



Customer Experience in the new reality

2020 Customer Experience Excellence report
Vietnam Summary



—
October, 2020

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Sector focus: Grocery Retail



Rise as a CX leader

About the research

Customer Experience Excellence Centre



Since 2010, KPMG's Customer Experience Excellence (CEE) Centre has been dedicated to researching best practices in customer experience across the globe.

27 Countries, regions and jurisdictions

101,176 Consumers

806,205 Brand evaluations



This year the research has been expanded to cover 27 countries including Vietnam. The research was conducted in April- June 2020 via an online survey of 1,005 Vietnamese consumers. Survey respondents, who comprised a nationally- representative consumers sample in terms of gender and age, evaluated 86 local and international brands across eight different sectors in the Vietnam market (financial services, grocery retail, non-grocery retail, restaurants & fast food, entertainment & leisure, travel & hotels, logistics, and telecoms).

About the research

In order to participate in the research and to be able to respond to questions on a specific brand, respondents must have interacted with that brand in the previous three months. Each respondent can select and respond to up to 12 brands maximum. An interaction is defined, but not limited to making a purchase, using the brand's products and services, contacting a brand with a query, or browsing the brand's website. A minimum of 80 respondents per brand was required for that brand to be included in the final research results. 35 brands in Vietnam met the threshold.

The overall performance of each brand, sectors, and sub-sectors is determined by **the CEE Score**. CEE scores are calculated by taking the weighted average of consumer ratings for each KPMG Six Pillars of Customer Experience Excellence. The Six Pillars of Customer Experience Excellence, based on eleven years of KPMG research, are a blueprint for brands to provide an exceptional customer experience that can enable and empower strong, sustainable business growth.

Weighting in CEE scores has been derived through regression analysis to understand the relative importance of each of the Six Pillars in driving advocacy (how likely consumers would be to recommend a brand to a friend or colleague) and loyalty (how likely are consumers to continue buying services from a brand in the future). In addition to the survey analysis, the report includes quantitative research data, consumer feedback as well as interviews with brand representatives and industry experts.

The Six Pillars of Customer Experience Excellence



Integrity

Acting with integrity and engendering trust.

Trust is an outcome of 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 on top of mind.

Resolution

Turning a poor experience into a great one.

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

Expectations

Managing, meeting and exceeding customer expectations.

Customers have needs and they also have expectations about how these needs will be met. Customer satisfaction is the difference between expectation and actual delivery. Understanding, delivering and, if possible, exceeding expectations is a key skill of great organisations. Understanding these changing expectations is a vital component of designing the right solutions and experiences. Proactive expectation setting communications will now be expected as standard.



Empathy

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

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

Personalisation

Using individualised attention to drive emotional connection.

Demonstrating that you understand the customer's specific needs and circumstances and will adapt the experience accordingly is now the expected norm. Customers during the crisis described the feeling of being in an infinite present and unable to see beyond tomorrow. Our CX leaders have been focused on ensuring that, as far as possible, customers can take control over their lives by providing experiences that are more strongly tailored to their circumstances, which make them feel valued and important and put them back in control.

Time and Effort

Minimising customer effort and creating frictionless processes.

Customers are time poor and increasingly are 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.

Ross Macallister
Managing Partner,
Consulting,
KPMG Vietnam

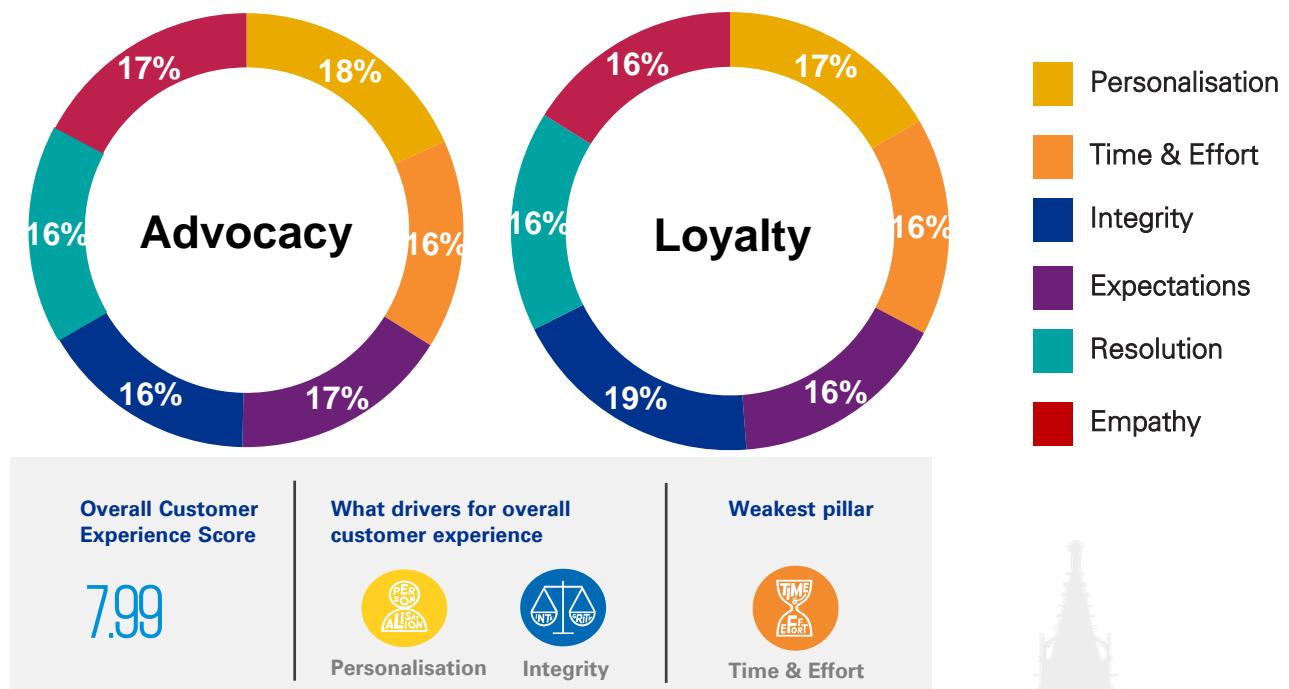
Companies in Vietnam are currently in a transitional period, going from a product-centric model to a customer-centric model. In the near future, the market leaders will be companies that put customers at the heart of their strategy

**Guillaume
Sachet**
Partner,
Advisory,
KPMG Singapore

In order to differentiate from the competition and leave a positive impression on customers, brands must take advantage of customer insight to react more quickly and to carve out a new customer experience landscape ahead. It takes a connected enterprise to forge future-ready strategies and internal connections within their business to align around a customer-drive digital backbone

Key highlights in Vietnam

Impact of the Six Pillars on brand advocacy and loyalty



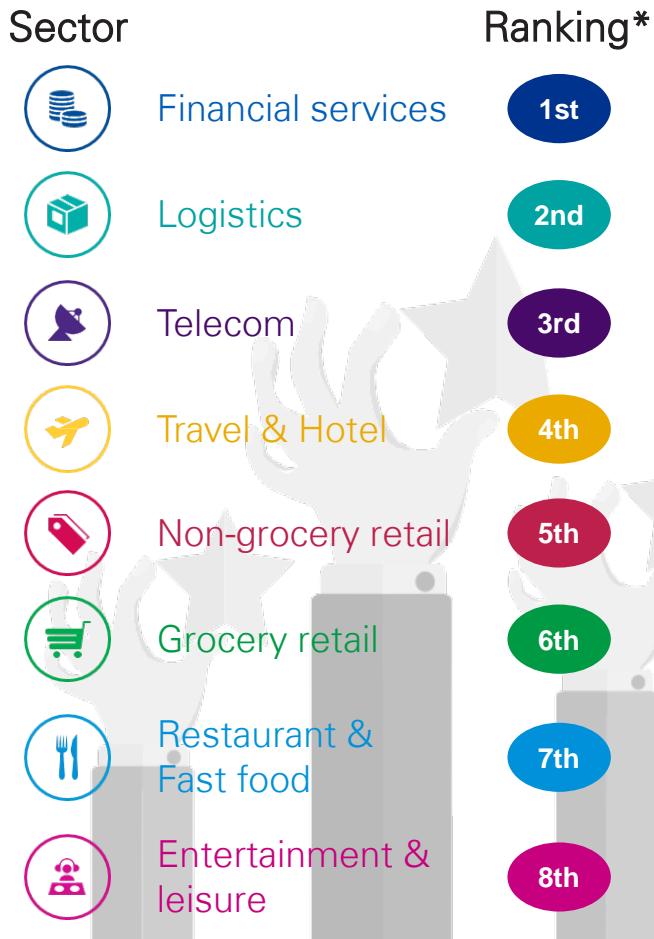
In Vietnam, our survey analysis showed that Integrity was the leading driver for brand loyalty. Meanwhile, Personalisation was the most important pillar for driving brand advocacy. Reality shows that Vietnamese consumers do prefer a company based on the company's prestige, the years of experience the company has in the industry, the trust a company has been building, or the experience they have already had with the company. They feel more comfortable and safer with the big brands that have been in the market for a long time or brands they have already known. They would hesitate to switch to other brands or try a brand new brand entering the market if they don't have enough references and information on the brand.

It is also found that Vietnamese consumers are more likely to recommend a company or a brand to their friends or family members if they have good experience using the product/ service or that the product/ service can satisfy their demands. The better the product/ service or the experience a company could bring to a consumer, the more likely the customers would give good reviews, support the company and recommend to others. This leads to the clear direction that companies need to personalise their product/ service to bring a more personal experience to the customers, through which they can promote their brand effectively.

2020 Sector ranking in Vietnam

The Financial services sector has been ranked as the highest-ranking sector in Vietnam for Customer experience excellence

Financial services companies in Vietnam had soon realised the importance of customer experience as core to the company's success. Many companies in this sector have considered including Customer-centricity as a core strategy for future growth and differentiating themselves from their competitors. Most financial services companies at the top of the Customer Experience Excellence report are the ones who have or are implementing a Customer-centric strategy (ie. Prudential/ Techcombank) or considering Customer-centricity as a core value for the company's growth in the future (Vietcombank/ Bao Viet). The facts show that these companies have a large investment in their retail business, focusing on enhancing customer service, offering more personalised products and services for each of their customer segments to improve the customer experience through the customers' journey with the company.

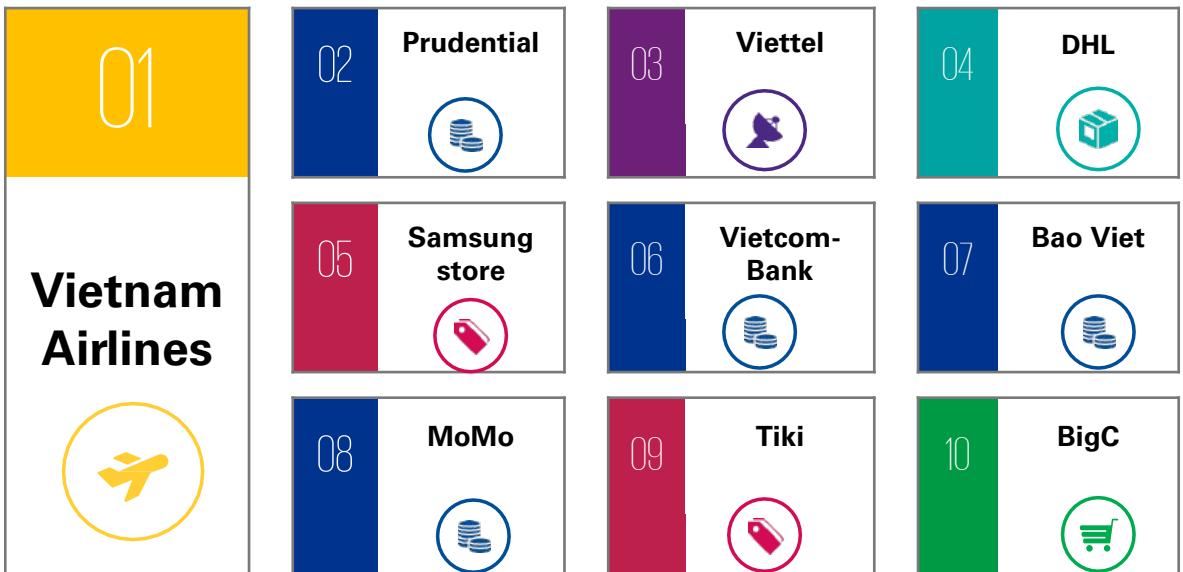


*The CEE Rank is the rank based on the CEE Metric - which is a weighted average of each of the six pillars



Knowing that bringing the best customer experience to customers requires the harmonised combination and resonance from two factors: employee & technology, financial services companies have continuously trained their employees with essential skills and knowledge to serve customers as well as set a customer-centric mindset so that all staff will respond and act for the customer's best interest. In terms of technology, these companies are always the pioneers in implementing Digital transformation strategy, deploying innovative initiatives, applying advanced technologies such as AI, Big data, Biometrics...to bring a seamless digital experience to their customers, minimising the time and effort customers spend with the company and having more time for their own.

Top 10 Brands in Vietnam



Spotlight on: Vietnam Airlines

Vietnam Airlines have been on a progressive journey to improve the quality of their customer experiences. They are firmly committed to equaling the service levels of the world's leading airlines. Central to their approach has been customer listening. The continual aggregation of customer feedback to drive improvement which incrementally adds value at each stage of the customer journey. It has inspired several changes to the customer experience from food and drinks through to conversations at check-in.

"Vietnam Airlines will continue to expedite upgrades to its services on other flights, as well as further invest in advanced technologies and the development of high-quality products and services, all to provide the most enjoyable experience possible for passengers"

– Mr. Le Hong Ha, Executive Vice President of Vietnam Airlines



"Just an amazing airline with first class service, easy booking, flawless check-in, attentive staff with smiling face. Generally, the best service"

Key customer challenges

Customers expect companies to be able to respond to changes in consumer trends or unexpected events, to be more innovative and adaptive

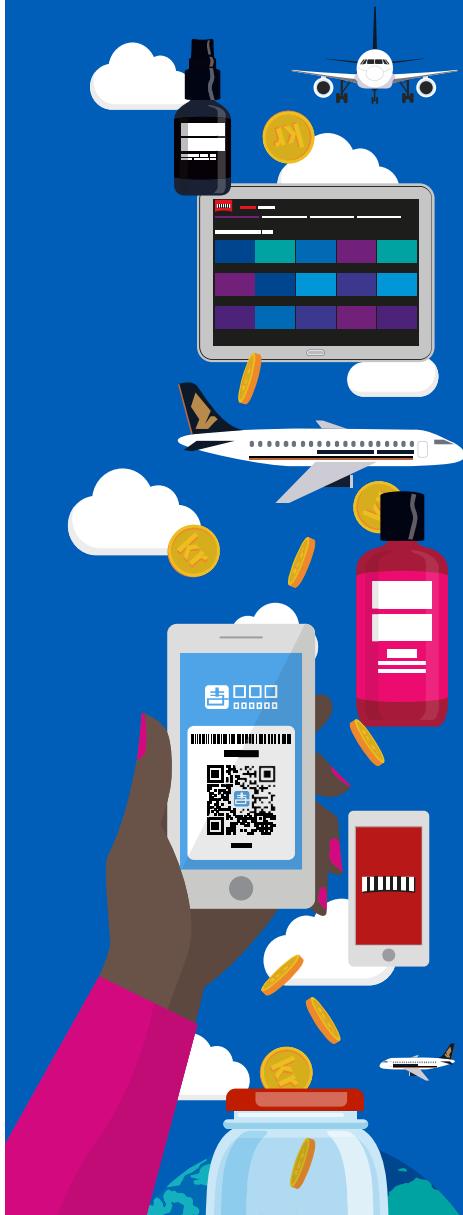
COVID-19 has left many changes in customer habits and behaviours, as well as creating new trends. It has amplified the need for easy access to products and services and relevant information, many Vietnamese customers are now comfortable using online channels, reducing the amount of brick and mortar purchases and are gravitating towards touchless shopping and online payments. With the complex situation of the pandemic, customers expect the companies to quickly respond to unforeseen circumstances, demonstrate empathy with customers, introduce innovative business models that can ensure customers' safety and trust. Companies that can do well during this period will get more customer loyalty and advocacy, ensure their sustainable growth.

Customers expect companies to be efficient in capturing their needs and desires and quick in responding to their feedbacks

Nowadays, customers increasingly expect their comments, feedback, and suggestions to be heard and acknowledged by the company. With the rise in social media usage in Vietnam, customers tend to post their good or bad experience with a company on social networks. A company that can efficiently capture customers' desires or feedbacks, resolve issues quickly, and turn the data gathered into a resource or reference to develop new product features will likely be more successful in enhancing the customer service quality and bringing excellent customer experience. Companies who deliver the right experience for their customers will win customers over and become a market leader for Customer experience.

Customers have more choices for products and services and are more likely to switch to companies that can bring the best value and experience to them

With the increasing number of disrupted players entering the businesses, whose competitive advantages are technologies, business flexibility, and innovative products/ services, Vietnamese customers are aware that they are now having more choices of products and services which can meet their demands with high-quality, reasonable price, simple and quick process, and excellent customer services. Before buying something, they are likely to engage in comparison shopping so that they can buy a product with the best value. Therefore, to compete in the market, companies are facing the challenge of transforming their business model to be more customer-centric, agile, and cost-efficient.



Sector focus: Financial services

Financial services was the top-performing sector in our study, achieving the highest average scores among the eight sectors, owning the most brands in the top ten brands and performing well in four of the Six Pillars – Integrity, Expectation, Resolution, and Empathy.

The two main sub-sectors of the Financial services include Banking and Insurance.

Banking

Banks understand that delivering a great customer experience can help them differentiate from competitors. Over the past few years, many banks in Vietnam have adopted customer experience into their mission and strategies.

While the industry has made much effort to enhance digital initiatives to make things easier and more convenient for customers like promoting eKYC for the digital onboarding process, focusing on retail business, and making the partnership with fintech companies to enhance retail transactions, our study still finds that banks in Vietnam are still struggling when it comes to delivering the great Customer Experience. Out of the Six Pillars, banking is performing below the study average in term of Time & Effort, Personalisation, and Expectations.

One explanation for that is despite the wide availability of e-banking solutions such as Internet Banking or Mobile banking, Vietnamese customers still heavily prefer using branch services for making transactions and consider long waiting time at branches as their major pain point. Adding to this is the unavailability of the hotline whenever they want to reach the bank.

The Six Pillars:
Scores vs market average



Overall Financial services average: **[Score 8.14/10]**

Source: KPMG survey analysis

Banks need to find a good way to reduce the customers' reliance on branches and guiding them to shift from branch-based transactions to online-based transactions. Meanwhile, the branches will become the touchpoint that can bring customer experience to a new level by providing the more relevant and value-added experience to customers' desires and goals, helping them to achieve their life goals, not just financial goals.

It is also undeniable that branch staff and relationship managers are playing an important role in offering the more

personalised services to customers. The newly launched product or service will not mean anything if it is not offered to the right customer. Banks need to provide their staff with more tools, skills and relevant data so that each staff can transform into a CX ambassador who really understands their customers, know about customers' expectations and how to meet the expectation and add value to customers.



Insurance

In this year's study, the only two insurance companies that met the research threshold showed the excellent performance in customer experience excellence, scoring higher than the study average for all of the Six Pillars

By nature, insurance is a complex industry with many complicated terms for customers to understand. Moreover, various product features and

different pricing structures also make it difficult for the average customers to understand. Customers expect companies to simplify insurance and make it more approachable and understandable by everyone. Although for insurance, Vietnam consumers still prefer a face-to-face conversation with an agent or broker to have better understanding and assurance, they also expect to have the choice that they can buy insurance digitally with full confidence and seamless experience. In recent years, the Vietnam insurance market has witnessed the increased focus of insurance companies on building efficient operating models, sales-based technology, Omni-channels and improving the quality of customer services through technologies (Big data or AI, etc.). Besides, more and more insurance companies are building their own ecosystem by cooperating with other health service providers such as healthcare center, hospitals, sport center, etc.,) to differentiate themselves in the market

In the future, besides going digital, insurers will also need to know how to leverage the customer data, analyse their behaviors, preferences, and interactions on each touchpoint to continuously demonstrate the companies' understanding of customer and create hyper-personalised products and experiences, remain connected with customers throughout their journey with the company and their key life moments.

**Mr. Huynh Huu
Khang**
CEO of FWD
Vietnam



Providing fresh and enhanced customer experiences drives our vision to change the way people feel about insurance. We leverage digital technology to improve all customer touchpoints and adopt a truly customer-led approach to meet their evolving needs through revolutionary initiatives such as minimising exclusions, communicating in clear and simple jargon-free language and enabling 24-hour e-claims





Spotlight on: Prudential

Prudential Vietnam has been one of the pioneers in the Vietnam life insurance market to launch and apply multiple initiatives to enhance customer experience and engagement. In 2019, the insurance company launched a new Pulse app that was designed to look after customers' wider health needs. Through the app, users can track their Body Mass Index (BMI) measurements, Wrinkle Index measurements, and also receive a free consultation with a doctor. This initiative arrived as the company's reinforcement to its new brand commitment "Listening. Understanding. Delivering."

"With Pulse, we aim to bring technological achievements in the medical field closer to the people, helping people take the initiative in their care and easily manage their own health at any time and anywhere."

– Mr. Phuong Tien Minh, CEO of Prudential Vietnam



"The company understands well their customers, providing prestigious services and quality products. I have been a customer of Prudential for 20 years and will always be a loyal customer of the company."

Bradley Styles
Partner,
Advisory,
KPMG Singapore

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Emerging technologies are changing the customer journey in a wide range of ways - chatbots for tailored interactions, intelligent automation for personalised service and machine learning allowing for deeper understanding of customers' personalities and preferences. The first step, however, is knowing what parts of the customer journey to focus on and which technologies will help get you there

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Sector focus: Telecoms

Telecoms was the top-performing sector in our study, achieving the highest score among the eight sectors in terms of Integrity and Time & Effort.

A good explanation for this sector's good performance is that most of the telecommunication companies in Vietnam are state-owned companies that have been operating for a long time in the market, which has led to the confident mindset of consumers when using the products or services provided by these companies.

The Industry 4.0 revolution, on one hand, has brought many opportunities for innovation and development for telecommunication companies, on the other hand, has also created a fierce competition among carriers. To remain relevant and increase market share, operators have made a significant investment in technologies, accelerated the adoption of digital technologies to improve processes and operational efficiencies as well as enhanced the quality of products and services.

In the future, to differentiate from other competitors in the market, the top three operators are investing in and need to continue to invest in a customer-centric strategy to enhance the customer experience. The operators need to bring a simpler and more convenient experience when using the company's services, from delivering a perfect customer experience at each touchpoint throughout the customer journey at the company to offering them with personalised product packages, tailored to meet the specific demand of different customer segment.

As an industry with advantages in collecting customer data, telecommunication

The Six Pillars:
Scores vs market average



Overall Telecoms average: **[Score 8.06/10]**

Source: KPMG survey analysis

companies need to leverage this advantage by focusing on analysing customer data, the behaviors and the consumer's needs in order to have better insights of its customers, get closer to the customers and show them that the companies truly care and understand them. The operator that does all of this well will be the one that stands out. As a consequence, they will capture the customer's loyalty and trust.



Spotlight on: Viettel

Viettel, one of the biggest network operators in Vietnam, has always put their customer-centric strategy at the heart for all their strategic plans and investments to become the number one telco. In 2019, Viettel launched a Customer care program called Viettel++, serving 100% of their customers. Viettel customers will enjoy a customer care program with benefits from the expanded ecosystem, gifts, and incentives. This program was enabled by a telecommunication infrastructure with the capacity to automatically record all customer interaction and accumulate loyalty points and real-time update to customers. This brings a seamless experience to customers, making them always feel like they are taken care of without having to do anything by themselves.

“...We would like to take care of our customers, not the figures”

– Ms. Cao Thi Thu Huyen, Vice President of Viettel Telecom



“I have had great experience using Viettel. Good and diverse services, courteous and enthusiastic staff...”

**Nguyen Tuan Hong
Phuc**
Partner, Head of
Customer &
Operations, Digital
Consulting,
KPMG Vietnam

“

Vietnamese customers are getting used to having diverse choices of products and services. A competitive pricing strategy alone cannot be a long-term strategy if companies wants to ensure their sustainable growth. Companies need to come closer to their customers, utilise all the available resources and make appropriate investments to understand their customers better, provide them with personalised products and memorable customer experiences. This is how a company can survive and evolve in the coming decade

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Sector focus: Grocery retail

The grocery retail industry is in the period facing many changes in trend. One of the key disrupters of the grocery retail market worldwide has been the rising use of e-commerce, which is transforming how customers experience grocery shopping and engage with grocery brands. The emergence of the COVID-19 pandemic has strengthened that trend and created a premise for the transformation from traditional commerce to e-commerce.

The boundary between the online channel and offline channel is no longer too clear because it does not matter whether a product is bought online or at physical stores, consumers are more interested in the availability of having that product whenever and wherever they want. This also leads to the essence of investment in developing Omni-channels for grocery retailers for their future growth.

According to our study, in Vietnam, the Grocery retail sector ranked at sixth place out of the eight sectors, belonging to the bottom performing group, performing below the study average in four Pillars - Personalisation, Expectations, Resolution, and Empathy.

Although Vietnamese grocery retailers have had some drastic actions to grasp the new trends and increase the customer satisfaction by launching their own e-commerce sites or cooperating with ride-hailing companies such as Grab, Be, etc., to better meet customers' demands, what was found from the study showed that they have just done a small part of a whole customer experience journey in grocery retail.

Grocery retail is considered as the sector that can collect the most customer data, just behind telecoms. The poor performance in the Personalisation pillar implies the fact that

The Six Pillars:
Scores vs market average



Overall Grocery retail average: [Score: 7.88/10]

Source: KPMG survey analysis

companies in grocery retail haven't had the right method to collect customer data or know how to leverage the data that they have collected to an asset that can help them to know more about the customers, their expectations and motivations. This also prevents the companies from providing a more personalised experience, exceed customers' expectations, show more empathy and understanding to their customers and win them over.

Rise as a CX* Leader

Metrics that drive your CX performance

In order to rise as a CX leader, companies need to consistently provide an excellent customer experience by continuously measuring their customer experience activities, using the correct metrics that match with their business nature and business target. The following metrics are the most well-known for Customer Experience metrics:



CEE INDEX

Understand the importance of each of the Six Pillars in driving advocacy and loyalty



OMNICHANNEL EXPERIENCE

Understand how to define your omnichannel customer strategy by understanding their preferences and needs across different channels



6 PILLARS PERFORMANCE

Analyse your performance across the Six Pillars of Customer Experience Excellence to identify which key pillars to focus on



NPS SEGMENTS

Gain a better understanding of your promoter, passive and detractor customers by their demographics



NET PROMOTER SCORE

Identify the percentage of customers who would recommend your band to friends and family



LOYALTY SCORES

Obtain a better understanding of how likely are your customers to continue purchasing your products and services

*CX: Customer Experience

CX Transformation steps*

Companies can use Six Pillars as a blueprint for CX transformation. The Six Pillars establish three steps for CX transformation with tangible activities for each steps, with the next step building on the previous one due to the interrelationship between the pillars

01 | SET THE BASICS - Consistent & Reliable service

Integrity

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

Expectations

- Set my expectations accurately
- Agree timings with me
- Respond more quickly than I anticipate
- Fulfil our promises
- Guide me through the process
- Provide information openly and honestly

CX CAPABILITIES REQUIRED

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

IMPLEMENTATION ACTIVITIES

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



*Source: Singapore CEE Research 2020

02 | OPERATIONALISE - Seamless & Efficient experience

Resolution

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

Time & Effort

- Make my time investment pleasurable
- Give me clear instructions
- Maximum of 3 steps to my objective
- No longer than 2 minutes waiting
- Provide the answers I need when I contact you
- Advise me of pitfalls ahead

CX CAPABILITIES REQUIRED

- Empower employees to own customer experience
- Replace legacy systems and policies
- Centralise customer data

IMPLEMENTATION ACTIVITIES

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

03 | DIFFERENTIATE - Individual experience

Personalisation

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

Empathy

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

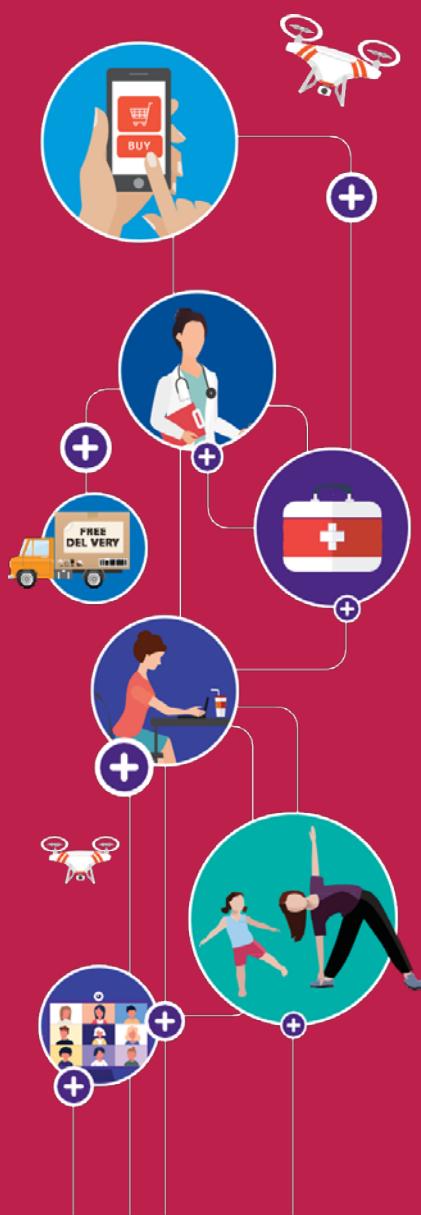
CX CAPABILITIES REQUIRED

- Restructure organisation around customer needs
- Leverage new technology and channels
- Embed target state experience with innovative offers

IMPLEMENTATION ACTIVITIES

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

Looking ahead



In the coming years, customer experience will be the key to the company's success and survival.

Companies that do not timely grasp and respond to the ever-changing needs of customers will soon be eliminated from the market. More and more companies in Vietnam are gradually realising the importance of customer experience and putting customers at the heart of their growth strategy or vision for the future. However, they are still struggling with the right customer experience strategy to follow and the suitable approach and implementation plan to transition from product-centric companies to customer-centric companies.

Faced with the fact that customers are increasingly demanding and spoilt with so many choices of brands, companies need a fresh and appropriate approach to transform their customer experience activities. To explore more about where your brand is standing and discuss further on the customer experience strategy and action plan that can help to transform your customer experience and rise as a CX leader in your industry, please contact us at:



Nguyen Tuan Hong Phuc

Partner, Customer & Operations, Digital
KPMG Tax & Advisory Ltd Branch

T: +84 937105539

E: phuctnguyen@kpmg.com.vn

Acknowledgments

Project team: Nguyen Dinh Nhat Thi, Nguyen Quoc Dang Khoa

Additional input and insights from: Tran Huu Tuan, Eunice Tay

Designer: Nguyen Dinh Nhat Thi



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