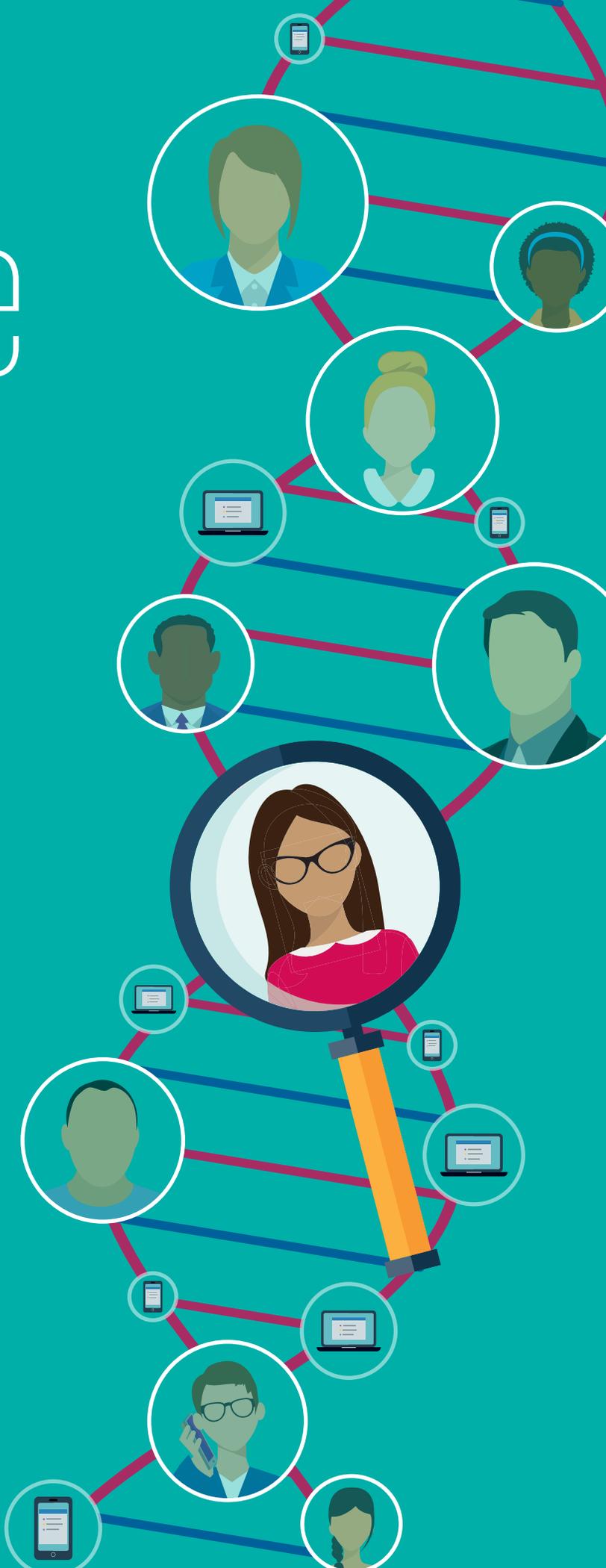




# Know me

The key to an individualized,  
personal customer experience



2018 US Customer  
Experience Excellence Analysis

June 2018  
[www.kpmg.com/us/customeradvisory](http://www.kpmg.com/us/customeradvisory)

#CustomerFirst

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# Introduction



**Customers want experiences that recognize their unique selves. At their core, they are seeking solutions to their personal circumstances and life challenges.”**

**Julio Hernandez**

Global Customer  
Center of Excellence  
Lead & Customer  
Advisory Lead  
KPMG in the United States

## With our annual KPMG Customer Experience Excellence Report, we look in detail at the state of customer experience across the US and how leaders are performing.

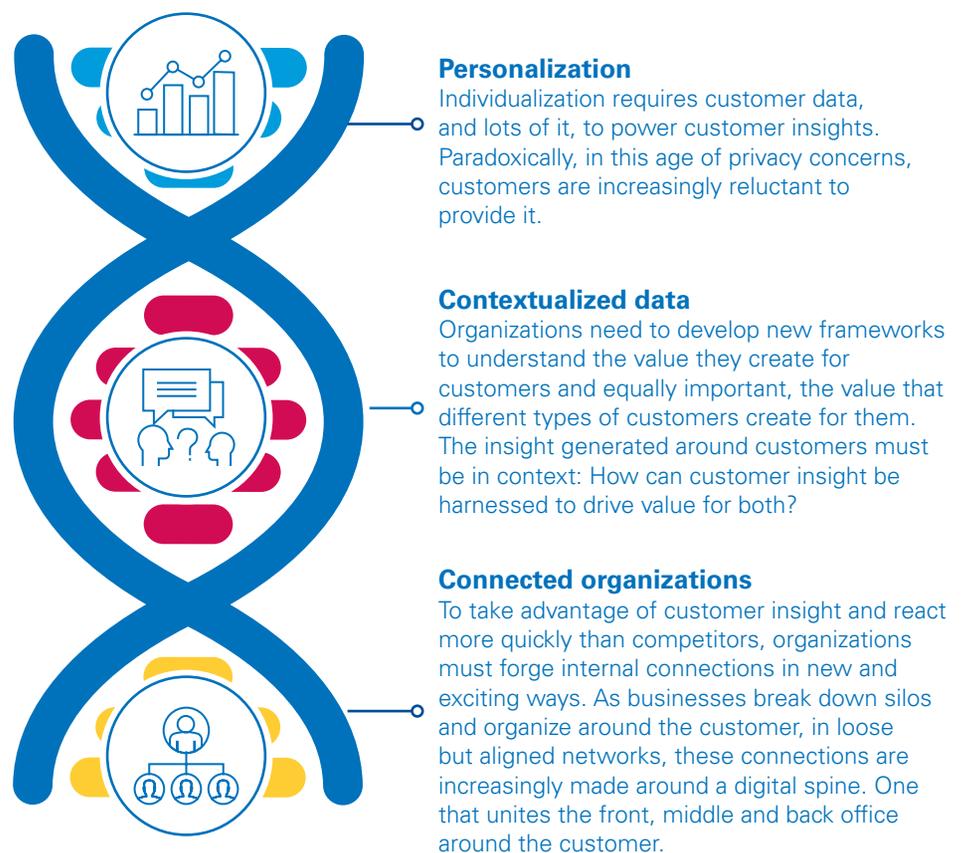
What we see is a strategic discipline that is beginning to find its way. Where, in a world of increasing customer expectations, organizations are gradually coming to terms with what is required to compete on the battlefield of customer experience (CX).

Customer expectations, however, are rising faster than organizations' ability to harness the principles of customer experience and change their approach to their customers. Consequently, despite significant investment, most organizations are failing to capture the full benefits of CX – competitively or commercially.

Customers want experiences that recognize their unique selves, personal circumstances and life challenges and are seeking solutions. They want to feel in control, valued and important. They are more demanding and more decisive when companies fail to meet their expectations. Organizations now rarely get a second chance.

The days of superficial segmentation and personalization are no longer good enough. To compete successfully, you must know your customer and deliver individualized solutions.

Our research shows, as organizations strive to achieve this, there are three over-arching themes emerging.



Even the leading organizations in our study are struggling; several saw their scores decline in 2018. Conversely, companies who made radical changes are now beginning to reap the benefits. Organizations such as SunTrust Bank, Nationwide Mutual and Cricket Wireless have dramatically improved their standing with customers and provide interesting case studies and learnings—showing what needs to be done to achieve success.



# US 2018 executive summary



**One thing I love about customers is that they are divinely discontent. Their expectations are never static—they go up. It’s human nature. We didn’t ascend from our hunter-gatherer days by being satisfied. People have a voracious appetite for a better way, and yesterday’s ‘wow’ quickly becomes today’s ‘ordinary’. I see that cycle of improvement happening at a faster rate than ever before. It may be because customers have such easy access to more information than ever before. In only a few seconds and with a couple taps on their phones, customers can read reviews, compare prices from multiple retailers, see whether something’s in stock, find out how fast it will ship or be available for pick-up, and more. ... How do you stay ahead of ever-rising customer expectations? There’s no single way to do it. It’s a combination of many things. But high standards (widely deployed and at all levels of detail) are certainly a big part of it.”**

**Jeff Bezos**  
CEO Amazon

## Despite massive investments in customer experience, overall, the quality of company interactions experienced by American consumers declined during 2017.

This mirrors a similar decline observed in our **global** survey over the same period. At the heart of this is the rapid escalation in customer expectations. A phenomenon known as expectation transfer.

### At the heart of this is the rapid escalation in customer expectations.

The tendency for consumers to use gold-standard experience they received in the past as the benchmark against which to judge all others.

Keeping pace with ever-escalating expectations demands a new form of company; one that truly knows its customer and has the flexibility to react quickly to their changing needs.

The research undertaken covers 14 countries and has measured more than 1,400 brands. This report specifically looks at data gathered in the US.

It illustrates how organizations think and conceive the customer, coupled with how they organize to meet rising expectations—to make a difference. Get this right and the consumer experience evolves quickly and easily. Stay in the past and a slow death is inevitable.

#### Most businesses fail CX economics

Spend on CX (millions)



Source: Markets & Markets, global spend on CX technology market sizing and forecasts (2018)

#### Average CX score



Source: KPMG, Customer Experience Excellence Centre, average Global CX score (2012-2018)

## Key US findings



The US customer excellence index declined by one percentage point in 2018.



New entrant Navy Federal Credit Union claims the top spot in our list.



The two leading companies in the US are member owned. The mutuality of purpose and recruitment of “customers” as staff enables deep customer insight.



The top 10 includes three retailers: Wegmans, Publix and H-E-B. While each are regionally based, there are common lessons to be learned from their determination to know their customers and respond quickly to changing needs.



The employee experience precedes the customer experience; the top companies all have leading people policies and are listed as a great place to work.



Across The Six Pillars of customer experience, we observe significant inverse shifts between Personalization and Integrity and see the “paradox of Personalization” play out. To have personalized experiences that consumers crave requires them to provide ever-increasing amounts of personal data to the organization. This demands trust that the organization will protect their privacy and treat their data with a high level of respect.



We observe that the highest movers are organizations who have made the most dedicated and focused efforts to radically improve the quality of the experiences they create. They are also intentional and decisive in their experience design.



Customer journeys are increasingly the focus for most businesses, making journey mapping the single most important CX tool. However, organizations are beginning to realize that journey mapping is not a one-off exercise; it is a way of life. Journeys must continually be updated as new technologies arrive and customer needs change and develop.

# 2018 US customer champions



## **Navy Federal Credit Union** CEE Score 8.97

This is the first year the Navy Federal Credit Union was in our survey and they started at the top. Credit unions are member-based businesses owned by their members. The link between ownership and dedication to members is a strong one. Driven by the values of integrity, commitment and service, Navy Federal is very focused on creating an emotional link with its customers. Their interface with the customer is the member representative, who is highly trained to ensure an outstanding customer experience is delivered. A commitment to collecting real-time customer feedback ensures issues are detected and dealt with very quickly. Trust lies at the heart of their customer emphasis. Public trust is managed through a highly intensive social media presence. Rapid reaction times to Twitter and Facebook posts enable Navy Federal to manage customer inquiries quickly and efficiently. "We work hard to support our members. We strive to do the right thing by them," said Cutler Dawson, CEO, Navy Federal Credit Union.



## **USAA** CEE Score 8.78

USAA is a unique member-based business, structured around the customer. For USAA, 2017 was a year of delivering on the promise. With more natural disasters than any previous year, as an insurance company, USAA was called on to fulfill its mission to look after its members and protect their financial security. Whether using drones to survey affected areas or establishing field offices for members to make claims and rectification quick and easy, respondents believe USAA does everything in its power to ensure their problems are resolved. Every member is seen as an individual and treated as such. Along with fulfilling its core mission, USAA continues to innovate introducing new technologies and approaches that benefit its members.



### Disney Parks

CEE Score 8.54

Disney focuses on personalizing every guest's experience. Investments in technology, notably the magic band, ensures guests can exactly tailor how they spend their day—to meet their individual family needs and requirements before even going there. Disney "My Magic" laid the foundation for creating unique, individualized experiences. This major project gets insights into the wants and needs of consumers, enabling the company to send individual visitors relevant messages or offers that are very personalized, taking into consideration previous behaviors in the theme park. For each consumer, these messages differ, along with the prices, ensuring consumers receive truly personalized offerings.



### H-E-B

CEE Score 8.49

The H-E-B Grocery Company was formed by Florence Butt in 1905. The Texas-based retailer ensures that every day it maintains the value of its founder. Today, it is the 25th largest retailer in the United States, with a total revenue in excess of \$20 billion. The brand stands on a moral foundation, donating five percent of its pre-tax profits to charity, and a customer experience design that focuses on shoppers and the surrounding communities. H-E-B builds trust through its community behavior and its focus on doing the right thing for its customers. This manifests in many ways. For example, its Excellence in Education Program gives away \$800,000 in cash prizes to "deserving teachers, principals and school districts." It also sponsors local events, and there is an option on its website for non-profit organizations to apply for support under H-E-B's Community Investment Program.

The company writes, "For more than 100 years, our commitment and involvement in the community has been an important part of the way we do business ... We call it H-E-B's Spirit of Giving." This approach helped the brand make significant headway in the Integrity pillar, demonstrating uprightness with a view to building long-lasting personal relationships with its shoppers.



### Calvin Klein

CEE Score 8.45

Calvin Klein invests heavily in the quality of the retail experience it delivers. A true omnichannel retailer, it has made significant advances in its use of technology, mobile and social to provide a unique experience. Digital technology is used to spark consumer engagement with products beyond a physical touch. For example, its interactive digital denim fit guide walls, used in lieu of rolling racks, provide shoppers with the opportunity to browse through the most recent array of merchandise to try on in store.

Stores are designed to engage customers emotionally. Store designer Raf Simons explains how the use of very direct and familiar references common to the American visual experience creates a simple and emotional connection with the brand. The digital approach recognizes the need for regional difference. "Through meticulous consideration of consumer behavior, user experience and regional merchandising, we have positioned our ecommerce sites to serve as the focal point of the consumer's interaction with the brand, all while maintaining the integrity of a universal message and aesthetic," said Steven Shiffman, CEO, Calvin Klein.



## Publix

CEE Score 8.42

Publix is staffed by people who care. It shows in every interaction. Staff stand at attention in front of the registers when it is quiet, ready to help you navigate your cart to their line. Baggers engage with you and seem genuinely interested in you as an individual and will carry your shopping bags to your vehicle.

It is evident in the way stock is carefully stacked; it is showcased rather than displayed. It is also obvious in the way Publix manages its relationships with its local communities. In-store demonstrations add an additional touch. The meal of the day is demonstrated and the ingredients to make it are located alongside the demonstration. The largest employee-owned store in the US, Publix is entirely focused on the experience it creates and how it fulfills its purpose of making “shopping a pleasure”



## Wegmans

CEE Score 8.41

Danny Wegman, grandson of founder Walter Wegman and CEO, describes his store as a theme park of food, coupled with almost telepathic levels of customer service. Each Wegmans store boasts a huge selection of products. The average Wegmans store has twice the stock of a standard supermarket including bountiful baked goods fresh from the oven, and a deftly displayed collection of some 500 cheeses. You’ll also find a bookstore, child play centers, a dry cleaner, a photo lab, international newspapers, a florist, a wine shop, a pharmacy and even an \$850 espresso maker. “Going there is not just shopping; it’s an event.”

The theme park nature of the store is completed with outgoing, highly knowledgeable staff eager to share their knowledge with customers and provide an outstanding experience. It is finding the right quality of staff that limits Wegmans expansion. A new store is not opened until they are convinced they can replicate their very high standards.

Wegmans is one of the US’s best places to work. It is a clear example of the link between the employee experience and the customer experience. Passionate employees create passionate customers.



## Avon

CEE Score 8.36

Avon, the iconic peer-to-peer cosmetics sales company is a classic personalization business. What could be more personal than someone coming to your house, delivering your goods and advising you on their use? Very little can be more personal than how you look.

A business model that has been under pressure in recent times, it is now going through something of a renaissance as the peer-to-peer model harnesses the power of social media and digital technology.

Social platforms provide an opportunity for connection, and a space for endorsement and advocacy. A first step to conveying authenticity. Avon is beginning to find a means to enable their representatives to maintain the personal experience alongside the digital support. Modern Avon ladies are digital bloggers and vloggers using YouTube and Facebook as a means of engaging with their customers. Avon YouTube tutorials have millions of viewings.



### JetBlue Airways

CEE Score 8.35

JetBlue may be a low-cost airline, but that doesn't mean they feel cheap. In fact, it feels just the opposite. Services like free luggage, cheap cancellation and change fees, in-flight entertainment and complimentary snacks and beverages feel premium, but are at low-cost prices. JetBlue loves to spoil their customers. And it is precisely because of the great customer experience they provide that they can keep their prices low. They invest in doing great things for their customers and in return, their customers stay happy and go back to them.

JetBlue keeps adding value, as they recognize providing value to customers creates long-term value for JetBlue. With DirectTV, free movies and Sirius XM radio, the choices of on-flight entertainment are extensive; passengers like the snacks and light bites; and the seats are leather and comfortable. Recently, JetBlue introduced free high-speed WiFi and power outlets.

Finally, they treat their customers as unique individuals. One size definitely does not fit all. Many airlines treat their customers like numbers, with strict and unbendable policies and procedures. JetBlue takes each individual into account when making decisions.



### Amazon

CEE Score 8.34

Amazon's mantra, the best service is no service when things just work, has taken a new turn. The launch of Amazon Go in Seattle has taken this to the next level when it comes to retailing. Sensors and digital recognition has removed the need for cash registers and staff. It is a lesson in frictionless service.

Amazon is the benchmark when it comes to personalization and trust. A site that greets you by name, shows your shared history together, and makes suggestions that seem to show a deep understanding of you as a person all contribute to a highly individualized experience. Millions of reviews enable users to access the insights and observations of others, enabling an informed choice. Consistent delivery of the promise builds trust and use. Overall, most people feel that Amazon seems to know them as a person. The algorithms of its recommendation engine seemingly know the individual as well as the individual knows themselves.



## At the heart of excellence

# H-E-B

No store does more; that is the motto at H-E-B. And it shows. They jumped 12 spots to place #4 on the 2018 KPMG Customer Experience Excellence list and lead the grocery retail sector. With high rankings in the areas of Personalization and Time and Effort, H-E-B's focus on customers is apparent. "Because people matter. We're in the people business. We just happen to sell groceries."

H-E-B began with one store in 1905. Emphasizing hard work and the importance of taking care of customers, today, H-E-B has 340+ stores and more than 100,000 employees and serves 155 communities in Texas and Mexico. According to H-E-B, we hire great people, offer customers the best service and sell only the freshest, safest products.

Serving customers is at the heart of everything H-E-B does, from the boardroom to the receiving docks. Their stated core values include:

**"Service** — We believe grocery shopping is more than an errand. That's why it's our pledge to always go above and beyond. Here, we think like the customer, not about the customer.

**"Heart** — People matter. Here, people are at the heart of every decision made and everything we do – no store cares more.

**"Innovation** — We're continuously searching for ways to serve our partners, customers and communities better and make their lives easier. Here, we are relentlessly dissatisfied with the present."

According to KPMG's Customer Experience Excellence findings, the top companies on the list know that the employee experience precedes the customer experience, and they have strong people policies. H-E-B is no exception. In 2017, they were listed as a *Best Place to Work* by Glassdoor, *Best Retailer* from Indeed and *Best Workplace for Women* from Comparably.

# 2018 US biggest movers

(+137 places)



## SunTrust Bank

SunTrust Bank has systematically and inexorably moved up the list. It is the systematic, purposeful nature of their approach that makes them stand out. They started by adopting an outside in approach, really getting to understand the difference they make in customers' lives and answering the question "Why does SunTrust exist"?

This began a customer experience journey built on the organization's historical customer base and values. They discovered that SunTrust is a bank rooted in its communities—an organization which, in times of discord, has historically focused on building personal relationships with its customers to help restore financial confidence and well-being.

"That is how we found our authentic purpose. We believe everyone can achieve the financial confidence to live a life well spent. That became our rallying cry, the stand we were taking and the movement we were launching." Jeff VanDeVelde, CCO, SunTrust Bank.

From this point, the bank focused on how it personalizes its relationship with customers, looking at how individual customer journeys and its relationship with communities help fulfill its purpose. Removing pain points, putting customers in control and creating community links paved the way for a significantly improved customer experience. SunTrust focuses on making change happen "outside in—delivered inside out".

There is a strong link between the improvements in experience and the financial ratios of the bank. In a recent news release, SunTrust CEO William H. Rogers said, "Revenue is up seven percent and our efficiency ratio and tangible efficiency ratios have improved by 90 and 100 basis points, respectively."

(+123 places)



## Nationwide Mutual Insurance

Nationwide Mutual Insurance has also been steadily improving the experience they deliver to their insurance customers.

Internally it has been a long journey of continuous improvement. Looking at every customer interaction and finding ways to do it better. Lean and agile methodologies mean time costs have been reduced, processes improved and efficiencies delivered.

A process of creating a fit-for-purpose organization in an age where it is the delivery on the promise that separates insurance companies.

Every aspect of organizational life has been addressed, from culture and training to skills and well-being, the employee experience has been carefully aligned to deliver a stand-out customer experience.

(+90 places)

### Cricket Wireless

Wireless customers have high expectations for service experiences and personalized interactions. According to Cricket Wireless, "In past years, prepaid customers were forced to settle for lackluster devices and an underwhelming shopping experience. We work hard each day to change that by offering high-value service our customers deserve. Whether walking into one of Cricket's nationwide 4,600+ branded stores or doing business with us online, we're dedicated to making our customers feel special and providing an outstanding wireless experience."

(+ 85 places)

### Banana Republic

Banana Republic pioneered the integration of mobile devices within the store. Recognizing their younger more affluent customer base live much of their lives on smart phones, the company oriented its in-store experience accordingly. An in-store chat function puts the customer in touch when sales reps are tied up. The app is powered by artificial intelligence, which continually learns and improves the more it is used.

Additionally, the app manages loyalty and the delivery of personalized offers; it is a mechanism for meeting the customer on their own ground, even in store.

This coupled with carefully selected sales reps and an ever-engaging product range, there is a compound effect on the delivery of a unique customer experience.

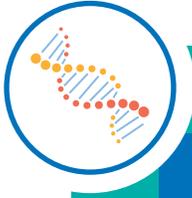
(+72 places)

### Vistaprint

Vistaprint is a wholly-owned and rapidly growing subsidiary of Cimpress, which employs more than 7,000 employees globally in its offices and printing facilities. Using its own patented technology, Vistaprint aggregates large numbers of customized orders from each of its brands and prints them in automated production facilities in North America and Europe.

It has been on an "agile" transformation, looking inward at how it needs to operate to meet the individual needs of its customers. Focusing first on a mind-set where the primary purpose of the organization is delivering value for external customers. Work is descaled and carried out—as much as possible—in small, self-organizing autonomous teams, operating in short cycles and getting direct feedback from external customers. The organization operates as a fluid network, rather than a top-down hierarchy, instilling an agile culture throughout the company.

The net result is a flexible, customer-oriented operating model focused on a process of consistently better understanding and meeting customer needs.



## Spotlight on excellence

# Navy Federal Credit Union

Taking the #1 spot on the Customer Experience Excellence 2018 list, Navy Federal Credit Union has an amazing first-time showing. Standing out in the areas of Personalization, Integrity, Expectations, Resolution, Time and Effort and Empathy, Navy Federal cares for its members in the same way it cares for its employees.



Growing from a start of seven members in 1933 to over 7.8 million members today, their vision statement has remained focused on serving our unique field of membership: "Be the most preferred and trusted financial institution serving the military and their families." And while members can leave the military, change employers, move, retire, get married, they never have to leave Navy Federal. "Once a member, always a member."

As a credit union, the link between ownership and dedication to members is a strong one. Driven by the values of integrity, commitment and service, "Navy Federal employees make a difference in the lives of our military members and their families," said Angela Culbertson, executive vice president of human resources at Navy Federal.

“It’s simple - when employees are proud of where they work, their passion creates the award-winning service our members deserve.”



**We work continually to make sure that Navy Federal is an outstanding place to build a career.”**

**Cutler Dawson**  
President/CEO of Navy Federal

Navy Federal has continually been recognized for its dedication to creating a satisfying work environment. Earlier this year, Navy Federal celebrated its 8th year on the FORTUNE 100 Best Companies to Work For® list, ranking 42nd, the highest in its history. Additionally, the credit union was ranked 7th on the 100 Best Workplaces for Millennials list and 8th on the 100 Best Workplaces for Women.

FORTUNE noted that 96 percent of (Navy Federal) employees say they were made to feel welcome when they joined the team, and 95 percent are proud to tell others where they work.

“We work continually to make sure that Navy Federal is an outstanding place to build a career,” said Cutler Dawson, president/CEO of Navy Federal. “Our mission is about excellent service to our members and that mission starts with our employees. I believe that our success is all about putting employees first.

“Being part of team you believe in is a critical part of a great place to work. That’s why we continue to invest in an environment where people can learn, prosper and grow,” Dawson added.

# How US companies put their people first

Delivering a consistently high-quality individualized and personal experience at every interaction requires employees who care.

For leading companies, putting their people first is the logical precursor to an outstanding customer experience. From recruitment through to development and growth, the employee experience is as deliberate and intentional as the customer experience.

Consequently, these companies are also leaders when it comes to creating a great place to work.

## The loyalty of their people breeds equal loyalty in their customers.

Navy Federal prides itself on how their employee experience supports their customer experience. Their mantra, serving those who serve, also means the organization must serve its employees and Navy Federal leads the way when it comes to employee programs.

For regional retailers Wegmans, H-E-B and Publix, their people are at the forefront of their customer strategy. The loyalty of their people breeds equal loyalty in their customers.

These organizations realize that if the customer experience is to feel unique then so must the employee experience.

Publix describes its employees as associates; they are all part owners of the company.

This energizes employees to do their very best for customers and showcase the in-store mantra "make every customer's day a little bit better because they met you."

Wegmans invest hugely in their people, ensuring they can deliver "almost telepathic" levels of customer service that Wegmans aspire to bring to their customers.

H-E-B employees describe how they have the best work experience, which creates the best customer experience.

Similarly, JetBlue employees are trusted with large amounts of discretion with which to make things right for customers.



The story of the JetBlue Captain, who, when faced with a lengthy tarmac delay, ordered delivery pizza for his passengers was a well-publicized example. Every JetBlue employee is selected and coached on their ability to be an ambassador for the brand. They focus on hiring people who want to be part of the brand story.

**Publix describes their employees as associates; they are all part owners of the company.**

Vistaprint, one of our biggest risers, describes how they have abandoned the term human resources in favor of talent and experience—because people are not resources like a plant or machinery. Recognizing that the role of people management is about enabling employees to be the best they can be.

# The Six Pillars of customer experience

For almost a decade, we have measured The Six Pillars of Customer Experience Excellence, deriving information from millions of customer evaluations on thousands of brands. We found that the leading organizations demonstrate mastery of these pillars and are outstanding at all of them.

The pillars are inextricably intertwined, and when combined, provide a powerful mechanism for viewing how well customer experience is delivered across channels, industries and company types.

They are rooted in human psychology and motivation, are relevant across business-to-business (B2B) and business-to-consumer (B2C) companies and are as meaningful to employees as they are to customers.

Through more than two million evaluations across multiple markets, six fundamental components of every great customer experience have been identified and validated—these are The Six Pillars of Customer Experience Excellence.

The Six Pillar model of customer experience best practices was developed to provide a precise, usable definition of the kind of emotional outcome a successful experience needed to deliver. This came from issues with defining and explaining customer experiences, plus associated measures such as NPS or CSAT. While these concepts remain useful for describing the symptoms of a successful experience, most organizations found they did little to direct or define what good results look like. Understanding customer best practices was largely anchored in case studies and anecdotes, rather than scientific rigor.

To address this problem of definition, the *Customer Experience Excellence Centre's* research clearly shows that there are six discrete, fundamental components of an ideal experience: The Six Pillars. These have been derived from detailed customer reviews, validated in each market and modeled against the commercial outcomes of retention and recommendation.



## Personalization

### Using individualised attention to drive emotional connection.

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



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



## Time and Effort

### Minimising customer effort and creating frictionless processes.

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



## Expectations

### Managing, meeting and exceeding customer expectations.

Customers have Expectations about how their needs will be met, increasingly set by the best brands they have encountered. Understanding, delivering and, if possible, exceeding Expectations is a key skill of great organizations. Some organizations are able to make statements of clear intent that set Expectations (e.g. "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 behaviors are central to establishing a strong relationship and involve reflecting back to the customer that you know how they feel. Then going that one extra step because you understand how they feel.

# Methodology

We have been researching customer experience excellence since 2010 across UK and US markets and more recently expanding this across the globe.

In that time, more 170,000 consumers have been interviewed and 2,300 brands have been measured – providing more than 2 million individual evaluations to support our expertise in customer experience best practices.

The research for this US report was conducted via an online survey methodology, completed in March 2018.

A total of 7,507 consumers were interviewed. A nationally representative consumer sample was targeted in terms of age and gender.

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

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

## Sector coverage

For this report, we analyzed brands across the following sectors:





## Making personalization count

# Individualized experiences

The 2016 KPMG report “Making Memories” details the psychological importance of different parts of an experience.

What happens first, the lens through which we evaluate what happens next. If what happens first is fantastic, we are more forgiving of subsequent failures; if what happens first is very poor, future failures exacerbate this perception.

What happens last is what we remember. Peak End theory suggests that we hold in memory the very last thing and the emotional high or low that occurs between the beginning and the end.

When it comes to emotional impact, we remember things that are unique or personal to us. If that thing is new, novel or unexpected, the memory is even stronger. Surprising things that touch us personally stay in our memory and influence our future behavior.

### Welcome

The hospitality industry learned that how you say hello makes a significant difference in how the guest feels about their stay. Ritz Carlton is so focused on this that when one of their cars picks you up from the airport, the driver texts your name to the doorman so they can greet you by name.



First impressions count and organizations are increasingly fixated on them. Some describe it as the “red carpet welcome,” others strive to achieve the “world’s best welcome.” In any event, retailers, restaurants and hospitality sectors lead the way.

Online, Amazon ticks the psychological boxes. It uses your name, recalls your history together and makes suggestions that only someone who knows you really well would be able to make.

Zappos uses call line identification to route customers to agents that have lived in the same town, so they can build rapport.

Some contact centers teach their employees to identify the customer’s personality type either directly or from previous interactions and adjust their behavior accordingly. For example, letting the customer control the conversation because this customer prefers it that way or letting the customer control the conversation if that suits them better.

### **Engage**

Few companies go to such lengths as USAA to teach their employees listening and rapport-building skills. Staff are trained for months in what it is like to be one of their customers. Listening well is one thing, but listening so that you understand, because you can put yourself in their footsteps, is quite another.

For USAA, the focus on Empathy is all embracing – knowing the customer, their circumstances and their likely needs defines every aspect of the experience. Contact centers are organized around life events, enabling staff to build a deep understanding of exactly what their customers are going through so they can relate to it and offer useful life advice.

### **Solve**

Solving customer problems doesn’t have to be difficult. JetBlue, Disney and Southwest are known for their outgoing, assertively customer-friendly behavior.

When recently getting a disappointed tweet from a customer after an unexpected charge, JetBlue staff went on his Facebook profile so they could recognize him, searched the airport until they found him and then resolved his issue face to face.

This type of occurrence isn’t rare with JetBlue. In another instance, one JetBlue customer jokingly tweeted that she expected a “welcome parade” at the gate when she arrived in Boston. The person who responded to the Tweet informed the JetBlue staff at the Boston airport, and the staff took it upon themselves to literally greet the woman with a welcome parade, marching band music, handmade signs, and all.

What is critical is empowerment and enablement. Giving employees the freedom to make sensible judgements on what is right and to fix customer issues.

### **Close**

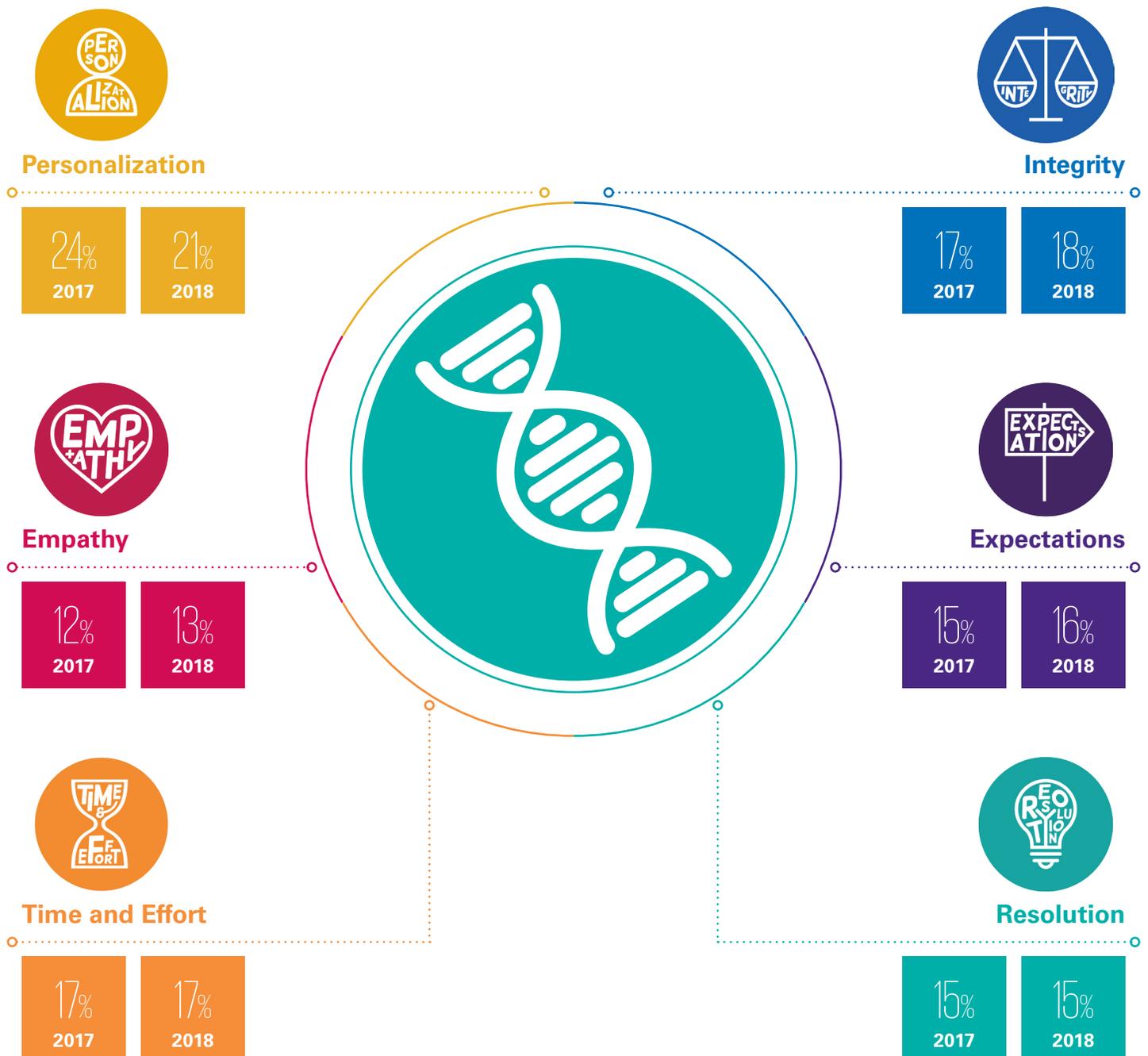
What happens last is the anchor that we use to retrieve the memory in future. Apple Store has long known this and they are very prescriptive about how they say good bye. When you have finished talking with an Apple genius, they will walk with you to the exit door, find something personal to say based on their earlier conversation with you, bid you a warm farewell, and invite you to return in the future.

One respondent described that when calling her bank to notify them that she would be using her credit cards on a trip to Europe, she was given a special number to call in the event that she had problems, so the bank could approve the transaction with the store. This is an excellent example of next-issue avoidance.

Virgin America realized that the way you say good bye makes a difference; so much so, they ask their captains to leave the cockpit to wish you farewell.

## Pillar impact on loyalty and advocacy

Each year, the survey measures the impact of each of the Six Pillars to determine its impact on driving loyalty and advocacy. For the second year in a row, Personalization leads all other pillars in influencing consumers' choices on who they want to do business with.



# The Personalization paradox

*“A person’s name is to him or her the sweetest and most important sound in any language.”* When Dale Carnegie wrote this in 1936, he felt strongly that in a world of billions of people, our identity, our sense of self, was bound up in what uniquely identifies us, our name. He felt so strongly that he developed a memory technique so you could always remember someone’s name. It became the bedrock of his best seller, “How to win friends and influence people”

In 2018, the concept of individuality, the sense of the unique self, remains equally as relevant. Only now, you must show that you know more than their name; you have to show that you know them as a person.

From a customer’s perspective, the psychology around Personalization is clear: I want to be recognized as an individual; I want to be made to feel confident, important to your organization and valued. It is as much about the self-worth individuals feel after interacting with a company as it is about recognition.

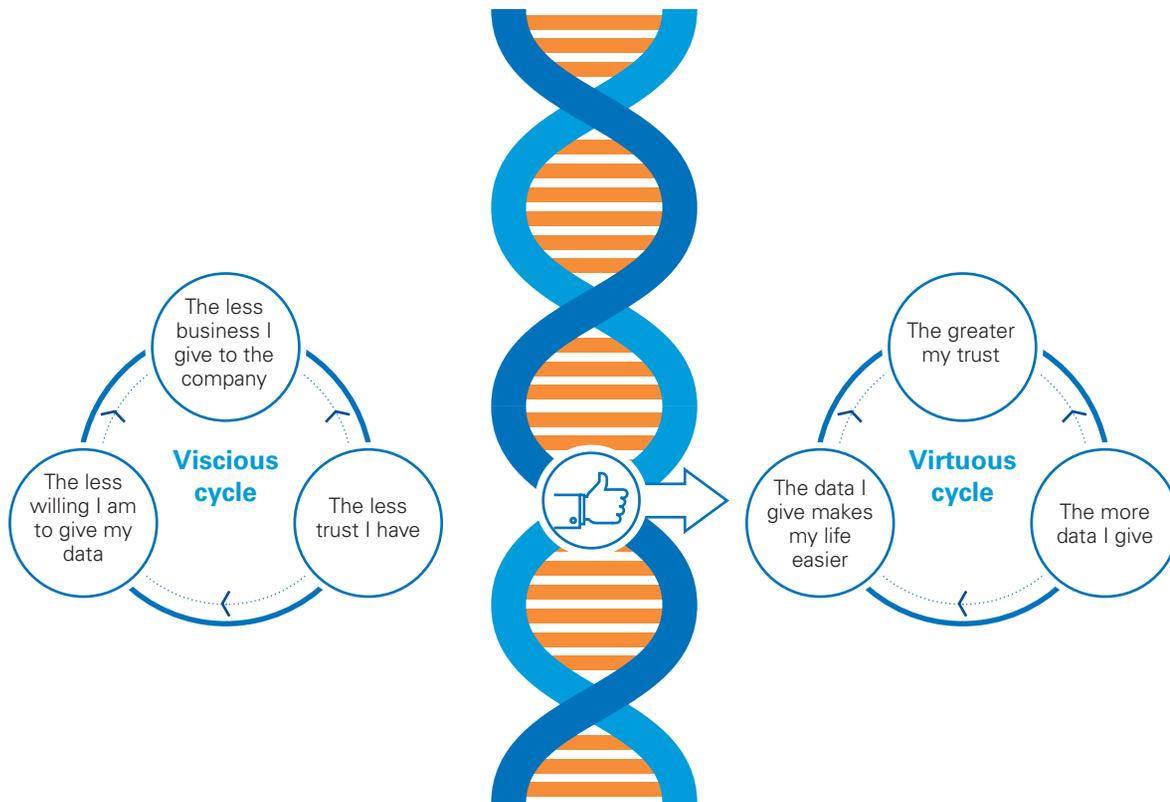
The data from our research shows that in the US, the twin pillars of Personalization and Integrity are the biggest drivers of loyalty and advocacy. However, the relationship between them has changed – Integrity and Trust are now almost equally as important as Personalization.

There is a reciprocal relationship that exists between the two concepts. The more personalization is seen by an individual as advantageous the more they trust the organization they are dealing with. Conversely, when the use of personal data is seen to be exploitative, the trust is broken and the customer lost forever.

**It is as much about the self-worth individuals feel after interacting with a company as it is about recognition.**

Managed well, personalization and trust operate in a virtuous circle providing an opportunity, in a world of mistrust and cynicism, to build an ever-improving relationship founded on integrity. Managed poorly, a vicious cycle emerges where the customer retains their personal data and shops elsewhere.

## Reciprocal relationship between trust and personalization



Personalization and trust carry two different dimensions that are two sides of the same coin. Hard trust relates to data, cyber security and privacy. Soft trust is how we feel after an interaction with a company. These are not divided in the consumer's mind. Success demands that a company be outstanding at both.

Consumers increasingly realize that their personal data has value and are becoming increasingly wary of how much they give away and to whom they give it. The value to the customer resides in better met needs, higher levels of value, and a sense of heightened self-worth and greater control. The quid pro quo is that they provide more personal data and put more of their business with the organization who delivers this.

It is a powerful mix, however, as many companies are finding in these days of social media that trust is earned. Excellent companies plan to earn trust through setting a trust agenda, transparency and authenticity, and treating the customer in the right way.

They must also have a reputational risk protection mechanism to provide early warnings if things go wrong – to ensure they don't lose it.

**Consumers increasingly realize that their personal data has value and are becoming increasingly wary of how much they give away and to whom they give it.**

We see that the leading organizations in our list are also among the most trusted. They are focused on the trust-building moments that rise from every interaction and equally have contingencies for trust-eroding moments that occur. They realize that individualized attention and authenticity are the very essence of a powerful long-term relationship for both parties.



# Creating trust

A brand is what a brand does. It is a truism to state that how an organization acts sets the tone as to whether its customers can trust it or not.

When hurricane Irma threatened Florida, many airlines increased their fares for flights out. Some stories suggest that ticket prices rose to several thousand dollars.

However, one airline took the opposite approach. Not seeking to profit from its customers' misfortune, it reduced its ticket price ensuring customers paid no more than \$99. That airline was JetBlue.

**One airline took the opposite approach, not seeking to profit from its customers misfortune.**

When the financial services upselling scandal rocked the US, it was USAA who publicly said that "We practice down selling, only selling you exactly what you need".

# Anatomy of an individualized personal experience

Every interaction, digital or otherwise, has five stages. Each of them can and should be tailored to the needs and requirements of the individual customer.

Done well, these stages build trust and ensure that each customer is made to feel important, valued and understood as an individual.

To achieve this, each of these stages has some critical behaviors.

## 1 Stage 1 | Welcome

### Six Pillars



“ Show you know me and can be trusted ”

### Behavior

- Warm welcome
- Personal greeting
- Show you know me
- Aware of customer circumstances
- Body language
- Establish credibility

## 2 Stage 2 | Engage

### Six Pillars



“ Listen to me and show you understand ”

### Behavior

- Smile in the voice or text
- Voice pitch, pace, inflection, vocabulary
- Subtle discovery
- Clean language
- Purposeful small talk
- Active listening techniques—the system behind the words
- Questioning techniques—laddering



### 3 Stage 3 | Respond

#### Six Pillars



“ Individualize your response to me, show you care”

#### Behavior

- Empathy statements
- Personal story telling and disclosure
- Ability to “talk down” an angry customer
- Summarizing desired actions

### 4 Stage 4 | Solve

#### Six Pillars



“ Act in my best interest”

#### Behavior

- Empowerment
- Enablement
- Confirmatory questions
- Product, process knowledge
- Positive language

### 5 Stage 5 | Close

#### Six Pillars



“ Make me want to deal with you again”

#### Behavior

- Strong summary
- Accurate expectation setting, this is what will happen next, estimated timeframe
- Commitment
- Recovery suggestions for things that might potentially go wrong – next issue avoidance
- Thank by name
- Warm goodbye and invitation to call back if necessary

# Individualized personal experience checklist



## Welcome

- Do we recognize the customer from the start?
- Can we see their previous interactions quickly and easily?
- Are we able to see their omni-channel experience—have they just been on-line and called as a consequence?
- Are our people trained to greet and manage the interaction in a way that suits the customer's personality?



## Engage

- Do our people know how to listen well?
- Do they have the questioning techniques to uncover the “meaning” behind the words? Customers are not always articulate about what the real problem is.
- Do they have the emotional intelligence to respond with the psychological response the customer is looking for—reassurance, sympathy or urgency?
- Are they able to build rapport well?



## Respond

- Do we make it easy for customers to update their preferences as to how they would like to be dealt with?
- Do we capture personal data in a way that enables its careful use in the future?
- Do we have a central record of all insights pertaining to this customer?
- Do we understand the segment they loosely fit into?
- Do our people have the detailed product and technical knowledge required to solve frequent issues?



## Solve

- Do we make it easy for our people to go the extra mile?
- Do we empower them to make sensible judgements?
- Are our people clear on the boundaries of their empowerment?
- Do we recognize our people when they are “heroic” in fixing things for the customer?
- Do we enable them to fix customer problems?
- Do we collect and use staff feedback to improve things for the customer?



## Close

- Do we practice next-issue avoidance?
- Do our people know the follow-on processes well enough to accurately set customer expectations?
- Is our goodbye warm, friendly and personal—or a standard “have a nice day?”



## It's the thought that counts

# JetBlue

When looking to launch WiFi on its planes, personalization was uppermost in its mind. So much so that when looking at the existing options, JetBlue took the unusual step of launching its own satellite from Kazakhstan and equipping its crew with mobile devices that enabled them to identify individual passengers—to wish them happy birthday, thank them for flying with them again, celebrate a particular anniversary, or keep a track on frequent flyers' individual preferences for food and drink

It also enabled the crew to deliver a much higher level of targeted service to customers by notifying them of, for example, potential delays before they arrive at the airport and helping them make alternative plans.



# Harnessing customer insight to drive personalization

Customer insights are the life blood of modern business. So, the more companies know about their customers, the better they can innovate and compete. But it can be challenging to have the right insights, at the right time, and have access to them consistently over time.

There are two types of insights that drive personalized individual experiences: specific unique knowledge about the individual customer and contextual knowledge about customers who have experienced their life circumstances. The combination of the two enables experiences to feel personalized, even if they are delivered in the same way to everyone in similar circumstances.

Insights that fuel these two conditions consist of:



## Anticipation and prediction

USAA uses life events to create a deep understanding of the issues and tasks customers face as they deal with different life events.

They are then able to orchestrate their resources in a way that feels unique to the individual because it locks onto their life circumstances.

Historically, USAA states they were able to detect when a life event occurred for one of their members. Now, with new technologies, they can predict when a member is about to enter a life event. So, they are meeting customers' needs before they even realize they have them.



## Personalized communications

Similarly, USAA converts this knowledge into a communications strategy that varies for each life event. A series of highly targeted life event-specific communications ensure that USAA is always present when customers are making financial decisions.

Reputedly, USAA has a database of communication assets that can be triggered by knowledge of the individual customer in millions of different combinations, ensuring a deeply personalized communications experience.



### Customer needs and wants

Increasingly, insight about customer needs comes from living their lives as they would live them, in other words ethnography. Many companies now use ethnographic and anthropological research techniques to better understand the life problems their customers are seeking to solve.

Vanguard is a practitioner of ethnographic design. Using detailed observations of customers, as they live their lives or deal with specific events, to design experiences that feel unique to the individual.



### Customer life-time value (CLV)

It is interesting that, for our top 10 organizations, creating customer value first is a predominant theme. It is also useful to know how they value customers, which transforms into financial value for the organization. It requires taking a long-term view and often avoiding short-term revenue opportunities in the context of the longer-term life-time value.

Amazon is clear on life-time value and how it is optimized. The launch of Amazon Prime shows that Amazon understands that loyalty has a value, which is realized when they add value. Knowing this, the Amazon Prime offering has continually been improved and additional customer value added while the price remains constant.



### Experience tracking

Measuring and monitoring customer experience delivery is critical for all companies. For many it is now about tracking customers as they move through various journeys and deriving insights from their experiences.

JetBlue systematically measures the experience they deliver—end to end, each day, every day. Tracking customers as they route through different journeys and touchpoints.

This enables JetBlue to derive insights about how things can be improved for passengers overall and to identify and rectify customer issues in real time. When a loud speaker is malfunctioning at a gate, it immediately appears in the customer feedback and can be resolved. When a specific customer tweets a problem, they can be contacted immediately and the problem resolved.

# Linking insight to value: The insight framework

The financial analysis we conducted this year shows that the top brands:



**Have revenue growth 50 percent larger than the bottom 50**



**Generated \$25 billion more in revenue than the bottom 50 brands**



**Have EBITDA growth 3.3 times larger than the bottom 50**

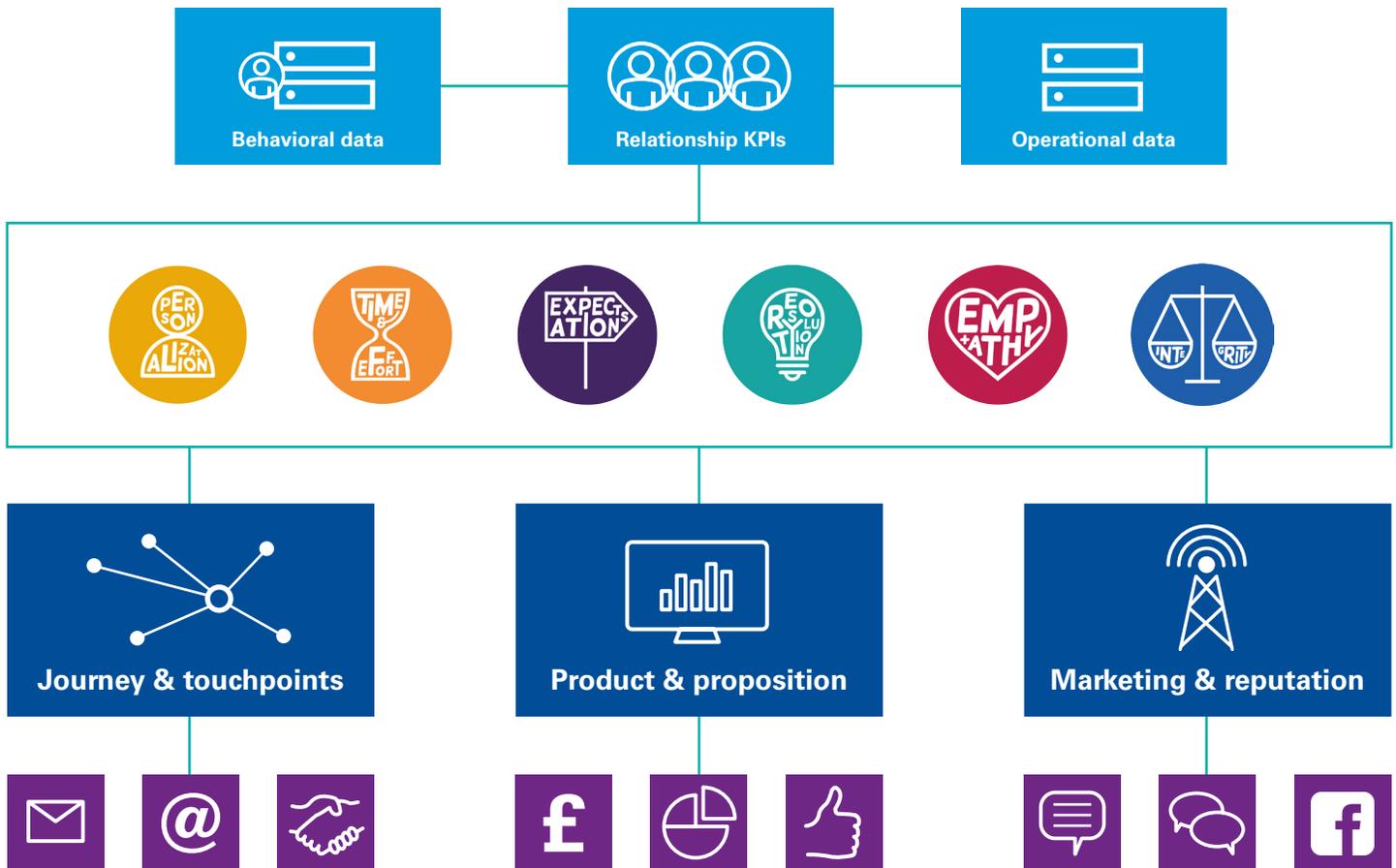
Given the leading companies in our analysis did not include economic powerhouses such as Apple, Google or Microsoft, what we see are ordinary companies doing extraordinary things for their customers and generating super-normal returns as a result.

What these companies have in common is a clear understanding of how the experience they deliver creates value for the customer and them.

Revenue improvement and cost reduction opportunities are easily identifiable when a company links experience to value.

The insight framework below was derived from global best practices; it helps companies see the links between day-to-day customer touchpoints, customer experience and the long-term value that is created for the organization.

### Customer insight framework



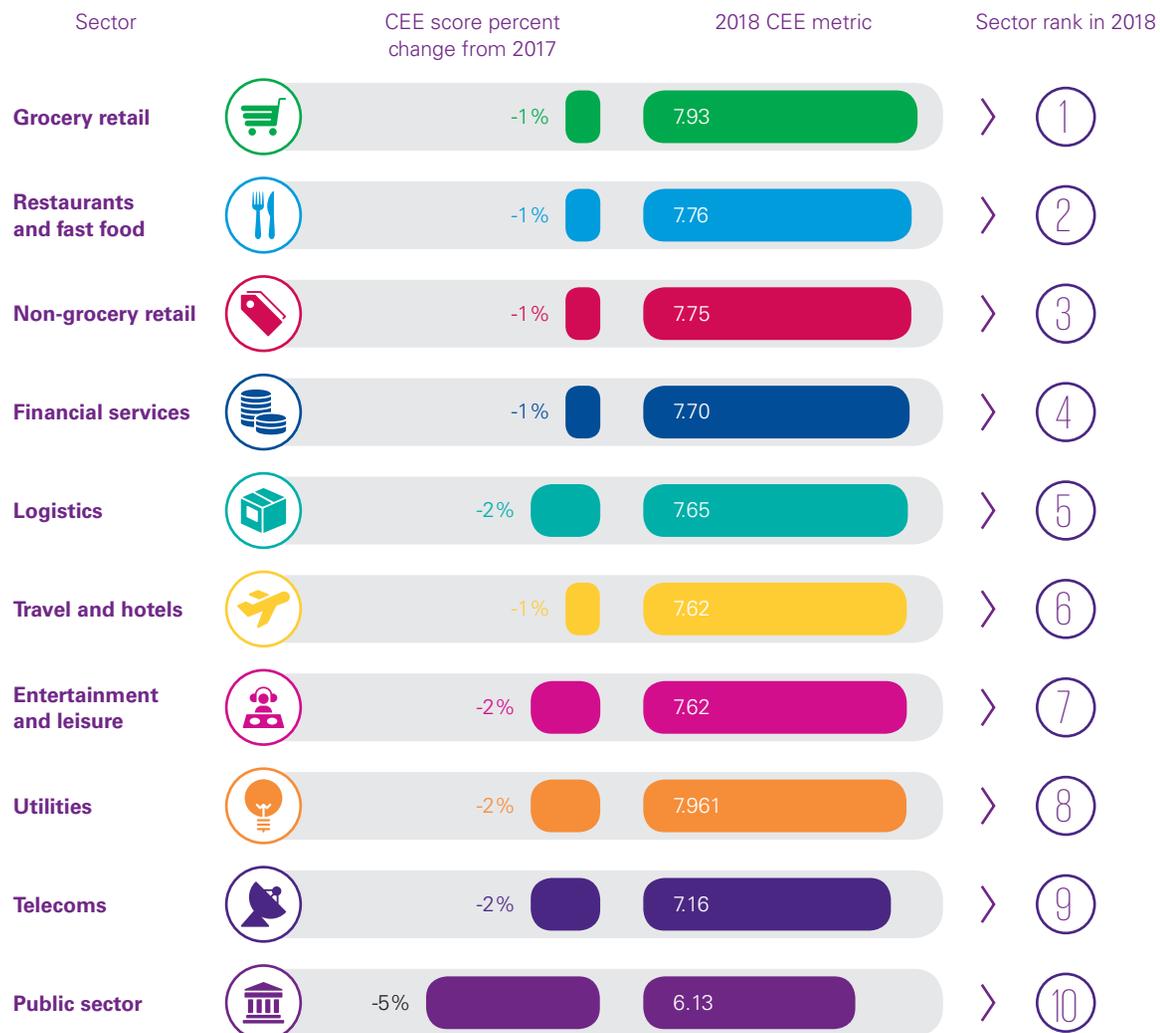
# Sector highlights

## US Six Pillar performance



Reinforcing the waning quality of brand interactions experienced by the American consumer, the performance of all Pillars, other than Personalization, declined in 2018. Time and Effort experienced the greatest fall (-3 percent), as consumers site time spent waiting and the frequency of effort they have had to personally expend was more frequent than in previous years. Expectations set by global leaders, on how quickly and easily interactions can take place, mean other brands are failing to keep up.

**US sector performance**





## Grocery retail

Grocery retail remains the leading sector in the US for customer experience, achieving the highest scores of any sector across all The Six Pillars. Three grocery retailers—H-E-B, Publix and Wegmans—featured in the top 10, all moved up the rankings in the last year by continuing to demonstrate a knowledge of the customer that enables them to quickly adapt to changing needs.

Despite a one percentage point change in CEE performance for the sector overall—a result of a slight decline for all pillars other than Personalization—the leading grocery retailers continue to progress. As the highest ranked brand in the sector, H-E-B is described by respondents as elevating the weekly grocery shop experience. The stores offer impressive and unusual displays such as a pepper stall that organizes products from “mild and nice” to “super spicy” and a nut butter station where customers can grind their own nut butter if they so wish. The leading grocery retailers demonstrate an immersive and often sensorial experience, which keeps them at the top of the rankings.



**I experienced sensory overload when I walked in. Wow! A beautiful store—very welcoming and so many choices. I so miss being able to shop at H-E-B on a regular basis and I know other people feel the same way.”**

US 2018 respondent (H-E-B)



## Restaurants and fast food

Restaurants and fast food hold steady in the number two position from 2017 into 2018. Showing well in all of the pillars, this sector has a strong placement in Time and Effort, with Personalization and Resolution remaining a strong constant from 2017 to 2018.

Four restaurants/fast food companies placed in the 2018 top 100: Chick-fil-A, In-N-Out Burger, Krispy Kreme and Olive Garden. In-N-Out Burger was a standout, moving up 23 spots from last year to #13 this year.



**I went to In-N-Out for the first time and the person at the counter explained the menu to me, really helping me decide what to order. The service was very helpful.”**

US 2018 respondent (In-N-Out Burger)



## Employees: the secret ingredient

# In-N-Out Burger

Focused on Personalization and Time and Effort, In-N-Out Burger jumped up 23 places since 2017, to #13 overall.

According to Denny Warnick, vice president of operations, In-N-Out Burger, "Quality and customer service are two of the most important values that our founders, Harry and Esther Snyder, established for us in 1948, and we are committed to maintaining an intense focus on those areas today.



"That vision lives on in our company today through our President, Lynsi Snyder, who believes strongly that our Associates should be treated like family, and in the importance of a work environment that is positive, enthusiastic, and customer-focused.

### **We place a strong emphasis on training and development for all of our Associates.**

"We place a strong emphasis on training and development for all of our Associates. We believe that these things along with a higher pay structure and flexible scheduling provide some of the best ways to take care of our great team at In-N-Out Burger. We have high standards in quality and service and it's only because of our people that we can deliver on that."



## Giving customers what they want



### Non-grocery retail

The non-grocery retail sector edged in front of the entertainment and leisure category in 2018. With a consistent performance across most of the pillars last year, it is only Time and Effort and Empathy where the sector has fallen, resulting in a one percent drop in overall CEE performance.

Like grocery retail, this sector has three brands featured in the top 10 – Calvin Klein, Avon and Amazon. These leading retailers are recognized for their efforts to deliver on the pillar of Personalization in particular.

As a new entrant into the top 10, Avon is a true Personalization champion. Its customers are staunchly loyal, citing the individualized approach as a reason they “love the brand”.

A regular feature of the US top 10, Amazon has long been heralded for its ability to achieve Personalization without human interaction. In the last year, the brand went one step further with the launch of Amazon Go (a cashierless store) and the Key In-Car service (Prime members owning a compatible vehicle can now have deliveries dropped in the car trunk), pushing the retail sector into the future and setting new expectations for shoppers.

“

**Avon reps are very, very eager to help you pick the right type of products that are right for your skin type; but they are always willing to take a return if it's not right. They want to get it right for you.”**

US 2018 respondent (Avon)



## How employee feedback enables Zara's principal designer to be the customer

Zara has 82 stores across the US and specializes in up-to-the-minute fashion. Its processes enable Zara to get clothing from “catwalk to store in 15 days.” The Zara empire is built on two basic rules: “give customers what they want” and “get it to them faster than anyone else”.

Zara's unrelenting focus on the customer is at the core of the brand's global success; Zara co-creates its products leveraging its customers' input. In 2015, a lady walked into a Zara store in Tokyo and asked the store assistant for a pink scarf, but the store did not have any. The same happened almost simultaneously in Toronto, San Francisco and Frankfurt, where customers walked into Zara stores and asked for pink scarves. They all left the stores without any scarves.

Seven days later, more than 2,000 Zara stores globally started selling pink scarves. Some 500,000 pink scarves were dispatched, which sold out in three days. How did such lightning fast stocking of pink scarves happen?

One of the secrets of Zara's success is that the brand trains its store employees and managers to be particularly sensitive to customer needs and wants, and how customers act on the shop floors. Zara also empowers its sales associates and store managers to be at the forefront of customer research.

They intently listen to and note customer comments such as ideas for cuts, fabrics or a new line, and observe new styles that its customers are wearing that have the potential to be converted into unique Zara styles. In comparison, traditional daily sales reports can hardly provide such a dynamic updated picture of the market.

**One of the secrets of Zara's success is that the brand trains its store employees and managers to be particularly sensitive to customer needs and wants, and how customers act on the shop floors.**

Zara knows that the quicker it can respond, the more likely it is to succeed in supplying the right fashion merchandise at the right time across its global retail chain. It has sophisticated systems that enable information to travel quickly from the stores back to its headquarters in Arteixo, Spain, enabling decision-makers to act fast and respond effectively to a developing trend.

**Source:** "The Secret of Zara's Success: A culture of customer co-creation." Martin Roll, March 2018

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## Logistics

Logistics remains solidly in the middle of the 10 sectors at number 5. Highlighting the industry, U-Haul moved up 15 points to #67 in 2018—the only logistics company in the top 100. It stands out in the pillars of Personalization and meeting Expectations.

Personalization involves demonstrating that a company understands a customer's specific circumstances and will adapt the experience accordingly; this is a key focus for U-Haul. In fact, U-Haul employees are empowered to resolve issues. The result is happy, repeat customers.

“

**When I call U-Haul to transport my belongings to another location, they have the right size truck I need at the time I need it. They are reliable; always a go-to.”**

US 2018 respondent (U-Haul)



## Building loyalty

# U-Haul

Moving up 15 places since 2017, U-Haul stands out as a leader in the Logistics sector, scoring highly in the areas of Personalization and meeting Expectations. “We treat the customer the way you or your mother, sibling, child, grandmother, or spouse should be treated. No one at U-Haul ever needs permission to make a customer feel great,” said Rebecca Gay, Director of U-Haul Customer Service and Live Verification.



Moving can be a stressful time in life. The U-Haul Customer Care team is all about retaining its customers' business by making the moving experience as satisfying and seamless as possible. Every customer matters to its continued growth.

U-Haul focuses a lot of its resources on first-contact resolution. Customers understand that sometimes there can be an issue, but they expect the company to own up to the issue and resolve it on first contact, whenever possible. "We give our field personnel and call agents the ability to do that. Hear the concern, complete the research with the customer and then resolve the issue—that is our approach.

"Wowing the customer is what we are looking to do in every encounter," added Gay.

U-Haul currently conducts business with its customers via uhaul.com, its U-Haul app, live chat operators and Social Media Customer Care experts who interact with customers 24/7/365. "We are also introducing a way to resolve any issue a customer may have online – there will be no need to call an 800 number and wait for an agent. Customers will be able to resolve their issues quickly with the assistance of a manager via this new system," said Gay.

In spring 2017, U-Haul embarked on a journey to assist customers who prefer the flexibility and convenience of self-service options by introducing U-Haul Truck Share 24/7®. From their smartphones with camera function and GPS tracking, customers can reserve, pick up and return U-Haul trucks at any time—business hours, late night or early morning—and at any of U-Haul's 21,000-plus truck and trailer sharing locations in North America.

This program is free for any customer with a uhaul.com account and offers the most secure transaction process in the vehicle sharing industry, thanks to its live verification team. Some 150 trained agents, based at U-Haul's Phoenix corporate towers, communicate with customers online to validate their identity, location and equipment condition, among other things, in a matter of minutes to expedite and execute the dispatch and return process.

## **So many of U-Haul's customers are repeat customers, and a great number of them are lifelong customers.**

"So many of U-Haul's customers are repeat customers, and a great number of them are lifelong customers. The average person moves 11 times in a lifetime. From moving off to college, to moving into a retirement property, U-Haul is there each step of the way—and has been since 1945. That's why U-Haul remains the trusted name in the DIY industry for the best equipment, affordability and accessibility. For 75 years, U-Haul maintains repeat customers and upholds a strong national (and international) reputation with a Customer Care team that is eager to help, goes the extra mile and produces results for the customer," said Gay.



## Financial services

Financial services has overtaken a number of other industries in the last year to move up to fourth in order of sector performance.

The top two brands in this year's research sit within this sector, both of whom are mutual banking organizations owned by their members: Navy Federal Credit Union and USAA. These brands stand out above all else for Empathy, recognizing the very unique and often difficult situations of their customers. Both organizations serve the military.

Descriptors such as "exceptional," "incredible," "wonderful" and "going above and beyond" were consistently used by respondents when referencing experiences with the Navy Federal Credit Union—levels of admiration for a brand that is not often seen.

For USAA, Empathy is demonstrated through their desire to stand for something more than just profit for their customer.

Yet, for the financial services sector overall, Empathy is the lowest performing pillar, demonstrating there is much other financial services brands can learn from these leaders.



**I have never been treated better at a financial institution. I wanted a bank that I could use nationwide; I got that. I wanted a bank that doesn't try to gouge you for interest on your credit card; I got that. I wanted a bank that doesn't look for ways to charge hidden fees for everything they can think of; I got that. I will never change banks again."**

US 2018 respondent (USAA)



## Travel and hotels

Sixth out of the 10 measured sectors, the travel and hotels category has moved up the ranks in the last year.

Airline and hotel brands lead the sector, providing several examples of CX best practices.

One such example is the airline JetBlue; the one travel and hotel brand featured in the top 10. JetBlue has steadily progressed up the rankings since 2016 with the greatest progress in the pillar of Empathy. For the sector overall, this is the pillar that is hardest to deliver on. The airline finds ways to innovate the travel experience so it's "personal, helpful and simple." For example, last year JetBlue unveiled a new concept—a self-service lobby. With 65 high-tech self-check-in kiosks, it means there are more staff roaming the floor assisting customers for more important interactions. The airline recognizes tasks can be delivered efficiently by technology, and also when personal interactions are required to fit differing customers' needs.



**My favorite airline! Attentive, caring and understanding. They make travelling joyful instead of dreadful."**

US 2018 respondent (JetBlue)



## Entertainment and leisure

While the entertainment and leisure sector is seventh out of the 10 sectors measured, it still had a strong showing in the areas of meeting Expectations and showing Empathy.

And, despite a decline for the overall sector, for the first time, a fitness organization made the 2018 top 100 list—Life Time Fitness, moving up 13 spots to #92. To meet client expectations, among other things Life Time Fitness maintains a strong focus on digital technology by offering a highly customizable app that can be used while in its facilities and outside to plan workouts.

Other entertainment companies that made a showing in the top 100 list this year include Disney Parks, Netflix and Six Flags, who moved up 26 places from last year.



**Life Time Fitness offered me a free session with a personal trainer. With this experience, I was able to create a routine that was tailored to my fitness goals and took away my gym anxiety."**

US 2018 respondent (Life Time Fitness)



## Utilities

The 2017 report referenced a year of growth for the utilities sector, but this reversed in 2018 with a 2 percent fall in overall performance. The sector now sits toward the bottom of the list, ahead of telecoms and the public sector.

Consequently, no utility organizations are featured in the US top 10 this year. Nevertheless, there are six utility companies in the top 100 – something that is almost unheard of in other markets.

Our research across the globe reinforces that this is a difficult sector for getting customer experience right. Yet organizations such as Exelon—the leading brand in the sector—Georgia Power and Direct Energy, all prove that even utilities can provide a good experience for their customers with the right framework in place.

At a sector level, there has been a decline across all pillars, with the greatest falls evident in Time and Effort, Expectations and Empathy. However, Exelon bucks this trend, moving up 59 places and progressing on all The Six Pillars. Customers cite technology and people as the key drivers of a good experience. By smartly using technology to assist in managing their energy use and employing service staff that is viewed as “capable and reliable”, the brand is a CX champion for the sector.



**They communicate in every way possible—email, phone, letter—and always keep you updated of any changes, updates or news that is going on.”**

US 2018 respondent (Exelon)



## Telecom

Telecom remains one of the lowest ranked sectors in the US with only the public sector falling behind.

In the last year, the sector saw a 2 percent drop in overall CEE performance, driven by the pillars of Time and Effort and Expectations.

Nevertheless, such performance across all telecom brands is not consistent—there are several glimmers of light in the form of brands such as Cricket Wireless, Metro PCS and T-Mobile, all of whom are in the top 100.

Personalization is the strongest pillar for telecom brands and is led by Cricket Wireless. Their plan options are simple, easy to understand and offer something for every budget.

**“ I have been very pleased with these services over the past two years. I love having no contract and it is great coverage and great service at a very good price.”**

US 2018 respondent (Cricket Wireless)

Telecoms also perform well on the Time and Effort pillar; ranking 3rd highest across all industries. When customers need help, they expect the process to be easy, holding brands to the gold standard of leaders such as Amazon. Metro PCS understands this customer need, and provide a seamless service for them. No fuss, no hassle, just a quick solution:

**“ I like them as a company, when I first got them, I needed help trying to get my sim card to work with my new phone. The customer rep was so helpful and attentive. I really appreciated how they made sure I was good on everything I had a question for before I got off the phone.”**

US 2018 respondent (Metro PCS)

Overall, Cricket Wireless is leading the way in a sector historically considered a laggard in attending to the experience of their customers and competing for their business.

**“ Cricket is awesome. Ever since I set up the service over two years ago, my payment is automatically deducted every month and I never have to deal with anybody. It's super simple and seamless. I love it!”**

US 2018 respondent (Cricket Wireless)



## The care quotient

# Hyatt—Caring for people so they can be their best

Whether a guest needs a pair of shoes for a 7:00 am meeting because they forgot theirs, placing a guest in a room with a view that holds a special memory, or helping a lost woman with dementia find her way, care at Hyatt means going beyond expectations and doing it from the heart.

Jumping 7 spots to #19, Hyatt stands out in the areas of Personalization and Resolution. It's no wonder; this organization is all about caring for people, connecting with guests individually and making them feel known, heard and looked after throughout their stay.



Hyatt's purpose is: "We care for people so they can be their best." Colleagues say everything they do is focused on our guests and making a personal connection, and it all starts even before check in.

Recently, Hyatt revamped its check-in experience. Front-desk employees used to toggle between multiple legacy systems, doing 100-plus key strokes just to check in a guest.

When many guests arrive, they want to get to their rooms quickly; the systems and processes were getting in the way.

Hyatt implemented the “Colleague Advantage.” By investing in technology, a single, integrated screen was created to enable quick and easy data input, making check in easier for guests and allowing colleagues to transform what used to be a transaction to a personal interaction.

Importantly, this system also works on a tablet, so the front-desk colleague is no longer tied to a desk. They can get out from behind it, check a guest in with three taps on a screen and interact personally with them.

Hyatt has also incorporated advancements to a mobile app to improve the in-hotel experience. Among other things, guests can now use the Hyatt app to easily stream their personal entertainment to their guest room TV or request things like a forgotten toothbrush or extra towels.

The chain also relaunched its World of Hyatt loyalty program in 2017. It offers more rewards as members engage more frequently with Hyatt. It also extends some unique experiences for members to engage in, including ways that give back to the community.

World of Hyatt has expanded beyond traditional hotel stays with Oasis, a home rental company. It is Hyatt’s goal to increase touchpoints throughout more dimensions of their guests’ lives, not just when they are within the hotels. With well-being as a key focus, the Hyatt portfolio now includes Miraval, a brand of destination wellness resorts, and Exhale, a boutique fitness and spa brand.

At Hyatt, it’s about listening to, connecting with and caring about guests—across body, mind and spirit—so they can be their best.

2018 US top 100 Results

Sector key

-  Financial services
-  Entertainment and leisure
-  Travel and hotels
-  Non-grocery retail
-  Utilities
-  Grocery retail
-  Restaurants and fast food
-  Telecoms
-  Logistics
-  Public sector

Change vs 2017

-  Up
-  Down
-  No change
-  New to analysis

01

**Navy Federal Credit Union**




02

**USAA**




03

**Disney Parks**




04 H-E-B  	05 Calvin Klein  	06 Publix  	07 Wegmans  	08 Avon  	09 JetBlue Airways  	10 Amazon  	11 Chick-fil-A  	12 Southwest Airlines  	13 In-N-Out Burger  
14 Tommy Hilfiger  	15 L.L Bean  	16 Hy-Vee  	17 Vistaprint  	18 W Hotels  	19 Hyatt  	20 Virgin America  	21 Charles Schwab  	22 InterContinental Hotels & Resorts  	23 Zappos  
24 Exelon  	25 Edward Jones  	26 Alaska Airlines  	27 Trader Joe's  	28 American Greetings  	29 Hannaford  	30 The Vanguard Group  	31 Kroger  	32 Netflix  	33 Courtyard by Marriott  
34 Marriott Hotels & Resorts  	35 Krispy Kreme  	36 Costco Wholesale  	37 Georgia Power  	38 Hollister  	39 Direct Energy  	40 Ameren  	41 Polo Ralph Lauren  	42 DoubleTree by Hilton  	43 SunTrust Bank  
44 Nordstrom  	45 Levi Strauss & Co  	46 Westin  	47 PayPal  	48 Radisson  	49 Footlocker  	50 Bloomingdale's  	51 Williams-Sonoma  	52 Hilton Hotels & Resorts  	53 Fidelity  
54 Hampton Inn & Suites  	55 Olive Garden  	56 E*TRADE  	57 DTE Energy  	58 Under Armour  	59 Apple Store  	60 Discover  	61 Ace Hardware  	62 BJ's Wholesale Club  	63 Cricket Wireless  
64 GEICO  	65 Hallmark  	66 Shop Rite  	67 U-Haul  	68 Meijer  	69 Panera Breads  	70 MetroPCS  	71 Banana Republic  	72 American Express  	73 Sheraton  
74 Red Lobster  	75 Nationwide Mutual Insurance  	76 Six Flags  	77 Holiday Inn  	78 Southern Company  	79 Aldi  	80 Starbucks  	81 Quiznos  	82 Ann Taylor  	83 Allstate Insurance  
84 Kaiser Permanente  	85 TD Bank  	86 Hooters  	87 Prudential  	88 Kohl's  	89 Bed, Bath & Beyond  	90 AAA  	91 Ikea  	92 Life Time Fitness  	93 Visa  
94 Sephora  	95 Dunkin Donuts  	96 MetLife  	97 Applebees  	98 T-Mobile  	99 Ally Bank  	100 Domino's  			

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

### **Customer strategy**

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

### **Customer experience**

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

### **Marketing, sales and service transformation**

The KPMG team can help you to digitally enable and transform the effectiveness of your marketing, sales and service functions to create a connected enterprise—integrating front, middle and back office operation—to enable a more agile and responsive business.

### **Customer-centric organization**

We help you to empower employees and improve the employee experience with engaging digital solutions.

### **Customer data, analytics and insights**

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

### **Digital transformation**

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

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