



# Shaping the future of customer experience

**Denmark's top brands  
in a digital world**

[kpmg.dk](http://kpmg.dk)



# Table of Content





**03**  
Key findings and highlights



**05**  
Methodology



**09**  
The Six Pillars of Customer Experience Excellence



**15**  
Born digital: MobilePay



**17**  
Integrating digital into the DNA



**19**  
Blending online and offline: Matas



**23**  
Finding balance between creepy and relevant: Fitness World



**25**  
Addressing the fragmented journey



**29**  
Connecting the traveller's journey: Billund Airport



**35**  
The magic of the financial services industry



**37**  
Taking the customer's voice to heart: Topdanmark



**39**  
Customer experience's positive impact on the bottom line



**45**  
Assessing your digital customer experience



**46**  
Top 50 best B2C brands in Denmark

# Foreword

Not so long ago, companies tended to view digital as an optional add-on to their customer interaction. Most thought of digital as little more than a channel for millennials. But, today, digital has proven an integral part of the product and service delivery model and customers expect a seamless experience when dealing with a brand, no matter what channel they use.

The challenge is that digital is not a static end-state. Technology and customer experience is in continuous interplay. Customers demand new experiences, which can be solved by new technologies. And, at the same time, new technologies are shaping new experience expectations. To know where to focus, one must first understand both the customer and the technologies. They both shape the future.

**Technology and customers are shaping the future through continuous interplay**



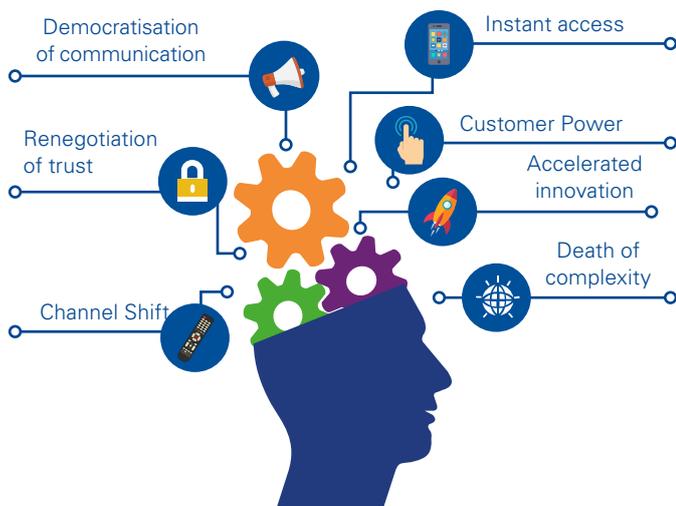
In this, our first Danish Customer Experience Excellence (CEE) report, we find out which Danish brands are delivering the best customer experiences – as judged by Danish consumers. We identify the leaders in each industry sector. And we present the Top brands in Denmark.

More than just a beauty pageant or ranking, this report goes beyond the data to explore the current state of customer experience in Denmark, providing important tips and insights into how different brands are excelling across different industries.

With much of the competition and demand centred on digital capabilities, this report places a particular focus on how brands are adapting their customer experience to a digital world. As many organisations are finding, digitisation can drive massive benefits across the enterprise – from improved cost efficiencies and quality through to enhanced decision-making and insights.

But we believe that the best reason to digitise is that your customers expect it. With the Baby Boomer generation now retiring, it is no longer about educating customers about digital interaction. Generation K was born digital; they require instant access, simplicity, seamless channel shifts and – more than anything – they want to trust the brands they interact with.

### New expectations in a digital world



Throughout this report, one thing is made abundantly clear: customer experience is more relevant than ever before. And, while some brands continue to worry about the potential for digital to put downward pressure on prices as customers start to compare prices online, the popularity of review sites such as TripAdvisor and TrustPilot suggests that customers are increasingly interested in sharing their experiences online rather than just comparing prices. In this environment, brand advocacy is more valuable than ever. Indeed, when you had a bad experience in the past, you may have told a dozen friends. Today, you can tell the whole world. Brands can't afford to ignore the voice of the customer.

We hope this report is viewed as more than just a simple ranking of brands. Our intention is to help brands operating in Denmark – and those considering inward investment into the market – to better understand the Danish consumer and to provide inspiration and insights from other successful brands.

While it is always interesting to read about your own industry, we encourage you to reflect on the insights we have captured from other industries as well. Sometimes the most thought-provoking and disruptive insights come from the places you least expect.

On behalf of KPMG in Denmark and KPMG International's Global Customer Centre of Excellence, we would like to thank all of those Danish consumers who gave their time to share their views and the Danish brands who shared their insights and experiences around their ongoing customer efforts and their digital agenda.

To find out more about the trends and issues raised in this report – or to learn more about the underlying survey – I encourage you to contact me directly.

Joakim Abeleen  
Head of Customer Advisory

# Key findings and highlights

While our report finds that no Danish brands have reached the digital 'finish line' – it is, after all, a moving target – most are heading in the right direction. Our research and our data highlight a number of key learnings and zooms in on a few of the key digital capabilities that all top performing brands are focusing on:

← **Most Danish brands are still only gradually adapting to the digital world.**

To truly integrate online and offline assets, companies will need to transform their underlying business and operating models. And while that is not easy, there is a lot of inspiration in the marketplace.

← **Integrity is key to winning Danish consumers' hearts and minds.**

Brands will need to place more focus than ever on their brand values and living up to their side of the trust equation. Yet, the more a brand goes digital, the more they need to grapple with key data challenges such as privacy, ethics, trust and quality.

← **Brands are starting to recognise the opportunity in re-bundling and integrating their products and services.**

After years of customer journey 'unbundling' as start-ups found and exploited customer pain points, many customers are starting to get frustrated with the time and effort required to manage their increasingly fragmented journeys.

← **Financial services organisations are taking the lead and setting the experience expectation.**

While digital disruption has certainly impacted Danish financial services providers, our research finds that many of the larger brands have managed to adapt and use their new capabilities to create more customer-centric service ecosystems.

← **Nobody has capital to throw away.**

Some brands are now starting to take a much harder look at the link between customer experience and bottom-line results – working to identify the projects and investments that might deliver the best returns on both their investment and the customer experience.

## Key highlights



### Best customer experience overall:

Topdanmark

With a CEE score of 7.5, Topdanmark sets the bar for customer experience in Denmark. The company also ranked top under the Resolution and Empathy pillars.



### Average customer experience score:

6.17

Less than half – 42 per cent – of the top 50 brands in our research scored above 7 overall.



### Best performing sectors:

Entertainment and Leisure (6.95) and Financial Services (6.91)

These sectors have put significant focus on improving customer experience and have seen a positive response from their customers.



### Poorest performing sectors:

Logistics (6.22) and Utilities (6.33)

Brands in traditionally regulated markets have not yet put enough emphasis on customer experience.



### Most dominant sector in our Top Ten:

Financial Services

With four brands in the Top Ten, financial services firms are creating leading practices in customer experience.



### What drives Danish advocacy:

Integrity and Personalisation

Winning the hearts of Danish consumers requires brands to be relevant and personal without overstepping the line in customer data usage.



### Where brands are disappointing Danish customers:

Empathy

Many brands are struggling to create the right emotional responses and show their customers that they care.



### Brand with the most loyal customers and highest NPS score:

MobilePay

The majority of MobilePay's more than 3 million Danish customers plan to stay with the brand, which also received the highest NPS scores of the brands in our survey (49).

# Methodology

For nearly a decade, our customer experience professionals have been asking customers in the UK and the USA about their individual customer experiences. Over that time, we have interviewed more than 170,000 consumers and measured more than 2,300 brands to collect more than 2 million individual evaluations.

This year, we have expanded our research around the globe, taking in the views of more than 54,000 consumers across 14 different markets, including more than 2,500 consumers in Denmark.

The research for this report was collected via an online survey methodology, completed Q4 2017. A nationally representative consumer sample was targeted for each market, to be representative in terms of age and gender.

To participate in the research and to be able to respond to questions on a specific company, respondents must have interacted with that company in the last six months. 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. As such, 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 of 100 consumer responses.



**For this report we analysed brands across ten key sectors:**



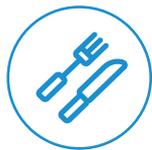
Financial Services



Grocery Retailers



Non-Grocery Retailers



Restaurants & Fast Food



Entertainment & Leisure



Travel and Hotels



Logistics



Utilities



Telecoms



Public Sector

**Key metrics**

The survey itself incorporated a number of key metrics:

**The Pillars**



**Personalisation**

Using individualised attention to drive an emotional connection.



**Integrity**

Being trustworthy and engendering trust.



**Expectations**

Managing, meeting and exceeding customer expectations.



**Time and Effort**

Minimising customer effort and creating frictionless processes.



**Resolution**

Turning a poor experience into a great one.



**Empathy**

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

Nearly a decade of research and more than 2 million individual consumer evaluations have demonstrated that every outstanding customer relationship has a universal set of qualities – what we call The Six Pillars of Customer Experience Excellence. Those brands that understand and deliver against The Six Pillars have proven to deliver enhanced outcomes, achieve faster growth and create greater shareholder value.

## Advocacy

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

## Loyalty

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

## Critical incident technique questioning

An open question is included to encourage respondents to share more about their experience with a particular brand. Example responses cover details of a specific experience, what happened and how it made them feel about the brand.

## 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 through 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.

## Global CEE coverage



14  
countries



c.1,400  
cross-sector brands



54,231  
consumers



593,355  
individual brand  
evaluations



**Australia**  
2,502 consumers



**Mexico**  
2,501 consumers



**Netherlands**  
5,004 consumers



**Denmark**  
2,502 consumers



**France**  
5,000 consumers



**Norway**  
2,509 consumers



**UAE**  
1,529 consumers



**Italy**  
5,001 consumers



**Luxembourg**  
1,008 consumers



**USA**  
7,507 consumers



**China**  
4,116 consumers



**India**  
2,508 consumers



**New Zealand**  
2,504 consumers



**UK**  
10,042 consumers



# The Six Pillars of Customer Experience Excellence

Rather than one specific outcome or measure, our research clearly shows that there are actually six discrete, fundamental components of an ideal customer experience: The Six Pillars. Based on detailed customer reviews, The Six Pillars have been validated in each market and modelled against the commercial outcomes of retention and recommendation.



## Personalisation

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



## Expectations

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organisations understand, deliver and – if possible – exceed expectations. Some are able to make statements of clear intent that set expectations (“never knowingly undersold”) while others set the expectation accurately (“delivery in 48 hours”) and then delight the customer when they exceed it.



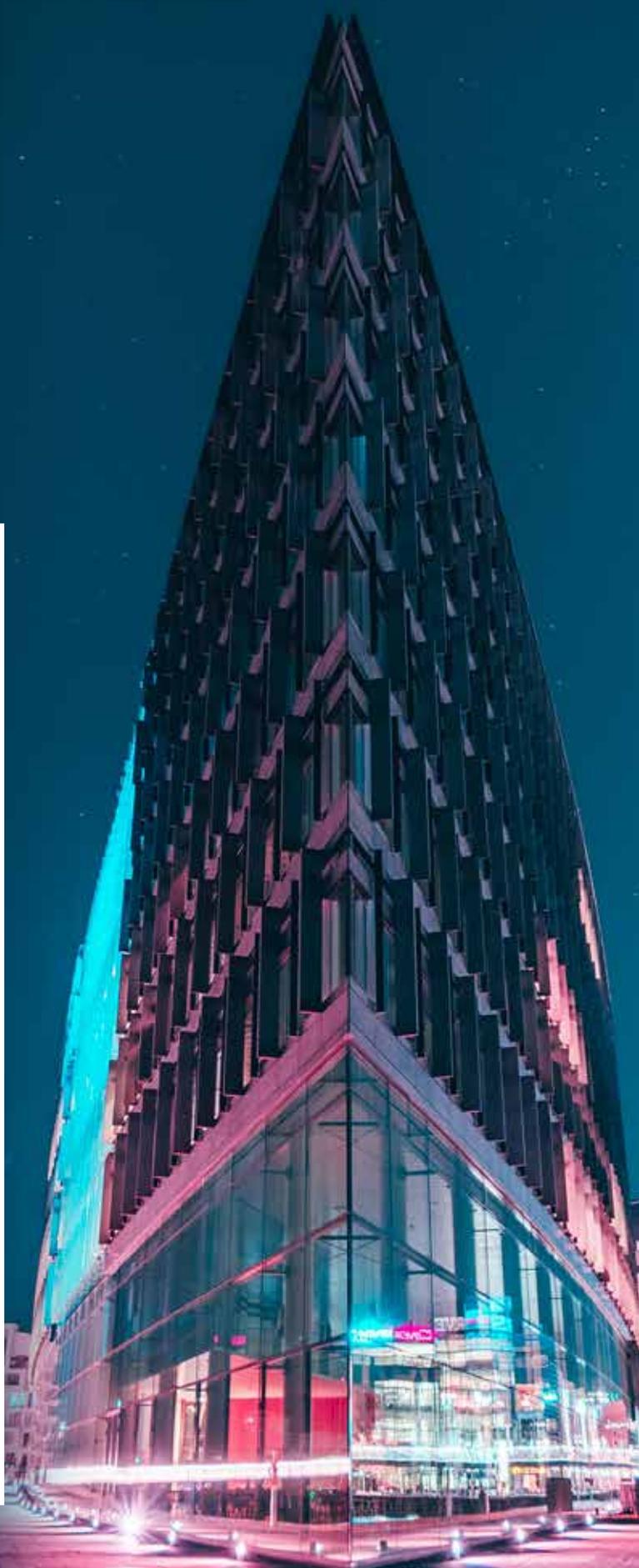
## Integrity

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



## Resolution

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



## Time and Effort

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



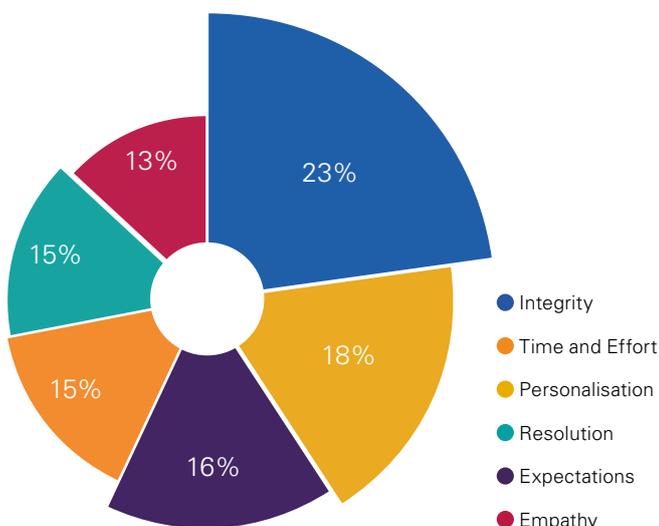
## Empathy

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

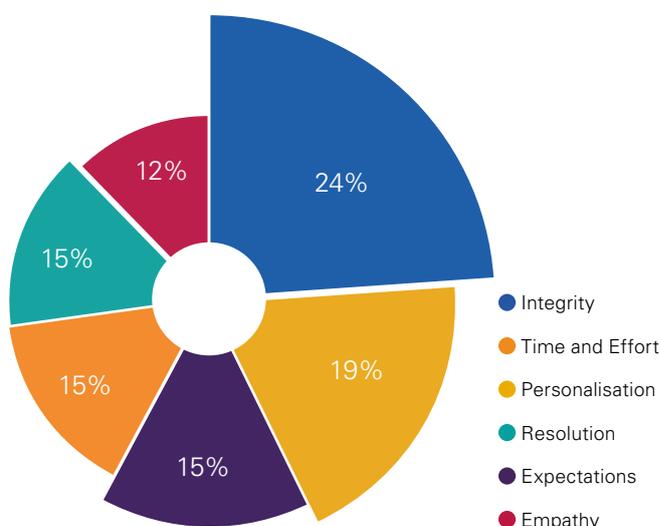
## The influence of the Six Pillars of Customer Experience Excellence on advocacy and loyalty:

The Six Pillars don't just define Customer Experience Excellence; they also predict commercial success, with strong performance across The Six Pillars leading to improved brand loyalty and advocacy.

### Advocacy: Net Promoter Score



### Loyalty



When it comes to driving loyalty and advocacy, our survey suggests that Danish consumers are most focused on a brand's integrity. This is not entirely surprising; integrity is a fundamental part of the customer experience foundation. Without integrity, the entire customer experience loses value.

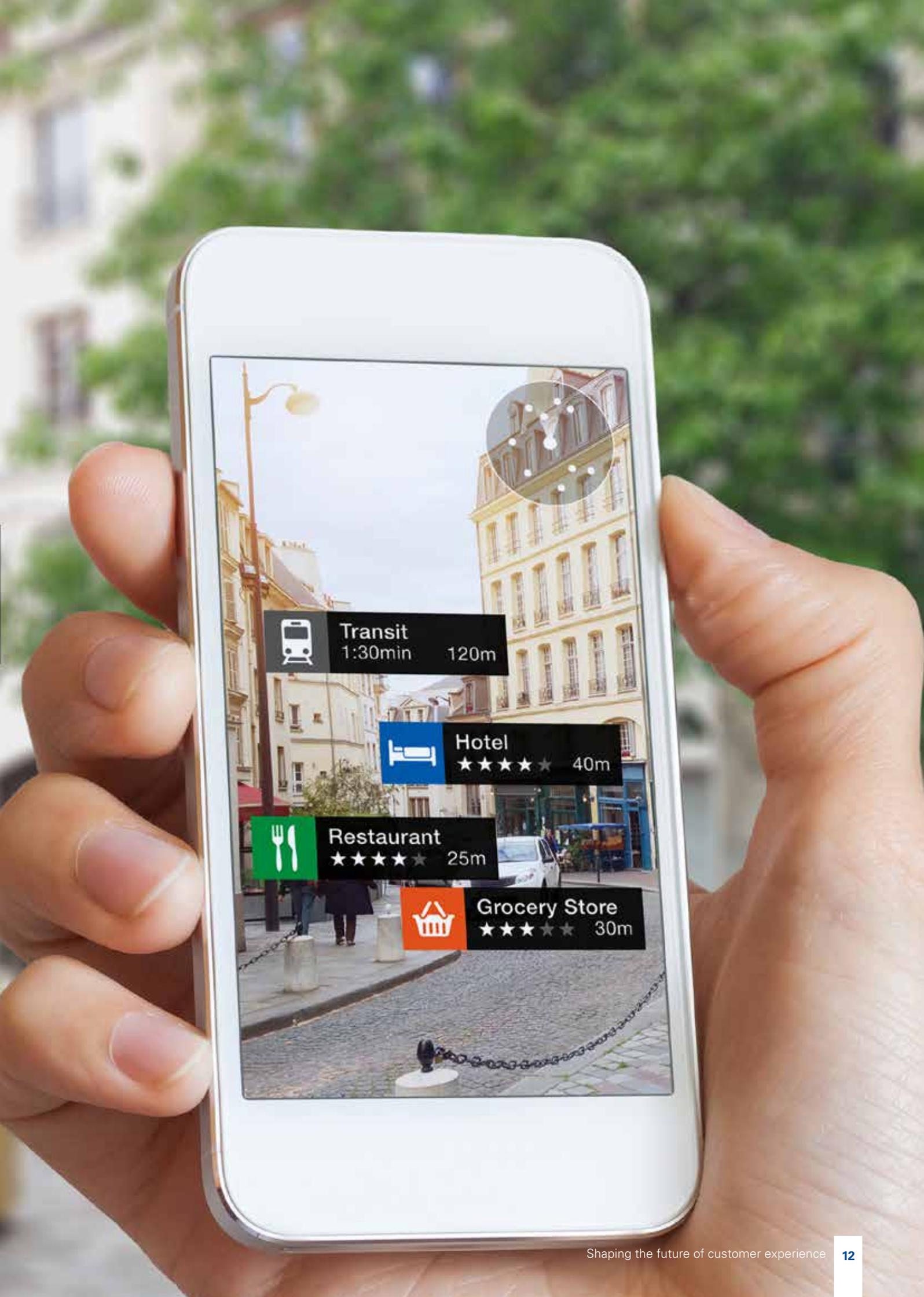
Interestingly, empathy seems to have the lowest influence on both customer loyalty and advocacy in Denmark. However, we expect that – as companies and relationships move further into the digital world – empathy will become an increasingly important differentiator for many organisations, regardless of whether they are interacting with customers online or offline.

Of course, both integrity and empathy are key to building customer trust – an issue we discuss further on page 21.

### Six Pillars performance in Denmark

Integrity is not only the Pillar with the strongest correlation to advocacy and loyalty, but also the Pillar where Danish brands perform the best.





**Transit**  
1:30min 120m



**Hotel**  
★★★★★ 40m



**Restaurant**  
★★★★★ 25m



**Grocery Store**  
★★★★★ 30m

# Danish Customer Experience Hall of Fame

Which brands did Danes rank top for customer experience? And what did the leading brands do to win their spots in our report? Find out in our Danish Customer Experience Hall of Fame.



## 01. Topdanmark

The winner of this year's Customer Experience Excellence survey in Denmark is local insurer Topdanmark. Customers frequently noted that they felt listened to and understood when dealing with the brand and its employees. As an insurer, Topdanmark has made significant efforts to ensure that their online and offline channels reflect the company's empathetic approach to customer relationships.

Topdanmark has recently redesigned its website to streamline the online customer journey and has created digital platforms to enable seamless communication between its employees, its customers and its third-party partners when working on complex customer needs. Topdanmark has also put significant emphasis on enhancing the quality of its customer service calls, recognizing that many of its customers still prefer to talk to a person when buying insurance products.



*"It is always easy to contact them, and the person you speak with is always very service-minded."*



## 02. MobilePay

As the only 'digital native' brand, MobilePay has quickly won over Danes' hearts and minds. In part, the company achieved this by giving Danes what they wanted: a simple and easy way to send payments. MobilePay's service immediately allowed

Danes to reduce the time and effort they put into paying for products and services and – largely as a result – the company was ranked as the second-best customer experience in Denmark and the top performer on the Expectation pillar.



*"MobilePay: just works all the time."*



## 03. REMA 1000

REMA 1000 may not be known for their frills, but they are incredibly focused on responding to the needs of their customers. Indeed, in a market where 44 per cent of homes are single households, REMA 1000 has adjusted their product portions to suit this demographic.

The company's app allows customers to not only create shopping lists and order products online, it also enables them to connect to other customers for shared order pick-ups. REMA 1000 is one of the top performers on the Personalisation pillar.

*"I really appreciate the friendly service at our local REMA 1000. It feels like we know the owner and employees."*



## 04. LEGO

With an in-store experience that ties seamlessly into their digital channels, LEGO has managed to make the shift from a manufacturer of toys to a digital customer experience leader. The company focuses on continuously predicting the needs of tomorrow's customers by not only monitoring market trends,

but also by getting closer to their customers – studying how kids play and learn and involving customers in their product development process. As a result, LEGO emerges as the top performer on the Expectation pillar in the Non-Grocery Retail sector.



*"I was looking for a gift for an 11-year old boy and the LEGO employee (who was really just filling up the shelves) was a great help to find the right thing."*



## 05. Billund Airport

Catering to a wide variety of customer demographics – from international business travellers to vacationing families – Billund Airport focuses on delivering an exceptional customer experience to each traveller. For example, authorities recently optimised the passenger journey to respond to feedback and to

make the experience less stressful. New 'traffic light' systems tell passengers how long it will take to get through security while new facility layouts provide a straight path from the entrance door to the end of security. Billund Airport is the top performer in the Travel and Hotels sector.



*"The journey through the airport usually goes very fast. The staff is friendly and very helpful."*



## 06. ATP

As the country's largest lifelong pension plan, ATP strikes the right balance when communicating with customers. The company uses its data intelligently to ensure they only contact customers when absolutely necessary. But, at the same time, they constantly strive to include customers in the development

of new solutions, platforms and touchpoints. Combined with their efforts to automate internal and external processes to drive efficiency, ATP's efforts to include customers in the growth of the company delivers a customer experience that inspires high rankings on the Integrity pillar.



*"ATP is absolutely fantastic! Their employees are really professional, understanding and their help is absolutely amazing."*



## 07. Irma

Like other grocery retailers, Irma is also focusing on new models such as shared customer pick-ups for online orders. But Irma places a particular focus on 'doing the right thing' for its customers and the broader Danish society – it offers a wide range of organic produce and refuses to sell eggs from

caged chickens, for example. Irma has also worked to address the fragmented customer journey and reduce food waste by partnering with Too Good To Go, helping the company score top ranking on the Time and Effort pillar across all industries.



*"Irma is my favourite. I know what they have and what I can expect."*



## 08. Tryg

Tryg – a Danish term that roughly translates into feeling protected or cared for – puts great emphasis into living up to its name. Tryg employees proactively reach out to their customers to check if they are properly insured, to provide information

and – often – just to check on their satisfaction. And, in doing so, the company shows they care about their customers and makes them feel understood. Tryg was ranked third overall on the Empathy pillar.



*"I got an injury abroad and Tryg followed me through every point of my stay in the hospital. Excellent service, both in Denmark and abroad."*



## 09. Fitness World

Offering 24/7 access to their facilities and a well-coordinated online and offline experience, Fitness World stands out as the only brand in our Top Ten that scored its highest results under the Time and Effort pillar. The organisation makes good use of their app and online channels to offer their customers more

choice and flexibility in their interaction with the fitness centre. And their app, which includes a range of more personalised offerings such as tailor-made training programmes, integrates into their physical locations to deliver added value to customers.



*"I've had good experiences with Fitness World. When I was new, the staff was very helpful and showed me how to use the gym equipment."*



## 10. Matas

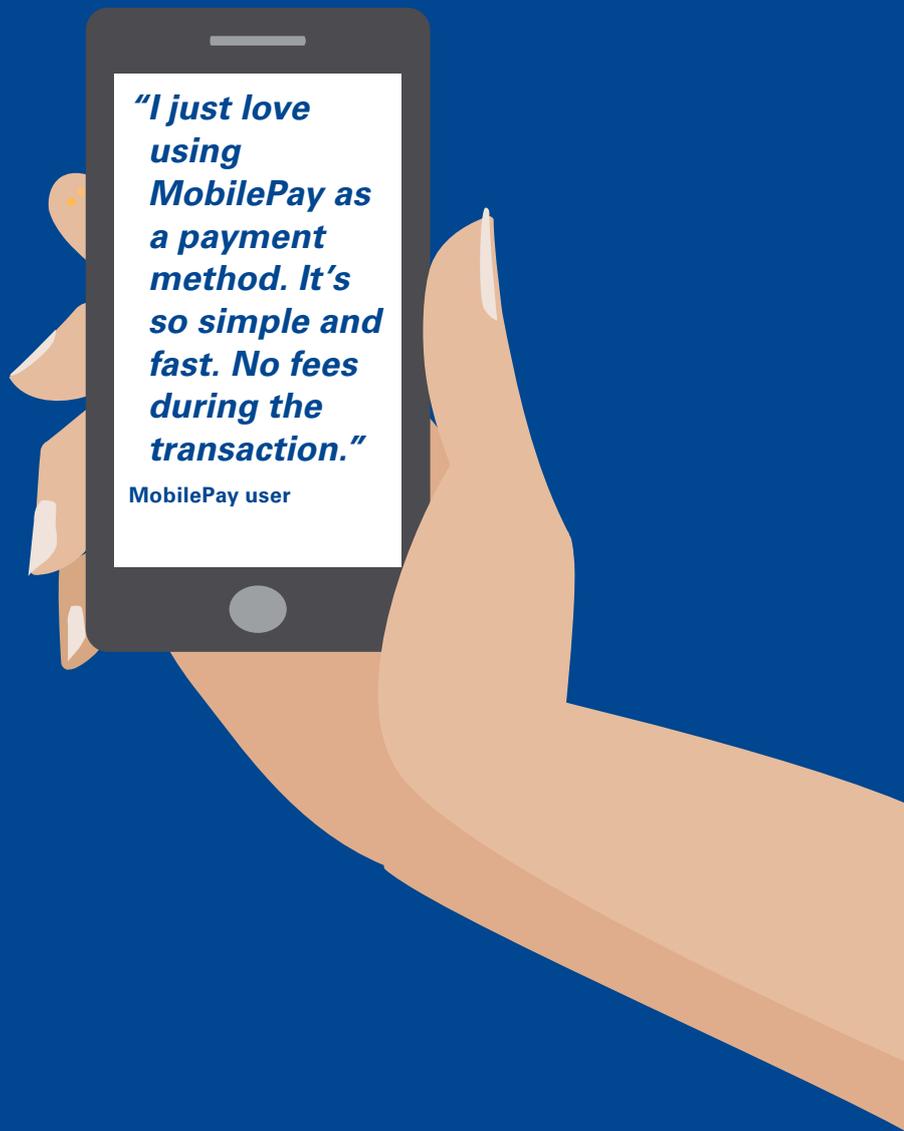
With a particular focus on people and technology, Matas has created a strong balance between their online and offline assets. The company places significant investment into finding and training the right people and has worked hard to integrate their digital and physical experiences. Indeed, the majority of

customers that order online then collect their orders at the physical store, which creates a natural touchpoint and reinforces the brand relationship. Perhaps not surprisingly, the brand was awarded its best scores on the Time and Effort and the Integrity pillars.



*"Very professional and service-minded. The Matas employee told me about a Club Matas advantage that I was not aware of."*

# Born digital: MobilePay



How did the only 'digital native' brand in our Top Ten become the country's most recommended brand with the highest loyalty rates? In part, it was by offering a product that addressed a specific 'pain point' in Danish consumers' increasingly digital lives. MobilePay's solution offered consumers a way to send payments that was as easy as sending an SMS text. And, since then, they have continuously worked on keeping their solution as simple – and as relevant – as possible.



***MobilePay is the Nordic's most popular money transfer app. Initially created as part of Danske Bank, there are now more than 3.8 million Danish consumers who use MobilePay's solutions regularly for all payment situations.***

Source: MobilePay A/S



## Knowing their customers

MobilePay's focus is on building a solid understanding of their end users and then applying that knowledge to improve their service and solution. When the app first launched, for example, the platform only allowed money to be transferred between registered users. Today, however, any user can use MobilePay for a wide range of purchases, including paying bills and subscriptions, making donations as well as paying for grocery goods, the regular commuter cup of coffee, tickets to the cinema, the train, parking fees and much more.



***“What worked so well with MobilePay is that it could be used by anyone, regardless of the bank or phone operating system. It is a simple and user-friendly solution. It’s also a very scalable solution that has a high versatile use: whether you’re buying coffee on your Monday morning commute or buying a beer late Saturday night at a festival.”***

**Jeanette Hertzum**  
Head of MobilePay Solutions and Journey Development.

Part of MobilePay's approach is to co-create product designs with businesses, partners and users to ensure an optimal fit to their digital channels: together, they design the user journey and then use design-thinking principles to deliver the best experience to end users.

The company also wins significant support and loyalty from customers by listening and acting on both users' and businesses' feedback. For example, when a user with disabilities offered suggestions for making the app more functional for visually-impaired customers, MobilePay's team listened and then worked with the user to improve the apps' usability for everyone.

By combining a willingness to listen to customers, a focus on making their lives easier and an openness to partnering with other businesses, MobilePay has created a hassle-free end-to-end journey that, in turn, has increased the usability of the app.



***“Disrupting existing technology is a driver for industries in creating new possibilities. But in the end, if what you’re proposing to your customers doesn’t add value, it will be phased out, very fast.”***

**Jeanette Hertzum**  
Head of MobilePay Solutions and Journey Development



## Meeting expectations

The problem with being so embedded into their end users' lives is that it also sets high expectations. Users expect the app to function at all times and they expect the experience to be seamless. Users also increasingly expect to be able to use MobilePay everywhere they shop, whether online, in stores or in other apps.

MobilePay is therefore highly focused on delivering fast resolutions and transparent communication. If there are technical difficulties, the company communicates with users over social media within 15 minutes of learning about the problem. They also aim to answer claims within 48 hours and, if needed, employees are available to have one-on-one conversations to ensure the user experience isn't disrupted in a payment situation.



## Success in its own rights

In the fall of 2017, MobilePay became an independent company. Given that our research was completed at the end of the year, this suggests that the company's brand continues to resonate with Danes, even outside of the trusted Danske Bank umbrella. Clearly, the strong focus on customer experience excellence has allowed the company to build a loyal following in its own right.

### Six Pillar results for MobilePay compared to industry average



Personalisation

+10%



Time and effort

+6%



Expectations

+9%



Integrity

+8%



Resolution

+3%



Empathy

+0%

# Incorporating digital into the DNA

In today's hyper-competitive and technology-driven consumer environment, digital is key. It's not just that consumers now expect to interact with their brands digitally; the leading brands are demonstrating that digital capabilities can unlock massive value across the customer journey – from reducing friction in processes through to improving the personalisation of products and services.

It's not surprising, therefore, that five of the Top Ten brands in the digital part of our Customer Experience Index also ranked in the Top Ten in the overall Customer Experience Excellence survey.



## Creating an integrated experience

While some consumers and business leaders worry that digital will dilute the 'human element' of consumer interactions, our survey shows that the top performing brands are those that are able to seamlessly combine their online assets with their brick-and-mortar ones – their digital interactions with their human ones. At Starbucks, for example, customers pre-order their drinks through their app. Amazon Go has used digital to completely eliminate cash and queues at the check-out.

In Denmark, many of the top brands are striving to deliver the same seamless experience across their online and offline assets.

Fitness World uses its app and customer data to help customers personalise their fitness regimes. Billund Airport allows travellers to book parking, view security wait times and even pre-order duty free items through their app. Matas lets customers place orders online for in-store pick-up.

LEGO is perhaps the brand that delivers the most well-balanced experience across their online and offline channels. Even though the company caters to a large proportion of 'digital-native' consumers, they continue to focus on delivering an excellent in-store experience that ties seamlessly into their digital channels including apps, social media and even movies. Our survey shows that Danes enjoy LEGO's online and offline experience equally.



## Your digital neighbour

Being digital does not mean cutting ties from the local community. In fact, quite the opposite. Our survey suggests that the most successful brands are those that are able to leverage digital capabilities to drive local connections and customer relationships.

Both Matas and Fitness World have developed Facebook pages for many of their physical locations. And this has enabled their employees to have very localised interactions with their customers and solve problems without having to involve centralised customer service support. The Facebook pages have also created a new channel for them to transparently receive both good and bad feedback directly from consumers.

Digital masters understand how to leverage on online channels to get closer to customers, not further away. Through hyper-personalisation, and 24/7 availability, brands can be where and when you need them, as long as they don't become intrusive. You always need an option to turn them off.



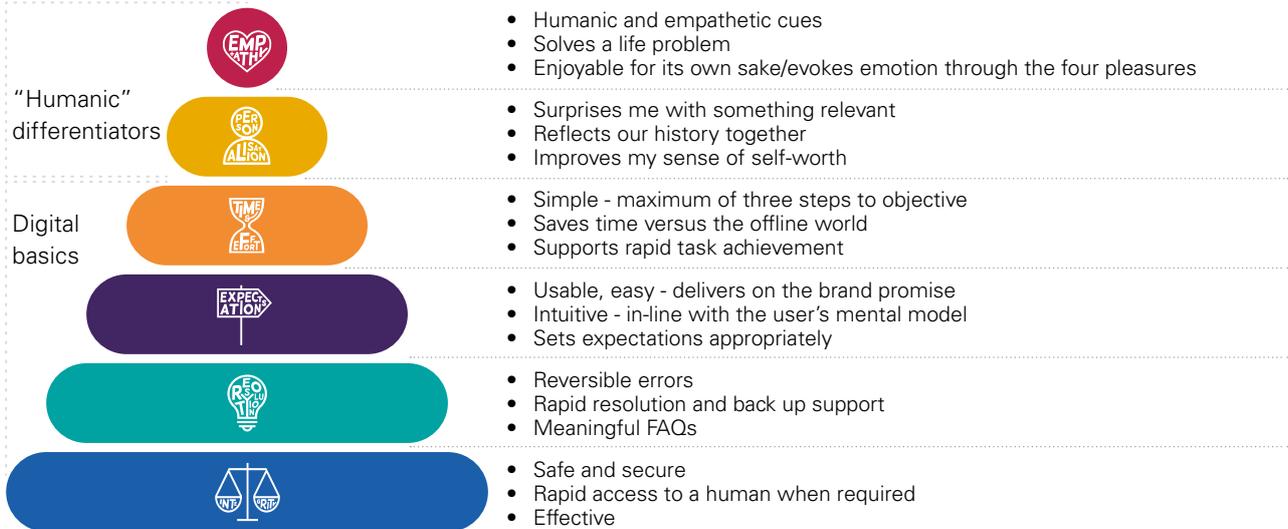
## Designing emotion into the automation

One of the concerns on the minds of many executives is that digital – particularly automated – channels may not be capable of delivering the same levels of empathy as their human counterparts. And while this may be true – a robot may not laugh quite as hard at your silly jokes or cry with you when you experience a loss – studies show that human brains don't really distinguish between machines and humans when receiving empathetic cues<sup>2</sup>.

Simply put, humans are fine with a machine reassuring them in a stressful situation, as long as they do it in the right way. And they are okay with machines remembering who they are – in fact, they are often just a flattered as they would be if a human had remembered it. What this demonstrates, however, is the value of bringing emotional design into the digital experience.

To be clear, digital transformation is rarely easy. But, as our top brands illustrate, a robust and well-planned digital strategy – particularly when aligned to The Six Pillars – can be key to driving profitable and memorable customer experiences.

### The hierarchy of digital emotional connection



<sup>2</sup>Dr Nicholas Epley of University of Chicago Booth, the Mind in the Machine

# Blending online and offline: Matas

With a justifiable claim that every Dane is a Matas customer, more than 5.5 million people enter a Matas store each year. And around one-in-three Danes are members of their loyalty club. So it is not surprising that almost every Dane has a close connection to the brand.

While Matas sells a range of 'own-brand' products, their primary focus has always been on giving their customers the best advice possible – a vision embodied in their motto "good advice makes the difference".

For Matas, the key to success rests in its employees. The company places significant focus on hiring the right people – working closely with specialist schools – and provides ongoing training for employees. They also welcome their suppliers' representatives into the store, providing them with training on the Matas way of handling customers (many of them are actually ex-Matas employees). Customers tend to have tight bonds with their local store and its employees. In fact, there have been a number of cases where customers have complained to Head Office because their favourite employee was rotated into another store.

## Six Pillar results for Matas compared to industry average



Personalisation

+5%



Time and effort

+4%



Expectations

+3%



Integrity

+5%



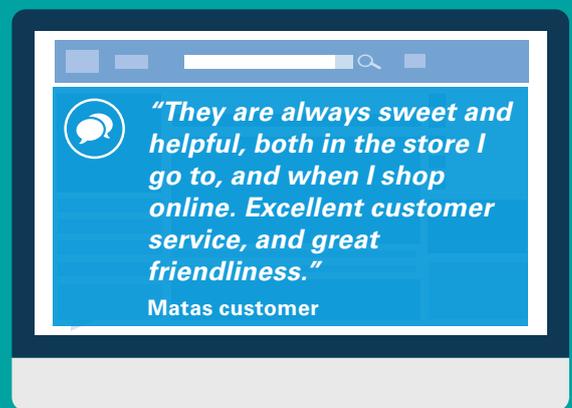
Resolution

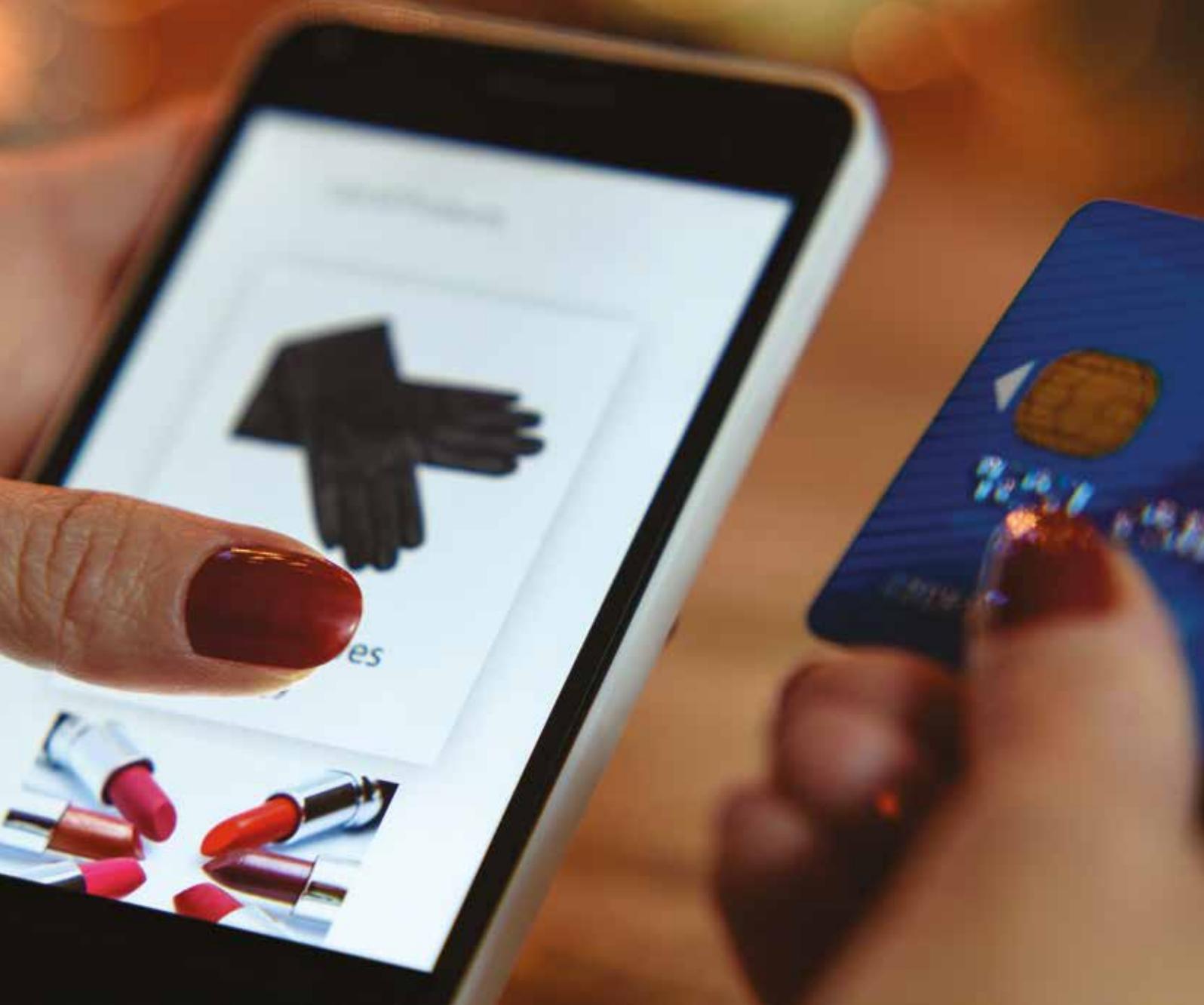
+4%



Empathy

+4%





Like most established brands in the retail industry, Matas enjoys a strong tradition of in-store customer service. And, over the past few years, the company has made significant strides in moving the same experience online. While this creates challenges in terms of retaining the close connection to their customers, it also creates significant new opportunities – such as attracting more male customers, who are sometimes a bit reluctant to enter their physical stores.

Our survey suggests that Matas has managed to strike a strong balance between online and offline assets. Indeed, the majority of customers that order online then collect their orders at the physical store, which creates a natural touchpoint and reinforces the brand relationship. And since there are more than 270 Matas stores across the country, there is always one nearby.



***“Online channels allow us to target customers, who would normally not enter one of our offline stores.”***

**Katrine B. Benthien, Sales Director, Matas**

Matas has also made good use of social media to reinforce its local ties to the community. Each offline store has its own Facebook page which not only makes the digital interaction much more personal, it also creates a stronger feeling of community. To ensure the pages are managed appropriately and effectively, the company even offers employees training programmes on using social media.

Looking ahead, Matas will continue to focus on finding the most effective and valuable ways to leverage digital. In fact, the company recently launched a new strategy – known as 4D – that it expects will not only strengthen their online channels, but also help them digitise their stores, thereby blending their two worlds together.

# The economy of trust

Trust is fragile; it can take years to build but just seconds to break. And, clearly, consumer trust has been tested over the past decade – from the financial crisis of 2008 through to the numerous recent customer data breaches and misuse scandals, consumers have become increasingly careful about who they trust with their data.

It is perhaps not surprising, therefore, that consumers in Denmark said their loyalty and advocacy towards a brand was largely influenced by the brand's integrity. Indeed, in this environment, brands must demonstrate integrity; our research shows that brands that lack integrity tend to have a difficult time attracting or retaining customers, regardless of how much they invest into other elements of the customer experience.

The good news is that, generally speaking, brands operating in Denmark seem to be meeting their customers' integrity expectations. Danish customers gave their brands the highest marks under the Integrity pillar.



## But who do we trust?

Denmark is awash with new, digitally-enabled competitors who – with low infrastructure, network and operating costs – are driving strong competition for local brands. Where these new start-ups and digital competitors struggle, however, is in building customer trust. Of our Top Ten brands, nine were well-established brands in the market.

The one 'start-up' that did receive high ranks for Integrity in Denmark was MobilePay, which launched in 2013. However, since its launch, it has been closely associated with Danske Bank which has afforded the brand a certain level of credibility and integrity, even after it became an independent entity. Clearly, Danes tend to trust the companies they know.



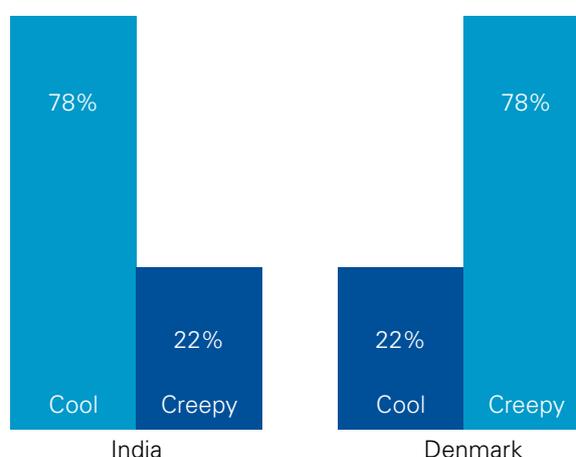
## Protecting the trust

Data has also become a key component of the trust equation. With the quantity of available data growing exponentially – most estimates suggest it is doubling every two years – the problem now facing companies is not how to get more data but rather how to properly use it. People often quip that 'data is the new gold'. And we would agree. But, just like gold, data is useless unless you know how to mine it and refine it.

And, just like gold, you also need to protect customer data. Scandals, such as the recent Cambridge Analytica breach, have highlighted the need to protect personal data. The introduction of new legislation, like the EU's GDPR, is also raising data protection up the agenda. Managing the massive amount of customer data now available to brands – and doing so in a way that builds customer trust – will be key.

Our data also reinforces the fact that cultural sensitivities matter when building trust. Most Danes, for example, consider some uses of geo-location (such as when hailing a taxi) to be an infringement on their privacy. Whereas in other markets, customers see geo-location services as a value-added benefit<sup>2</sup>. International brands operating across multiple geographies will need to take local sensitivities into account when planning their customer journey.

## Taxi companies using geo-location



Source: Crossing the line. Staying on the right side of consumer privacy. KPMG International 2016.



## Toeing the right line

As brands gain more data about their customers, the natural inclination is to use that information to drive more personalised and tailored experiences – after all, Personalisation was ranked by Danish consumers as the second most important component of customer experience excellence overall.

Yet, as most brands now recognise, there is a fine line between ‘value added’ and ‘creepy’. What makes matters worse is that the line is continuously moving as societal norms evolve. And different people may have different lines depending on their expectations. Understanding how to assess and stay on the right side of the line will be key to driving and maintaining trust.

Fitness World is an example of a brand that has done a great job at balancing customer privacy against the desire to personalise the experience. The brand collects lots of data about its customers – including their personal health and fitness data – as part of its business but focuses on using it to create value for the customer by improving their fitness journey.

Matas faces a similar challenge. With more than 1.8 million customers currently enrolled in their loyalty club, they know a lot about each customer’s individual purchase history and preferences. The problem is that some customers expect the brand to know them very well while others might be turned off by the brand using their data too directly.

Our experience and research suggest that the trick is to use data in a way that is not only relevant and valuable to the customer, but also driven by the customer’s own preferences and desire for personalisation. Fitness World and Matas also show that you can influence data concerns by coordinating online and offline resources; both brands make good use of sensible in-store staff who are able to moderate the use of data in a non-intrusive way. And that has earned both organisations high rankings from Danish consumers for both Personalisation and Integrity.

ATP was awarded the highest scores for Integrity by consumers in Denmark. With almost 5 million customers, ATP not only protects its customers’ data – it also uses it intelligently to reduce the number of customer contacts which, in turn, drives improvements under the Time and Effort pillar.

### Six Golden Rules of Integrity



<sup>2</sup> Crossing the line, KPMG, 2016

# Finding balance between creepy and relevance: Fitness World

With 160 fitness centres and nearly 500,000 members across the country, Fitness World is Denmark's leading fitness organisation.

One of the key ingredients to its success has been its ability to bring together online and offline offerings to create a value-driven and personalised experience for its members. The Fitness World app, for example, goes beyond the basic expectations for a fitness app, offering the usual options such as booking classes or finding training buddies, as well as a range of more personalised offerings such as tailor-made training programmes. Indeed, by answering just a few simple questions, members can create a four-week personalised programme that even offers lessons on how to use the various machines suggested in the routine.



*"In every Fitness World I've visited, there has always been lots of equipment, sufficient space and many group sessions. That they are open 24/7 is a big plus."*

Fitness World customer

Innovation is important to the organisation and they are continuously seeking out opportunities to bring new technologies into their customer experience. For example, the company recently invested into a set of new Body Tracker devices that allow members to monitor their progress at a much greater level of detail. Data from the body tracker feeds into the app to provide an even more holistic view of the member's progress.

Fitness World also makes great use of digital and social media to maintain an open and value-driven dialogue with their members. Their electronic newsletter, for example, aims to help readers get more from their membership by suggesting new training challenges such as joining classes, enrolling in bootcamps or booking time with personal trainers. Centre-specific Facebook pages allow for localised conversations and discussions. The recently optimised and redesigned website offers all sorts of information and tips about fitness.



*"We are very aware about finding the right balance between being relevant to our clients and being creepy. So, we've taken a number of steps, like ensuring that fitness data and personal ID data are stored separately, to keep the data secure and to ensure we don't infringe on our members' personal lives."*

**Philip Philipson,**  
Chief Marketing Officer at Fitness World Denmark

While all of this digital interaction with customers has certainly helped the organisation remain highly relevant, it also creates significant moral and ethical considerations. The reality is that Fitness World has access to lots of data on their members – and that data is growing every day. The challenge, therefore, is to find the right balance between giving members personalised experiences and not becoming obtrusive – stepping too far and crossing the 'creepy line' into their personal lives.

With the company making every effort to remain on the 'right side of the line', it is continuing to invest into its online and offline assets in order to provide a superior customer experience to members. Based on our survey data, it seems their efforts are paying off.

## Six Pillar results for Fitness World compared to industry average



Personalisation

+4%



Time and effort

+4%



Expectations

+1%



Integrity

+2%



Resolution

+4%



Empathy

+4%



# Addressing the fragmented journey

As new brands enter the Danish market – often as a direct response to a specific unresolved customer pain point – we have seen a clear move towards the unbundling of products and services. And, overall, this has provided consumers with the luxury of choice as they configure their own optimal customer journey.

While this trend has certainly increased competition and responded to consumers' growing desire for more personalisation, it has also led to an increasingly disconnected experience. Consider, for example, the number of vendors that must be engaged for the average business trip – airlines, airports, hotels and taxis must each be coordinated by the consumer using different points and channels.

The problem is that, until recently, the shift towards digitisation often led companies (even within the same value chain) to compete based on the strength of their apps and social media presence. And that meant not only further fragmentation, but also considerable waste of customer time and effort. Recent evidence suggests that app downloads have dropped for the first time in history<sup>3</sup>, reinforcing the view that consumers are getting tired of the options frenzy.

Our data suggests the most successful brands will be those that are able to take a more holistic journey-based approach by integrating their end-to-end experience and re-bundling the journey to deliver a more seamless customer experience.



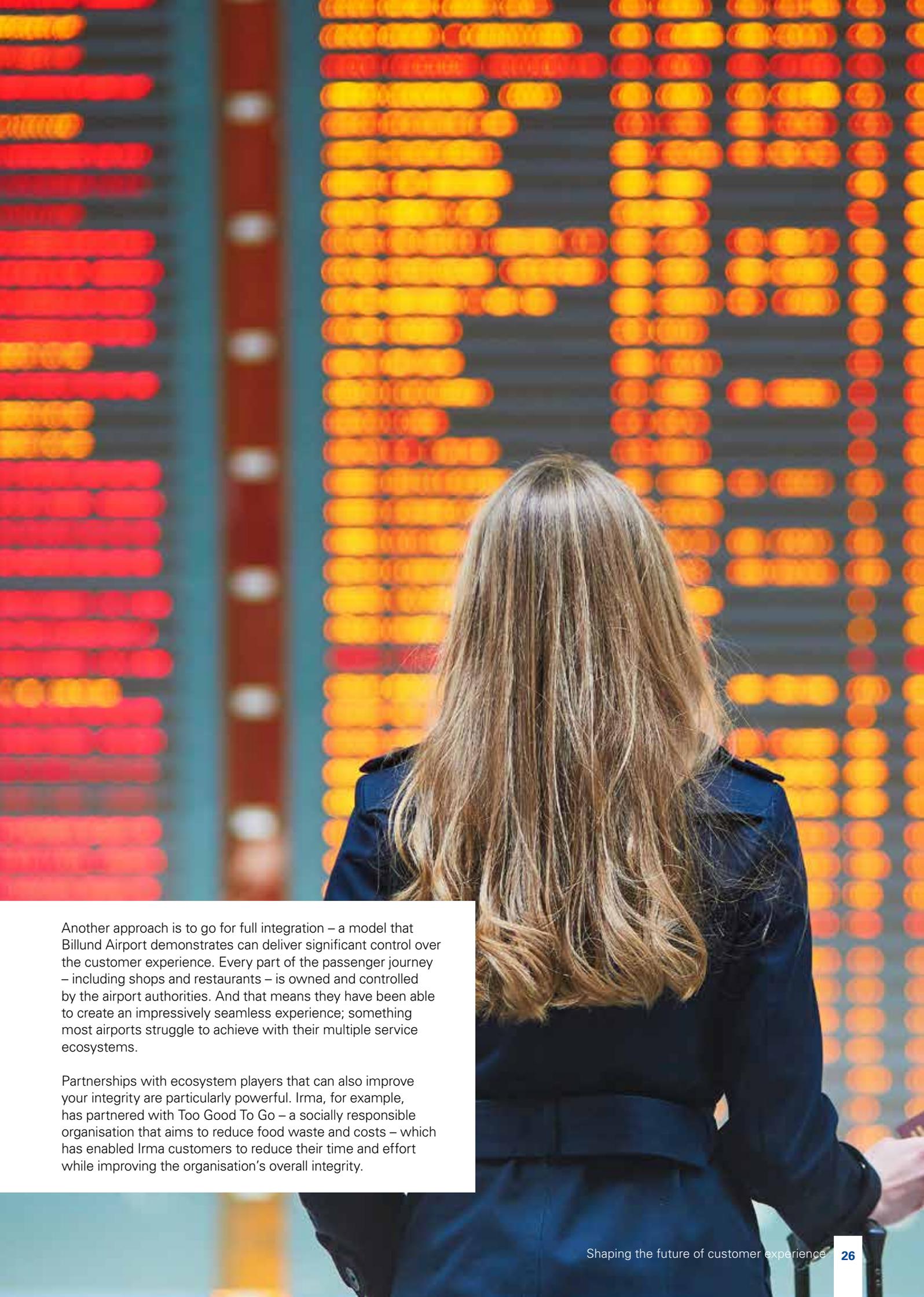
## Building the right ecosystems

Part of the challenge, therefore, is to understand the customer journey – not only with one specific brand – but across the wider ecosystem. This unlocks a view of the end-to-end journey which can be used to enable the delivery of a much more seamless experience.

One of the reasons that MobilePay ranks so highly with Danish users is because it recognises that payments don't happen in isolation – they are always part of a broader customer journey. MobilePay has therefore partnered with a range of other brands – such as ParkOne for parking and DSB for travel – in order to integrate their digital channels. And this has allowed users to reduce the time and effort they must invest into making their desired purchases.

The need for improved integration is not limited to digital assets. Matas, for example, welcomes its suppliers' representatives into their stores to talk with customers, but insists that they dress and act like every other Matas employee. This means that customers can benefit from specialist advice from experts while still enjoying the full Matas customer experience.

<sup>3</sup>Digital Commerce 360. App downloads and usage decrease as smartphone traffic increases (2017) <https://www.digitalcommerce360.com/2017/03/06/app-downloads-usage-decrease-smartphone-traffic-increases/>



Another approach is to go for full integration – a model that Billund Airport demonstrates can deliver significant control over the customer experience. Every part of the passenger journey – including shops and restaurants – is owned and controlled by the airport authorities. And that means they have been able to create an impressively seamless experience; something most airports struggle to achieve with their multiple service ecosystems.

Partnerships with ecosystem players that can also improve your integrity are particularly powerful. Irma, for example, has partnered with Too Good To Go – a socially responsible organisation that aims to reduce food waste and costs – which has enabled Irma customers to reduce their time and effort while improving the organisation’s overall integrity.



## Listen to the customers

Yet to truly understand a customer's journey, one must first learn how customers experience each step along the journey. Customer satisfaction surveys are commonplace. But turning the feedback into real customer experience improvements has proven to be a challenge for some. For the most part, this comes down to two common mistakes: either not acting on the customer feedback or only acting in isolation. As customers start to demand a more seamless experience, the ability to take a much more holistic approach to understanding the voice of the customer has become key.

Our research indicates that some Danish brands are taking steps to improve the way customer feedback influences the way they deliver experience. Tryg, for example, has implemented a measurement system that aggregates data across multiple touchpoints to allow decision-makers to identify the most effective and valuable improvement opportunities. Billund airport has researched the stress levels of passengers as they move through the facility. Their research found that customers were most stressed when going through security, so they redesigned their layout to create a straight line from the entrance doors to the security exit thereby making the process much clearer and less stressful for passengers.

What these brands – and many of our other top brands – demonstrate is that the voice of the customer must be taken seriously and responded to effectively. Leaders must take personal responsibility for ensuring the voice of the customer is heard and embedded into the company culture.



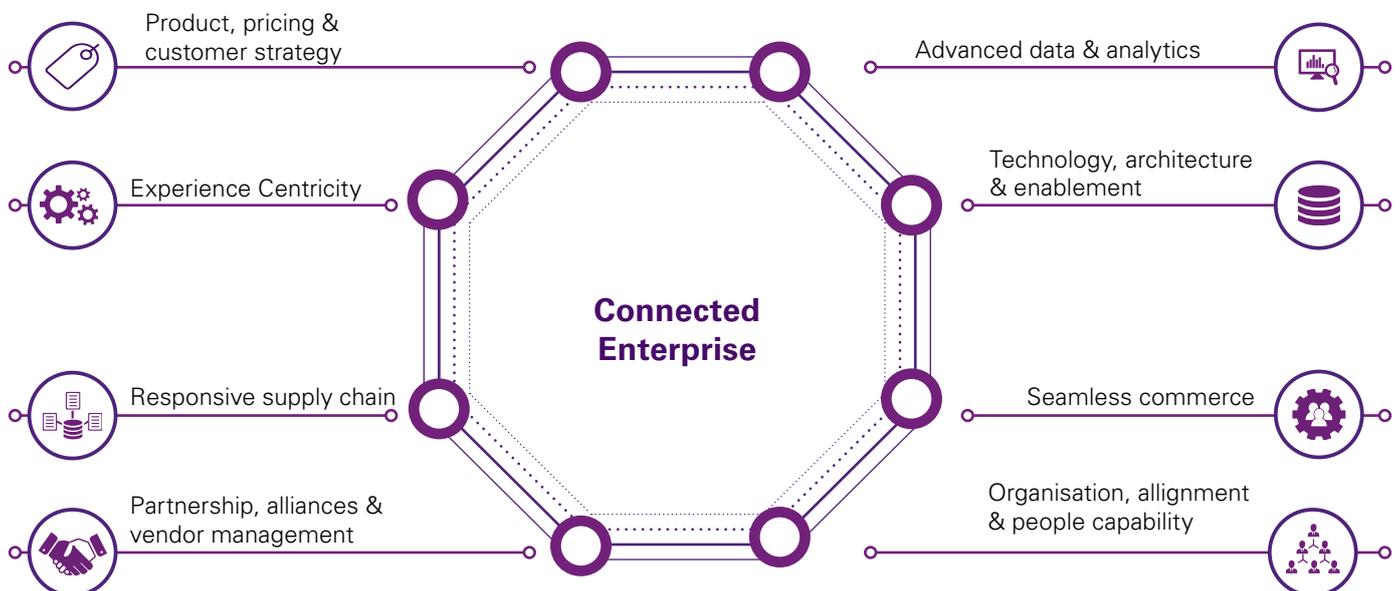
## The Connected Enterprise

Of course, there is no use promising customers a seamless experience if you can't deliver on their expectations. Efforts to integrate around the customer must go much deeper than simply the digital interface.

Indeed, to deliver on expectations, brands will need to move towards an operating model that supports the desired experience delivery. And that means better alignment between the front, middle and back offices with a particular focus on investment into critical capabilities such as supply chain, analytics and talent.

It's a challenge that many of the top brands are still working hard to solve. Some are struggling to break down the traditional siloes across functions and channels. Others are facing challenges changing the organisational mindset and culture. Larger, more complex firms – particularly in the Financial Services sector – are trying to understand how to connect the new enterprise when the old business is still operating on legacy systems and processes.

None of these are excuses for inaction, however. The top brands recognise that their ability to connect the enterprise around the customer will be a key differentiator going forward.





# Connecting the traveller's journey: Billund Airport

As the second largest airport in Denmark and the 10th largest (by passenger numbers) in the Nordic Region, Billund Airport is a key part of the journey for more than 3.4 million passengers annually.

Billund Airport recognises that – while its main customers are the airlines that it serves – it also needs to provide an excellent experience for travellers. After all, without them, neither the airport nor the airlines would have reason to exist.

Yet Billund Airport serves a wide range of different customers – it is one of the country's busiest air cargo centres, a main charter airline destination and a hub for a number of commercial airlines such as KLM and Lufthansa. And that means that the airport must cater to a variety of different traveller groups – from frequent business travellers through to occasional holiday-makers – each requiring very different experiences.

Recognising the challenges created by fragmented passenger journeys within the Travel sector, Billund Airport works with its airline customers to calibrate the overall experience and create alignment around traveller requirements.

One of Billund Airport's advantages is that – unlike most other airports – they own and control all of the facilities within the airport walls, from shops and restaurants through to security and check-in. And this allows them to ensure a connected and seamless experience from the parking lot through to the boarding gate.



***“A big advantage is that we own all premises within the airport, so we can control the full in-airport experience.”***

**Jan Hesselund**  
CEO, Billund Airport

That enables new opportunities for integrating the experience; the company recently launched a programme that allows travellers to order food while waiting in the security line so that it will be ready for pick-up once they get into the departure hall.

Passengers' expectations are also carefully monitored and managed. The airport uses a number of digital channels to keep passengers informed and employs smart visualisation tools – such as traffic lights to show wait times in traditional areas of congestion, like security – to help travellers feel more comfortable with the experience. When issues such as flight delays do occur, Billund Airport makes sure it's staff are on hand to rebook passengers on behalf of the airlines, ensuring that every effort is made to help travellers continue their journey as quickly as possible.

Employee hiring and training revolves around ensuring that travellers are being well served throughout their journey. Recruiting focuses on finding service-oriented employees and every effort is made to ensure that staff are visible on the airport floors, looking for passengers in need of help. Billund Airport offers regular training on passenger interaction for employees and even teaches employees about different departments for two days (part of their “Know your company” initiative) to help employees to know and understand the various parts of the organisation and, in doing so, the passengers' end-to-end journey through the airport.



*"The service was impeccable. Security checks went fast, and with their updates of waiting time, on their website, airport traffic flows very easily."*

- Billund Airport passenger

### Six Pillar results for Billund Airport compared to industry average



Personalisation

+10%



Time and effort

+10%



Expectations

+12%



Integrity

+14%



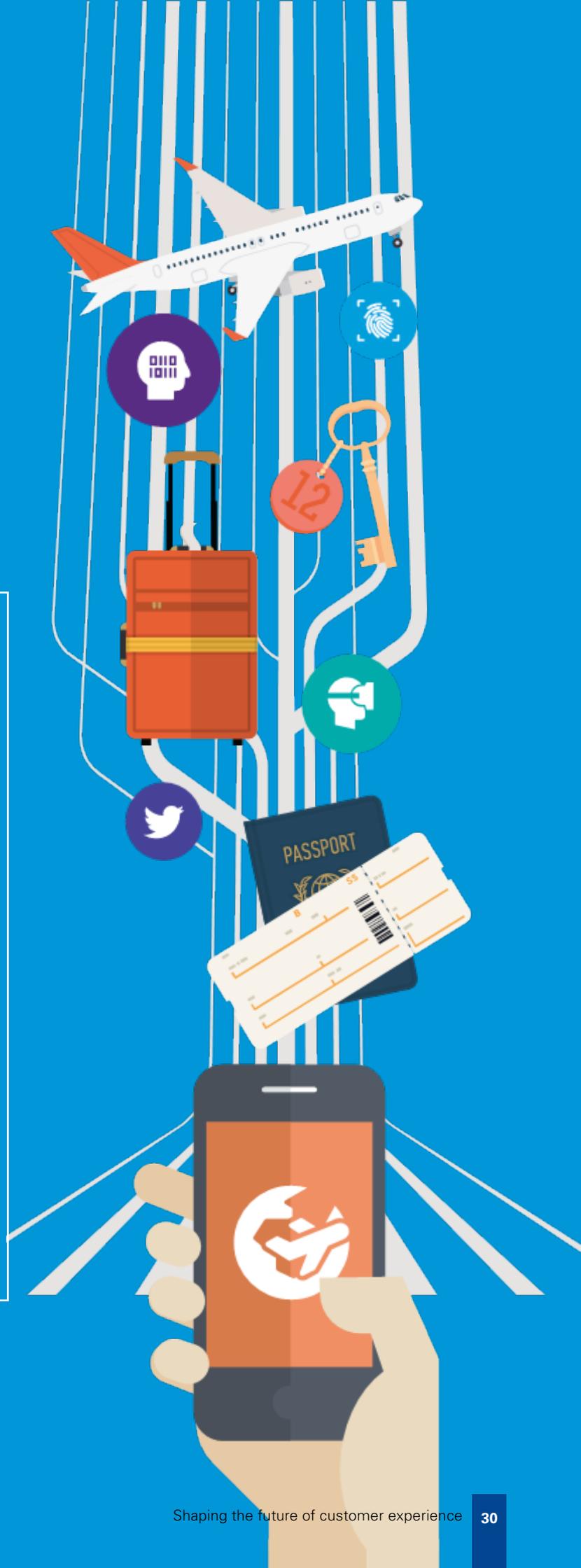
Resolution

+13%

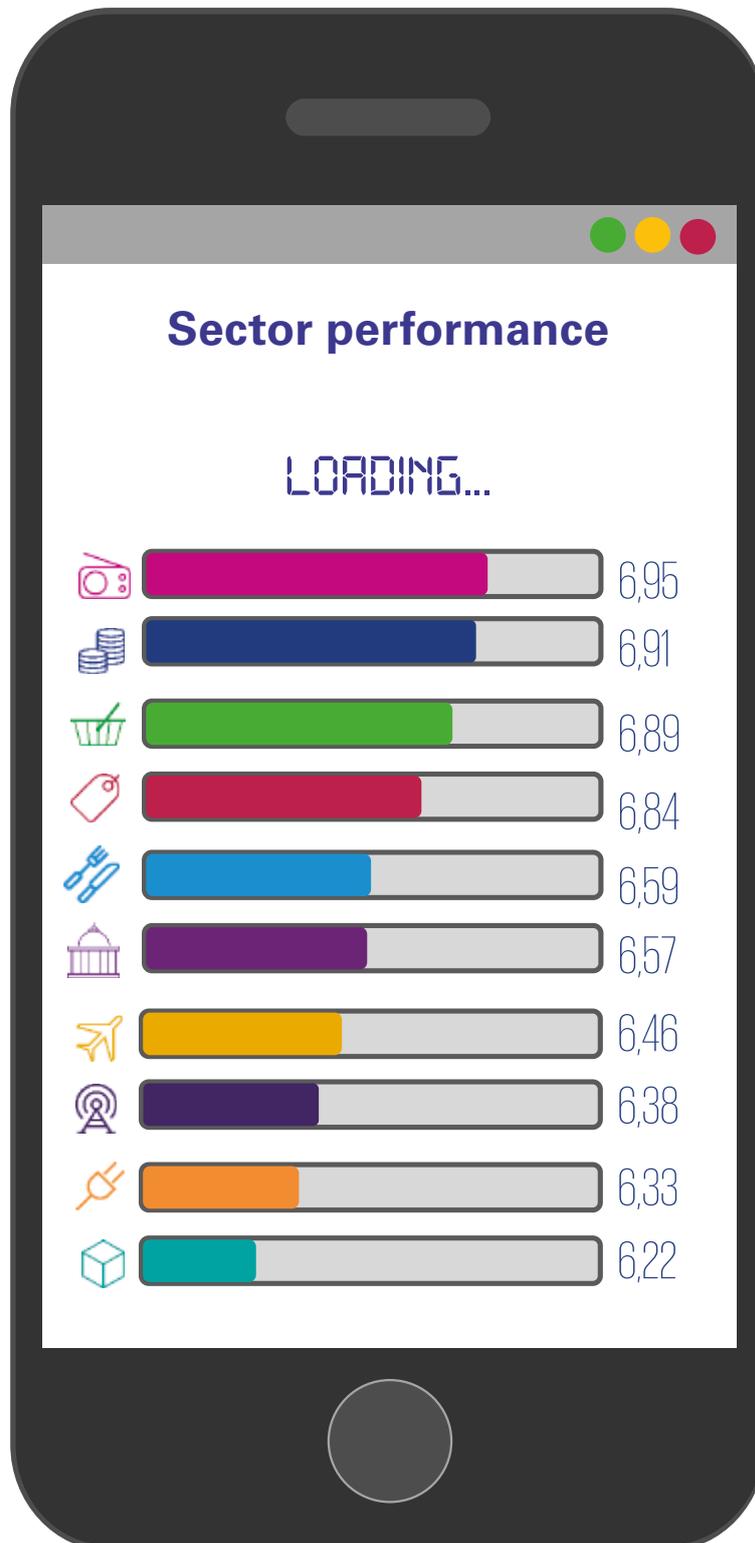


Empathy

+18%



# Sector highlights





## #1: Entertainment and Leisure

Entertainment and leisure brands lead the pack in Denmark, achieving high scores for Personalisation, Integrity, Expectations and Time and Effort. Given that this sector tends to compete based on the quality of the experience, it is not surprising that entertainment and leisure brands rank highly with Danish consumers. Brands in this sector are increasingly encouraging their customers to take ownership over their experiences and are including them in the product design and development process. While the sector achieved its lowest scores for Empathy, this suggests that brands in this sector could find ways to further differentiate themselves by demonstrating they care about their individual customers.



## #2: Financial Services

Boasting four of the Top Ten brands in Denmark, it seems clear that a number of financial services brands have managed to create opportunity from the past decade of digital disruption. Danish consumers ranked the Financial Services sector top for Integrity and Resolution suggesting that – when problems do occur – brands in this sector react appropriately. Interestingly, our data indicates that insurers tend to deliver a better customer experience than banks in Denmark, largely due to their focus on Personalisation and Empathy at those moments that matter most for their customers.



## #3: Grocery Retail

Enjoying almost daily interaction with customers at a very personal level, it is not surprising that the Grocery Retail sector was awarded the highest scores of all industries for Empathy. The sector's highest scores, however, were for Integrity suggesting that consumers have a high level of trust for their grocery retailers. While the sector was somewhat slow to move on the digital agenda at first, there are a number of brands that now offer a unique and compelling online and offline customer experience. Low scores for Expectations, however, suggest there is still room for differentiation in the minds of consumers.



## #4: Non-Grocery Retail

With a reputation amongst Danish consumers for delivering the best value for money, the Non-Grocery Retail sector delivered high scores for Integrity and Time and Effort. Some estimates suggest that the majority of Danish non-grocery retail purchases will be conducted online by 2020, and so many brands in this sector have made strong progress on their digital agenda. However, customers gave the sector its worst scores for Empathy suggesting that brands may need to do more to ensure their online and offline experiences demonstrate more personality.

### Sector average: 6.95

<b>Personalisation</b> 7.08	<b>Integrity</b> 7.27
<b>Time and Effort</b> 7.22	<b>Resolution</b> 6.85
<b>Expectations</b> 6.56	<b>Empathy</b> 6.44

### Sector average: 6.89

<b>Personalisation</b> 6.96	<b>Integrity</b> 7.30
<b>Time and Effort</b> 7.04	<b>Resolution</b> 6.91
<b>Expectations</b> 6.55	<b>Empathy</b> 6.41

### Sector average: 6.89

<b>Personalisation</b> 6.97	<b>Integrity</b> 7.20
<b>Time and Effort</b> 7.10	<b>Resolution</b> 6.87
<b>Expectations</b> 6.52	<b>Empathy</b> 6.46

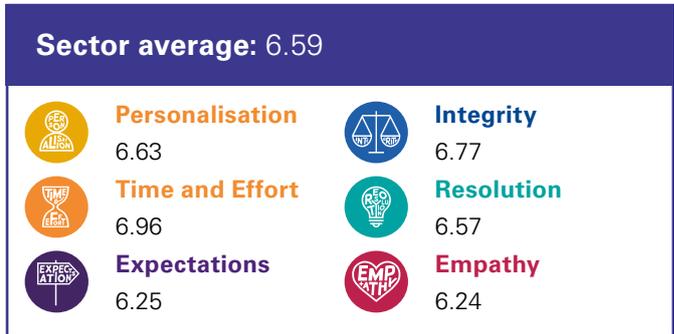
### Sector average: 6.84

<b>Personalisation</b> 6.87	<b>Integrity</b> 7.14
<b>Time and Effort</b> 7.12	<b>Resolution</b> 6.80
<b>Expectations</b> 6.50	<b>Empathy</b> 6.40



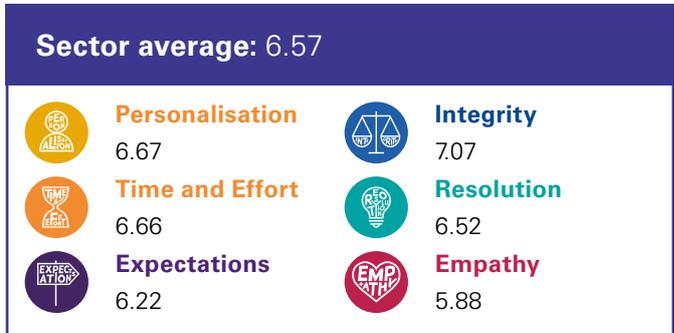
### #5: Restaurants and Fast Food

As Danes slowly shift their eating habits towards faster, more convenient options (as demonstrated by the rise of the various street food options today), customers are increasingly looking for convenience and value from their restaurant and fast food brands. The good news is that Danish consumers give this sector its highest scores in Time and Effort. But, unfortunately, the sector also received the second-worst scores for Value for Money. By focusing on better setting expectations and then delivering on them, brands could create significant advantages in this sector going forward.



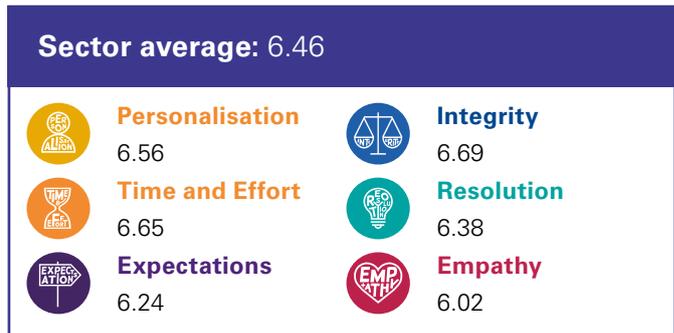
### #6: Public Sector

Given Danes' traditional high level of trust in public institutions, it is not surprising that the Public Sector's best results were on the Integrity pillar. Similarly, few would be shocked to learn that the sector's worst results were for Expectation and Empathy. Rightly or wrongly, customers see Public Sector brands as being dispassionate, bureaucratic and difficult to navigate. Recent investments into digital channels will help. But more automation and data management will be required to drive real improvements in customer experience in this sector.



### #7: Travel and Hotels

Few sectors illustrate the fragmentation of customer journeys as much as the Travel and Hotel sector. Yet while customers are continuing to shift their interaction with Travel and Hotel providers to mobile devices, they are also increasingly seeking to 're-bundle' their various providers into a single interaction. Brands that are able to work with their ecosystem partners to deliver a full end-to-end customer journey that is seamless to the consumer will have an advantage in the future.





### #8: Telecoms

While, globally, telecoms companies tended to return their worst scores on Time and Effort, Danish consumers reported the exact opposite, rewarding their telecoms brands with their best scores under this pillar. However, Danish consumers noted some clear disappointment when it came to Expectations and Empathy. In part, these results may be explained by the deregulation of the industry which introduced more competition – which may have reduced the Time and Effort – but has not yet resulted in a customer-centric marketplace.

#### Sector average: 6.38

<b>Personalisation</b>	6.53	<b>Integrity</b>	6.50
<b>Time and Effort</b>	6.60	<b>Resolution</b>	6.43
<b>Expectations</b>	6.00	<b>Empathy</b>	5.96



### #9: Utilities

In a sector where consumers are more concerned about cost and security of supply than brand, Danish utilities rank understandably low on the Expectation pillar; any interruption in supply shakes trust immediately. However, as Smart Home concepts become more popular, Danes – like others around the world – are increasingly looking for more transparency on their energy and resource usage and billing. Those utilities companies that are able to deliver a more transparent and personalised experience will stand out from the crowd in this marketplace.

#### Sector average: 6.33

<b>Personalisation</b>	6.22	<b>Integrity</b>	6.72
<b>Time and Effort</b>	6.57	<b>Resolution</b>	6.43
<b>Expectations</b>	5.87	<b>Empathy</b>	5.96



### #10: Logistics

The Logistics sector is the foundation of our online shopping ecosystem. Yet, once consumers complete their purchase, they seem to spend very little time thinking about exactly how the item gets delivered to them. And with the advent of services such as Amazon Prime, consumers have become even further removed from the delivery-making decision process. However, it is worth noting that the sector achieved its highest scores on the Integrity pillar and on the Time and Effort pillar, suggesting that Danes feel their logistics brands are at least trying to meet their expectations.

#### Sector average: 6.22

<b>Personalisation</b>	6.22	<b>Integrity</b>	6.51
<b>Time and Effort</b>	6.57	<b>Resolution</b>	6.19
<b>Expectations</b>	6.00	<b>Empathy</b>	5.77

# The magic of the financial services industry

Over the past decade, few sectors have been as heavily impacted by the digital agenda as Financial Services. Volume was already starting to shift from branch offices and offline sales channels to digital and online options. The entry into the market of FinTechs and InsurTechs has only increased the pace of the change.

Yet, despite all of this disruption, the Financial Services sector ranked second overall in our Danish Customer Experience Excellence survey. And, with four brands in the Top Ten, our research suggests that the Financial Services sector may have some important lessons to share with others seeking to adapt to a rapidly changing ecosystem.



## The pace has quickened

One of the ways that the disruptors in the Financial Service sector have created their competitive advantage is by offering well-functioning yet simple digital solutions for financial services customers. And this has put pressure on incumbent brands to speed up their new app and services development to compete.

Given that most established financial services brands still operate on old, inflexible legacy systems, achieving pace has often been a significant challenge. In response, many of the market leaders have turned to new technologies (such as Robotic Process Automation) to help them connect their modern front-end to the ancient back-end without all of the traditional disruption and cost of an IT transformation programme.

In many cases, this has been combined with the adoption of more agile approaches to product development that allow new ideas to be designed, prototyped and released quickly, without necessarily having all of the functionalities in place upfront.

While the pace may have quickened, some financial services organisations are finding ways to harness new technologies to keep up with customers' changing expectations and demands.



## Cooperate to compete

Whilst the arrival of new competitors in the market has certainly forced some incumbent brands to become more responsive, it has also created new and interesting opportunities for collaboration. In part, this has been facilitated by the introduction of the Revised Payment Service Directive (PSD2) which forced banks and other financial services organisations to 'open up' their customer data to new digital players.

But financial services organisations are also starting to recognise that – while some technology start-ups may be hostile competitors – most are actually just looking for an opportunity to collaborate on solving an unmet customer need. For many, the end-game isn't to put the incumbents out of business; it's to partner with them and, once they have proven their concept, possibly get acquired by them.

Take Scalepoint, for example – a Danish start-up focused on creating a cloud-based claims solution for the Insurance sector. They have already seen significant success partnering with several large insurance brands across Europe, including Topdanmark and Tryg. And that has allowed the incumbents to offer their customers a choice between getting their claim paid out, or shopping for a replacement item at a discount through the Scalepoint platform.



## Learning from insurance

Perhaps somewhat surprisingly to some, it was the Insurance sector that received the highest customer rankings for customer experience out of the financial services brands in Denmark. This may seem somewhat counterintuitive; banks have often been much more active in promoting their customer experience and journey initiatives.

Yet, when it comes down to the moments that matter most to customers – those that they remember long after the experience is over – insurance brands seem to deliver the best experiences. Banks may have made a faster transition to digital and they have certainly made great progress on making daily transactions as easy as possible. But when it comes to more complex matters that require empathy and personalisation (such as taking a mortgage, opening an investment account or starting your own business) banks have faced problems striking the right balance in a digital world.

As Topdanmark, Tryg and ATP demonstrate, insurers seem to have found success in combining their online and offline channels in a way that maintains the empathy and personal touch required for key interactions.

# Taking the customer's voice to heart: Topdanmark

People may joke that insurance is boring. But, as our top-ranked brand for Customer Experience Excellence in Denmark shows, that clearly doesn't mean they can't provide amazing customer experiences.

As Denmark's second largest insurance company, Topdanmark insures more than 800,000 personal-line customers, every second Danish farm and around one-in-six Danish businesses. Yet the company has not allowed its size or function to get in the way of ensuring their customers feel they are being heard at an individual level.

The road to Topdanmark's success took an important turn 15 years ago, when the company made the strategic decision to focus their marketing efforts on two main Key Performance Indicators: customer loyalty and sales. This allowed them to prioritise their initiatives and target their investments to achieve the greatest impact at the lowest cost.



***"When we solve claims with our clients, we want to show them that we take them seriously and that we care. We want to make our clients feel seen, listened to and understood."***

**Peter Hermann**  
CEO at Topdanmark

As Topdanmark quickly found out, the key to customer loyalty is excellent customer experiences. And so, today, the company shares customer experience KPIs across the firm and embeds them into the corporate culture. Every employee feels responsible for customer satisfaction in some way.

It's not just the employees that make the company a leader in customer experience. Topdanmark also works hard to harness technology in a way that delivers value to customers and improves the overall customer experience. Their website, for example, was recently redesigned using insights uncovered through their customer journey mapping exercise to enable customers to find the information that is important to them more easily (the design won the Danish Digital Awards in 2017 in the E-commerce category). Customers can also access an online portal where complex situations (such as making repairs on a damaged property) can be coordinated between customers, the company and third-party suppliers.

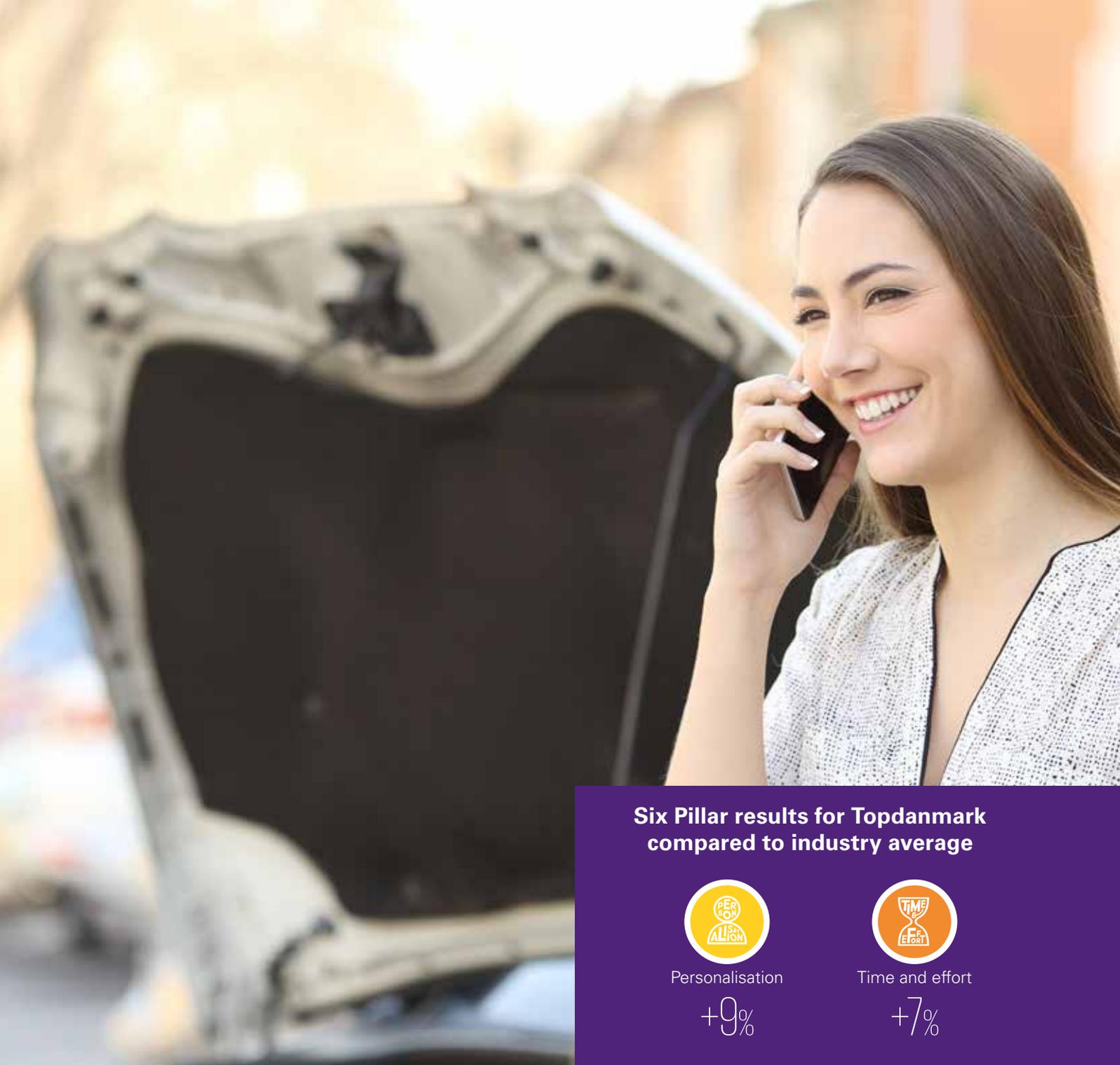
While customers certainly value the transparency and convenience delivered through these digital assets, Topdanmark has found that some customers still prefer to talk to a person when making complex decisions.

In fact, their records show that, while around 60 per cent of claims are initiated online, many are so unique that automation does not make sense. They also found that just 16 per cent of customers who call their customer service line visit the website before calling. Not surprisingly, the company has seen continued volume increases in terms of both calls to the call centre and digital inquiries.



***"Their customer service and insurance are top-notch. I remember they called and made an insurance check recently. It was good service."***

Topdanmark customer



With this ongoing need for a more 'human touch', Topdanmark continues to invest into improving the quality of their calls, training their employees and hiring the right skills and talents. Customer calls are often transcribed to help employees maintain focus on customers' demands. In order to ensure the calls are focused on customer needs rather than product sales, there are no defined 'scripts' for agents to follow. Instead, the company describes what 'good' should sound like and helps its agents understand the various phases customers go through when making their requests.

Perhaps not surprisingly, Topdanmark's best performing contact channel is still the phone. But our data suggests that the digital solutions are coming closer. As Topdanmark works to make insurance a more significant part of their customers' lives, holding on to that human touch in an increasingly digital world will be key to their continued success.

### Six Pillar results for Topdanmark compared to industry average



Personalisation

+9%



Time and effort

+7%



Expectations

+6%



Integrity

+6%



Resolution

+9%



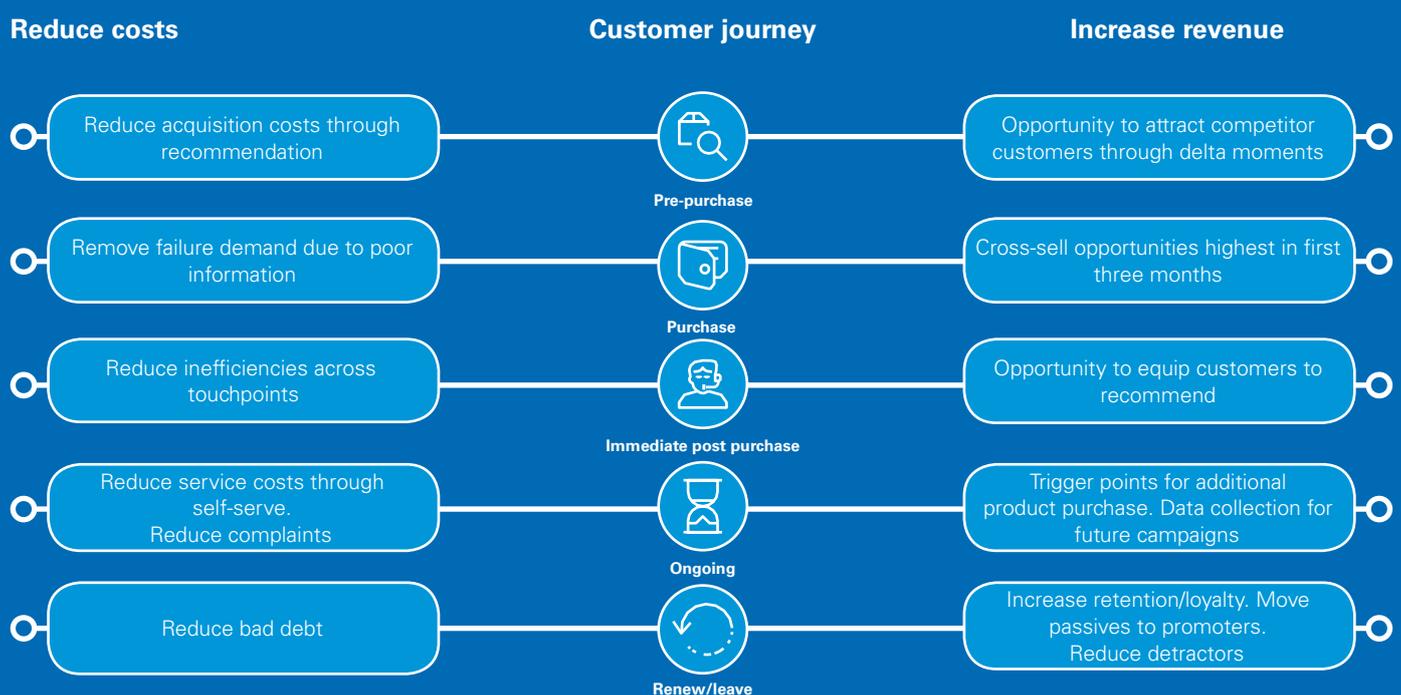
Empathy

+14%

# Customer experience's positive impact on the bottom line

In today's customer-centric environment, the natural tendency is to give customers what they want. But our research suggests that there is a point – where expectations align with the experience – where profitable customer experience decisions are made. Simply put, giving customers everything they want is rarely the most profitable way to growth.

Rather, our research suggests strong links between success across The Six Pillars, customer loyalty and advocacy. But the relation doesn't stop there; the top brands are demonstrating – and our data is confirming – that those with high scores in all The Six Pillars also enjoy improved revenue growth. For some, the growth comes from existing customers buying more or staying longer. For others it comes from new customers attracted by positive reviews they are hearing in the market. For most, it is a mix of both.



**Each stage in a customer journey presents opportunities to reduce costs and improve revenue.**

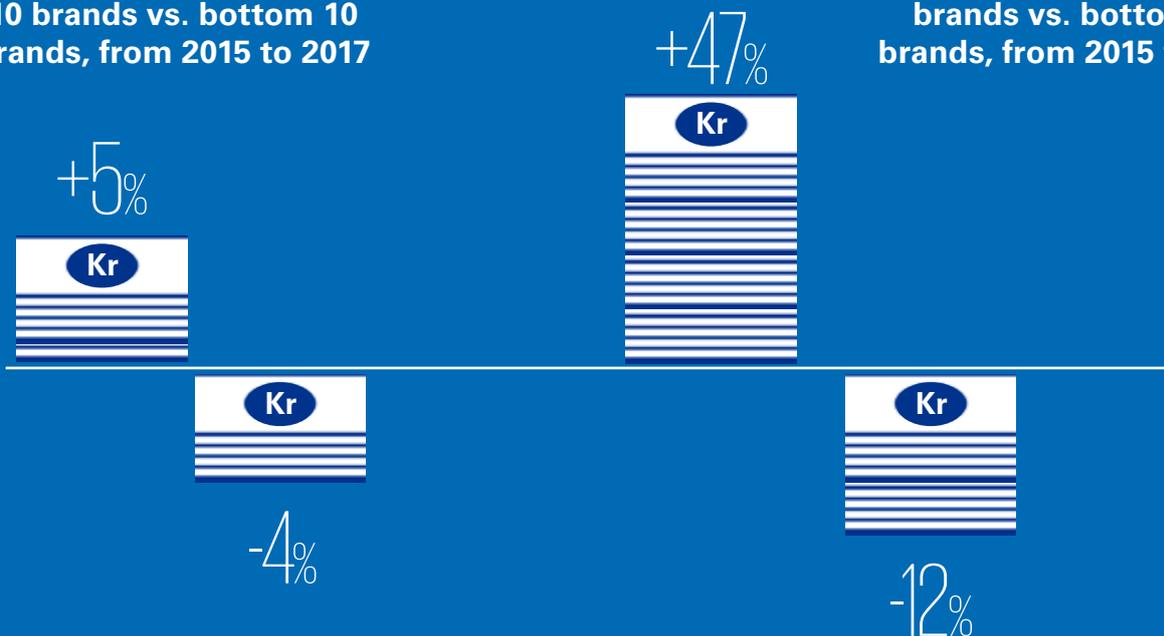


## Show me the numbers

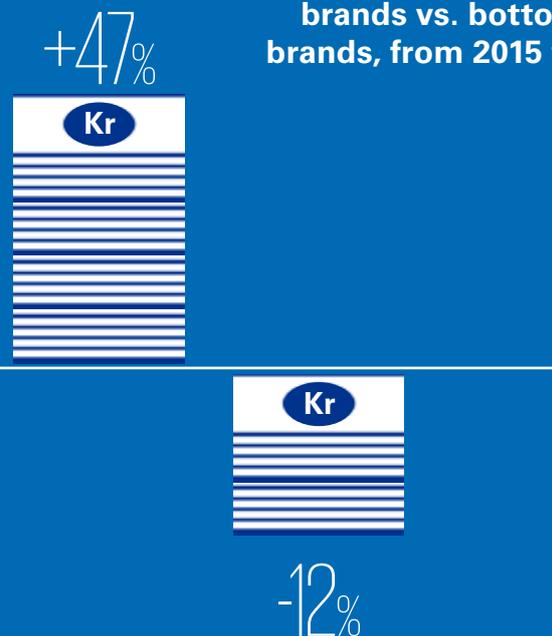
The data is fairly clear: our research shows that the brands that deliver the best customer experiences in Denmark tend to enjoy revenue growth 2.2 times higher than the brands that deliver the poorest customer experiences. And this is not unique to Denmark; nearly all the markets participating in our global research returned similar results. This, on its own, should be reason enough to invest into customer experience.

Delivering better customer experiences isn't just about boosting revenue; it's also about designing unnecessary costs out of the customer journey. And this is where digital delivers perhaps the greatest value. By digitising the customer interface and the underlying processes, the digital customer experience masters are achieving rapid response rates, creating micro-level personalisation and delivering on expectations. And, as a result, the customer experience leaders are enjoying profit growth 5 times that of the customer experience laggards.

### Revenue growth for Top 10 brands vs. bottom 10 brands, from 2015 to 2017



### Profit growth for Top 10 brands vs. bottom 10 brands, from 2015 to 2017



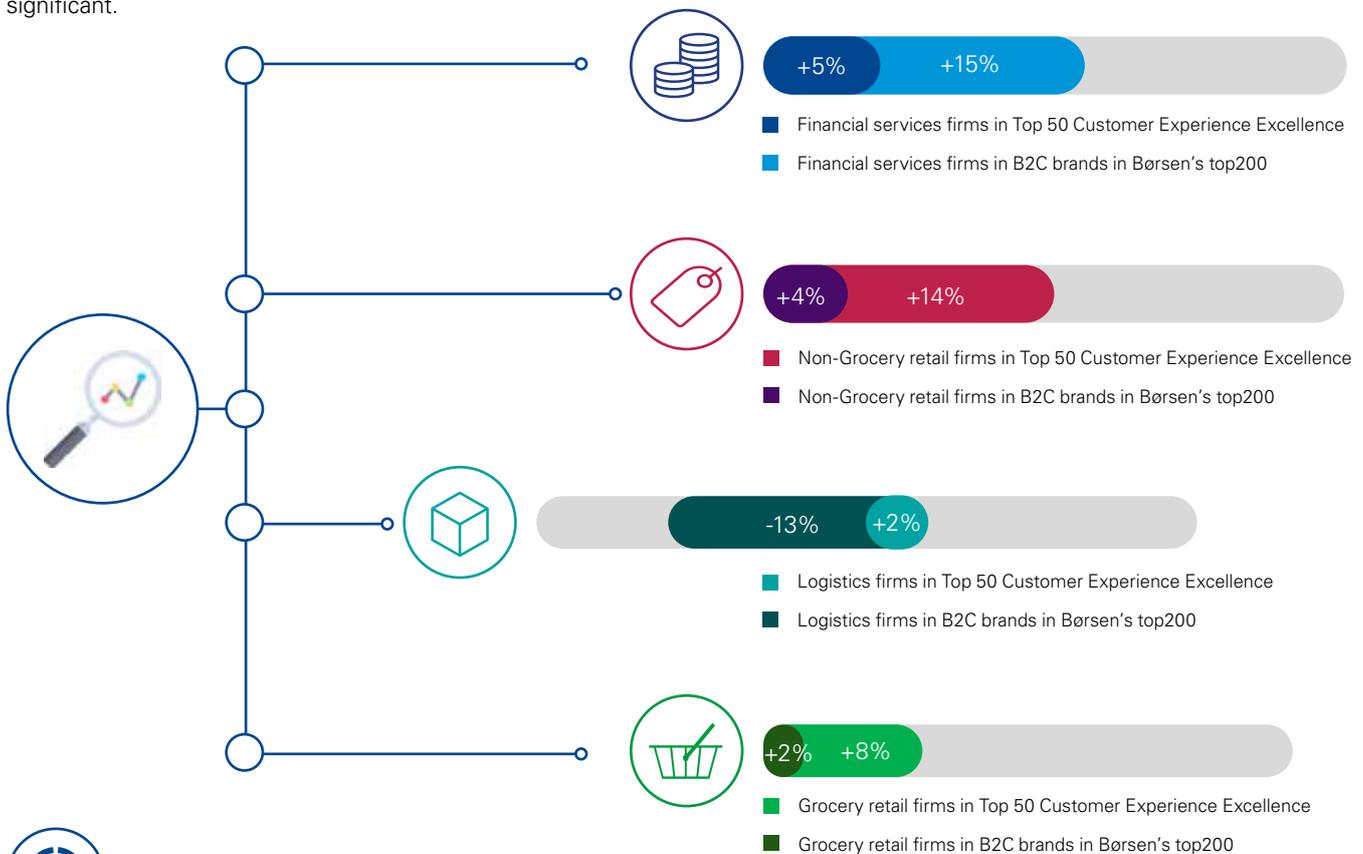


## Maturity matters

It's not just our data that shows a strong correlation between customer experience excellence and growth. The B2C CEE leaders also enjoy revenue growth several times higher than the largest B2C brands in the Danish market.

Interestingly, however, the gap between the B2C CEE leaders and the largest B2C brands in the Danish market varies across sectors. In the Retail (both Grocery and Non-Grocery), Logistics and Financial Services sectors, the difference between our CEE top 50 brands and the largest B2C companies in Denmark is significant.

But in sectors where customer experience strategies are more mature, the differences tend to be more marginal, since almost everyone in the sectors already focuses on customer experience across their brands. The ones that do not, either lost so much market share that they are not a part of the used indices, or they are no longer in business.



## An irrefutable value-driver

As investors, shareholders and decision-makers grow more aware of the value of customer loyalty, we have seen a growing number of firms start to include customer satisfaction measures as part of their external reporting. Indeed, it has become fairly common for organisations of all types to have sections of their annual reports dedicated to customers.

In most cases, these customer experience measures are starting to transition from the 'soft' numbers traditionally used by sales and marketing, to harder financial numbers that allow the organisation to prioritise investments. In a few cases, we are starting to see companies thinking about how they might move their customers onto their balance sheet – treating them like assets or equity rather than simply customers.

The key, however, is in building a strong correlation between customer experience investments and financial results. This will allow the organisation to build their business cases around specific opportunities and to assess their performance from the customers' point of view.

Many leaders have talked about the value of their customers over the last couple of years. But few of them have been able to fully quantify what it is in real financial terms. With customer experience economics, this issue is now solved. Indeed, there are no longer any excuses for not understanding and optimising the way customers are served and value is generated.



# From empathy to profits: Tryg

As Denmark's biggest insurer, Tryg's goal isn't only to sell insurance products. "In a changing world, we make it easier to be tryg" – a Danish term that roughly translates into feeling protected or cared for. And to their more than 3 million Danish customers, that is what the company does.

The company has made customer satisfaction an enterprise-wide goal. As Tryg noted in one recent annual report, "We have seen increasing customer satisfaction since 2014 and we can see that the financial results have followed the same positive development during the period... Our customer targets remain extremely important for realising our financial targets."

Tryg has made great efforts to re-align their corporate strategy around the customer by not only empowering them digitally but also by delivering a set of new and innovative products and services. To measure success, Tryg analyses a wide variety of metrics including transferred NPS, customer retention rates and the number of products a customer purchases from the company.



**"We have a corporate customer satisfaction goal that we report to investors on a par with the financial performance, and when we set an ambitious 2020 goal for customer satisfaction, it's because we can see that the more satisfied our customers are, the longer they will be with us. This, of course, creates a better business."**

**Tanja Frederiksen, Head of Corporate Relations, Tryg**

Tryg recognises that a strong customer experience leads to enhanced revenues. "There is a strong correlation between customer loyalty and the number of products per customer, and therefore a target of increasing the number of products by 10 per cent per customer has been defined."

One of the ways they hope to improve customer-centricity is by delivering a "Common Client Front" – a digital platform that provides customers with a single point of contact across the customer journey. This has allowed them to both minimise wait times and improve the customer experience. However, it also requires a strong understanding of the customer journey and individual customer needs.

Rather than waiting until renewal time or a claim before talking to customers, Tryg employees proactively reach out to their customers to check if they are properly insured, to provide information and – often – just to check on their satisfaction. In fact, around 75 per cent of all private customer contacts (2.2 million a year) go through their insurance when they are in contact with Tryg.

Tryg efforts have allowed the company to become an integral part of their customers' lives and that has helped them achieve high scores for Customer Experience Excellence in Denmark.



**"Tryg was helpful with my questions on filing a recent claim... I'm extremely pleased with Tryg. They have been my insurance company for many years."**

**Tryg customer**

<sup>5</sup>Tryg 2017 Annual Report, page 11

<sup>6</sup>Ibid

### Six Pillar results for Tryg compared to industry average



Personalisation

+2%



Time and effort

+3%



Expectations

+4%



Integrity

+2%



Resolution

+3%



Empathy

+10%

# Assessing your digital customer experience

This report illustrates how successful organisations are leveraging digital to drive Customer Experience Excellence. By understanding how your brand is performing on each of The Six Pillars in a digital context, you can assess your readiness and capability to deliver the experiences your customers will expect in the future.

The following checklist can help you identify where you should focus your efforts for maximum value.



## Personalisation:

- Do we have a single view of the customer, across online and offline channels?
- Are we consistently demonstrating that we know our customers as individuals?
- Do new customers feel welcome when they join or visit us?



## Integrity:

- Are we present in our customers' circles of trust, including across social media and review sites?
- Do we use data about our customers in a trusted manner?
- Are we keeping the promises and commitments we make to our customers?



## Expectations:

- Do we understand our customers' expectations at each stage of their journey?
- Are we actively setting and managing our customers' expectations?
- Is our brand promise clear in terms of what customers can expect from us?



## Resolution:

- Do we leverage predictive analytics to identify potential issues before they occur?
- Can we quickly respond to customers' concerns, irrespective of channel or time?
- Do we have clear processes in place for handling issues raised on social media?



## Time and Effort:

- Have we minimised the need for channel shifts?
- Are we available 24/7 to support our customers when they need us?
- Have we developed simple and intuitive digital interfaces?



## Empathy:

- How well do we know our customers?
- Do we know how to connect emotionally in a digital environment?
- Are we clear on when human intervention is required along our customers' journeys?

To discuss your Customer Experience ambitions and plans in greater detail, please do not hesitate to reach out to the KPMG contacts listed at the end of this report.

# Top 50 best B2C brands in Denmark

01.  <b>Topdanmark</b>	02.  <b>MobilePay</b>	03.  <b>Rema 1000</b>
---	--	--

 Financial Services   Restaurants & Fast Food   Travel and Hotels   Public Sector   Grocery Retail   Entertainment & Leisure   Logistics   Non-Grocery Retail   Utilities   Telecoms	04.  <b>LEGO</b>	05.  <b>Billund Airport</b>	06.  <b>ATP</b>	07.  <b>Irma</b>	08.  <b>Tryg</b>	
	09.  <b>Fitness World</b>	10.  <b>Matas</b>	11.  <b>IKEA</b>	12.  <b>Alka Forsikring</b>	13.  <b>Amazon</b>	
	14.  <b>Falck</b>	15.  <b>Nordisk Film Biografer</b>	16.  <b>CinemaxX</b>	17.  <b>Scandinavian Airlines</b>	18.  <b>Coop.dk</b>	
	19.  <b>Lidl</b>	20.  <b>Realkredit Danmark</b>	21.  <b>Jyske Bank</b>	22.  <b>Airbnb</b>	23.  <b>PFA Pension</b>	
	24.  <b>Norwegian</b>	25.  <b>Espresso House</b>	26.  <b>Kvickly</b>	27.  <b>Dankort</b>	28.  <b>Jysk</b>	
	29.  <b>E-Boks</b>	30.  <b>Oister</b>	31.  <b>Bestseller</b>	32.  <b>BR</b>	33.  <b>Viaplay</b>	
	34.  <b>Føtex</b>	35.  <b>Sundhed.dk</b>	36.  <b>CDON.COM</b>	37.  <b>Bilka</b>	38.  <b>Lagkagehuset</b>	
	39.  <b>Normal</b>	40.  <b>Starbucks</b>	41.  <b>Danske Bank</b>	42.  <b>Meny</b>	43.  <b>Copenhagen airports CPH</b>	
	44.  <b>Wupti</b>	45.  <b>DHL</b>	46.  <b>Fakta</b>	47.  <b>Elgiganten</b>	48.  <b>GLS</b>	
	49.  <b>Booking.com</b>	50.  <b>H&amp;M</b>				

# Let's get in touch



## **Joakim Abeleen**

Director, Head of Customer Advisory

E: [joakimabeleen@kpmg.com](mailto:joakimabeleen@kpmg.com)

T: +45 5215 0228



## **Cecilia Cosnard des Closets**

Consultant, Customer Advisory

E: [cclosets@kpmg.com](mailto:cclosets@kpmg.com)

T: +45 5215 0338

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2018 KPMG P/S, a Danish limited liability partnership and a member firm of the KPMG network of independent memberfirms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in Denmark.

CREATE. | CRT099401A | June 2018