Subway.

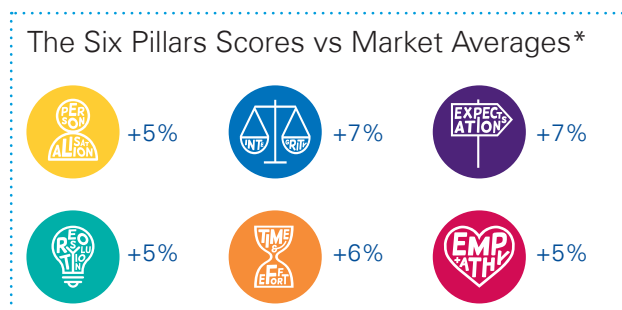
The burger chain performs strongly across all of The Six Pillars and is among the top ten brands for Personalisation.

Grill’d actively supports community events through their “Local Matters” initiative. Customers are given a cap to place into one of three jars representing local charities of choice and the charity with the highest number of caps at the end of the month are given a donation by Grill’d, as voted by their customers.

Grill’d actively sources ingredients from local producers, which keeps their food distribution footprint low and ingredients fresh.

“I have had lunch at Grill’d and thoroughly enjoyed the food. The staff are always friendly and happy. I also really like that you get to put a cap into one of three jars to help Grill’d decide which community group they are going to financially aid that month. It really makes you feel like your input is valued and that you are part of a wider community.”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

Source: [The Iconic website](#)

SUNCORP

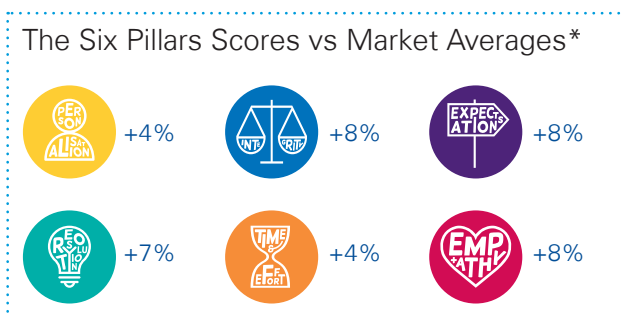
Established in 1902, Suncorp have been insuring Australians for more than 90 years and are the fifth largest bank in Australia.

Suncorp ranked fifth among Australian brands on the Integrity pillar and Resolution pillar, with customers mentioning its insurance claims process as streamlined and efficient.

The bank has significantly out-performed the Big Four banks in the CEE rankings for the past two years.

“I have been with many banks, but Suncorp has been consistently the best. Why? No matter what branch I have used, the management and staff become far more like friends than just people there to serve. When regularly there, we got to know each other and ended up sharing stories each time.”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.

MITRE 10

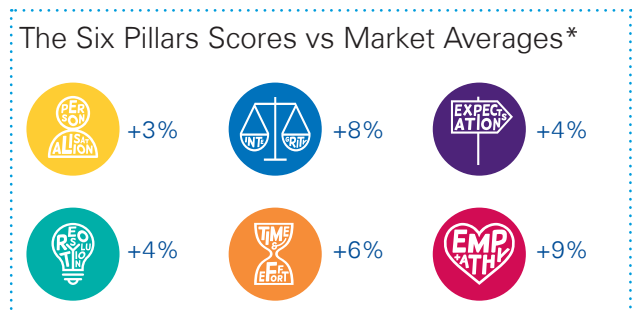
The home improvement and hardware retailer has secured the final spot in the 2019 CEE Australian rankings top 10.

Since the last study Mitre 10 has been rated 0.21 points higher by Australian consumers and gained seven places in the CEE rankings.

Mitre 10 performed strongly on Time & Effort (8.02), which is evident through understanding customer needs, in particular store way-finding, product variety and clarity of advice. As a result, customers continue to advocate for the brand.

“A small store nearby that has always been helpful and has the majority of products I require. They are local people who give local help.”

Australian CEE Respondent



* This number highlights the brand's outperformance of the overall Australian market against each pillar.



Consumers are no longer looking at a brand's competitors to set their expectations of customer experience.

Instead, they are looking across sectors and wanting the best experience they receive in any one sector to be matched by all the other sectors.

Amanda Hicks

Partner in Charge

Customer, Brand and Marketing Advisory
KPMG Australia



A blueprint for enterprise-wide transformation



The Six Pillars establish three steps for enterprise-wide CX transformation with tangible activities for each phase. They are designed to achieve customer experiences that are consistent and reliable, seamless and efficient, and individualised and innovative.

The interrelationship between the pillars illustrates the need to take a cascaded approach to CX transformations. For example, receiving communication that follows the golden rules of the Personalisation pillar (greet me, recognise our history together, individualise what you do) won't be appreciated by customers if they don't trust the brand or if they receive the communications later than promised. In this case, the pillar of Personalisation is dependent on the pillars Integrity and Expectations.

STEP 1 relates to improving performance on the pillars of Integrity and Expectations – the foundations of good customer experience. An organisation needs to build a relationship based on trust and meeting existing customer expectations consistently before considering how this can be improved to be more efficient (improve Time & Effort) and beginning to proactively anticipate and solve for problems (improve on Resolution).

In practice, Step 1 is categorised by gaining an understanding of customers, their experience and existing organisational capabilities to deliver on their expectations. Typical implementation activities are focussed on removing pain points through quick wins, such as improving communications and better aligning internal processes to the customer journey.

STEP 2 relates to improving performance in Resolution and Time & Effort, building on the consistent and reliable experience established in Step 1. Organisations can start to consider the ways they can anticipate and proactively solve customers' issues (Resolution) and based on this, how they might make the experience more seamless and efficient (Time & Effort).

This Step is about customer journey improvement at scale by making the operational changes required to close capability gaps needed to achieve the CX vision. Brands which deliver on Step 2 provide customer experiences that are seamless and efficient. They are able to proactively identify and solve issues for customers, whilst delivering on expectations around efficiency.

STEP 3 relates to improving performance on the Pillars of Empathy and Personalisation, the attributes for exceptional, differentiated customer experiences. It is about embedding a deep understanding of customer needs in all elements of the business and delivering on customer needs at scale.

The third Step requires a fundamental restructure of the organisation around customer needs to build a culture of continuous innovation. Agile teams are created that leverage latest technology to design and deliver solutions that will delight customers when it matters most to them.

The target customer outcome for this Step is delivering individualised customer experience, based on a deep organisational understanding of the customer.

CX TRANSFORMATION STEPS

01 | SET THE BASICS



Integrity

- Do what you say you will
- Keep me informed
- Be competent
- Be likeable
- Stand for something more than profit
- Demonstrably act in my best interest
- Show concern for me as a person



Expectations

- Set my expectations accurately
- Agree timings with me
- Respond more quickly than I anticipate
- Use plain English – no jargon
- Fulfil or exceed our promises
- Guide me through the process
- Provide information openly and honestly

CX CAPABILITIES REQUIRED

- Customer journey mapping to understand current state experience and pain points
- Customer personas to understand customer needs
- CX maturity assessment to understand organisational capabilities
- CX vision, CVP and brand promise

IMPLEMENTATION ACTIVITIES

- Refresh and simplify comms across channels
- Clarity on ownership of the customer
- Align and automate internal workflows with customer journeys
- Staff training and coaching

HORIZON OUTCOME

CONSISTENT AND RELIABLE SERVICE

02 | OPERATIONALISE



Resolution

- Assume my innocence – see my point of view
- A warm and sincere apology
- Own the resolution – fix with urgency
- Surprise me in how well you fix my issue
- Go the extra mile if required
- Give me options going forward



Time & Effort

- Make my time investment pleasurable
- Give me simple clear instructions
- Maximum of three steps to my objective
- No longer than 2 minutes waiting
- Provide the answers I need when I contact you
- Advise me of pitfalls ahead

CX CAPABILITIES REQUIRED

- CX measurement strategy to ensure customer centric decision making
- CX toolkit to reconfigure operations around customer centricity

IMPLEMENTATION ACTIVITIES

- Empower employees to own customer experience
- Align company culture, HR strategy and KPIs with CX vision and strategy
- Review third party contracts
- Replace legacy systems and policies
- Centralise customer data
- Improve customer journeys at scale

HORIZON OUTCOME

SEAMLESS AND EFFICIENT EXPERIENCE

03 | DIFFERENTIATE



Personalisation

- Greet me
- Show me you know me
- Recognise our history together
- Make me competent
- Surprise me with something relevant
- Understand my needs and circumstances
- Individualise what you do



Empathy

- Invest time to listen to me
- Provide the right emotional response
- Share your similar experiences
- Treat me as your priority
- Take ownership of my issue
- Show you care

CX CAPABILITIES REQUIRED

- Advanced customer segmentation to customise service at scale
- Innovation centre to design market leading experiences
- Agile delivery of new offers

IMPLEMENTATION ACTIVITIES

- Restructure organisation around customer needs
- Leverage new technology and channels
- Embed target state experience with innovative new offers
- Investment cycle set to support agile ways of working

HORIZON OUTCOME INDIVIDUALISED EXPERIENCE

KEY CONSIDERATIONS FOR A CX TRANSFORMATION

- Whilst aspects of Step 1 and Step 2 might be achievable by siloed business units, a full CX transformation requires leadership from the top.
- Customer centricity will not monetarise overnight. Set appropriate milestones that please shareholder needs.
- Every company needs to find the right level of CX maturity. In a highly-commoditised sector such as banking or retail, offering a differentiated customer experience is fundamental for the long-term survival of the company. However, in sectors with little competition, for example public service, investments in customer and citizen experience need to align with the expectations of the public.

Key takeaways



BEST CX BRAND IN AUSTRALIA

Singapore Airlines

For the second year in a row, Singapore Airlines is the highest rated brand in Australia, achieving an overall CEE rating of 7.90 from Australian consumers. The highest ranked local brand is RACQ Insurance with a rating of 7.83.



OVERALL CUSTOMER EXPERIENCE IN AUSTRALIA

Overall, respondents rated customer experience in Australia 7.14, a slight increase of 0.04 from the previous year. Whilst 17% of companies achieved a great rating of 7.5 and higher, no brand in Australia achieved a CEE rating of 8 or higher.



BEST PERFORMING SECTORS ARE GROCERY RETAIL (DESIGN (7.40) AND FINANCIAL SERVICES (7.31)

Grocery Retail remains the top performing sector in Australia, achieving an average sector score of 7.40. Financial Services have taken second spot from Non-grocery Retail in our sector ranking compared to last year. Much of that change was driven by the strong performance of smaller Financial Services in the wake of the Australian banking Royal Commission.



UNDER PERFORMING SECTOR DEVELOPMENT

Government (6.47)

The gap is largest for the public sector for Time & Effort (14% below market average) and Resolution (10% below market average). These results seem to highlight the major challenges public sector organisation face with customer experience improvements initiatives: Legacy systems and policies, de-centralised data and budget limitations.



DRIVERS FOR OVERALL CX

Personalisation continues to be the main driver for loyalty (23.3%) and advocacy (18.9%). When it comes to customer advocacy, Integrity is just as important (18.8%). Since 2018, Australia consumers place more emphasis on Empathy (14.5%) and Resolution (15.2%) as drivers of advocacy, highlighting the need for brands to deeply understand and cater to customer needs.



PERSONALISING PAYMENTS:

Afterpay

Among the Top 5 brands, Afterpay out performed all other brands on Personalisation of customer experience through a seamless digital experience, emphasising the growing need for brands to transform to keep up with digital disruptors in 2019.



ENDURING CHALLENGES FROM 2018 CONTINUE INTO 2019

The Australian market and many sectors are still dominated by global brands. Overall we find CX in Australia has stagnated at a mediocre level.



INTEGRITY AT THE CORE

RACQ Insurance

RACQ Insurance's success is reflected in its actions, listening to customers, managing customer expectations and standing for more than just profit.



Whilst there are clearly standout customer experience performers across public service, overall the sector ranked the lowest of all industry sectors, emphasising the opportunity to focus on designing services which remove unnecessary obstacles, impediments and bureaucracy, empowering citizens to achieve their objectives quickly and easily.

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HOW WE CAN HELP YOU

KPMG Customer, Brand and Marketing Advisory inspire customer-led strategy for a disruptive world - empowering you to understand your customers, embed operational excellence, grow loyalty and achieve commercial success.

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