



Customer experience in the new reality

Global Customer Experience Excellence research 2020:
The COVID-19 special edition



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Foreword

The impact of COVID-19 on customer behavior was immediate and widespread across all industries, countries and demographics. Expectations have heightened as priorities have shifted to health and safety first, which have in turn changed decision making and buying behavior.

As a result, what was previously considered to be a great customer experience has no longer been good enough and almost all businesses have been thrust into reorganizing their approach to customers.

Customers are the lifeblood of every organization and the money they spend is the oxygen that enables the business to exist, grow and thrive. There is a commercial cadence - a rhythm - associated with how the customer and organization transact and interact with each other over time. With this cadence comes the opportunity to deliver experiences that in turn establish and sustain enduring relationships and drive value for both sides.

This is KPMG's 3rd Global Customer Experience Excellence report. It brings the need for commercial cadence to the fore. Looking at the research findings in the light of COVID-19, we see that companies that were able to maintain this commercial cadence with their customer were ranked higher than those who did not.

Their success emphasizes the application of The Six Pillars of Experience Excellence: Integrity by acting ethically and demonstrably in their customers best interests; a focus on Resolution and proactively addressing customer problems;

the accurate setting of Expectations; reducing the Time and Effort customers need to expend by enabling frictionless interactions and then delivering a Personalised experience with Empathy and compassion.

COVID-19 has brought forth a consumer that is more thoughtful and selective in their decision making. Part of this is a result of customers seeking out businesses that demonstrate and build trust. Additionally we are seeing a shift towards 'buying into companies' rather than simply 'buying from them. Factors such as brand, purpose and reputation are coming into the decision-making process in equal measure to safety, security, convenience and certainty. These are all now parts of a new value equation that customers hold to account within the price of a product or service which has changed the economics of experience delivery.

Many purchases have had to shift from in-person to online channels, creating a more digitally savvy consumer that demands easy and effortless interactions. Consumers of all ages have discovered that the internet makes their daily routines more efficient and these behaviours are likely to stick. Many organizations had to accelerate, augment and promote their original customer interaction investments. For the leaders in our research this was a minor adjustment to existing operating models allowing them to maintain continued transactions and commercial cadence with their customers. Indeed, the shift to digital enabled greater value to be created by lowering costs to serve.

The migration to these digital relationships poses something of a challenge for organizations even those with a strong digital presence. Online experiences in the new reality need to be immersive, emotive and, above all, safe.

The CX leaders in our research lead from the front to support their colleagues in these extraordinary times and build an organization which is connected - where every part of the business is symbiotic and aligned, from the front office through to the back office, to deliver an intentional customer experience.

I encourage you to review the findings of our research in this report to help you to decide how to adapt your approach to customer experience and align to a new reality. A dynamic economic environment, a shift in values and newly expected standards of customer and corporate behaviour are rapidly changing the rules of the game. Firms will need to know this new customer intimately if they are to succeed in the new reality. Our global network of KPMG consultants is here to help you navigate the challenges ahead.



Julio Hernandez

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



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

The average increase of all markets together is 3%



63%

Value is the differentiator on product or service choice for 63% of consumers as a result of COVID-19

79%

of consumers are worried about the global economic situation



Overall Non-grocery retail is the strongest performing sector for CX in 2020, followed by Financial Services.

3% ↑

Brands are perceived to be providing more value for money. There has been a 3% uplift since 2019

7

Of the 19 markets which featured previously, 7 brands retained their number 1 spot.

98%

of customers are concerned about their personal data and what happens to it.



The Logistics sector has seen the highest increase in performance in 2020 of 6%

Source: KPMG International Research, Feb 2020, June 2020



Personalization is the strongest pillar in driving Customer Loyalty in 19 of the 27 markets, whilst Integrity leads across 6 markets.

10%-12%

The top-ranked brand in each market typically outperforms the respective market average score for each pillar by between 10% and 12%.

56%

Over half of consumers say the environmental and social practices of a company has an impact when choosing to buy from them.



90% of consumers regard resolution as their most important customer service issue



Integrity is the strongest driver of Advocacy (NPS) across 18 of the 27 markets whilst Personalization leads across 8 markets.



Financial Services dominates the first place rankings. 12 out of 27 leaders are FS brands



Customer experience (CEE metric) for the top-ranked brand in each market is an average of 11% higher than its respective market average.



Average performance has risen across all Six Pillar this year, with expectations seeing the greatest increase globally (+4% on average)

90%

of customers are willing to pay more for ethical retailers

The new reality customer



Globally, consumers believe they will be living their lives very differently for the foreseeable future. They feel more vulnerable, less secure and less in control than ever before. They expect the brands they have to interact with – digitally or, as lockdown eases, physically - to deliver better, safer, and more seamless interactions at a lower cost.

They are financially constrained, want touchless experiences and are more thoughtful and selective in their decision-making giving preference to brands they trust. They have a deeper appreciation of family, friendship and health and are keen to see COVID-19 as an opportunity to reset their values in the world while getting value in all they experience.

As a consequence, we see some new and different behaviours because of the way that we have had to adapt to life in lockdown. Some were already present and have been accelerated or sharpened but many are new and likely to remain and indeed impact customers' purchase behaviour. Purchasing patterns are also changing as consumers shift from discretionary spend to essentials and it is likely to stay that way as the finances come under pressure and they seek to rebuild their financial safety net.

Value and price are becoming equals for customer loyalty

Consumers' spend is impacted by both the decrease in disposable income and the psychological impact of COVID-19. We see new segments arise, separated by a need to group products and services into categories of necessity, with spend moderated by financial attitudes.

Consumers in Germany, France and Hong Kong (S.A.R), China feel more calm and secure, fitting into the financially comfortable category. In Brazil, Japan, Italy and Spain, consumers have stopped all non-essential purchases and are more selective, feeling more financially overwhelmed and giving their financial recovery priority.

Value for money, and its corollary price, is the single most important factor in decision-making and our research this year shows that it has become a significant driver of loyalty.

In addition, in previous years of our CX study we have seen that Cost or Value has had little impact on how a customer's assessment of their experiences translates into advocacy and loyalty. This year, however, **for those countries experiencing severe economic impact at the time of the study**, we have seen that Value as a determinant of loyalty is second only to Personalization. In addition, brands are perceived to be providing more value for money with the results revealing a 3% uplift.

Source: KPMG International Research, June 2020



Key takeaway

Organizations will need to rethink their business and operating models. The consumer's search for value for money is much more than just short-term margin dilution. It is a fundamental change in purchase priorities and will be prevalent for 12 months or more.

Consumers have become more digitally savvy

COVID-19 has amplified the need for easy access to products and services and information. Most customers are now comfortable using online channels to buy what they need. They are reducing physical purchase occasions and are gravitating towards touchless shopping and contactless payments. 82 percent of consumers stated that they are more likely to use digital wallets or cards in the future.

Use of chat technologies and social media has grown with a threefold increase in consumers claiming they will use social channels, webchat, messenger apps and SMS chat as their main means of communicating with organizations in the new reality .

Key takeaway

Organizations will need to invest in new digital methods of communication and payments. Prioritizing digital security will be key.

Trust becomes multi-dimensional

Trust underpins the commercial cadence between customers and organizations. Integrity and trust are therefore two sides of the same coin. Integrity is how the organization thinks and behaves and trust is the outcome gained as a result from its customers.

During lockdown customers have become more aware of environmental and corporate behaviours. They are more questioning as to whether brands behave credibly when it comes to their environmental and social obligation. They have added further dimensions such as safety and support of the local community.

Key takeaway

Integrity and trust are anchored in an organization's purpose. It sets an ethical standard that the business must live up to. Like the CX leaders in our research, firms who have demonstrated resilient, moral principles and a commitment to humanity, the environment and social aims are those that consumers are gravitating towards.



As the effects of COVID-19 reshape our economies, organizations will need to strategically re-engage with their customers. Whilst behaviors and spend levels have already changed dramatically, it is the evolution of customer needs, attitudes and values that will most disrupt how businesses compete.

Tim Knight

Partner, Customer Advisory
KPMG in the UK

Source: KPMG International Research, June 2020

The Six Pillars

Eleven years of research have shown that every outstanding customer relationship has a universal set of qualities – they are The Six Pillars of experience excellence. They are inextricably intertwined and, in combination, provide a powerful mechanism to help organizations understand how well their customer experience is delivered across channels, industries and company types. Leading organizations demonstrate mastery of these pillars and are outstanding at all of them.

In our research this year, all the top ranked brands exceeded the market average on each of The Six Pillars. Indeed, the top-ranked brand in each market typically outperforms the respective market average score for each pillar by between 10 percent and 12 percent.

Integrity

Acting with integrity and engendering trust.

Trust is an outcome of consistent organizational behaviour that demonstrates trustworthiness. There are trust building events where organizations have the need to publicly react to a difficult situation, and trust building moments where individual actions by staff add up to create trust in the organization as a whole. Behavioural economics holds that as humans we trust people we like. The ability to build rapport at a basic human level is therefore critical in creating trust with customers.

- Do the right thing for me personally
- Be seen to be doing the right things for customers in general
- Stand for something more than profit
- Have not been associated with negative stories on the TV, internet or in the newspapers
- Are recommended by my friends or family
- Take corporate social responsibility seriously
- Contribute to my local community

Resolution

Turning a poor experience into a great one.

Historically when it comes to resolution, organizations have majored on service recovery. COVID-19 has driven rapid innovation because customer problem solving has come to the fore. This mindset in turn has accelerated a focus on solutions rather than products and driven engagement.

- Own the resolution and fix with urgency
- Keep me fully informed of issue resolution progress
- Offer a warm and sincere apology
- Go the extra mile if required
- Provide a temporary solution while trying to resolve the problem
- Assume my innocence

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 organizations. Shaped by COVID-19 customer expectations have become more fluid. 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.

- Do what they said they would
- Provide a consistent service every time I use them
- Use plain English – no jargon
- Keep me informed as to what is happening when I have a query or place an order
- Check whether I'm happy with their product/services
- Set my expectations accurately





During the pandemic period, customers have perhaps for the first time seen organizations put their customers and their people's wellbeing before profit. Leading organizations have acted compassionately and sensitively to the factors that affect trust. Going into the new reality firms will need to be careful they do not undermine this newly acquired trust.

Amanda Hicks

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

Empathy

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

It is time for all firms to show that they care, that the safety and wellbeing of their employees and customers is their prime concern. Corporate kindness are two words not usually put together, but they are now fundamental to how a company operates from within.

- Understand my particular situation
- Explain things in a way I can easily understand
- Demonstrate they care
- Acknowledge how I'm feeling and act appropriately
- Invest time to understand me and my needs
- Provide the right emotional responses for my situation
- Are willing to bend the rules to help me out

Personalization

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, that make them feel valued and important and put them back in control.

- Offer products or services relevant for me
- Understand my specific personal needs
- Make me feel valued
- Treat me as an individual
- Know who I am from my customer history when I'm dealing with them
- Make me feel in control
- Show an interest in me

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. COVID-19 has amplified the need for easy access to products and services, convenience and relevant information. Home delivery has become a way of life.

- Provide information/answers I need when I contact them
- Minimise waiting times
- Manage queues/call waiting effectively
- Explain exactly what I need to do next at all points in my task or purchase
- Make my time investment feel worth it
- Offer alternative ways to complete my task or make my purchase



The new reality experience



Investing in the customer relationship in times of difficulty will be repaid by enduring customer loyalty. Firms that maintain their ethics during periods of catastrophe grow and prosper.

Eleven years of research with 4 million customer evaluations of c.3,500 brands globally have shown that there are six dimensions of customer experience that firms need to excel at if they are to reap the financial rewards that result from loyalty and advocacy. These are Integrity, Resolution, Expectations, Time & Effort, Personalization and Empathy.

In normal times, they are powerful tools for creating successful, sustainable and ethical businesses. When faced with the unprecedented challenges of new reality, they provide an invaluable guide to navigating the changes that will be required by defining excellence in both customer and employee experiences. They show business leaders specifically what they need to create in order to compete for the new reality customer and become or remain high performing CX leaders. This year however we have seen that Value as a determinant of loyalty is second only to Personalization. It has seen an overall shift of 11 percent in importance since 2018.

This year's research shows that The Six Pillars of Experience are more relevant than ever, but now have additional requirements and priorities attached.

As companies demonstrate their commitment to a safe and secure environment and seek to adapt to customers' unique circumstances Integrity and Personalization now play a particularly strong role in driving both advocacy and loyalty.

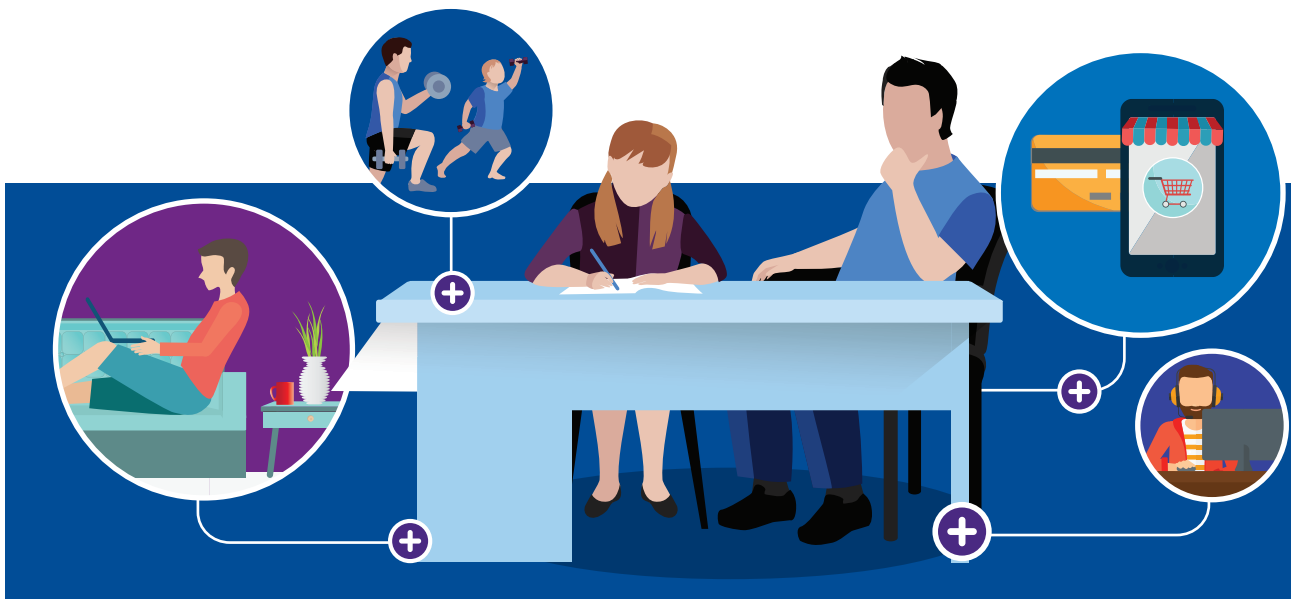
- Integrity is the strongest driver of Advocacy (NPS) across 18 of the 27 markets, whilst Personalization leads across 8 markets.
- Personalization is the strongest pillar in driving Customer Loyalty in 19 of the 27 markets, whilst Integrity leads across 6 markets.

Global performance has increased across each of The Six Pillars this year.

Overall customer experience performance rose by 3 percent globally in 2020.

The Pillar with the highest growth (4 percent) is Expectations. We surmise that this increase is due to consumer expectations having been reset due to COVID-19. The reaction and innovation of many organizations have given the increased ability to wow and exceed expectations.

Our leaders demonstrate that consistent delivery across each of The Six Pillars remains critical. All the top ranked brands exceeded the market average on each of The Six Pillars. In fact, the top-ranked brand in each market typically outperforms the respective market average score for each pillar by between 10 percent and 12 percent.



Connecting customer and employee experience

Companies around the world are attempting to transform their businesses but only a small number have made energizing their frontline people a central part of their transformation journey. These leading companies are embracing the concept of the “workplace as an experience”, where every aspect of work is carefully designed, arranged, and controlled to energize and inspire employees to deliver the prescribed customer experience.

This requires a new covenant between front-office and people leadership, connecting the worlds of customer, HR and general management in a way that most operating models resist. Those that do, start with the design of a competitively superior customer experience and then design the culture, skills and behaviours that will enable frontline employees to deliver such an experience. This is because innovation, creativity, passion, commitment and the desire to do great things for the customer start and finish with the employee.

The Six Pillars can be universally applied to both customer and employee relationships. By seeing all people (and their digital counterparts) through this singular lens, organizations can remove disconnection and unify their colleagues around common ways of thinking.

In short, transforming the customer experience (CX) requires that organizations adopt an equally methodical approach to the employee experience (EX).

The experience an organization delivers to customers reflects the organization and its employees. Employees who are motivated, empowered and enabled with the information, tools and technology they need to deliver on the brand promise can make or break the customer experience. This goes beyond employee engagement. This means taking the design and measurement of employee experience just as seriously as the design and measurement of the customer experience.

Perception of an employee’s experience is now an important decision point for customers. 41 percent of customers say that it is now more important to them because of COVID-19. Customers want to be assured that employees are well treated, safe and enjoy their jobs.

The CX leaders in our research go to great lengths to ensure that employees experience their organization in the same way a customer would. For the leading hotel and travel companies for example the induction of new employees involves experiencing the brand as a guest. The target employee experience across journeys and their employment life cycle is carefully crafted to ensure the target customer experience naturally emerges.

For leading retailers ordinary retail roles are elevated through stringent recruitment and training to become consultants, trusted advisors to customers who not only sell products but guide customers to exactly the right solutions for them. Even more important as countries globally ease out of lockdown measures and want to feel safe and secure in their physical purchase experiences.

For online retailers it is how staff can replicate human interactions online and make an emotional connection digitally. This is an area many organizations have been thrust into over the last few months and will need to be careful to maintain and improve as customers will not be forgiving if the experience slacks off.

The unifying factor across each of these companies is that employees and customers alike are infused and enthused by an abiding sense of purpose which, when coupled with The Six Pillars, provides a set of implementation principles that aligns both employees and customers behind a desire to make a difference to the customer and the world they live in.



Global CX leaders

The leaders in this year’s global CX research are well adapted to respond to new and emerging customer requirements. Many are recently established organizations which already have customer problem solving cultures, flexible employee policies, progressive workplaces and have invested in digital tools designed to make their customers’ and colleagues’ lives easier.

Half of the companies featured in the research were also in the top one or two companies listed in 2019. Their customer-oriented approach enabling them to weather the recent unprecedented times better than their competitors.

12 of the leading companies are financial organizations, the majority provide traditional services, however none of these companies operate in a ‘traditional’ way. They have a single unifying objective to put their customer first. They focus on making a difference to the customer’s life; they are driven by ethical and sustainable objectives and they are harnessing digital technologies to benefit the customer in new and inventive ways.

7 brands retained their number 1 spot from the previous year. 3 brands were new to the rankings, whilst 13 were featured previously as a Top 10 brand, 15 as a Top 20 brand, and all featured within the Top 30.

Each of the companies in this year’s hall of fame are united by their desire to continually improve and innovate. They realize that digital services require a human touch and are mastering the art of highly personalized service across channels.

Consistency is key. Customer experience (CEE metric) for the top-ranked brand in each market is an average of 11 percent higher than its respective market average.

2020 Hall of fame



Australia
**First Choice
Liquor**



Austria
ÖAMTC



Belgium
Argenta



Brazil
Sodiê Doces



Czech
Republic
Air Bank



Germany
Fielmann



Hong Kong
(SAR), China
Adidas



Ireland
Credit Union



Italy
Amazon



Japan
**Tokyo Disney
Resort**



Luxembourg
LALUX



Mexico
Marriott



Netherlands
ASN Bank



New Zealand
**The Co-operative
Bank**



Poland
iSpot



Romania
ING Bank



Russia
Nike



Singapore
**American
Express**



Slovakia
Martinus



Spain
Apple Store



Sweden
Apotea



Taiwan
Richart



Thailand
AIA



UAE
Emirates



UK
first direct



US
USAA



Vietnam
Vietnam Airlines



Australia First Choice Liquor

First Choice Liquor was created when parent company Coles Liquor merged their Liquor Market stores with First Choice. They have award-winning store design, exclusive products not available from any other Australian retailer and exceptional service which has elevated them 19 places to number one in Australia. They responded quickly to COVID-19 with safe “no contact” home delivery and click and collect.



Austria ÖAMTC

ÖAMTC is the largest automobile club in Austria with more than 2.2 million members. Referred to by its customers as “yellow angels”, customers are typically attended to in 30 minutes and the vast majority are able to drive away afterwards. Throughout the lockdown period customers were able to access up to date information and travel and mobility restrictions across Europe.



Belgium Argenta

Argenta Bank is a bank and insurance company for families with 1.7 million customers. It supports its customers with “leading healthy financial lives by providing clear, honest and close-at-hand financial services”. Innovative digital communication techniques support “human powered conversational banking” bringing a strong people focussed touch to digital banking. Argenta responded to the pandemic with specific support programmes for the “financially distressed” and improving ease of access (via digital and remote channels) for vulnerable customers.



Brazil Sodiê Doces

Cleusa Maria went from a child labourer to owner of Brazil’s most popular cake shops. The firm’s name is a combination of her childrens’ names Sofia and Diego and translates as Sweet Sodie. With 300 owned and franchised outlets the business has built a strong reputation for quality and service.



Czech Republic Air Bank

Air Bank prides itself on “Simplicity, Courage, Truth, Friendliness.” With a clear vision to create a bank that serves people it is simple and clear in its communications. These values flow through to products which are designed to meet customer needs first and profitability second. Air Bank introduced a “deferral of payment” program for those in financial distress as a result of COVID-19.



Germany Fielmann

Fielmann stands for eyewear fashion at a low price. They are Europe’s largest optician. Their user-friendly services shape the company’s history and “The customer is you” forms the underlying principle of their customer oriented corporate philosophy. As the pandemic struck Germany Fielman donated 20,000 pairs of protective glasses to hospitals and medical services. Observing the rapid development of the coronavirus crisis, they altered their supply chain for plastic frames in favour of protective glasses.



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

Adidas have dedicated themselves to approaching product development and customer engagement through innovation. Their focus on digital encompasses production, e-commerce and customer communications. Through research and data analytics, their deeper understanding of sports as well as fashion enthusiasts enables Adidas to target their products, communications and apps with precision. The experience is embodied in the futuristic Brand Centre within Hong Kong’s most central districts. Adidas has also taken steps to support business partners and workers in the supply chain by fulfilling commitments to their business operations and liquidity, and providing early health and safety guidance for suppliers.



Ireland Credit Union

Credit Union Ireland offer a face to face customer experience at a time when other financial institutions are moving away from physically meeting customers. Customers talk about the ethics of a Credit Union that exists solely for the benefit of its members, not to profit from them. Credit Union Ireland responded rapidly to the pandemic with its “people helping people” philosophy. Remote delivery of cash, helping members who hadn’t previously used remote and digital access, “helping hand loans” and flexible repayments (forbearance) as well as systematically contacting the more vulnerable members to ask how they are coping, whether anyone has checked in on them and whether they have supplies.



Amazon continues to offer a unique customer experience. Central to this is the ability for customers to find what they want in an instant with personalized recommendations and search results. This is all presented with curated web content and efficient delivery. Amazon responded quickly to the pandemic, prioritising essential goods for delivery and rapidly increasing its workforce to cope with demand.



Marriott in Mexico have examined the minutiae of a customer's end-to-end journey and set perfection as their expectation at each stage. They infuse their brand pillars into the journey design to deliver a distinctive experience. Marriott Mexico's senior staff responded to the pandemic by cutting their own salaries to subsidize keeping staff on furlough while hotels are closed.



Tokyo Disney Resorts (TDR) is one of the world's leading theme parks with over 30 million visitors every year and is number one for customer experience. The first park, Tokyo Disney Land, was established in 1983, and Tokyo Disney Sea followed in 2001. Over the last 30 years, both parks have built strong trust and loyalty through exceptional service and new and evolving services and attractions that continue to exceed expectations.

Their mantra is "enriching hearts and energizing people", while maintaining a customer perspective. TDR is loved by all types in Japan, young and old, with brand loyalty amongst one of the strongest in the entertainment and leisure sector.

The hospitality at TDR is now the benchmark for customer service in Japan, with convenient services that tailor to all segments and a focus on rewarding returning visitors and ensuring an amazing experience every time.

Tokyo Disney Resorts responded to COVID-19 by closing the parks at the end of February, ahead of official recommendations. This early closure, combined with the clear communications to protect customers and staff, saw customers praising Disney for their decisive action.



ASN Bank has a strong sense of environmental and social purpose as part of its mission of sustainability. ASN Bank wants to help create a world that is safe and healthy for people to live in, and where the environment is respected, both in the present and in the future. ASN along with other Dutch banks developed a set of support measures for individuals and companies that were financially distressed as a result of COVID-19.



The Co-operative Bank is customer owned and has an ongoing commitment to "doing right" by New Zealanders. It is one of the few banks in the world to share profits with customers. The bank introduced a range of measures designed to help alleviate the impact of the pandemic, including repayment holidays, emergency loans and support for those in financial hardship.



Lalux is an insurer that keeps 'Customer closeness' and a sense of place central to the customer experience. Its reputation is built on resolving customer claims rapidly and with great empathy. Staff and agents maintain a close personal relationship with its customers throughout the process.



iSpot describes itself as "the largest Apple Premium Reseller in Poland" and specializes in iPhones, iPads, and Macs. iSpot offers repair and education services to customers, making Personalization a key pillar for this retailer. Being able to offer a personalized experience relies on the training of its employees – such is the breadth of knowledge that's required to cover several complex scenarios, many of which will be unique to a particular customer. To keep Apple customers operating during the lockdown, iSpot expanded their online support services enabling email access to helpful support staff.


Romania
ING Bank

Ing Bank Romania is committed to pushing the boundaries of technology to remove barriers and make life easier for its customers. From introducing biometrics to aid financial transfers to enabling its customers to use their preferred platforms - it is true to its purpose "Empowering people to stay a step ahead in life and in business". ING bank's response to COVID-19 has included loan relief (holidays), providing expert advice, implementing national schemes and supporting companies to alleviate those concerns. Advising people to use online banking channels and contactless payments to prevent spread of the virus. In Romania loan repayment holidays can be granted up to 9 months.


Slovakia
Martinus

Martinus bookshops are purpose led, wanting to "sell stories". In designing their customer experiences Martinus follows four core principles: "Passion – because we love what we do. Personal approach – because we want to understand each other even though we are completely different. Wow effect - because we deliberately do little things that together create a unique experience. Strive for improvement – because we appreciate curiosity, initiative and progress". Already an online retailer, Martinus extended their online capability to respond to COVID-19 by enabling their customer service agents to advise shoppers with their book selections in video chat sessions.


Russia
Nike

Nike retail staff are selected based on their interest and involvement in sports, and their ability to convey their passion to customers. Positioned as "consultants" they regularly undergo training to provide customers with valuable advice and product recommendations, based on their knowledge and experience. Globally Nike have assembled their expert scientists, engineers, and designers to create full-face shields and powered, air-purifying respirator (PAPR) lenses to support healthcare workers. They have donated more than 140,000 pieces of footwear, apparel and equipment globally to communities in need. They have also committed more than \$25 million, including more than \$2 million in employee donations, to support COVID-19 response efforts worldwide.


Spain
Apple Store

Apple Store staff in Spain understand the difference between selling products and building relationships. Their focus is on the latter following the Apple mantra that building relationships is the way to sell more products. They realize that customers want to buy from someone who makes them feel special, someone who takes the time to give them a unique and personalized experience and tries to make their lives better. Apple Spain recognized "that Customers may need support from Apple during this challenging time and we'll ensure our online and phone support, as well as online store, remain open for customers."


Singapore
American Express

American Express ensures it delivers world leading customer experiences through a focus on speed, empathy, education and efficient, empowered, customer service professionals who can connect with their customers personally. Amex response to COVID-19 has been to waive interest and late fees, as well as providing support to those in difficult circumstances.


Sweden
Apotea

Apotea is Sweden's largest online pharmacy. It has built its reputation on innovation and sustainability. The CEO's philosophy is to make online shopping as convenient and appealing as possible. That includes everything from information about the products to payment solutions and delivery. Its offices generate more power than they consume and each aspect of their business is analysed through the sustainability lens. COVID-19 has rapidly accelerated the need for Apotea's services and their delivery approach direct to the customer's door.



In Taiwan, Taishin Bank developed Richart with the goal of providing the best financial customer experience through mobile banking. A particular favourite of young Taiwanese, Richart has as its goal to teach young Taiwanese residents how to effectively manage their wealth at an early age. Richart has been conducting campus lectures in universities and schools across the country. Richart is the first digital banking product in Taiwan to undergo the Social Return on Investment (SROI), an internationally recognised project performance evaluation approach, to provide insight into Richart's influence on the society. It showed that every NT\$1 of investment into Richart has the potential to create NT\$5.5 of societal value—which is 1.5 times greater than the global SROI average of 3.77.



AIA is an insurance company that has been in existence for over 100 years whose purpose is "to play a leadership role in driving economic and social development across the region. That is our service to societies and their people". Their focus is on providing solutions to problems that occur across the customer's life stage. They focus on supporting customers through life events with both reactive and preventative initiatives. AIA has set up the first COVID-19 digital clinic in Thailand enabling those who think they may be affected to get in contact with a health professional digitally. It is a free telemedicine service enabling real-time interactions between patients and doctors. The service enables callers to avoid visiting hospital unnecessarily, thereby reducing the risk of further COVID-19 infection.



Emirates have exported outstanding customer service all over the world. The airline recruits from 140 countries but each employee, regardless of origin, must have a strong service ethic, a desire to please customers, and act as an ambassador for the brand. Emirates is one of the first companies in the world to "industrialize" customer journey mapping. Every step along the customer journey is skilfully designed to be memorable. COVID-19 greatly restricted Emirates but their response was to put customers first, Emirates has a single COVID-19 travel waiver policy in one simplified approach for rebooking and refunds on tickets issued.



first direct have been number one in the UK for customer experience 5 times in the last 11 years. Their mantra is "Pioneering amazing service". Proactive engagement, strong communications and a highly committed team means their customers continue to receive outstanding service. first direct responded to COVID-19 with a range of financial and non-financial initiatives. As well as payment holidays and help for customers struggling financially, they recognised there were other aspects they could help with too, including support for bereavement, managing money from home and domestic and financial abuse and claiming refunds on credit or debit cards.



USAA serves millions of military members and their families with competitive rates on insurance, banking and investment services. They seek to demonstrably act in their customers' best interests. In responding to the pandemic and based on a steady trend of reduced driving and fewer accident claims by members, they returned a proportion of their profits to members.



Vietnam Airlines have been on a progressive journey to improve the quality of their customers experiences. They are firmly committed to equalling 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 drink through to conversations at check-in.

With an intention to become a digital airline they have invested in an IT infrastructure that has driven the digitization of flight management documents, the application of artificial intelligence (AI) and the use of big data in business, operations and fleet management which has accelerated automation and customization to enhance the customer experience. They are known locally for their warm hospitality and a commitment to great customer service which characterizes Vietnam's rich culture and identity.

A connected enterprise for the new reality

Companies that were agile, responsive and digitally enabled were able to better navigate the effects of COVID-19 and lockdown.

These connected enterprises have high levels of synergy between eight core capabilities across the organization where each capability has a mutually beneficial, self re-enforcing effect. This is critical to compete in the new reality.

Insight-driven strategies and actions

Innovative products and services

Experience-centricity by design

Seamless interactions and commerce

2X
impact

Responsive operations and supply chain

Aligned and empowered workforce

Digitally-enabled technology architecture

Integrated partner and alliance ecosystem

Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018

01 Insight-Driven Strategies & Actions

Connected enterprises harness data analytics to generate actionable insights. They are equipped to develop a real-time, multi-dimensional view of their customers, allowing them to shape meaningful and effective customer strategies and a personalized approach to executing them. They use insights to make integrated business decisions.

Connection points

- Do your D&A capabilities give you a holistic understanding of your business ecosystem?
- How do your data practices help you to provide a real-time, 360 view of your customers?
- Do you have detailed policies in place to ensure information security and privacy?

02 Innovative Products & Services

A connected enterprise develops compelling customer value propositions including price, products and services to engage the most attractive customers and drive profitable growth. It innovates with the needs and priorities of customers in mind and, by anticipating where demand is moving, builds competitive advantage.

Connection points

- Does your strategic planning process balance value to customers with value to the organization?
- Do your customer insights help you target customers and prospects with the right products?
- Do you design new products and services leveraging deep customer insights and anticipating future needs?

03 Experience-Centricity By Design

Many businesses invest heavily in new technology and operations – but don't base it around the actual impact on their customers, employees or business partners. Connected enterprises step back and ask what experience they want to deliver to these audiences and then intentionally create it through design, supporting the value propositions and delivering on business objectives.

Connection points

- Do you approach experience design from both the inside-out and the outside-in?
- Can you respond to rapidly evolving customer, employee and marketplace dynamics?
- Do you measure customer, employee and partner interaction across different products and services, delivered across various channels, using multiple KPIs?

04 Seamless Interactions & Commerce

The Connected Enterprise is a relationship business, engaging with prospects and customers at multiple touchpoints and ensuring an integrated experience across them. Whether the customer's entry point is marketing, sales or service, the business delivers a joined-up experience and provides the opportunity to buy across the marketing, sales and service lifecycle while making the customer feel valued. The business works together across functions to achieve measurable results.

Connection points

- Is your experience joined up and connected?
- How does your organization harness data and analytics to deliver a relevant, seamless experience across marketing, sales, service and commerce?
- Can your platform integrate internal systems with partners and third-party providers to provide the desired experience?

05 Responsive Operations & Supply Chain

Connected enterprises know they must have the right operations practices and supply chain in place if they are to actually execute on the promise to customers. They operate the business with efficiency and agility to fulfil the customer promise in a consistent and profitable way. They have the right enterprise decision analytics, operating models and procurement services in place.

Connection points

- Are your operations able to respond and adapt to changing market requirements?
- Does your supply chain bring you the consistent performance that you need?
- Do you leverage Data & Analytics across the full value chain to drive enterprise improvement?

06 Aligned & Empowered Workforce

A Connected Enterprise has an agile organizational structure ready to adapt. The company attracts and recruits the right type of people; it builds and instils a customer-centric culture; it inspires people to deliver on the customer promise and drive up business performance.

Connection points

- Do you foster an innovative, forward-looking and customer-centric culture?
- Do your employees have the right skills and training to help them deliver to customers?
- Are you able to attract and retain the right digital and entrepreneurial talent with the right mindset for customer centricity?

07 Digitally-Enabled Technology Architecture

Connected enterprises have the ability to architect, engineer enable and operate intelligent digital services, technologies, and platforms to deliver on the customer promise in an agile, cost-effective and scalable manner while maintaining security. They develop secure, scalable and cost-effective solutions that also support customers, employees and partners to work effectively.

Connection points

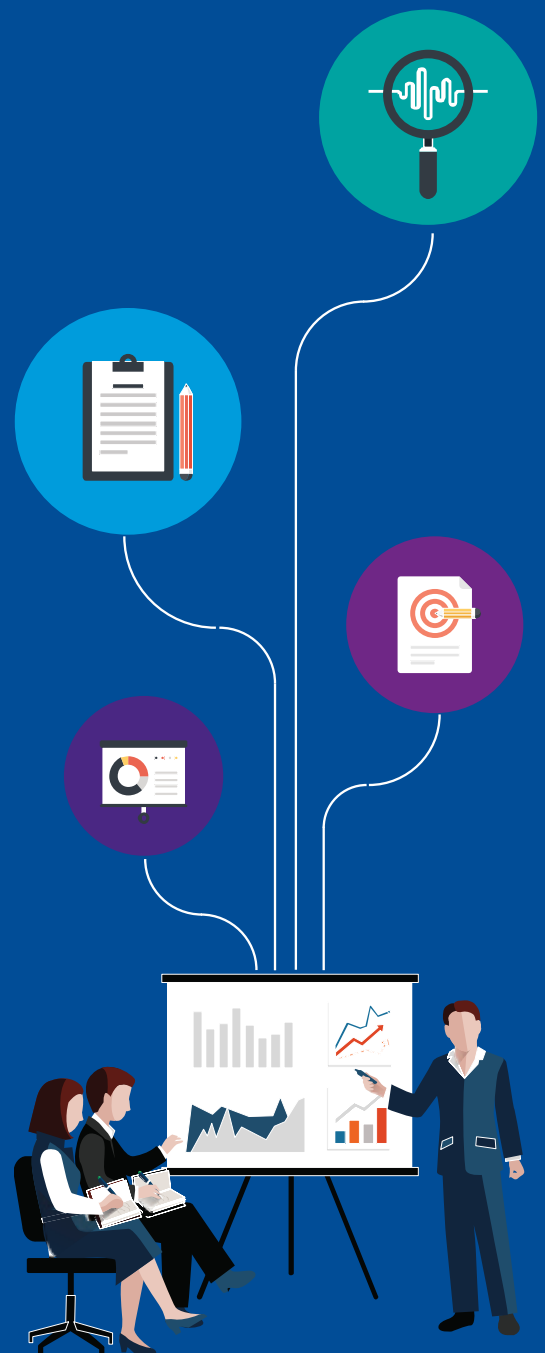
- Are you incorporating and optimizing the integration of today's and tomorrow's technologies to support high performance?
- Are you automating business and technology processes to respond to customer needs more effectively?
- Is the necessary security in place to protect your data, systems and products?

08 Integrated Partner & Alliance Ecosystem

No business does it all themselves. Every business relies on its partners. Connected enterprises successfully engage, integrate and manage third parties to increase speed to market, reduce costs, mitigate risks and supplement capability gaps to deliver the customer promise. They develop trusted relationships with their partners and build a competitive edge together.

Connection points

- Are you able to identify partners, alliances and vendors to fill any capability gaps?
- Do you have a defined, efficient and risk-reducing onboarding process?
- Do you monitor partners' performance and ensure it's helping you meet your business objectives?



How to succeed in the new reality

There are a number of key considerations that can help organizations make faster progress.

01

Keep close to what your customers want

The ability to think “outside in” is key in building a customer-centric business. Ensure that you are not deviating from your original goal of delivering on what your customers want, need and are willing to pay for; keep continually looking up and outside of the organization to ensure this mission is at the fore.

02

Do things in an agile way

Becoming a connected enterprise is a transformation – but that doesn’t mean the business needs to revolutionize itself overnight. Break changes down into specific steps, sequence them and implement. Keep standing back to assess whether the change has been successful in a ‘test and learn’ approach. It’s about a series of small changes that together add up to a significant and impactful transformation.

03

Build in resilience

71% of CEOs say their company’s growth relies on their ability to challenge and disrupt the business norm, organizations must be ready to take on today’s challenges with resilience and determination, and be prepared to fail fast and learn along the way.

04

Keep it human

While embedding new technologies such as AI and automation are likely to be critical in developing more seamless interactions for customers, remember that you also need to keep the experience ‘real’. Don’t lose the human touch; make sure that your customers are still being served by humans – your employees – at the key moments.

05

Make use of new technologies

Make sure that you are continually looking at what new technologies are becoming available that could help you serve customers better or connect your business up more seamlessly. Are you utilizing cloud effectively? Are you building in appropriate automation and AI? Are your teams empowered with collaborative tools so that they can better work together and share key information and data easily?

Source: 2019 Global CEO Outlook, KPMG International

Signals of SUCCESS

A focus across the eight capabilities delivers higher performance for customers, employees and the organization as a whole.

Capability	What good looks like for customers	What good looks like for employees	What good looks like for organizations
Insight-driven strategies & actions	Personalized, authentic and contextual experiences with a brand.	Evidence based mindset, openness to challenge and learn from failure.	Leverage real-time insights and data to optimize the enterprise.
Innovative products & services	Connection to the brand, relevance of product and experience.	Innovation is everyone's job: all employees contribute and there is a robust innovation harvesting process.	Products/services, pricing and promotions are differentiated and constantly optimized to meet demand.
Experience centricity by design	The experience is the brand promise and it is consistently delivered across all interactions.	Employee experience is of equal importance and is designed to support and mirror the desired customer experience.	Experience centricity is at the heart of the organization and customer and employee experiences are optimized to deliver economic value.
Seamless interactions & commerce	Seamless and secure interactions with a brand across all transactions.	Employees have the tools to enable them to freely operate, collaborate and interact across organization boundaries.	Preference-driven interactions and integrated payment mechanisms across the brand.
Responsive operations & supply chain	Receive and return products and services when, where and how it is most convenient.	Awareness of end-to-end value chain and individual's contribution to customer outcomes.	Leverage innovation-driven demand, inventory management and distribution.
Aligned & empowered workforce	Seamless and consistent experience received across all teams and departments.	Everyone a leader and everyone an innovator mindset throughout the workforce. Teams and individuals know how they contribute to the strategy and the customer & business outcomes.	Empowered employees, inspired leaders and a culture that embraces change with an organization truly aligned to the value it brings to customers and stakeholders.
Digitally-enabled technology architecture	Technology enables a frictionless, contextual and personalized experience.	Courage to experiment and act quickly. High levels of digital acumen, harnessing the power of emerging technology.	Culture of innovation and agility driving speedy, high quality tech implementation and adoption.
Integrated partner & alliance ecosystem	Are able to access a rich and diverse set of products / services from a single brand.	Seamless collaboration and interaction between all parties throughout the ecosystem.	Identify and leverage synergies with third parties to overcome enterprise barriers and execute on the desired experience.

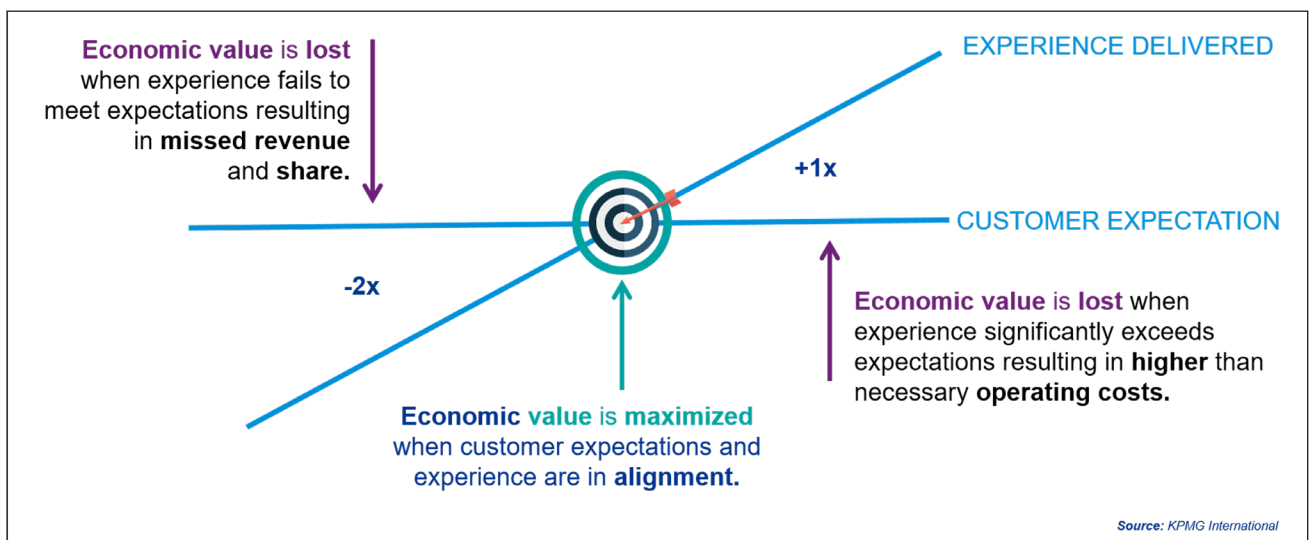
Getting the balance right drives economic value

Getting connected takes foresight, planning, commitment, agility and perseverance – and the evidence corroborates the effort.

The business won't only benefit from good customer outcomes – it will capture the economic benefits too.

This means generating maximum economic value on the most profitable services that customers value most and not wasting undue effort on areas that customers don't value or have merely functional expectations around in the first place.

Connected organizations and many of the CX leaders in our research are more successful at striking the right balance between what customers expect and what makes financial sense to deliver. It is value engineering that comes from mastering the economics of customer experience. Simply stated, enterprises need to manage both experience expectations and experience delivery and execution, recognizing the power of the eight connected enterprise capabilities working together to execute in a connected manner.



Methodology

About the research

For eleven years, our member firm professionals have been asking consumers about their individual experiences with brands.

Over that time, more than 385,000 consumers have been interviewed and c.3,500 brands have been measured - providing c.4 million individual evaluations across 34 countries to support our expertise in customer experience best practice.

This year alone we have taken in the views of more than 100,000 consumers across 27 markets.

The research for this report was conducted via an online survey methodology, completed Q2 2020. A nationally representative consumer sample was targeted for each market, to be representative in terms of age and gender, whilst also targeting regional representation.

To participate in the research and to be able to respond to questions on a specific company, respondents must have interacted with that company in the last two months. This has been updated from previous years where a six-month period was given, in order to capture interactions and experiences specifically during the time of COVID-19, to truly understand and fairly compare the reaction and resilience of brands.

An interaction is defined as making a purchase, using the company's products and services, contacting a company with a query, or even browsing their website or store – so not all respondents will have been existing customers of the brand they evaluated.

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

Global Customer Experience Excellence coverage in 2020

27

countries, regions and jurisdictions



101,162

consumers



2,060

unique cross sector brands



804,795

individual brand evaluations



Sector coverage

For this report we analyzed brands across 10 sectors:



Customer Experience Excellence (CEE) scores

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

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

Research program coverage



Methodology developed by the KPMG Nunwood Excellence Centre.

Thinking ahead

COVID-19 presents challenges to businesses – but also opportunities. It throws light on the need for organizations to put the customer at the heart of the business and have a coherent, consistent intent across their Front Office functions – and indeed connect the entire enterprise. It highlights the importance of digitalization and robust data collection so that organizations make decisions based on evidence, not instinct. And it foregrounds how essential it is for organizations to consider how each function fits together.

To flourish rather than flounder, businesses must determine the correct investment strategy across the Front Office by considering their customers, their brand and their place on the economic curve, so they can invest with greater certainty of return.

All companies will be physically constrained during the measures to contain and limit the impacts of COVID-19 and their values will come under close scrutiny. However, they must leverage their ability to adapt and be resilient, embrace technology and, above all, trust their teams to put their customers' needs first and foremost – as this will bear fruit long after the pandemic is over.

If you have any questions regarding the possible impact from COVID-19 or are looking for help to position your customer experience strategy to be resilient in the face of future threats, please do not hesitate to get in touch with our global network of consultants.



The simple truth is if you don't transact there is no experience and if there is no experience, you will struggle to maintain customer relationships.

Experiences in the new reality need to be immersive, emotionally connective and overtly safe. This demands a connected organization where every capability is symbiotic and digitally aligned front to back to deliver an intentional customer experience.

KPMG consultants can work alongside organizations to help them balance costs and priorities against changing customer expectations"

Julio Hernandez

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

Get in touch

Contact the Global Customer Center of Excellence

Julio Hernandez

Head of Global Customer
Center of Excellence,
KPMG International,
US Customer Advisory Lead,
KPMG in the US
E: juliojhernandez@kpmg.com

Urvashi Roe

Global COO,
Customer Center of Excellence,
KPMG International
E: urvashi.roe@kpmg.co.uk

Contact your local Customer Experience leader:

Amanda Hicks

KPMG in Australia
E: ahicks@kpmg.com.au

Werner Girth

KPMG in Austria
E: wgirth@kpmg.at

Vincent Piron

KPMG in Belgium
E: vpiron@kpmg.com

Augusto Puliti

KPMG in Brazil
E: augustopuliti@kpmg.com.br

Tomáš Potměšil

KPMG in the Czech Republic
E: tpotmesil@kpmg.cz

Tom Lurtz

KPMG in Germany
E: tlurtz@kpmg.com

Isabel Zisselsberger

KPMG in Hong Kong (SAR), China
E: isabel.zisselsberger@kpmg.com

Owen Lewis

KPMG in Ireland
E: owen.lewis@kpmg.ie

Paolo Capaccioni

KPMG in Italy
E: pcapaccioni@kpmg.it

Takehiro Horii

KPMG in Japan
E: takehiro.horii@jp.kpmg.com

Jean-Pascal Nepper

KPMG in Luxembourg
E: jean-pascal.nepper@kpmg.lu

Manuel Hinojosa

KPMG in Mexico
E: manuelhinojosa@kpmg.com.mx

Nienke Wichers Hoeth

KPMG in Netherlands
E: wichershoeth.nienke@kpmg.nl

Paul Cottingham

KPMG in New Zealand
E: pcottingham@kpmg.co.nz

Jan Karasek

KPMG in Poland
E: jkarasek@kpmg.pl

Dr. Victor Iancu

KPMG in Romania
E: viancu@kpmg.com

Paul Cushion

KPMG in Russia
E: pcushion@kpmg.ru

Guillaume Sachet

KPMG in Singapore
E: gsachet@kpmg.com.sg

Rudolf Sedmina

KPMG in Slovakia
E: rsedmina@kpmg.sk

Enrique Porta Puy

KPMG in Spain
E: eporta@kpmg.es

Helena Granborg

KPMG in Sweden
E: helena.granborg@kpmg.se

Wayne Lai

KPMG in Taiwan
E: wlai1@kpmg.com.tw

Bradley Styles

KPMG in Thailand
E: bradstyles@kpmg.com.sg

Selim Tanfous

KPMG in the UAE
E: stanfous@kpmg.com

Tim Knight

KPMG in the UK
E: Tim.Knight@kpmg-nunwood.co.uk

Jeffrey Mango

KPMG in the US
E: jmango@kpmg.com

Tuan Hong Phuc Nguyen

KPMG in Vietnam
E: phuctnguyen@kpmg.com.vn

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