KPMG

Customer first. Customer obsessed.

Global Customer Experience Excellence report, 2019

kpmg.com/customerfirst

The **quality of customer experiences are improving** around the world. All countries researched in 2018 have seen an uplift in their overall Customer Experience Excellence (CEE) score this year.

Businesses are finally coming to grips with escalating customer expectations, as new organization models emerge and **firms become more agile** by deconstructing silos.

Three sectors dominate the 2019 hall of fame. First place rankings are occupied by: **Financial Services, Travel & Hotels and Retail.**

New entrants globally are **redefining the way experiences are delivered** and are **solving life problems** rather than just selling products.

6

In six markets, the number one ranked brand holds the position for a **second consecutive year.**

The battle lines for 'platform wars' are being drawn as **organizations create an 'operating system' for retail** that includes an entire eco-system of technologies, partners, sophisticated supply chain and delivery management.

Personalization drives loyalty in 18 out of 20 markets. In a world of mass marketing and mass production, consumers still want to feel unique. Firms that play to this with mass customization – through their platforms – are winning out.

10%

The top-ranked brand in each market typically **outperforms the respective market average score** for each pillar by around **10%.**

Personalization as an approach is becoming increasingly anticipative – as firms use advanced analytics to reach out to customers before they even realize they have a need. Relevance and cut-through are becoming the drivers of purchase decisions.

Integrity drives advocacy in 14 out of 20 markets. Consumers are concerned about trusting organizations and, in particular, what they do with their data. This will limit the amount of personalization firms are able to achieve.

Integrity is rooted in the purpose of the organization. Firms with a strong sense of purpose are attracting generation Z, millennials and baby boomers, as environmental and social concerns increase in many countries.

Empathy appears to be the most challenging pillar. On average, performance is half a point lower than across the remaining five pillars.

Foreword

Everything about the customer is changing – motivations, connections, expectations, time and purchasing power. Life events are less predictable than they were in the past. Organizations that don't detect these shifts, and fail to build strategies based on the new realities and lives of the customers they serve, will struggle to remain relevant in today's marketplace.

Winning this battle for an ever-evolving consumer requires deep, holistic insight; a willingness to design distinctive, personalized and – critically – intentional customer experiences and then, crucially, the ability to execute these experiences across the life cycle of the customer throughout the organization.

It requires all layers of an organization to be obsessed with the customer. Obsession describes an idea or thought that continually intrudes upon the mind. For leading organizations, the customer continually pervades their thinking. Serving customers by solving their problems and meeting their changing needs is their raison d'être, their motivation and their enduring quest.

I believe there are three defining and competitively advantageous characteristics of customer obsessed organizations:

They are customer first: they put their customers at the heart of their strategy, planning and execution and continually ask "what does this mean to my customers?", "what is the impact on my customers?" and "how will my customers respond?"

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They are insight driven: these companies know their customers at a deep and profound level, they know their physical and their psychological needs and, as a consequence, they craft market leading propositions. They are continually listening to customer feedback in real time and choreographing experiences that are inspirational and motivational.

They practice customer foresight to anticipate customer needs: many are organized around the customer, with 'test and learn' a way of life. They are organized to respond quickly and to execute efficiently and effectively, so that in many cases they meet the need just as the customer realizes they have one.

Leading companies' obsession with building long term customer relationships generates a customer focused mind-set that penetrates strategic thinking and operational reality.

In this report we look at four lenses of customer obsession and how these translate to market success:

The purpose of the organization, its brand and how it is lived internally so it is felt authentically externally; how greater potential can be unlocked within its teams for the betterment of the consumer – and ultimately the business.

The products, services and propositions that the firm develops in response to its customers' needs, the supply chain and supporting partnership eco system that supports rapid product delivery.

Customer interaction management and the use of predictive analysis to anticipate customer needs, the supporting systems, technologies and support services required to deliver a seamless experience.

The organizational design model, its closeness to the customer and the degree to which the front, middle and back office are connected.

We have incorporated our research findings from 2,075 brands across 20 countries, regions and jurisdictions, sharing the experiences of leaders who are customer obsessed and making real progress transforming their businesses and, in the process, enhancing their customers' lives and gaining competitive advantage.

"It requires all layers of an organization to be obsessed with the customer. Obsession describes an idea or thought that continually intrudes upon the mind. For leading organizations, the customer continually pervades their thinking."

These firms are breaking away from the pack because they have built firm foundations for success by cultivating the right internal capabilities. They are distinguishable by the degree to which their customer experience (CX) efforts are integrated and connected. The boundaries between their front and back offices are blurring and they are intimately close to their customers and driven to innovate by the insights they gain. They are structuring their businesses in new and exciting ways and, in the process, they are delighting their customers and creating lifelong fans.

These customer obsessed organizations see customer experience as a source of commercial value; not just a differentiator versus competition (although it certainly is that) but a mechanism for superior profitability. The net result? Customer obsession results in a sustainable source of financial value for shareholders and owners.

Julio Hernandez

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

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About the research

For the last decade, our member firm professionals have been asking consumers about their individual experiences with brands. Over that time, more than 275,000 consumers have been interviewed and over 2,700 brands measured to collect more than 3 million individual evaluations.

Last year we expanded our research around the globe, and have continued this year by taking in the views of more than 84,000 consumers across 20 markets.

The research for this report was conducted via an online survey methodology, completed Q1-Q2 2019. A nationally representative consumer sample was targeted for each market, to be representative in terms of age and gender, whilst also targeting regional representation.

To participate in the research, and to be able to respond to questions on a specific company, respondents must have interacted with that company in the last 6 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 its website or store – so not all respondents will have been existing customers of the brand they evaluated.

In order to be included in the final rankings for each of the countries, regions and jurisdictions researched, each brand must have achieved a minimum of 100 consumer responses.

20
countries, regions and jurisdictions

84,066
consumers

2,075
cross-sector brands

752,096
individual brand evaluations

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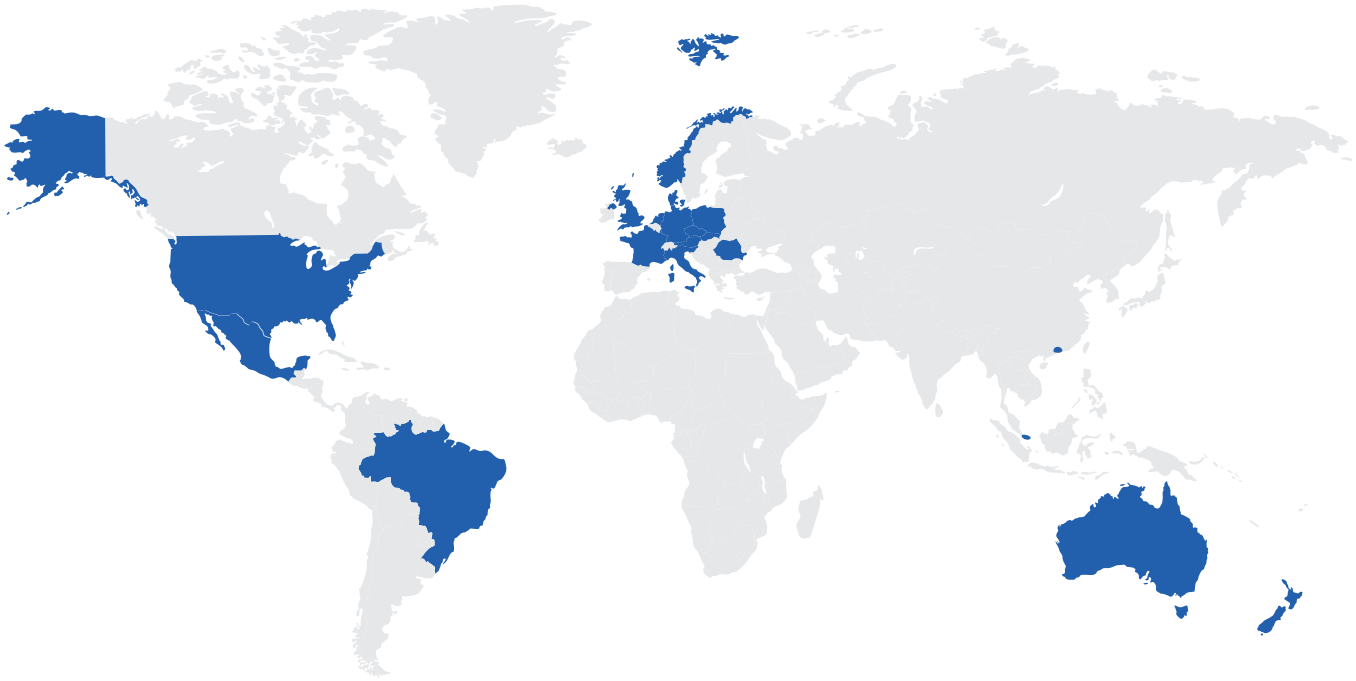
Global Customer Experience Excellence coverage in 2019:



Australia
2,502 consumers

Austria
2,225 consumers

Brazil
5,006 consumers

Czech Republic
5,032 consumers

Denmark
2,502 consumers

France
7,002 consumers

Germany
5,059 consumers

Hong Kong (S.A.R.), China
1,999 consumers

Italy
4,997 consumers

Luxembourg
1,002 consumers

Mexico
5,093 consumers

Netherlands
5,052 consumers

New Zealand
2,811 consumers

Norway
2,501 consumers

Poland
5,043 consumers

Romania
2,499 consumers

Singapore
1,011 consumers

Slovakia
2,093 consumers

UK
13,085 consumers

US
7,552 consumers

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The Six Pillars

A decade of research has shown that every outstanding customer relationship has a universal set of qualities – they are The Six Pillars of experience excellence.

Integrity

Being trustworthy and engendering trust.

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

Trust and integrity originate in the organization's sense of purpose and how it ethically, morally and socially discharges this purpose.

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 puts the customer back in the position they should have been in as rapidly as possible. But the 'service recovery paradox' teaches us that just fixing problems is no longer good enough; the customer has to feel great about the recovery experience. Some companies call this 'heroic' recovery.

A sincere apology and acting with urgency are the two crucial elements of successful resolution.

Expectations

Managing, meeting and exceeding customer expectations.

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organizations understand that expectations are set strategically by the brand promise, and every day through touchpoint interactions where they need to meet and - if appropriate - exceed expectations. Some are able to make statements of clear intent that set expectations, while others set the expectation accurately and then delight the customer when they exceed it.

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The Six Pillar model was developed to provide a precise and practical definition of the kind of emotional outcome a successful experience needed to deliver. Based on over 3 million detailed customer reviews, The Six Pillars have been validated in 20 markets this year and modeled against the commercial outcomes of retention and recommendation.

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

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.

Personalization

Using individualized attention to drive emotional connection.

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

But what distinguishes world class personalization, is how the customer is left feeling after their interaction. Do they feel valued, important and more in control?

Time and Effort

Minimizing customer effort and creating frictionless processes.

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

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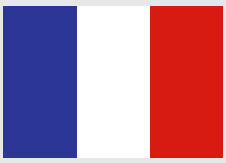
20 ★ hall of

We have welcomed the top-ranking brands in each of the countries, regions and jurisdictions researched into the 2019 hall of fame. These organizations are the most effective in delivering great customer experiences, from the perspective of respondents to the 2019 Customer Experience Excellence research.

Australia
Singapore Airlines

Austria
ÖAMTC

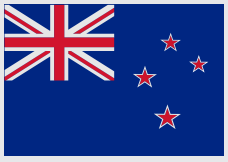
Denmark
BroBizz



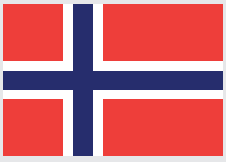
France
Mercure

Italy
Amazon

Luxembourg
Ernster



New Zealand
TSB



Norway
Vinmonopolet

Singapore
Singapore Airlines

Slovakia
Martinus

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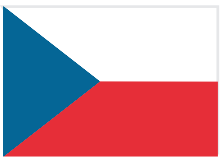
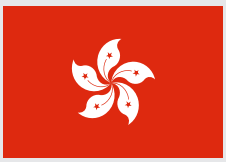
019 f fame ★

Brazil
Verdemar
Supermercado



Czech Republic
Air Bank

Germany
Hilton



Hong Kong (S.A.R), China
Singapore Airlines

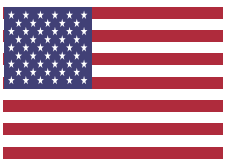
Mexico
Fiesta Americana

Netherlands
Van der Valk Hotels

Poland
iSpot (Apple)

Romania
Samsung Store

UK
first direct



US
Navy Federal Credit Union

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The power of purpose

Purpose is the organization's "why"; it sits alongside the "what" – the mission – and the "where" – the vision. It answers the question "why do we exist beyond what we make, do or sell?"

Purpose goes beyond brand positioning and is reflective of the values, culture and ethos of the organization. It is the fundamental source of authenticity and the platform that brings the brand alive throughout the customer experience. Purpose is the great connector; it is important because it has an integrating, aligning and cohesive effect across all customer touchpoints.

Today, business and societal impact must go hand in hand. In this information age, consumers are more informed, more connected and more skeptical than to fall for a brand that claims to be pursuing a profound 'purpose' when what it's really after is a stronger P&L.

As human beings we are inspired by purpose. It is the satisfaction we achieve over and above our employment. It creates advocates of both employees and customers.

Companies such as USAA, Lush and MAIF demonstrate that purpose is a dedication to something more than just making money for shareholders.

It can be environmental, social or a dedication to the needs of a particular group of customers. Executives at USAA, for example, are targeted on "making a difference to customers' lives"; Lush is focused on environmental matters and customers who share its love of natural products; and MAIF has a very strong sense of social purpose.

Topdanmark in Denmark is revered for its approach to going beyond insurance and resolving customer life problems, KLP in Norway for responsible, ethical investment, and Alipay in China for its focus on safe money payments.

If these purpose driven organizations disappeared tomorrow, their customers would miss something meaningful.

Employees are advocates for what the organization does, and what it achieves over and above product sales.

KPMG International research[1] reveals how important purpose is to both millennials and, increasingly, baby boomers. This growing generation is now more and more often rewarding truly purpose-driven brands: by choosing them over their (less purpose-oriented) peers, by paying a premium for their products and services, or by coming back as loyal customers, over and over again.

> **"They (competitors) can buy all the physical things. The things you can't buy are dedication, devotion, loyalty—the feeling that you are participating in a crusade."**
>
> **Herb Kelleher**
> Founder, Southwest Airlines

[1] Me, my Life and my wallet: 2018

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Purpose-driven organizations are characterized by the following:

Led from the top

It is the CEO who sets the purpose agenda, articulating ideas that go far beyond the business impact. For organizations like Lush and Specsavers, it is the founder who wraps the business around a purpose. For organizations such as USAA, where the purpose was established in 1925, it is the role of each incoming CEO to make it relevant for the current age.

Openness

Businesses need to be open about how the purpose they have subscribed to connects to their business, while at the same time creating a positive impact on society. A sound storytelling approach is essential; one that clearly and simply paints a picture to explain why shared value creation is beneficial to everyone involved.

Participation

Today's consumers know that actions speak louder than words, and they want their own actions to make a difference. That's why successful brands provide them with opportunities to engage and to co-create. It is no accident that many of the top companies across our index are mutual organizations owned by their customers, where participation and involvement are a way of life.

Authenticity of purpose is critical and requires a purpose-driven culture:

For Ritz Carlton, purpose and customer obsession are inextricably linked. Every day, every team across the globe shares stories of great things that have been done for customers the previous day. The day starts with what great looks like and Ritz Carlton's purpose, "unique, memorable, and personable customer service experiences" is infused through every activity.

Southwest Airlines' purpose is the power of storytelling to make sure each of its 46,000 employees pursues its vision of being the most loved and most traveled airline each and every day. Southwest is doing so by rallying employees around a common purpose. "We exist to connect people to what's important in their lives through friendly, reliable, and low-cost air travel." Corporate communications are filled with real examples and stories to help employees visualize what each step of the purpose looks and feels like. Every week CEO Gary Kelly gives a 'shout out' (public praise) to employees who have gone above and beyond to show great customer service.

Joe Robles, former CEO of USAA, stated that a leader's most important job is "to connect the people to their purpose." At USAA, every employee undergoes an immersive 4-day cultural orientation and makes a promise to provide extraordinary service to people who had done the same for their country.

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Ranked 1st in Australia, Singapore and Hong Kong (S.A.R.), China
Ranked 2nd in New Zealand

Spotlight on: Singapore Airlines

Singapore Airlines is highly rated for customer experience in its core markets. It has a clear sense of purpose that shapes its behavior and its credibility as a corporate citizen. The airline articulates its purpose in its vision statement as follows:

> **Singapore Airlines has a responsibility not only to be an excellent company, but also to be an excellent citizen of the world by enhancing the lives of the people we touch. With that aim in mind, we have made many commitments to the arts and education, to our communities, and the health and welfare of our country's citizens, and those in countries we fly to. With this goal in mind, we've also made a strong commitment to preserving the environment – and our world for future generations."**
>
> **Vision of Singapore Airlines**, Harvard Business Review

A commitment to "enhancing the lives of people we touch" is what sets Singapore Airlines apart. It is the driving force behind innovation and experience delivery. It is rooted in the qualities of Eastern service and is reflected in every interaction, digital or physical.

Passengers notice the care and attention they receive, the help and assistance that is offered proactively when they have difficulties, and the overall desire to please.

In the airline industry the service ethic is tested most strongly when there is disruption. According to a recent Sabre and Forbes Insights briefing paper, 80 percent of airline executives think that flight optimization and disruption management are the main factors that will enhance operational performance and eventually improve CX.

Unlike many major carriers, SIA approach this by focusing on stress-reducing communication: ensuring that passengers are kept informed and reassured about missed connections or unforeseen overnight stays, thinking ahead and answering questions before passengers have even thought of them. Everything possible is done to put the customer back in control and reduce stress and concern.

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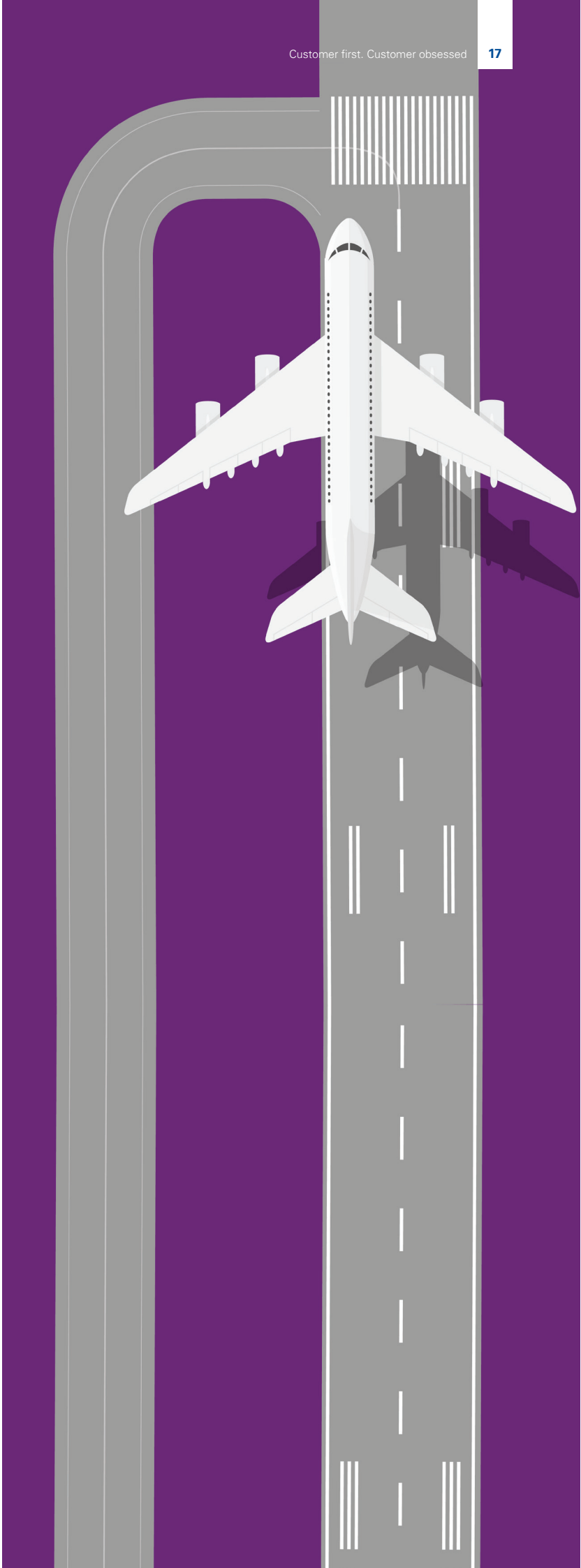
Staff are trained to de-escalate situations with emotional passengers and to show that the airline cares about the passengers' plight and is doing everything possible to put things right.

Behind the scenes, Singapore Airlines utilizes advanced systems for communication and agile crew management. Its software ecosystems work constantly to update data flow and have everything needed for aircrews: in-team chats, schedule tracking, task lists, issue lists and reports. Effective and quick crew communication is a vital part of disruption resolution.

So, even in adversity, when things are difficult and passengers are emotional and fraught, its employees are bound by its purpose to "enhance the lives of the people we touch."



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Products, services and propositions

In a world where a competitive advantage can be replicated in weeks rather than years, and where first mover advantage is often the only way to secure success, speed to market has become a critical success factor for our leading organizations.

Time is increasingly recognized as a competitive weapon. The ability to meet the demands of customers for ever-shorter delivery times, and to synchronize supply to meet the peaks and troughs of demand, is of critical importance in this era of 'time-based competition'.

In the UK, the CEO of Marks & Spencer, Steve Rowe, has created 1,000 new analytical roles to drive supply chain responsiveness improvements, customer understanding and prediction of future trends and needs. M&S understands the value of digital and is investing accordingly.

Global fashion retailer Zara typifies the move to rapid proposition development, agile deployment and product withdrawal. The Zara product lifecycle is weeks, not months, driven by an end-to-end, customer led process across the entire supply chain. This is supported by rapid employee and customer feedback so that products and propositions can be adapted 'on the fly'.

Zara produces 450 million items a year, all delivered globally, with clockwork precision, to every store, through a small batch delivery system. The New York Times labelled it "mind-spinningly supersonic."

> **"A lot of our revenues come from innovation, but it gets copied quickly. We have to get innovation out there quickly. We have to bring things to fruition quicker than everyone else."**
>
> **Neville Roberts,**
> CIO, Best Buy

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Firms that succeed are those that have aligned front and back office activities along a digital spine:

Rapid delivery systems

Zalando has set the standard in local delivery management, often exceeding customer expectations. In the UK, Ocado, a grocery delivery service, has driven innovation across the supply chain to such an extent that it's now selling its inventory management systems and processes globally.

Bi-directional supply chains

The world of online retailing has meant the management of returns has become a major focus and cost. This is as vital a part of the CX as delivery.

An extended eco-system of suppliers

Leading retailers are overhauling delivery systems to build and enhance multi-supplier relationships. In 2016, approximately one-third of all online sales (according to distributed commerce network Commerce Hub) came from new products that were added to retailers' online storefronts. New supplier relationships are arising to help fuel growing online product assortments. Platforms are being developed to enable complementary product selections to consumers. All these developments require the management of a supplier ecosystem.

Big data analytics and planning

Retailers need to leverage big data to combine disparate information sources and create value for their customers (and shareholders). For example, it is becoming standard practice for retailers to constantly monitor their competitors' product assortments. This competitive intelligence is then compared to their own product assortments and the products available through their existing supplier relationships. Assortment 'gaps' are then quickly closed, which can lead to increased revenue for retailers as consumers see more relevant products available.

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Ranked 3rd in Norway
Ranked 5th in Denmark, 13th in Germany, 14th in Austria, 17th in France, 18th in the Netherlands, 24th in Italy and 24th in Poland

Spotlight on: Zalando

Started only 10 years ago, Zalando has a market capitalization of US$11.85 billion, employs 15,000 staff and is building an 'operating system for fashion,' providing logistics, technology and marketing solutions to brand partners across its business. It is a 'consumer platform' aimed at fashion. Starting first in the Netherlands, Zalando has subsequently expanded to 17 markets.

Central to its differentiation is convenience. From the outset the founders of Zalando believed that they should be focused on a great experience in terms of delivery, and the opportunity to return and call customer service, which requires them to own the logistics, the customer service interface and the online experience.

They invested heavily in front and back office technology to ensure it was all aligned and connected. They foresaw the world of platforms. For example, there is one app for transport (Uber), one major app for entertainment (Netflix) and one major app for music (Spotify). They wanted to be the app for fashion.

The founders looked at best practice from brands such as Alibaba and WeChat, who had developed ecosystems by platforming their assets.

"In fashion, there are still huge inefficiencies. Product development takes a lot of time; there are big bets you need to place; and that's why there is so much waste. Your inventory — you can get it completely wrong! The retailers, the brands, the warehouses — what if you started connecting inventory and data? This is how we came up with building an operating system for fashion.

> **"We want to build that one destination which is the entry point for consumers and the most relevant platform for brands. I don't think you will have one app for shopping. But you might have one app for fashion and that is what we are going for".**

David Schneider,
Co-founder, Zalando

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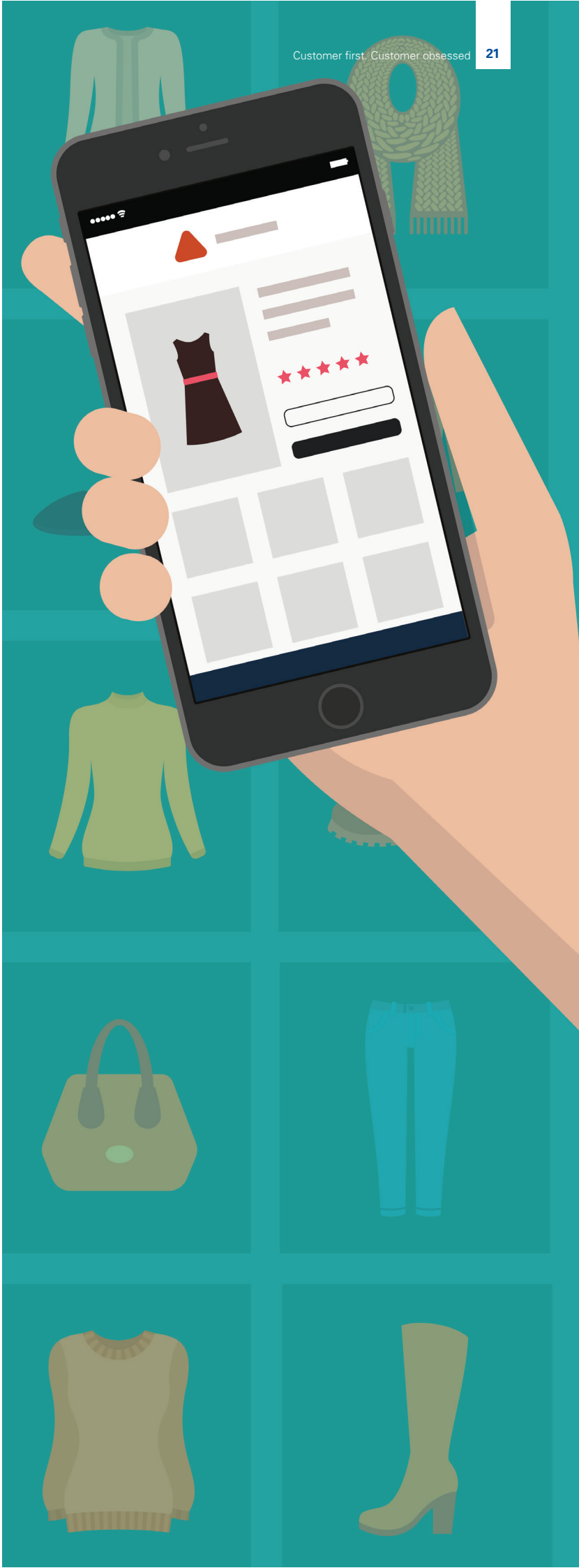
"Really tear down the barriers for consumers. Make everything accessible and let the consumer decide by taste and not by product availability in a physical store. Personalize it and make it convenient. And on the industry side, help brands to digitize and make this connection. We felt we could make a very strong contribution and not only to our own business."

A further component, which is getting to double-digit [revenue contributions], is the partner business: brands connecting directly and selling directly on the platform, earning commission for Zalando. There are additional services like marketing, with over 1,000 campaigns across 200 brands leveraging reach, media channels and data.

Growing the business is not without complexity. "Europe is very fragmented. In order to build a proposition for 350 million Europeans you need to have tons of different cultures, languages, currencies, payment methods. It means that the solutions that we're building must be very much localized. And in order to achieve a certain scale, we need to invest a lot more than a company from the US or China because they have a whole market which is more or less homogeneous with one language."

Central to managing this complexity is the digital spine of the business, enabling responsiveness and agile development. It is a business powered by connectivity.



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Customer interaction management

Every interaction can be broken down to its component parts to assess, infer, anticipate and optimize such interfaces to meet the needs of the individual.

Big data technologies and machine learning methods have transformed our ability to improve interactions for customers (who look for information, solutions, or resolution through personalized experiences) and organizations (who look to provide those personalized experiences across multiple channels in the most cost-efficient manner).

Across all possible applications of big data and machine learning in CX, the following seven rise to the top. These applications, or use cases, achieve the greatest impact by delivering precise customer insights, personalized customer experiences and overall brand value.

Proactive Customer Service

Proactive customer service offers some of the greatest potential for customer service transformation. The future of customer service will be proactive and preemptive, i.e., customers will receive information and resolutions before they contact customer service, thereby reducing stress, eliminating negative experiences and ultimately saving time and money. A combination of real-time data pipelines, predictive analytics and human-centered design can be used to analyze transactional, behavioral and relational signals that predict customer life cycle events and interaction needs. Armed with these predictions, organizations can preempt the incoming interaction and use the most efficient channels and treatments to resolve the need.

Insurance companies frequently adopt this approach to predict when their customers' children will need drivers' licenses or when customers will move to a bigger house. When done right, this advanced capability means an organization can proactively offer new products and services at the time the customers need them the most.

"Organizations now have a wealth of customer data at their disposal – and customers well know it. It is an increasing customer expectation that if organizations are collecting this data, then they should use it to deliver benefits to the customers themselves - to deliver personalized, meaningful experiences, proactively predict and satisfy needs, and save a customer time and effort in all interactions through seamless data usage and sharing across an organization. Enhanced data usage is the key to delivering a better experience across The Six Pillars – and therefore the key to enhanced customer loyalty."

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

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Real-Time Marketing Propositions and Offers

Personalized marketing is proven to be effective, but it has to be data-driven and adaptive. Predictive analytics can analyze data nearly instantly, to help companies make dynamic marketing offers. Hotels such as IHG use analytics to predict the in-room features and mix of options it will take for an individual customer to stay at their hotel. The data can suggest if a customer should be offered an upgraded room, food or additional service based on history and preferences, to maintain loyalty or drive additional visits.

Pricing Optimization

In a traditional approach, many pricing models were customized for customer characteristics such as age and socioeconomic status. Today, organizations are applying advanced analytics to more granular usage and engagement data, to optimize pricing schemas that reflect their customer base more accurately.

This is especially prevalent in insurance companies. Both Aviva in the UK and Progressive in the US use telematics programs and in-car sensors to gauge how often and how well customers drive. This data personalizes the rates for each customer based on driving styles and risk profiles.

Scheduling and Resourcing

Using historical customer interaction trends, advanced scenario modeling and predictive analytics, brands can better anticipate the variances in contact volumes. Real-time data across channels (web, app, chat and social), broken down by product, customer and geographic dimensions can drive service workforce planning and optimization. Marketing activities (such as limited time offers), local/micro shopping trends and competitor actions can drive traffic up or down, and influence customer interaction needs.

Appropriate staffing saves companies money by allocating resources to the most immediate needs of the business – including frontline customer service, new product training, learning and development, and innovation. Additionally, the right level of customer support will also have a direct impact on customer and employee experience and satisfaction.

Precision and Churn Management

Data can pinpoint which customers are most at risk of leaving and the economic value exposure they represent (e.g. lost revenue stream). Companies that use predictive analytics to identify 'flight risk' factors can greatly improve their customer retention via targeted initiatives. FedEx uses data to predict with 60-90 percent accuracy which of its customers will defect to a competitor.[2]

Similarly, Sprint can identify segments that are 10 times more likely than other customers to cancel. By using data to identify the factors that lead to churn, and the customers most likely to churn, companies can remediate some of the customer pain points through targeted programs, actions and messages, to improve retention.

Real-Time Product Recommendations

Using predictive analytics, especially reinforcement learning, organizations can tailor a customer's experience in real-time. This advanced capability is at the core of 'algorithms of services' like Netflix and Spotify. A customer's actions, such as watching a certain show or skipping certain songs, and instantaneous feedback (ratings, thumbs up/down), drives their next recommendations.

These dynamic feedback loops can inform real-time content delivery, and significantly drive customer engagement with products and services at moments that matter most.

Predicting Customer Needs

The most fundamental use of analytics is for predicting customer needs. This is largely what makes apps by the likes of beauty products retailer Sephora so successful. By using historical product purchase and interaction trends, brands can predict repeat purchase propensities and new product and service recommendations.

These precise insights enable targeted offers that help drive marketing efficiency and sales effectiveness. Similarly, L'Occitane uses AI and predictive analytics to ensure that every section of its site meets individual customer needs.

Predictive analytics helps brands look towards the future and improve their customer experiences. These seven types of predictive analytics show just how much new data can do when used correctly and strategically. (Based on Forbes.com, 7 Kinds of Predictive Strategies for Customer Experience: Blake Morgan, Jan 2019).

[2] Predictive Analytics 2016, Eric Siegel

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Ranked 5th in US

Spotlight on: Edward Jones

Financial advisors are under tremendous pressure to create new business relationships and bring additional assets under management. However, fundamental changes to the industry are making this increasingly complicated.

> **“We’ve found that having the chance to be creative and to contribute goes hand in hand with people loving their jobs. A study we conducted among Edward Jones employees discovered that when staffers have “a lot” of meaningful innovation opportunities, 99 percent call Edward Jones a great workplace.”**
>
> **Fortune 100 best companies to work for**

Source: https://fortune.com/2018/03/27/edward-jones-best-company-finance-happy-workers/

Fintech companies and robo-advising platforms deliver more convenience and better service at lower cost. There are also new forces in play: blockchain technologies, AI-driven financial advisory services and ever-more self-service technologies. At the same time, fee compression is forcing financial advisors to achieve more with less. Through it all, customer expectations continue to rise.

Financial advisors must deliver more value to justify comparatively higher fees – and a key differentiator is the client experience.

Edward Jones is completely focused on the client experience and ensuring it adds value at every customer interaction. It realizes that success requires a commitment to maximizing client empowerment, participation and confidence. Central to its approach is the ability to anticipate client needs before clients know they have them.

Anticipatory customer service is not a new concept, but data-driven approaches are making it easier to execute.

“We believe it’s a mind-set shift,” says Ken Cella, Principal, Client Strategies Group at Edward Jones. “We need to think like our clients—not just about them.”

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Successful Edward Jones financial advisors are leveraging data aggregation technologies and on-boarding tools to help facilitate meaningful, trust-building conversations. Prior to assisting with financial decisions, financial advisors can help clients clarify priorities and values. In this respect, a better Edward Jones client experience involves not only financial knowledge, but also emotional intelligence.

To identify opportunities to add value, Edward Jones involves its people. Harnessing their insights around what is necessary to deliver a great experience at every interaction has had a double benefit. It improves the experience for customers and increases loyalty – and also energizes employees.

According to Ken Cella, "We've found that having the chance to be creative and to contribute goes hand in hand with people loving their jobs. A study we conducted among Edward Jones employees discovered that when staffers have "a lot" of meaningful innovation opportunities, 99 percent call Edward Jones a great workplace."

At organizations throughout the financial services field, it's never been more important to ensure that all employees bring their best new ideas to the business. The highest ranking financial brands in the research, such as Edward Jones, are boldly reinventing the future, and doing so in ways that widen the circle of people putting their minds to work.

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Customer oriented business models

The era of digital transformation has given rise to a number of established businesses and start-ups that combine digital technologies with unconventional business models, to disrupt competitors and even entire industries.

The convergence of cloud, mobile, social, cognitive, big data/analytics, and IoT provides a platform for a variety of important transformations, including a shift from traditional product-centric to customer-value-centric business models.

However, many organizations are structured around business models that assume that all the value is generated through a product transaction. It is built on the manufacturing model that arose in the 18th century when production was long term and with little variation in product or customer. This results in a customer environment that may be product rich but experience poor, and disconnected across the organization.

In today's digital economy, value is often generated through the cultivation of successful client relationships. Companies need to break down structural silos and work cross-functionally, align customer needs and organization design and ensure that implementation is rapid and error-free. This is driving businesses to rethink their business models and think more connectively.

Such change affects how they think and operate and is the root cause of inconsistency in experience delivery. Connective thinking links concepts in new ways to drive innovation and step-change improvement. The processes of thinking about the customer are as important as the underlying business or transaction processes.

Our brains prefer to work by means of connections; connecting ideas and concepts to form new ones. Unfortunately, modern organizational life has led to mechanical thinking, meaning that we are ruled by habits, automatic departmental associations, and historic responses.

Getting stuck in fixed patterns of thought leads us to make fewer and fewer connections and, as a result, firms are being left behind by new start-ups and digital tech firms unencumbered by the past. It is the quality of their customer ideas that has propelled the leading organizations in our research to the top of our rankings.

However, few businesses are structured in a way that facilitates integrated holistic thinking about customers and their needs. Organization design for many companies is an outcome not an input.

The advent of customer journey mapping is accelerating this shift, as firms realize that they cannot manage customer journeys through conventional, departmental, functional structures.

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The 8 capabilities or connected organizations

High-performing organizations are getting connected by making significant investments across eight capabilities. They are doing this to a greater degree than less mature organizations.

> **Future-focused businesses are shaping new operating models in which every part of the organization, from marketing and sales through to the supply chain, is working collectively to deliver against the customer's expectations."**

Miriam Hernandez-Kakol,
Global Head of Management Consulting, KPMG International

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The process connected organizations have embarked on is as follows:

Appoint a journey owner: found to be a very difficult job unless the owner has decision-making responsibility; even then, it is a difficult role across a departmental structure.

A matrix link to journeys: Aligning individual departments to the sections of the journey they are responsible for, linking metrics and responsibilities, and taking cross-department / cross-journey decisions to a forum attended by an empowered decision maker from each of the departments involved.

A customer centric structure: Organized around customer journeys within needs or segments.

Firms such as USAA are organizing around customer life events, while New Zealand's Kiwibank operates cross functional 'journey' and customer needs teams. In the UK, Santander has changed its business model to reflect the importance of customer insight, the impact of insight on customer products and propositions, and introduced rapid time to market thorough agile delivery teams.

The Harvard Business Review found that over a third of Fortune 500 companies have restructured around the customer, using needs, segments and journeys as the organizing principle. Not every transformation has been immediately successful. For example, the cutting of well-worn communication paths and channels, as existing structures are torn down and new ones implemented, takes time to rebuild – possibly years for companies who have not thought this through.

Nonetheless many of the high-ranking brands in this year's research have successfully made this journey. USAA, Tumi and American Express in the US are examples of successful customer centric structures. Airlines such as Singapore Airlines, Emirates and Air New Zealand are forsaking conventional structures for formats that are more suited to delivering their customer promise.

These organizations ranking highly in our research recognize that becoming truly customer centric requires more than just connecting strategy with implementation. That is a vital first step. But at the heart of a customer centered business is a connected enterprise – one where front, middle and back office processes are aligned and interconnected. Where partners and intermediaries start with the customer and work backwards through the value chain.

When faced with complex value chains, the temptation for many companies is to look at the next link in the chain as being the customer. However, industries that manage complex value chains – such as high technology firms – start with the end customer and work backwards with their partners. A failure to do so can result in disintermediation, as the UK asset management industry discovered when new entrant Vanguard bypassed the entire value chain and went straight to the end customer.

An organization that is connected across the whole value chain is an essential precursor for digital success.

"Connected Enterprises focus every process, function and relationship of their organization on a single purpose, harnessing the power and potential of customers to fuel profitable and sustainable growth."

Adrian Clamp,
Head of Digital Transformation,
KPMG in the UK

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With the customer at the core, some of the critical questions that organizations should ask themselves here are:

Employees

- ☑ Are staff empowered and enabled to deliver the customer promise through having the right tools, knowledge and training?
- ☑ Are they clear on what they are supposed to deliver?
- ☑ Are they motivated by a culture of customer-centricity and teamwork to excel?
- ☑ Are they leveraging technology and AI in the right way?

Front, middle, back offices

- ☑ Are they motivated by a culture of customer-centricity and teamwork to excel?
- ☑ Are they pulling in the same direction – rather than trying to fulfil their own individual targets at the expense of the company's vision and purpose – and the customer?

Channel and business partners

- ☑ These are essential parts of the delivery dynamic, and in the customers' eyes are a proxy for the brand itself. Are they aligned with the customer's expectations and helping to deliver in a way that stays true to the brand promise?

Market dynamics, digital signals

- ☑ Are teams constantly monitoring the market including social channels to pick up the signals of customer sentiment and demand?
- ☑ Does our organization design accelerate or hinder the achievement of our strategy?

Picking up and rapidly responding to these signals is key.

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Ranked 2nd in the UK

Spotlight on: Monzo

Monzo is a 4-year-old bank that now has 2.5 million customers and 1300 employees[3]. It has thrived by being extraordinarily close to its customers' needs and being agile and responsive in meeting these needs.

"The way we organize our teams and manage the people in them is crucial to our success as a company."

A large number of software engineers, designers and analysts work at Monzo, across all areas of the business. They design and build the core banking systems, the iOS and Android apps, and lending products like the overdraft. They make sure Monzo can process payments, detect and prevent financial crime, and add customer centric functionality.

Monzo has discovered that by working in small, interdisciplinary teams, it can move quickly as a company.

Engineers, designers and product managers work together in small, cross-functional teams. Each team is focused on a feature, project or area of the business, and defines and works towards its own goals. When teams get too big, they break them into smaller squads following the 'two-pizza' rule (a team should be small enough to be fed with two pizzas).

As teams do not rely on one other, they can work independently and at speed; and because each one works towards a common goal, they are able to create a real sense of shared ownership.

Teams stay in touch with the customer in several ways: through qualitative user research tools including desk research; regularly reviewing in-app messaging chats and community forums and idea boards; conducting user interviews; and ensuring users keep physical diaries to observe how they will use certain features on a day-to-day basis.

All of these tools allow the design team to, as stated on its blog, "understand how different people budget, spend, save, invest and borrow money, keeping a pulse on people's behaviors, goals and motivations."

Monzo is also now focusing on latent user needs with the potential to actively and positively impact users' relationship with money and finances; for example, the role that mental health plays in financial management. As a result, teams are experimenting with creating moments of 'design friction' in features that all customers use, including: real-time account balances; sending a notification after each purchase; a top-up feature to aid budgeting; and a new unique feature which allows users to review late night purchases by 'checking with them the next day if they want to follow through with their purchase' when their mind is in a different state.

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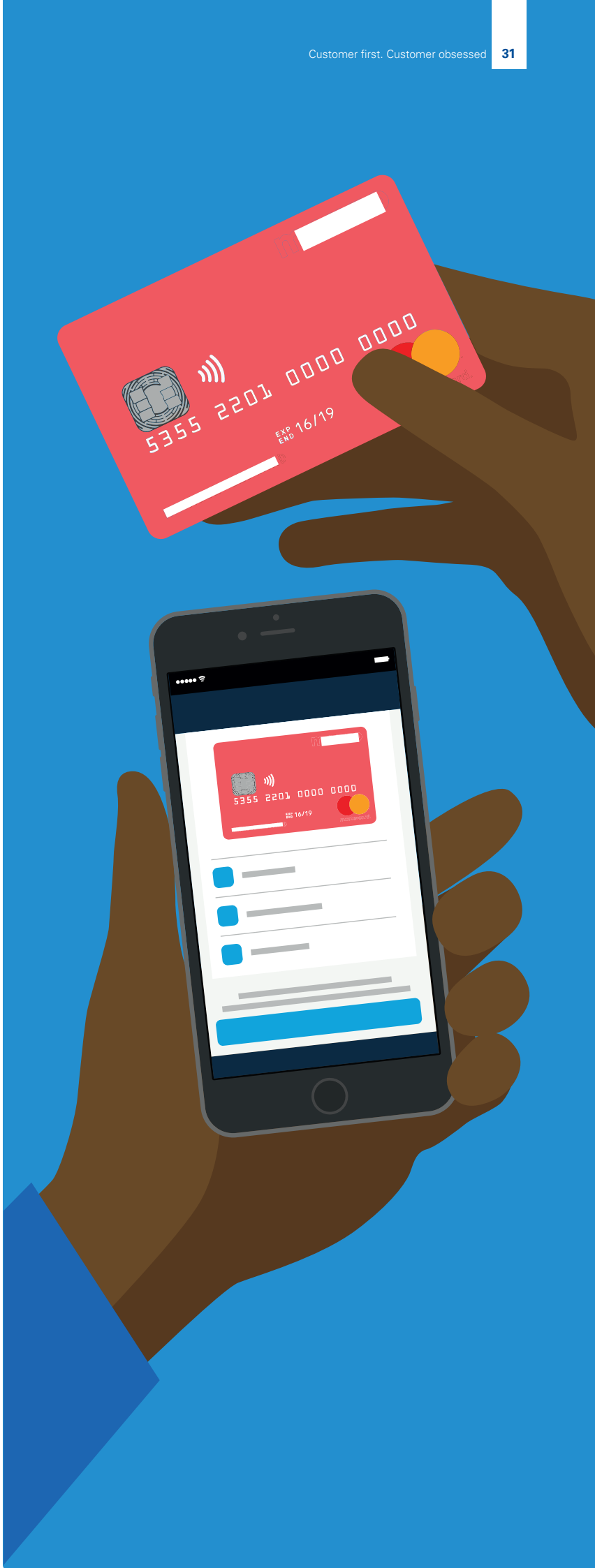

“

We believe that getting the right people with the right mix of skills together on a project helps us create better features for our customers. A typical Monzo product team will feature engineers, designers, data analysts, product marketers, writers and user researchers working together to solve problems.”

Source: Monzo Annual Report 2019

[3] Monzo website

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Industry view

All around the globe, our survey respondents had the same message — they're crying out for companies in every industry to understand them as people: complex, evolving and unique.

The better "connected" a company is to its customers' lives and the various ecosystems they inhabit, the better it can understand customers' needs. And, in concert with insight into their motivations and aspirations companies can begin to develop a roadmap to build experiences that are meaningful and gain greater share of their customers' time and money. In the following pages we explore some of the customer experience trends and themes across various industries in our research, considering the most noteworthy signals of change, how they could play out, and how companies can anticipate and get ahead of disruption. We have shared the brands leading the rankings in their respective countries, territories and jurisdictions as exemplars of CX.

"Change and disruption is occurring today across all industries. The impact of global trends like advancing technology, geopolitics, climate change and changing demographics, to name a few, are forcing the C-suite to rethink their focus and how they conduct business. At the center of, and a key driver, of this change is the customer. Those businesses who do a better job at connecting their whole organization with their customers, and their changing needs, will be rewarded and leave the competition behind."

Gary Reader,
Global Head of Clients and Markets, KPMG International

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Air travel

Brands that soar

Air passenger traffic is growing dramatically and airlines – both low-cost and full-service – are challenging fiercely to capture a larger market share. Competing influences are impacting CX; on the one hand, recent record industry profitability is resulting in significant re-investment in aircraft and product; and on the other, congestion and disruption is rising, which negatively impacts a key aspect of the passenger experience. Finding ways to continue to delight passengers and reduce travel friction will be key.

Like the planes they operate, airlines always face headwinds – and never more than today. Airports in both the mature and the emerging markets are congested. Current geopolitics does not bode well for trade, and the movement of people, particularly at the premium end of the market, may be negatively impacted in terms of demand and / or price.

Yet the pressure to evolve is unrelenting. It's not just that competition is driving an ongoing desire for operational and asset efficiency. It's also that customer expectations are continuously changing. Passengers are looking to their frictionless digital experiences in other areas of their lives and carry those same expectations into the sector. Customers expect a seamless integration of the whole air travel experience, door to door, and for it to be (at least) as good as the last – regardless of what carrier they use.

Our research shows that it is possible for some airlines to soar above the rest. This report is filled with airlines that are finding ways to differentiate and deliver amazing customer experiences according to respondents to the research.

Full service carriers are:

- **Investing into their 'hard product':** Most carriers are ramping up their investment in new aircraft, both as a way to drive down costs and to deliver the experience their customers expect. Capturing share of wallet of the premium segment is critical to the overall financial returns of many of these carriers. New technologies and on-board capabilities complement these product improvements, such as the on-going expansion of premium economy at the premium end of the market.
- **Leveraging data and digital:** The leading carriers embrace digital to remove friction from the customer journey. They are using data to improve the CX both on and off the aircraft – from better personalization of the booking and check-in process through to augmenting on-board staff with up-to-date customer data.
- **Focusing on operational performance:** no matter the bells and whistles, on-time performance remains the most critical success factor in airline customer

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satisfaction. The leading carriers are working with their supply chains and airports to proactively minimize disruption and to introduce new technologies such as RFID (radio-frequency identification) for baggage handling.

Low cost carriers are:

- **Delivering value for money:** Whilst driving down real unit costs is critical, the top-ranked brands for CX were not always the lowest-cost. But they were viewed as delivering the best value for money. Low-cost carriers are also upgrading their inventory of aircraft, with a particular focus on narrow bodied models that will allow them to improve overall unit costs.
- **Rebalancing their footprints:** With competition on major routes squeezing margins, and new airports in the emerging markets creating fresh demand, many low-cost carriers are rethinking their routes. Opportunities to capture some new long-haul routes with new technology aircraft between Asia, America and Europe will be balanced against the need to remain on high-demand routes and destinations.
- **Automating for efficiency:** Low-cost carriers are investing in digital and intelligent automation capabilities as a way to improve efficiency, create new ancillary revenue streams and drive down costs. The leaders are those that are combining the use of automation with improvements in digital engagement.

The big 'external factor' influencing CX in this segment is the airports themselves. Finding ways to work with airports to grow capacity (either through new capital investments or efficiency improvements), to reduce passenger friction (particularly through check-in and security) and to enhance the CX (perhaps through additional ancillary services options) will be vital.

The brands in our hall of fame have reputations for creating outstanding experiences in the eyes of respondents to this research. The services they offer today have already become table stakes and they will continue to raise the bar and indeed set the standard for all other sectors.

Airlines hall of fame	
Air New Zealand	New Zealand
Emirates	UK, Hong Kong (S.A.R.), China
Jet2	UK
JetBlue Airways	US
KLM	Netherlands
Lufthansa	Germany
Scandinavian Airlines	Denmark
Singapore Airlines	Australia, Hong Kong (S.A.R.), China, New Zealand, Singapore
Southwest Airlines	US
Virgin Atlantic	UK

> **"Demand for air travel is booming in the emerging markets and this is creating space for new competitive ideas and models to develop. The airlines featured in our hall of fame are often the ones thinking more creatively about how 'value' can be created in passenger travel."**

Malcolm Ramsay, Global Head of Aviation, KPMG International

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Telecoms

In the absence of 5G

5G promises to dramatically improve the CX. But delivering on that promise will require time and investment. Until then, mobile network operators (and their virtual offspring) are competing on the things that matter to customers today: namely price, coverage, speed, content and convenience. The challenge facing many telcos will be to keep customers engaged today while preparing the market for a 5G future tomorrow.

Everyone knows that 5G speeds and capacity will be a game-changer, particularly in a world of IoT and augmented reality; the problem is that nobody knows exactly how it will change the game. Which means that investments in the new kit, business models and technologies required to deliver 5G has been initially slow, but is picking up speed.

The good news is that customer demand for 5G is equally slow moving. In part, this is a matter of education and imagination: telcos will need to work hard to communicate the use cases and generate the demand they require to underpin their investment business cases. But it is also a case of necessity – most customer needs would be satisfied simply by ensuring uninterrupted access to 4G (currently just two-thirds of UK mobile phone subscribers enjoy this luxury and many countries are much further behind).

Herein lies the dilemma for today's telcos: how much capital should be invested in improving today's CX when tomorrow's CX is already being created? Consider, for example, that new handsets will be required in a 5G world, which will mean new services, new pricing models and new contracts. New applications and technologies will be developed, leading to fresh customer expectations and demands. And trillions of new 'users' (in the form of autonomous sensors and bots) will lead to new demand patterns and models. Tomorrow's CX will be vastly different than today's.

This situation has forced most telcos and mobile network operators to focus on ways they can improve the CX today while preparing for tomorrow's expectations. Our research suggests that the leading brands have enjoyed success in five key strategies:

- **They are improving customer relationships:** the top mobile and telco operators are improving customer service processes and focusing on issue resolution. Rather than treating their customers as captive contract holders, they are working hard to retain customers not just at contract end, but throughout the customer lifecycle.

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- **They are preparing for the 5G future:** the fastest moving telcos are already rolling out 5G services (albeit on upgraded 4G infrastructure). They are also partnering with technology providers, software developers and startups to develop revenue generating use cases. Even brands that are some way off from achieving 5G speeds and service are now talking to customers about future use cases.
- **They are investing into security:** while investments into network security and data privacy often go unseen by customers, they are a vital component of the CX. The leading brands are exploring how new technologies – such as blockchain – can help them deliver security more efficiently and effectively.
- **They are focusing on customer 'life moments':** the leaders are thinking about what is important to customers at key life moments and then working with a range of partners to help their customers savor those moments. Some, for example, are partnering with airlines to offer their customers priority boarding, while others are partnering with retailers to give their customers deeper discounts or faster delivery.
- **They are upgrading their technology:** even with the coming of 5G, the leading brands continue to invest in expanding their networks and upgrading their existing technology. They recognize that there is still significant room for improvement in most markets and that more growth can be achieved without massive new capital investments.

The reality is that – over the next 2 years – the introduction and widespread adoption of 5G will lead to a radically different set of customer expectations and demand. If they hope to survive in the new world, telcos and mobile network operators not only need to imagine and deliver on a 5G world; they also need to keep their customers happy in a 4G (or possibly 3G) world.

Telecoms hall of fame	
4ka	Slovakia
Ben	Netherlands
giffgaff	UK
Iliad	Italy
KPN	Netherlands
O2	Slovakia
OneCall	Norway
Skinny Mobile	New Zealand
Telmore	Denmark
Tesco Mobile	UK

> **"The introduction and growth of 5G will certainly have a massive impact on the market. But it won't happen overnight. In the meantime, the operators and MNOs are working hard to create 'stickier' offerings that keep customers loyal through great experiences and prices rather than contractual obligations and barriers to switching."**

Alex Holt, Global Chair,
Media and Telecommunications,
KPMG International

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Grocery retail

Delivering fresh experiences

The world is moving towards platform businesses, which are integrated physical and digital ecosystems designed to deliver value and convenience regardless of where we shop. Even with the rise of digital channels, grocery shoppers still want to immerse themselves in a physical experience. Brands, therefore, need to continually innovate and deliver a distinctively branded – and seamless - experience.

Consumers want the convenience of delivery when making large purchases or to support their busy work-life balance, and innovation in online services has already made a considerable difference. But what we eat and how it is prepared is a very personal decision. Consumers are developing a growing interest in knowing more about their food – its ingredients, nutritional value, cost, and details of the supply chain that brought it from field to store. Consequently, it's unsurprising that many consumers still prefer to seek out this information and select their groceries personally at a store.

In the non-grocery sector, Apple, Microsoft and Samsung have illustrated the importance of a physical store as flagship for the brand, recognizing that what keeps consumers coming back is the overall shopping experience.

Many of the leaders in our research focus on entertaining, engaging and inspiring their in-store customers with live cooking demonstrations, 'meal of the day' displays and food showcases and pop-ups.

Such theatric strategies are as much defensive as they are loyalty-generating. The industry is fragmenting, as discount box retailers line up against value-based newcomers, and prepared meal services aimed at the health-conscious line up against convenience meal delivery services.

Online retail giants have been investing heavily in shortening delivery times and expanding their offerings. In a world where an algorithm can predict exactly when a customer will need another pint of milk – and then deliver it fresh and cold at the exact time it is required – the physical store must work even harder to create a memorable and convenient experience.

Technology continues to change the rules of engagement, and getting consumers to notice your brand amid all the noise in the market is an even greater challenge, which means grocery retailers should:

- **Hyper personalize:** for many years, every customer with a smartphone has been a source of data. However, the new frontier

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in personalization will analyze emotional data, eye movements and DNA in addition to searches, purchases and views, to pinpoint exactly what customers need in real time. Hyper personalization is the next step in our obsession with data. Brands need to tap into real-time behavioral data to understand consumers on an emotional level. AI, image recognition and mood analysis provide deep and detailed understandings of consumer attitudes, reactions and patterns.

- **Refresh the experience:** more than simply focusing on cost and selection, the leading brands are immersing their customers into the shopping experience. Experiential retail, or 'retailtainment', is the future. In a changing market, people cherish and are investing in experiences over material possessions. By creating a more immersive experience, retailers can attract people to their stores and ensure they leave not just with products but also memories.
- **Appeal to emotions and values:** consumers now choose to buy brands based on their social and environmental impact. They are shopping with their emotions and values instead of just their wallets[4]. Customer obsessed brands articulate and deliver a 'vision' that goes beyond simply selling groceries. The leading brands in our research are those that demonstrate, across the CX, that they share their customers' goals, dreams and values.

Grocery retail hall of fame	
Biocoop	France
Esselunga	Italy
H-E-B	US
Hofer	Austria
La Formaggeria Gran Moravia	Czech Republic
Ocado	UK
Picard	France
Publix	US
REMA 1000	Denmark
Verdemar Supermercado	Brazil
Wegmans	US

"Increasingly consumers' buying patterns have become multimodal. They might order online one week and then visit a physical store the next. They may always buy some goods online and others instore. This means that alongside value, the watchwords for the grocery industry have to be integration and connection. Firms that enable customers to shop however they want whenever they want will win out."

Rene Vader, Global Head of Consumer Retail, KPMG International

[4] Retail Trends 2019, KPMG International

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Hotels and hospitality

The human side of travel

The sharing economy may be providing people with low-cost rooms and beds. But the hotel and hospitality sector provides customers with experiences. And it is those experiences that are allowing many hotel brands to rise to the top of their markets. Customer expectations are, however, continuously changing. And new technologies are starting to play a greater role in customer journeys. Getting the balance right between removing friction and creating personal, emotional connections is key.

Having struggled to come to terms with the introduction of sharing economy platform players like Airbnb, many of the world's leading hotel chains have recognized that customers are looking to them for more than just room and board; they expect an experience. And that requires capabilities that are very unique to the hotel sector.

At the high end of the market, the main players are making significant investments in human resources, and in technologies that enable a high level of personalization by employees. In some cases, this means improving employee empathy, communication and problem-solving skills. In others, it involves new mobile technologies and analytics that empower employees to focus on the customer.

Technology is also changing the customer journey. From new booking apps and platforms through to the use of VR (virtual reality) innovations such as way-finders and AR (augmented reality) maps, many of the leading hotel brands are looking for ways to not only remove friction from the customer journey, but to also provide a unique experience. And that is leading to the development of some new and creative models (including reception-less and key-less hotels). Hotel chains are increasingly encouraging travelers to book directly at company-owned platforms, to build loyalty and avoid commissions charged by intermediaries.

The challenge for hotels will be to balance the benefits of technology enablement against the need for human interaction and personalization. Customers don't want to deal with unnecessary friction in their journey. But (for the time being) they do expect some level of human interaction. That's what differentiates staying at a hotel from staying at a rental flat with a lockbox.

What are the top hotel brands in our survey doing to create that balance and remain ahead of customer expectations?

- **They are embracing technology:** from automating back office finance functions through to slick new customer apps and tools, the leading brands are working with a range of new technologies and vendors to create compelling new customer propositions and value. More than just experiences, the

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leaders are using technology to provide customers with greater choice, empowerment and value.

- **They are investing in the human connection:** the leading brands are empowering their employees to resolve customer complaints and problems at the first interaction and they are helping them use empathy and communication to make special connections with their customers. And this is leading to consistently high levels of personalization and customization for customers.
- **They are exploring new models:** rather than trying to be all things to all guests, many hotels are now taking a much more segmented approach to defining, attracting and serving their clients. Some chains are focusing on specific demographics – boomers and millennials in particular – while others concentrate on helping guests achieve their journey's 'mission', whether that be business, personal or something in between.

We are seeing the hotels market respond to disruption and remain competitive against an influx of new entrants. As the landscape changes, one thing's for sure: the consumer still increasingly values the experiences that the leisure industry offers. They make decisions with their heart as much with their head. Given this sector's historical focus on customer service, the leading brands in our research have become adept at understanding customer insights, partnering with the sharing economy, and weaving together an emotionally connected online and offline experience that makes their customer feel special and valued. They are balancing the use of technology and customer expectations as well as the occasion (especially in the luxury segment) where personal service is key.

Hotels hall of fame	
Fiesta Americana	Mexico
Fiesta Inn	Mexico
Hilton	Germany, Mexico, Poland
Hyatt	Mexico
InterContinental Hotels & Resorts	Hong Kong (S.A.R), China
Landal	Netherlands
Marriott	Mexico, Hong Kong (S.A.R), China
Mercure	France
Novotel	France
Presidente InterContinental México Polanco	Mexico
Van der Valk Hotels	Netherlands

> **"Delivering that special experience or that high level of personalization that delights guests requires deep insight into what customers want, and a high level of execution capability. You can't do that with technology alone. It takes people. And the leading brands are investing in both."**

Will Hawkley, Global Head of Leisure & Hospitality, KPMG International

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Insurance

Remaining relevant in a digital world

In today's rapidly changing business and social environment, insurers are struggling to remain relevant to the lives of their customers. Yet some insurance companies are finding ways to break out of the cycle of distrust, generating exceptional customer experiences that, in turn, are driving growth and securing loyalty.

The insurance industry has been under pressure from digital disruption for decades. It all started with the introduction of the insurance aggregators – first over the phone, then online. This has led to rapid disintermediation between insurers and their customers.

At the same time, the needs of customers are also changing. The shift to fractional ownership and shared models is causing rapid erosion in the Property and Casualty business. The 'live now, save later' lifestyle of many consumer segments is delaying traditional insurance sales projections in the Life sector. Even re-insurers are feeling pressure on their investment portfolio as society shifts towards more environmental investing preferences.

Insurers are therefore struggling with a basket of ongoing challenges that make reorienting around the customer extraordinarily challenging.

Regulation is perhaps the biggest barrier. Most insurers are struggling just to keep up with existing regulatory changes; few have the time or capability to fully assess how they apply in a digital world. But many are also being held back by legacy infrastructure and process issues – the result of decades of mergers, acquisitions, consolidations and regulatory requirements. It is no wonder many insurers are struggling to stay relevant.

Our research suggests that the insurers delivering the best customer experiences today are those that:

- **Build trust:** trust will always remain at the core of the insurance proposition and customer relationship. Some insurers, like MAIF in France, do this by stressing and living a clear 'social purpose' beyond simply making money.
- **Rethink the model:** while many insurers are currently adjusting their footprints to enter new markets and increase scale, the leading organizations are those that are rethinking their strategies, models, markets and segments around new digital opportunities.

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- **Perfect the resolution:** there are few things more important to insurance customers than knowing that their claims will be dealt with quickly, fairly and – where questions or issues arise – that they will be resolved quickly and with the utmost empathy. The leading insurers are those that continuously focus on improving their resolution capabilities, recognizing that their people (and the empathy that only humans can share) are at the core of the CX.
- **Improve sales and onboarding:** recognizing that much of the front-end experience – from product selection through to application – is overly complex, some of the leading insurers are focused on simplifying the experience. They are using machine learning, chatbots and AI to remove or reduce unnecessary processes. And they are rethinking customer journeys to reduce friction and improve resolution.

Insurers face an uphill battle to remain relevant in increasingly competitive and disintermediated markets. They will need to work hard in order to truly delight and excite their customers across the various stages of their lives. Customers of all ages now expect to be able to conduct at least the most basic of transactions online. Investment in insurtech and digital is paramount – as is taking the time to properly understand and respond to ever-changing needs.

Insurance hall of fame	
AA Insurance	New Zealand
Centraal Beheer	Netherlands
Foyer	Luxembourg
Hargreaves Lansdown	UK
HUK-COBURG	Germany
John Lewis Finance	UK
KLP	Norway
LALUX	Luxembourg
MAIF	France
NRMA Insurance	Australia
Techniker Krankenkasse	Germany

“We are seeing some insurers make great strides towards starting the fundamental changes necessary to survive and thrive in the future. But there are a handful that seem unwilling to simply just improve on the status quo; they are taking innovative steps and investing in radical new models and enterprise-wide ideas that will enable them to remain relevant for years to come. It’s not surprising that many of those innovators are represented in our customer experience insurance hall of fame.”

Laura Hay, Global Head of Insurance, KPMG International

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Banking

Investing into relationships

Until recently, few traditional banks had much impetus to change. Yes, it was becoming increasingly clear that fintechs and challenger banks were starting to shift the banking model towards a more customer-centric approach. But barriers to entry were high. Compliance requirements were rigorous. And customers seemed loyal. Most banks felt confident they could control the pace of change.

No more; the forces of digital disruption have fundamentally changed the status quo. The availability of outsourced and SaaS (software as a service) infrastructure has slashed the cost of starting up a new digital bank. The development of digital payments and currencies has created wiggle-room around some of the greater compliance burdens. Customers are now starting to see the fintechs as viable and reliable alternatives to the traditional system.

Most banking leaders know this is just the beginning of a massive and fundamental market shift. They recognize that the introduction of Open Banking models and regulations will only heighten competition around the customer. They understand that the rapid adoption of new digital payment models could lead to their eventual disintermediation from the customer. And they know that the big tech firms are just waiting for the right opportunity to pounce.

In this environment, the leading banks are taking important steps to reorient their organizations around the customer. And their efforts are bearing fruit. Indeed, as our hall of fame illustrates, there are a number of banks and building societies that sit at the very top of our CX rankings in many markets.

What is helping these banks differentiate themselves in increasingly competitive markets?

- **They are investing into new technologies:** From new chatbot interfaces at the front end through to increasingly sophisticated predictive risk management tools at the back, the leading banks are embracing technology across the enterprise. At the same time, they are learning that – in banking in particular – customers often want to interact with humans. Finding the right balance between digitization and human interaction will be key.
- **They are expanding their ecosystems:** The leading banks recognize they do not have all of the skills and capabilities required to remain competitive in today's digital-first environment. So they are actively pursuing partnerships with a range of players – fintechs, service providers, innovation labs and academia, to name just a few – as a way to expand their innovation capabilities. Scaling up those ideas and models, however, continues to be a challenge.

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- **They are focusing on customer needs:** Rather than blindly selling products based on broad customer segmentation, the leading banks are investing in understanding their individual customers at a much deeper level. And this is enabling them to start working with customers to solve some of their big life problems – which, in turn, is shifting the model from products to solutions. The winners of tomorrow will be those that know their customers the best.
- **They are creating emotionally-connected customer journeys:** As illustrated by some of the leading banking brands in this survey, many of the top brands are those that differentiate themselves based on their purpose and their customer empathy. Rather than just paying lip-service, they are working to demonstrate their values right across the customer journey and through all customer channels. Customers want great rates and low fees, but not at any cost.
- **They are tearing up the status quo:** More than anything, the leading banks are the ones that are willing to rethink their customer and operational processes from end-to-end, leveraging new technologies, partners, models and ideas to deliver notably different propositions to their customers. Rather than simply defend their traditional territory, they are constantly looking for new opportunities to reinvent themselves in ways that are highly relevant to their customers.

While banks continue to retain some market advantages – few Fintech upstarts have the access to capital or customers required to truly compete head-to-head with banks – there are signs that the big tech firms are starting to smudge the lines between technology provider and banking partner; Facebook's recent launch of a new 'digital currency' alongside a bevy of retail, online and tech giants is just the latest sign that the traditional banking system is being transformed.

In this environment, banks will want to focus on investing into their customer relationships. As those in our hall of fame illustrate, banks can delight customers. And those that know how to are standing out.

Banking hall of fame	
Air Bank	Czech Republic
Equa bank	Czech Republic
Fineco Bank	Italy
first direct	UK
ING	Germany
Monzo	UK
Nationwide Building Society	UK
Navy Federal Credit Union	US
TSB	New Zealand
USAA	US

> **"Banks understand they can no longer rely on customer inertia to maintain their balance sheets. In today's environment, banks need to engage their customers, predict their needs and rally them around a greater purpose – even if that purpose is simply increasing their personal wealth."**

Judd Caplain, Global Head of Banking & Capital Markets, KPMG International

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Market overviews

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Australia

Many organizations are putting effort into CX initiatives in Australia, although not all of these are proving to be effective. Often, it's the holistic approach that's lacking, with responsibility for the CX of each channel sitting in siloed business units in many Australian companies. This means there's a lack of overall strategy, or indeed a sense of what 'the big picture' looks like.

This is important. It can mean organizations risk being perceived as not truly customer-centered or customer-first in approach. And when consumers feel that their interests are not being well looked after by the organizations they interact with, they can and will publicly complain. As we have seen over the course of the past few years, in some sectors they will also demand greater government or regulatory intervention.

Given the recent significant scrutiny placed on some sectors in the Australian market, it is not surprising to see that the CX pillar of Integrity is one of the biggest drivers of advocacy in Australia at 18.8 percent, with only Personalization marginally ahead at 18.9 percent. Companies that are able to tailor the CX to the specific needs of the individual (such as Singapore Airlines and Afterpay), whilst also doing so in a transparent and ethical manner, are the ones that Australian consumers are most likely to gravitate towards.

In addition, a good multi-channel experience is increasingly important to consumers, and there's a general expectation that companies will be able to offer a seamless service across a myriad of platforms. However, this is proving to be problematic for some Australian organizations, particularly those legacy companies that adhere to the more traditional ways of working. In many cases, they're being superseded by (relatively) newer brands such as Afterpay and retailer The Iconic, which have built their CX from the ground up with digital channels at the forefront.

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Despite this, there are companies that appear to keep their fingers on the pulse of what the Australian consumer expects. For example, Bendigo Bank, which ranks third in the 2019 study (consistent with its performance in 2018), has managed to achieve this position by being recognized by respondents for the pillar of Empathy in particular. This can perhaps be attributed to customer facing initiatives such as Tap-On Tuesdays, where eligible Bendigo Bank Mastercard customers were offered free train, rail and ferry services across Sydney in April 2019.

In addition, Bendigo takes part in a number of philanthropic initiatives, such as partnering with Emergency Management Victoria to establish a community relief fund for those affected by fires in the south east. It also offered discounted interest rates and fee waivers to those customers affected by North Queensland's floods in February 2019.

The financial services organization RACQ Insurance was highly rated by Australian consumers for the pillar of Integrity and ranks in second place in the Australian 2019 study. 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 and travel. As a member-owned mutual organization, 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 AU$680,000 (US$460,000) in funding for various community organizations.

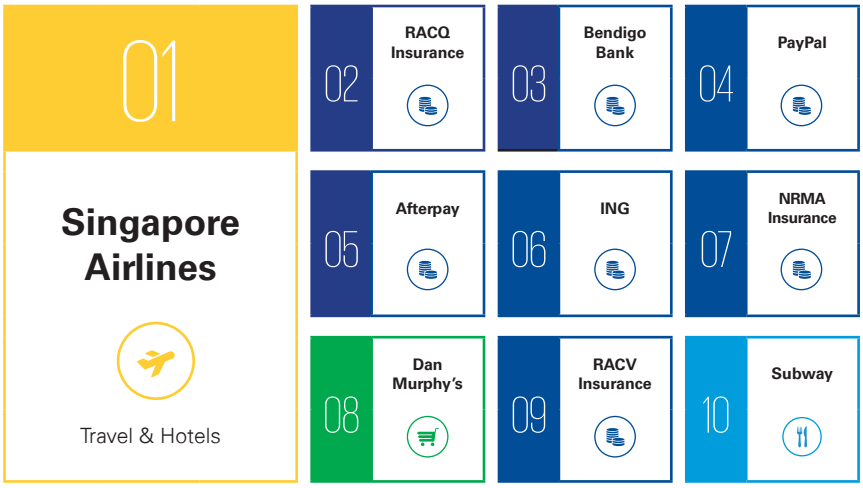
Furthermore, RACQ is investing in CX innovation. In 2019 it became the first Australian company to utilize Voigle Voice technology – a service which allows motorists to use smart speakers, cell phones or in-car applications to access RACQ's Fair Fuel and Road Conditions websites. In practice, this means that a customer can use the Voigle Voice to find out where the best fuel price may be in a particular suburb or check the road conditions on certain routes before traveling.[5]

However, the brand highest-ranked by Australians is Singapore Airlines - an aviation company that ranks in first place in three out of the four countries that feature it in the research. The brand also ranked in first place in Australia in 2018.

Singapore Airlines was recognized by Australian consumers across each of The Six Pillars – and in particular ranked highly for technological innovation. The airline has focused on the pillar of Personalization with its KrisWorld entertainment system, and in addition, has partnered with Bang & Olufsen to offer wireless headphones. This service offers over 1,800 television, movie, music and game choices, but passengers are able to customize the service for their own needs. They can create individual user accounts to save their preferences, and this means they can 'bookmark' films they might be halfway through watching, and resume them when they board their next flight.[6]

It is this type of technological innovation which is prompting the legacy companies to reappraise their approach to CX. This is because many Australian consumers are perceiving such innovations to be 'the new normal,' and expect to see them in a first class CX. Therefore, any company that can grasp this, and deploy innovation and customer centricity across an organization, will have taken the first step towards an Australian CX revival.

Leading CX brands in Australia



"Customer experience has been heightened as a topical conversation in the Australian market through increased scrutiny over the past 18 months in areas as diverse as aged care and financial services. Traditional Australian organizations, who are often tied to legacy ways of working, are struggling to match the digital experience offered by new market entrants. The future challenge for these organizations will be successfully translating their physical presence into a digital blueprint that captures the essence of their brand."

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

[5] https://www.racq.com.au/support/alkira
[6] https://www.singaporeair.com/en_UK/gb/flying-withus/entertainment/myKrisWorld/

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Austria

Subtlety is an important discipline for Austrian brands. Extravagant websites or lavishly-designed business premises typically have little impact on the Austrian customer – at least, not in isolation. To achieve CX success, organizations need to prove that best practice is in their DNA and demonstrate their capabilities across each of The Six Pillars as a matter of course.

This means that a first class CX is a sum of many parts. Indeed, one of the most important of these components is the employee. In Austria – and in many other countries such as the UK and the US – the employee plays a significant role in CX best practice, with Austrian consumers often praising the friendliness and customer centricity of staff members, even in industries that are largely governed by self-service processes.

As such, the pillar of Personalization continues to be a key one for Austrian brands, as the greatest driver of Austrian customer loyalty and advocacy. And yet the pillar of Expectations is proving to be an important pillar too. In the current study, brands are recognizing the value of setting realistic customer expectations from the outset, with the strongest organizations managing to surprise and delight by overachieving. However, success in this area is dependent on the brand having a clear perception of the customers' needs and wants, and by knowing them more intimately, which is one of the key characteristics of the pillar of Personalization.

This is certainly one of the strengths of the pharmaceutical company dm-drogerie markt, which is the third highest-ranking brand in Austria, having risen four places since 2018. The company slogan echoes the voice of the consumer – "Here I am a person, here I will buy" – and this human-centric ethos is reflected in the brand's proficiency in the pillar of Personalization. As one respondent explained: "I am very happy with dm due to the effort to create attractive and individual offers for customers."

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In addition, the retailer offers around 30 products in the range of natural cosmetics and natural nutrition, highlighting the brand's integrity and attentiveness to the environment. It also employs staff who are friendly, personable and service-minded. "The individuality of every human being is at the center of attention at dm," says the brand on its website. "This should be experienced by our customers and employees at dm. But beyond that, we want to be exemplary in our environment by taking responsibility in society, by being a good and exemplary employer, and by paying attention to the health of our employees."[7]

Similar values are shared by the optical retailer Pearle, which ranks in second place and is new to the 2019 research. Like dm-drogerie markt, Pearle is built on a foundation of staunch customer centricity, with a mission to drive a deep rapport with its customers by tailoring its services to their specific needs.

"We inspire our customers on a daily basis," the brand states. "We focus on our customers and place them and their needs at the center of our actions. Advice, service, quality and price are tailored to our customers so that they feel happy."[8]

Pearle offers its customers professional advice on product selection and a guaranteed lifetime service. Customers know that Pearle is attentive to any issues and treats them with care at all times.

Notably, Pearle is able to evoke Personalization even at a digital level. For example, it offers a feature where customers can try glasses on from the comfort of their own home, with the website utilizing the customer's webcam to take a still photo and superimpose the chosen frames onto their face.[9]

The highest-ranking organization in Austria is the car association ÖAMTC – a position it has retained since 2018. The brand describes itself as the company that offers "the membership that suits you."[10]

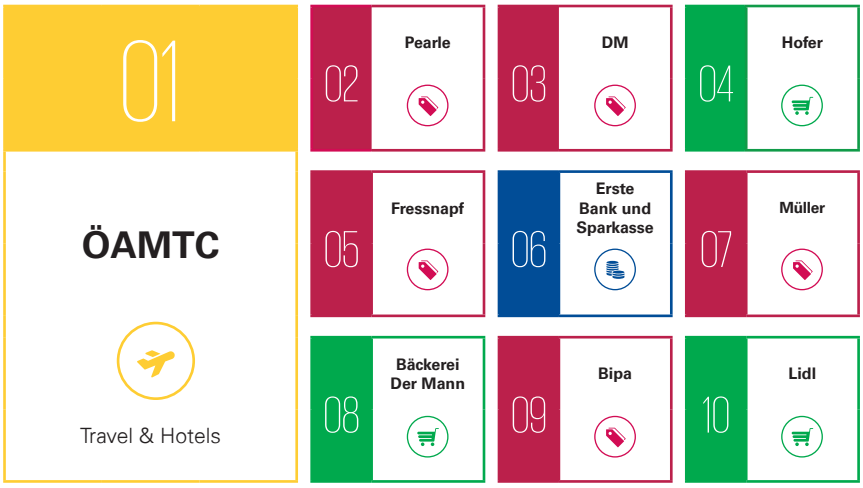
The CX success of the ÖAMTC is driven in particular by its fast and reliable breakdown service. Patrols typically reach the customer within half an hour, which is above average for a breakdown service; and a very high percentage of the breakdowns they service result in the customer being able to drive away in their own car, preventing the need for organizing a replacement or other alternative. In addition, the ÖAMTC is constantly available for all mobility related issues and its employees are therefore perceived as 'yellow angels' by customers.

As one customer stated: "I appreciate the accuracy and competence of the employees. They prove their engagement for the customer whenever I need or contact them, year after year."

Arguably, ÖAMTC is one of the organizations for whom CX excellence appears to be in the DNA. Its success is largely down to its holistic approach – managing the key lessons of The Six Pillars and demonstrating them in everything it says and does. Services such as its holiday planner, which provides free travel tips and toll road information, are offered as standard, together with its free replacement cars and free legal advice. These are expectations that ÖAMTC sets and frequently delivers on.

Customer centricity, therefore, is the uniting theme amongst the strongest brands in Austria.

Leading CX brands in Austria



> **One key challenge for Austrian brands lies in giving the impression that it's not the creation of a special experience that's at the forefront of their actions, but the consistent, reliable provision of services in order to satisfy customers' needs.**
>
> **Werner Girth**, Partner, Customer and Operations, KPMG in Austria

[7] Translated from: https://www.dm-drogeriemarkt.at/at_homepage/verantwortung/verantwortung-wir-bei-dm-unsere-werte/
[8] Translated from this page: https://www.pearle.at/unternehmen/ueber-pearle
[9] https://www.pearle.at/service/brille-virtuell-anprobieren
[10] https://www.oeamtc.at/mitgliedschaft/

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Brazil

Brazil is feeling the impact of new data protection legislation. Determined by federal regulatory agencies, the Brazilian legislation imposes strict rules on companies in terms of how they should handle customer data. Unlike some European countries, however, such an initiative is less frustrating to Brazilian customers. In fact, the legislation appears to be improving the level of trust they have in organizations, and Integrity is one of the most impactful pillars for loyalty and advocacy.

At the same time, Brazilian consumers are commanding personalized, seamless experiences from brands, and such virtues are expected to be in evidence as standard rather than optional extras. This is partly due to the pressure that various fintech and insurtech companies are applying; they're re-educating consumers as to what an optimized CX looks like. Some of this influence is also reaching Brazil from abroad, prompted by some of the larger international brands from many different industries.

As such, Brazilian companies are becoming aware of the importance and value of CX, but few have been able to transform such thinking into action. The most successful brands, though, can be found in the retail sector (grocery and non-grocery) – 7 of the top 10 brands in the Brazilian market are in retail. These brands outperform not only in Integrity but also in Empathy when compared to the Brazilian average.

The chocolate and coffee chain Kopenhagen ranks at number three in the 2019 results. It is a company that has existed for over 90 years, and it currently operates more than 300 outlets across Brazil, as well as an online store.

Performing well across each of The Six Pillars, Kopenhagen particularly stands out for the pillar of Personalization. The brand presents its outlets more as 'experience destinations' rather than simply coffee houses or chocolate

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gift shops, paying great attention to the décor and ambience to create environments that are intimate and cozy. Much of this is heightened by a wish to relive a part of one's childhood; many Brazilian customers have fond memories of the brand and its products from young ages. Its employees are attentive to this warm ethos, being cordial to their guests and helping them to feel welcome.

Indeed, Kopenhagen states that its mission is to "preserve" the traditional taste of its chocolates with "sophistication and quality." The brand is "concerned about providing happiness" through its products and aims to work "with pleasure and emotion" to "meet the preferences of customers."

Similarly, Brazil's second highest-ranking brand – the financial services organization Nubank – also operates from a position of customer centricity. This is partly because of the autonomy Nubank gives its employees, who are empowered to make certain on-the-spot decisions about the best ways to serve at a given moment. For example, Nubank's Xpeers (CX attendants) are able to adjust credit card limits based on pre-approved conditions. They also have a specific budget to bestow gifts upon individual customers where it feels appropriate. When such acts occur, the events sometimes go viral on social networks, highlighting the joy and gratitude that the individuals experience.

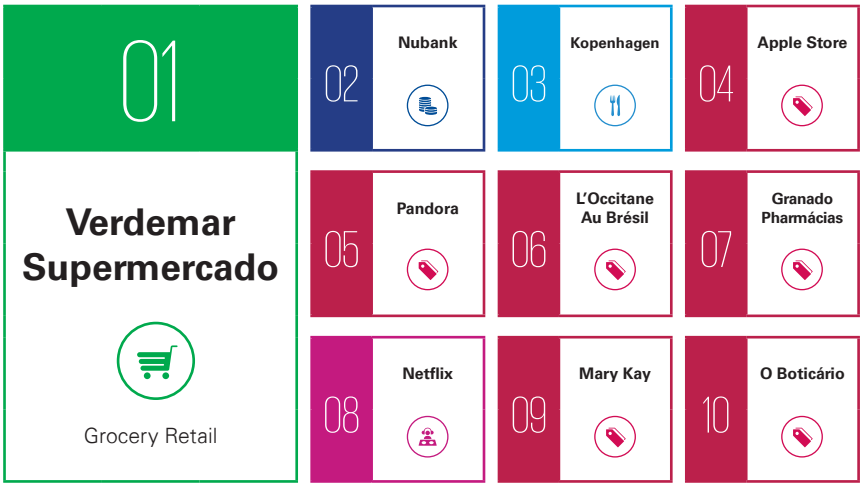
Such consideration for the customer can also be seen with the grocery retailer Verdemar Supermercado, which is Brazil's highest-ranking organization. For instance, its cashiers are trained to ask shoppers if there were any products they were unable to locate. If so, the person's details are taken and when the item arrives in store a few days later, a relationship manager will call the customer to let them know it is now available.

Verdemar works with the best brands and products in the market and produces its own fresh products, which are recognized and even awarded for their high quality. A key differentiator for Verdemar is having one of the most diversified wine assortments among supermarkets in Brazil, mostly composed of wines directly imported and selected by the company. As one customer stated: "I love shopping at Verdemar because I always find differentiated products and with higher quality than other supermarkets."

And like Kopenhagen, Verdemar aims to offer more of a destination rather than a conventional shopping experience. As a more upmarket retailer, it places a greater emphasis on relaxation and luxury, helping shoppers to experience the leisure of their visit rather than to feel as if it's a chore. Indeed, many of Verdemar's products are presented in a rustic and artisan fashion, and its Instagram feed arguably looks more like an upmarket cookbook as opposed to the social account of a supermarket.

As such, Brazil's strengths in the pillar of Personalization extend beyond adapting to the specific needs of the individual. A broader sense of customer centricity is a theme that unites the strongest organizations, with many companies on a mission to foster joy at the most important touchpoints.

Leading CX brands in Brazil



> **"Brazilian customers are increasingly pushing companies from all sectors to deliver higher quality experiences. Consistently offering a seamless, frictionless and personalized experience throughout all channels and interactions between a brand and its customers is starting to move from a 'nice to have' to a 'must have', and the companies that reach this status will be in a stronger competitive position."**
>
> **Augusto Puliti,** Partner, Customer Experience, KPMG in Brazil

[11] https://www.kopenhagen.com.br/institucional/empresa
[12] https://www.instagram.com/supermercadoverdemar/

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Czech Republic

Consumers in the Czech Republic tend to approach organizations with a certain level of distrust. Respondents to the research revealed a perception that companies may not be overly transparent about their services and so they feel the need to be 'on the look-out' for hidden caveats and charges at times.

That's not to say that consumers feel this way about all companies in the Czech Republic. There are some who are perceived to be more open and honest about their services and it's to those companies that customers tend to gravitate. However, in a sense this is limiting CX growth in the Republic; the basic hygiene factor of honesty is perceived, by some, as the epitome of first class CX. Because of this, the pillar of Integrity currently has the greatest influence on customer loyalty and advocacy.

Moreover, some organizations recruit staff as customer-facing employees who aren't familiar with best practice in customer experience, as exemplified through The Six Pillar framework. As a result, a customer's experience with a particular organization can fluctuate in terms of quality; it can depend wholly on the employee they encounter.

Despite these challenges, there are several companies in the Czech Republic that stand out for the quality of their CX. One of these is the financial services organization Equa Bank which ranks third for another year. It's particularly notable for its customer centricity and for looking out for people's best interests; for example, in 2018, the bank raised the interest rates on its savings accounts and lowered the rates on customer loans and mortgages.

Moreover, Equa Bank recognizes the role of the employee in delivering a strong customer experience. The brand acknowledges that "a well-balanced work and personal life has an impact on employee satisfaction," and explains that it supports team

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activities and healthcare events "to help build a friendly atmosphere and trust among employees." Such initiatives boost the brand's performance in the pillar of Integrity.[13]

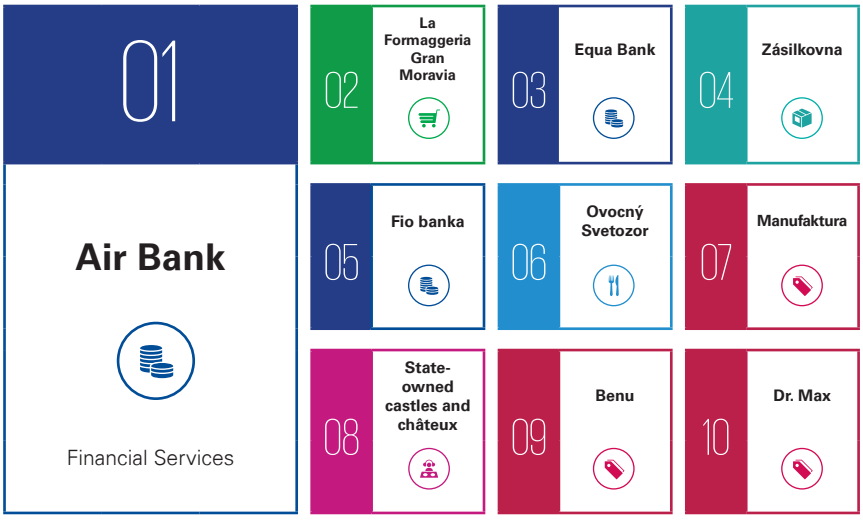
Another organization that values the employee experience is the food retailer La Formaggeria Gran Moravia, which ranks at number two in the Czech Republic. The brand trains its staff to a high degree; they are knowledgeable about La Formaggeria's products and are ready to engage with shoppers with kindness and cordiality. Undoubtedly, the retailer puts human beings at the center of its CX design.

Furthermore, La Formaggeria also shows strength in helping its employees to feel looked after. For example, it offers a special 'Baby Bonus' of 25,000 CZK for any individual with a new-born child.[14]

As one employee said: "This decision of the company really made me happy. We are expecting our first child soon and such a bonus will certainly come in handy. I'm really glad the company takes these steps. It shows that employees are important to the company."[15]

The Czech Republic's highest ranking organization in 2019 is the financial services brand Air Bank, which has risen six places in the last year. It's a relatively new company, having been established in 2011 with a clear vision to create a bank that serves people, is simple, tells the truth, and does not hide behind the small print. Today the bank has over half a million customers. Like La Formaggeria Gran Moravia, it puts the human element of its CX design front and center. For instance, its customers are invited to bring their pets along to Air Bank branches, and visitors are served with free coffee.[16]

Leading CX brands in the Czech Republic



"My wife and I visited a branch because of a problem and they managed to solve it immediately," said one respondent. "In addition, they solved another issue for us, which was not the reason for our visit. It just somehow came up in the conversation and we are glad that the bank cares about us."

As such, the organization achieves the highest score of all ranked brands in the pillar of Empathy. An equally strong performance can be seen in the pillar of Time and Effort. This result is bolstered by services such as Air Bank's bespoke internet banking app which was released last year, allowing customers to create an account, pay in-store with a mobile phone, view other bank accounts and even settle loans.

An immediate payments service is also available through the app, with payment completed and in the receiver's account in 10 seconds or less. The bank prides itself on "Simplicity, Courage, Truth, Friendliness."[17]

In summary, the Czech Republic is a country with room for improvement with its CX. But it's also home to a number of strong brands that are already using CX frameworks such as The Six Pillars to gain a commercial advantage over their competitors.

> **"Although Integrity is still showing to be the biggest differentiating pillar in the market, it doesn't mean it is a one-size-fits-all solution and everybody should now focus only on Integrity. Czech companies need to realize that they need to find their own Six Pillar 'spice mix,' fitting both their customers and employees to win their trust and create authentic experiences that cannot be copied by their competition."**
>
> **Tomáš Potměšil**, Head of Customer Advisory, KPMG in the Czech Republic

[13] https://www.equabank.cz/o-nas/spolecenska odpovednost
[14] http://www.laformaggeria.com/en/brazzale-launches-baby-bonus-employees/
[15] https://www.hrnews.cz/novinky-z-hr/syrarna-zavedla-specialni-baby-bonus-pro-zamestnance-id-2971059
[16] https://www.airbank.cz/o-air-bank/
[17] Ibid.

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Denmark

Danes value speed in their customer experiences. In 2019, the pillar of Time and Effort has the greatest impact on customer loyalty, with Danish consumers commanding a frictionless experience in their brand interactions.

For some companies, achieving this is problematic; Danish organizations are still learning what it means to deliver CX best practice and not all are convinced by the CX business case. And whilst many companies invest time and money in collecting customer insight, a number are unsure as to how to use this knowledge. Moreover, the gathering of too much insight can leave a negative impression on Danish consumers, making them less trusting of an organization.

In addition, Danes place a great deal of emphasis on ethical and environmental concerns; one of the reasons why the pillar of Integrity is important in driving loyalty, and the most important for driving advocacy. Many customers have high standards in this respect, expecting organizations to take visible action against climate change and ethically source their products.

Danes consider companies that harness cutting-edge technology as 'the future'. MobilePay is one such example that stands out in this year's study for its technological innovation. The payment application ranks second in the Danish Customer Experience Excellence research and offers a simple and easy service, whereby a person can use their smartphone to carry out transactions. Continuous investment in strategic collaborations has resulted in many boutiques and companies using MobilePay as a supplement to credit card or cash payment methods. The company performs well in the pillar of Time and Effort, with a money transfer facility that's described as being as easy as

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sending a text message. There's also a function that allows people to share bills among groups, for example when dining with friends.[18] One respondent to the research described the services as "one of the best inventions in recent times," adding that "it is so easy to pay and you never have to have money in your pocket."

Other high-ranking organizations are similarly forward-thinking in their approach to CX. For example, Denmark's second largest airport, Billund Airport, ranks third in 2019 and is notable for the close care and attention it pays in creating a smooth experience for passengers.

Much of this has been achieved through investment in new facilities. For example, the airport is currently developing a new concept known as the Multi-House, due to open in November 2019. Billund has been investing in new terminals and innovative solutions to make the airport more convenient and user-friendly for passengers, with the new space allowing for 1,800 people to pass through each hour. In addition, its King Amlet Lounge grants some passengers the opportunity to take a bath.[19]

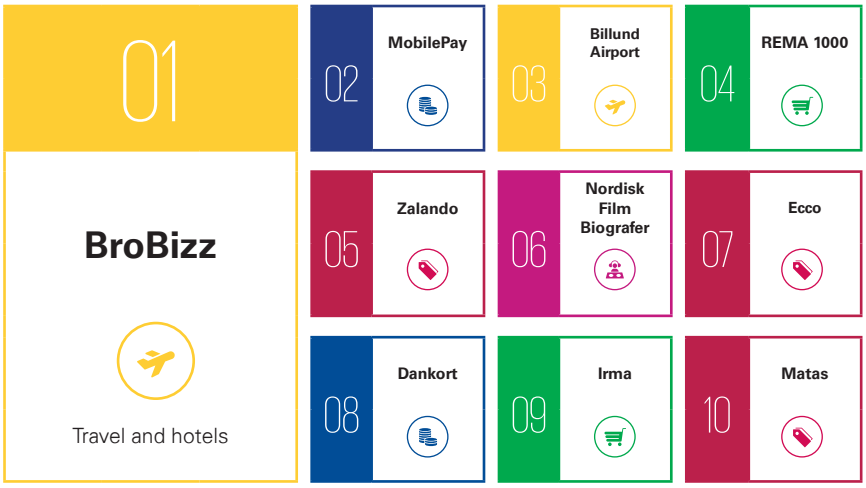
Billund Airport is also notable for its work in the pillar of Integrity, including a key focus on development using environmentally friendly solutions. For instance, the Danish Aviation Association plans to make the country's aviation completely carbon-neutral by the year 2050; an ambition that the airport shares.

"In Billund, we work diligently to achieve this goal," says Jan Hessellund, the airport's CEO. "If we do not reach it next year, we will compensate by purchasing quotas until we reach it. We will do whatever it takes. We owe that to many passengers."[20]

Denmark's highest-ranking brand in 2019 is the payment platform BroBizz – a service that allows people to quickly pass through toll booths on the country's bridges and other locations. It's a wireless transmitter

[18] https://www.mobilepay.dk/om-os
[19] https://www.bll.dk/da-dk/i-lufthavnen/king-amlet-lounge/lounge-of-the-year
[20] Ibid.

Leading CX brands in Denmark



that's fitted to a vehicle's windscreen and a customer can pre-fund their account so that – on approaching a toll booth – they can pass through without waiting, or searching for the correct payment.

Time and Effort, therefore, is a defining pillar for this organization, but BroBizz also epitomizes the pillar of Integrity. For example, when long queues start to form at certain tolls – such as the Store Bælt Bridge – new lanes will be opened to allow everyone to pass through faster, regardless of whether they have a BroBizz device. In doing so, the organization is demonstrating that it acts in the best interests of its customers and that it stands for something more than profit.

It is technological innovation and forward-thinking capabilities, therefore, that set companies like BroBizz, Billund Airport and MobilePay apart from their competitors. Such businesses are putting pressure on other Danish companies to compete.

In short, the Danish customer is clamoring for customer experiences that are innovative, seamless, and executed with Integrity.

> **"What is perceived as a unique customer experience today is probably considered the standard tomorrow. Customers' expectations are shaped by their last best experience and that experience could have been created in another country and industry. As a result, customers' expectations are formed in a global context outside industry structures. Therefore, a strong, continuous effort is required - and this year's results indicate that Danish companies have both the will and the ability to take on the challenge."**
>
> **Kenneth Ipsen**, Senior Manager, Financial Services Advisory, KPMG in Denmark

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France

Among French companies, CX awareness is rising fast. More and more are looking to the CX of other organizations and asking themselves how they can improve and compete. Even if some questions remain about customer experience's commercial value and investment worthiness.

However, customer obsession has become a defining characteristic of the leaders. These businesses recognize the power of Integrity and Personalization for their customers – which are the country's greatest drivers of customer loyalty – and are investing in data collection, measurement and analysis, to extract key insights about their customers to drive business decisions.

Moreover, several of the more customer-obsessed organizations are being thorough in their acquisition of insight, looking at each touchpoint of the customer journey in painstaking detail to understand the emotional drivers, including the factors that lead to frustration.

This is true for insurance company MAIF, France's third highest ranking organization in 2019. MAIF stands out for the pillars of Resolution and Empathy – the way in which it 'humanizes' its business. It harnesses client verbatim to motivate and inspire employees to deliver a state-of-the-art client experience. MAIF has also invested in all its communication channels, including work on physical mail to convey and capture emotions in a written format. The whole business DNA revolves around client obsession: members and employees state "I am MAIF" rather than "I am with MAIF", emphasizing the idea that the company is more of a family than a detached business.

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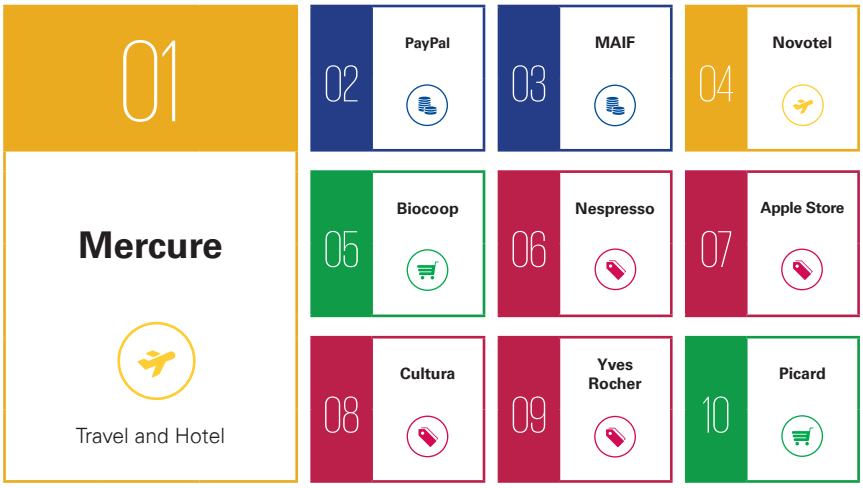
Leading CX brands in France



Similar qualities can be seen with the financial services organization PayPal, which is the second highest ranking brand in France. Like many businesses in the country's top 10, PayPal puts the customer at the center of its operations. Leading in the pillars of Personalization and Expectations, the brand's employees are encouraged to understand the 'story' behind each and every customer. PayPal takes the time to analyze client interviews, and pays close attention to the feedback it receives through co-creation and real-time monitoring of client satisfaction, continually listening out for changes in customers' needs, and refining processes as it goes.

At its heart, PayPal sees itself as a means of making life easier for consumers, with a promise to help people navigate the frictions of payment. But what this looks like, in practice can vary from country to country, as PayPal adapts its offerings depending on the various customs of individual markets.

The highest-ranking brand in France in the 2019 research is the hotel chain Mercure, which is new to the rankings this year. It's a deeply self-aware organization, closely monitoring its RPS (Reputation Performance Score) and encouraging each of its hotels to perform regular self-diagnostics in an effort to pursue continuous improvement. It is the highest-ranking brand in the pillars Integrity, Time & Effort and Resolution.

Much of this is born out of Mercure's customer obsession. The brand says that "each and every one of our experienced members of staff is dedicated to providing a service that makes your stay unique," adding that they offer "a personalized service, going beyond guests needs," and that customers will be "charmed by the warm and convivial welcome of our hoteliers."[21]

Mercure is committed to offer a homogeneous network of hotels based on renovated premises, high quality and professionalized services, mixed with authenticity and local emotions. Local initiatives and entrepreneurship spirit are encouraged through multiple pilot tests.

As such, customer obsession is the dominant theme amongst the highest-ranking brands in France. Many are using the desire for first-class experiences to drive innovation and continual self-improvement, and are growing customer loyalty as a result.

> **"The expectations in terms of customer experience are both rising and expanding among many sectors. In this context, companies that are customer obsessed are leading the pack."**
>
> **Emmanuel Hembert**, Partner,
> Head of Advisory for Consumer & Retail, KPMG in France

[21] https://mercure.accorhotels.com/gb/discover-mercure/index.shtml

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Germany

In Germany, CX success can vary depending on the sector. Often, this is not necessarily because of the specific brands; rather, it is about the level of expectation on the part of the consumer.

In grocery retail, for example, customers' expectations are quite moderate. On the one hand, German consumers are concerned with the price points, while on the other hand there is a significant correlation between good CX and loyalty and recommendation. German grocery retail has not yet migrated as strongly to the digital services as other sectors (like financial services) due to its structure (dense branch network, short distances, fast accessibility, high product quality, low price level) and the preference for selecting products on the spot. Shoppers do not transfer their expectations from the online trade to the stationary grocery retail trade. It remains to be seen how long consumers will be satisfied with the status quo; the current KPMG Germany Customer Value Study shows that 66 percent of shoppers have either used a food online shop or can imagine using one.[22] Furthermore, there is a significant increase in e-food sales compared with the same period of the previous year. This may be one of the first harbingers of rising expectations that already exist in other sectors.

That being said, these truths do not always result in apathy; a number of grocery retailers have achieved CX success despite a widespread preoccupation with pricing. For example, companies such as Edeka and Alnatura, the highest-ranking grocery retailers in the German research, take a much more holistic approach to CX management, creating a welcoming atmosphere in their stores whilst also honoring the origin of their products. Alnatura in particular is careful to stock a variety of products that are both vegetarian and

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sustainable, aiding its performance in the pillar of Integrity.

Integrity is a pillar that's particularly evocative with the German consumer: it has a 19.8 percent weighting on customer advocacy, higher than any other pillar.

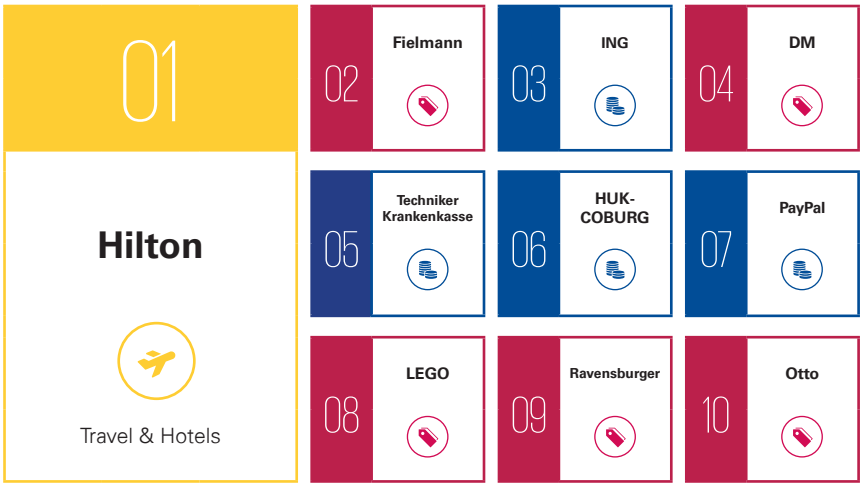
Financial services organization ING, which is ranked third in the German 2019 research, achieves one of the highest scores for the pillar of Integrity. This focus can be sensed in its core purpose, which is to "[empower] people to stay a step ahead in life and in business. Our purpose guides us in everything we do." ING adds: "It's founded on our belief that ING's role as a financial institution is to support and promote economic, social and environmental progress."[23] It's not only the pillar of Integrity in which ING performs ahead of the market; the bank is notable for its strengths in meeting and even exceeding Expectations, with one respondent to the research noting the "Excellent online processing in all areas, it is hardly necessary to support service advisors. In addition, ING has a fast and self-explanatory user interface!"

Despite being an online-only bank in Germany, ING scored the highest for the pillar of Empathy out of all banks ranked. The capability to convey Empathy via digital touchpoints could give ING a future edge over traditional banks.

Similar values can be seen in Germany's second highest ranking brand – the optician Fielmann. Fielmann revolutionized the market for glasses that are subsidized by health insurance companies in Germany, by making them affordable for customers. The organization performs particularly well in demonstrating Empathy and Personalization, achieving the highest scores in the German research for these pillars. Much of this success can be traced to the brand's recognition of the importance of emotional connections, considering the way in which employee experience bisects with CX.

[22] https://home.kpmg/de/de/home/themen/2019/06 kpmg-retail-sales-monitor-2-2019.html
[23] https://www.ing.com/About-us/Profile/Purpose-strategy.htm
[24] https://corporate.fielmann.com/de/ueber-fielmann/ (translated)
[25] https://hiltonhonors3.hilton.com/rs/hilton-honors mobile-app/

Leading CX brands in Germany



Fielmann's aim is to treat customers in the same way that they would want to be treated themselves, with a rigorous training and support program to help employees to deliver on this. Indeed, "the customer is you" is the guiding principle of Fielmann's corporate philosophy.[24]

In addition, the optician is also investing heavily in multichannel innovation, in order to combine its strength in personal consultancy with extended digital services. These include the possibility of reordering individually customized contact lenses via web or app; or the project of digital mirrors for the Fielmann branches – currently in development – in order to try on eyewear using computer animation.

The highest-ranking brand in this year's German research is the hotel chain Hilton. Being customer-centric is a discipline that has paid off for this organization, but Hilton also stands out for the way it's seamlessly able to combine personal and digital interactions to fulfill its brand promise of valuing guests and providing an unforgettable stay.

From a digital perspective, the Hilton smartphone app provides a more connected experience for its guests. Known as Honors, the app allows customers to select their preferred choice of hotel room and also place special orders ahead of their arrival, such as refreshments or extra pillows. In addition, the app allows visitors to use their smartphones as keys to enter their rooms, as well as to check out at the end of their stay to avoid queuing.[25] Customers acknowledge these benefits with a top Time and Effort score for the brand.

Ultimately, it's those that blend the best of human and machine that feature at the top of the rankings in Germany, as organizations like Hilton demonstrate. A more integrated lens should be a consideration for other brands as they set about reforming their CX in 2019 and beyond.

> **"The results of our survey clearly show: investing in establishing a customer-centric organization pays off. Managing the balance between digital and personal customer services will make the difference to deliver outstanding customer experience."**
>
> **Tom Lurtz**, Partner, Customer Advisory, KPMG in Germany

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Hong Kong (S.A.R.), China

As an international city and a global trade hub, a plethora of brands, businesses and retailers are all vying for consumers' attention in Hong Kong.

With such an abundance of choice comes an urgent need for brands to offer something distinctive and authentic that resonates with consumers. This is no easy feat given high customer expectations for quality and service. To compete, brands are looking at ways to customize their offerings and develop unique and exclusive experiences for their most valuable customer segments. This trend is reflected in our research, which shows Personalization to be the most important pillar in driving brand loyalty. The pillar of Expectations was also found to be important for driving loyalty and, along with Integrity, was a major driver for brand advocacy.

In last year's report we found that customers expected a consistent experience across channels. In this year's report, survey respondents echoed this sentiment. While many brands in Hong Kong are paying attention to harmony between online and offline channels, we're seeing a wider recognition of the need for consistency across the entire brand ecosystem, including partnerships and alliances.

Ensuring efficient and effortless customer interactions continues to be a challenge for the Hong Kong market, particularly for the financial services sector, which performed below market average in the pillar of Time & Effort. One survey respondent describes a particularly unpleasant experience while applying for a credit card: "when I applied for a credit card for my loved ones, the staff weren't helpful and made me go to another branch. I felt that the two parts of the same bank were completely disconnected." The findings suggest that while many brands promote a customer-centric approach, few adequately consider how front, middle and back office operations are aligned to support the customer.

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A theme uniting some of the city's highest-performing brands is their desire to truly understand the customer. The Hong Kong survey findings show that investing in technologies and platforms to collect, analyze and act on data and insights is a top priority for brands. Despite this, our research suggests that most organizations do not share data across their business; nor do they use it to champion behavior that will benefit the customer and drive business outcomes.

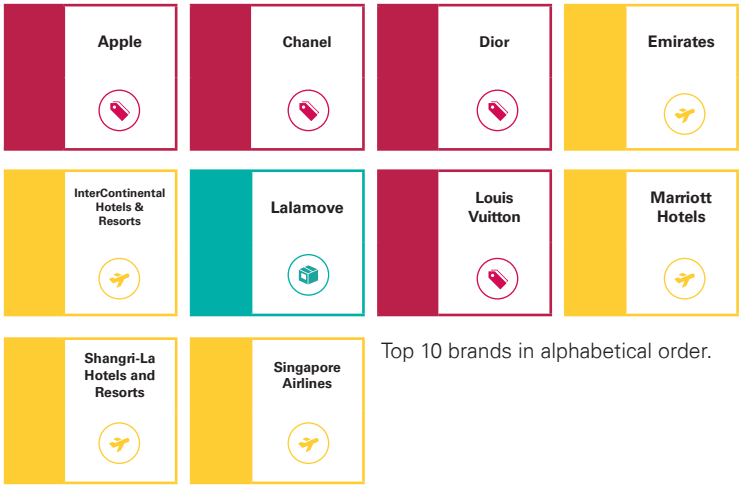
The research also shows that brands that use data and analytics to inform experience design and drive customer-centric decision-making are finding success across The Six Pillars. This is exemplified by one of the city's highest-ranking brands - Singapore Airlines – which scored highly across all pillars.

The pillar of Integrity is also fundamental for brands in Hong Kong, and indeed is one of the biggest drivers of advocacy. Our research reveals that consumer trust and confidence is quite thin, particularly when it comes to data handling; customers are conscious about how their data is treated and the way in which businesses address these concerns, a theme which is mirrored globally. As such, brands that can demonstrate some awareness of these fears – and address them directly – tend to perform better amongst consumers.

Of course, there are many factors that impact an organization's Integrity, and organizations can also show Integrity in different ways. For example, successful Hong Kong start-up On The List has devised a sustainable way for luxury fashion retailers to dispense with old stock (rather than having them sent to landfills) by holding special flash sales for its members. In addition, the company works closely with organizations that benefit the local community, and has partnered with charities that are aligned to their core customer segment.

However, perhaps the greatest challenge for Hong Kong is the speed with which its customers' behaviors are evolving. These are influenced by generational shifts as well as the increasing connectivity with mainland China, accelerated through initiatives

Leading CX brands in Hong Kong (S.A.R.), China



Top 10 brands in alphabetical order.

such as the Guangdong-Hong Kong-Macao Greater Bay Area.

Research shows that millennials and generation Z consumers spend increasingly large amounts of their spare time online – 2-3 hours per day on average[26]. But it's not just younger consumers that use online platforms. Enhanced accessibility has altered the behavior profile of consumers across generations, and brands are having to pay closer attention to new channels and be flexible and responsive to how customers choose to use them.

Start-ups have the advantage of being able to build their businesses around these considerations, designing experiences that are digitally optimized and truly connected. For example, Lalamove, a Hong Kong-based logistics start-up with 'unicorn' status, provides live updates to customers allowing them to track the status of their goods in real time. This addresses a key logistics pain point – poor delivery tracking during the 'last mile' – and is likely to have contributed to Lalamove's exceptional performance in the pillars of Expectations and Empathy.

Conversely, a challenge for more well-established companies is how to re-invent themselves in order to remain relevant, as customers' behaviors evolve at a pace never seen before. Meanwhile, implementing the necessary changes takes time. The brands that make CX a strategic priority, at the highest levels of their organization, will have the alignment and support needed to make the necessary operational changes to deliver outstanding customer propositions.

> **"By investing in initiatives to understand and engage customers, global brands in Hong Kong are delivering locally relevant experiences with great success. At the same time, disruptive brands are now making an appearance in the hall of fame – a reminder that brands need to continually push themselves if they want to stay ahead."**
>
> **Isabel Zisselsberger,** Head of Customer & Operations Hong Kong, KPMG in China

[26] https://www.globalwebindex.com/reports/social

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Italy

In Italy – as with most countries – customers expect a fast and seamless experience. Indeed, the optimization of the pillar of Time and Effort has almost become 'the new normal'; as such, it's quite difficult for some brands to differentiate themselves using this pillar alone, as many organizations are already offering smooth experiences.

This is due, in part, to the way in which the omnichannel experience has been mastered. On the whole, Italian companies have efficiently connected their offerings across a myriad of touchpoints, making it easier for consumers to achieve their goals via the mediums of their choice.

The jewelry retailer Morellato is a good example in this respect, as one of the biggest movers in the Italian rankings in 2019. In the last year it has risen 55 places to rank seventh, and has used technological innovation to keep the customer experience relevant. For instance, it has developed a product known as the Morellato Smart Jewel, which has the appearance of an ordinary pendant, but can also be used to connect to the wearer's smartphone via Bluetooth. When the person receives a phone call, text or other notification, the pendant gently vibrates, and a crystal LED lights up.[27]

With such innovations, Morellato demonstrates that it has an understanding of its customers' lifestyles and needs, which is symptomatic of the brand's customer obsession. Much of this is reliant on good use of customer analytics, and whilst many Italian organizations acquire customer data, not all of them have the means or the knowledge to put this information into action. Those that do have a much greater chance of scoring highly for Personalization – the pillar with the greatest weighting on loyalty.

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Indeed, Personalization is one of the strengths of Italy's third highest-ranking organization – the luxury fashion retailer Chanel. It designs much of its customer experience with the individual at the center, even going to great lengths to exude Personalization in its fulfilment of online orders. Customers who shop via its website receive their products in a signature white box – along with a personalized note – which Chanel describes as "a gift." There's a sense that great care is taken to fulfill every order, heightening the sense of importance for that specific individual.

In second place is the online payment platform PayPal – a brand that has risen six places in the Italian rankings since 2018, and is notable for its performance in the pillar of Time and Effort. As one respondent to the research explained: "The PayPal account is very comfortable and efficient. I recommend it to everyone. It's also safe and easy to manage."

Undoubtedly, one of PayPal's strengths lies in the ease with which customers can achieve their goals. This is exemplified in the brand's One Touch service, which enables people to complete transactions with a single click. The preference can be activated within the user's profile, after which One Touch can be seamlessly used across any device, be it a tablet, smartphone, or PC.[28]

The country's highest-ranking organization is the online retailer Amazon. Indeed, Amazon is the country leader for almost all of The Six Pillars.

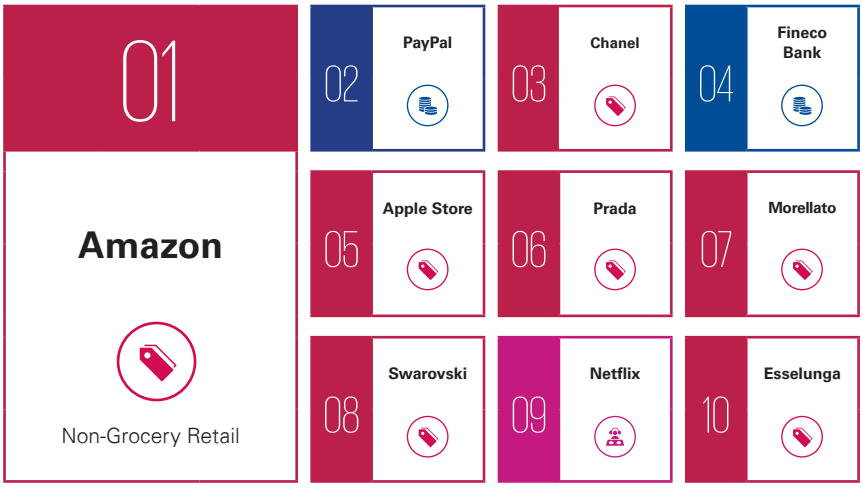
"I love Amazon because it makes my shopping safe and simple," said one respondent. "I really like buying on this site because I find everything here."

Not only is Amazon notable for its vast product range, but it also stands out for its plethora of delivery options. Shoppers can choose how quickly they want items delivering, and the brand also offers a same day delivery service for those customers living in Rome or Milan. Moreover, for bulky items, Amazon offers a service whereby a person can specify which room in their house they'd like a product taken to.[29]

Time and Effort, therefore, is a key consideration for Italian organizations. But as mentioned previously, this is no longer enough, in isolation, to gain a competitive advantage.

Italian companies must also take time to fully understand the people they're serving and fashion more personalized customer experiences that cater for the specific needs of the individual. As brands such as Chanel demonstrate, attention to detail is key here and nothing should appear to be 'too much trouble.'

Leading CX brands in Italy



> **"In decades past, only the largest firms could afford the teams needed to analyze and report customer data to drive business decisions. So most decisions about the customer were based on guesswork, or at best, intuition (what senior people think the customer wants). In today's rapidly changing world, that is an extremely dangerous way to do business. Leading organizations of the future have to develop strong customer analytics competencies and embed it at all levels of the organization. This enables a successful business with every employee, not only the front office, obsessed with creating a positive experience for their customers."**
>
> **Paolo Capaccioni,** Partner, Head of Customer Advisory, KPMG in Italy

[27] https://urbanwearables.technology/morellato-smart-jewel-wearable-tech-meets-italian-charm/
[28] https://www.paypal.com/it/webapps/mpp/one-touch-checkout
[29] https://www.amazon.it/gp/help/customer/display.html?nodeId=200534000

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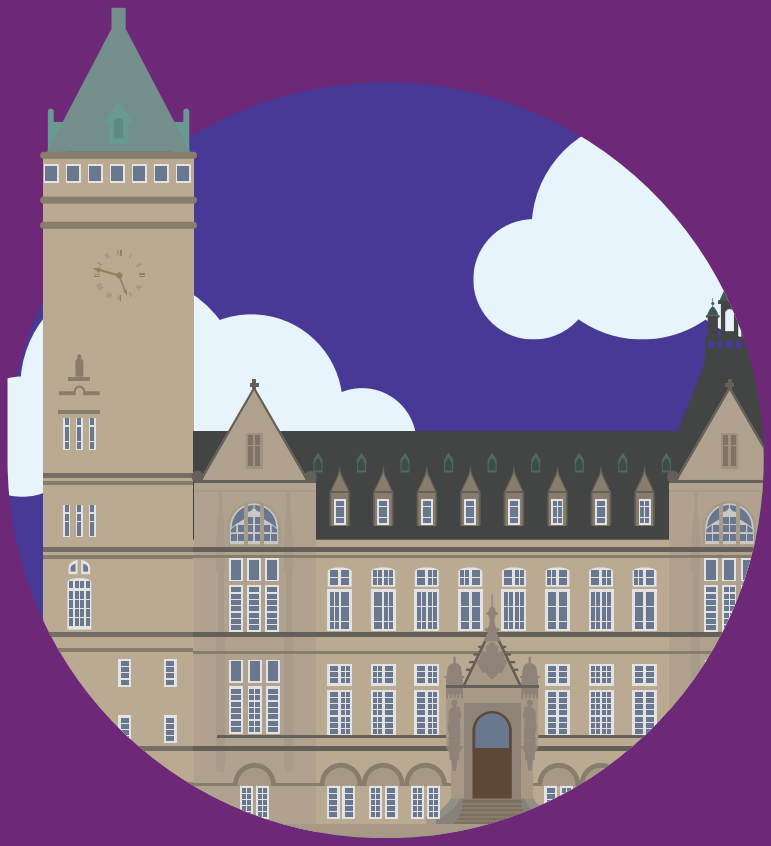

Luxembourg

Luxembourg is something of a melting pot. Being inhabited by more than 170 nationalities, with more than 190,000 German, French and Belgian cross-border employees, the country sees the simultaneous use of three or four languages on a daily basis. And with such diversity comes a range of sensibilities and cultural expectations, meaning that only the brands that find ways to truly 'connect' with individual consumers are able to stay ahead of the curve.

In addition to the cultural expectations, organizations in Luxembourg have a number of international competitors to contend with. Many of the country's younger inhabitants – having left the country to study abroad – have returned with high expectations as to what a good CX looks like in other markets, especially when it comes to digital experiences. And whilst this is something that many Luxembourg organizations are sensitive to, with an evident willingness to ignite change, some brands appear to lack the resources or impetus to make such change a reality – and are thus left behind.

In general, Luxembourg organizations performed better than last year, leading to an overall improvement in the Customer Experience Excellence score. In terms of driving customer loyalty and advocacy, the pillar of Personalization has the biggest weighting on customer loyalty, whilst Integrity has the greatest weighting on advocacy. This can partly be explained by the fact that the majority of brands in the top 10 belong to the public or financial services sectors, where integrity and trust play significant roles in determining positive customer outcomes.

The public sector organization Bierger-Center is an example of this, ranking third following its introduction to the research this year. It's a citizen service center, allowing residents of Luxembourg to complete administrative formalities such as passport applications and marriage certificates. Undoubtedly,

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trust is an important factor with such an organization, and Bierger-Center scores highly in the pillar of Integrity. One of the organization's greatest strengths is in the pillar of Personalization. Bierger-Center recognizes the need to cater for a myriad of unique scenarios, such is the diversity of its services, and indeed, its local residents. Because of this, it has been successful in fashioning a multichannel CX that allows people to engage with the organization in the manner of their choosing.

As one respondent said: "Over the last few years, waiting times have improved dramatically. The many services that can now also be requested online simplify my life and help me save time."

The digital offering is also a strength of Luxembourg's second highest-ranking brand – the financial services organization Spuerkeess. It's a bank that's notable for its use of technological innovation to improve the CX, offering services such as its S-Net banking app which allows people to instantly reach out to Spuerkeess to access and manage their accounts.[30]

Moreover, Spuerkeess has continued developing its web and mobile banking feature known as MIA (My Intelligent Assistant), which – as the name suggests – acts as the customer's PA. MIA helps customers with their financial planning; it can anticipate future expenses and estimate available budgets, whilst also helping people to meet their financial goals.[31]

That is not to say that the human element of Spuerkeess is lost. The bank is also notable for its capabilities in the pillar of Empathy, where it achieves the highest score in the Luxembourg research. Its employees stand out for being able to understand customers' various situations and respond accordingly. Indeed, one respondent referred to Spuerkeess as a "very trustworthy bank with friendly and professional employees."

The highest-ranking organization for 2019 is the book retailer Ernster, which ranks first for the second year running. Despite its long history – having been established in 1889 – the company has not been complacent in delivering a relevant CX for the present-day consumer. Ernster scores highly in the pillar of Time and Effort, with respondents to the research praising the speed of the brand's delivery times. Indeed, the brand claims that most of its German titles can be delivered in under 24 hours.[32]

As a result of its strong CX performance, Ernster is the brand that Luxembourg's respondents would most likely recommend to their friends or colleagues.[33]

"Customer is king," says Ernster. "Our booksellers happily aide you to find the perfect book for every occasion. Almost all of our booksellers are multilingual and able to advise you in your language."[34]

Ernster's diversity of services mirrors the diversity of the country. Finding a way to meet (and compete with) such a broad spectrum of expectations is what sets the stronger brands apart from the CX laggards. The country's highest-ranking organizations achieve this by being adaptable in the services they offer and, indeed, in the languages they speak. Ernster is an example of a brand that fulfils all these criteria.

Leading CX brands in Luxembourg

> **"Last year's best customer experiences have become this year's expectations. One cannot rest on its laurels, every brand constantly needs to push their Sisyphus' rock up the hill. We see that, in a multicultural landscape, where customer experience standards are set by the best in the world, brands that are not improving are falling behind."**
>
> **Jean-Pascal Nepper,** Partner, Head of Customer & Operations, KPMG in Luxembourg

[30] https://apps.apple.com/lu/app/s-net-mobile/id391760650
[31] https://www.bcee.lu/en/mia/
[32] https://ernster.com/about/services
[33] Based on Net Promoter Score in Luxembourg 2019 CEE research
[34] Ibid.

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Mexico

The demand for a high level of CX is certainly increasing in Mexico in 2019. But Mexican consumers seem to be able to overlook a negative interaction and still appear quite forgiving when experiences go wrong.

Despite this, The Six Pillars have a clear impact on loyalty and advocacy. Indeed, the pillar of Personalization is the greatest driver of both of these commercial outcomes in Mexico. The message, though, is clear: Mexican customers are commanding more individualized attention from brands, which in turn need to demonstrate their trustworthiness, with Integrity being just as important as Personalization for driving advocacy.

Mexico's strongest performing sector in 2019 is Travel, with six hotel organizations ranking in the country's top 10. One of these is Fiesta Americana, which ranks first following a move of two places since 2018. It focuses on offering a premium hotel experience, and one that's easy, reliable and trustworthy.

"The service is what gives Fiesta Americana a plus," said one respondent. "They always attend to your needs and the most important part is that they make you feel at home."

Many of Fiesta Americana's hotels are geared towards luxury. The brand is keen to create experiences which are memorable, and a step beyond the functional bedroom experience. This is symptomatic of a CX vision which is more person-oriented; the hotel experience appears to be tailored around the individual, putting her or his needs and desires at the center.

Moreover, Fiesta Americana appreciates the importance of having a more connected digital experience. The Fiesta Americana app, for example, enables visitors to get directions to and from their particular hotel, as well as obtain local weather

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information, and make reservations for dinner. The result of such a service is a CX that's more seamless, and enables the individual to engage at a time that is most convenient to them.[35]

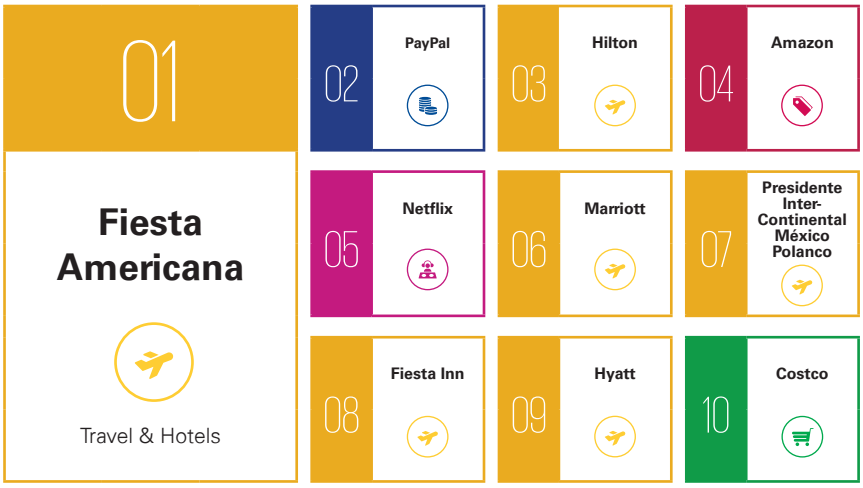
In second place is the payment platform PayPal, which is a high performer across a number of markets featured in this year's Global Customer Experience Excellence report. PayPal scores highly across all of The Six Pillars, but it's particularly notable for the pillar of Personalization, achieving the highest score of all brands measured in Mexico. PayPal's services enable users to choose how, when and where they make payments in innovative, secure and convenient ways. Moreover, this can be done in over 25 currencies, and it typically takes less than 20 seconds for a person to receive the money.[36] The payment platform is continually innovating, investing in new technology and building new partnerships that extend the reach of its services, to offer even more personalized experiences for the customer.

The third highest-ranking organization in Mexico is the international hotel chain Hilton. It's a brand that has mastered the multichannel experience, offering connectivity across a range of platforms. An example of this can be seen with its Hilton Honors app, which allows guests to use their smartphones as room keys and order specific items for their rooms ahead of their arrival.[37]

Hilton also stands out for its transparency, which bolsters its score in the pillar of Integrity. An example of this can be seen with its Roomkey[38] service – a hotel search engine which is Hilton's reaction against a booking industry that "isn't always honest." Hilton states that it believes booking travel should be honest and transparent, and therefore offers a hotel search service "without the gimmicks" that other travel sites employ, such as "misleading information, false urgency, and lost reservations." Customers can use Roomkey on the Hilton website or download an extension for their browser.[39]

With organizations such as Hilton and Fiesta Americana redefining what CX excellence looks like in Mexico, it's only a matter of time before other organizations start to recognize the commercial potential of The Six Pillars. Indeed, customer expectations are slowly shifting, and many companies may soon find themselves in a position where they need to compete more tenaciously in order to survive.

Leading CX brands in Mexico



"Everybody talks about how important it is to build customer-centric organizations, but only a few are successful in turning customer experiences into real brand differentiators. Unless traditional companies adopt an outside-in approach, where insights reflect what customers require of products and services, new disruptors will take the lead. CX has to become part of the organization strategy and culture, so it can be successfully experienced externally."

Manuel Hinojosa, Customer Advisory Partner, KPMG in Mexico

[35] https://apps.apple.com/usapp/grand-fiesta americanaid1002238985
[36] https://www.paypal.com/uk/webapps/mpp/send-money-online
[37] https://hiltonhonors3.hilton.com/rs/hilton-honors-mobile-app/
[38] https://www.roomkey.com/
[39] https://www.hilton.com/en/

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Netherlands

Customer experience is strong in the Netherlands. Amongst the leading brands, mastering the basics of CX is regarded as a hygiene factor rather than a differentiator; a significant number are conscious of the value that carefully cultivated experiences can bring.

This year's research shows that customer expectations are escalating in The Netherlands; many customers will enjoy a first-class interaction with one particular brand and then expect the same standard to be maintained elsewhere, perceiving 'excellent' to be the norm. And whilst this puts pressure on a number of organizations, the overall result has been a favorable one, with the pillar of Expectations seeing both increased importance and increased performance in 2019.

However, for Dutch organizations, it is the pillar of Personalization that drives loyalty and advocacy the most. Personalization remains one of the key building blocks for offering a great CX and customers are collectively embracing higher levels of Personalization throughout the different sectors.

But of course, the market continues to face challenges. One of these is knowing how to create the optimal 'phygital' experience – that is, a CX that combines the best of both the physical and digital channels to the customer's advantage. A strength in one area alone is insufficient; the strongest organizations should be able to integrate digital considerations into the physical setting.

For companies such as Lush, which is the third highest ranking brand in the 2019 Netherlands research, CX best practice is exemplified through the pillar of Empathy, with its score standing at 13 percent above the market average. The cosmetics retailer trains all employees to ask diagnostic questions to build a deep understanding of an individual

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customer's unique situation and needs.

And as a retailer that specializes in hand-crafted products – all of which are created in ways that respect the environment and the animal kingdom – Lush is an organization that operates with a clear brand purpose, and one that seemingly extends beyond the simple need to 'make money.' As a result, its score for the Pillar of Integrity stands 8 percent above the market average and is among the highest in the market.

"My favorite shop!" said one consumer in the Customer Experience Excellence research. "They care about animal and environment-friendly products and always ensure personal attention and service, no matter how busy it gets in the shop!"

In second place in the Netherlands 2019 rankings is retailer and marketplace bol.com – a company that scores highly in the pillar of Integrity, with a result that's also 8 percent above the market average. In the words of one respondent to the research, "bol.com understands what an online shop should do" and "they never let me down in the service they promise."

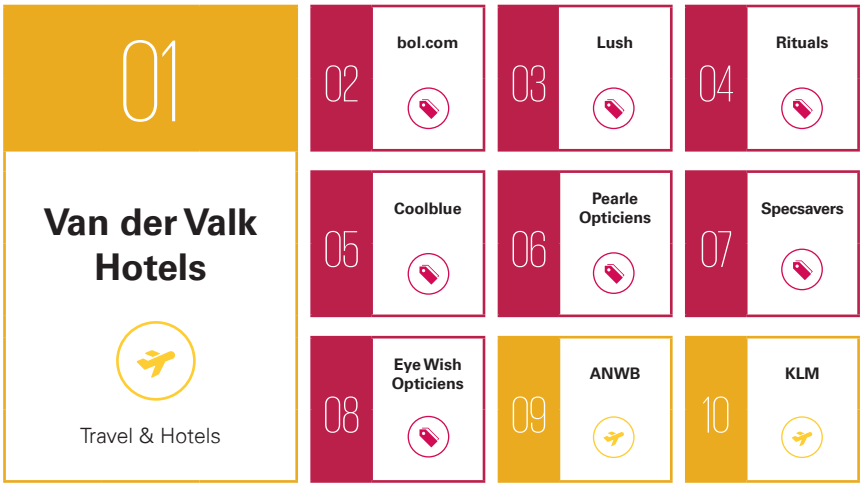
Speed and efficiency are also key components of its CX best practice. One of bol.com's greatest strengths is in its optimization of the digital experience, and respondents have commented on the simplicity and seamless nature of its website platform. Bol.com is also the front-runner in quick and easy ordering and delivery, offering a range of same-day delivery services - even a 2-hour delivery service in some postcodes - for shoppers who need items within a short timeframe. And to ensure minimal impact on the environment, the retailer uses electric delivery tricycles for its fast delivery service.[40]

The Netherlands' CX leader in 2019 is the travel brand Van der Valk Hotels, which has risen four places in the last year.

Van der Valk aims to deliver a customer-centric experience. The family-run business states that "hospitality is in our genes" and that it renews itself constantly, emphasizing its commitment to finding new ways to surprise and delight.[41] Arguably, this is one of the qualities that's necessary for a country leader - an acknowledgement that CX management never stands still, and that continual awareness of the changing customer is essential. As one respondent stated: "They listen. They support. They care. Van der Valk delivers every single time."

For the Netherlands, these shifts will become all the more apparent as the digital considerations continue to evolve. With 98 percent of the country's homes having access to the internet, it's the most connected country in the European Union.[42] And with an economy that is still growing, the Netherlands finds itself with a customer base that truly is king, with a voracity to see its high expectations met. The challenges are many, but in 2019, a number of strong organizations are rising ably to them.

Leading CX brands in the Netherlands



> **"With the digital economy continuing to grow in NL, NL CX champions stand out because they succeed in balancing the phygital model with extreme focus on the customer."**
>
> **Nienke Wichers Hoeth**, Customer Advisory Lead, KPMG in the Netherlands

[40] https://www.channelengine.com/marketplace-blog/dutch-marketplace-bolcom-starts-2-hour-delivery-in-the-netherlands/
[41] https://www.valk.com/en
[42] Eurostat 2018

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New Zealand

One of New Zealand's greatest strengths lies in its empathetic connection with customers. Individual interactions are paid considerable attention and many companies have a keen desire to meet people's expectations in a highly personalised manner.

Indeed, this is a successful endeavor amongst the strongest of the country's brands. However, for many of the brands who struggle to consistently provide great customer experiences, there is room for improvement when it comes to supporting customer insight with scientific rigor. In this respect, technological considerations and data science capabilities have yet to catch up, and there is room for a more disciplined process to underpin New Zealand's CX management.

This consideration is all the more important given that many sectors are feeling the pinch of heightened regulatory focus, with a greater degree of concern over the delivery of acceptable customer outcomes. Moreover, an increasing number of international organizations are entering the New Zealand marketplace, raising the bar for what 'good' looks like. This is applying additional pressure to the native brands, many of whom now have to find new ways to differentiate through CX excellence.

That being said, a number of stand-out companies have emerged over the course of the latest study. The first of these is the airline Air New Zealand, which ranks in third place. For this organization, the delivery of a strong CX begins with the employee. Air New Zealand is intent on humanizing its CX through exceptional passenger interactions, many of which tap into the unique 'Kiwi' ethos of being good-humored and down-to-earth. As a result, a flight on an Air New Zealand plane is typically a warm and welcoming one, with one

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respondent to the research praising the way its attendants were able to resolve problems "without making a big deal out of it."

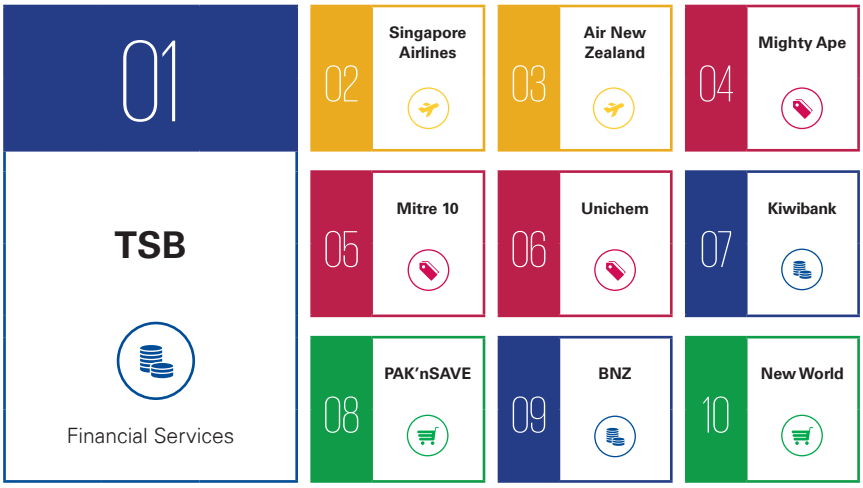
Following Air New Zealand is Singapore Airlines, which takes second position in 2019. The airline's Customer Experience Division is something of a 'laser-focused' operation, with a cross-functional team of insights specialists scrutinizing the CX in meticulous detail. The aim of this division is to arrive at a deeper understanding of passengers' myriad expectations, which can sometimes be as high as they are diverse.

This is symptomatic of Singapore Airlines' wider CX vision – that is, to leave no stone unturned in the pursuit of a first-class travel experience. Inevitably, this involves a degree of flexibility on the brand's part, with employees being trained to adapt seamlessly in the event of unforeseen circumstances.

Finally, New Zealand's top-ranking brand is the financial services organization TSB, which lands in first place. Having been founded over 160 years ago, the organization has grown to become the seventh largest bank in the country.

And with this long history comes a certain level of tradition. TSB was founded on the core values of community focus and a sense of working diligently in its customers' best interests. As such, TSB is owned by a trust, with money being regularly invested back into the communities in which its customers and employees live.

Leading CX brands in New Zealand



For TSB, this customer-centric method of working is rooted in the employee experience. Having abandoned the more traditional sales-based incentives, TSB measures people's performance based on how well they achieve positive outcomes for customers. As a result, employees are constantly encouraged to go above and beyond; the brand operates a peer recognition system which gives people the chance to highlight when one of their colleagues goes the extra mile. Good conduct is continually rewarded, and this helps to inspire and motivate other individuals to deliver exceptional customer experiences.

In short, what companies such as TSB demonstrate is that they stand for something more than just 'being a business.' This is a key consideration in New Zealand as a whole, where the pillar of Integrity has considerable impact on customer loyalty and advocacy.

However, it's the pillar of Personalization that is the most resonant in 2019. Companies such as TSB, Singapore Airlines and Air New Zealand have an obvious proficiency in this area, showing an ability to adapt the CX to the specific needs of the individual. It's this quality that sets them apart from their peers, and indeed, with continued focus, it will differentiate them from their many international competitors in the years to come.

> **"The results from the New Zealand 2019 leaders confirm that customer experience excellence is a source of advantage. The leaders experience 1.7 times more revenue growth and 13 times more EBITDA (earnings before interest, tax, depreciation and amortization) growth than their laggard peers. This payback is critically important in an environment where growth can be hard to realize."[43]**
>
> **Baxter McConnell**, Customer Experience Lead, KPMG in New Zealand

[43] Experience to Value - 2019 KPMG New Zealand Customer Experience Excellence Report

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Norway

There has been a shift in CX in Norway over the last year, with customers perceiving their interactions with brands more positively. Indeed, since the last study, all industries have seen a lift of 6-7 percent, with the exception of the utilities sector.

This progress has happened in the face of rising consumer expectations in the market. The 2019 research shows that the weighting of the pillar of Expectations has increased commensurately. Many customers are appreciative of the first-class efforts of both local and international brands, and use these as benchmarks against which all other experiences are compared. Therefore, a company that's able to optimize its CX can gain a competitive advantage, and several Norwegian brands already recognize this fact.

The pillar of Personalization will undoubtedly be central to this endeavor, having the greatest weighting on customer loyalty and advocacy. Norwegian consumers are receptive to a CX that's adaptable to their specific needs, although brands face increasing competition from online retailers and from organizations operating in neighboring countries.

In terms of Norway's strongest brands, the online fashion retailer Zalando is the third highest-ranking organization, having moved up nine places since 2018. Zalando operates within the international marketplace, fulfilling orders to 17 countries. With such a large delivery operation, it's fortunate that one of the brand's greatest strengths is in the pillar of Time and Effort – something that's made possible, in part, by the way Zalando co-operates with local delivery suppliers in order to have packages sent to customers' nearby post offices and supermarkets.

In addition, Zalando's smartphone app helps to deliver a more seamless retail experience. For example, one of its features enables customers to take

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a photo of a color or a pattern that they like and use the Zalando app to match the image to similar products in its online store.[44] It also comes with a barcode scanner so that shoppers can compare Zalando's prices with other retailers.[45]

Similar innovations can be seen with Norway's second highest-ranking brand, the financial services organization Vipps, which is new to the research in 2019. It's an app-based service, enabling customers to carry out transactions using their telephone numbers, and to pay for bills. For instance, users can take photographs of their physical documents and scan them into the app, which will then determine how much needs to be paid and guide the person through the process.[46]

In addition, Vipps has made its service compatible with the Chinese payment platform Alipay, improving the ease of use for a wider range of people.[47] This means that – for merchants who offer Vipps as a primary payment method for customers – Alipay users will not find themselves excluded, and can use Alipay to make Vipps payments. This is an important consideration for Norway; it sees approximately 450,000 Chinese visitors staying in its hotels each year, and Alipay itself has over 700 million active users.[48]

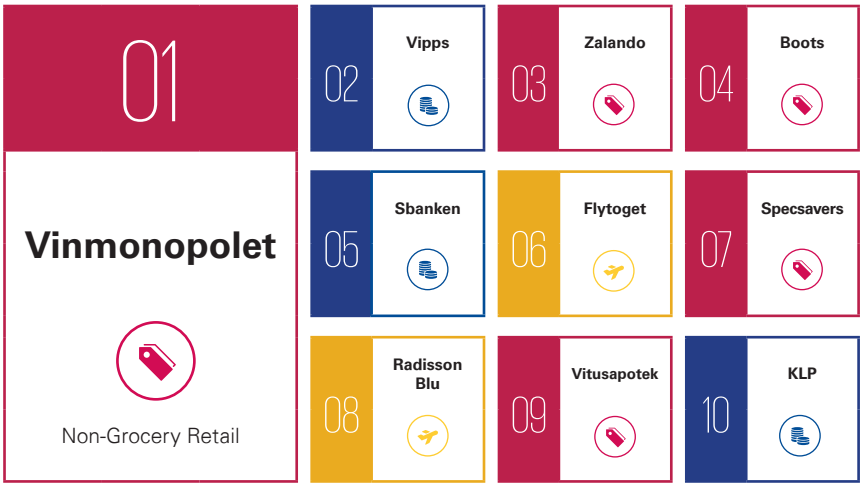
Norway's highest-ranking organization is the beverage retailer Vinmonopolet, which has risen three places to number one. This brand is notable for the pillars of Personalization and Integrity; Vinmonopolet has a particularly customer-obsessed approach to business and is intent on honoring people's needs. Because of this, the retailer trains its employees intensively, ensuring they're sufficiently knowledgeable about its products in order to offer effective guidance.

As one shopper noted: "The employees are not too pushy and are discreet in their approach. There's an effective check-out system and it's time-efficient when moving from the store to the register."

This sentiment was echoed in our interview with the company's Director for Strategy & Organization, who states that Vinmonopolet "lives and breeds for meeting the customers," and that the magic happens in the 33 million face-to-face interactions they have every year.[49]

And as the customer explained, it's the act of not being "too pushy" that makes the difference for Personalization – the country's most impactful pillar. With Norway seeing a growing number of local and international competitors, using individualized attention to gain a competitive advantage is a key consideration for brands in 2019 – particularly as customers begin to perceive such services as 'the norm.'

Leading CX brands in Norway



> **"It is great to see a substantial lift in how customers perceive their experiences with brands in the Norwegian market. All industries see a lift of 6-7% from the last survey, with the exception of utilities. There's a higher focus on customer experience, with many businesses making investments in their offerings and people, and these investments are paying off with higher scores from customers."**
>
> **Yngve Fjell**, Director for Customer, KPMG in Norway

[44] https://www.zalando.no/zalando-apps/
[45] https://apps.apple.com/de/app/zalando-fashion-and-shopping/id585629514?l=en
[46] https://apps.apple.com/no/app/vipps/id984380185
[47] https://www.tek.no/artikler/alipay-og-vipps-gar-for-felles-losning/467323
[48] https://www.vipps.no/produkter-og-tjenester/bedrift/ta-betalt-i-butikk/ta-betalt-med-vipps/ta-betalt-med-alipay/
[49] KPMG interview with Trond Idar Nilsen, 2018

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Poland

Customer experience management continues to mature in Poland. In the non-grocery retail sector in particular, there is a high level of competition amongst brands, with many organizations using CX to try and gain an advantage over their peers.

This is usually a two-pronged strategy: first, brands use customer insight to deepen their understanding of consumers and their lifestyles. Second, they look at ways of harnessing technology to form more seamless experiences across multiple channels. The most adept brands in Poland recognize the prevalence of the smartphone in consumers' lives and offer services which allow people to 'dip in' seamlessly – or choose a different channel and reach their goal with no impediments.

At the forefront of this thinking is Personalization – the pillar which has the greatest weighting on customer loyalty and advocacy in Poland. Customers value the way in which organizations can tailor the experience to their specific needs.

This is certainly exemplified in companies such as the furniture retailer Vox, which is Poland's biggest mover in 2019's rankings. Vox made improvements by closely mapping the customer journey and striving to deliver value at each touchpoint. And in terms of the in-store experience, the pillar of Personalization is often about guiding individuals towards the most appropriate purchases, rather than trying to secure a quick sale, and this is undoubtedly one of Vox's strengths.

One of Poland's highest-ranking brands is the jewelry retailer W.Kruk, moving up 69 places in the last year to third place. One respondent described the retailer as "a very reliable company of high-class products," and its website evokes these characteristics. Its customer obsession manifests in its attention to detail: visitors are free to browse, or they can dig a little deeper to

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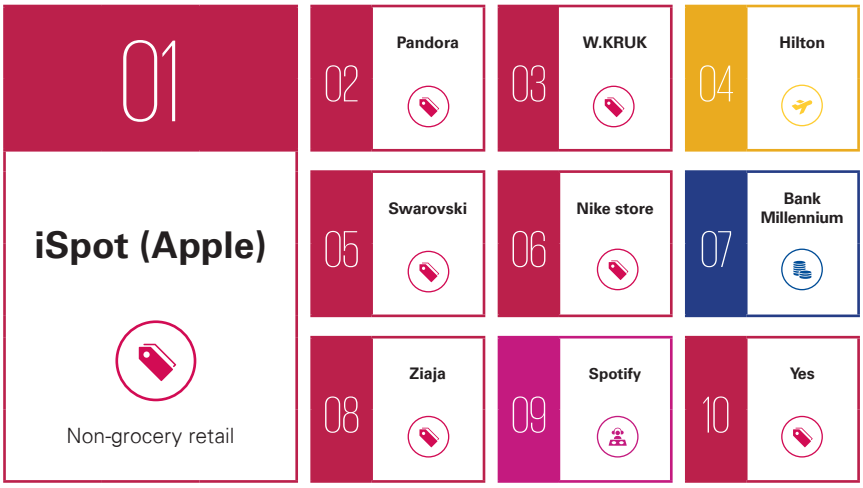
receive guidance on long-term jewelry care[50], or even read about the best methods for choosing the correct ring size.[51] W.Kruk also humanizes many of its jewelry collections, drawing on themes such as friendship and freedom for inspiration, further heightening the perception that it's a company that honors the individual.[52]

In second place is another jewelry retailer - Pandora. Pandora states that it has "for years… inspired women to express their individuality and personal style through feminine jewelry, symbolizing extraordinary moments of life and the most important values."[53] Like W.Kruk, the brand recognizes the importance of the pillar of Personalization.

Pandora is also the leading brand for the pillar of Resolution within Poland. This is partly due to Pandora extending the time for people to return purchased goods from the online store from 14 days to 30. Moreover, the brand also offers a service whereby defective goods can be replaced up to 2 years after the date of purchase. Even a receipt is unnecessary in this scenario; Pandora is happy to refer to the customer's bank account for proof of purchase.

"Customer service solved my problem very efficiently," said one customer. "They exchanged a product and I got a new bracelet without the need to provide proof of purchase."

Leading CX brands in Poland



Poland's highest-ranking brand is the non-grocery retailer iSpot. It's a company that describes itself as "the largest Apple Premium Reseller in Poland"[54] and specializes in iPhones, iPads, and Macs. And not unlike organizations such as the Apple Store, iSpot offers repair and education services to customers, making Personalization a key pillar for this retailer.

For iSpot, being able to offer a personalized experience relies on the training of its employees – such is the breadth of knowledge that's required to cover the large range of Apple products. Moreover, these individuals need to advise on a number of complex scenarios, many of which will be unique to a particular customer.

However, this is a discipline that iSpot appears to have mastered, with one respondent to the 2019 research commenting on the brand's "competent service that can advise on any purchase." Additionally, iSpot scores highly for Empathy, leading the market in this pillar; it understands the inconvenience of a customer having to be without their phone whilst it's being mended, and offers replacement devices for the duration of the repair period.

iSpot epitomizes CX best practice in its cross-channel offerings – one of the factors that's a key differentiator in Poland. For example, customers can track the repair work on their devices in a number of different ways – not only by phoning the store directly, but also by using the brand's website or via a smartphone. It's this seamless connectivity that has delivered a boost to companies such as iSpot, and it sets a high standard for Polish peers in other sectors to mimic.

> **"This year's study points to a highly competitive Polish market, with companies providing better customer experiences year after year. The most competitive sector is non-grocery retail, where many companies are fighting for the customer through the implementation of pro-consumer actions. Brands in this sector also have many years of experience in digital channels, both in marketing and sales, and provide a highly personalized online service which is fast and seamless. These attributes could be the key to standing out from the competition in Poland."**
>
> **Jan Karasek**, Partner, KPMG in Poland

[50] https://wkruk.pl/jak-dbac-o-bizuterie
[51] https://wkruk.pl/jak-dobrac-rozmiar-pierscionka
[52] https://wkruk.pl/historia-marki
[53] https://pl.pandora.net/pl/about-pandora/?srcName=About%20the%20PANDORA%20brand&src=categorySearch&position=bottom
[54] https://ispot.pl/s,dlaczego-ispot

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Romania

In recent years Romania has been one of the fastest-growing economies in the EU.[55] Much of this has been driven by private consumption and has polarised the country's customer experience, with some companies focusing purely on sales targets and others recognising the value of a carefully nurtured customer relationship.

At the moment, the story in Romania can sometimes be one of frustration. Customers can find themselves forced into unhappy relationships with brands owing to a lack of alternative choices. And this unease seems to stem from a lack of ability in the pillar of Empathy, according to respondents to the Customer Experience Excellence research.

Conversely, there are companies such as the non-grocery retailer Carturesti, which ranks at number five in the study. Bookstore chain Carturesti stands out particularly for its staunch customer-centricity and its ability to look beyond traditional marketing tropes such as happy hours and loyalty cards, to focus instead on a love of reading and hosting cultural events. As one respondent to the research described, "My experiences with Carturesti have always been pleasant... The atmosphere as a whole is very pleasant and urges you to stay and come back whenever you feel the need to relax and disconnect from everyday life."

Customer-centricity is a quality that is shared amongst the highest performing brands in Romania in 2019. The first of these is the financial services organization ING Bank, which ranks in third place. With some 54,000 employees serving around 38.4 million customers, corporate clients and financial institutions in over 40 countries[56], ING Bank's operation is a large one, and the scale of its customer-centricity is equally impressive. It has a clearly laid-out strategy which aims to "make banking clear and easy, available anytime and anywhere and to keep getting better."[57]

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However, ING Bank does not rest on its laurels. The brand concedes that the world of financial services is evolving at an unprecedented rate, disrupted by newcomers using robots and AI technology. ING Bank is committed to "[being] where they are," and aims to "remain relevant and continue delivering differentiating experiences for customers."[58]

This raison d'être is shared by Romania's second highest-ranking brand. The digital financial services organization Revolut allows customers to manage their monetary matters via a smartphone app.

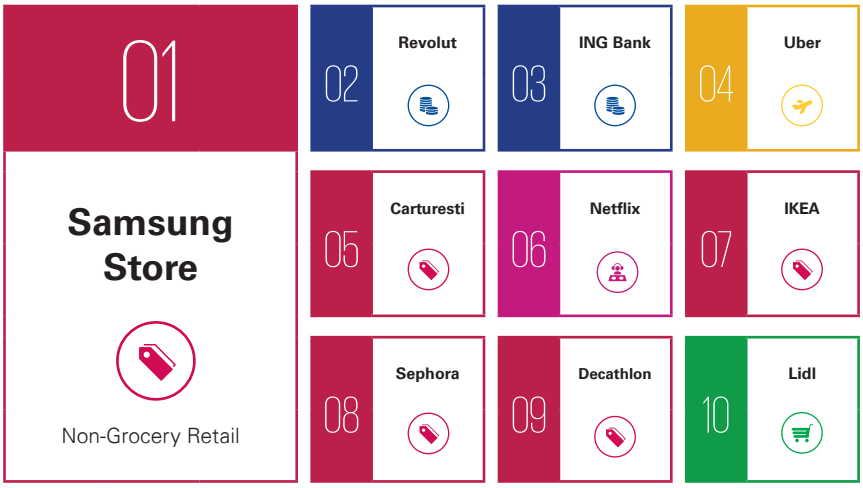
Despite its technical prowess, one of Revolut's distinguishing features is in the pillar of Personalization. Revolut sees itself as a brand that is ready to adapt to customers' needs and let them dictate the shape of the CX. "Whether you're running a business or running out for bread, Revolut is building a global bank to suit your lifestyle," it says.[59]

This ethos is in evidence in the brand's smartphone app, with a number of innovative optional features. One of these allows customers to round up every card payment to the nearest whole number, with the app stashing away the spare change into a special savings pot. The application also allows people to set up monthly budgets for specific transactions, such as restaurants and groceries.[60]

And with such innovation being practiced in Romania, it's perhaps unsurprising that the highest-scoring brand is The Samsung Store, which ranks in first place. Like all top performers, The Samsung Store delivers across The Six Pillars, and is Romania's leading brand for almost all of them.

Undoubtedly, one of The Samsung Store's key capabilities is in the pillar of Time and Effort, owing to the ease with which customers can access relevant information and achieve their goals. As one customer explained: "Samsung means to me the assurance of quality, and Samsung Store does not disappoint. Everything is simple, at the fingertips of anyone, from products, information, etc."

Leading CX brands in Romania



The pillar of Personalization is also a top consideration for The Samsung Store, with many branches offering one-to-one tutorials and on-hand expert advice. There's a sense that the brand invests in delivering the right information at the right time, rather than securing a fast sale.

The 'fast sale' culture is still prevalent in Romania in 2019, and it may take a while for every organization to recognize the commercial value that can be unlocked from CX. But with consumers spending at one of the fastest rates in Europe, the need to compete is becoming increasingly important – and it's companies such as The Samsung Store and Revolut that are already spearheading this battle, and will inspire others to follow their example.

> **"We see today a Romanian customer that is more connected than ever, more demanding and willing to switch providers with little or no effort. Competitive advantage is increasingly based on knowing your client and creating tailored experiences, as well as on building honest, transparent relationships. The Romanian market, albeit being reasonably polarized, has generally embarked on a serious journey to delivering customer excellence."**
>
> **Dr. Victor Iancu**, Customer Advisory Lead, KPMG in Romania

[55] Eurostat, 2019
[56] https://www.ing.com/About-us/Profile/ING-at-a-glance.htm
[57] https://www.ing.com/About-us/Profile/Purpose-strategy.htm
[58] Ibid.
[59] https://www.revolut.com/about-revolut
[60] https://www.revolut.com/

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Singapore

Customer experience management is an emerging discipline in busy Singapore, where many companies are focused on providing experiences that leverage the Time and Effort pillars. Visa, for example, is notable for having developed a 'tap to pay' service for commuters on buses and trains, allowing for faster and more seamless payment transactions.

But beyond convenience, Visa, like many companies in Singapore, is now aware of the need to follow The Six Pillars framework as a whole. This helps to engage with Singaporean consumers, who are increasingly expecting companies to find new ways to become truly multichannel, by connecting digital capabilities with a physical experience, in ways that are surprising and delightful.

In light of this, Visa has launched an innovation center in Singapore to develop new technologies, refine older ones as well as tie up with relevant apps and digital brands.

Yet, the Integrity pillar has proven to be the most important for advocacy in the finance sector in Singapore. This is clearly a consideration that Visa has taken into account to become the third highest ranking brand in the country. It is evident from the research that Visa's customers appreciate the robust security of its payment services.

When it comes to loyalty, the pillar of Personalization is the strongest driver, with consumers increasingly demanding personalized experiences. Companies that operate in the international travel sector are particularly strong in this respect, so it is not surprising to see that the country is home to Singapore Airlines.

Despite being born in one of the smallest countries in the world, the company is recognized internationally for being a leader in offering personalized, customer-centric, and innovative experiences. For its Senior Vice President Yeoh Phee Teik, the brand's success is built on strong, underlying principles: "We continually train our people to have the right

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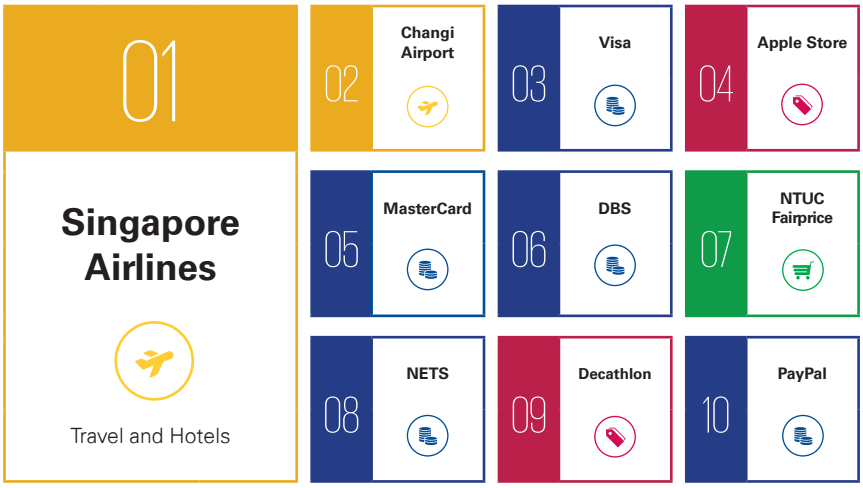
mind-set, values and skills to deliver exceptional service," he says. "We leverage on customer insights to better understand our customers' needs and deliver what they need, want and expect at every stage of their journey."

This explains why Singapore Airlines is the country's highest-ranking brand, in Singapore and in three of the four markets in which it features in the 2019 Customer Experience Excellence research.

Singapore is also home to Changi Airport, which has been named the world's best airport in the 2019 World Airport Awards. This is the country's second highest-ranking brand in the survey. "No one comes even close! … Free movie theatres, thematic gardens, foot massage, free internet, sometimes I wish I can get in even if I'm not flying…" said one respondent to the research.

Changi Airport positions itself as more of a 'destination' than just a functional airport, and takes a holistic approach to CX, paying close attention to the happiness and comfort of its travelers. Whilst Changi Airport is a serial award winning airport, it does not rest on its laurels, opening "Jewel" earlier in 2019, which hosts the world's largest indoor waterfall, together with a rain vortex, a canopy park and a forest of 1,400 trees.

Leading CX brands in Singapore



Despite this, the brand does not neglect its core responsibilities. Changi Airport is also notable for the pillar of Time and Effort, and has worked hard to deliver a smooth CX. Indeed, the building has been designed to allow people to pass through in the most efficient way possible.

The presence of such experience leaders has led to a case of 'expectation transfer' for other brands, with consumers desiring a comparable level of service regardless of the organization.

To succeed, the strongest organizations are now working hard to grow their CX, 'know' their consumers on a more intimate level, and create intimate experiences both online and offline. Only when an organization fully knows how to meet and anticipate the various needs of its consumers can it become successful. In 2019, brands such as Visa, Changi Airport and Singapore Airlines are doing this most successfully in Singapore. Tomorrow, it could be your country.

> **"CX-leading companies in Singapore now work towards having a more intimate conversation with customers, getting to know them first-hand. Our leading brands have also invested significantly in understanding what their customers want, and provide new products and services to meet these ever-evolving expectations. However, there is a balance to be kept in leveraging the technology to meet CX expectations and managing the cost required to do so."**
>
> **Bradley Styles**, Partner, Customer Lead, KPMG in Singapore

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Slovakia

In Slovakia the concept of CX is often discussed; it's a familiar topic in many of the country's boardrooms. However, some brands are finding it hard to translate these conversations into reality. A number of organizations find themselves operating in silos, resulting in a sometimes-disconnected experience for the end consumer. In some sectors, what is lacking is a more holistic approach to CX.

In addition, there appears to be less impetus for change in Slovakia, compared with other countries. Reportedly, the Slovakian consumer is comparatively indifferent to a mediocre CX and is less likely to make a complaint. This can pose a challenge for some brands in that it can be hard to correctly identify where the pain points reside for their customers, in order to improve.

One particular pillar that requires focus among Slovakian organizations is Personalization. This is the country's key driver of both loyalty and advocacy; for the companies that have their finger on the pulse, it's a discipline that can be used to a commercial advantage. Indeed, Personalization success stories are often seen in Slovakia's mid-size companies and start-ups, who are perhaps less entangled in legacy systems and are able to implement new ways of working from the ground up.

One of Slovakia's top performers is the cosmetics company Yves Rocher, which ranks third in 2019. According to respondents to the research, it's a brand that is notable for the way it tailors the CX to the specific needs of the individual; visitors to an Yves Rocher store often praise the uninterrupted attention they receive from employees, and are guided towards purchases that are appropriate to their circumstances. As one shopper noted: "I was buying a product and got a birthday coupon with a discount. The shop assistant advised me really well and I am absolutely satisfied with the products."

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Similar qualities can be seen in the country's second highest ranking organization, Panta Rhei – a non-grocery retailer specializing in books, whose name literally translates to mean "everything flows." Many customers report having a smooth and satisfying experience when visiting one of its stores, with one individual stating: "I enjoy visiting Panta Rhei. They advise me really well every time and I always find exactly what I am looking for." As such, it's perhaps unsurprising that the brand's highest score is in the pillar of Time and Effort.

What drives this success is the company's customer-centric approach. Panta Rhei aims to work for the betterment of the individual, and trains its employees as such; they are typically passion-driven and attentive and, like Yves Rocher, are willing to help their customers to find the exact products that they're looking for.

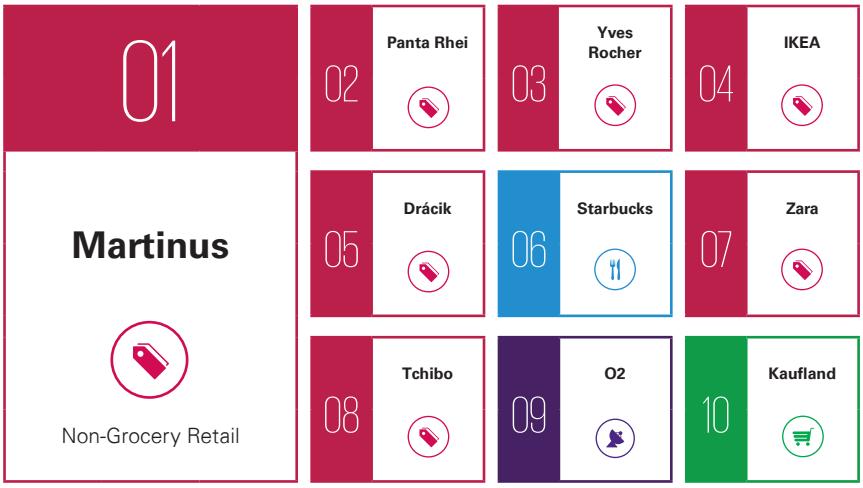
Another book retailer takes Slovakia's number one spot for CX in 2019: Martinus is the highest-ranking organization in Slovakia for the second year in a row. Like many of its peers in the top 10, the brand is committed to creating personalized experiences for its customers.

Martinus' story began in 1990, by two brothers inspired by a love of books. At its core are the values of passion, being human, and delivering the 'wow' effect to the customer. As Martinus explains, it's about creating the "little things that complete a unique experience," and it's an approach to CX design that's forever evolving and improving.

"At Martinus, we know that [the little things delight], and therefore we always try to think of something new to please you," the brand says. "Sometimes we will attach a bookmark to your order, sometimes a tea bag… We want to prove that a company does not have to be a shark in the market to grow. In other words, we try to remember people rather than money."[61]

As such, companies such as Martinus and Panta Rhei are demonstrating that successful CX management is not exclusive to the start-up brands in Slovakia. A willingness to learn and re-invent can be a virtue, and even organizations that have operated for many decades can score highly. Ultimately, success in this country is typically about customer centricity and a first-class attention to detail in the pillar of Personalization.

Leading CX brands in Slovakia



> **"In Slovakia, CX is widely spoken about in boardrooms as a new space for differentiation. In reality, it's delivered in a fragmented way, lacking a holistic, connected approach. Despite this, there is a positive trend emerging, with an increase in small, niche Slovak companies that are showing great enthusiasm for delivering superior CX, with business models set up to understand the customer and deliver unique concepts."**
>
> **Rudolf Sedmina**, Partner, KPMG in Slovakia

[61] https://www.martinus.sk/pomoc/preco-nakupovat-u-nas

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United Kingdom

In 2017, the UK recorded its lowest ever Customer Experience Excellence score since the study began. In 2018, this result improved, and now in 2019 the average score has progressed once again. An increasing number of organizations are embracing the commercial advantages of operating in line with The Six Pillars, which are shown through research to be linked to customer loyalty and advocacy.

However, the way in which companies are tackling CX has shifted slightly. In the UK there's a growing recognition of the power of the employee experience, and businesses are looking at ways to honor and understand their workforces for the betterment of the consumer. Much of this is to do with trust; several businesses are asking, "If our employees don't trust us, how will the customer?" Therefore some renewed effort has been put into fostering dynamic working environments, where open dialogues are encouraged between employees and their managers.

Connected with this is the concept of the Human Value Chain, which successful organizations are utilizing – together with The Six Pillars as a framework – to create a seamlessly connected CX. In a sense, it's like a line of dominoes: the company culture impacts the colleague experience, which in turn impacts the colleague behaviors. This then impacts the CX, which impacts the customer behaviors, which impacts the business outcomes.

As such, the implementation of this understanding is at the heart of CX design for many of the UK's strongest organizations.

In the latest study, the cosmetics retailer Lush is the third highest-ranking brand for 2019. It promotes itself as an ethical company, highlighting the fact that it's against animal testing and that its products are vegetarian. Respondents to the research cite these endeavors as contributing factors to the brand's high score in the pillar of Integrity.

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Whilst all of Lush's employees are given rigorous training to aid product knowledge, they're also given autonomy – an example of how the company culture can impact the colleague experience in the Human Value Chain. For instance, each Lush shop has the option of opting out of a window campaign if they have objections to it. And in reaching this decision, shop managers take into account the opinions of all their staff members, coming to a collective and democratic decision.

As one employee stated: "I was treated amazingly and all staff were so helpful and lovely. I was given so much experience in working with customers, and gaining confidence to talk about products that will benefit them."

A similar sense of democracy can be seen with the digital-only bank Monzo, which ranks in second place. Although it's a company made up of individual teams, they are non-hierarchical, and often comprised of the best analysts from elsewhere in banking. The company pays close attention to customer analytics, and all employees – including the CEO – receive insights on live dashboards, meaning that everyone is aware of how their decisions are impacting the consumer.

Furthermore, employees are encouraged to contribute to matters of strategic significance. For Monzo, the company culture is not just about engendering trust; it's also about helping workers to feel enabled and empowered.

Leading CX brands in the United Kingdom

The highest-ranking organization in the UK 2019 research is the bank first direct – a company which has taken the top spot four times in the last 10 years. It describes its purpose as being to "deliver pioneering service" and it puts the customer at the heart of its operations. This means being ready to react to the ever-changing needs of the customer. "Customer expectations change, technologies change," says Head of first direct Joe Gordon. "In 1989 we set up to pioneer amazing service and the how of today then was telephony. Then it changed and we changed to online banking, then it changed to app banking and then today to Open Banking. Our ability to cope with that change and understand that change in today's environment, as well as being consistent with our focus, is key."[62]

In achieving this vision, first direct cites its employees as one of its most important assets. According to Helen Priestley, Head of Brand, the company acknowledges that whilst certain processes can always be replicated and automated, human beings cannot. To first direct, they are "much more valuable," with Priestley adding, "that's why people will always be at the heart of the business."[63]

It's the motivation and attitude of these employees that impacts the CX – and the future loyalty of those being served. For Lush, it might manifest in the individualized care and attention given to shoppers. For first direct, it might be in showing Empathy to those customers with a pressing issue. There's no single action to optimize a CX; it's a holistic discipline, working towards the creation of a harmonious value chain.

> **"This year we see an increasing number of brands getting real returns from their hard work to improve their customers' experiences. However, keeping pace with rising customer expectations continues to be extremely tough. The latest research shows that it's those brands with the most motivated employees that are best reacting to change, whilst also generating the best returns for shareholders."**
>
> **Martin Wells**, Head of Customer Consulting, KPMG in the UK

[62] KPMG Nunwood UK 2019 Customer Experience Excellence report
[63] Ibid

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United States

The diversity of the US consumer can make CX management a challenge. As per the global trend, consumer bases and workforces can comprise up to five different generations, each with varying needs and expectations. The challenge is perhaps greater in this expansive nation than most. Doing a million things well every day requires an organizational focus on consistency. Many organizations can deliver a good experience some of the time, but delivering a high-quality experience, each time, every time, demands high levels of connectivity across key processes and customer journeys.

In addition, many businesses are competing with the exemplary standards in eCommerce, whose first-class offerings are being perceived as the norm. This often leads to 'expectation transfer,' with many brands caught in a swirling vortex of expectations where no satisfactory outcome is possible.

There is also the challenge of being able to transform CX thinking into meaningful action. In the US, a number of companies understand what it means to offer an optimized CX on paper, but are unable to use this understanding to drive meaningful change.

However, those companies that feature at the top of the US rankings are using their customer understanding to drive change and as such, are breaking away from the pack. The highest ranked brands have broken down the internal silos that prevent a connected view of the CX vision, and they recognize the value that the employee experience can have on the customer outcome. In addition, there's a strong grasp of what an optimized experience looks like across the full channel mix, and a good understanding of The Six Pillars.

It's the pillar of Personalization that's most important in driving the commercial outcomes of loyalty and advocacy. This is undoubtedly a strength of the country's third-highest ranking organization – the restaurant brand Chick-fil-A. It's a company

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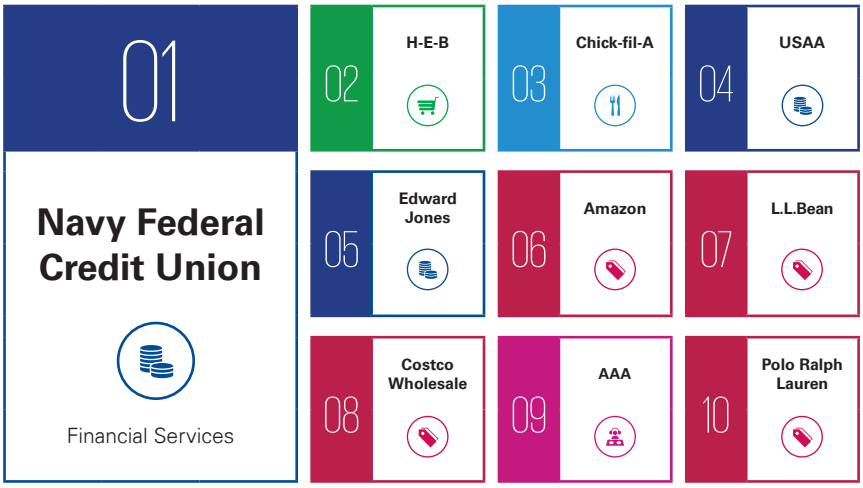
that's intent on delighting its diners through what the organization calls "second mile service" - ensuring that every diner has a friendly, helpful and enjoyable experience. For Americans, the highly trained employees' oft-used response at Chick-fil-A of "It's my pleasure!" is a heartwarming catchphrase which is truly meant. Customer centricity is one of the restaurant's defining qualities, and this is exemplified in its strong performance in the pillar of Time and Effort. Staff members frequently take orders from customers while they stand in line, speeding up the ordering process so that they don't have to wait as long for their food. Chick-fil-A's consistent efforts have seen the brand rise in the American rankings, moving into the top 10 after a shift of eight places. As one diner explained: "Just the environment at Chick-fil-A gives off a great vibe. Everyone and everything is in such a positive mood that it makes the customers happy."

The grocery retailer H-E-B ranks in second place in the US study and is the top performing brand for the pillar of Time and Effort. H-E-B cleverly uses technology to enhance the in-store grocery shopping experience, with an app that can create your shopping list from scanned receipts. It can even tell you in which aisle a specific product can be found in each store.

Moreover, H-E-B is notable for its performance in the pillar of Integrity. It has a community focus, which H-E-B describes as "Our way of saying thank you for allowing us to be your neighbor." Its contributions include the H-E-B Food Bank Assistance Program, and a Spirit of H-E-B trailer that provides on-site relief in areas devastated by natural disasters.[64]

Leading CX brands in the United States



The highest-ranking organization is the Navy Federal Credit Union – a financial brand that provides services for those who serve in the US military and their families. It has maintained its number one position for a second year, with the highest Personalization score of all brands included in the US research. Adapting to individuals' needs is one of the brand's strengths and for Navy Federal this begins with the employee base. Its workers are encouraged to show empathy with the people they serve and to make on-the-spot decisions based on the needs of the moment. As one respondent said, "Navy Federal is the best bank I have ever dealt with. They actually care and work with you if you have any problems or need help."

On a continuous quest to make life as easy as possible for its members, Navy Federal has co-created its app with members. In the development process the key questions are "How do we help you faster," "How do we make life easier for you," and "What else can we do to make this work better for you?" One such development is a comparison chart on its website, allowing members to see which handset will be the most useful for accessing the app.[65] The credit union is committed to doing business whenever and however it is easiest for their members, who may be serving in locations around the world.

In summary, the leading organizations in the US are breaking away from the pack because they've built firm foundations for CX success that appeal to the complex consumer base and economic environment they are dealing with. It's a connected approach to CX that enables closeness to the customer and room for innovation and continuous improvement.

> **"Organizations that are moving CX forward create a direct link between CX and results. They consistently measure their level of success and strive for continued improvement."**
>
> **Jeffrey Mango,** Managing Director, Customer Solutions, KPMG in the US

[64] https://www.heb.com/static-page/Community-Involvement
[65] https://www.navyfederal.org/mobile/mobile.php

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Methodology and terminology

Sector coverage

For this report we analysed brands across 10 sectors:

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

*Technology and Automotive also included in some markets

Key metrics

The Six Pillars

The Six Pillars framework is a key metric for customer experience best practice within the survey.

Personalization

Integrity

Expectations

Resolution

Time and Effort

Empathy

Advocacy

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

Loyalty

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

Critical incident technique questioning

An open question is included to explore more about a respondent's experience with a particular brand. Example responses cover details of a specific experience, what happened, and how it made them feel about the company.

Customer experience excellence (CEE) scores

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

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

Methodology developed by the *Customer Experience Excellence Center*

How KPMG can help

It pays to get customer experience right

Today's businesses invest heavily in the customer experience to meet the increasing demands of their customers. But many struggle to achieve the desired return on these investments.

KPMG professionals help companies optimize spend and investments while delivering winning customer experiences suited for the digital age. Combining expertise in financial analysis with an in-depth and research-based understanding of customers, the KPMG global network of customer advisory consultants can help you develop a customer experience strategy that drives financial performance, including:

a richer, rounder picture of your customers, industry and market;

a detailed outline of your current customer interactions, including insights on which matter most;

a customer experience strategy and delivery model that aligns to your customers and delivers ROI;

a tactical plan for your entire organization to cost-effectively deliver at each touch point.

Together, we help you develop and deliver seamless, personal customer experiences that drive engagement, satisfaction and loyalty—and profitable growth. Master the economics of the customer experience and strategy.

Talk to us today.

"Customer experience is overtaking price and product as the number one brand differentiator. Organizations are investing record amounts on customer related initiatives, but not all are seeing a credible return on investment. KPMG consultants work alongside organizations on their journey to help them become customer centric, balance cost against customer satisfaction and identify opportunities to increase revenue."

Julio Hernandez
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