The power of the personal touch

KPMG Russia: 100 brands with the Best Customer Experience
The power of the personal touch
The Customer Experience Excellence Centre is an international think tank, dedicated to helping members turn global customer experience best practice into effective business results.

- 9 years of ongoing research
- Coverage of 21 markets
- 2.7 million individual evaluations
- Over 2,500 brands assessed

Defining customer best practice through the lens of The Six Pillars

- The DNA of every outstanding customer experience and fuel of fast-growth business

Designed to enhance the effectiveness of your CX programmes

- CX Strategy
- CX Design
- CX Insight

CX — customer experience
Foreword

Since 2010, the KPMG Customer Excellence Centre has been evaluating consumers’ appreciation of the experiences they have received from brands across a range of sectors in multiple countries. With over two million consumer reviews, these reports are amongst the most extensive in the world in terms of understanding customer preferences and future trends.
In more mature markets the necessity for Customer Experience Excellence research emerged years ago. Successful companies have realised that building a successful brand image lies in advancing brand perception through customer experience.

2018 was the first year that this research was conducted in Russia. The Russian consumer is becoming more demanding of the brands they interact with. It is now crucial to continuously understand, anticipate and respond to customers’ changing expectations. The companies that invest and strive to deliver optimal customer experience benefit from more rapid growth and profitability through higher customer satisfaction levels, increased average spend and purchase frequency per customer, brand loyalty, and advocacy.*

The reality of markets all over the world is that consumers expect a certain quality of products and services by default - that is the competitive environment brands are operating in. Nevertheless, with consumers having greater choice and global access through digital channels, one of the major differentiators between leading and lagging companies is the experience brands give to their customer. Developing a sustainable and adequate customer strategy is a way to acquire a competitive advantage over other players.

KPMG has identified The Six Pillars that are essential to deliver customer experience excellence. This is a proven global approach that allows brands to evaluate how satisfied their customers are, and helps identify in which areas their customer experience strategy can be further enhanced.

Customer experience in Russia is becoming a priority at board level, as companies recognise that with increased competition from international businesses through digital channels they need to become customer-centric and deliver distinct experiences to their customers, rather than rely solely on the quality of their products. The investment in customer transformation that is under way among many of the leading brands found in our report is paying off. Consumers are willing to pay a premium to the brands that deliver customer experience across each of The Six Pillars of Personalisation, Integrity, Expectations, Resolution, Time and Effort, and Empathy.

The Customer Experience Excellence report has become an valuable business tool in all of the countries where it is conducted. Our first publication is focused on deriving conclusions from the Customer Experience Excellence research for you and your business, in order to understand what made the top-rated brands so attractive in the eyes of Russian consumers. We deliver insight about the highly rated brands and the customer experience they provide which distinguishes them from the competition. When combined, this local country insight makes the CEE report an invaluable reference tool for executive leaders, brand marketers, and customer strategists to strengthen your business with Russian consumers.

In today’s hyper-competitive and customer-centric world, it is those who know the most about their customers and harness this knowledge who achieve the greatest success.

Julio J. Hernandez
Head of Global Customer Centre of Excellence
US Customer Advisory Lead
KPMG in the US

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* Me, My Life, My Wallet, 2018, KPMG International (http://raconteur-2.instantmagazine.com/kpmg/mmlmwdigital/cover/)
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Even though the Russian market is relatively immature in terms of high-quality customer experience (CX), consumer demand for improved CX is growing rapidly, as customers are expecting the same standards across the world. The companies that have scored the highest are either well-established, internationally recognised brands, or businesses associated with them.
Russian top 100 club

Adidas retail
AliExpress
Aptechnaya Set 36.6
Avito
Avon
Bork retail
BP Petrol Station
Castorama
Decathlon
Detskii Mir
DNS
Eldorado
FixPrice
GazpromNeft Petrol Station
H&M
Hoff
Huawei retail
IKEA
Lamoda
Leroy Merlin
L’etoile
LUKOIL Petrol Station
M.Video
Nike retail
OBI
OSTIN
Ozon
Petrovich
ReStore
Rigla
Rive Gauche
Rosneft Petrol Station
Samsung retail
Shell Petrol Station
Sony retail
Sportmaster
Stockmann
Tatneft Petrol Station
Ulmart
Wildberries

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Executive summary
Providing a universal standard of customer experience excellence, The Six Pillars help businesses measure their interactions with consumers. Whilst Customer Experience Excellence’s leading brands achieve outstanding performance across all of The Six Pillars, the approach helps companies to identify where they should focus their efforts and investments to drive loyalty and advocacy with their customers. Through interviews with 5,000 Russian consumers, we have identified that they value the following three main Pillars as the most important in delivering outstanding customer experience excellence: personalised interactions between a brand and customer, trusting relationships, and reduced time and effort.

**Personalisation** not only in a brand’s core products, but also in the experience provided has become the most significant pillar to the Russian consumer to increase loyalty. If companies want to succeed, they must be ready to demonstrate that they know their customer and ensure that goods, services, communication, and information are personalised for each of them. Striving to achieve that with all consumers is challenging, as Russia is a country with an incredibly diverse population spread over 17 million square kilometres. Those brands that invest in mastering customer experience and digital channels are experiencing greater growth rates and commercial rewards through increased market share and higher customer spend.

Companies that are striving to succeed in Russia must be equipped with the tools to connect with and understand every customer across the country. With increased internet penetration and use of mobile channels in Russia, digital tools are emerging. Digital adoption is making it easier for companies to interact and gain real-time customer insight through their behaviours.

The highest scorers in personalisation are those brands that have developed bespoke solutions for every point of contact, both online and offline. For example, they have relieved their customers of annoying spam messages by replacing them with personalised subscriptions tailored to customer’s preferences. At the same time, in-store consultants are not just indifferent salespersons, but value added experts with an understanding approach to provide individual solutions to meet the customers needs.

Achieving a **trusting relationship** with your customer is the second-most important factor of success for the Russian customer to increase advocacy. Trust starts from the core product. Top-scoring companies have one thing in common: their customers have absolutely no doubts regarding the product, service quality or safety. At the same time, the trust-building process also requires companies to show they stand for something more than profit and ensure that every customer-related action of their staff is living those brand values. All of our highest-rated brands are actively invested in charity programmes dealing with such issues as the environment, health, and children’s development. All of them successfully incorporate this as a key element of their brand image, including their customers to participate and be involved in a greater cause.

The third area for improvement that can bring a significant positive change in overall Consumer Experience is to reduce the **time and effort** the customer needs to invest when interacting with the company. It is important that every touchpoint across the customer journey is frictionless and not disjointed: from accessibility of the company, to how fast the customers’ needs are met. The Top-3 brands that have reached the highest level of approval from customers regarding time and effort are all non-grocery retailers. This indicates that the Russian consumer values high accessibility to both the company and the product itself. All three companies still have a wide bricks-and-mortar network of stores in convenient locations, with clear layout, simple navigation, and highly trained staff helping customers to make simple, yet professional choices.

By improving these three aspects of customer experience (personalisation, trust, time and effort), brands will see the most significant growth in loyalty and advocacy from Russian consumers.
So what’s it all about?

We live in an experience-based economy and customers immediately share their experiences with friends and followers via social media channels. The brands that deliver outstanding customer experience rapidly expand their loyalty and advocacy through these channels.

Many companies provide almost identical products or services. However, the customer experience with the respective brands can differ vastly. As product lifecycles become shorter and digitalisation makes it easier for competitors to replicate each other’s best practices, customer experience becomes a real distinguisher between brands. In fact, consumers can sometimes even choose a slightly inferior product, if it is associated with having a better experience with that brand.

Every customer experience touchpoint is important and impactful. Social media accelerates awareness amongst the existing and potential customers of all brands.

It is universally accepted that the importance of customer experience is becoming a top priority for brands, while the experience itself is getting increasingly complex. At the same time, traditional NPS and Loyalty scores are becoming too narrow on their own as measures to deliver insights for making effective investment and business decisions. So how exactly do you measure your customer experience adequately?

Applying The Six Pillars approach makes it easy to pinpoint what it is exactly that your brand lacks in terms of customer experience. The pillars makes it possible not only to identify problems, but also to give a clear view of the best practices - both on the market and within a particular industry. The Six Pillars determine the things that consumers value when it comes to overall market experience.

With Personalisation being the main driver of loyalty and advocacy in Russia, what is it that your customer wants? Do they want you to simplify their lives through removing all the “noise” from their view? Or do they expect you to have trained consultants with an expert knowledge of products? How do they expect your staff to treat them?

With The Six Pillars we are able to answer most of the customer experience questions that businesses have.
Methodology

Since 2010, the Customer Experience Excellence Centre has been asking consumers about their individual experiences with brands. Over that time, more than 200,000 consumers have been interviewed across 21 markets.

About the research

The research for this 2018 Russian report was collected via an online survey methodology, completed between 4th of October and the 12th of October 2018.

5,000 Russian consumers were interviewed and a nationally representative consumer sample was targeted (to be representative in terms of age and gender).

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 six months.

In order to be included in the final rankings, each brand must have achieved a minimum of 100 consumer responses. 100 brands are included in the final Russia 2018 report.

The brands which we have selected in the analysis for more detailed coverage represent brands that have demonstrated either of the following criteria: double-digit growth rates and the adoption of new approaches to customer experience in their sector, or achieved best-in-sector pillar scores within each of their respective sectors.

Due to the high diversity of the Russian Market the following industries were excluded: Restaurants and Fast food, Real Estate, Cable & TV, Tourism and Fitness centres.

*The margin of error does not exceed 1.4%
The Six Pillars of customer experience excellence

Almost a decade of research has shown that every outstanding customer relationship has a universal set of qualities – these are the Six Pillars of customer experience excellence.

The Six Pillar model of customer experience excellence was developed to provide a precise and practical definition of the kind of emotional outcome a successful experience needed to deliver. Based on 2.7 million detailed customer reviews, the Six Pillars have been validated in 21 markets and modelled against the commercial outcomes of retention and recommendation.

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

**Personalisation**
Using individualised attention to drive an emotional connection.

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

**Integrity**
Being trustworthy and engendering trust.

Integrity comes from consistent organisational behaviour that demonstrates trustworthiness. There are trust-building events where organisations 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 organisation as a whole. For all customers, it is the degree to which the organisation delivers on its promises that is consistently top of mind.

**Expectations**
Managing, meeting and exceeding customer expectations.

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organisations understand, deliver and – 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.
Turning a poor experience into a great one.

Customer recovery is highly important. Even with the best processes and procedures, things can go wrong. Great companies have a process that not only puts the customer back in the position they should have been in as rapidly as possible, but also makes the customer feel really good about the experience. A sincere apology and acting with urgency are two crucial elements in ensuring a successful resolution.

Minimising customer effort and creating frictionless processes.

Customers are time-poor and increasingly looking for instant gratification. Removing unnecessary obstacles, impediments and red-tape 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.

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

Empathy is the emotional capacity to show you understand someone else’s experience. Empathy-creating behaviours are central to establishing a strong relationship and involve reflecting back to the customer that you know how they feel, then going that one extra step because you understand how they feel.

Organisations that deliver across The Six Pillars demonstrate the enhanced commercial outcomes that are achievable, as they have a clear link between loyalty and advocacy.

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Leveraging pillar experience

Six rules to improve your customer experience:

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

1. Stand for something more than profit
2. Demonstrably act in my best interest
3. Show concern for me as a person
4. Do what you say you will
5. Keep me informed
6. Be likeable
1. Set my expectations accurately
2. Agree timings with me
3. Respond more quickly than I expect
4. Use plain English - no jargon
5. Guide me through the process
6. Provide information openly and honestly

1. Make my time investment pleasurable
2. Give me simple clear instructions
3. Maximum of three steps to my objective
4. No longer than 2 minutes waiting
5. Provide the answers I need when I contact you
6. Advise me of pitfalls ahead
02
Customer champions
For retail companies associated with a manufacturer, the brand power of the latter contributes to the trust the consumer has for the brand. As one of the leaders in the Russian consumer electronics and digital markets, Samsung Group has established a trustworthy reputation over many years. Samsung retail’s high Integrity result (8.50) is inseparable from the Samsung brand image.

The company says that each consultant undergoes regular trainings, covering products and all in-store processes, and this ensures that customers receive a quick, expert, and personalised experience in every shop across Russia. This increases Personalisation (8.45) by creating a tailored recommendation for each customer and Time and Effort (8.48) by providing it promptly, thus relieving the customer from researching products and trying to work out what is best for them. Another factor that positively influences Time and Effort is their convenient store locations - most are located in easy-to-access and popular shopping centres.

Receiving the highest scores in five out of The Six Pillars from all brands makes Samsung retail the leading customer experience brand in 2018, and the main factors contributing to their high results is instore experience.

“I have recently bought a phone, the staff were polite, and the service was fast.”

Female, 25, Southern Region

“After my device got broken, they ran a diagnostics procedure for practically nothing and came up with a solution, even though the phone was six years old and I couldn’t find any spare parts, even online.”

Female, 19, Volga Region
The second-highest brand is also a non-grocery retailer that provides great in-store experience. One of the main recruitment focuses is that Nike store consultants must be interested and involved in sports. According to the company’s website consultants regularly undergo trainings to provide customers with valuable advice and product recommendations, based on both their knowledge and experience. This results in a high Personalisation score for Nike retail.

The Nike manufacturer contributes to the image of the shop via its multilevel engagement and all-about-sports attitude. Its points of contact with customers are not just branded physical shops, but also running clubs, gyms, and Nike Box MSK. Nike is also a clothing brand with a significant digital presence. With Nike Apple Watch and its own running app, it is becoming embedded within its customers’ lifestyles, providing convenient and relevant services and creating a positive experience. Customers are basically living with the brand and this consistently supports their lifestyle, which creates trust and loyalty, and thus gives a high Integrity score.

"All good: great products and staff."
Female, 21, Moscow

"Interesting interior and friendly staff."
Male, 24, Volga Region

"My best memory about the shop is the great consultants that helped me to choose a jacket!"
Male, 23, St. Petersburg
Yves Rocher

Apart from convenient locations and its delivery policy, Yves Rocher has also reduced the effort that consumers need to make when it comes to cosmetics. Identifying the right product can turn into a long and tiring pursuit. Our respondents highlight that Yves Rocher shops have helpful, knowledgeable staff and also provide the option to receive a free professional assessment from a doctor. This solution boosts both the Time and Effort and Personalisation scores.

The brand positions itself as being environmentally friendly from selling 100% botanical products in eco-friendly packs to providing an opportunity to pick a planted tree instead of free samples. In a society that is growing increasingly environmentally aware, such actions help Yves Rocher boost its Integrity score.

This year many non-grocery retailers have discovered that gifts are more attractive than discounts for the Russian consumer. In terms of Customer Experience Excellence, Yves Rocher is benefiting from its generous gift policy by scoring highly in Empathy. Its gifts with each purchase policy helps not only promote new products, but also it makes customers feel special and appreciated.

“I like the promos, discounts, and personal offers.”

Male, 57, St. Petersburg

“I like the fact that the company doesn’t forget about their customers: it gives presents and sends physical postcards on every birthday.”

Female, 22, Ural Region

“I ordered some products online and got gifts. Delivery was free. I am very satisfied with my purchase and their promos. Will order again.”

Female, 35, Moscow

“Polite staff, high quality service, they consider every need of every shopper.”

Female, 33, Volga Region

Yves Rocher
Sony retail

Sony is a retailer that takes care of your entertainment rather than home appliances. Its customer is always entertained in its stores. TVs, smartphones, PlayStation, photo, audio, and video devices which can all be tested out in-store. An entertained customer tends to feel more positive and rate their overall experience higher.

With entertainment, we cannot ignore the role played by PlayStation in the image of the company. With the cult following that it has, PlayStation is easily Sony’s most popular product. Sony Store has the image of being a place that provides easy access to this product, thus directly satisfying gamers’ needs.

As with all other top-scoring brands, Sony retail requires its staff to undergo regular professional trainings to ensure a deep understanding of Sony products and to be able to answer all customer questions.

All these three measures result in an entertained, trusting, and content-rich customer and Sony retail scoring highly in all of The Six Pillars.

Sony retail also has an outstandingly high Expectations score of 7.75, second only to Samsung retail. The company has mastered setting correct expectations both for the product quality and price and ensuring that these are consistently maintained.

“I have got PS4, PSP and PSvita - that is the best thing in my life! Everything is of high quality and the design of the consoles is really cool!”
Female, 21, South Region

“I have ordered some Sony products. The quality of the service has been high, the call centre specialist was polite and answered all of my questions professionally.”
Male, 20, Volga Region
Having a wide network all over the world, Visa is highly valued for universal acceptance, thereby making the lives of hundreds of millions of consumers easier. Due to its long history, the brand has a trustworthy image in the minds of Russian consumers, scoring high on Integrity.

Because of personalised subscriptions to offers, discounts, and the campaigns it provides to cardholders, based on the type of card they have, Visa’s customers have easy access to all the benefits this payment system can provide. Hence Visa scores 8.38 on Personalisation, which is 10% higher than the Financial Services industry average.

Normally, customers do not need to resolve issues through their payment system, but when it happens, it is important for the support system to be easy to find and contact. The high Resolution score of Visa is the result of its accessible 24/7 support centre, with an easy-to-access contact link on Visa’s home page.

General awareness of the brand comes from Visa sponsoring large sporting events, increasing the personal connection with its customer by letting them root for their favourite team with Visa. A great recent example was FIFA 2018 in Russia and the Team Visa campaign, which gave cardholders a chance to win tickets as well as other prizes.

“I didn’t value my Visa card much, until I was forced to start using MIR - Visa card is truly convenient.”
Female, 28, Ural Region

“Good payment system for online payments.”
Male, 23, North Caucasian Region

“I can use Visa card everywhere and it is always seamless...even in Vietnam!”
Female, 34, North Caucasian Region
Home improvement shopping is traditionally associated with significant time and effort needed to get to the shop and to find everything the customer is looking for. The latter usually includes a lot of walking to locate what you came for in large, poorly signposted aisles. Having huge shops in terms of commercial space, Leroy Merlin has addressed these issues. With the formats of all shops based on unified principles, a simple navigation system, and clearly stated category areas, the retailer scores highly in Time and Effort. Our respondents have noticed highly trained and visible staff, what also contributes to this impressive result. Customers rarely feel lost navigating the store, as it is easy to get a hold of a consultant who will help with both location and making the right purchase.

Leroy Merlin personalises the purchase experience of their customers by providing pre-purchase design solutions, online design options, its own school of design, in-store master classes, and augmented reality within their app for customers to see how the product will look in their home. This results in a high Personalisation score for the retailer. Leroy Merlin also provides a 100 day returns policy across all products, which is unique amongst DIY retailers.

“I liked its [Leroy Merlin] online shop. I ordered everything I needed on the website and picked it up from the shop the same evening.”

Female, 20, North-West Region

“Low, consistent prices, a variety of products, good parking facilities, accessible locations.”

Male, 64, Volga Region

“We are frequent visitors of Leroy Merlin[...] That is where we buy all the products for our house renovation. A wide assortment of goods, usually it has everything we need. One can get good discounts there.”

Male, 57, Siberian Region

“Friendly staff, they always help with navigation for a variety of products.”

Female, 35, Siberian Region
MasterCard

As a payment system, MasterCard has established itself as a hugely trusted brand through providing years of high-quality customer experience in relation to its products.

MasterCard’s wide sponsorship profile, which includes not only sport, but also arts, entertainment, and cultural campaigns all over the world, allows it to connect with diverse groups of customers. And the Priceless Cities campaign allows World MasterCard members to enjoy exclusive events and offers in all major cities. This includes dining, music and entertainment, shopping, arts and culture, city sightseeing, and sports. In addition to this campaign, MasterCard cardholders have access to a variety of additional offers and discounts all over the world.

Also, MasterCard’s affluent cardholder benefits include a pass to over 1,000 airport business lounges, as well as MasterCard’s own lounges, for example at Sheremetyevo Airport in Moscow. Its NFC-equipped cards give customers a unique opportunity to use their card instead of a transport ticket in multiple cities across the country. Such diverse benefits make it possible for the company to offer something special for all its cardholders, and results in it scoring third on Personalisation (8.31), out of 100 brands.

The card is universally accepted, online payments are fast and secured, and MasterCard offers promos as well.

Male, 26, Moscow

Convenient. I pay with MasterCard not only for purchases, but also for credit and use it as a transport card too.

Female, 32, Ural Region

It is convenient to pay via MasterCard abroad.

Male, 69, Moscow
Aeroflot is the only truly Russian brand that made the top-10. Aeroflot highlights the young age of its fleet in their campaigns and sure that whichever flight they take the plane will be comfortable and reliable. A young fleet and nearly a century of experience makes Aeroflot a brand to trust and boosts its Integrity score (8.20).

According to respondents the company exceeds customers’ expectations and makes them feel cared for, with over 17 cuisine options, free oversized luggage transportation (such as skis, snowboards, bikes, golfing equipment, etc.), and gifts for children. All Aeroflot tickets have at least one prepaid piece of registered luggage. Aeroflot’s wide network of over 150 p2p destinations, including the main global capitals, means that it is the only option for getting direct flights, and makes it the first choice for many consumers. This improves all of the pillar scores, however Personalisation benefits the most, as anyone can find a solution to suit them.

Another highly valued feature of Aeroflot is its convenient and widely popular bonus programme. This allows frequent fliers to earn Aeroflot miles not only by buying tickets, but also by booking hotels, renting cars, and shopping in stores-partners (such as Tsum, Aliexpress, Ozon.ru, Asos, L’occitane, and Bosch).

“I was pleasantly surprised by the clean planes, good distance between seats, the seats themselves, and the decent service. Take-off and landing were also great.”  
**Male, 43, St. Petersburg**

“I contacted their call centre to change my tickets. Everyone was empathetic and friendly. They explained everything quickly and changed my tickets! The company has never failed me.”  
**Female, 32, Central Region**

“Very convenient service, bonuses. Good support. Actions align with promises.”  
**Male, 52, South Region**
In the minds of consumers, IKEA is associated with entertainment rather than shopping. With their well-located food courts, special areas with crèches for children, bright colours, and an option to try out all the items in the shop, IKEA turns the usual mundane household shopping experience into something fun.

IKEA has always been well-known for simplifying the process of making a choice through its in-store assistance and attractively designed and visual interiors. And in an environment of advancing technology, it has introduced an online design option, and then an Augmented Reality app (IKEA Place), which allows its customers to see in their own home the products they plan to buy, thus boosting the Personalisation experience.

Resolution and Integrity are the two pillars which propel IKEA into the top 10. This demonstrates that its simple one-year returns policy and removing the need to keep receipts with their family card is highly valued by customers. The brand demonstrates they genuinely care about their customer’s problems and is always willing to resolve them by acting in their best interests.

“Visiting IKEA is a kind of entertainment. We often visit it not to buy something, but rather to just enjoy ourselves and to eat in the café.”  
Female, 22, Siberia Region

“I adore IKEA. One can spend a whole day there. Lots of entertainment for kids.”  
Female, 35, Volga Region
Adidas retail

Adidas is a company that invests significant resources in employee development in each department, including retail. As stated on the company’s website there are trainings for all company employees and HR managers are allocated to certain shops that they are responsible for. In-store consultants undergo an adaptation programme, introductory trainings, and product trainings – detailed online courses on products and the technologies behind them, and functional coaching covering all in-store processes. Such efforts pay off, as customers feel that the staff sincerely want to help them and have sufficient expertise to do so.

As well as an outstanding in-store experience, Adidas has its own shopping app, which makes online purchases seamless by providing personalised content, one-click ordering, order status push notifications, online chat with a support team, news, and discounts.

Adidas’s branded retail image, based on its long history, athletes’ performance and famously high-quality products, has established a high level of consumer trust. Adidas has become an urban lifestyle brand, worn by customers outside sports too. This attracts not only fitness adepts, but also a fashion-savvy audience through its collaborations with famous designers.

All these measures result in consumers rating Adidas retail highly on all of The Six Pillars, thereby

When I was looking for a tracksuit an Adidas consultant helped me a great deal in finding a suitable one and making the right choice.

Male, 34, Ural Region

If one is buying high-quality sport clothes this is the place! A superb variety of clothes for both adults and children!

Female, 30, Siberia Region
Spotlight on: Samsung retail

Non-grocery retail

rank in 2018 of 100 brands

1st

The Six Pillars: scores vs industry average

- Personalisation: +9%
- Time and Effort: +13%
- Integrity: +10%
- Resolution: +7%
- Expectations: +6%
- Empathy: +9%

The power of the personal touch
Brands are currently competing fiercely to acquire new customers and to retain existing ones. Many recognise that ensuring rich customer insight and experience is the key to delivering commercial success. Retailers are actively investing to understand their customers’ behaviours, preferences, and lifestyles through data and technologies that have become available during increased digitisation of the industry.

Inventive Retail Group, is the majority owner of Samsung branded retail in Russia. The strength of this partnership model is combining a global brand with local market insight to implement global trends. It has developed its omni-channel presence, combining best-in-class practices in store and within the company as a whole, deeply analysing customer data, and creating experiences inspired by world leaders and the best practices that they employ.

The company says that its main competitive advantages lie in having a complete focus on the customer and introducing the most contemporary and sought-after retail technologies. Inventive Retail Group is constantly working to further improve its customer service processes, concentrating interactions with loyal customers and seeking to attract new ones.

Our research indicates that Samsung retail consultants have a high level of customer approval. Inventive Retail Group states that its staff are the key factor when it comes to creating a personal bond with its customers. It is not just the Human Resources department that tries to ensure that staff continuously develop and that the best and brightest talent is retained – C-level is actively involved in these processes as well. For example, the CEO is personally devoted to this concept, and regularly attends meetings with promising consultants.

Because of the specifics of having monobrand shops, the Inventive Group recruits those that believe in the brand mission and are enthusiastic about the brands that it has in its portfolio. When customers visit a shop, they not only talk to an expert with a thorough knowledge of a product, but also communicate with an enthusiastic brand ambassador who is sincerely passionate about the products he sells. Such a level of enthusiasm creates a personal approach that is unattainable through trainings alone. This personal way of interacting with customers is also applied when things do not go smoothly. Although approaches to resolving issues with customers are established by the Customer Service department, senior and management personnel in each shop have a high level of freedom to deal with customers, thus ensuring that a personal approach is provided to each customer as well as an understanding of their individual situation. The focus on personal development has enabled the company to create an open corporate culture, thereby increasing staff understanding and dedication to living the company’s values and goals. The investment in this approach is one of the crucial reasons behind Samsung retail consultants achieving such a high approval level from Russian customers, thus boosting the brand’s Personalisation score.

To improve the in-store customer experience, Inventive group has embraced wifi analytics. This allows it to analyse customer behaviours in real time, and provides the retailer with customer insights to boost the efficiency of business processes and to improve the personalised experience. For example, the retailer can continually revisit its online communication strategy with customers and personalise their offers in real time. The company’s commitment to continuous improvement and investment in customer insights to improve their experience resonate strongly with customers.

Samsung retail secures top position in the rankings mainly through the personalised, customer-centric approach it adopts and the professionalism of its employees, which the company invests in as a priority. To succeed in a highly competitive retail market, the company continues to apply innovative technologies and customer solutions. Inventive Retail Group focuses its attention on customer service, because it believes that only those companies who deliver on exactly what its customers need and want can survive and grow in the modern market.

Customer Experience and Customer Service remains one of our top priorities, as this is without question the main growth point, especially for retail. We will continue to develop the omni-channel, making the processes more cross-cutting, and look for new technologies to develop a personalised service that meets the needs of different customers, including the specifics of different generations.

Maria Golenkova
Marketing Director of Inventive Retail Group
Generation Z
(born in 1994-2002)

A generation of savers, born and raised in a digital environment. They are global, social, visual, and technological. They are the most connected, diverse, and educated generation ever. While they are mostly teenagers, their eldest representatives are now stepping into the spotlight and beginning to enter the workforce. GenZers are pragmatic realists, who are confident and motivated.

Generation Z highly appreciates Time and Effort and Integrity and those needs are met by modern digitalised companies. While for traditional brands it is generally harder to meet their expectations, they can still achieve it by demonstrating that they understand and support Gen-Z interests and values.
Nike “Swooshing” together with their idols

Tele2 Mobile service is a commodity

Adidas Urban lifestyle as a symbol of freedom
Spotlight on: Tele2

Telecoms

The Six Pillars: scores vs industry average

- Personalisation: +6%
- Integrity: +5%
- Time and Effort: +6%
- Resolution: +5%
- Expectations: +5%
- Empathy: +7%

The power of the personal touch
The telecom sector in Russia is highly concentrated, with the top-3 companies accounting for over 80% of the market. In a market with limited competition, well-established players provide very similar offerings, with customers modifying their preferences between calls, SMS, and data consumption. Tele2 distinguishes itself from the competition by offering a fresh approach. The company has positioned itself to provide the best value for money as well as an excellent level of customer service.

Tele2 identified the need for internet access-focused tariffs, especially among members of the younger, tech-savvy audience who are heavy consumers of social media. The company also took into account the financial situation of these customers by providing a price cap policy to help them manage costs. This combined approach has attracted a significant following from a group of customers that previously were unable to afford the tariffs that gave the necessary level of internet access.

Tele2 has avoided adopting a discount pricing model by following general best practices, pursuing unique product development, and adapting the business strategy of a “lifestyle enabler.” The company attracts and retains customers through recognising their needs, making them feel understood, and taking measures to create a trustworthy brand image that builds customer loyalty and advocacy.

Implementing the strategy to become a lifestyle enabler, the operator has expanded beyond the core telecom offering and created a new mobile services ecosystem through partnerships with market leaders in other industries. More than just a mobile network operator, the brand provides subscribers with personalised discounts, special offers, and cashback credits from various partners, such as retailers, restaurants, booking services, airlines, banks, and insurance companies. By understanding and responding to its customers’ interests and lifestyles, Tele2 is able to integrate its service offering into its customers’ lives at a deeper level than other operators providing generic packages.

When creating and promoting new products, Tele2 relies on the principle “Honest. Simple. Beneficial!” to offer customers only what they actually need. The brand’s actions support its values by keeping things simple and tailoring packages to include only what each customer really needs, instead of providing additional unwanted allowances or services.

Delivering on its promise to respond to customers’ needs, Tele2 has introduced a change in their tariffs policy. The brand offering increased flexibility and value for money to customers, by introducing plans where customers could exchange minutes for internet data, gift their own minutes and data, and carry forward unused data to subsequent periods. There are also plans that provide unlimited access to specific social media platforms (Facebook, VK, WhatsApp, Yandex services, YouTube, etc.). By offering all customers an automatically enabled SOS pack, Tele2 ensures that subscribers always have WhatsApp and navigation access, even when their balance reaches zero – this is considered by some customers to be a real lifesaver and a significant competitive differentiation.

According to customers Tele2 is distinguishing itself from other telecom companies. The company demonstrates it continues to understand and innovate to meet the needs of customers and to build trust. The company scores highest in the customer experience ranking within the industry.

Two years ago I changed my carrier. I often travel to another region and Tele2 was the first operator to get rid of roaming so that I did not need to worry about turning services on and off. Tele2 never withdraws more money than my monthly payment. I talk about the convenience of Tele2 every time I get a chance.

Female, 23, Moscow
Millennials
(born in 1984-1993)

Millennials, born to see digital trends shaping the world, they are now building their first homes and can be described as cautious and ready to spend when they see value. This generation is open to modern ideas and technology, but still value face-to-face interactions. They are ambitious both for themselves and for the world they live in.

Millennials are drawn to brands that can resolve their issues in a fast and efficient manner. They are open to everything new, but to win them over, one needs to excel in all The Six Pillars.
**IKEA** Good price for their first home

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<th>% difference</th>
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<th>IKEA brand score within Millennials</th>
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**Leroy Merlin** Easy to find whatever you need

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**Nike** One-stop shop for their favourite sport

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<th>% difference</th>
<th>Nike brand score in total within all generations</th>
<th>Nike brand score within Millennials</th>
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35-44
(born in 1974-1983)

The top-3 brands of this generation are all included in our top-10 as leaders in customer experience. Yet, the average CEE score within the 35-44 generation is 7.17, which is lower than the market average CEE score of 7.27.

A generation that was born in USSR and was raised in the turbulent 1990s. They are sceptical and hard to please, and highly value having a good work/life balance.

They are loyal to well-known, trustworthy brands. The only generation whose top four brands have not managed to achieve significantly higher scores than the brand score; in fact, they have mostly scored lower than the brand score. Although hard to please and sceptical, it still has the highest purchasing power, so the extra effort companies need to expend to win them over usually pays off.
Visa Reliability proven with time

Aeroflot Comfort no matter the destination

Leroy Merlin Affordable and convenient
Spotlight on: Aeroflot

The Six Pillars: scores vs industry average

- Personalisation: +5%
- Integrity: +6%
- Time and Effort: +9%
- Resolution: +8%
- Expectations: +6%
- Empathy: +10%

The power of the personal touch
With prices controlled through strong competition, the airline industry is experiencing growth in both flight volumes and passenger numbers. Airlines recognise the importance of customer experience as a differentiator when it comes to attracting and retaining customers. Leading companies are being transformed by embracing digital channels to increase the personalisation and relevance of their customer interactions, including through continual improvements to their apps and websites via the insights gained from big data to personalise communications with customers.

According to the company, further improvement to its mobile app is a core priority of its digital strategy. Aeroflot recently integrated a number of new functions into its app to help customers prepare for their trip and to improve the in-flight experience, ensuring a seamless process from the moment of purchase to boarding. Now customers can purchase additional services to enhance their journey, such as medical insurance, Aeroexpress tickets, and car rentals, and they can order additional dishes from a paid menu on flights where this option is available. To make the service more flexible, all additional services can be purchased when booking a ticket or added to an existing reservation. Also, each service is organised in such a way so as to make it as beneficial as possible for customers. The insurance available through the app is suitable for obtaining a visa, which is an important issue for many Russian citizens. The car rental service is provided in partnership with international rental company Europcar, which operates in over 130 countries. According to the company’s website a paid menu is offered in addition to standard meals. All dishes are created by a leading manufacturer of in-flight catering and with the participation of the best chefs. By integrating additional options into their app, Aeroflot significantly enhances its service package for customers.

Another example of Aeroflot’s successful digital strategy implementation is an enhanced contact platform with customers. The platform delivers a single access point for individual customer data that facilitates providing a personal service, registration, routing selections, and processing customer requests. The main aim of the platform is to boost customer loyalty via Social Media Marketing. The platform consists of several partner services which are embedded within the existing IT infrastructure of Aeroflot, offering multiple preferred contact channels (calls, social networks, email, official website, personal accounts). The objectives of the project are to deliver higher revenues and create positive economic and reputational impacts at all stages of the Aeroflot customer journey. The changes are resulting in an increase in positive feedback from customers. Aeroflot has also significantly boosted the efficiency of its customer complaints and appeals procedure, drastically reducing the time needed to resolve issues by using algorithms that take into account, for example, the context and nature of the complaint, author’s profile, etc. These measures ensure that all communications between the company and the customer are highly personalised and resolved efficiently and quickly.

Aeroflot is putting digital innovation at the heart of its customer service improvement strategy, with a view to increasing customer loyalty and growing commercial revenues. According to a company representative using big data analysis and machine learning models they segment customers based on a variety of characteristics, in order to ascertain the differences and preferences of our audience, while recommendation systems create personalised offers for each customer every day. Targeted communications have significantly enhanced the effectiveness of our marketing, and, as a result, helped improve Aeroflot’s key financial indicators. The platform for working with customer appeals has made it possible to systematise the key source of information about the quality of services offered by Aeroflot. The effect of a streamlined and rapid response to feedback from passengers, including from social networks, will be a significant rise in loyalty.*

Aeroflot is one of a number of aviation leaders currently embracing digital transformation to improve the customer experience. Due to its rapid adoption within the company, the airline has been able to both boost the efficiency of commercial activities and significantly improve the level of customer approval of its services.


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I needed to visit their website to get the information about my flight and I managed to find everything very fast.

Female, 24, South Region

Everything was great! From the online booking to check-in!

Female, 30, Ural Region
This age group is disciplined, team-orientated, and goal-centric. They are pragmatic and value quality and reliability, for which they do not mind paying. They have rated all of their top-four brands higher than the market average on three or more pillars. The three pillars in constant focus are Integrity, Resolution, and Empathy, which indicates that if brands wish to succeed within this generation, they need to have an image that evokes a feeling of trust and is associated with an understanding approach to resolving customer issues.
Samsung retail Target audience for devices

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<thead>
<tr>
<th>Samsung retail brand score in total within all generations</th>
<th>Samsung retail brand score within 45+</th>
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Shell The best loyalty programme

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<th>Shell brand score in total within all generations</th>
<th>Shell brand score within 45+</th>
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Yves Rocher Personalised advice after consultation

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<th>Yves Rocher brand score in total within all generations</th>
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Irrespective of the sector, customers are continually raising their expectations about the quality of their experience with brands. Customers do not discriminate between sectors, whether they are shopping, taking a flight, or streaming their favourite series. The sector leaders within our research continually strive to improve their customer experience through insight and innovation. Through making impactful changes, they raise standards across each of the Six Pillars and set a benchmark for others to follow.
The state of non-grocery retail in Russia 2018 can be characterised by such general trends as consolidation, diversification of products and services, the development of a true Omni-channel presence, and successful retailers becoming a source of positive experience rather than just a point of sale.

In our ranking non-grocery retailer scores the highest as a sector. With the crisis becoming less acute, non-grocery retailers are searching for other ways to win customers over, apart from pricing. Retailers are striving to maintain customer loyalty. They try to be flexible by being constantly engaged and adapting to today’s consumer requests. Increasing customer loyalty this year is not only about customers’ making repeat purchases due to attractive offers, but also about cultivating an emotional attachment to the brand.

Digital transformation is a priority in the highly competitive and rapidly developing industry of retail. Developing digital strategies is necessary to meet the needs and expectations of consumers, create a new customer experience, and ensure that each interaction with your brand is personalised. It is no surprise that many Russian retail companies are getting more involved in developing various strategies in the areas of IT, machine learning, and artificial intelligence. All these tools help with the restructuring of internal systems and business processes, as well as with changes to the business model, for example, leveraging a brand to cross-sell other services, either directly or with selected partners. Innovative technologies and methods are necessary for retailers to find, test, and speedily implement any new approaches.
Airlines are reporting that passenger traffic and passenger seat occupancy increased in 2018. According to experts, this is mostly due to the affordability of flights. A highly competitive environment will not allow airlines to shift growing costs onto passengers. The main expenditures of air carriers, such as fuel, airport services, and salaries have risen significantly, however strong competition prevents price increases.

Major airlines in Russia realise the importance of improving customer experience and are taking actions and embracing digital channels for customer engagement. For example, Aeroflot recently launched a platform for dealing with customer requests. The company became the first in the transport industry to implement predictive analytics of big data for this task. Aeroflot carried it out with the help of another company, Mail.Ru* group, the developer of the Tarantool solution, which became the basis for Aeroflot’s platform. This year another large airline, S7 Group, created a 50-million US dollar venture capital fund**. The company is interested in start-ups in the following areas: customer experience processing, personalisation and recommendation systems, and on-board entertainment technologies. Such projects will help improve the customer experience of S7 Group passengers.

The Russian mobile market returned to growth in 2017 (+3.4%), as telecom providers withdrew unlimited mobile plans.

The growth trend continued in 2018, which was reflected in ARPU growth. Providers insist that this growth is stimulated not by growing prices, but rather by consumers becoming more perceptive vis-à-vis their mobile plans. Now they are more attentive to every aspect of their plan, and expect highly customised proposals. With mobile media consumption growing, customers are migrating to solutions with more data included.

The entire telecom environment in Russia is defined by high mobile penetration and greater competition among the four largest players. First, this restrains price growth, as each player tries to attract new subscribers with appealing mobile plans. Second, this motivates providers to improve their customer experience using methods such as special bonuses, privileges, personalised solutions, better trained staff, and improved services.

The brand that scored the highest among telecoms in our ranking has a clear understanding that providers need to go beyond the telecom industry and become something more than just a provider of a telecom product.

They believe the defining success factors are creating a personal connection, becoming your customer’s lifestyle partner, demonstrating that you are sharing their interests, and creating additional value. That is why apart from providing attractive prices and simple intuitive ways to create your own mobile plan, they also invest a great deal in training their staff to be professional and empathetic, working on partnerships with taxi services, banks, delivery companies, insurance companies, and ticket-selling companies, conducting customer-only cinema nights, and providing additional benefits for certain events.
Even though the economic situation has shown signs of moderate improvement, most financial services are functioning within a highly competitive environment. General growth is directly linked to digitalisation of the B2C financial industry.

This includes developing advanced cyber security systems, improving IT platforms, and online tools for communication with customers.

Since the growth of digital communications, customers have grown more demanding, their expectations have risen, and they have begun to expect an instant and high-quality service – all day every day. Making mobile banking a basic feature, banks are leading the way across all sectors.

Customers are changing the way they communicate with companies. In-app dialogue windows have become increasingly popular. An opportunity to receive rapid feedback expressed in simple language increases customers’ satisfaction, especially within the financial industry, where customers often feel lost. Embracing this, companies have invested in bringing conversational marketing into the sector. Customers do not want to have to call companies, let alone fill in contact forms or send emails. They want one-on-one conversations wherever and whenever the need arises, and this is what conversational marketing principles address.

And that is where banks are naturally moving, taking a step further with conversational banking, which not only provides access to a traditional support team, but also allows their customers to obtain even faster responses through introducing advanced chat-bots that are available 24/7. This approach allows banks to serve their customers not only more quickly, but also more consistently, thereby simultaneously boosting customer engagement levels. Leading banks in terms of customer service exert a greater influence, not only in the banking industry, but also in terms of stimulating businesses in other sectors (such as insurance companies) to begin developing their own mobile interaction services with customers.
Spotlight on: Sberbank

Financial services

The Six Pillars: scores vs industry average

- Personalisation: +9%
- Integrity: +8%
- Time and Effort: +7%
- Resolution: +7%
- Expectations: +7%
- Empathy: +8%

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With customers forming new preferences and expectations towards digital services, the financial service sector usually leads innovation to improve the mobile experience, thereby increasing the personalisation and speed of services. Sberbank has successfully invested and improved its services in these areas, and in 2018 received a Global Finance Award*, in recognition of being the most innovative bank in Central and Eastern Europe.

Sberbank’s customer service transformation is based on its 2020 Strategy. According to a company representative they have in place its 2020 Strategy, which is the “action plan” for all Sberbank Group divisions for the next three years. One of the key priorities of the strategy is to create an enhanced customer experience and ecosystem. They do not create products based on their professional ideas about what they should be. They strive to ensure that all their products, services, and even processes are created and implemented based on customer needs. This approach allows them to place the customer at the heart of what they do.** Hence one of the bank’s main principles is being customer centric, which means that every product and service is based on the customer’s best interests, and not on the bank’s preferences and objectives.

To improve its understanding of customers and to provide personalised services and offers, Sberbank has increased the role of the technology and marketing departments within its structure.

Apart from using flexible technologies and big data, Sberbank also invests in creating a comfortable ecosystem for Russian customers in their daily lives. In 2018 the number of cities in which a bank card can be used as a public transport ticket reached 64. This is a very convenient and time-saving option for customers; on public transport they can use contactless cards or any token device (e.g. a smartphone or watch with Apple Pay, Samsung Pay, or Google Pay). By positioning itself as a bank that places a great emphasis on convenience, Sberbank bolsters its image of being a company with high integrity.

Customers’ daily routines can also be improved from a technological standpoint by enhancing the mobile applications that they use. In 2018 the active userbase of the Sberbank Online mobile application grew by 47 percent over the year, to over 40 million customers. This year the bank has introduced additional new features. For example, the ‘Dialogues’ feature enables customers to communicate and transfer money through chat rooms. Other services introduced in 2018 included notifications that pension payments have been made, options to order digital cards, investment offers, and media news (the last of these is in collaboration with the RBC media group). In the Sberbank Online stories section customers can read general or personalised content that is targeted at specific segments such as parents, young people, or the elderly. This is possible due to the technology delivering Sberbank’s personalised content, which ensures that customers only receive information that is useful and topical for them.

According to the company representative they are improving the customer experience of the bank’s customers by adding new formats, including news and stories from RBC, to the Sberbank Online mobile application. The Recommendation section is a relatively new communication channel, and we consider it to be one of our priorities. The ability to personalise the content in this section is especially important for them – to provide stories that are certain to be of interest to specific segments of the audience.***

All the recent improvements have led to a significant increase in use of the app. Sberbank reports that, on average, Sberbank Online users perform over 15.3 million transactions per day, which represents a 74% rise in a year. The most popular operations are P2P transfers, which accounted for 47% of the total number of daily operations in Sberbank Online. Over the year, the number of P2P transfers in the application went up by 85%, the number of transfers between accounts by 78%, and payments through Sberbank Online by 59%. According to the company representative they are placing high importance on expanding the use and functionality of the application by developing the Sberbank Online application for 40 million of their customers. They not only focus on their needs, but also try to offer something new, integrating experience from other industries and areas of life into their digital banking service. This helps Sberbank to anticipate user needs and to shape trends.****

Through being both technologically advanced and deeply integrated in the daily life of its customers, Sberbank attained high scores in customer experience through service personalisation and building strong customer trust.

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*https://www.sberbank.ru/ru/press_center/all/article/newsID=fc2ce730-c44b-4175-bc74-6d4c7a8ed11d&blockID=7&regionID=*&lang=en
This year the main two sectors within Entertainment and Leisure included in our study are cinemas and streaming services.

The volume of the Russian film distribution market declined in 2018, in both fees and attendance. Box office fell by over 7% year on year (from RUB29.5 billion to RUB27.4 billion). 108 million tickets were sold at cinemas all over the country, which is around 7% less than the same period last year. Nevertheless, 57 cinemas and 139 cinema halls opened. Being in a mild decline, cinema chains are trying to boost customer satisfaction on every level: from renovating their cinemas to launching promotional activities. Some are exploring partnerships and new distribution options, such as working closely with rapidly growing legal streaming services, giving free limited or discounted subscriptions to these services (e.g. Okko). Some work with payment systems (e.g. MasterCard) and provide a 10% discount on ticket purchases made with any type of card belonging to this payment system. For cinemas in shopping centres, providing three hours’ free parking for customers has become a usual practice.

Streaming services are very popular in Russia. For example, music services are significantly cheaper and more popular here than in any other major country in the world, with 87% of Russian internet users streaming music, vs only 61% in total. Digital sales of legal audio (download and streaming) in Russia rose in 2017 and 2018; growth was stimulated by streaming, with the share of downloads declining. The revenue of legal online video services in Russia in the first half of 2018 saw significant growth. More importantly, the paid subscription business model is increasing its share within sources of income and beginning to dominate the advertising model. In the structure of online video services revenue, its share reached almost 60% in the first half of 2018. This naturally highly digitalised industry is led by the example of FAANG, which is focused on improving customer experience within everything digital, viewing it as a key differentiator.
Consolidation, which has become a completely normal global process, continues on the Russian grocery retail market.

There has been some organic withdrawal of inefficient players that do not possess a strategic approach to their retail business. This has improved the overall quality of competition, creating an environment where simple price competition is not sufficient to win customer loyalty.

In Russia, real income has been declining and there has been an increase in the use of promotional sales. Many retailers have faced the fact that certain products are only sold with a discount. Nonetheless, companies with no strategy other than discounting are struggling to succeed in the market.

When working on Time and Effort, some companies are experimenting with formats. Those that have always been distinguished by having large shopping areas are planning to open convenience stores.

Often their customers need to make purchases quickly, and do not want to spend time walking around a huge store. Retailers need to adapt their ranges to respond to consumers becoming more health orientated and conscious about natural and organic products. The successful grocery retailers are also focusing on improving addressing customers’ issues and complaints. Instead of making a customer demonstrate why their complaint is well-grounded, successful brands are accepting the customer’s position without question, thus boosting not only Resolution, but also Time and Effort and Empathy. This is why small stores with a good assortment and trustworthy products score highly when it comes to customer experience, as demonstrated by our leading grocery retailer, which combines multiple trends: healthy food, local producers’ goods, a small store area, an easy returns policy, and courteous staff.
Within the B2C postal service the volume of deliveries has been growing. This is partially due to overall growth in cross-border trade. For example, after global sales, the number of imported parcels grew by more than a third, according to Russian Post*. Russian Post stated that after November sales, the volume of parcels to Russia rose by 38%. The company announced that 95% of shipments to Russia were imported from China, while the remaining 5% were from Spain, Germany, the UK, the US, and the Netherlands.

Postal service operators recognise that after achieving trust through providing a reliable, seamless service their next step in terms of improvement is creating an enhanced customer experience. The main post operator, Russian Post, has made it possible for its customers to receive packages and registered letters, which do not require payment, using a simple electronic signature. The entire process of serving customers using this technology takes no more than a minute, thus improving Time and Effort significantly. Other postal services, which have already resolved the Time and Effort issue, focus more on Personalisation, Empathy, and Integrity. Pony Express claims that its customers state that they communicate with a person, not with a company. Pony Express says these empathetic relationships encourage customers to share their plans and goals with the company in a friendly way, so that the company can provide a more personalised solution**. Two other big players work on Integrity, with DHL actively promoting their GoGreen programme, and UPS supporting small businesses within emerging markets.

| Logistics |

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**Sector performance vs market average**

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<th>Market average</th>
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The Russian Government has been working for several years on improving the experience citizens get from interacting with its offices. However, highly efficient public services are still a novelty for the Russian consumer, hence the high ranking of certain brands in the sector.

Within the last five years, such services as GosUslugi and Moi Dokumenty have completely revolutionised the way public services are delivered, as well as the way that the government communicates with citizens both online and offline. One of the success factors for these projects is creating a space for an open dialogue with the customer, where the government listens carefully and acts in accordance with the feedback received.

The main improvement was to reduce the amount of time and effort required. Customers feel that their time is appreciated. Online services are developing and taking Russia closer to an e-government model. Offline, many governmental structures are improving services so as to reduce waiting times. Moreover, through the introduction of Moi Dokumenty, all key departments are put into one office instead of being scattered across the city. As almost all services are provided without reference to the place of registration, all you need to do is choose the nearest multifunctional centre. Everything has become fast, convenient, and comfortable, and the notoriously thick layers of red-tape have been reduced. Different regions of Russia apply different additional initiatives to improve customers’ experience. Some continue working on Time and Effort, such as the Republic of Sakha (Yakutia), which was the first in Russia to install POS terminals in windows, thus allowing customers to pay taxes and fees immediately. Some invest in Empathy and Personalisation, launching such projects as "Sincere Service" in Moscow.

The Sincere Service initiative improves the ability of Moi Dokumenty’s staff to stop and think about how the situation would look to them if they were in their customers’ shoes, and to resolve issues from their perspective. Staff at Moi Dokumenty centres try to find an individual approach to each customer so as to address their individual circumstances.


Spotlight on: Moi Dokumenty

The Six Pillars: scores vs industry average

- Personalisation: +12%
- Integrity: +11%
- Time and Effort: +12%
- Resolution: +11%
- Expectations: +12%
- Empathy: +14%

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The Russian Government has invested for several years in improving the experience that citizens get from interacting with its offices and institutions, and one of the main features of this work has been centralising a number of bodies under one ‘Moi Dokumenty’ brand. Customers can now interact with every type of government service, from kindergarten, tax, passport, car license, parking, housing payments and many more through an online app or at conveniently located offices that have short waiting times. As a result, Moi Dokumenty is transforming perceptions about the quality of customer service offered by public bodies.

Moi Dokumenty is revolutionising traditionally time-consuming and inefficient services through innovations in digital channels and the availability of highly knowledgeable staff. Centres are very selective when it comes to recruiting staff, who undergo regular trainings and have to be highly motivated. Training staff to be empathetic ensures that customers are treated respectfully during their short waiting times and throughout all interactions. Staff are also trained in conflict resolution and to respond to citizens’ requests in a polite and friendly manner. Regular professional trainings enable staff to promptly provide up-to-date and accurate information, thereby reducing the time and effort and number of visits required to deal with a customer’s needs. Moi Dokumenty incentivises staff by linking their salary directly to the number of visitors served, their satisfaction level, and the time spent with a customer.

Moi Dokumenty initially garnered a positive perception from the public by centralising the bulk of government services into one office, which significantly improved overall customer satisfaction levels. It has continued to improve customer experience, and is currently one of the most-liked public services. It provides an integrated service to help organise and deal with all key life events and to issue any type of official government document. This increases not only its Time and Effort but also its Integrity score, by providing frictionless solutions that seek to assist customers in the most efficient way possible, and often during stressful situations.

A process of continuous improvement is embedded within all Moi Dokumenty offices. Regionally, offices are empowered to introduce and test their own initiatives, thereby allowing local offices to address local customer needs. Some offices focus on reducing Time and Effort for their customers, such as in the Republic of Sakha (Yakutia), which was the first in Russia to install POS terminals in windows (these allow customers to immediately pay taxes and fees). Some offices invest in Empathy and Personalisation, launching such initiatives as Sincere Service in Moscow. This service is aimed at improving the empathy of Moi Dokumenty staff by encouraging them to stop and think about how they would feel about the situation if they were in the customer’s position. With offices across Russia, there is constant encouragement to understand the local needs of customers and to adapt to improve their customer experience levels.

Globally, public services generally do not provide such high levels of customer experience. In Russia, this government initiative to improve interactions with public bodies so that they are friendlier, more efficient, and faster has made a significant change to people’s lives, and resulted in the high score achieved by Moi Dokumenty.

I resolved multiple issues in one visit; there was no queue. All questions were dealt with promptly. I liked the politeness of the staff.

Female, 64, Moscow

I was validating documents for my dacha. The service is very convenient: I registered my visit online, arrived according to the registration time, and promptly provided all the documents. The member of staff that took them was very polite, it was nice to deal with him. I had positive impressions about the place.

Female, 64, Volga Region
Delivering revenue growth through customer experience
Huawei opened its first store in 2017, but has increased its presence on the retail scene only this year. With the Huawei brand growing significantly all over the world, including Russia, it was only natural for the company to begin developing its own retail stores. Transferring brand values and strategies into their retail, Huawei scores highly for every Pillar.

Huawei achieves outstanding results for Expectations, scoring fourth out of all 100 brands. This was achieved due to a set of factors. The company-manufacturer has set a high bar for meeting the needs of all age and income groups. This approach is also reflected in its shops, creating a unified consistent image of retail as a part of the Huawei brand itself. Each store has a premium design, with the high-quality lights and materials used exceeding expectations for a relatively new Chinese brand store. According to company’s website the consultants are not only trained to know the product and sell it, but also undergo stress-resistance and communicational coaching to ensure that a high-end service is delivered.

With a strong focus on serving the needs of Millennials as a customer group, Huawei retail exceeds expectations, and this has allowed it to score so highly in

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"Huawei produces high-quality, innovative products and has a high-level support team. Evokes only positive feelings in me."

**Male, 22, Volga Region**

"We buy only Huawei smartphones, as they are high quality, cheap, and never stop developing, integrating new technologies and one can always find something new. It always adds interesting gifts: watches, [fitness] bracelets, power banks, headphones. Free delivery all over Russia. It is pleasant to interact with this brand."

**Female, 36, St. Petersburg**

"We chose Huawei because of the brand’s reliability, promotional price, salesperson’s help, and relevant technical characteristics."

**Male, 40, Siberia Region**
Although in one of the lowest-scoring industries, Vkusvill still occupies a high place in our ranking, due to its outstanding customer experience.

Increasing its presence and accessibility by growing daily (around one shop per day), Vkusvill’s number of shops has almost caught up with one of the largest players in the grocery retail industry, Perekrestok. Vkusvill has all the necessary products within a small space, hence making it easy for consumers to find necessary goods fast, and helping the retailer score higher in Time and Effort than even online grocery retailers.

The “favourite product” deal is a promo that allows a customer to pick any product they want to receive additional discounts on. As customers like being able to choose the product that is the most important to them, this promo contributes to Vkusvill’s high Personalisation score. Its polite staff and easy returns policy give the retailer the third-highest score in Empathy and the seventh in Resolution, out of 100 brands.

The retailer represents a natural healthy choice on the market, where over 50% of consumers try to follow a healthy diet. Natural ingredients, working with local farmers and producers, and low salt and sugar products win consumer’s trust and give a high Integrity score of 7.97.

**This brand has impressed me with quality of its products. Its dedication to a high standard of quality, cleanliness, and politeness of staff makes me want to return to the shop.**

**Female, 28, Moscow**

**Very good brand. Fresh high-quality products produced locally and a good loyalty programme.**

**Female, 60, Moscow**

**Great place for people who value healthy food. I shop there often. Even healthy food can be tasty.**

**Male, 40, Central Region**
I am impressed by its swift service. Delivery is quick compared to other online shops. If something doesn’t satisfy you, they take it back and return money to your card fast, and with no commission. Great job!

Male, 60, Moscow

The very convenient ordering system, and fast delivery makes me happy, as well as the variety of products, and the number of discounts. I use Wildberries weekly or even more regularly.

Female, 38, Ural Region

I order clothes there weekly - quick delivery, great quality.

Male, 26, Moscow

Customers are excited about Wildberries’ flexible immediate returns policy and next-day delivery for Moscow, one-to-two days for St. Petersburg, and from one-to-seven days for other cities and regions. Such a level of service and conveniently located drop off points with changing rooms gives Wildberries the second-highest score in the Time and Effort Pillar, out of 100 brands.

All products can be easily found on its website, and products are also available in various price ranges, thus increasing Wildberries’ Personalisation score, as everyone can find something suitable for them. The online store offers a wide range of products, from all kinds of clothes and fashion accessories to electronics, toys, and décor. It stocks both small, local, and global premium brands. The wide product range, combined with numerous discounts, make Wildberries a platform that motivates consumers to make purchases weekly or even multiple times a week.
After undergoing a major renovation the airport changed significantly in its appearance and service level, matching international standards. These standards are reached through governmental input and help from Fraport Group, which manages Frankfurt airport, the fourth-busiest in Europe. Fraport Group partly owns Pulkovo and brings its international experience to St. Petersburg’s airport, with over 16 million in passenger traffic per year.

 Appropriately organised ground handling makes Pulkovo stand out among other Russian airports. Most visitors are impressed by the absence of queues, whether at check-in (88 counters), luggage drop off, passport control (110 booths), or boarding. Overall, the score for Time and Effort in Pulkovo is the best among all Russian airports.
Possessing significant technological advantages compared to other Russian market players, including the best free online navigating app, Yandex has developed its taxi service based on all available modern technologies.

After developing an easy-to-use mobile app, it has managed to make every point of contact with its app as seamless as possible. Fixed tariffs, an average three-to-four minutes’ waiting time* (in Moscow), a responsive support team, frequently checked cars and drivers, relatively cheap options, additional stops, ordering for other people, and other services – all these factors contribute to its high scores.

Time and Effort is its most high-scoring Pillar. The score of 7.96 has become possible due to its exceptionally fast taxi arrivals and suggested best routes based on real time traffic data. By applying efficient technologies (machine learning, Graph, etc.) during all stages of a customer’s interaction with the app, Yandex has established a leading position in the Russian taxi industry.

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“I use YandexTaxi frequently. The app makes it easy to order a taxi. I can see how much time the journey will take, as well as the price. It is helpful that one can always get in touch with drivers, for example, to clarify details.”

Female, 35, Volga Region

“Very convenient app! Everything is visible straightaway. #1 taxi app for me!”

Female, 21, Central Region

“Cars arrive fast, cheaper than other taxi services.”

Male, 58, Siberian Region
The practice of creating and maintaining a successful customer experience for any brand is directly related to the involvement and backing of a company’s C-suite level management. From our experience we have witnessed that the practice of delegating customer experience to such departments as marketing, HR or even analytics departments is not always effective.

In the majority of the companies represented in our Top-100 Club, C-suite management have taken the decision to establish a dedicated customer experience department to ensure that they become customer centric in all areas of the business.
**Change starts at the top…or doesn’t start at all**

When the CEO decides that the company must become more customer-orientated, some place responsibility for this with HR and marketing, with no top-level involvement. However, such an approach rarely works. And even when the CEO understands that the required change must come from the top, the usual approach will be as follows: announcing the new policy during a staff meeting, sending an email reiterating the new ideas, and, perhaps, even sending employees to attend some trainings, where they brainstorm what can be done to become more customer orientated. Usually this results in a brief increase in energy and enthusiasm, which dies off within a couple of weeks, leaving no change, let alone improvement, behind.

There are certain steps that need to be taken for the change to become possible within the organisation, but one needs to bear in mind that nothing will happen without strong leadership. For any change that requires reorientation, a noticeable change in leadership behaviour is necessary. Slogans and buzzwords will not make your company customer-orientated. What is needed is a leadership committed to change and leading by example. Their employees will see how dedicated they are and here everything matters: how much time they invest in the change, who they listen to, how prioritised the topic is during meetings, who gets hired, how progress is measured, and how the company’s money is invested. So if C-level wants their company to become more customer-orientated, it is their responsibility to find and implement the solution for getting to know their customer.

**Improve and grow**

The Six Pillars are the secret to improvement. Our research shows that customers evaluate the experience they are having through these pillars. Consequently, they allow companies to get a clear idea of what level of maturity their customer experience is currently at, build an improvement strategy, closely monitor any changes, and make adequate adjustments.
Best CX brand in Russia: Samsung retail

With a score of 8.2 Samsung retail has been rated by Russian consumers as the best CX brand in Russia. Samsung retail also scores the highest in five Pillars out of the six.

Overall customer experience in Russia 7.3

Respondents rate the overall experience in the Russian market as 7.3. Only five brands received a total CEE score of over 8.

Local winner

Best Russian-based CX brand: Aeroflot

The highest-rated Russian brand is Aeroflot, scoring 7.97 and making #8 in our ranking.
Winning sector

Best-performing sector is Non-grocery retail (76)
Seven brands of the top-10 are from the Non-grocery retail sector, with little differentiation in the delivered experience among the leaders. On a bigger scale, 44 out of 100 brands are non-grocery retailers.

Main drivers

Drivers for CX in Russia 2018: Personalisation and Integrity
Personalisation and Integrity are the pillars recognised by Russian consumers as being the most important in driving overall Customer Experience, with an impact of 21 and 20, respectively.

Weak point

Russian consumers rate brands lowest on Empathy
Russian consumers rate brands just 6.7 for Empathy, thus indicating that brands operating in Russia need to work on delivering a better understanding of their customer and resolving their problems.

C-Suite involvement

Without C-level involvement no positive change happens
In all leading brands, top management are actively involved in transforming their companies to be customer-centric.
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