

Ignite growth

**Connecting insight
to action**

2018 UK Customer Experience
Excellence analysis



Customer Experience
Excellence Centre





Customer Experience
Excellence Centre



The *Customer Experience Excellence Centre* is an international think tank, dedicated to helping members turn global customer experience best practice into effective business results



9 years of ongoing research



Coverage of 21 markets



2.7 million individual evaluations



Over 2,500 brands assessed

**Defining customer best practice
through the lens of The Six Pillars**



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

**Designed to enhance the
effectiveness of your CX programmes**



CX Strategy



CX Design



CX Insight

Foreword

Our recent global investigation of customer best practice – “Tomorrow’s Experience, Today” – examined over 1,400 brands across 14 different markets. The leaders all had one thing in common: a deep understanding of how to create mutually valuable relationships with their customers.

We have previously established what the international gold-standard relationship with customers looks like, described by The Six Pillars. We’ve explored the economics of success and how the world’s best CEOs are transforming their businesses to deliver it, consistently and profitably.

But what of the fundamental customer understanding that makes this success possible? How do leading organisations develop this knowledge, embed it, create competency and ignite growth?

Customer insights – the non-obvious understandings that underpin profitable decisions – have never been more vital, or readily available. They differentiate the world leaders from the laggards. Used well, they incite change and ignite growth. Used poorly or ignored, as insights are at many businesses, they fail to give a competitive advantage.

Commentators vary in their estimates, but there is general agreement that the majority of insight spend is wasted. Traditional market research is one weak point: one firm has estimated that in the UK as much as £14bn is being squandered on research that is not acted upon (Source: Insight Crisis Report, Insight Bee. Supported by Office of National Statistics). An article by Harvard Business Review (HBR) noted that only 11% of customer impacting decisions are backed with customer insight.

These facts alone suggest that most decisions about the customer are based on guesswork, or at best, intuition. For some organisations, this intuition is driven by real closeness to the customer. However, for the majority, it is based on what senior people think the customer wants. In today’s rapidly changing consumer world, that is an extremely dangerous way to do business.

In decades past, a company’s volume of insights was a strategic differentiator. Only the largest firms could afford the teams needed to commission, analyse and report on the market. Today, the inverse is true. Data is much cheaper, seductively easy to generate and – to a degree – democratised. Traditional customer surveys and focus groups are only one part of an increasingly rich ecosystem of digital, social, operational, financial and behavioural signals. Too much data, rather than too little, is often the real challenge.

However, the formal custody of customer understanding frequently continues to sit with the ‘insight department’. Research has shown that the value of insight departments, when assessed by the wider company, is often perceived as low. Yet, conversely, most insight teams believe they are doing a good job.

It is clear from this that there is a mismatch between what insight teams are doing and what the organisation believes it requires. Frequently, this expectation is unfair: the real problem rests with the organisation and its leaders’ capacity to listen and act. For these businesses, it is cost, risk, weak governance or capricious leadership that subverts the efficacy of good insights.

Meanwhile, the awkward reality is that new market entrants are disrupting existing players based on a superior understanding of customer needs, wants and life problems. Frequently, this 'insights advantage' is coupled with innovative, tech-enabled solutions and a freedom from legacy constraints. The combination is potent:

- Airbnb has created an entirely new market based on its insight that people want to make their assets work harder.
- Digit in the US provides a real solution to the problem of reducing student debt through its pragmatic micro savings product.
- Uber has redefined on demand mobility whilst making the entire process transparent and easy to use.

Each of these organisations has grown exponentially, often rendering legacy organisations extinct in the process. In each instance, they have translated insight to competitively differentiated experience and long-term, mutually valuable relationships.

So, for the largest companies, insights are no longer the exclusive, elitist differentiators they once were. However, to avoid existential threats or declining share, they have never been more strategically vital to growth. As Britain redefines its relationship with the European Union, there is every indication that growth will be more challenging in years ahead. Against this background, maintaining advantage through superior insights has never been more important.

As such, in this, our 9th year of reporting on Customer Experience Excellence (CEE), we tackle these issues by looking at the exemplars: the organisations that systematically harness customer insight to deliver competitive advantage. To do this, we have spoken to consumers, employees and the leaders of some of the UK's best organisations.

The findings show a clear route to success, even for legacy businesses. For most, this requires more integrated use of data and a retooling of traditional insight teams, often coupled with a culture firmly centred on actions and outcomes. As such, this challenge transcends functional roles, which is why the UK's most effective CEOs increasingly see championing insight as part of their remit. By doing so, they are navigating disruption and delivering long-term growth.



David Conway,
Director



Tim Knight,
Partner

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Introduction

This year we see that the overall level of customer experience in the UK has improved marginally overall. A 1% increase in the average CEE score. However for the majority of firms there is little change.

This is a function of the continuing escalation in customer expectations and the ever increasing need to move quickly from deciphering customer needs and requirements to implementation.

Our league table is topped by first direct who continue to excel in the field of banking. Their consistent and wholehearted focus on their customers is universally lauded by those who bank with them.

New entrant Metro Bank joins our elite companies at number two. Its unique take on how banking should be is resonating strongly with its customers. Careful selection of staff, locations and branch architectures means that every visit to Metro is a mini experience and almost always, according to its customers, a happy one.

Lush maintains its position and its campaigning ethos and, whilst its campaigns are not always widely appreciated, they seem to resonate strongly with their dedicated customers.

New entrants Boden and Ocado are distinctive and differentiated businesses driven by missionary founders whose focus on the customer means they have managed to maintain great customer experiences whilst growing dramatically.

Whilst there is an emerging role for machine learning, AI and associated technologies, such as the internet of things, it is the traditional values of how you treat customers as individuals and show that you care about them that continue to be the differentiating factors of the leaders.

Retailers John Lewis and M&S continue to set the benchmark in the retail sector from our respondents' perspective. Both retailers focus on understanding their customers more deeply, investing heavily in the fields of analytics and insights.

Indeed, it is the focus on insight and analytics as the fuel of action and growth that forms the central theme of this report.

“The organisations that succeed in using insight to drive change are led by people who believe in the customer and who have a passion for delivering value to the customer.”

Jane Frost
CEO, MRS



Methodology

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

About the research

The research for this 2018 UK report was collected via an online survey methodology, completed between 13th July and 6th August 2018.

10,003 UK consumers were interviewed and a nationally representative consumer sample was targeted (to be representative in terms of age and gender in the UK).

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

In order to be included in the final rankings, each brand must have achieved a minimum of 100 consumer responses. 315 brands are included in the final UK 2018 rankings.

Sector coverage

For this report we analysed brands across 10 key sectors¹:



Financial services



Non-grocery retail



Grocery retail



Travel and hotels



Telecoms



Entertainment and Leisure



Utilities



Public sector



Restaurants and fast food



Logistics

Senior leader interviews

In addition to the consumer research, this year we have interviewed a number of senior leaders to explore the role of insight in driving growth within their organisation.

KPMG Nunwood would like to thank the following for their contributions:

Eulin Goh, Research and Insight Manager, British Airways

Paul de Laat, Data, Insight and Customer Value Management Director, British Gas

Debra Walmsley, Head of Customer Research and Insight, British Gas

Gary Hueting, Chief Operating Officer, Co-op Insurance

Andrew Archibald, Head of Customer Experience, Co-op Insurance

Karl Brown, Head of Customer Experience, Direct Line

Joe Gordon, Head of first direct

Tom Rowntree, SVP Luxury Brands, IHG

Brian McGuinness, SVP, Global Guest Experience, IHG

Jane Frost, CEO, Market Research Society (MRS)

Craig Donaldson, CEO, Metro Bank

James Powell, Senior Manager, Member Voice, Nationwide Building Society

Sandra Fazackerley, Director of Customer Experience, O2 (Telefónica UK)

Mary Homer, CEO, The White Company

Nicola Langley, Customer Experience Manager, Volvo Car UK

The Chartered Institute of Marketing (CIM)

Inditex's Customer Department, Zara

¹. Additionally, research has been conducted for automotive and technology sectors and will be released in a future report.

The Six Pillars of experience excellence

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

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

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



Personalisation

Using individualised attention to drive emotional connection.

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



Integrity

Being trustworthy and engendering trust.

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



Expectations

Managing, meeting and exceeding customer expectations.

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organisations understand, deliver and - if appropriate - exceed expectations. Some are able to make statements of clear intent that set expectations while others set the expectation accurately and then delight the customer when they exceed it.



Resolution

Turning a poor experience into a great one.

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 makes 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

Minimising customer effort and creating frictionless processes.

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.



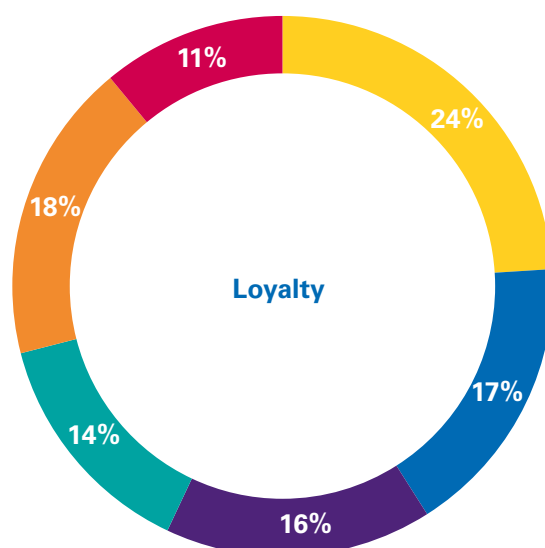
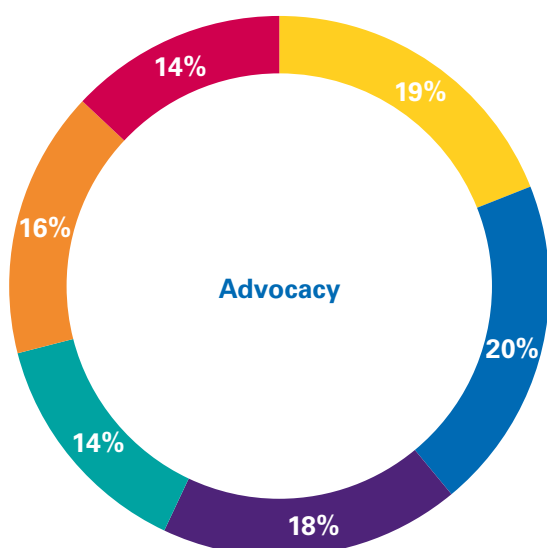
Empathy

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

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

Pillar impact on loyalty and advocacy

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



Key

● Personalisation
 ● Integrity
 ● Expectations
 ● Resolution
 ● Time and Effort
 ● Empathy

The 2018 UK customer champions

The top 10 leaders in our 2018 index all rely on using deep customer knowledge to inspire growth.

1 first direct

2
places vs
2017

Financial
services

first direct, which tops our table this year, is uniquely close to its customers and very clear on who is attracted to its brand.

Long known as pioneers in the field of insight, for example as early adopters of facial expression recognition for measuring emotion, first direct has recently published a detailed study of millennials (Source: first direct, How to turn your quarter-life crisis into quarter-life catalyst, 2017). As it looks to extend its brand to this emerging generation, it has sought to understand them in microscopic detail. Working with experts in the field of psychology and leading academics it has built a picture of the life problems and

“crises” that this generation are grappling with and is focusing its efforts to find financial solutions that meet this group’s needs specifically.

Interestingly, it has made this research widely available, open source, there for all to read. Not only showing potential customers how well it knows them and how diligently it works to do so but also that it respects them enough to share that knowledge openly.

Its commitment to understanding its existing customers and their changing needs is no less intense. first direct brings the voice of the customer into their decision making processes on a real time basis.

2 Metro Bank

☆ New
to 2017
analysis

Financial
services

This challenger bank has entered our table at number 2 this year.

Most fundamentally, Craig Donaldson, Metro Bank’s CEO, views it as his role to ensure customer insights guide decision making at all levels. His belief is that the CEO – not the insights team alone – must ensure the organisation is focused and prioritising action.

Earlier this year Metro Bank introduced their AI powered real time money management service, powered by individual customer knowledge. “Insights,” as it is known, continuously monitors transactional and behavioural data using predictive analytics capabilities

and AI to identify relevant trends and events in its customers’ spending habits. These are then translated into tailored prompts, helpful tips and alerts, providing customers with more control over their finances. For example, it notifies customers that they are coming to the end of a period of free subscription and reminds them to decide whether to continue or not. It also alerts customers to out of the ordinary spending activity, helping them steer clear of avoidable fees.

It is a technology that is dedicated to using real time insight to make people’s lives easier.

3 Lush

↑ 2
places vs
2017

Non-grocery
retail

Predictably Lush has a unique take on market research and insight. Conscious of the faster horse syndrome (as described by Henry Ford in reference to innovation), its belief is that if you only produce what customers say they want, customers will only suggest products they already know about. Lush rigorously retires a third of its products each year both to keep the range vibrant but also to drive innovation. So Lush takes the more experimental and iterative approach of exacting market testing. What Lush does is dream up new and unique products, manufacture them, ask customers for feedback and then either tweak accordingly or remove from sale if unsuccessful.

This approach has worked well for them, and from our research we see customers eagerly await the new creations and look forward to their introduction.

"I read online about the Mask of Magnaminty and went in to try to find it. The assistant helped me and took the time to explain it to me, including the difference between the original and self-preserving versions. She was really helpful and I love the new product." (UK 2018 respondent)

4 John Lewis Finance

↓ 2
places vs
2017

Financial
services

When it comes to financial services retail, brands are often felt to provide better value for money and better customer service than traditional providers. As far as its customers are concerned John Lewis Finance excels at both.

John Lewis brings its high street reputation to its banking offerings and, as such, engenders a sense of trust and security that banking customers crave.

Understanding its customers' unique needs has driven a whole raft of innovation and improvements, from the partnership card website, to the mobile app to the printing of new chip and pin cards instore on the same day. John Lewis Finance has a consistent process of understanding and then meeting their customers' evolving needs.

5 John Lewis

1
place vs
2017

Non-grocery
retail

John Lewis manages a complex and difficult supply chain. Reputation and trust are vital elements of its overall proposition and the early warning of potential problems is a critical part of managing reputational risk.

Consequently it generates and manages a continuous stream of customer feedback, operational and transactional data to provide real time operational insights and enable better decision making during critical periods.

Customer call and email monitoring provides ongoing understanding of why customers are contacting them and how their agents' skills need to adapt to keep pace with changing customer needs.

Alongside this are ongoing deep dives into how customers shop, what their needs are and how they can be better serviced, most recently observing the cross channel nature of how customers purchase and their ever increasing sophistication and knowledge.

To make this sophisticated process of insight-driven change work effectively customer experience and customer insight are combined under a single role.

6 Ocado

2
places vs
2017

Grocery
retail

Customer insight lies at the heart of the Ocado retail team's decision making. As they describe it "data and insight are critical to everything we do". (Source: Ocado website)

Understanding customers' interactions, assessing their changing purchasing habits and understanding the impact that Ocado has on its customers – such customer knowledge is central to Ocado's differentiation strategy.

Ocado states that it is the ability to continually adapt and improve the customer experience in response to changing preferences and habits that sets it apart. An ongoing stream of ever improving customer knowledge is what enables them to do this.

But fundamentally it is the delivery that is critical to its customers – this is subject to rigorous monitoring, hence their achievement of 99% order accuracy and 95% of deliveries on time or slightly early. (Source: Ocado Group plc Annual Report and Accounts, 2017)

"Every experience I have had with Ocado has been exemplary and flawless. Every delivery has been on time and complete." (UK 2018 respondent)

Boden

38
places vs
2017

Non-grocery
retail

With a strong sense of mission to brighten customers' lives it is being close to customers that has made Johnnie Boden a stand out success. Every aspect of service and product delivery is tested with customers. From the latest catalogue to the latest ranges and individual items, styles and colours, nothing is left to chance.

Textures, patterns and fabrics are all forensically tested with customers. The result is a rapidly growing business that has steadily climbed to the top ten.

It is driven by a relentless quest to be able to understand their customers, who they are and what they want.

This, coupled with a customer closeness process to ensure that all of the business have the same deep understanding of customers, leads to a very customer centric organisation.

Now embarking on bringing behavioural economics and system 1 understanding into play, Boden are moving more into the neuro-marketing world, where understanding the psychological needs of the customer is as important as understanding their overt physical and style needs.

8 M&S

1
place vs
2017

Non-grocery
retail

Focused on making every moment special, M&S is intent on surfacing the critical moments where their 85,000 "moment makers" can add real value for the customer.

Earlier this year, M&S CEO Steve Rowe laid out the need for data science as part of the M&S transformation. More than 1000 staff, from store managers to visual merchandisers, are being trained in data analytics. This is felt to be a critical skill if the firm is to survive the threat posed by its online rivals.

Consequently, analytics informs decision making on design, buying and pricing decisions. This enables the firm to test tens of thousands of products to understand what customers like and ensure they buy more of it.

Online social engagement tools are gathering real time preference and sentiment data on actual and potential product offerings.

Predictive analytics then forecast what potential sales will be like. In the future the firm intends that every decision will be supported by analytics and customer insight.

In the last year M&S interviewed some 700,000 customers - one every 5 seconds - using the resulting insight to improve products, ranges and messaging.

9 M&S Food

5
places vs
2017

Grocery
retail

The director of supply chain and logistics for M&S, Gordon Mowat, says “everything we do as a company is filtered through the lens of what we know about our customers, and every decision starts with them”.

Focused on “making every moment special” requires a commitment to ongoing customer research coupled with scientific development. Customers bore quickly and the need to understand their changing preferences and meet those in a timely way with innovation, quality and enhanced choice requires real closeness to the customer.

Benefiting from the extensive research conducted by its parent has enabled M&S Food to combine with the main brand under the “spend it well” banner.

“I love the M&S Food. I can choose from so many products and there’s always something new to try.” (UK 2018 respondent)

10 Emirates

4
places vs
2017

Travel and
hotels

For Emirates the primary framework for consolidating and managing customer insight is the customer journey. One of the first airlines to map customer journeys, it has become the principal mechanism for the constant and consistent improvement of the customer experience.

Ongoing customer feedback is considered against the company’s critical dimensions of passenger experience differentiation, safety, comfort, confidence, time, freedom, control, recognition and personalisation.

More recently, Emirates has extended into the digital world and set itself the target of becoming the world’s most digitally advanced airline. This is an aspiration that requires constant innovation, technical development and iterative improvements based on customer insight. This has led Emirates to invest heavily in both the advancement of technology and the process of customer insight management to ensure the two are continually in step.

“Emirates’ ICE system is great – Information, Communication and Entertainment” (UK 2018 respondent)

Case study: first direct

first direct has been recognised as the leading brand of 2018 in this year's Customer Experience Excellence analysis, an accolade the bank has earned three times in the last seven years.

Joe Gordon, head of first direct, believes balance is crucial to the bank's continued success. "It's fantastic to be recognised for delivering an excellent customer experience, but the secret of our success is not really a secret. It's getting the balance between consistency and change. And it's about being personal and relevant."

first direct's aim has always been to pioneer amazing service, through the best channel for the customer. For Gordon, this has been true from the bank's very early days, right through to present day. "When we launched as a telephone bank in 1989 it wasn't because we wanted to be a telephone bank, it was because that was the best way to pioneer amazing service at that time. Our goal is to consistently deliver this for our customers however they wish to bank with us. To do this we've had to constantly change, be this through offering text message banking, online banking, app based banking, and now open banking. What guides us through everything we do – our North Star – is the human element; talking to our customers in a human way – be that person to person or digitally. People also deal with people, especially in complex situations, so our people are our most important asset, whether this is speaking to us and having your request dealt with beyond your expectations or the people building our technology and those making sure our digital interactions retain that human feel."

Continual investment in customer experience

first direct invests significant sums in development on an annual basis. As Gordon highlights, "our change programme is significant and constant. We're always looking to evolve and enhance our front and back end technology, it's the way we work. Our people are key to this. We're set up to work in an agile way. We bring our people together in cross-functional teams to devise and deliver the most effective changes for our customers. This stems from encouraging our people to make suggestions about how to improve customer journeys or new ideas which would benefit the customer. And it works seamlessly with our broader strategic change programme which delivers big platform enhancements through multiple iterative changes."

Collaboration with fintech partners

One of first direct's recent strategic investments is artha, a collaboration with fintech partner Bud, designed with the aim of bringing a whole new financial well-being experience to the market. Launched at the beginning of 2018, artha enables people to administer their accounts in one place, with functionality to help manage their finances. It also opens up the marketplace concept, exploring how to highlight products from other providers and in other sectors where suitable.

An insight driven culture

From Gordon's perspective, insight plays a critical role in driving change for the organisation. "At first direct we are hugely driven by insight. It would

be impossible to deliver a consistently high standard of customer service without it. The world is moving at a pace never seen before. The things we think of today as certainties are only certain to be wrong – as innovations and attitudes change. We use insight to stay ahead of the curve. It runs through the business, from the people speaking to customers directly to the teams analysing the data. It's not just the senior leaders, it's through everything and everyone.

"We don't get our insight from one department, we have multiple ways of gaining understanding. Our reps are a crucial part of the insight process; it's from their feedback that we hear how things are working for customers. We also have an online platform called fdesign which has been in beta testing with select customers, and helps us gather ideas and opinions to develop our products and services. fdesign is a great example of how insight directly drives innovation. Some of the things this group has helped us to test and shape our thinking this year have included: developing our thinking about financial wellbeing and mental health, the re-design of our online banking journeys, and the most useful new features on the app. The conversations about all of these have directly influenced our thinking and the changes we've implemented."

Opportunities from big data

"Then of course, there is big data. We now operate in a world where big data and Open Banking are opening up new opportunities and driving wedges into the cracks of customer service. We're tapping into this as it enables us to operate at a more bespoke level. The insights allow us to make ourselves more personal and even more relevant. Big data enables us to provide a bespoke service to customers. We've become banking tailors."

The future role of insight

Gordon acknowledges the crucial role of insight in continuing to drive growth for the business in the future. "Remaining personal and relevant is our ongoing goal and customer insight is vital if we're to achieve this. Providing financial well-being is about more than products; it's about service."

The big story for the next few years is Open Banking. Once this reaches a tipping point, people will be faced with potential information overload. Our strategy is to use insight to help bust the stress of choice. Over the coming years, the successful businesses from a customer experience point of view will be the ones who find 'win-wins' for themselves and their customers."

"At first direct we are hugely driven by insight. It would be impossible to deliver a consistently high standard of customer service without it."

Joe Gordon
Head of first direct



Financial services

1st

rank in
2018 of 315
brands



2 places from
2017

The Six Pillars:
scores vs industry
average



+9%



+12%



+13%



+17%



+12%

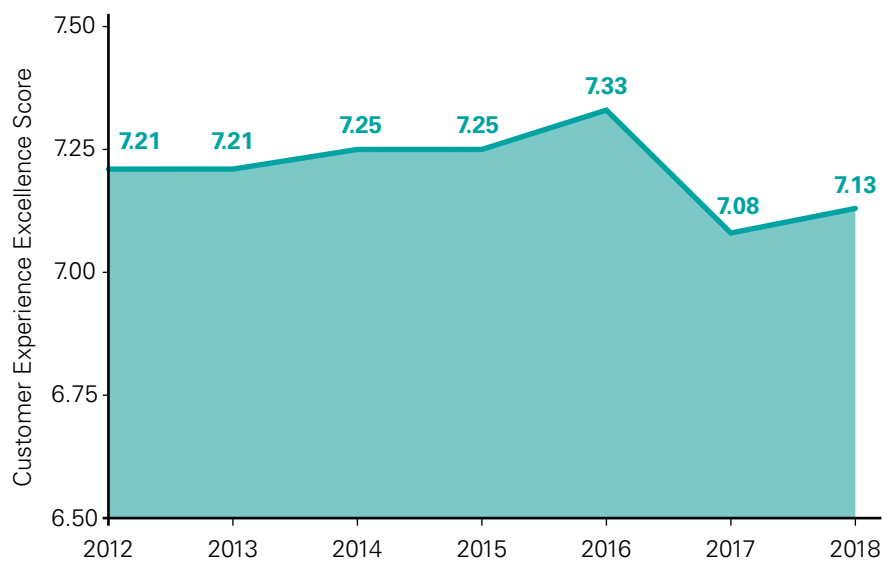


+16%

State of the nation

Despite the intense focus on customer experience, UK consumers are finding little real improvement in the experiences they have overall with UK PLC, with just 1% improvement in the last year.

Overall UK customer experience performance



There are, however, definite examples of organisations that are achieving breakthrough performance in the delivery of experiences to their customers.

The leaders in the experience world are dividing into:

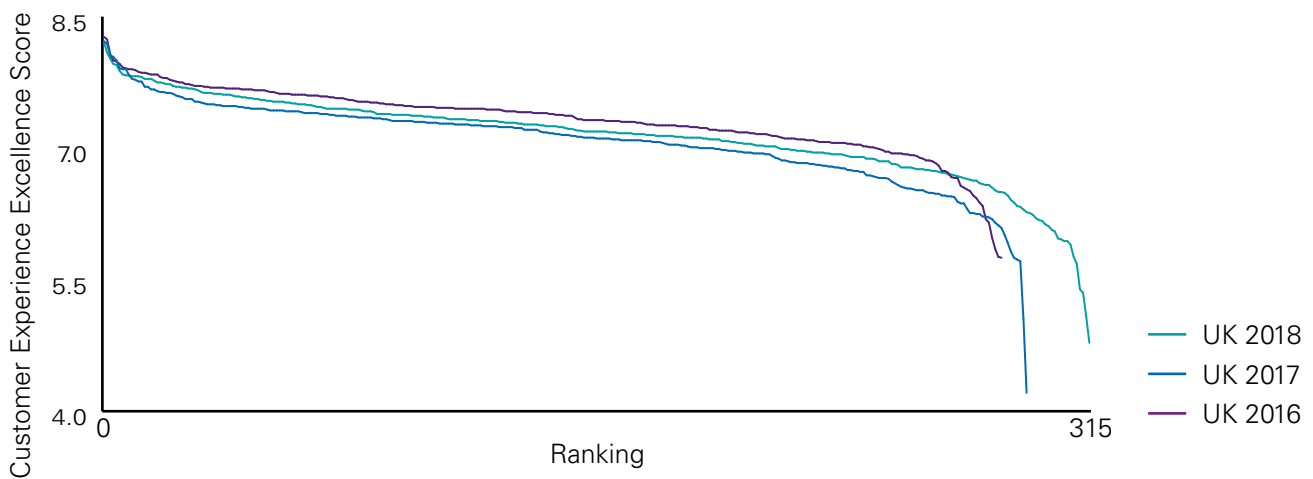
- 1. Traditionally outstanding companies** such as first direct, John Lewis and M&S
- 2. Start ups redefining the experience** that can be delivered in traditional markets such as Metro Bank and OVO Energy.
- 3. Start ups in entirely new markets** such as Airbnb and Ocado.
- 4. Traditional players making quantum improvements in their industry** such as Direct Line and Co-op Insurance
- 5. Traditional players making consistent progress** such as Barclays, Delta Airlines and Legal & General

In short, there appear to be no structural barriers to experience improvement – it is a matter of intent, commitment and leadership from the top.

In last year's report we noted that customer expectations were rising rapidly and organisations were failing to keep pace. It is interesting that the common characteristic of the above companies is their commitment to understanding their customer and rapidly responding to their changing needs.

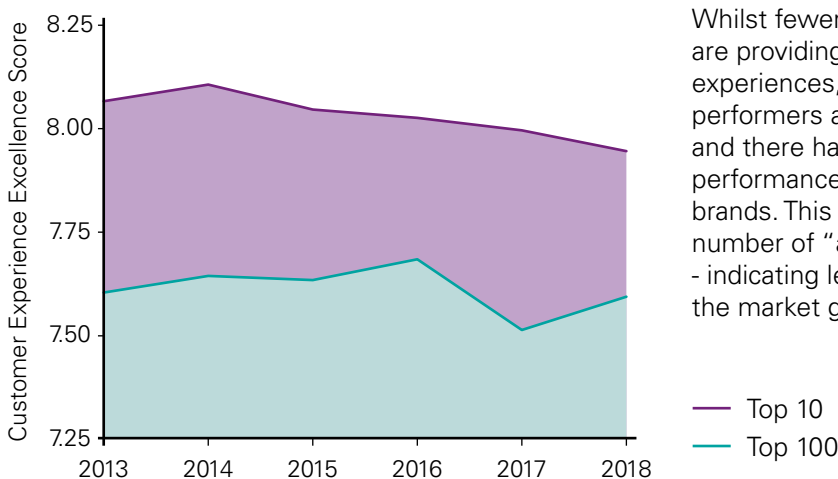
They are, however, the exception. For the rest of UK PLC the experiences they deliver are distinctly average. The customer experience curve demonstrates that the majority of brands cluster around the average. Of the 315 brands included in the rankings this year, 71% (224 organisations) scored between 6.5-7.5.

The customer experience curve



The top 10 continue to stand out, but not to the same extent as we saw some four or five years ago. There has been a steady decline in the scores of leading brands – not necessarily because they are worsening, but because consumers' expectations of the best experiences are ever escalating. We see just three brands achieving a score of 8 or more in the UK in 2018, compared to five in 2017. By contrast, there has been an upturn in the performance of the overall top 100.

Top 10 vs top 100 customer experience performance



Whilst fewer companies are providing outstanding experiences, the worst performers are slowly improving and there has been an uplift in performance of the lowest ranked brands. This results in a greater number of "average" performers - indicating less differentiation in the market generally.

Following the downturn of 2017, moderate progress has been made this year in the UK's performance across The Six Pillars. The most notable improvements have been made in the pillars of Expectations and Empathy. We're seeing more brands setting expectations at the outset for their customers, specifying time frames, keeping customers updated on progress and then delivering against the promises they've set.

We're also seeing organisations placing greater emphasis on Empathy, with more HR departments seeking this attribute in their recruitment, and greater focus being placed on the delivery of Empathy training, providing colleagues with the tools and guidance to put themselves in the customers' shoes and act authentically, rather than follow prescriptive scripts. Lush, John Lewis and Bupa are leaders when it comes to Empathy.

Six Pillar performance (2018 vs 2017)



+0.4%



+0.5%



+1.5%



+0.7%



+0.6%



















+1.5%

UK 2018 sector performance

From a sector perspective the picture remains fairly consistent from 2017. Retail, followed by financial services, remain the leaders, whilst utilities, logistics and the public sector continue to lag behind.

The greatest progress this year has been made by telecoms and entertainment and leisure – the telecoms sector has now overtaken travel and hotels to rank as the 6th best performing CX sector, driven by the performance of brands including giffgaff and Tesco Mobile.

UK sector	% difference in UK sector CEE score vs 2017		Sector performance vs UK average	UK 2018 sector ranking
Grocery retail		 +1%	+4%	1st
Non-grocery retail		 +1%	+3%	2nd
Financial services		0%	+2%	3rd
Restaurant and Fast Food		0%	+1%	4th
Entertainment and Leisure		 +3%	0%	5th
Telecoms		 +3%	-2%	6th
Travel and Hotels		0%	-3%	7th
Utilities		 +1%	-6%	8th
Logistics		 +1%	-7%	9th
Public sector		0%	-12%	10th











The biggest moving brands of 2018

2018 has seen marked movement for a number of brands, with 5 brands moving up 100 places or more in the last year alone: Direct Line, OVO Energy, Delta Airlines, Co-op Insurance and Royal London Group.

Of the 10 biggest movers, 5 are financial services organisations - and predominantly, insurers. This is reflective of the results of the *Customer Experience Excellence Centre's* recent global analysis, where we saw a number of insurers feature in the leading brands across the globe. Insurance providers are recognising that a strong customer experience is a key differentiator – it's no longer just about the policy, but also the process and the experience.

For the majority of the movers, Empathy and Expectations were the two most improved pillars. These brands are actively seeking to improve their customer experience by investing in programmes and propositions that encourage their staff to focus on the needs of the customer and think empathetically about the customer at every touch point.

These brands are actively seeking to improve their customer experience by investing in programmes and propositions that encourage their staff to focus on the needs of the customer and think empathetically about the customer at every touch point.

Brand		Rank movement 2018 vs 2017	CEE rank 2018
Direct Line		+138	65th
OVO Energy		+127	50th
Delta Air Lines		+120	87th
Co-op Insurance		+119	48th
Royal London Group		+100	47th
Legal & General		+76	78th
Holiday Inn		+74	37th
Zara		+71	80th
Barclays		+67	97th
The Body Shop		+55	20th



Defining the role of insight

The MRS sponsored study “Insights2020” finds that the most successful companies are the ones where research, data and analytics drive customer-centric decision-making across the entire business. This outlines a new model for insight professionals, where technical skills are only part of the capability needed to influence business change.

The leading firms show the way. Their ability to respond and shape customer needs is driven by an extraordinary closeness to the customer and a deep understanding of what is happening in their lives.

Insight is the lifeblood of customer centric organisations. Every part of the organisation is aligned to the insight management process of acquiring, understanding and actioning customer insight. It drives innovation, personalisation and experience design. Knowing their customer is their primary success factor. As a result, it is the most fundamental driver of their growth.

The future of insight will enable the organisation to predict changes in an individual customer's needs and equip the organisation with the wherewithal to interact with the customer before they even realise they have a requirement.

So, the challenge is how to elevate the role of insight professionals, the insight management process and turn the insight team into an engine of change.

Consequently we have looked at the specific tactics that visionary organisations use to enable their consumer insights specialists to infuse their companies with the consumer voice and how they are persuading their colleagues that doing so will ultimately drive business growth. We have also examined how the leaders of high performance organisations create a culture that values insights, coupled with the organisational commitments and processes to take action.

The prize is a significant one. The millions of customer evaluations from across 21 countries show that customer-centric companies consistently deliver Six Pillar experiences that delight and repeatedly engage their fans. They in return reward them with loyalty, recommendation and higher levels of spend.

The focus on insight sets these organisations apart. Yet for the majority of organisations insight is not a process but something conducted reactively by the insight department. The reality is that there is a fundamental problem in most businesses in how insight is used to drive change.

What is insight? Various definitions exist, The Institute of Direct Marketing blog describes it thus "a non-obvious understanding about your customers, which if acted upon, has the potential to change their behaviour for mutual benefit"

This is an interesting definition. Firstly, it is the observation that insight is non obvious that centres the problem. How is insight uncovered, validated and communicated if it is non obvious? Equally, how does this manifest in a world where our insights are

frequently unearthed by a machine (be it machine learning or algorithmic analysis) and actioned on a similar platform (such as marketing, sales or service automation)?

Secondly, the contention that insight must have a mutual benefit for both customer and the commercial returns for the organisation provides a basis for understanding how insight can be made more likely to be actioned. Unless insight is linked to some form of value (cost reduction and / or revenue increase) or the resolution of a pressing business issue, it is likely to be discarded by the wider business.

The problem many businesses face in operationalising insight lies in the fragmented nature of how insight is gathered and disseminated. The business solution lies in seeing insight management as a process. One that increasingly needs to be managed with the same level of care and attention across the people and technology that support it, as is given to other business critical processes.

Game changing insights are characterised by the following attributes:



Alignment

Clear linkage to the goals and strategy of the organisation



Business context

How and why it will make a difference



Occam's Razor

Be tightly described. As simple as it can be but no further



Relevance

Able to cut through the noise and be relevant to a specific stakeholder



Novelty

Tell a new and compelling story



Clarity

Be instantly understood



Technology

Use technology to monitor and surface market and customer signals

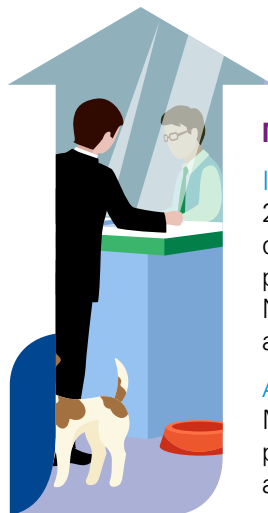


Be digitally enabled

Ensuring that insight generation is scalable and automated functions take the "heavy lifting" out, driving responsiveness and timeliness through rapid dissemination

Some “game changing” insights

Insights arise from up close observations of the consumer, observing their problems and concerns and then deducing how many consumers are likely to feel the same way.



Metro Bank

Insight

24% of the UK population own some 8.9 million dogs (Source: PDSA website). 19% of the population are young children (Source: Office of National Statistics). Often a family has both. Banks are not known as dog or child friendly places.

Action

Metro Bank provides free water and food for canine pets in each of its branches. Magic money machines and a kid zone keep children occupied.

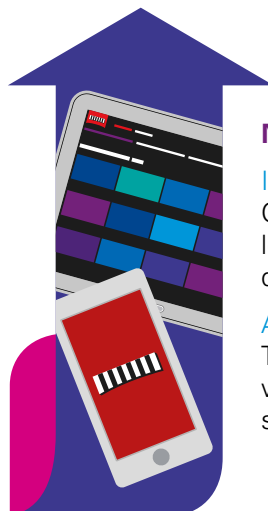
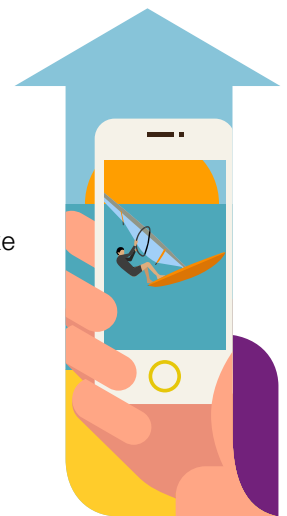
Three

Insight

Three noticed that data usage increased by 71 times when individuals were abroad on holiday as they posted holiday snaps on social media – we like to demonstrate we lead interesting lives. (Source: WARC, Three: Holiday Spam, 2015)

Action

Three launched the award winning, highly successful “holiday spam” advertising campaign that saw a 90% increase in social conversations involving Three.



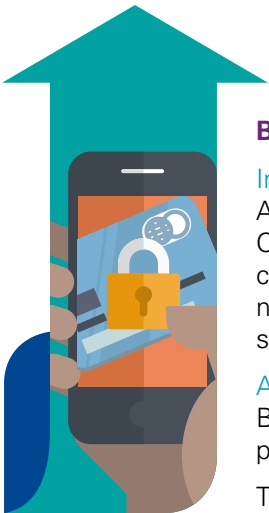
Netflix

Insight

Continually analysing customer viewing habits led Netflix to realise that customers valued high quality dramas.

Action

The result was a stream of hit shows that started with House of Cards. Netflix has quadrupled its subscriber base since 2012. (Source: Statista, 2018)



Barclays

Insight

A big area of consumer concern is when they lose (or mislay) their debit or credit cards. Consumers considered that Barclays had a very effective process that immediately cancelled the card when reported. However it meant that the customer had to wait for a new one. The insight was that some 15% of customers subsequently found the card – but still had to wait for a new card to be delivered to their home.

Action

Barclays introduced a hold function from its app enabling the card to be temporarily protected – this could be rescinded if the card was found.

The result was much higher customer satisfaction, reduced calls to the contact centre, reduced disruption for the customer and reduced costs in making and delivering new cards.

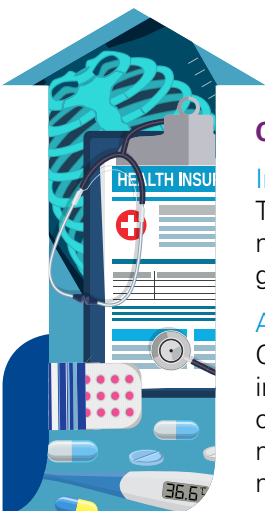
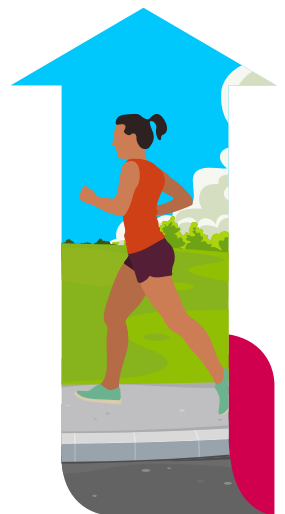
Nike

Insight

It is not just top athletes or record breakers that try and push their limits. “Everyday athletes” try and do so as well.

Action

The “Find your greatness” campaign launched during the 2012 Olympics. It encouraged everyone to excel as athletes regardless of ability, to “achieve your own defining moment of greatness”.



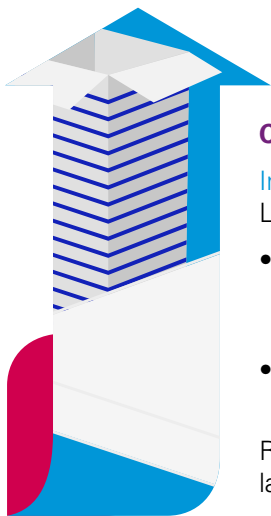
Co-op Insurance

Insight

Through analysing customer feedback Co-op Insurance became aware of a customer need that those with medical conditions could find it difficult to get travel insurance and go on holiday overseas.

Action

Co-op Insurance designed an innovative product based on this customer insight. This included insurance for all pre-existing medical conditions, access to a doctor (online or phone) anywhere and cash-less medical support so customers don't have to pay medical bills upfront. As a result, Co-op Insurance successfully entered the travel market with a disruptive product.



Casper

Insight

Launched in 2014, the Casper mattress was based on a series of insights:

- That people had different sleeping positions which required different mattresses was untrue – a myth – it is possible to develop exactly the right mattress for the majority of people in a single product.
- Buying a mattress was not viewed as a positive experience, with pushy sales people, high prices and confusing options.

Research showed that there were two materials customers value above others, foam and latex – combining the two made the ultimate mattress. (Source: Fast Company article, 2017)

Action

Casper launched a simple proposition: one mattress at an affordable price delivered straight to the customer's house. It makes one mattress, the best, so customers don't need to choose. There is a 100 night trial to ensure satisfaction.

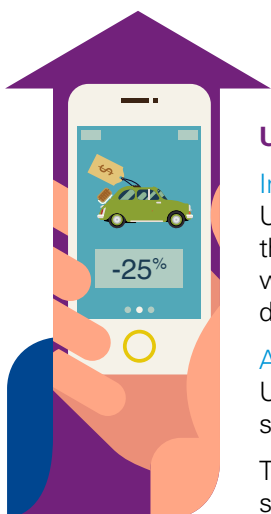
Monzo Bank

Insight

Prevention is the best cure. Mental health and money management intersect around gambling and debt. It affects roughly 0.8% of the UK population so circa 5,000 Monzo customers (Source: Monzo blog, Supporting people to self-exclude from gambling, 2018). A feature on the current account enables users to restrict or stop payments to betting shops so customers can self-exclude from gambling.

Action

Monzo can identify patterns in spending when someone has a gambling disorder and intervene to see how they can be best supported. There have been numerous case studies of the success of the programme.



USAA

Insight

USAA knew that the majority of its customers at some time or other bought a car. When the organisation discovered that many customers felt uncomfortable negotiating a discount with a dealer, transaction data was analysed and USAA was able to determine the sorts of discounts dealers would give.

Action

USAA made the discount that could be negotiated available through its car buying app and suggested the customer simply show it to the dealer.

The result is that the car buying app has made USAA one of the larger US car buying services.

The problem with insight

Study after study shows there is a gap between what the insight department produces and the organisation's ability to assimilate and act. Conversely, leading practices from this year's research show how outstanding insight professionals and their executives translate data into consistent competitive advantage.

In the face of digital transformation and market disruption, every business has been challenged to modernise traditional marketing research practices. Success has been mixed. In the mid-90s the market research department rebranded as "Customer Insight," however their techniques, capabilities and organisational position were still deeply rooted in the past way of doing things.

This was a past where quantity or volume of insights was a widely perceived strategic differentiator – large datasets accompanied by long reports. It was a time where technical skills were deep and focused on the craft of research, sometimes to the expense of wider business knowledge. Equally, it was a more stable, predictable era – unexposed to digital disruption – where customer-centricity was less of an organisational necessity. Today, things could not be more different.

This has left organisations, their insight teams and business leaders with three principle challenges:

01

Narrow insights, inconsistently organised

Many insight departments are still heavily focused on the observation of research rigour, sometimes instead of embracing new ways of integrating data sources.

02

Insufficient business direction or stakeholder persuasion

Often the net result is that these teams are unable to align insight to a deep understanding of business issues.

03

A leadership deaf to the customer's voice

The challenge is frequently cultural, with a leadership team insufficiently focused on the outcomes The Six Pillars describe.

"You can only have so much insight without action before people just get disillusioned."

Craig Donaldson
CEO, Metro Bank



Narrow insights, inconsistently organised

Many insight departments are still heavily focused on the observation of research rigour, sometimes at the expense of the quality of the insight generated and driving change through the organisation. Some remain principally focused on primary research, without consideration for the multitude of digital, social, behavioural, financial and operational signals that the world leaders' harness to drive change.

Often this lack of ownership has led to other parts of the organisation supplanting the insight team in curating a particular type of insight – for example, the digital team own the behavioural data, the PR team own the social data, the telephony team own the operational data. The organisation is diminished by fracturing of the customer into multiple functional lenses and associated data stores.

Data sources are often multiple and discordant, with various studies, platforms, data feeds, dashboards, APIs and norms accreted over time, rather than purposefully designed around business needs. The system of organisation is often similarly ad hoc, with web libraries gallantly presented as a unified digital front end on a largely analogue adhocracy.

Insight professionals spend an enormous amount of time collecting, curating and sifting through data – either to resolve discrepancies or meet some specific business request.



Insufficient business direction or stakeholder persuasion

Often the net result is that these teams are unable to align insight to a deep understanding of business issues, are unable to answer the “so what?” question based on the commercial implications of the data and are therefore ineffective at making clear recommendations to executives.

Where insights are presented to the business, they are often descriptive in nature, reporting “this is what consumers are saying”. They are insufficiently prescriptive (“this is what we need to do”), predictive (“this is what will happen as a consequence”) or economic (“this is the implication on retention/acquisitions/cross-sell/costs etc.”).

The ability of this team to focus, direct and persuade is limited, sometimes due to a lack of capability, often due to a lack of time or direction. This is reflected in surveys of senior stakeholders, where 70% were dissatisfied with the performance of the insight team, seeing them as behind the scenes collectors of data. Only 4% of insight managers concur with this view of their status. (Future of Insights, 2016)

Opportunities for using the consumer to behave and incite executives to action are sometimes missed. Customers are seen as data points or respondents, rather than engaging with them as partners. They issue reports rather than tell stories and rather than working with stakeholders to co-create insights, they expect stakeholders to interpret the insights themselves from labyrinthine documents.



A leadership deaf to the customer's voice

The problem with insight is seldom just one for the insight department, but compounded by the broader cultural and organisational dynamics. Even in organisations where insight is well organised, digitised and directional, it sometimes fails to drive growth.

The challenge is frequently cultural, with a leadership team insufficiently focused on the outcomes The Six Pillars describe. In most instances, the customer centricity of any given organisation can be evaluated by the profile of its insights. In the same way as our top 100 is populated by CEOs who view it as their role to ensure the customer is heard, the other 215 brands we examine are full of businesses where the executive prefers its own intuition or business judgment. Whilst the customer's voice may be loud and demanding, sometimes senior executives are not listening.

The reasons for this are many. In some sectors, regulatory pressures are perceived as of prime importance. Risk is held up as a reason to be cautious around how the customer is treated, with the business focused on "do no harm," at the expense of "do what is right." In other instances, there is an unspoken, unwritten

belief that customer experience is somehow anti-commercial, focused on spending and incurring cost, without proven value.

Customer experience professionals are sometimes to blame here. Misty eyed romanticism around delighting customers without a clear economic corollary has done the customer no favours. Equally, though, where good insights are provided, the organisation is sometimes simply without good decision-making processes, governance and prioritisation. The outcomes are the opposite of tightly run businesses, often with bloated change portfolios full of expensive pet projects carried out in the name of the customer. Whilst insight teams might provide foresight, the business is blinded.

For these reasons, insight is often a problem, perceived as a cost of doing business rather than an investment. At best, providing validation or justification for business decisions, rather than as a strategic driver to make those decisions.

Case study: Metro Bank

As a new entrant to the 2018 research, Metro Bank takes second place in its first appearance in the Customer Experience Excellence rankings. Formed in 2010, Metro Bank describes itself as a bank that is committed to making a difference and delivering a different type of banking for Britain (Source: Metro Bank website).

The *Customer Experience Excellence Centre* interviewed Craig Donaldson, CEO, to understand what makes Metro Bank's customer experience stand out. "At Metro Bank, customer experience is the heart. It's the ethos, it's the culture, it's everything we do. When we set up 10 years ago - and opened the doors 8 years ago - it was all about creating fans, because we believe that fans are the lifeblood of how you grow an organisation. We didn't want customers, because customers take a service from you, whereas fans engage with you. They'll tell you where you can be better, but they'll tell you because they want you to be better, not because they're complaining, they're engaging."

Hire for attitude, train for skills

Donaldson also highlighted the important role that colleagues play. "If we're going to create fans amongst customers we've got to start creating fans amongst our colleagues first, because our fans are the people who engage our customers. If you have fans at the heart - our colleagues - then by default you know your customers are going to be treated better. So we hire for attitude and train for skill. From a very early stage that's what we've done, when there were four of us nearly 10 years ago, to the 3,700 we are today"

Respondents to the research acknowledged Metro Bank's strong performance for the pillar of Empathy, a feature that Donaldson is proud of. "I'm very proud because I can't teach people Empathy. You've got it or you haven't. So for me it starts with recruiting the right people who fit the culture, give them the right training, get them comfortable in what they're doing and let them be themselves. Let them serve and look after customers the right way, by being who they are."

Application of insight

Customer insight plays an important role in driving growth for the bank. Alongside voice of the customer and voice of the colleague programmes, Donaldson places great importance on talking directly to the customers themselves. "I try and get out one day a week to our contact centres, operation centres or stores - I'll go and see customers. I call them mischief and mayhem tours because you learn and that's why it's mischief and mayhem. We've got to be humble enough to know we're not good enough and hungry enough to know we can be better. It's no good having a good insights team if you are not willing to learn and listen."

One of Metro Bank's innovations developed from customer insight is the ability to block and unblock a debit card instantly through a mobile app. Developed following a chat in store between a developer and a customer one evening who wasn't sure if she had lost her card or simply left it at home, Metro Bank became the first bank in the UK to provide this facility, as a result of listening to customers.

Donaldson cites not only the application of insight of crucial importance, but so too the willingness to accept the insight and do something about it. "I think a lot of companies fail not in the insight but in the willingness to do something. They almost get defensive and justify; and you can justify anything away but the bottom line is if that's what you're hearing, if that's what customers are telling you, that's the truth.

As CEO of the company my job is to make sure we listen and if we aren't listening I personally am at fault. I take my responsibility really seriously. So if you look in our stores, if you go on the website, you look at the address or the number to send complaints; it's directly to me. It's really important that everybody in the bank knows I take it seriously."

Innovation at Metro Bank

"We work with a lot of fintechs and tech companies to leverage their technology to bring it to life for our customers. Innovation curves used to be three to five years but they are three to six months now; so you want to be moving and constantly trying to work with the best and that's what we try and do.

"For example, in our stores we have something called "M Welcome" - a predictive queuing system. Using machine learning it works out how fast we can get to that customer and how long, if they are served by a certain staff member, it will take them to be served. So we can tell customers, accurate to within a minute, of how long they'll have to wait to be seen by a colleague who can fulfil what they need. It's leveraging technology to fulfil customer needs, so we can manage customer expectations better. Next we're looking into how we might be able to turn it so customers could have it on their app, so they could see how long they'll have to wait even before they come into a store."

Looking ahead to the future, Donaldson believes that "it's the company that can think about how to create fulfilment by leveraging technology and physical integration that will win"

"I think a lot of companies fail not in the insight but in the willingness to do something."

Craig Donaldson
CEO,
Metro Bank



Financial services

2nd

rank in
2018 of 315
brands



New to analysis

The Six Pillars:
scores vs industry
average



+10%



+9%



+15%



+11%



+7%



+16%



The insight ecosystem

The UK's best brands have overcome the problems explored in the previous section to use insight to underpin their customer centricity. When examined together, their success points to a best practice framework. We have called this the insight ecosystem.

The insight ecosystem captures the multiple different elements that play a role in compiling, managing and activating insight. It illustrates the role of the insight department: increasingly as the facilitators of the insight to action process. In its totality, the insight ecosystem is a best practice set of structures, people, and processes that translate empirical evidence into economic success.

The insight ecosystem operates on three levels:



Integrates data

Curating and organising data around defined business requirements. This includes acquiring insights from internal and external sources, including traditional research (e.g. feedback, surveys etc.) and digital sources (behavioural, social, operational etc.). This describes how data is organised and stored in a consolidated way, combined to meet business requirements and efficiently accessed.



Incites action

Using prescriptive analytics and business understanding to focus activities. The methodologies, analytical techniques and frameworks that are employed to guide the business to the right actions. This describes the insights team's capability to analyse, contextualise, persuade and influence.



Ignites growth

A culture and environment where insights are used to guide activity. From the right governance, through to "closing the loop" operationally to how change portfolios are strategically managed around customer requirements. This describes the organisational commitment to using insights in the right way.

The insight ecosystem is a logically designed set of connections and standards integrating each component in the insight value chain to meet stakeholder needs. In combination, it provides the orchestrated management of data, action and outcomes to address the challenges insight teams often face.

"Market research teams need to focus on creative delivery and inspiring others not death by data."

Jake Steadman

Director of International and Agency Research, Twitter

From problem to solution

The insight ecosystem includes the data sources, processes, workflows, analysis, action management and overall data management across the end-to-end process of surfacing an insight to actioning and improving. Leading companies are becoming experts at managing this process.

Current situation

Integrate data

- Multiple versions of the truth across separate data sources
- Stakeholders pick and choose a perspective to support a position
- Skewed towards online feedback and research studies - typically accreted over time with different measurement systems
- Principal driver curating lowest cost primary research
- Slow, manual and reactive
- Dashboards and PowerPoint
- Insights created by working outwards from data sources
- Mainly onshore, high total cost ownership

Incite action

- Insight teams predominantly market researchers and platforms experts
- Human time predominantly spent curating and reporting insight
- Descriptive reports and dashboards, occasionally stories
- Individual diagnostic frameworks and models for each data source/study
- No dominant decision making philosophy or business method
- Benchmarks from competitors used for internal comparison and reporting
- Ad hoc economic proof points: insights rarely quantified for financial impact (even loosely)
- Little integration of data into other systems, other than for storage/retrieval

Ignite growth

- Insight is something the insight department publishes
- Insight teams focused on achieving greater executive visibility
- Actions not linked to governance and decision making processes
- Total universe of customer-focused change/change portfolio not connected to insights
- Actions and outcomes are not tracked
- Insights departmental relevant - not C-Suite relevant

Customer centric solution

Integrate data

- Technology supported synthesis of multiple internal and external sources
- Single version of the truth, with integrated data for a full view of every issue
- Purposeful, blended combination of survey, digital, social, behavioural, operational and financial signals
- Principal driver curating business requirements to shape more effective data use
- Rapid, automated and anticipatory
- Range of automated decision support tools and visualisations
- Insights created by working inwards from customer and business requirements
- Onshore and offshore, to reduce cost of ownership

Incite action

- Insight teams incorporate research, data science, advanced analytics, development opportunities and business change skills
- Human time predominantly spent designing and planning action
- Prescriptive - occasionally predictive - insights to highlight actions
- Population of a unified framework, utilising journey, relationship and touchpoint prioritisation coupled with unstructured data
- Single decision making philosophy guides actions at all levels
- Challenging cross-sector best practices used to incite action and develop improvements
- CFO-credible customer insights with line of sight to retention, acquisition, value and cost to serve
- Relevant data fed into centralised lake and onto marketing/sales/service decision making systems

Ignite growth

- Insight is a strategic differentiator for the whole business
- Executives focused on obtaining greater customer insights
- Clear governance, with monitoring of implementation and outcomes at each framework level
- Change portfolio rationalised and focused using insights
- Fully closed loop process for tracking the improvements and outcomes from key actions
- Insight a C-Suite imperative

Benefits of insight ecosystem management

Benefits



Connectivity not contradiction across insight sources



Significantly enhanced diagnostics and granularity



Faster, more targeted servicing of stakeholder needs



Free up insight resource to focus on business activation



Facebook



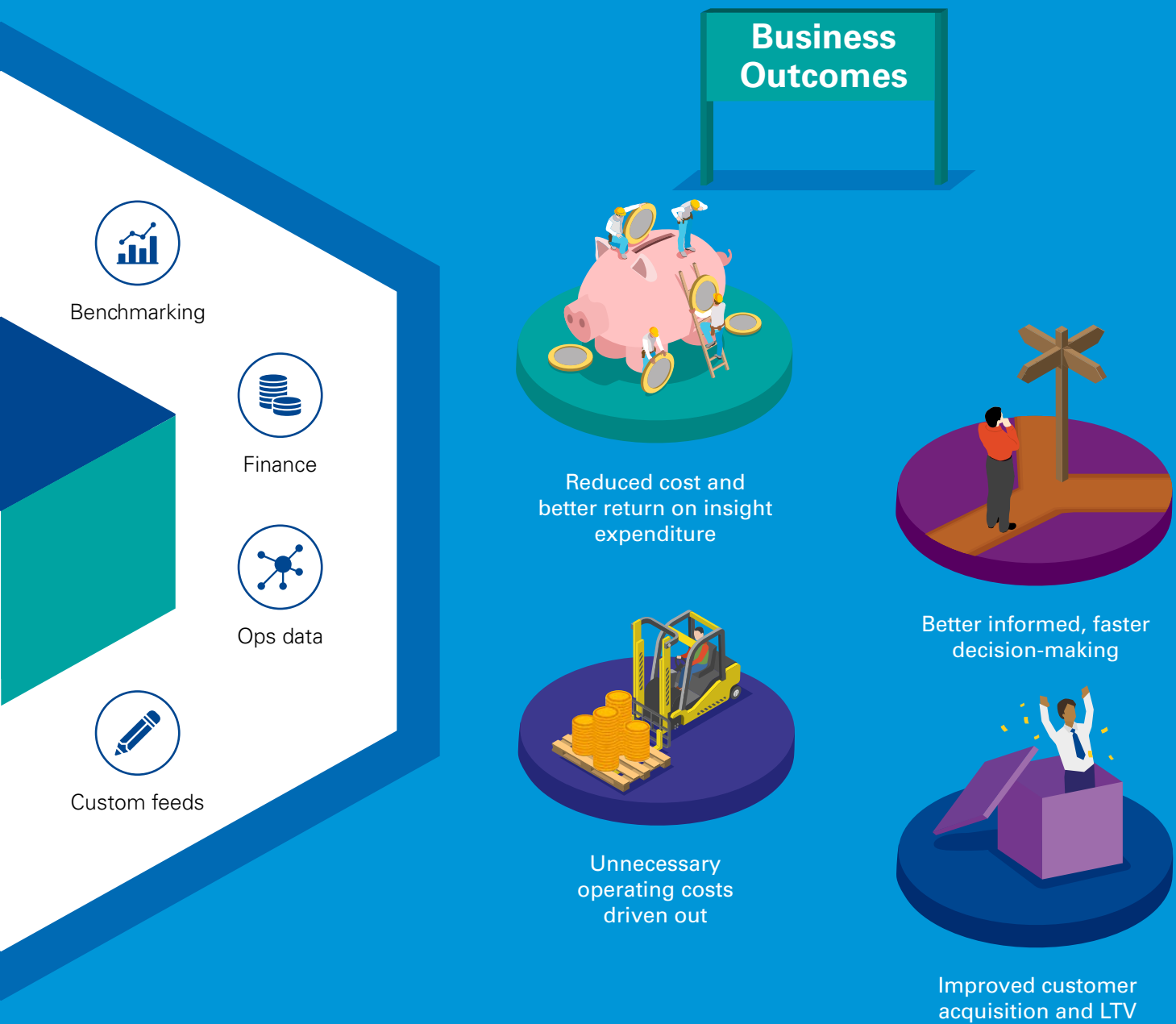
Twitter



Adobe



Feedback





Integrate data

This is about seeing the world as the customer sees it. Traditional methods are being supplemented by new ways of obtaining deep customer insight. For example, when the NHS wanted to understand the patient experience in A&E they attached a camera to the patient's head and saw, heard and vicariously experienced every aspect from the patient's perspective.

The world's best firms are integrating data from multiple sources, linking both qualitative and quantitative insights to create the foundations of a superior decision making capability.

Dell has a large insight centre that constantly monitors data sources dedicated to surfacing insight often from social media. It powers the company's influencer and marketing programmes as well as product design.

first direct fuses both qualitative and quantitative data to better understand how to connect more effectively with millennials.

The NHS systematically integrates data from surveys, internal data and qualitative research into a single view of the experience from a patient's perspective.

Voice of the customer programmes are increasingly being augmented with internal data and information from multiple sources. British Airways, for example, links multiple different market research and data sources into a single view organised around the customer journey.

It is this single view of the customer that drives coherence and action, preventing individual departments from selecting their market research data that backs their view of the world.

What each of these firms has in common is that they are experts in managing the process of moving from insight to impact using a single version of the truth and, in so doing, achieve a competitive edge.

“Customer data is coming from all parts of the organisation now and the challenge is how it gets integrated.”

Jane Frost
CEO, MRS

Integrating quantitative and qualitative data



EDF Employee insight

EDF realises that many insights are available from its thousands of employees who touch customers every day. These insights are fed into its “Blue Labs” innovation facility where they are moved quickly from insight to implementation. “Our mantra is we’re not innovating unless we’re implementing”.

One recent innovation was based on the insight that customers often called about their energy usage but had no idea what was driving it. The adviser would ask several questions around appliances, heating etc. which was a lengthy process. Based on employee insight, a self-serve energy calculator is now being made available to customers. This removes calls, reduces cost and improves the customer experience.



Aegon CX observatory

Aegon has an insight observatory in its CX Lab comprising a bespoke room in Aegon’s UK headquarters with a set of plasma screens, a journey mapping area and UX eye-tracking capabilities.

Ongoing feedback from web intercept and web surveys is constantly available. Text analytics is applied to multiple sources of insight to help understand customer sentiment and help to drill down into the performance of key categories.

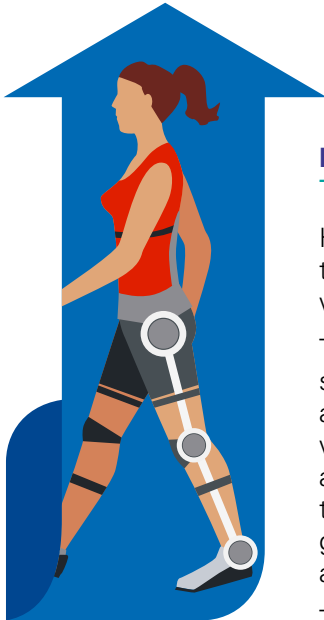
Ian O’Connor, Head of CX Insight at Aegon explains that “we knew that to listen to and act on their feedback would require more than just the NPS survey.

“We created different dashboards for different parts of the business, mainly to make sure everyone understands they have a survey score and what they need to do to improve it.” (Source: Aegon blog, How Aegon closes the customer feedback loop, 2018)

Every employee has instant access to feedback and opinions from a wide network of customers, staff and financial advisors.

Innovation

Traditional research techniques are being joined by exciting methods of experiencing the world as a customer as the following case studies demonstrate:

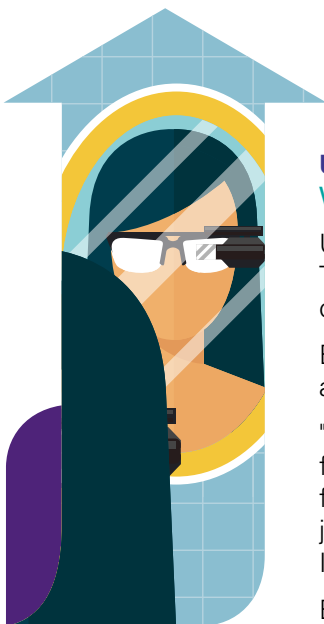


Ford Third Age Suit

Henry Ford once remarked “If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own.”

This is a mantra Ford Motor Company still practices today. It has come up with something called the “Third Age Suit” to help its design engineers - most of whom are under 40 - grasp the needs of ageing drivers. The outfit adds about 30 years to the wearer's age by stiffening the knees, elbows, ankles and wrists. It also adds material at the waist - a rotund stomach affects people's ability to sit easily - and it has gloves that reduce the sense of touch. Ford's designers also have to wear yellow scratched goggles to find out what it is like to have cataracts and headphones to test sounds and warnings in case of hearing loss.

The exercise has been hugely successful. Thanks to the Third Age Suit, the company's cars are now easier for everyone to get in and out of; their seat belts are more comfortable to wear; glare has been reduced; and the controls are more readable and reachable.



Unilever Wearable tech

Unilever uses wearable tech to capture customers using its products at home. This enables them to see if what customers do matches what they say they do. It captures videos of customers using products in real time.

By leveraging such pioneering research techniques, Unilever can deliver a truly alternative set of insights about customer habits. They describe it thus:

“We've been using Likert scales, focus groups, and many of the same methodologies for 40 years now. If you use the same methods over and over – even if they're fantastic methods – you're going to get similar insights. We find things that are just not captured by traditional methods.” Marie Wolfe, Global Director of Research Innovation, Unilever. (Source: WARC, New Face of Consumer Insights, 2016)

By attempting to innovate in a consistent and structured way brands can keep pace with the changing preferences of their target audience.

Case study: Nationwide Building Society

Nationwide continues to feature in the top 20 for Customer Experience Excellence for the third consecutive year. The building society has 15 million members and strives to constantly put those members first (Source: Nationwide website).

James Powell, Senior Manager for the Member Voice, Marketing and Engagement Community at Nationwide credits the organisation's mutual status and the resulting member focused culture for its continued success. "As a mutual we make decisions that are designed to benefit both existing and future members. Our members' best interests are at the heart of what we do as a business and the reason we exist, valuing and maximising member outcomes first is part of the culture."

Investments to drive Resolution and Empathy

The building society scores highly for the pillars of Resolution and Empathy when compared to their financial services peers. Powell believes that emotional resonance is key to this, and it's something that is fundamental to Nationwide. "Many employees are members themselves and there is a philosophy of treating others as one would wish to be treated – it's a genuine heartfelt belief to do the right thing for members, in the right way." If a process or a system has a malfunction, staff will go out of their way to deliver what are often cited by customers as "heroic" levels of service. Every day, heroic employee actions are heralded and celebrated across the business.

Nationwide continues to reinvest in the business for the benefit of its current and future members and has just announced that over the next five years it will invest an additional £1.3 billion, taking its total investment to £4.1 billion over this period. This will be used to introduce new products and services, simplify the IT infrastructure and develop innovative new technology for our members and colleagues. All of which will help improve the customer experience over the next few years.

"We have recently invested in the two pillars respondents to the research recognise we stand out for" states Powell. "Firstly, getting it right first time, ensuring that customers only need to contact us once and are confident their query will be answered or issue resolved upon first contact. Secondly, we have focused on the quality of the conversations we have with customers through a programme called "skilful conversations", ensuring we listen carefully and empathetically and are as helpful as possible so we leave the member feeling good about the interaction they have had."

Elevation of the insight department

The insight department has played an important role in Nationwide's ongoing customer experience excellence. "The member insight lens informs both strategy direction and proposition development. The Voice of the Member programme brings the members' voice into the organisation in an independent way, highlighting examples of great service as well as emphasising where there are issues and challenges. We are seeing a growing desire for insight across the organisation, along with a growing requirement to understand the 'why' as well as the 'what'. It is no longer enough to simply record what has happened; we also need to understand what drove that situation. It is about delivering actionable foresight, not just monitoring hindsight."

As a result, the insight team at Nationwide is becoming more forward looking and predictive. From Powell's perspective, "the insight department is now seen as more strategic and more influential and it is incumbent on us to steer the organisation as to where it should go next, identify where customer needs are moving to and help the business meet those needs in the most appropriate way. It is crucial we understand the mechanics of the business so we can be clear on the type of action that needs to be taken. It means being more proactive and less reactive."

Innovative practices

Nationwide's insight department is constantly seeking new ways to improve customer understanding.

"A while ago we mocked up a customer house to help employees put themselves in the shoes of the customer, mentally and physically. More recently we've adopted more targeted approaches to understanding customers' needs through a new attitudinal lens, and we are thinking about propositional development by investigating both the emotional and functional jobs that people are trying to achieve in their lives.

"In addition, our Innovation and Venturing teams are supporting the business by embedding innovative thinking and integrating venturing capabilities (both Fintech investments and partnering) which will define the future of our industry for the benefit of our members," says Powell.

The future

Powell believes there are two dimensions to the evolution of the role of customer insight over the next five years. "Firstly, there will be more of the same but faster. Every facet of business is accelerating and it is becoming ever more competitive with new challengers and existing players constantly innovating. Overall it will be a more demanding and difficult competitive landscape, one where relevant insight will be even more important in gaining a competitive edge.

"Secondly, we will increasingly turn to technology to help with enhanced insight generation – advanced data analytics, AI and machine learning will create more and more "auto-populated insight" where machines combine big data with small data with analytics and conventional research to provide customer insight which will drive real time decisioning tools to increasingly personalise the experience."

"The insight department is now seen as more strategic and more influential and it is incumbent on us to steer the organisation as to where it should go next."

James Powell

Senior Manager, Member Voice, Nationwide Building Society



Financial services

13th

rank in
2018 of 315
brands

The Six Pillars:
scores vs industry
average



+5%



+7%



+7%



+8%



+7%



+9%

Integrate: analyse

Having troves of data is of little value in itself. What increasingly separates the winners from the losers is the ability to transform data into insights about consumers' motivations and to turn those insights into action. Firms might know their customers – but do they really understand them?

The quantity of data problem is growing. Each day there are 3.5 billion internet searches and 2.5 quintillion bytes of data are created on the web. The opportunity to understand the customer has never been greater but neither has the complexity of sifting through all this data to reach this understanding.

Central to making sense of data and driving actionable understanding are frameworks. We have observed a number of frameworks that are critical to relevant insight generation:

The measurement framework

The measurement framework is the mechanism by which multiple different data sources are integrated and aligned. The measurement framework integrates multiple data sources and measurement approaches to make sense of the voice of the customer. At its most mature it links the day to day experience being delivered at each touchpoint, with the impact this has on the overall customer relationship to predict the resultant financial outcomes.

Leading organisations are rapidly embracing this new insight paradigm – anchoring primary research with social, operational and financial data in order to support the needs of multiple different stakeholders in making data led decisions designed to improve the customer experience, create value and realise operational efficiencies.

Inputs

Market Layer

Monitors competitive and regulatory landscape to inform corporate strategy.

Relationship Layer

Highlights strategic customer priorities linked to value creation and identifies the relative importance of key CX levers spanning Brand, Product and Journey Experience.

Journey Layer

Guides operating model and organisational design and serves up prescriptive insights spanning the full customer lifecycle.

Touchpoint Layer

Provides immediate multi-channel feedback for tactical resolution.

Data integration

Integration of financial, commercial, social and other sources of management information across all layers of the insight ecosystem to build a powerful and commercially relevant decision making framework.

CX Measurement Layers

Outputs



Commercial opportunities

Competitive positioning, seizing market opportunities and identifying unmet customer needs.

NPS (example KPI)



Commercial opportunities

Priorities to unlock value driving behaviours e.g. retention, upsell, cross-sell, acquisition etc.

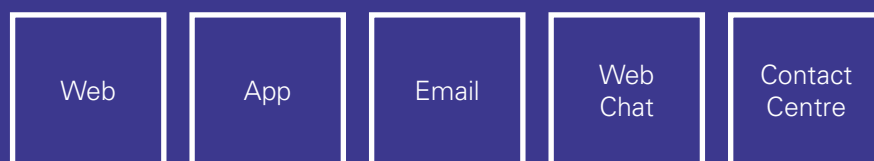
CSAT (example KPI)



Lifecycle priorities

Clarity on CX performance across each journey stage in the customer lifecycle.

EASE (example KPI)



Channel priorities

Real time feedback across channels in the context of each journey stage.

Case study: NHS

The NHS has moved up 79 places over the past two years, systematically improving across each of The Six Pillars. The NHS England website cites taking local and strategic action based on the interpretation of multiple sources of insight as key drivers of their approach.

Insight

"Listening to patients' experiences of their care - and to the views of the NHS staff who provide it - plays a crucial part in delivering services that are safe, effective and continuously improving.

"Insight does not come from a single source: from a single survey, patient story, focus group or public meeting. It's about using a combination of sources to understand a number of different issues and then to ask: "How do we use what we've found out – positive and negative – to improve the quality of every patient's experience?"

"Insight can tell things that other performance data cannot, particularly about how people feel about hugely important issues such as dignity, compassion and respect." (Source: NHS England website)

National Insight Network

NHS England has a network of people interested in insight work across the NHS to improve awareness, information sharing and expertise. There are a number of approaches employed to gather insights from patients, including patient surveys, the Friends and Family test (FFT) and Patient Reported Outcomes Measures (PROMs).

Patient surveys

The NHS was the first health system to launch national patient surveys. Every year more than 2.25 million people are invited to share their experiences of care and treatment by the NHS through a variety of patient surveys, such as the GP Patient Survey and the Cancer Patient Experience Survey. The results of these patient surveys are published online so they can be accessed and used by healthcare providers, commissioners of services, voluntary organisations, patient groups and individuals.

In addition to the patient surveys, NHS England also administers the NHS Staff Survey, which surveys the full range of NHS staff on an annual basis. With almost three-quarters of a million people taking part and 13 years of data, this provides information on a range of care and organisational issues.

The NHS also works with the Care Quality Commission, who survey patients using a number of services, including inpatient and outpatient services, ambulance services and maternity services.

Friends and Family Test

The Friends and Family Test (FFT) is a simple survey which identifies whether a patient would recommend the service to others. Such a short survey results in a high response rate and the NHS routinely gathers over a million pieces of patient feedback from this survey every month.

Patient Reported Outcomes Measures (PROMs)

Further patient insights are gathered by the NHS through Patient Reported Outcomes Measures (PROMs). This research assesses the results from the patient's perspective of those undergoing elective inpatient surgery for common elective procedures – hip or knee replacement, varicose vein surgery or groin hernia surgery.

Patients are surveyed before and after their operations to assess improvement in health. The data is broken down to trust level to allow both positive and negative “outliers” to be identified.

Local insight work

“Local organisations supplement the nationally-coordinated data collections with a wide range of insight-gathering activities designed to help them understand their patient populations, their experiences, outcomes and needs. There are huge amounts of qualitative data being collected across the system whether from focus groups or via Twitter.”

(Source: NHS England website)

Insight does not come from a single source: from a single survey, patient story, focus group or public meeting. It's about using a combination of sources to understand a number of different issues. And then to ask: “How do we use what we've found out – positive and negative – to improve the quality of every patient's experience?”

NHS England website



Public sector

64th

rank in 2018 of 315 brands



25

places from 2017

The Six Pillars:
scores vs industry average



+18%



+21%



+21%



+17%



+17%



+30%

Customer profiles, personas and events

The continual enrichment of customer personas drive deep customer understanding. Personas are characters that represent various segments of your customer base. They contain in-depth information such as demographics, sources of influence, motivators, average income and so on. This information is then used to inform marketing campaigns.

Commonly collected demographic characteristics include:



Commonly collected personal information can include:



Occasion / event based segmentation

Traditional forms of segmentation are now being supplemented with “occasion” or “circumstance” based segmentation. This recognises that regardless of demographics, individuals enter a customer journey based on a trigger that relates to their circumstances.

The trigger is often in anticipation of an “event” or an “occasion” where, through understanding the customer’s circumstances, the event experience can be made highly personalised.

Retailers such as M&S have become adept at “occasion” based merchandising (e.g. dine in meals for two), on-line shopping retailer QVC equally understands the events that their customers plan for (e.g. girls night out) and the types of purchases they will make as a consequence.

Insight driven innovation, a needs and wants innovation framework

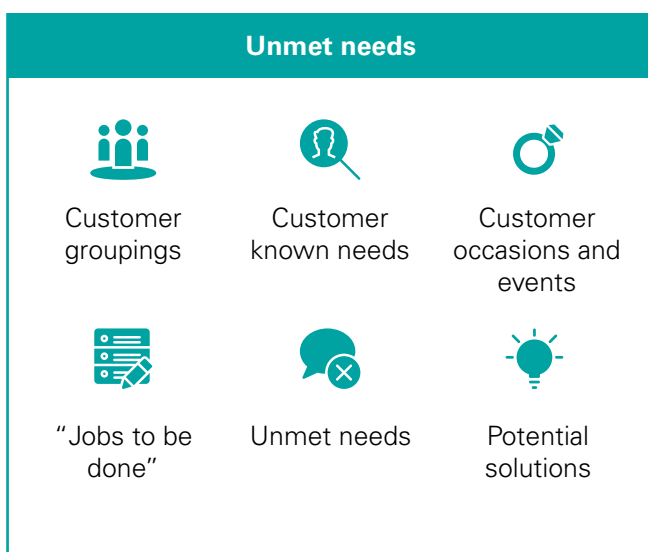
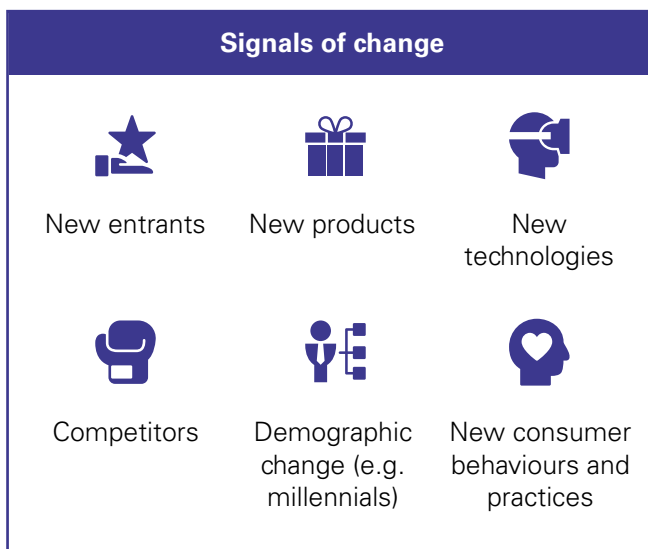
Insight driven innovation frameworks capture both signals of change and latent, unmet, customer needs.

Change drives opportunity - new technologies, techniques and approaches all can be fuelled by customer insight.

Signals can be negative positive, both or neither. What is important is being able to detect the signals and then evaluate their impact.

Unmet needs are increasingly being surfaced through the "Jobs to be done" methodology which in turn is informed by the circumstances, events and occasions analysis.

Insight framework



The role of insight: The White Company

Mary Homer
CEO,
The White Company

Starting life as a mail-order company some 24 years ago, The White Company has since grown into a multi-channel, international business. As the business has evolved, so too has its approach to understanding the customer. The prominence that is placed on insight within the business is a crucial element in its success.

The White Company CEO, Mary Homer, is incredibly connected to the organisation's customer insight department, recognising their role as "the heartbeat of the organisation as they have all the data, insight and research to truly know our customers. We are a very data rich organisation and this department is crucial to us genuinely understanding our customer and delivering a customer first approach."

With the arrival of Homer as CEO a year ago, The White Company has invested heavily in insight and the department itself has evolved significantly. "We've brought together all elements of insight, analytics, research and data into one centre of excellence. I also commissioned a huge piece of work on customer segmentation which has been an invaluable investment. It has added so much richness to what we know about our customers and has really been embraced by the whole business."

For Homer, insight is the key enabler to driving organisational change. "Starting life as a direct business means we've always been data driven and the nature of our store experience means we know our customers better than most. As we continue to grow these facets will remain fundamental."

Looking to the future, Homer believes that customer insight will only become more important in the coming years. "I think we'll see even more connected customer experiences as store and digital journeys converge further. Being relevant is essential and insight gives us the power to be our most relevant."

Big data and analytics

Vast quantities of low cost storage has unlocked the world of big data. The ability to store data in the format within which it was created enables users to access original information for analytical purposes.

Consequently much is discussed on the role of big data and potentially the use of AI to surface hidden insights. The reality is that the technology is not yet able to sift through vast quantities of data and make decisions on what is relevant or not. Scientists suggest that we are some years away from that being a reality.

The central issue with big data is that 80% of it is unstructured and streamed; it is blogs, emails, social, posts, news etc. Until the technology is able to parse this data you have to know where to look.

The key feature of big data isn't so much that there's lots of it as that most of it is a by-product of things like routine operating systems and consumers' social media conversations. Often it's messy – on various legacy systems, with incompatible formats, lots of missing values and so on. Integrating all this to provide a rounded picture of customers is a big, never-ending task, but it's central to the new, more ambitious role of the customer insight team.

Customer journey analytics

More and more, firms are increasing their analytic focus on customer journeys. Journey analytics is a new form of analysis that combines both quantitative and qualitative data to understand consumer behaviours and motivations across touchpoints over time.

It enables analysts to achieve a deep understanding of customer activities at different stages of the journey and provides rich insights as to how the journey can be improved to both deliver a better experience for the customer and also improve the commercial returns for the organisation, by removing unnecessary costs and finding opportunities to increase revenues.

Some of the leading retailers obsess about customer journey analytics. They are constantly looking to innovate, removing obstacles for the customer and improving the quality of the experience by making each journey easier to navigate to a successful conclusion.

Analytics also enable the organisation to intercept the customer when needed with something of value. For example, next issue avoidance or next best action technologies enable contextual engagement with the customer, increasing personalisation and relevance.

Event stream processing (ESP)

The first manifestation of machine learning based pattern recognition across multiple streams of real time data is likely to arrive with the introduction of event stream processing. Using different data sources, the technology looks to combine specific signals into an insight that a specific event has occurred or is likely to occur.

In the US the firm USAA has built its customer communications strategy around the life events that affect its customers. They are using early versions of ESP to identify when specific life events are likely to arise in an individual customer's life, based on a number of cues from different sources. As they describe it "we used to work hard to understand when customers had experienced a life event, now, with a high degree of certainty, we are able to predict when a customer is going into a life event and we tailor our communications and contact programme accordingly"

“Technology, the rise of social media, the 24/7 consumer having more access to more information than ever before, more customer touchpoints and all the data means the lines between traditional organisational structures have been blurred and companies need to adapt the structure to accommodate this new flexible environment, allowing departments to work cross functionally.”

The Chartered Institute of Marketing

The role of insight: British Gas

Paul de Laat

Data, Insight and Customer Value
Management Director, British Gas

For the insight department at the UK's largest energy and home services company, British Gas, their mission statement is to put Customer and Data at the heart of decision making. Head of Customer Research & Insight, Debra Walmsley, is passionate about making insight a key element in the business' strategy. "What we want to be doing is not on the periphery. We want to be in the heart. We want to be informing decisions that actually matter to the business."

The Data, Insight and Customer Value Management Director, Paul de Laat, aspires to "ensure Customer Insight is at the heart of all decision-making. Insight needs to be the start and end of all decision making and I'd like that to be happening all the way up to the top layer of the organisation, where the temptation is high to make decisions purely on a financial basis." Customer Centricity is a main theme for the organisation, de Laat recounts the emphasis that they place on what that really means and how they leverage insight and analytics to make it crystal clear for the organisation what's good for customers and what needs to change.

The goal is to be able to commercialise the value of insight, as Walmsley describes. "We need to be able to demonstrate value to the business in a very commercial way, so that we can partner with stakeholders within the business to drive change. So we are building a model incorporating customer, operational and financial data which will enable us to understand the impact of different changes from a customer and commercial perspective and identify areas to prioritise. It will enable us to put forward business cases and track the results, for the customer and for the business. That's when you can really get into the heart of the business because you're able to have a conversation with stakeholders with a solid commercial basis."

A prime example of insight being used to drive innovation and improve customer experience is the introduction of British Gas' Rewards loyalty programme. De Laat notes that "this was completely based on

Debra Walmsley

Head of Customer Research and Insight,
British Gas

insight gathered from our existing customers and has proven to be very popular. Not only has it improved the customer experience, we've seen a significant reduction in churn amongst those who are part of the programme, along with increased engagement in what typically is a low interest, low engagement sector. They're interacting with the Rewards programme, and with us."

Echoing Walmsley's point around the insight department being on a journey to foster a culture of insight across the organisation, De Laat recounts how the team has changed in recent years. "The insight department (including the wider insight, analytics and data functions) is no longer on the periphery and is now much more central to the decision-making processes. I wouldn't say we have an equal voice at the table just yet, we are still mainly providing valued input, but Insight is much more central than it has ever been."

The Insight team at British Gas use a number of different approaches to communicate to the business and drive customer understanding, as Walmsley describes.

"From the introduction of an insight portal to provide everyone in the organisation with access to all of our insight and customer recommendations, to customer closeness sessions for the leadership team and wider departments, even Espresso sessions with customers (quick customer shots), these tools are all aimed at helping our colleagues to think customer first."

Looking to the future, Walmsley believes that the role of insight will evolve with the rise of AI, technology and analytics making data collection and insight identification much simpler. "The insight team can't just stop with saying "there you go, there's the insight." Instead, the focus is on working with the stakeholders, driving action, being in the governance processes and getting in to where the decisions are being made. Ultimately, what is required going forward is the ability to communicate in a really compelling way to partner stakeholders within the business to drive change."



| Incite action

It is a difficult time for decision makers. Swelling stockpiles of data, advanced analytics, and intelligent algorithms are providing organisations with powerful new inputs and methods for making all manner of decisions.

If the insight team is to ensure that insight will be acted upon it needs to tell a compelling story, be significant, be decision centric and map to a specific stakeholder or stakeholder group.

Decision targeting is the key way to embed insight and analytics in an organisation. So insights need to be routed towards stakeholders in line with the decisions they take.

Decisions fall into three areas. The level of information required for each will vary:

01

Large scale decisions

These infrequent and high-risk decisions have the potential to shape the future of the company. Likely to be taken in a forum.

02

Cross-departmental decisions

These are frequent and can be high-risk decisions, a series of small, interconnected decisions need to be made by different groups - where this is facilitated by meetings or forums it is about the right input at the right time. Where there is no forum it requires a collaborative, end-to-end decision process.

03

Ad hoc decisions

Infrequent, low-stakes decisions made by individual, often senior stakeholders.

“A valid, actionable insight achieves nothing unless it reaches the relevant decision makers and they act on it.”

Patrick Barwise

Emeritus Professor of Management and Marketing, London Business School

Decision centric insight management - large scale

For insight to be decision centric it requires a clear view of where in the organisation decisions are taken, the forums involved and the individuals that participate.



Board member

Insight support for decisions

1. Know if we are meeting our KPI targets this month
2. If not, what areas need to be improved
3. See what customers are saying about these issues
4. Be aware of what initiatives we have in place to close gaps. Know who owns which initiative
5. Have an overview of customer insight, combining all data sources



Department head

Insight support for decisions

1. Know if we are meeting our KPI targets this month
2. Understand what drives our KPIs
3. And how this varies by different customer groups
4. Have access to themed customer verbatim by journey and touchpoint
5. Have an overview of customer insight, with required actions

Influencing factors

Problems

Issues on current agenda

Particip

Decision with c

Priorities

Most pressing issues

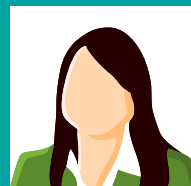




Strategy and Innovation

Insight support for decisions

1. Know who owns which insight and where to find it
2. Be able to find the information I need, myself
3. Have access to a consistent interpretation of insight
4. Know if a product or service is financially sustainable
5. Know if a journey has been fixed when we put new initiatives in place
6. Track brand/NPS to see the overall effect of everything we do



Operations

Insight support for decisions

1. Have real time access to touchpoint CSAT/NPS data
2. Where relevant, see this by agent level and/or journey level
3. Where relevant, group by call centre, region, web page
4. See what customers are saying, both themed and verbatim
5. Be able to manage issues via a closed loop system

Decision centric insight management - ongoing insight

Critically, day to day decisions can have a big impact on the customer. Understanding these decisions and who takes them enables proactive dissemination of insight to the right departments and individuals.



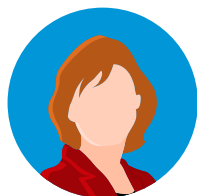
Board member

High level dashboard of performance vs target. Plus regular summary of customer insight, brought to life.



Customer facing channels

Touchpoint NPS data allowing closed loop.



Departmental head

High level dashboard of performance vs target, plus the ability to drill down by customer groups.



Insight team

Hands-on access to all survey data, ideally combined with operational data and cost to serve to facilitate financial impact analysis.



Strategy and innovation

Competitor, customer and market trends to allow planning for future growth and brand strength. Plus agile insight into new propositions and pricing.



Analytics

Hands-on access to all operational data, cost-to-serve and ideally survey data.



Operations

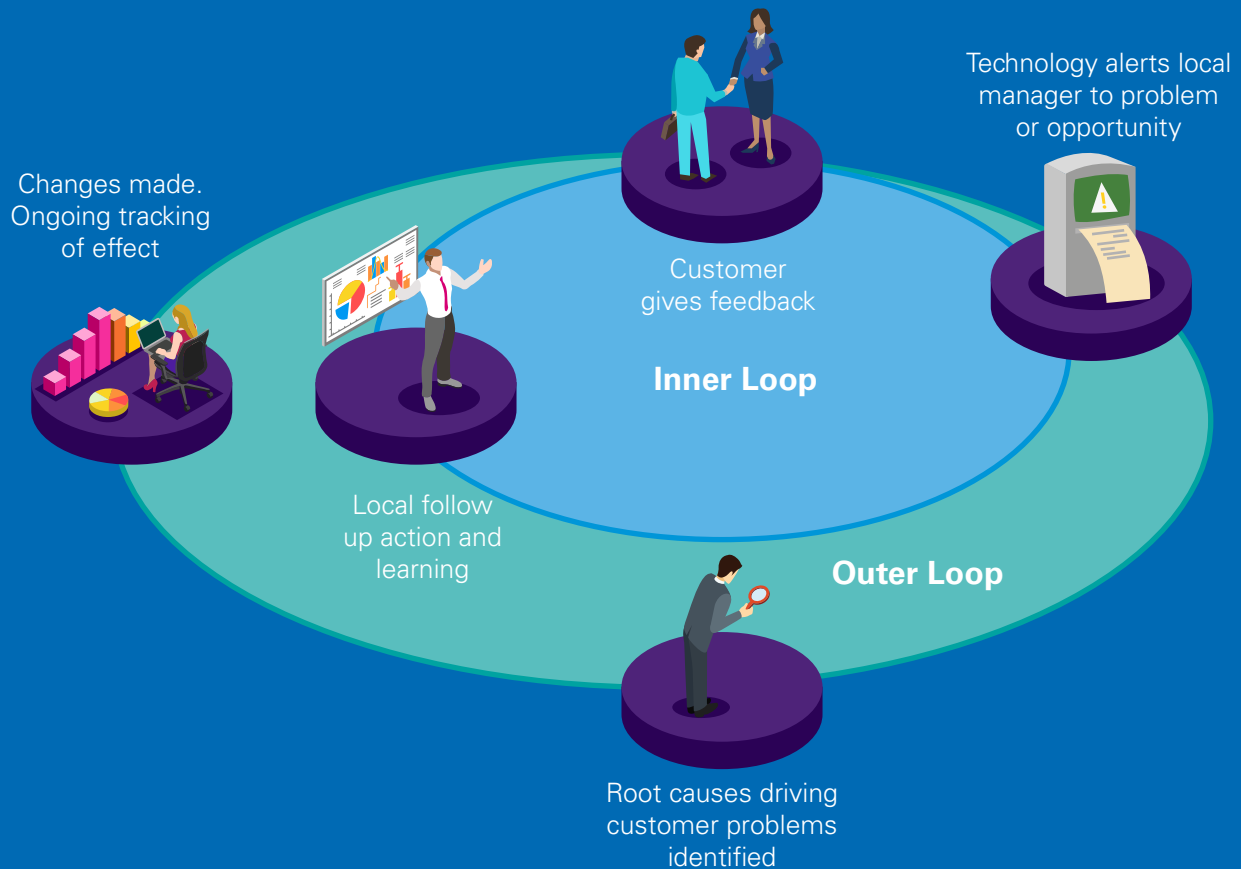
High level insight into customer needs. Ongoing tracking of journey and touchpoint NPS. Plus ability to track performance of specific initiatives, both operational and customer vs targets.

Closing the loop - customer recovery

Large scale customer satisfaction or NPS programmes operate at two levels, the trigger being the provision of feedback by the customer.

The inner loop which operates at the local level is focused on customer recovery and learning and improvement. Negative feedback prompts the local team to re-contact the customer and address the issue. Speaking to the customer enables the team to see the issue from the customer's perspective and gives insight as to how to effect local improvements. It has the effect of improving the customer culture amongst local teams.

At the strategic level the outer loop enables central staff teams to identify the systemic issues experienced by multiple customers and, using root cause analysis, diagnose the issue and develop solutions. The continual monitoring of feedback then enables the central teams to monitor the effectiveness of those solutions.



Case study: Co-op Insurance

Co-op Insurance has been recognised as one of the biggest moving brands in the 2018 Customer Experience Excellence top 100, moving up 119 places in the last year to rank 48th - one of only three insurers in the top 50.

Gary Hueting, Chief Operating Officer at Co-op Insurance is proud of this success. "We've put a huge amount of work into transforming the customer experience we offer in the last three years. Indeed, we've put customer experience right at the heart of an operational transformation programme and a wider programme we've been running. So we've invested in everything we do, ensuring we're putting customer at the heart of it - and then training that out and improving the experience for our customers."

Investing in the customer experience

Andrew Archibald, Head of Customer Experience at Co-op Insurance, whose role was created three years ago as part of the business' desire to become more customer focused, describes the investments that have been made across technology, colleagues and insights. "The investments we've made in our customer experience over the last 18 months have been across all key fronts. Investing in our digital technology, our insights capability, and also in our colleagues, which is ultimately one of the most important things we can do. Not only investing in frontline colleagues, but importantly, all colleagues involved in the product and digital customer experience spaces to enhance their skills and to make sure that they've got the knowledge and the right approach to really understand what customers want so that we can then deliver it. These are skills that are needed to deliver change in the organisation. Over the last three years I wouldn't underestimate the amount of time and effort from all colleagues to make this central to what we do."

The role of insight in driving change for the organisation

From Archibald's perspective, the role of the insight department is central to how the Co-op Insurance business runs. "A couple of years ago it was probably an undernourished, underappreciated unit but now we have a new customer survey system that gives us great insight along all touch points of a customer's journey. But it's not just about touchpoints, we also make sure we conduct journey research and brand research to understand how people feel about the brand and to understand the drivers of each experience and the underlying emotions for customers, so we know what's really important and what makes a real difference to our customers."

As a result, insight has driven change across numerous areas of the experience. Hueting describes one of many examples. "There are literally hundreds of examples where insight has driven innovation for the benefit of our customers. One example is our bereavement process. We found that our customers thought we weren't listening and that we were clunky in the way we would deal with what is a time of great difficulty for our customers. So we looked through the whole process and we worked with our colleagues in Funeralcare to give empathy

training, enabling us to approach the process differently. As a result, we reduced the time to deal with these queries and questions by 70% and reduced complaints by 80%.”

The importance of Resolution

As one of The Six Pillars of customer experience excellence, Resolution is a crucial element and its importance is recognised by Co-op Insurance, as Hueting describes. “Unfortunately, like all organisations from time to time we get things wrong. The really important thing to do is to listen when you get it wrong, and then act on it. So we’ve done a lot of training across all aspects of our operations to make sure that when a customer is not happy, we record and capture it. We then put in place a whole system to look at the root causes behind those complaints and deal with each of those, putting in improvements. For example, we now have a continuous improvement team, and we systemically look to improve not just the things which cause the most complaints but also the things which are maybe less frequent but simply feel wrong or cause emotional stress to our customers.”

The commercial benefits of customer experience success

Hueting identifies a clear link between a positive experience for the customer and commercial success. “It’s my belief that there is a win win - a win for customer experience but also a win commercially. For example, most customers don’t really want to spend their time calling insurance companies to discuss their policy. So if you can have one efficient, effective conversation where you don’t need to call back and you don’t need to correct things, that’s great from a customer point of view but it’s also great from an efficiency point of view. We’ve seen huge efficiency gains in what we’ve done as an organisation. We’ve taken out 25% of our operational workforce to deliver a much improved customer experience and we’ve done that without any significant technology investment.

“I embrace the digital revolution but it’s not just about technology; focusing on what’s really important to the customer is brilliant from an efficiency point of view for your organisation, as well as increasing loyalty and advocacy.”

“There are literally hundreds of examples where insight has driven innovation for the benefit of our customers.”

Gary Hueting

Chief Operating Officer, Co-op Insurance



Financial services

48th

rank in 2018 of 315 brands



119 places from 2017

The Six Pillars:
scores vs industry average



+2%



+4%



+5%



+3%



+2%



+8%



Ignite growth

“Measurement is the first step that leads to control and eventually to improvement. If you can’t measure something you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it you can’t improve it.”

H. James Harrington
Business Process Improvement

Insight is a C-suite imperative

For senior executives in leading companies insight is not about keeping score it is about evaluating performance to drive growth.

Every Monday senior representatives from across Nationwide Building Society meet to discuss the operational performance of the Society and review progress from the previous week. At every meeting there is feedback from colleagues who serve members and as a result, decisions are made for the benefit of the whole Society.

This is systematic evaluation, they evaluate what has worked, what hasn't worked, what progress has been made on key improvements and what they need to do as next steps.

A leading telecoms company also follows a similar process. Again, each Monday the executive team reviews the NPS results from the previous week, evaluating, adjusting and setting out improvements.

In these organisations the role of measurement and improvement is led from the top and role modelled for the rest of the organisation.

We live increasingly in an "agile" real-time world. As firms move more to experimentation and iterative heuristic development, "failing fast" has become a key factor.

New techniques are emerging that use "in process real time measurement" to monitor progress and drive rapid response and improvement.

Improve and grow

The KPMG Nunwood Six Pillars are the secret to improvement. Our research shows that The Six Pillars are how customers evaluate the experience they are having - consequently they are highly predictive of future behaviour.

Our most recent global report (Tomorrow's experience, today) highlighted the global hall of fame, those companies that are the exemplars when it comes to The Six Pillars.

We have long held the view that when faced with a problem it is highly likely that someone somewhere in the world has encountered that problem before and how they have tackled it will be both instructive and directional.

The global hall of fame

The following are the world leaders from our hall of fame in our Global Customer Experience Excellence report (Tomorrow's experience, today). These are the companies we can learn from, as the master practitioners of The Six Pillars of customer experience.



Australia

Singapore Airlines



China

Alipay



Denmark

Topdanmark



France

MAIF



India

Taj Hotels Resorts and Palaces



Italy

Apple Store



Luxembourg

Ernst & Young



Mexico

Marriott



Netherlands

Lush



New Zealand

Farmlands Co-operative



Norway

KLP



UAE

Emirates



UK

QVC UK



USA

Navy Federal Credit Union

Leveraging pillar excellence

The following are the “golden rules”, the key source of improvement for organisations seeking to dramatically improve the experience they are delivering to their customers.



Personalisation

PERSONAL ALIGN

1. Greet me
2. Show me you know me
3. Recognise our history together
4. Make me competent
5. Surprise me with something relevant
6. Understand my needs and circumstances
7. Individualise what you do



Expectations

EXPECTATION

1. Set my expectations accurately
2. Agree timings with me
3. Respond more quickly than I anticipate
4. Use plain English - no jargon
5. Fulfil or exceed your promises
6. Guide me through the process
7. Provide information openly and honestly



Integrity

INTEGRITY

1. Stand for something more than profit
2. Demonstrably act in my best interest
3. Show concern for me as a person
4. Do what you say you will
5. Keep me informed
6. Be competent
7. Be likeable



Resolution

RESOLUTION

1. Assume my innocence - see my point of view
2. A warm welcome and sincere apology
3. Own the resolution - fix with urgency
4. Surprise me in how well you fix my issue
5. Go the extra mile if required
6. Give me options going forward

The role of insight: Volvo Car UK

Nicola Langley

Customer Experience Manager,
Volvo Car UK

Well established as a leader in the automotive industry, Volvo Car UK has made great strides towards improving its understanding of the customer through insight. “We want to talk more with our customers, so we’re aiming for more than five million direct consumer relationships by the middle of the next decade.” (Source: Volvo Car UK website)

Innovation at Volvo Car UK can be attributed to its insight-driven culture. Nicola Langley, in the newly appointed role of Customer Experience Manager, celebrates the organisation’s status as “one that really does embody the importance of insight and listening to our customers, not just through the global customer experience programme we operate, but through the activities that we run as well. For example, we recently hosted a brand event for all our retailers, designed to bring the brand and customer to life by identifying the factors that motivate and matter to them.”

The insight team is seen as an indispensable area of the business, with Langley recognising that “they aren’t just seen as people who produce statistics and numbers, but are there to help understand what the insight is telling them and, more importantly, to drive action.”

Demonstrating its commitment to driving improvements in the customer experience insight arena, Volvo Car UK has invested heavily in resources, tools and technology to help propel its success. “We’ve also invested in a platform which helps analyse customers’ feedback and draw out sentiments, sitting alongside our global programme. So we are continuing with the well-established programme we have, but we recognise that there are things we can do to take that forward and develop it further.”

Taking a step ahead of traditional research approaches, Volvo Car UK is “picking up on topics and trends that we would not necessarily have seen if we just focused on our standard approach.” Therefore, an important lesson through insight, as Langley notes, is that “customer experience isn’t just those big-ticket items; it can be the smallest of details that customers will notice.” This is why Volvo Car UK constantly looks to directly engage with its customers, and thereafter share its learnings and best practices with its retailers.

Looking to the future, Langley is excited about the direction in which Volvo Car UK is moving. “We are looking at how we can gain insight proactively from our customers and how we can pull that all together in a meaningful way that can drive action for the organisation, rather than just collecting data.”



Case study: IHG

A number of brands from IHG's portfolio have been recognised as high performers in our UK Customer Experience Excellence research this year: InterContinental Hotels and Resorts has featured in the UK research for the first year, ranking 15th out of 315 brands, Holiday Inn Express ranks 18th (up 23 places from last year) and Holiday Inn ranks 37th (up 74 places from last year).

We spoke to Brian McGuinness, Senior Vice President, Global Guest Experience at IHG to discuss the firm's success.

"IHG is in the business of hospitality, so customer experience – or guest experience as we refer to it - is at the heart of everything we do. Unlike many other industries, we have the unique opportunity to offer rich customer interaction at multiple touchpoints across the guest journey, over a prolonged period of time (a night or 14, a meal, a meeting), with a personalised experience based on data. And if we do it right, we get to do this again and again for guests as they return multiple times.

IHG franchises, manages or owns more than 5,400 hotels (810,000 guest rooms) in almost 100 countries across 15 brands. We recognise that our people are the critical piece of the puzzle here. Our hotels' teams play a crucial role in bringing our brands to life, doing so to a consistently high standard and delivering each brand promise. So our service culture and the training to embed it, is centred around encouraging each team member to bring our preferred brands to life.

InterContinental Hotels & Resorts offers more authentic experiences

As one of the world's largest luxury hotel brands, InterContinental Hotels & Resorts has been pioneering luxury travel for over 70 years and our service hallmarks reflect that. In the last 18 months, every single InterContinental colleague has undergone additional training, ranging from brand orientation through to Standard Operating Procedures, and this is all underpinned by an emphasis on delivering exceptional interactions throughout the guest journey.

In the luxury space there's now a deep expectation for more authentic travel experiences - the InterContinental guest wants to be a traveller, not a tourist, which means seeking experiences that can't be found in a guide book and interacting with the local community. To reflect this, we offer services such as our hotel Insider Experiences which showcase the extraordinary relationship between our hotels and the cities in which they are located. For example, at InterContinental Bordeaux we provide guests with exclusive access to the most prestigious vineyards of Bordeaux through our unique Wine Concierge Service.

Transformation across the Holiday Inn brand family

As one of the most recognisable hotel brands in the world, Holiday Inn has been championing the joy of travel for more than 65 years, with value for all travellers (including guests staying with us for business travel), and a heritage of focusing on families still core to the guest proposition. Across the Holiday Inn brand family we're undergoing the biggest transformation in 20 years, building on the memories many of our guests have of the brand, but ensuring it is relevant for today's traveller.

Part of this has included introducing our Next Generation concept across our Holiday Inn Express estate in Europe. The concept is based on consumer insight, with room features such as smart TVs for guests to stream media from their own device and beds with in-built USB and power sockets. Hotels with Next Generation features have seen guest satisfaction levels increase by an average of 8 points (Source: IHG Research).

Additionally, we're continuing to focus on restaurants and bars across our brands, underlined by a strategy designed to improve our dining reputation, drive guest satisfaction and deliver guest preference. More people eat with us than sleep with us (each year IHG hosts 37 million guests in our restaurants and bars globally) and concepts such as our Open Lobby design across the Holiday Inn estate have also played a big role in increasing the time guests spend in our restaurants and bars and boosting guest satisfaction levels.

Investment in training and technology

Over the past year we've made big investments in our team training programmes and implemented a number of enhancements across all our brands. A key focus has been how we use technology to provide a superior guest experience. We've implemented IHG connect, a seamless Wi-Fi logon process designed to make it even easier for our guests to stay connected, while mobile check-out is now live in almost 3000 hotels, with 90% of guests reporting an improved check-out experience.

We know our guests are seeking more 'choice' and we are continuing to invest in technology to deliver this. For example, our IHG Concerto tool, which comprises our new Guest Reservation System, is being rolled out across the estate. Future versions of the technology will feature enhanced personalisation capabilities, such as the ability to select the location of your room and the floor you're on. This is a prime example of how insights can enable us to define the needs of our guests, and technology can be applied to enable those needs.

At IHG everything begins with insights. We create, buy and evolve brands based on insights - understanding the needs of our guests is really at the core of everything we do. IHG has recently taken a step in bringing together all colleagues who drive our data and powerful insights in to one dedicated team of insights and analytics experts who bridge all business functions and help us to engage consumers beyond metrics."

"At IHG everything begins with insights. We create, buy and evolve brands based on insights."

Brian McGuinness

Senior Vice President, Global Guest Experience, IHG



Travel and
hotels

InterContinental Hotels and Resorts

15th rank in
2018 of 315
brands

★ New to 2018
analysis

Holiday Inn Express

18th rank in
2018 of 315
brands

⌚ 23 places from
2017

Holiday Inn

37th rank in
2018 of 315
brands

⌚ 74 places from
2017



The future of insight

Tomorrow's insight driven organisation

Organisations will need to be able to manage and react to customer insight in real time, which requires new, more agile operating models. It requires insight departments that manage the insight ecosystem and the deployment of insight across the organisation and a new breed of insight professional: more extrovert, more challenging and more consultative.

The new technologies such as voice to text, real-time sentiment analysis and intention prediction will demand a constant stream of customer data which needs to be organised, made sense of and acted upon.

Increasingly the unit of analysis and the vehicle for implementation of insight driven contact will be the customer journey. Firms will have to learn how to manage and utilise the insight generated and consumed by these innovations across the customer journey.

Gartner estimates that by 2020, more than three-quarters of retail customer interactions will be handled by AI agents. (Source: Information Age article, How Tesco is using AI to gain customer insight, 2017) Intelligent interactions, that is, customer interactions managed by smart bots aided by AI and machine learning, will demand deep levels of customer knowledge. These technical developments have the potential to enhance the customer experience, increase efficiencies and reduce costs.

Increasingly AI support will augment the service offered by live agents and provide instant insight into an individual customer's intentions, sentiment and future potential needs.

Virtual assistants will help define predictive, proactive experiences and trigger the necessary conversations during interactions.

Major banks and financial institutions are early adopters of virtual assistant and chatbots. At Bank of America, "Erica" is being trialled to augment experiences, NatWest is trialling "Cora" in branches, Capital One uses "Eno" online and HSBC has introduced "Amy", a virtual assistant platform to its customers.

These technologies both consume and create insight. Leading insight teams are having to learn how to manage both of these elements.

The role of insight: O2 (Telefónica UK)

Sandra Fazackerley

Director of Customer Experience,
O2 (Telefónica UK)

As one of the largest mobile network providers in the UK, O2 (Telefónica UK) focuses on embedding insight into all its decision making. According to Sandra Fazackerley, Director of Customer Experience, insight is ingrained in the culture of O2 through the organisation's strategy of 'Customer Led, Mobile First'. "We've used customer needs insight to inform the definition of customer led and, as a result, developed our customer experience principles which we have rolled out across the whole organisation to drive a customer centric culture. We've reached over 4,000 of our circa 6,000 employees - both customer facing and non-customer facing - to train them on these principles and how to apply them to their roles."

The importance of instilling an insight focus across the organisation, as Fazackerley notes, is that "everyone should have a responsibility to build their plans on data-driven insight, so anything that is presented to the leadership team is positioned through the customer insight lens. Accountability sits with our CMO but our leadership team are all fully committed to insight led strategy and planning."

Over recent years, Fazackerley reports that the role of the insight team has become more visible and impactful. "With a multi-skilled team of insight professionals spanning brand, product and proposition, consumer and business customer research, market and competitor analysis and future trends, the department is seen as an enabling function who provide specialist support to the business."

Customer understanding and performance at O2 is optimised through a blended capability model. "We have our own lab, data, analytics and research team which we complement with specialist agency resource. We have also rolled out a new training module called 'Way of Insight' to the whole team. This is already changing the way we approach proposition development, hypotheses testing and innovation."

With the rapid growth of artificial intelligence (AI), the Internet of Things (IoT) and emerging technologies, Fazackerley recognises that the sources and capabilities to deliver data-driven insight will change in future. Nevertheless, "what is important is to maintain the focus on the role of insight in shaping customer experience in its broadest sense. Whatever the source or capability, listening to consumer needs, pre-empting them, personalising experiences and exceeding their expectations is our priority."

The use of technology for insight

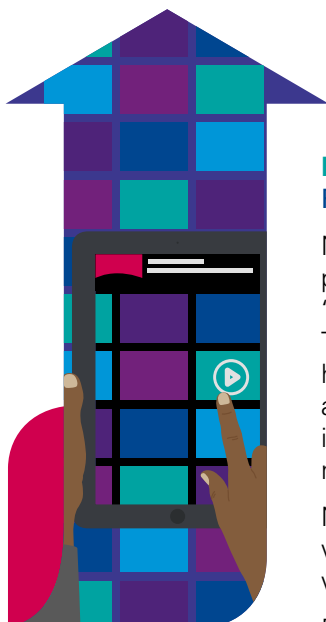
These technologies both consume and create insight. Leading insight teams are having to learn how to manage both of these.



IntelligentX Brewery AI beer

London-based IntelligentX brewery, founded by former Oxford University machine-learning PhD Rob McInerney and Huw Leith, a former M&C Saatchi director, has developed a range of beers which use feedback to adapt the recipe according to reinforcement learning and Bayesian optimisation system.

"After you've tried one of our four bottled conditioned beers, you can tell our AI what you think of it, via our online feedback system. This data is then used by our algorithm to brew the next batch. Because our AI is constantly reacting to user feedback, we can brew beer that matches what you want, more quickly than anyone else can. That means we get more data and you get a better, fresher beer." (Source: Raconteur, Future of Food and Beverage, 2017).

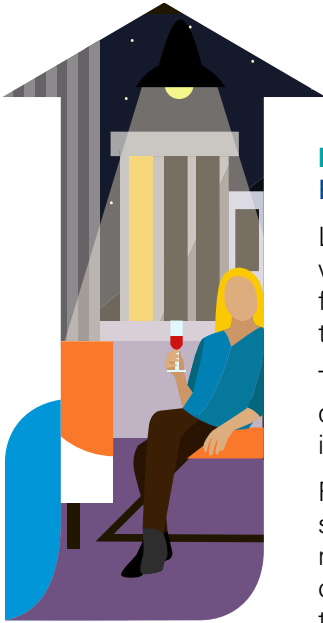


Netflix Personalising content through algorithms

Netflix combines continually evolving algorithms and data to recommend personalised content to each of its subscribers. Netflix can find an individual viewer's 'doppelgänger', someone who watches a particular combination of programming. The titles that a 'doppelgänger' has viewed are analysed and any that the individual has not watched are then suggested to them. This sort of Personalisation is always iterating and is being continuously refined. So much so that Netflix is now investigating artificial intelligence to improve Personalisation using 'deep learning', a method of organising content to reflect how the brain works.

Netflix has changed the mental model of consumers. From watching one episode a week to being accustomed to watching the whole series at once, creating the 'binge watch' culture and rewiring the way a consumer thinks of watching TV.

By using technology to listen to customer needs and act upon them, Netflix is at the forefront of innovation. These innovations include the recent launch of interactive TV shows, enabling viewers to choose their own adventure and make decisions for their favourite character (Source: Forbes website).



Livit Business intelligence by AI

Livit is one of the largest restaurant design firms in the world, with more than 13,000 restaurants in 43 countries. In 2017, the firm decided to open their own restaurant - 1889 in Stockholm - to act as a test restaurant to demonstrate concepts to clients.

The company utilises the data it collects from a number of different sources at the test restaurant to develop actionable insights to drive sales through the use of integrated technology.

From over 1.8 million transactions and 120,000 customer surveys, Livit has been able to gather a wealth of data inputs, ranging from data from customers' phones (even without customers' phones being connected to the store's WiFi network, they can measure the number of people in the restaurant through the number of active mobile phones inside), data on the weather, data regarding local events in the city and data from the POS system.

All these data inputs are used to better understand customer behaviour. Livit refers to it as "business intelligence by AI"

The insights uncovered include:

- Unfamiliar but on-brand music makes customers linger longer and purchase higher-margin products.
- Dynamic volume control can be used in combination with the number of people live in the store (based on the number of active mobile phones) to change the playlist to create a certain "energy" – music with higher RPMs and volume during peak hours to increase turnover, and less so during non-peak hours to encourage lingering.
- Artificial scents can be used in different ways to impact sales. For example, the smell of fresh basil boosts sales on Mondays and Tuesdays when people are less inclined to buy pizza, and warm, cosy, luxury scents will increase pizza sales on weekends (salad sales went up 13 points overnight when they tried this). (Source: Restaurant Spaces, Michael P Owens)

Case study: Zara

Fashion retailer Zara, part of the Inditex Group, ranks 80th in this year's Customer Experience Excellence index and is recognised as one of the biggest moving brands of 2018, having moved up 71 places in the last year.

Inditex's Customer department believes that Zara's strong CX performance is the result of a deeply rooted business culture, built on a single premise: listening to its customers. "Our decision making process is based on the feedback shared by our online and bricks and mortar store customers. Our commercial teams rely on this information to support the design and manufacture of products, to make the right products available for customers at the right time.

"Since its origins, Zara has placed the customer at the heart of its business model, ensuring that it is continuously listening to and meeting customer needs. The agility required to meet these demands would not be possible without the integrity and flexibility at every stage of the chain: design, production, logistics, stores and online.

"The premise of listening to customers has remained constant throughout the years and our business model has continually updated technology, logistics, and distribution capabilities along the way in order to achieve customer satisfaction, which is our obsession."

Investment and innovation to drive CX

Inditex's Customer department says it continually focuses on CX.

"Whether we are designing, manufacturing, or distributing our products, we are always looking at how our operations can improve customer service and the quality of the customer experience – while honouring the sustainability commitments that our customers have come to expect from us. Through listening to feedback, analysing real-time sales data, making short production runs, and investing in state-of-the art logistics we can pinpoint and meet customer needs, allowing us to refresh our stores with new styles twice a week.

"Agility and precision behind the scenes is only half the story. How we respond to customer needs face-to-face and online is just as important. Every morning in every store, our teams discuss how they can serve customers better, and they take part in comprehensive training programmes centred on enhancing customer relations. Investment of more than €1.5 billion in new technologies has led to some outstanding customer-focused innovations.

"For example, Radio Frequency Identification (RFID), which is now available across Zara's entire store base, allows staff to help customers find items instantly in-store, nearby or online. It also speeds up stocktaking by 80%, freeing up time for better customer care."

Other customer advances being trialled by Zara include:

- Integrated stock management which enables customers' online orders to be fulfilled, both from store warehouses or online stockrooms, helping to shorten delivery times and enhance customer service.

- Value-added customer services such as same-day delivery, currently offered in a number of large cities across the world.
- All sales assistants are equipped with digital devices to check stock availability in store, in stockrooms, in transit or even online to provide a seamless experience to the customer when in store.
- Self-checkout processes, making the payment process easier and faster for customers.
- Interactive fitting rooms, in which customers can check stock availability, request new colours, sizes or ask for personal shopper advice through a tablet device located in the fitting room, as well as get tips on how to combine fashion items with a 'match with' option.
- A fitting room queuing app that allows the customer to book for a fitting room in advance to avoid any queuing.

The role of the insight department

Inditex's Customer department believes that insight plays a vital role in the organisation's CX success. "The insight team is at the heart of the decision making process of this company. With the aim of gaining a better understanding of our requirements, Inditex has developed an integrated model of online and bricks and mortar stores, allowing us to keep an ongoing dialogue with customers. This integration is integral in serving our customers however they want to shop.

"Our designers, online and bricks and mortar stores, customer service teams, logistics and IT staff and the over 170,000 people who are part of Inditex, work daily with the same goal: to understand our customers' needs and offer them products in the most convenient and most sustainable way possible.

"Thanks to innovation and new technologies, we have been able to gather, share and provide a structure to this raw data, perfecting it over the years. The Group has invested over €1.5 billion on logistics and technological updates over the past few years. Thanks to our business model, we can design, manufacture and put new products on the market within a three week period."

"The insight team is at the heart of the decision making process of this company."

Inditex's Customer department



Non-grocery
retail

80th

rank in
2018 of 315
brands



71

places
from 2017

The Six Pillars:
scores vs industry
average



+0%



+2%



+3%



+0%



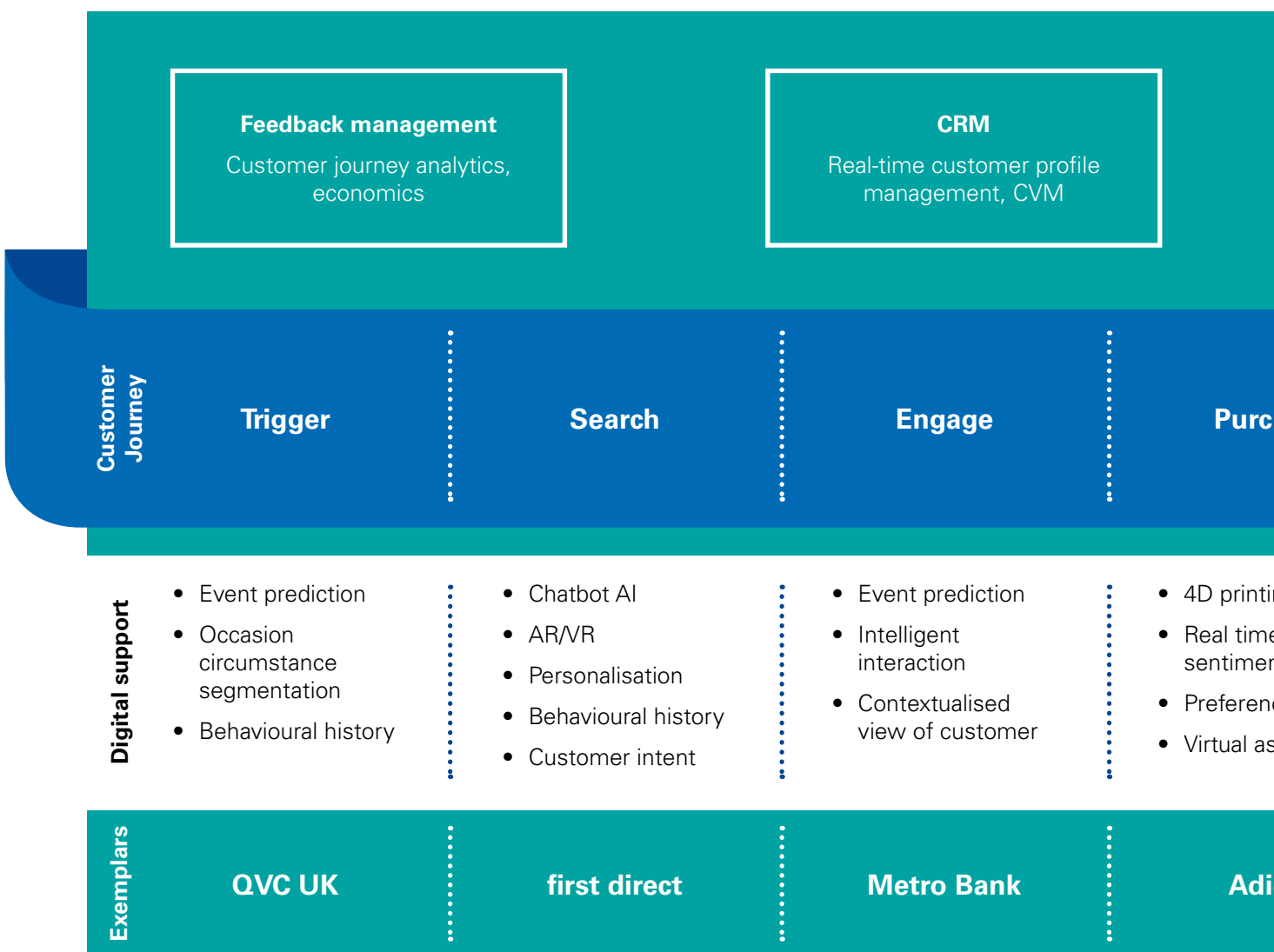
+0%



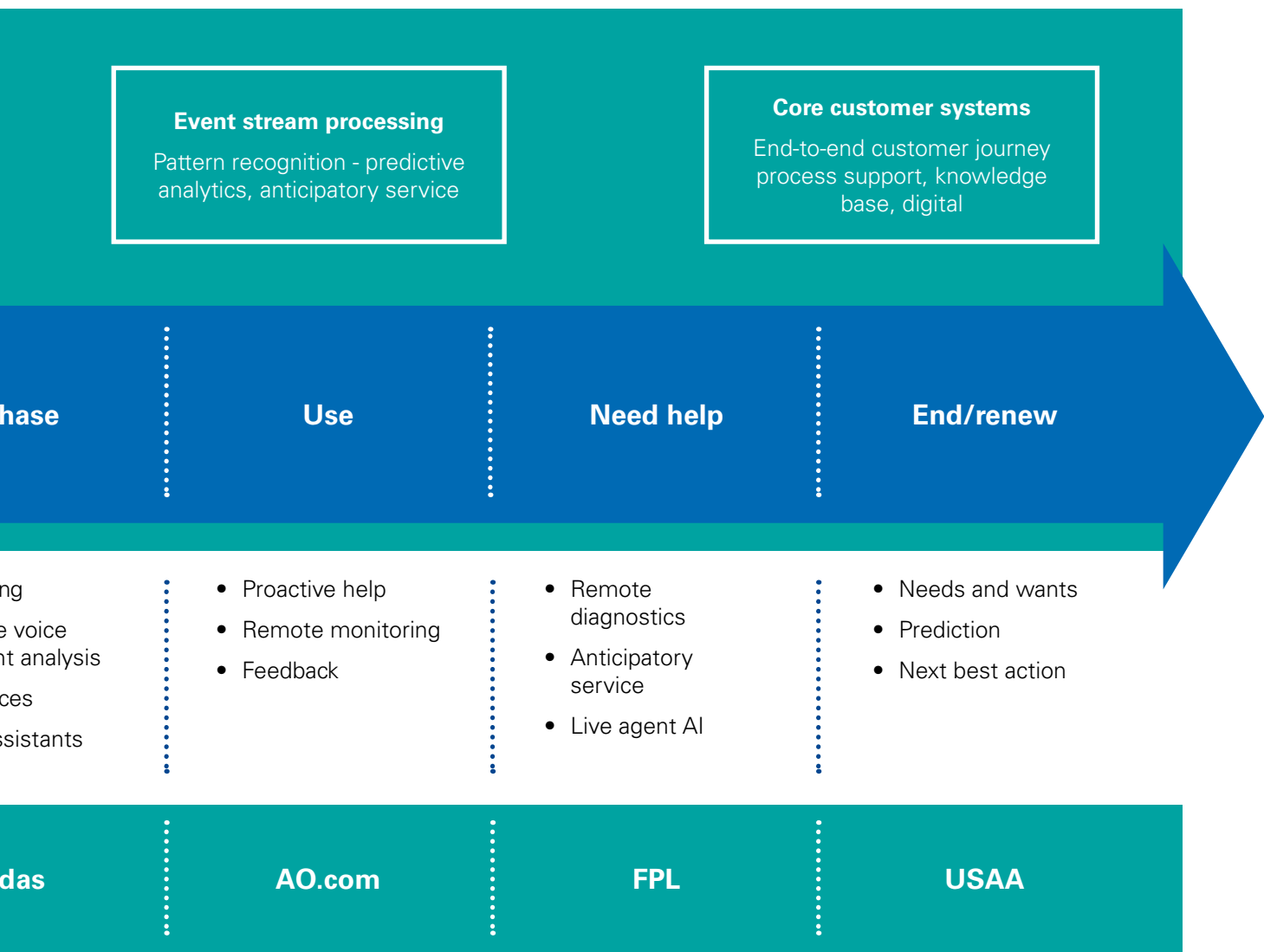
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Tomorrow's customer journey: powered by customer insight

These new technologies and the insight they create requires sophisticated, non linear thinking across the entire customer journey.



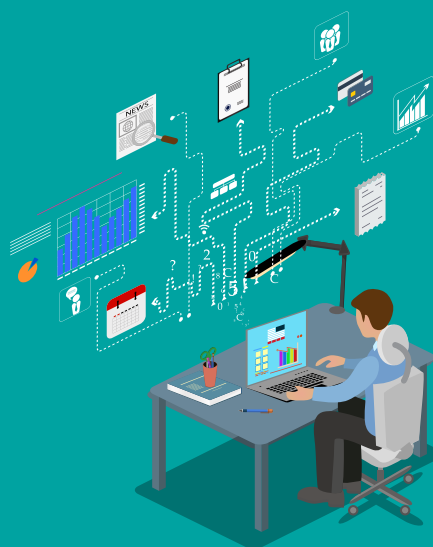
Whilst there is much the insight department can do to improve the organisation’s ability to uncover, decode and recognise great insights, the organisation must play its part too. The intelligent enterprise, driven by insight, has new silos organised round needs and journeys, not functions. This requires design based around the customer. The organisation needs to prepare itself to acquire, receive and act upon insight.



Tomorrow's insight department

Insight, like marketing, is too important to be left to the marketers. The insight department will increasingly be moved to more operational areas - many organisations have already combined insight and customer experience teams. The insight team will become the custodians and managers of the organisation's insight management process – the end-to-end process of managing insight to impact. The insight team must become the beating heart of customer knowledge, pumping insight around the organisation to drive change.

The insight team of the future will have the following characteristics:



Synthesis

The value lies in being able to interpret findings and motivate the business to act on insights. That requires investing not just in accruing more data, but in the technology and people that will enable the firm to look across data sets and sources.



Advanced analytics

The sheer quantity of data requires data management and analytical competencies that are as advanced as the technology that creates it.



Collaboration

Actionable insights are co-created, not simply found. Many of our leading companies actively engage business partners in creating insights. By doing so, they instil a sense of creation and ownership in the very people they need to influence to achieve impact. Insight communities will be a way of life.



Process managers

The focus will be on the management of the insight to action process rather than the process of conducting research.



Inspire through immersion

Immerse internal stakeholders and their clients in rich consumer data that engages them and helps them make new connections. Nationwide Building Society, for example, mocked up a customer house to help put employees in their customers' shoes.



Be less confident and move faster

Insights are perishable. Top firms are able to move decisively with 'good enough' information. Supported by a willingness to "fail faster."



Analytical story telling / data journalism

The team will need to provoke the organisation through compelling storytelling. Nike ran an ad a few years ago for a data journalist, someone who could get to the bottom of a good story. A good insight story needs to be a compelling narrative, inclusive of three components:

- Data - clearly explained – central insight succinctly articulated
- Emotional resonance – through bringing the subject alive in a meaningful way
- Business relevance – why this is important



Real-time analysis and action creation

Building rule sets that automatically apply learning to the inflow of data to bypass the need for human intervention and analysis and trigger the appropriate response.



Intensive understanding of stakeholders

The four “P”s problems, priorities, perceptions and personalities of individual stakeholders organised into personas. Stories need to be tailored to meet these if the story is to gain attention and cut through. For each stakeholder what is their area of concern? Revenue growth, product design, cost reduction, compliance, innovation, error reduction.



Decision centric insight management

Insights need to be routed to key decision making forums or individuals. What decisions do they take and what data, information and insight are needed to support that?

In leading organisations insight teams are becoming facilitators of insight communities – these communities differ from traditional market research teams because they comprise of a cross section of customers, insight specialists and stakeholders that have an interest in the insight in a variety of different ways. Proponents of the approach believe that even a small community can yield a far greater ROI than surveying thousands of consumers the old fashioned way. (Source: Forbes blog, How To Make The Most Of Customer Insights, 2018)

Smart insight communities work more closely with C-suite executives and marketing teams to deliver information quickly and efficiently. These communities hinge on the relationship between participants. Involving interested parties early, gaining ownership and using co-creative techniques to improve the quality and actionability of the insight from the very outset.

The emphasis will be on speed of insight to change. Google believes that sacrificing accuracy for speed is the way forward. They have learnt to recognise when “good enough is good enough, often research that is 70-80% certainty is better than being late to market.” (Tyler Kettle, International Insights Program manager, Google)

Moving from insight to impact requires insight professionals to challenge some sacrosanct beliefs in the face of a much faster-paced and more dynamic environment. It demands that they think beyond the facts to the narrative that helps stakeholders internalise them. It calls for a range of skillsets and a willingness to experiment.

“Insight departments have to be able to demonstrate value to the business in a much more commercial way. We have to be able to work in partnership with our stakeholders and sponsors within the business. We have to be in the heart of decision making.”

Debra Walmsley

Head of Customer Research and Insight,
British Gas

Tomorrow's insight professional

From curator of data to strategic consultant, tomorrow's insight professional will be a proactive, business knowledgeable change initiator. They will be less concerned about market research niceties and supplier management and much more concerned about driving change.

As Debra Walmsley, Head of Customer Research and Insight at British Gas, affirms, "what's required from the insight professional going forward is the ability to communicate in a really compelling way, to partner your stakeholders within the business to drive the change. The role of insight is changing and I think that's much more of a skillset that's needed."

A complex and unusual blend of skills will be required. Part data scientist, part change agent.

Tomorrow's insight professional must be willing to embrace the new technologies and approaches, such as neuroscience, neuro-marketing, behavioural economics and big data. Replacing traditional approaches such as demographic segmentation with new behavioural, psychological and situationally dynamic groupings.

Many organisations describe the new breed of insight professional in terms of personality characteristics, more outgoing and challenging, less willing to tolerate the status quo and determined to make a difference.

The days of insight professionals spending their time putting lengthy slide decks together are numbered. Instead, the forward-thinking organisations will be arming their insight colleagues with the tools to be able to develop their role in the way it needs to adapt for the future.

"The skills insights and analytics leaders need are more complex than they used to be. You've got to have someone who is analytical and can lay out all the facts and figures, but the real genius is someone who can do that and also say 'here's what we think is actually happening to human beings'."

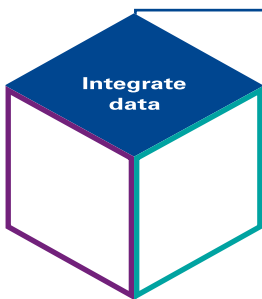
Chris Clark

Former Global Head of Marketing, HSBC


Speak to an expert

For insights to drive CX excellence and ignite growth, there are a number of key questions that both insights and executive leaders must answer.


Across KPMG's global network, we have deep experience advising on the following areas. Please [contact an expert](#) to discuss more.




Integrate data




Optimising research/
Voice of the Customer




Designing a unified insights ecosystem



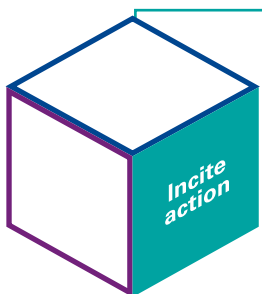
Technology enablement and data integration




Delivery options: onshore, offshore and automated




Insights operating models and team capabilities




Incite action




Next generation data and analytics




Sales, service, marketing automation




Experience design and orchestration layers




Problem solving techniques




Change portfolio management




Ignite growth




Leadership coaching and customer-centric culture




Collaboration models and strategic decisioning



Insights-led innovation capabilities



Customer-centric business governance



Economics and outcome modelling



KPMG Connected Insight

Supported by global expertise in:



Innovation and strategy



Experience design



Marketing, sales and service transformation



Technology enablement

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The *Customer Experience Excellence Centre* is the world's largest CX think tank, dedicated to rapidly improving customer experience by defining what best-in-class looks like for customers around the world.

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Top 100: table of results

01		first direct	2018 UK Customer Experience Excellence Centre Leader	
02		Metro Bank		
03		Lush		
04		John Lewis Finance		
05		John Lewis		
06		Ocado		
07		Boden		
08		M&S		
09		M&S Food		
10		Emirates		
11		Apple Store		
12		Specsavers		
13		Nationwide Building Society		
14		Amazon		
15		InterContinental Hotels and Resorts		
16		American Express		
17		giffgaff		
18		Holiday Inn Express		
19		QVC UK		
20		The Body Shop		
21		Netflix		
22		AO.com		
23		Poker Stars		
24		Waterstones		
25		Next		
26		Haven Holidays		
27		PayPal		
28		Samsung Store		
29		Jet2		
30		Tesco Mobile		
31		Premier Inn		
32		Novotel		
33		Selfridges		
34		Hilton Hotels and Resorts		

Key:

 Financial services
  Non-grocery retail
  Grocery retail
  Travel and hotels
  Telecoms
  Entertainment and leisure
 Utilities
  Public sector
  Restaurants and fast food
  Up vs 2017
  Down vs 2017
  Non-mover
  New to 2018 analysis



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