



EQUITOR
VALUE ADVISORY

Customer experience

**The key to sustained
value creation**



May 2022

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Foreword





A delightful customer experience (CX) is key to shoring up long-term relationships and creating sustained value. The faith that the C-suite has in this notion is becoming increasingly stronger. With customer behaviour and priorities changing rapidly, there is a need to rethink the ways in which customer experience is delivered. Not only do customers want connected journeys and seamless transitions across channels, but they also expect experiences to be tailored to their circumstances. Simpler, easier and consistent experience can turn customer interactions with a company into value and lead to business growth. An enterprise that aligns every critical process, function and relationship around customer experience has a higher chance of emerging a winner.

Superior customer experience is the need of the hour. Companies must overcome multiple hurdles, such as continuously evolving customer needs, preferences and expectations; rapidly evolving technology; and organisational fragmentation to deliver an improved experience. It is difficult for anyone to have all the answers needed to stay connected with customers, understand them, and deliver the right value proposition or promise. Businesses must reflect on how their organisation can be orchestrated to work more effectively and cohesively to deliver holistic experiences. It will require an entire organisation – front, middle and back offices – to be connected and aligned to customer-centricity. Furthermore, there are several well-defined tools and approaches that a company can leverage when it embarks on its path to superior customer experience.

Going forward, it will be imperative for businesses to recognise and appreciate that customer experience is unlikely to remain binary and transactional. Companies and their brands will need to be available across multiple channels and will have to be relational, as consumers will be their biggest advocates/brand ambassadors. Focussing on customer needs and experience will be a lighthouse for staying relevant in the current scenario. I believe the insights provided in this report will guide you on how to profitably proceed on your CX journey, going forward.



Harsha Razdan

Partner and Co-head for Clients & Markets
Sector Head - Consumer Markets and Internet Business
KPMG in India



In today's digital marketplace, do you find yourselves ever responding to anything rated below 4? Do you even recall considering a product, or trying out a restaurant, hotel, or cab service that is not rated 4 plus? Do you remember watching a streaming movie rated below 8? The universal answer to those questions would be 'no' because all of us recognise the importance of customer experience.

In view of its huge market impact, who should be responsible for driving a consistent 4.5 plus rating for a firm? To answer that question with a degree of confidence, we must first ask what drives customer experience in its entirety? Isn't it true that it begins with brand discovery and ends with after-sales service?

The biggest weakness of current CX thinking is that it is restricted to customer service. However, we all know the critical impact of customer experience dictates that the chief customer experience officer should be the man at the top. We all know that the customer experience chief at the world's largest market place is the founder himself. But what does the captain need to review? While a business leader's lag indicator or anchor metric might be the 5-star rating scale, he/ she needs to know what he/ she is setting up the customer for. Indigo may not promise gourmet cuisine or pampered cabin service, but a drop in coverage or punctuality will see its star ratings plummet.

Thus, customer experience has two aspects: What is promised and how a business performs on that promise. Neither of these can be restricted to the marketing or after-sales departments. Seamless customer experience needs an entire organisation that is aligned to a singular promise from tooth to tail, and consistently measures the relevance and delivery of that promise.

Customer experience is an orchestration game, no less. We can increasingly visualise the day when all capital markets will look at customer ratings as the most powerful indicator of value.



Ramesh Jude Thomas
Managing Director
EQUiTOR

Executive summary



Some of the key insights from this report are:

01

CX plays a critical role in generating sustained value for businesses

- Superior CX can help businesses enhance their valuation by **125–400%+**.
- Unlocking the potential of CX can enable brands (across nine categories) to collect **USD200 billion of value** that they may have been leaving behind.

– **E-commerce sector – 100 per cent increase in investment in CX** can lead to **2X faster growth** in business

– **2 and 4 wheelers - 100 per cent increase in investment in CX** can lead to **1.7X faster growth** in business



A common trait among leading companies is that the customer is at the heart of their strategy. Multiple successful companies that are performing exceptionally well are also offering a superior customer experience. This leads to a strong belief that customer experience plays a critical role in generating sustained value for businesses.

To understand the influence of customer experience on financial metrics and qualify how it creates intrinsic and sustained value for a company, KPMG in India, in collaboration with EQUITOR, undertook a detailed study that included a consumer survey. We gathered inputs from 3,011 respondents across 12 cities, 10 sectors and 23 categories. We further enhanced our findings through direct interactions with 30 CEOs representing our focus sectors.

Our study established a clear quantitative and qualitative relationship between a company's customer experience and the value it creates. The following are the key insights from the report:

02

CX is a differentiator for attracting and retaining customers and building loyalty

Purchase decisions depend on a customer's experience with a brand and not necessarily its reputation.

- **52 per cent of a consumer's purchase decision** is dependent on the experience the customer expects from the brand (not necessarily delivered currently by brands) as opposed to the reputation of the brand.
 - For brands covered in our study across the nine categories, the overall expectation of customers from experience is 52 per cent. However, our study revealed that **all leading brands fall short of meeting this expectation by a delta of 30++ per cent.**



Customers are willing to pay a premium for a superior experience.

- Our consumer survey highlighted; **63 per cent respondents are willing to pay some premium for enhanced CX**
 - Key parameters attracting premium - *“Providing what I want when I want it”, “Making me feel valued”, “Understanding my needs”*

Extremely satisfied customers are highly likely to stick to a brand.

- CX is a critical lever for customer loyalty - Our consumer survey revealed that **approximately 45 per cent** of respondents were **extremely satisfied with the experience while using the brand and are highly likely to continue using the same brand.**
 - Sectors such as **personal care, ecommerce, online delivery and grocery** exceed the average satisfaction levels of CX and hence attract higher loyalty than other sectors



02

CX is a differentiator for attracting and retaining customers and building loyalty *continued*

Superior and targeted CX can convert customers into brand ambassadors.

- Basis our analysis, **companies that have scored the highest when it comes to fulfilling CX requirements** have also delivered high advocacy scores with **~90+ per cent users likely to recommend the company to others**



Meeting CX expectations increases mindshare of the brand.

- By meeting CX expectations, companies can increase the probability of buyers noticing, recognising and/or thinking of their brand in buying situations. Basis our analysis, companies that scored moderately high on fulfilling CX requirements, also enjoy high share of mind with greater than **65 per cent respondents recalling these brands**

Consistent CX helps build “Best Brand”

- **66 per cent respondents** consider a brand as ‘best’ if it ‘provides a similar experience every time’.



03

Organisational orchestration is a must for superior customer experience

- Almost 75 per cent organisations consider a seamless customer experience a top or high priority supporting their digital transformation¹.
- Connected enterprises that align their front, middle and back offices create business value and drive sustainable growth



CX today is very relevant as personalisation is key for **customers today**. **For Berger, customer satisfaction remains the core and it runs through the organisation with utmost priority.** We believe that organisations who have been thinking and working towards keeping CX as the theme are more likely to succeed only because of the experience they are able to leverage.’



Abhijit Roy, MD and CEO,
Berger Paints

1. A commissioned study conducted by Forrester Consulting on behalf of KPMG International, July 2020; KPMG 2020 CEO Outlook COVID-19 Special Edition (KPMG International)

04

CX is universally relevant across all industries

- The concepts of customer experience are universally applicable and can be used by companies across sectors to enhance their competitiveness.
- The CX expectations of B2B buyers are largely influenced by their experience in the B2C environment.



KPMG in India and EQUiTOR can help identify your organisation's CX strength, help measure the performance of your organisation based on 16 CX attributes and highlight areas that present scope for improvement. Further, we can help you to estimate how much value you can unlock from customer experience, build a roadmap to realise that value, and assist you on your CX journey.

To succeed in today's environment, as well as to create business value and drive sustainable growth in a digital world, companies must focus every process, function and relationship on improving customer experience and meeting customer expectations. Companies must endeavour to become 'connected enterprises' to seamlessly deliver on their customer promise. **Prioritising customer experience as part of day-to-day business is key to sustained value creation.**

“

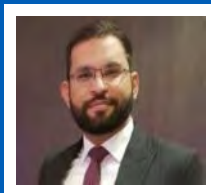
CX success depends on your ability to manage multiple cohorts and make your brand distinctive and deliver value in concurrence to the brand promise. Management of customer cohorts is all about delivering distinctive experiences that span across the whole buying journey. Bringing in elements of differentiation along with personalisation could be a critical gamechanger for many players in the e-commerce race.'



Vineeth Nair, CEO
Ajo.com

“

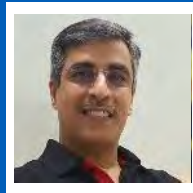
There is a strong preference for personalised relationships. While a key account manager / relationship manager is preferred to build that personal connect, automation/digitisation can surely enhance the experience if it leads to live tracking, faster response, shorter decision making.



Smerth Khanna, Business Head
Ecommerce India and SAARC,
Dabur India

“

We are a very value seeking market, Consumers are willing to pay a premium in the car segment if they see value. However, CX on the B2B side is extremely critical too. We tend to consider our vendors as partners and that holds key in our relationships with them. We also believe that the responsibility of delivering CX excellence is shared in the organisation and hence, we have ensured a good mix of diversity within the organisation with respect to gender and backgrounds to ensure that learnings are leveraged within teams to drive innovation and collaboration for better employee experience.



Rakesh Sidana, Director
Sales, MG Motor Private Limited

“

CX is a key differentiator in today's automotive world. Curating unique experiences for the customer and becoming a benchmark for superior CX in the category is a key driver for our business. It is a way of life for my entire team and we are continuously engaged in efforts to improve it further and retain our leadership in this area.



Sharad Agarwal, Head
Lamborghini India

About this study





KPMG in India, in collaboration with EQUiTOR, undertook a detailed study to understand the influence of customer experience on financial metrics and evaluate how it creates intrinsic and sustained value for a company and its brands. We gathered inputs from 3,011 respondents across 12 cities, 10 sectors, and 23 categories. We further enhanced our findings through interactions with 30 CEOs who represented our focus sectors.

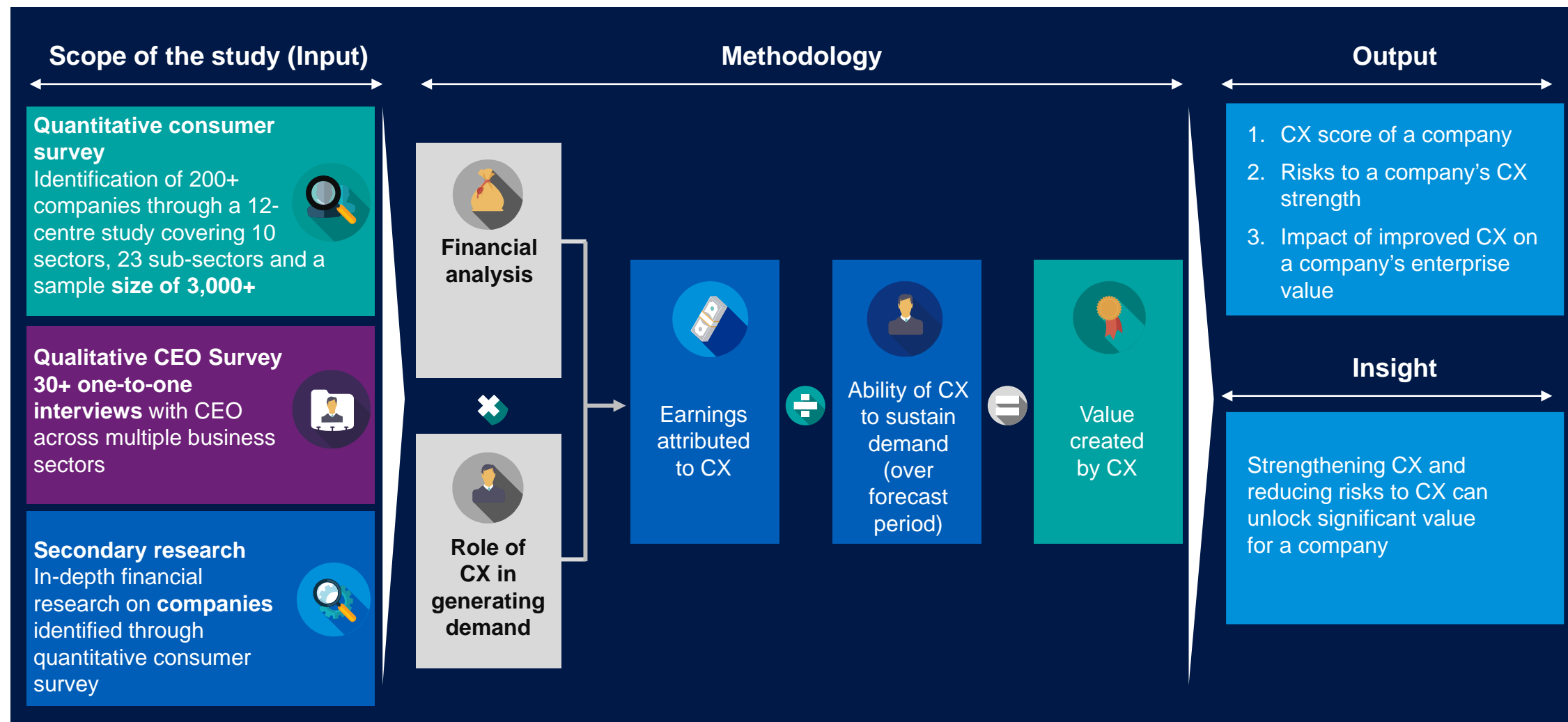
Our objective

The objective of our study and this report is to understand the importance of customer experience and gather the answers to a few key questions that can help businesses develop a winning CX strategy.



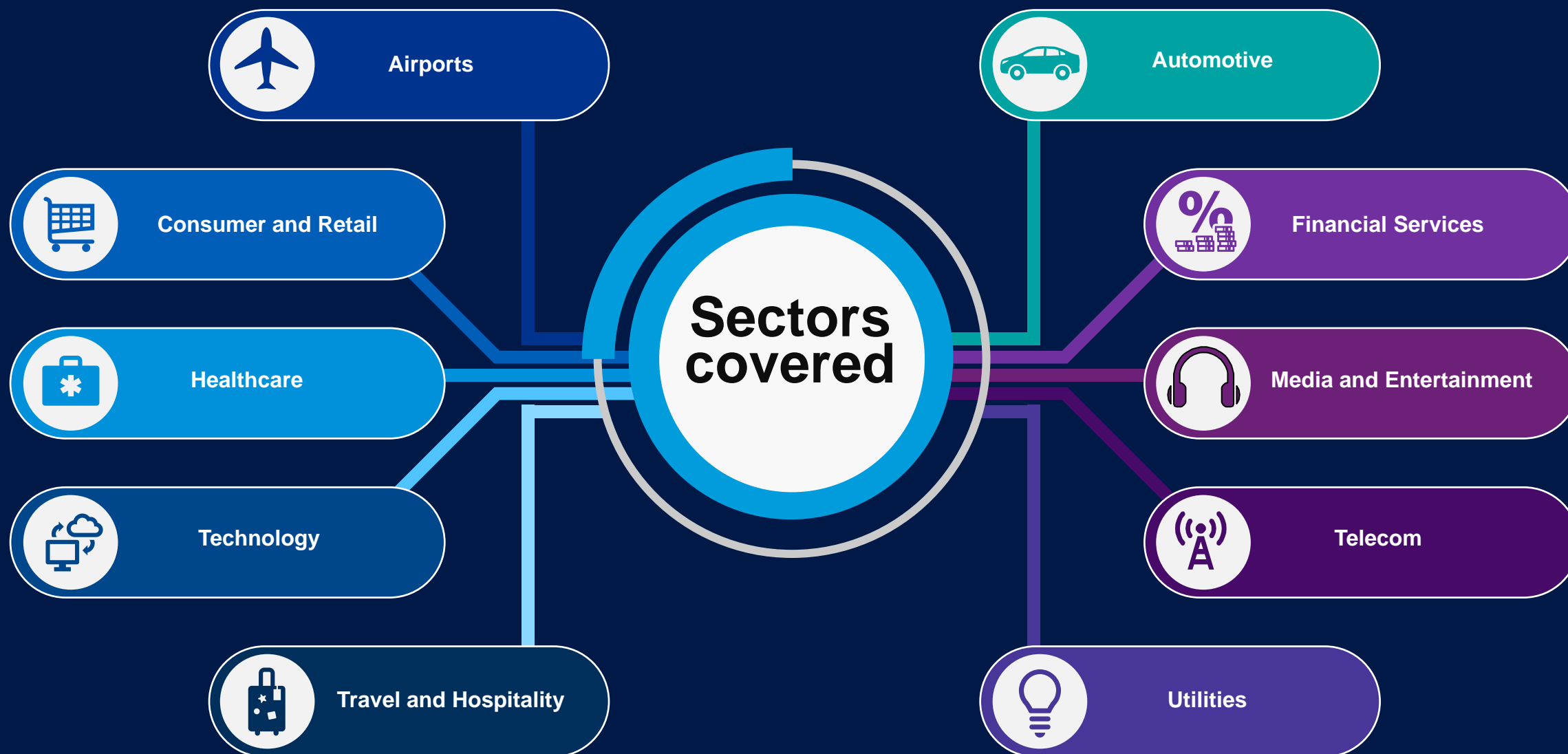
Our methodology

We used data gathered through quantitative consumer survey, a qualitative CEO survey and secondary research, along with KPMG in India and EQUiTOR's analysis, to identify multiple companies' CX strengths.



Source: KPMG in India and EQUiTOR Analysis

The study focussed on the following sectors



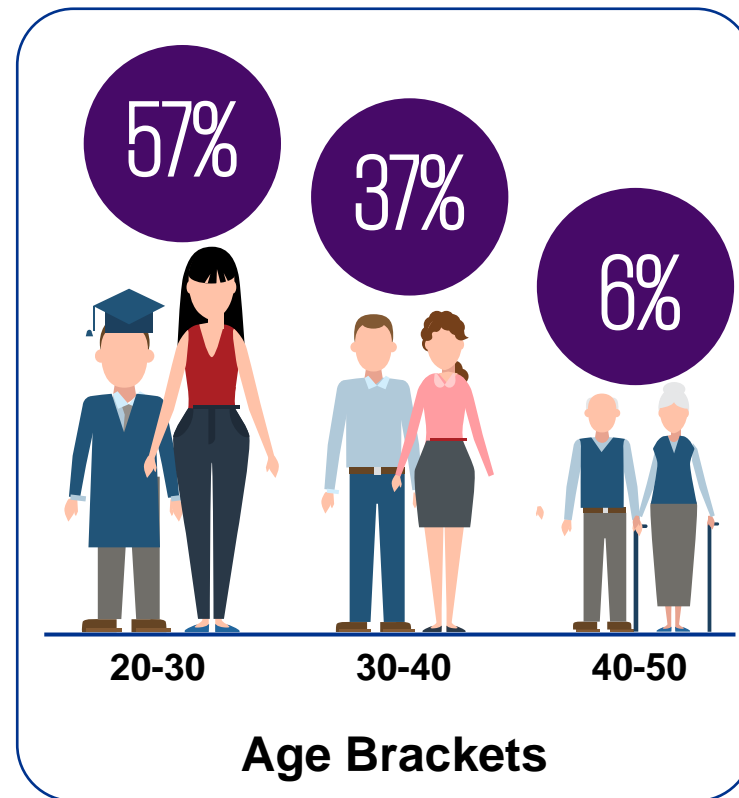
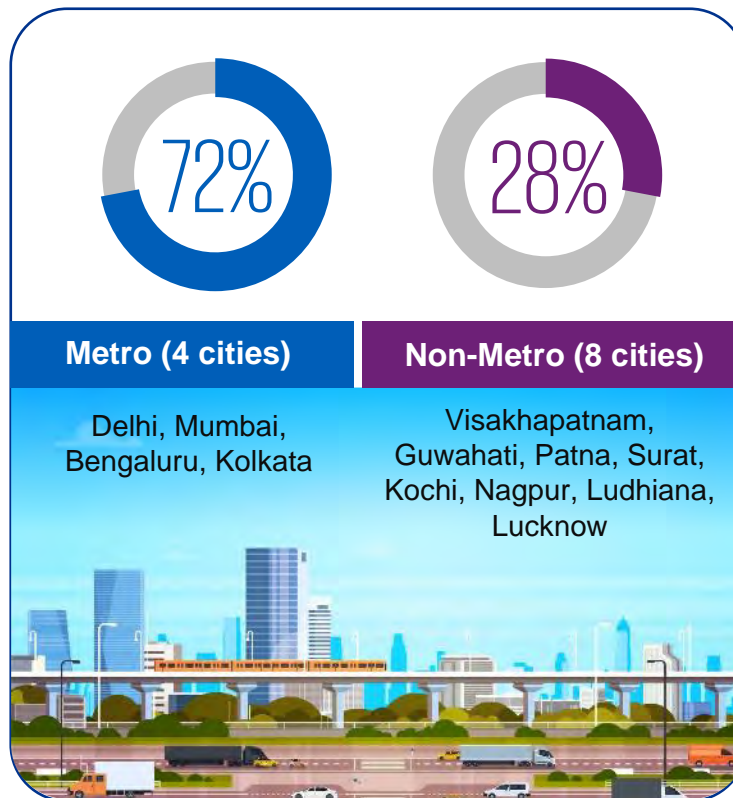
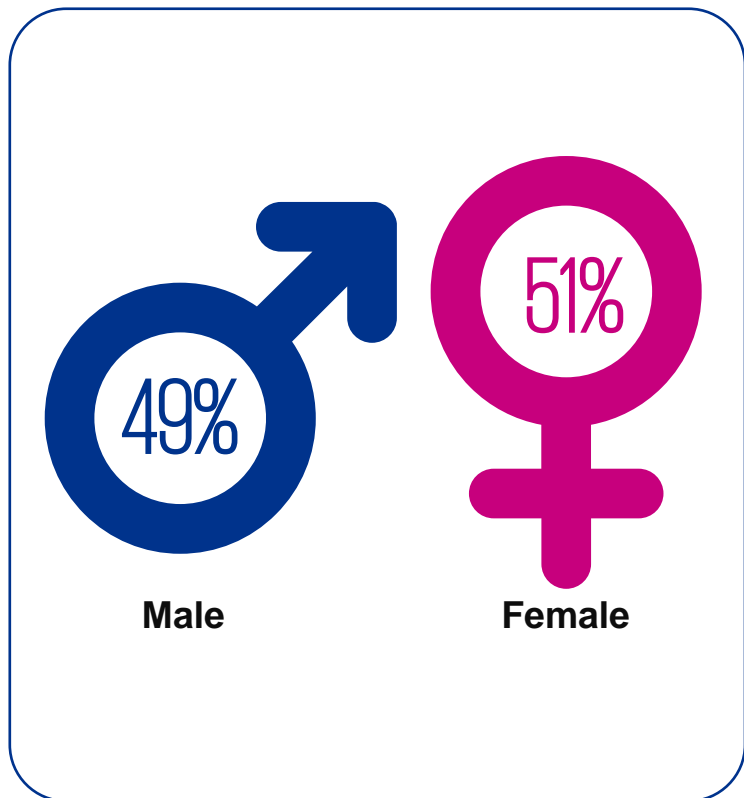
Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

Below is an overview of our respondent profile and segmentation



Total Number of respondents

3,011



Source: KPMG in India - EQUiTOR Consumer Survey conducted January 2022

Key to sustained value creation



- **CX plays a critical role in generating sustained value for businesses**
- Superior CX can help businesses enhance their valuation by **125–400%+**
- Unlocking the potential of CX can enable brands (across 9 categories) to collect **USD200 billion of value** that they may have been leaving behind

– **E-commerce sector – 100 per cent increase in investment in CX** can lead to **2X faster growth** in business

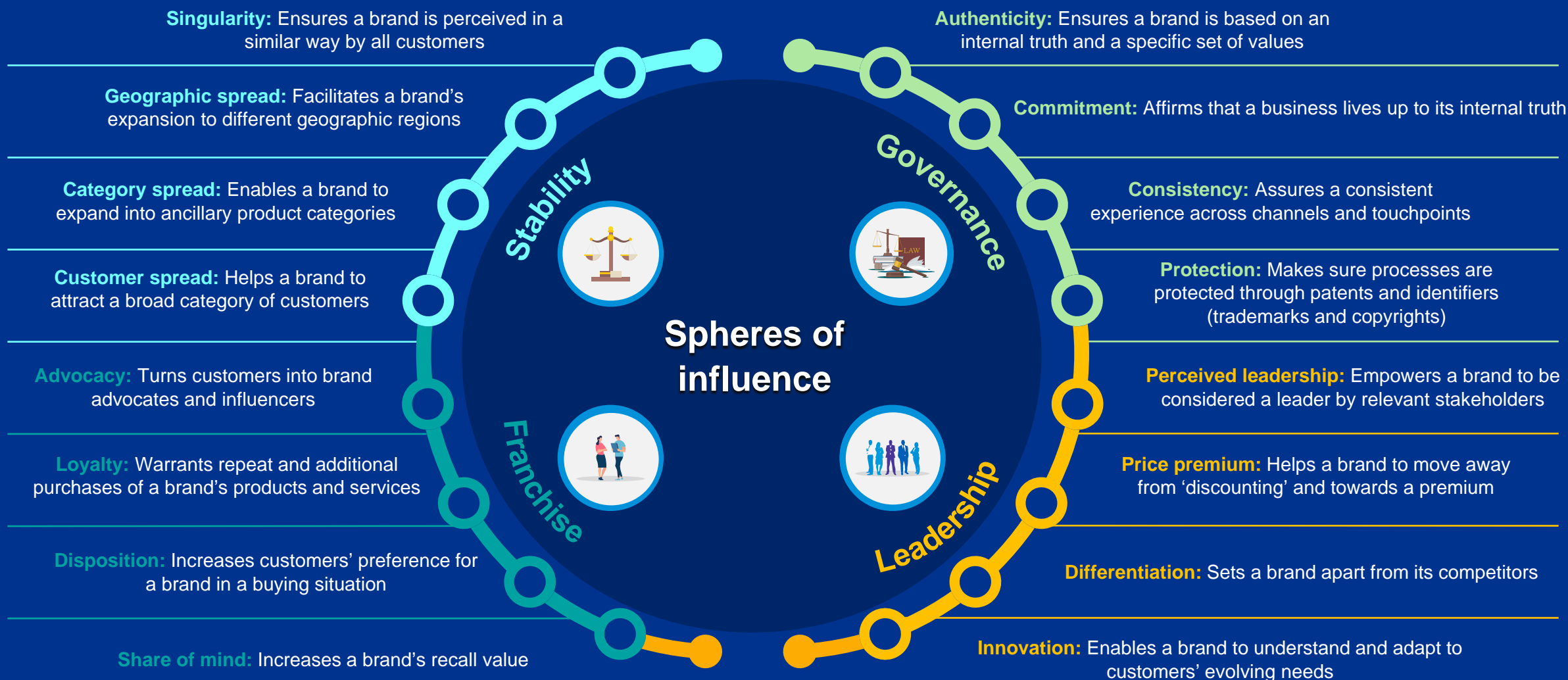
– **2 and 4 wheelers - 100 per cent increase in investment in CX** can lead to **1.7X faster growth** in business



Customer experience is the sum of customers' perceptions and feelings towards a company, following an interaction with its products and services. The mass availability of digital modes of interaction and commerce, easy access to several quick and smart procurement venues, and a pandemic-inflicted market have led to a distinguished shift in customer expectations. This shift has made customer experience increasingly more critical for sustained business growth, forcing businesses to revisit their CX strategy and adopt smarter means of engaging with their customers.





CX plays a critical role in generating sustained value for businesses

Customer experience influences a brand's governance, leadership position, ability to influence customers' purchasing decisions, and stability. KPMG in India and EQUITOR identified four spheres of influence and 16 attributes of customer experience, as well as the impact of those attributes on companies.



Superior CX can help businesses enhance their valuation by 125–400%+

The 16 CX attributes have a direct impact on a company’s financial metrics, including revenue and profitability. The attributes also influence market sentiment, that is, the attitude of customers and investors towards a company.

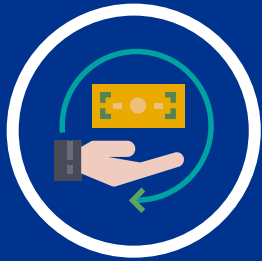
16 CX attributes that influence revenue, profitability, and market sentiment				
Attribute		Revenue	Profitability	Market Sentiment
 Governance	Authenticity	●	●	●
	Commitment	●	●	●
	Consistency	●	●	●
	Protection	●	●	●
 Leadership	Perceived leadership	●	●	●
	Price premium	●	●	●
	Differentiation	●	●	●
	Innovation	●	●	●
 Franchise	Share of mind	●	●	●
	Disposition	●	●	●
	Loyalty	●	●	●
	Advocacy	●	●	●
 Stability	Customer spread	●	●	●
	Category spread	●	●	●
	Geographic spread	●	●	●
	Singularity	●	●	●

● Direct

 ● Indirect

Source: KPMG in India and EQUITOR Analysis

A company's valuation or ability to create value for itself is directly dependent on its revenue and profitability and indirectly dependent on market sentiment. Our study showed a strong correlation between customer experience and these three levers of company valuation.



Revenue

- Higher customer loyalty through impeccable experience can lead to revenue growth
- A customer-at-the-core strategy and consistent experience across channels can increase brand loyalty and persuade customers to advocate for it
- High brand loyalty and word-of-mouth publicity can reduce customer acquisition costs
- Seamless customer experience can improve a company's ability to expand into other sectors and geographies, thereby directly impacting its top line



Profitability

- Impeccable CX ensures higher customer retention and profitability as acquiring new customers is costlier than retaining the existing ones
- Better CX gives a company more pricing power, increasing its ability to generate profits
- Poor CX influences profitability, as it is associated with the unwillingness to stick with a brand

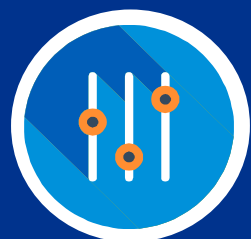


Market sentiment

- A company and its leadership's commitment to keeping their promises to customers influence market sentiment
- A brand can strengthen its connection with customers if it is perceived as offering a similar experience across channels
- Brands that are based on an internal truth and adopt a specific set of values enjoy better market sentiment

Unlocking the potential of CX can enable brands (across nine categories) to collect USD200 billion of value that they may have been leaving behind

Initiatives focused on the drivers of customer experience can lead to a significant improvement in performance and valuation. Here is a use case that shows how a **leading Indian luxury products (fashion accessories - watches, eyewear) brand assessed the impact of customer experience on its valuation.**



Challenge

The customer experience aspect of a brand, recognised as one of India's largest conglomerate's biggest achievement, had never been defined or isolated in financial terms. The company sought to evaluate the brand to quantify the contribution of its reputation to enterprise value, as well as its influence on value creation.

Solution

EQUiTOR began a valuation exercise by isolating the drivers that characterised the brand to help it recast itself around its 'winning traits'.



Currency of design: Customers recognised the brand as design-conscious (authenticity, differentiation).



Pleasure of purchase: They believed its stores set a benchmark in retail experience (consistency, perceived leadership).



Personalised care: Exemplary product service backed by focussed customer attention created a strong brand reputation in the minds of customers and advocates (loyalty, advocacy, singularity).

EQUiTOR helped the Company to draw a disruptive new business plan around the winning traits. EQUiTOR used its product to get the organisation to converge on the singular reason for its existence – crafting functionality into personal expressions of style – and helped it embark on an internal-alignment program. One of the program's initiatives focussed on creating a consistent look and feel to enhance the buying experience across stores.



Outcome

The focussed re-structuring contributed dramatically to operating profits. As the impact of initiatives began kicking in, the company saw changes in its performance and share price. Over the next two years, value jumped by 4200%; within 5–7 years it was poised to deliver 3X the turnover of its original business plan.



Differentiator for
attracting and
retaining
customers and
building loyalty



Differentiator for attracting and retaining customers and building loyalty

Purchase decisions depend on a customer's experience with a brand and not necessarily its reputation.



Customers are willing to pay a premium for a superior experience.



Extremely satisfied customers are highly likely to stick to a brand.



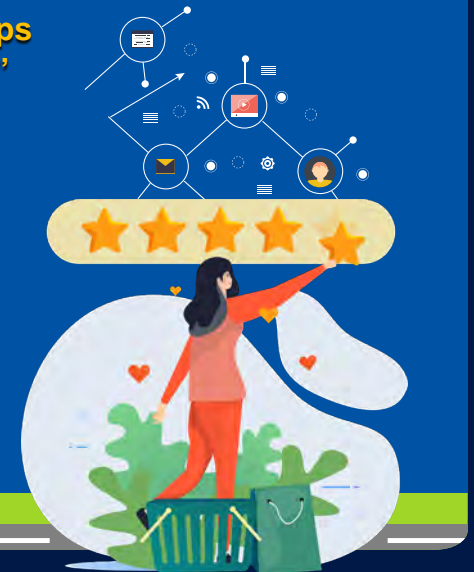
Superior and targeted CX can convert customers into brand ambassadors.



Meeting CX expectations increases mindshare of the brand



Consistent CX helps build "Best Brand"



CX plays a key role in influencing customers' brand selection

Customer experience plays a critical role at multiple touchpoints during a customer's journey with a brand. Customers are more inclined to join or stick to a brand that offers a superior experience. Their purchase decisions are more influenced by their experience with a brand and not necessarily its reputation.

Therefore, a company must review the experience journey consistently to identify areas where a better experience will improve customer loyalty and create an additional revenue source. Focussing on attributes that have a direct impact on customer acquisition, loyalty and retention can boost revenue and growth prospects. KPMG in India and EQUiTOR identified the below attributes of customer experience that influence customers' decisions.



Authenticity

When a brand has an internal truth and a specific set of values, it resonates more powerfully with customers



Differentiation

A brand can set itself apart from the competition by offering a distinctive proposition and unique experience



Commitment

A brand that is committed to its internal truth can create positive feelings about it among customers



Share of mind

CX and the share of the customer's mind space is closely connected; better CX can help acquire customers by boosting this share



Perceived leadership

Brands offering a superior CX can have a positive influence on purchasing decisions by establishing themselves as leaders in the minds of customers



Disposition

Superior CX influences the ability of a brand to be actively considered in a buying situation



Price premium

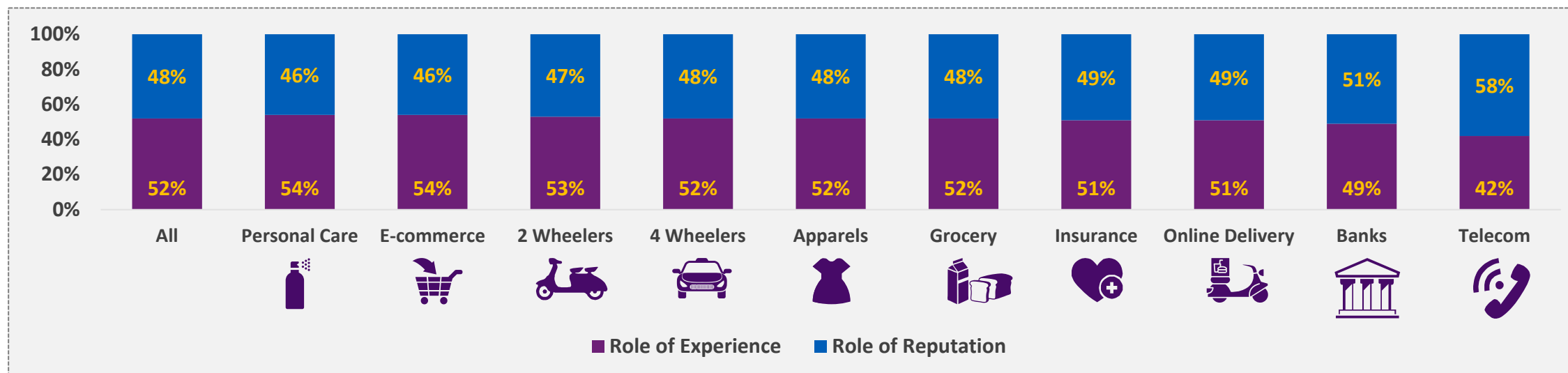
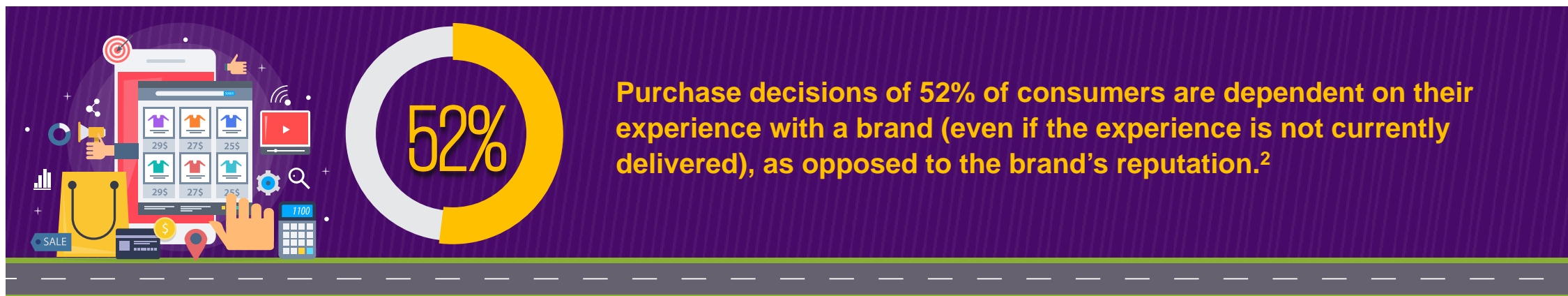
Only brands whose products/services are perceived to be exceptional can charge a price higher than the competition



Loyalty

A brand with a good CX can ensure repeat purchase and purchase of additional products/services

Our survey covering 10 sectors (23 categories) revealed a few interesting facts



2. KPMG in India - EQUITOR Consumer Survey conducted January 2022

Top 5 CX parameters influencing customers³



3. KPMG in India - EQUITOR Consumer Survey conducted January 2022

Our survey asked respondents across categories the extent to which customer experience influenced their choice of brands. The results revealed a gap between sector-level CX expectations and brands' actual CX delivery.

Brands that have aced the CX game



Mamaearth (Personal care)

This health, wellness and fitness company is ahead in its journey in leveraging customer experience to influence purchase decisions. It has created a distinct space for itself by “demonstrating that they care”, “making the customer feel valued”, and “acting on their best interests”. The company’s strategy is reflected in its high score on commitment, perceived leadership, differentiation and innovation. However, it is limited by its dependency on existing customers; it scores high on advocacy and loyalty but has a low share of mind and disposition. This creates risks for its ability to generate long-term demand.



One of India's Leading marketplace & online retailer (E-commerce)

The brand's desire to be the most customer-centric company is reflected in consumers' belief that it provides the most superior customer experience in the Indian e-commerce market. The company stands out in CX parameters such as “creating offerings which are relevant to them”, “delivering in its claims” and “understanding the buyer's needs”. These attributes strengthen the company's ability to generate and sustain demand from new and existing customers, as it scores high on loyalty and advocacy, and enjoys a greater share of mind and disposition than its peers.



One of India's largest private sector banks (Banking)

There is not much differentiation among banking brands, except in the case of this bank, which stands out in CX parameters such as “creating offerings which are relevant to me”, “demonstrating they care” and “acting on their best interests”. However, it does not fulfil customer expectations such as “making customers feel valued” and “offering warm and friendly interactions”. This is reflected in its low score on advocacy and loyalty, indicating a lower impact of customer experience on customer acquisition and retention. Therefore, the bank's ability to sustain the demand generated by its CX proposition is limited.



One of India's largest telecom service provider (Telecom)

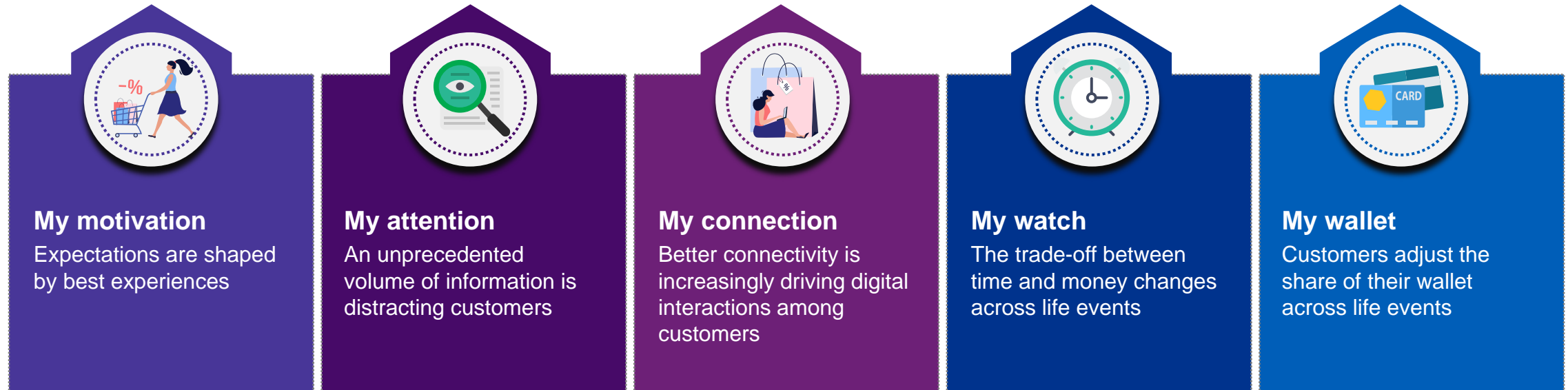
Although there is a perceived lack of differentiation among telecom brands, this company is able to differentiate itself when it comes to “fixing a problem immediately” and “providing what I want when I want it”. This enables the company to enjoy a high share of mind as well as creates a perception that it is the best brand in the Indian telecom market. Thus, the company's customer experience is likely to actively sustain demand going forward.

Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

Changing consumer behaviour

Consumer behaviour is changing rapidly, more so in the post-COVID world. Their purchase decisions are influenced by complex but interconnected CX attributes, and it is important for organisations to comprehend those attributes. Companies and brands that understand what consumers value, from a CX perspective, can gain insights into the fundamental yet complex drivers of decision-making.

The 'Five Mys' framework is designed to help organisations to understand what drives customers' decision-making.



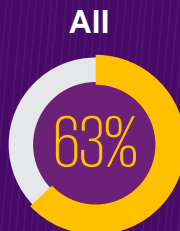
What companies need to do

Focus on experiences that are truly valued by customers and highest CX standards set by competitors	Identify moments that matter to customers to win the battle for attention	Engage with consumers on their terms by gaining clear understanding of how they connect and with whom	Understand pivotal life events impacting your consumers and position your offers accordingly	Understand how different generations adjust the composition of wallets across life events
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Customers are willing to pay a premium for a superior experience

Indian consumers have moved beyond their traditional price consciousness and have begun focussing on intangible aspects such as a company's customer experience, brand equity, ethics and purpose. Our survey found that today's Indian customers do not mind paying a premium if a company's value propositions are aligned with their expectations.

63% of respondents are willing to pay some premium for an enhanced customer experience.



71% of insurance sector respondents, the highest among all sectors, are willing to pay a premium for enhanced customer experience, especially if players understand their needs and deliver what they claim.



Willingness to pay premium for CX



Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

Our survey revealed the top CX parameters for which customers are willing to pay a premium are *“Providing what I want when I want it”, “Making me feel valued”, “Understanding my needs”*

Categories		Top 2 CX parameters influencing the decision for price premium	
Insurance		Understanding my needs	Delivering what they claim
E-commerce		Making me feel valued	Understanding my needs
Grocery		Providing what I want when I want it	Making me feel valued
Personal Care		Making me feel valued	Providing what I want when I want it
2 Wheelers		Offering warm & friendly interactions	Delivering what they claim
4 Wheelers		Fixing a problem immediately with their offering	Understanding my needs
Online/ Food Delivery		Making me feel valued	Providing what I want when I want it
Banks		Understanding my needs	Providing what I want when I want it
Telecom		Acting on my best interest	Providing what I want when I want it

It is becoming increasingly important for businesses to understand consumers' motivation while making a purchase, the trade-offs they are willing to make around time and money, and their unmet needs. Companies must be able to provide a world-class customer experience, which is a prerequisite for commercial success.

Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

CX is a critical lever for customer loyalty

We are living in a world of perceived parity among competing products. Customer churn is the biggest threat for many brands. A CX strategy that pre-empts what customers want and creates personalised experiences across their journey can help businesses to steer through the competition and increase their customer lifetime value.

Effort and loyalty are inextricably connected. With a surge in delivery apps and the increasing sophistication of loyalty schemes, online shopping is becoming a way of life. However, a customer is more likely to continue using

a channel if the effort required, whether physical or emotional, is minimised. Therefore, companies are adopting an omnichannel model to help consumers accomplish their objectives simply, easily and cost effectively.

Our consumer survey revealed that respondents who were extremely satisfied with a brand are highly likely to continue using the same brand. This shows that customer experience can help augment loyalty and create a unique differentiator against peers.



4. KPMG EQUITOR Consumer Survey 2021-2022 across 23 sub-sectors with 3011 respondents



The personal care, e-commerce, online delivery and grocery sectors exceed the average CX levels, thereby attracting higher loyalty than sectors such as banking, telecom, insurance, and 2- and 4-wheelers, which do not meet average CX expectations.



Personal care

One of India's leading cosmetics brand – 49% of respondents are highly satisfied with the brand and 45% are likely to continue using it.

One of India's prominent personal care and hygiene brand – 44% of respondents are very satisfied with their experience and 47% are likely to stay loyal.



Ecommerce

One of India's Leading marketplace & online retailer – 64% of respondents are satisfied with their experience and over 69% are likely to stay loyal.



Telecom

Vodafone Idea – 40% of respondents are satisfied and 40% are likely to continue using the brand.



4 Wheeler

BMW – 40% of respondents are satisfied and 40% are likely to stay loyal.

Maruti – 49% of respondents are satisfied and 54% are likely to stay loyal.



Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

CX helps create brand advocates

Delivering the right customer experience can lead to customers becoming brand ambassadors. Our survey shows companies that have scored highest when it comes to fulfilling CX requirements have also delivered high advocacy scores with ~90%⁵ + users likely to recommend the company to others.



Ecommerce

One of India's Leading marketplace & online retailer – 90% of users are likely to recommend the company due to its ability to deliver on the desired customer experience.



Telecom

Jio – 89% of users are likely to recommend Jio due to its ability to deliver on the desired customer experience when it comes to understanding customers' needs, creating relevant offerings, ensuring consistent experience, having a customer-centric approach, and delivering what they claim.



5. KPMG in India - EQUITOR Consumer Survey conducted January 2022

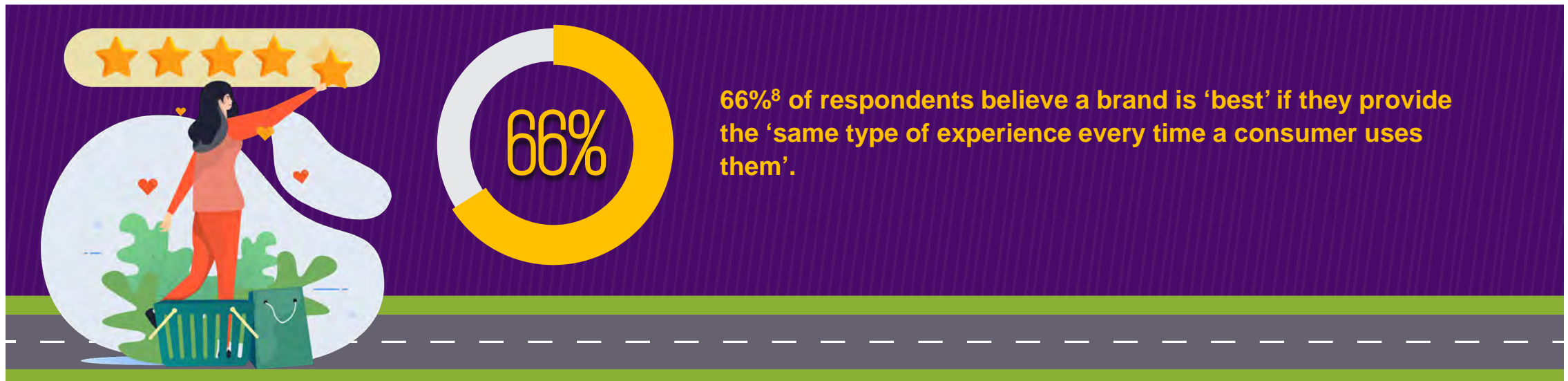
CX helps increase mindshare of the brand

Companies can increase the probability of a buyer recognising or thinking about its brand in buying situations by delivering the expected customer experience. In our survey, companies such as Flipkart and a leading Indian four wheeler manufacturer scored moderately high on fulfilling CX requirements and enjoyed a high share of mind, with more than 65%⁶ of respondents recalling these brands. On the other hand, companies such as one of India's fashion and lifestyle e-commerce platform and one of India's prominent two wheeler company scored relatively lower on fulfilling CX requirements and had a lower share of mind, with fewer than 30%⁷ of respondents recalling these brands.

CX plays a pivotal role in building 'best' brands

Disruption leads to new opportunities. Companies that continuously adapt to emerging trends, update their CX strategy to customers' changing needs and preferences, and keep the customer at the centre are more successful in customer acquisition and retention

Our survey covered the leading brands across categories and found that consistency of experience is one of the top five reasons for a brand being perceived as 'best'.



- 6. KPMG in India - EQUITOR Consumer Survey conducted January 2022
- 7. KPMG in India - EQUITOR Consumer Survey conducted January 2022
- 8. KPMG in India - EQUITOR Consumer Survey conducted January 2022



Personal Care

Mamaearth – 68% of respondents perceive it as a 'best' brand because it offers innovative products and services, and 39% because it provides the same experience every time.

Himalaya – 53% of respondents perceive it as a 'best' brand because it offers innovative products and services as well as a consistent customer experience.



Two wheelers

One of India's leading motorcycle and scooter manufacturer – 51% of respondents perceive it as a 'best' brand because it offers innovative products and services, and 44% because it provides the same type of experience every time.



Apparel

One of India's largest sports apparel manufacturer – 63% of respondents perceive it as a 'best' brand as it provides the same experience every time.



Grocery

One of India's leading staple food and kitchen ingredients brand – 57% of respondents perceive it as a 'best' brand because it provides the same experience every time, and 48% because it provides transparent pricing.



Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

Organisational orchestration for superior customer experience





- **Almost 75%⁹ organisations consider a seamless customer experience a top or high priority supporting their digital transformation**
- **Connected enterprises that align their front, middle and back offices create business value and drive sustainable growth**

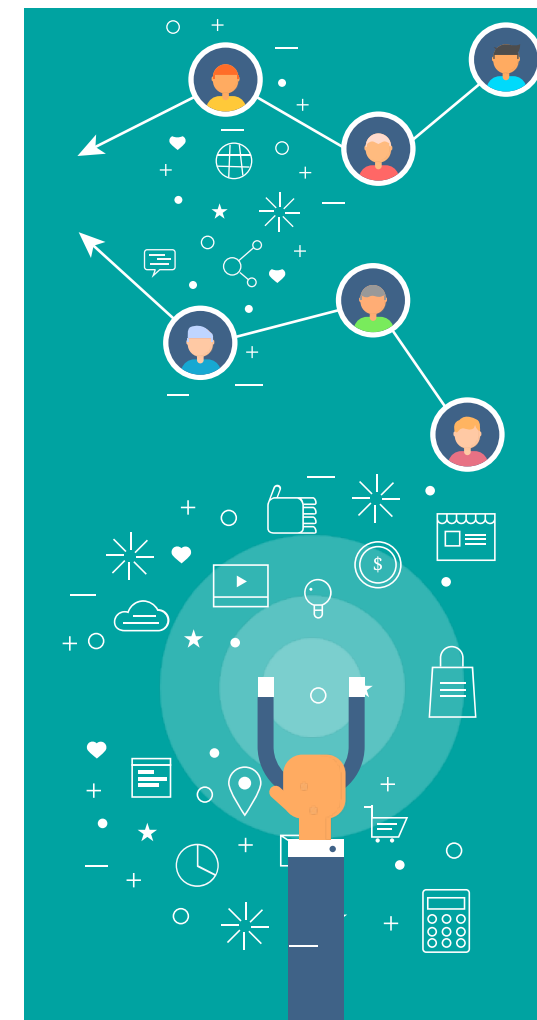
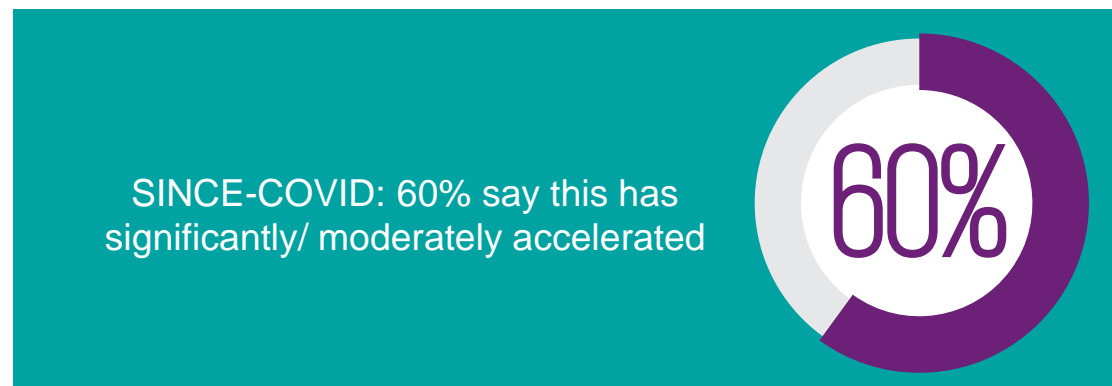
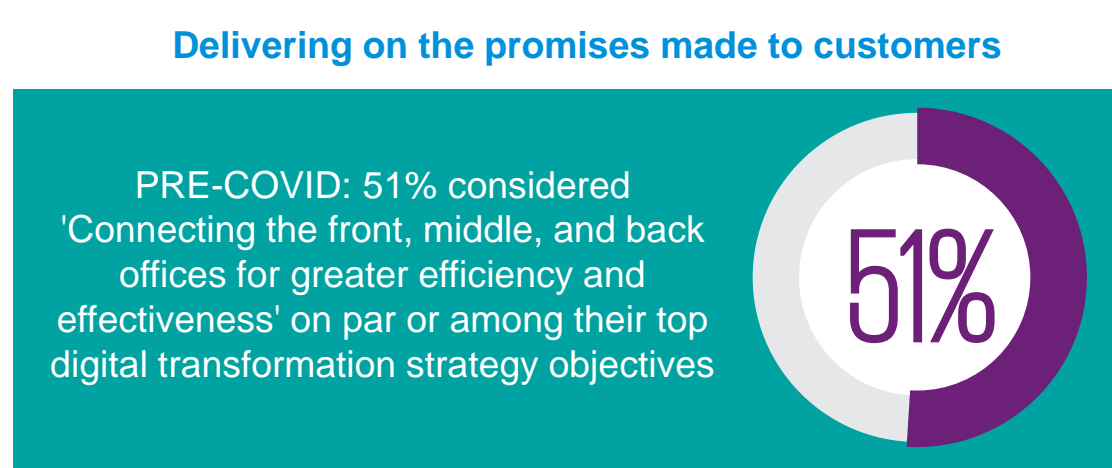
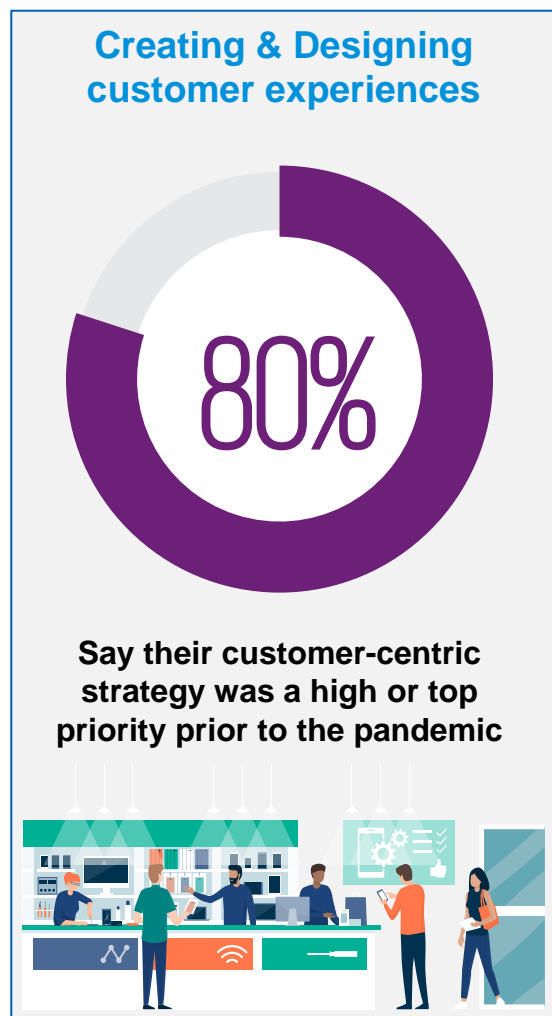
Transforming customer experience to adapt to disruptive change

In view of customers' growing expectations, companies have to achieve excellence across all the attributes of customer experience. Transforming customer experience must be a key focus area for ambitious businesses that want to acquire and retain customers. The significance of focussing on CX strategy, CX design and CX insights is growing every day.

 <h3>CX insight</h3> <p>Delivering next-generation insights for effective action</p>	 <h3>CX Strategy</h3> <p>Creating an insights-led CX strategy that integrates global best practices and customer experience to brand culture</p>	 <h3>CX design</h3> <p>Designing a CX strategy by drawing on deep business knowledge, deploying global best practices, and fostering collaboration by breaking down silos</p>
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9. A commissioned study conducted by Forrester Consulting on behalf of KPMG International, July 2020; KPMG 2020 CEO Outlook COVID-19 Special Edition (KPMG International)

Transformation focussed on customer-centricity and seamless collaboration across value chains is a priority for companies.



Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG International, July 2020; KPMG 2020 CEO Outlook COVID-19 Special Edition (KPMG International)

Connected enterprises and customer-centricity

A connected enterprise that focuses on every process, function and relationship of a business to meet customer expectations can create business value and drive sustainable growth. There is an important connection between empowered employees and happy customers, underscoring the need to develop a culture of customer-centricity. A strong partner and alliance network, coupled with a

customer-insights-driven strategy, is needed to quickly adapt to change and build agility and resilience across supply chains. Companies can invest in new-age digital infrastructure to better understand user behaviour better to enhance customer satisfaction. The mere pursuit of digital transformation will not yield a desirable outcome unless it has the customer at its core.

Focus attributes for superior customer experience



Consistency

Company aligned to delivering the customer promise across channels and touchpoints increases customer delight.



Protection

Protection of processes, products and services through patents, trademarks and copyrights gives companies access to data and insights that enable them to better understand their customers and provide superior CX.



Innovation

Actionable insights and real-time understanding of customers help organisations to comprehend their evolving needs to continue innovating.



Advocacy

Seamless and intentional experiences created for customers, employees and partners enable organisations to gain brand advocates.



Category spread

Strong partner and alliance networks enable organisations to expand into ancillary product categories.



Geographic spread

An agile and responsive supply chain with a well-connected partner and alliance ecosystem enables organisations to expand across geographies.



Customer spread

Compelling value propositions, based on robust insights, can attract a broad category of customers.



Singularity

A well-connected customer-centric organisation ensures seamless CX, improving its chances of being perceived in a uniform way by all customers.

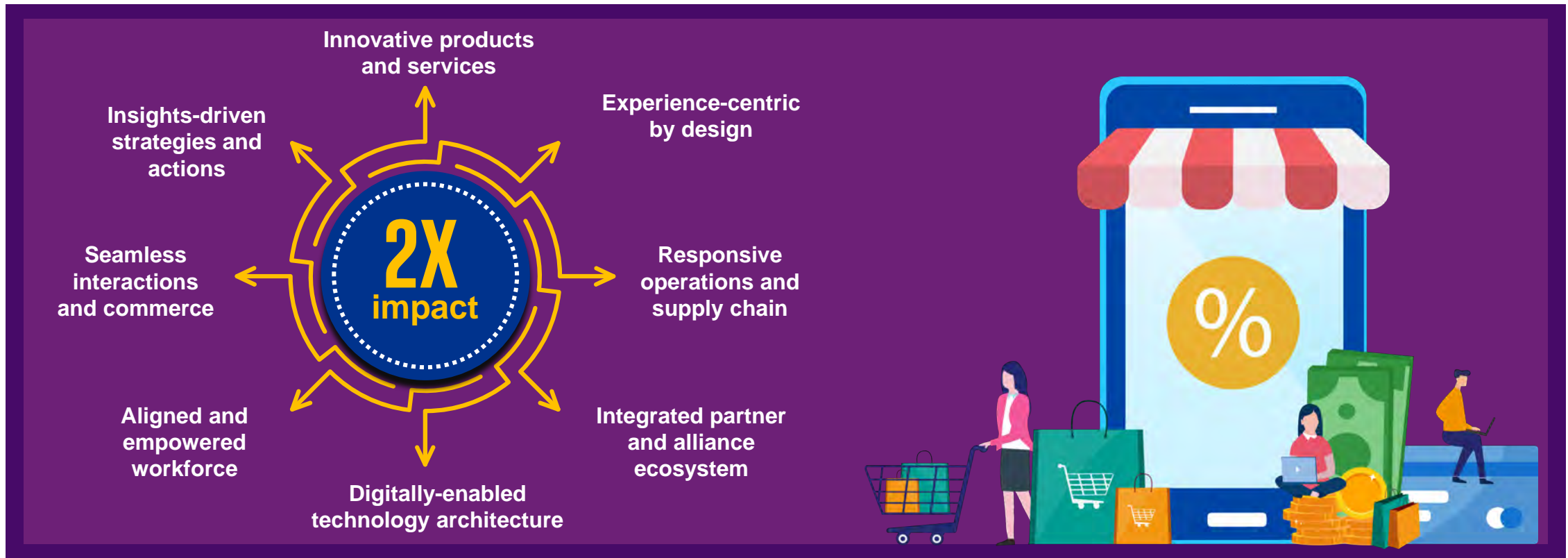
Building a connected enterprise for improved customer experience

Ever-changing customer needs make it imperative for businesses to remain agile and place the customer at the centre. Building connected organisations that enable interaction among people, data and technology lead to new levels of productivity and value creation.

Connected enterprises are able to comprehend what their customers truly need and value, and achieve it by delivering the intended experience profitably. They also have the responsiveness and resilience to evolve with

changing consumer needs and deliver on their customer promise.

Companies need alignment across the organisation – a “connected enterprise” approach to meet customer expectations, improve business performance and achieve profitable growth. KPMG Connected Enterprise approach defines **eight critical capabilities** that mature organisations are investing in to build connected organisations.



Source: KPMG Connected Enterprise approach

Real-world examples of value delivered by KPMG Connected Enterprise approach



Turning strategy into action to enable seamless interactions and business

- KPMG developed and implemented a disruptive digital-first strategy to deliver significant improvements for a leading insurer, and its employees and customers. The team designed a customer segmentation strategy, based on rich insights and customer personas. It helped the company to integrate new technologies in its customer journey. KPMG also guided business leaders on how to trigger behavioral changes.

Impact

- The insurer's employee engagement, customer satisfaction and operational efficiencies improved.



Partner and alliance ecosystem to develop into a one-stop shop for financial products

- KPMG developed a business roadmap and a working product pilot for a multinational investment bank looking to implement multiple insurance products to become a one-stop shop for its customers. The KPMG team also helped the bank to improve its operational efficiency and facilitated integration with external carriers and partnerships with software companies.

Impact

- The bank successfully expanded its product offerings by using its no-code platform for insurance offerings, as well as increased its customer base

CX priorities for companies

Customer at the centre

Businesses need to boost their customer engagement initiatives and align their connected front, middle and back offices with customer centricity.

Making the right promise

Businesses need to make relevant promises to the right customers; while some consumer segments might value on-time delivery, it may not attract the premium segment

Omnichannel approach

Businesses must provide a seamless shopping experience across channels to address the rising popularity of the D2C model, monitor changing preferences, and evaluate profitability across channels

Connected organisations

Businesses need to connect their front, middle and back offices to comprehend customers' needs and deliver great CX, while maintaining profitability



CX is
universally
relevant





- The concepts of customer experience are universally applicable and can be used by companies across sectors to enhance their competitiveness.
- The CX expectations of B2B buyers are largely influenced by their experience in the B2C environment.



Seamless customer experience is sought across both B2C and B2B environments. The CX expectations of B2B buyers are largely influenced by their experience in the B2C environment, which explains their increased preference for personalisation and transaction simplicity.

Unlike consumer-facing organisations, B2B businesses face challenges in their path to adopting a customer-centric paradigm, as they often have a sales-oriented heritage. This creates a need to communicate with and educate employees in B2B set-ups.

CX for B2B vs B2C

Similarities

B2B consumers want experience standards set for B2C consumers to be replicated



B2B consumers expect the same transactional ease provided to B2C consumers, including omnichannel facilities.



Personalisation in terms of customised business advertising, marketing, sales offers and communications is preferred by both B2B and B2C clients.



Dissimilarities

B2B companies have to use extremely targeted experiences and circles of influence, while B2C enterprises can connect with people through mass marketing.



The sales cycle for B2C companies is very fast/short, whereas it is much longer for B2B enterprises.



In the B2B context, purchase decisions are not made by one person and undergo various stages of appraisal and evaluation.



B2B companies have more resources available to spend on individual customer relationships than B2C, allowing for greater personalisation.



Our interactions with CEOs of leading Indian companies revealed that customer experience is increasingly gaining importance in the B2B space as well.

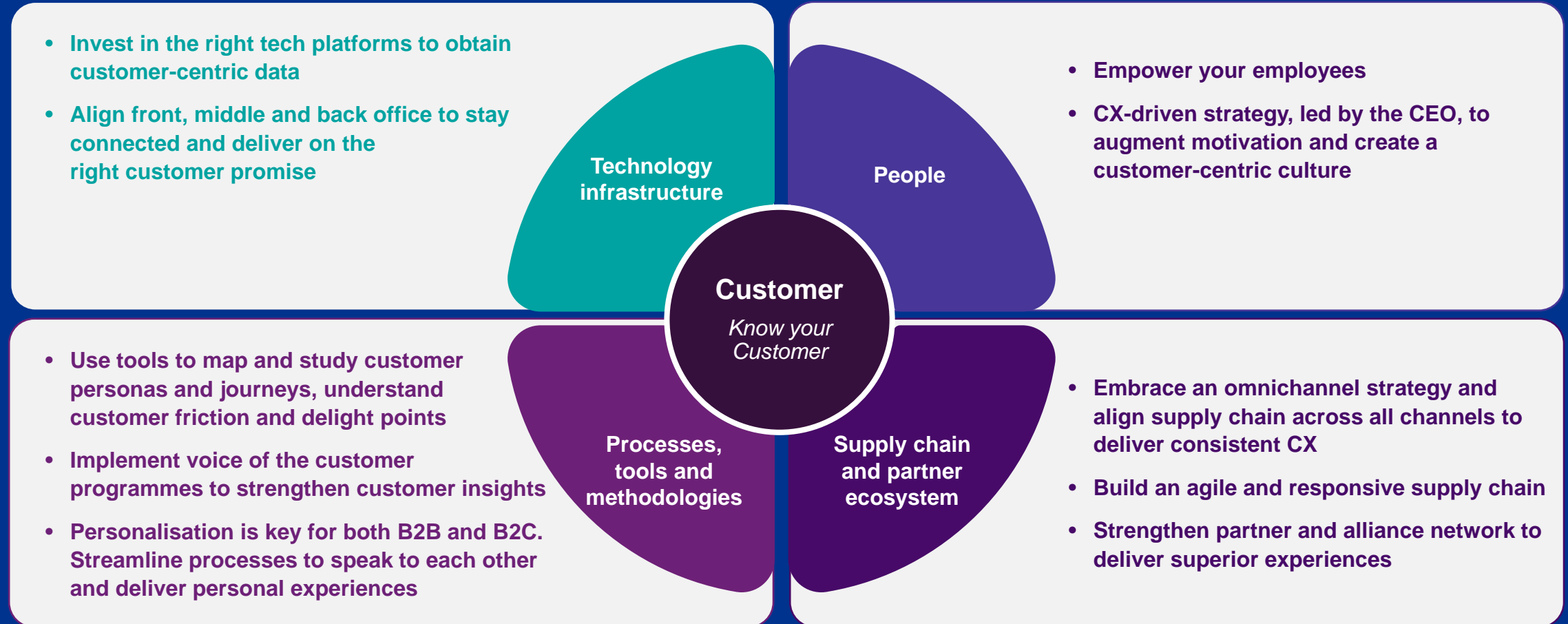


Key imperatives for businesses to succeed in CX



Through this report, we have seen the benefits of customer experiences, which include but are not limited to acquiring and retaining loyal customers, increased revenue and profits, improved market sentiment and long-term growth potential.

Imperatives for a Company to ensure it is scoring high on its CX



How can
KPMG in India
and EQUiTOR
augment your
CX journey?



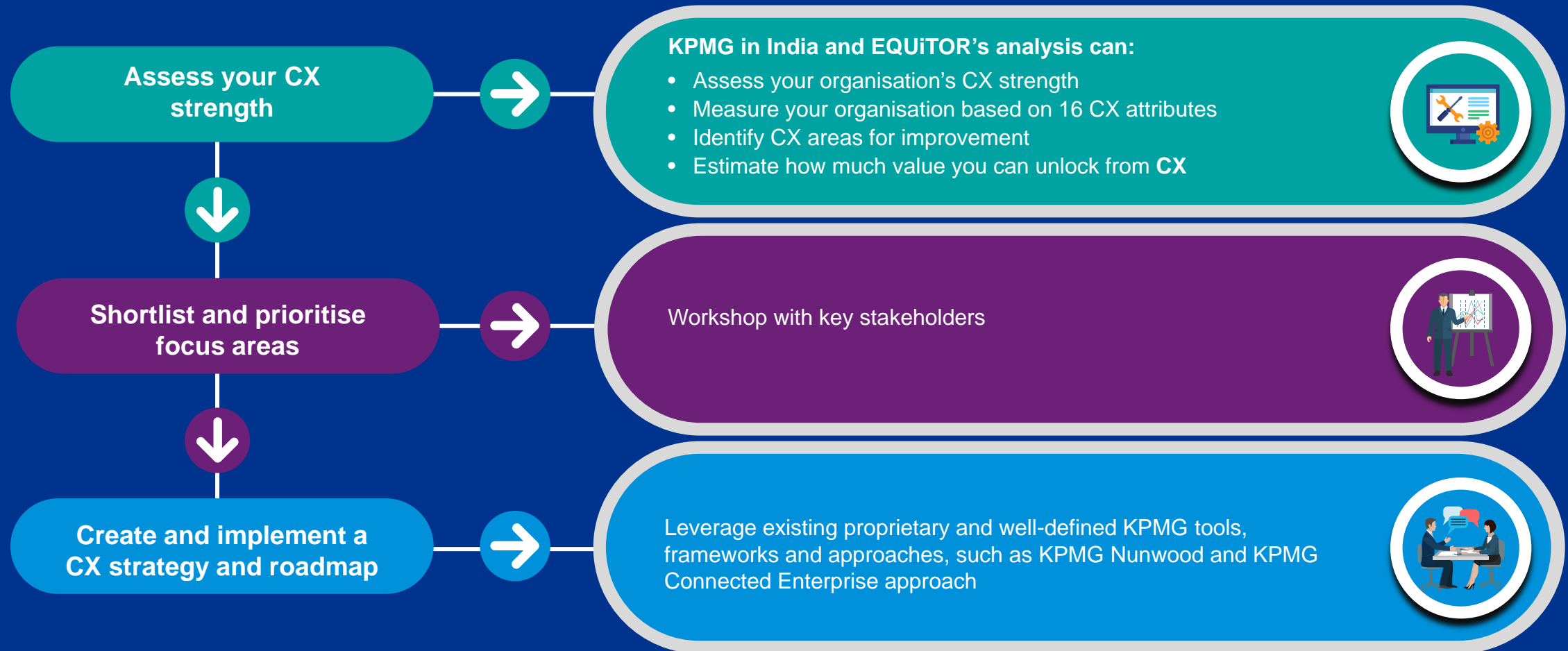
How can KPMG in India and EQUiTOR help you with your CX Journey?



KPMG in India and EQUiTOR can help identify your organisation's CX strength, help measure the performance of your organisation based on 16 CX attributes and highlight areas that present scope for improvement. Further, we can help you to estimate how much value you can unlock from customer experience, build a roadmap to realise that value, and assist you on your CX journey.

What do you need to do to unlock value from CX?

How can KPMG in India and EQUiTOR help you?





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Annexures



Below is the category wise respondent profile of the KPMG in India – EQUiTOR Consumer Survey conducted January 2022

Grocery 862 	Online delivery 543 	E-commerce 410 	Personal care 308 	Electricity 295 
Petrol 275 	Cooking gas 260 	Insurance 224 	2 wheelers 213 	Video streaming 211 
Pharmacy 193 	Bank 176 	Credit card 168 	Mutual fund 144 	4 wheelers 128 
Train tickets 124 	Apparels 121 	Hospital 106 	Telecom 100 	Home care 95 
Flight tickets 68 	Airport 47 	Holidays 43 		

Reasons for liking a Brand



Percentages of respondents

Source: KPMG in India - EQUITOR Consumer Survey conducted January 2022

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