



cutting through complexity

# Customer Experience Barometer

It's time to talk

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## Foreword

Around the world and across virtually every business sector, our clients are keenly focused on driving revenue growth. For financial institutions and other service-based organizations, success will hinge on the customer experience.

As global markets start to shake off the recent recession, organizations of all types are looking to innovative products, new markets and inorganic growth opportunities to drive revenue.

But for financial services organizations and their peers in other service-based sectors (such as utilities and e-retailers), the greatest opportunity for sustainable revenue growth does not come from just new products or geographical expansion, but rather from their ability to deliver a high quality and differentiating customer experience. Those that get it right will not only capture a greater share of new customers, they will also be better placed to keep their customers and extend their existing relationships.

For some service-based organizations, the going may be tough. Many financial institutions – large European and US-based multinational banks in particular – will need to scrub off the reputational stain left by the global credit crisis and move past the recent regulatory interventions and mis-selling debacles that have dented their reputations. Utilities organizations may have less of a hill to climb, but persistent price hikes and diminishing customer service levels will certainly make progress slow.

### What customers want

Getting the right customer experience is a critical success factor for financial services. That is why for this report, we focused on understanding what is important to today's financial services customers and how organizations compare – not just to each other, but also against two other service-based sectors: utilities and e-retailers. To achieve this, we looked at individual brands across five countries to see how they were performing against the key elements of customer experience.

The results, which aggregate findings into sectors and geographies, are often surprising. For example, our research finds that banks are not nearly as poor at meeting customer expectations as many would argue. This is largely due to continued investment in operational excellence, security and technology. Interestingly, while Australian and German banks lead the way, UK banks seem to be falling behind.

Our data also shows that organizations will need to focus on specific areas of customer interest. General insurance organizations (which include auto, home and



**Jeremy Anderson**  
Global Chairman,  
Financial Services

casualty) will need to place more focus on delivering on their brand promise, while life insurers need to pay particular attention to building compelling customer experiences, a task made harder when the interaction with customers is infrequent. We have already seen compelling initiatives on this front: general insurance companies in the US are working with customers to protect their belongings ahead of storms; life insurers are focusing on building up their brand equity; and both sectors are sharpening their advertising and corporate social responsibility initiatives.

## Integrating people and technology

In an environment of increasing automation and customer self-service, one key finding rings true across all sectors. It is the quality of the people – not the technology – that matters most to customers. So while customer experience levels are highest within those that self-serve, customers place significant importance on their interactions with the human face of an organization.

In other words, those heading down the road of automation and online services must continue to pay close attention to ensuring that their digitally-focused services are not just market leading, but that every customer interaction that underpins those services and relationships are the best they can be and support the brand values.

The good news is that digital solutions are rapidly evolving to a point where service-based organizations can carefully choreograph their interactions with customers in order to deliver the most optimal experience at the lowest possible cost. Many are already harnessing the power of their data to improve their customer experience, particularly in China where service-based organizations are now starting to achieve pin-point accuracy in their customer segmentation and targeting.

Indeed, technology may also be the key to improving employees' customer focus and enhancing their capabilities. Consider, for example, how enterprise 'apps' could be leveraged to break down customer data silos and improve complaint response handling. But while data, analytics and new technologies will be key, it will be those that are able to integrate their culture, business operations, data and technology that will be best positioned to create a truly customer-centric organization.

## From data to insights

The survey reinforces four key lessons that we believe apply to almost any organization operating in a service-based sector:

1. **Keep your customers at the heart of your business:** Listen to your customers and respond to their needs.
2. **A customer-centered focus leads to improved customer lifetime value:** If you are passionate about your customers' experience, they will be passionate about you.
3. **Digital technology can transform the customer experience:** The most successful organizations consistently invest in improving their customer experience through digital solutions.
4. **You will be measured by the quality of your people:** Staff who promote trust, are knowledgeable and deliver outstanding service will be essential.

We hope that this report and the accompanying insights from our global practice leaders will help financial services and other service-based organizations to not only improve their customer relationships but, ultimately, to leverage those relationships in order to drive revenue growth.

Those interested in learning more about how their own brands compare to market leaders are encouraged to contact their local KPMG member firm or any of the authors listed at the back of this publication.

### Some of the key findings from our research include:

- ▶ Customers suggest that 'staff engagement' is the most important attribute for service providers.
- ▶ US customers are generally the most satisfied with their customer experience across all sectors; Australian and Chinese customers are the least satisfied.
- ▶ China's respondents reported the greatest improvement in customer experience overall.
- ▶ E-retailers returned the highest scores; banks were identified as providing the second highest levels of satisfaction.
- ▶ Importance scores generally range higher than performance scores, suggesting that many brands may be investing in the wrong areas.

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# Introducing

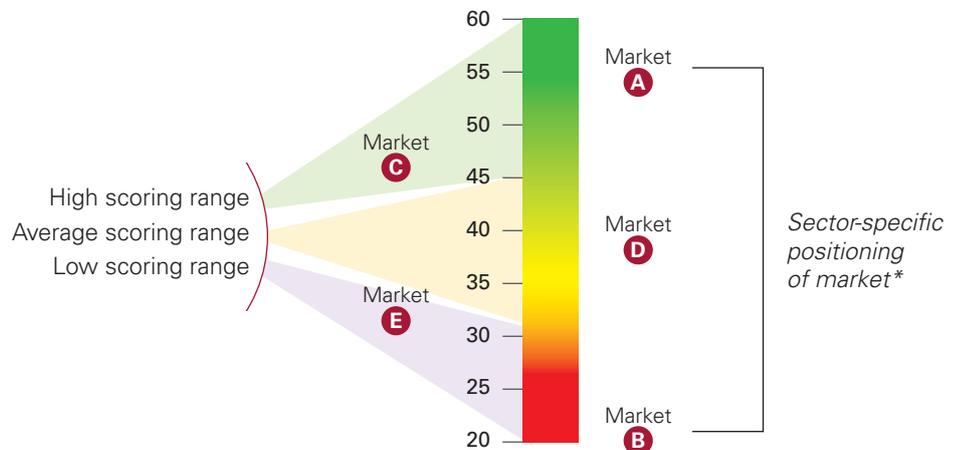
## the customer experience barometer

For today's service-based sectors, where the battle for revenue growth often pivots on the preferences of the consumer, few things are as critical as the customer experience.

Business indices exist for almost every key business metric: earnings, growth, employee engagement and even environmental impact. Yet few, if any, exist to benchmark and measure customer experience. This is a shame. Given the real and measurable correlation between customer experience and revenue growth for service-based organizations, it is now more critical than ever that businesses (and their investors) have the tools and data to understand their relative performance against their peers.

That is why KPMG has developed this customer experience barometer. Designed to provide a simple and consistent means of measuring, tracking and benchmarking customer experience across brands, sectors and markets, the barometer is based on KPMG's proprietary customer experience model, which incorporates 30 different attributes across seven categories. Each attribute is measured for both importance and performance in order to establish where performance gaps may exist between the two.

### An illustration of the customer experience barometer



*\*While the current barometer analyzes markets within each sector, methodology can easily be applied to brands within a specific sector and market.*

Source: Customer Experience Barometer, KPMG International, 2014

### Customer experience attributes

1	<b>Accessibility</b>	<ul style="list-style-type: none"> <li>the choices/options available for contacting a provider</li> <li>the physical proximity/ease of access of a company</li> <li>availability of services (around the clock)</li> <li>the appearance and operation of a website (including navigation)</li> <li>the ambience or decor of a bank, office, store.</li> </ul>
2	<b>Ease of doing business</b>	<ul style="list-style-type: none"> <li>having services and products that are easy to understand</li> <li>ease of getting issues/queries/complaints resolved</li> <li>ability to get in contact with the company with short wait times.</li> </ul>
3	<b>Executorial excellence</b>	<ul style="list-style-type: none"> <li>speed of making an inquiry/transaction</li> <li>getting things right the first time</li> <li>consistency of service – continuity in communications or interactions</li> <li>speed when resolving a complaint/resolving a query</li> <li>speed of service.</li> </ul>
4	<b>Personalized offering</b>	<ul style="list-style-type: none"> <li>rewards my loyalty</li> <li>offers products and services that can be tailored to my specific needs</li> <li>rewards my choice to do business with the company.</li> </ul>
5	<b>Staff engagement</b>	<ul style="list-style-type: none"> <li>staff who consistently follow through on their promises</li> <li>staff with a positive attitude</li> <li>staff who are knowledgeable</li> <li>quality of advice and service offered</li> <li>staff who are honest and tell the truth.</li> </ul>
6	<b>Value for money</b>	<ul style="list-style-type: none"> <li>value for money (i.e. fair and appropriate fees and charges)</li> <li>availability of rewards and promotions.</li> </ul>
7	<b>Brand value and reputation</b>	<ul style="list-style-type: none"> <li>a brand that inspires me</li> <li>a company that is well regarded in the media</li> <li>a company I know will deliver</li> <li>a company that puts the consumer first</li> <li>trust in the brand to do the right thing</li> <li>trust that the brand understands my needs</li> <li>trust that the brand delivers on its promises.</li> </ul>

The research was conducted in late 2013 and brings together responses from 5,000 consumers split evenly across five major markets: Australia, China, Germany, the UK and the US.

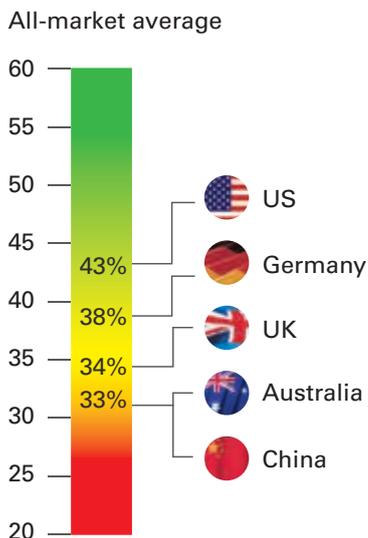
Approximately 160 leading brands in the banking, general insurance, life insurance, utilities and e-retail sectors were selected for the survey, which also measured other customer indicators linked to economic value, such as customer advocacy, customer loyalty, the likelihood of a customer to purchase again and the treatment of customer complaints.

More detail on the survey methodology, application and use can be found on page 36.

# Executive

## summary

While our research has uncovered significant findings for individual brands, some of our most interesting insights come from comparing the data across the various markets and sectors.



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

Based on our survey, we have identified a number of key findings that will guide and influence the development of customer-facing strategies for service-based organizations.

### Your customer experience likely depends on where you live

While US consumers may claim to be the most satisfied with their customer experience today, there is strong evidence that emerging markets (China in particular) will soon surpass their more developed peers. Indeed, respondents from China already claim similar levels of satisfaction with customer experience as those in Australia and are only slightly less satisfied than those in the UK.

All signs indicate that this trend is only set to accelerate. China's respondents reported the greatest improvement in customer experience across all industry sectors surveyed. In banking, insurance and e-retail, China's respondents were at least 40 percentage points more likely to say customer experiences were getting better rather than worse.

"Much has changed over the past 5 years in China – the rise of China's social media, the liberalization of the economy, the rapid adoption of digital channels and the introduction of new concepts from the West – and this has had a dramatic impact on customer experience in the country," noted Egidio Zarrella, Clients and Innovation Partner with KPMG in China. "Given the amount of progress that has been made over the past few years, it is not surprising that China's respondents report the greatest improvement in customer experience across all sectors."

By comparison, the UK reported some of the most negative outlooks for customer experience in banking, e-retail, life insurance and general insurance. The UK's utilities sector had the distinction of returning the only net negative response in our survey.

However, it must be noted that cultural differences are likely to play a role in setting expectations. For example, respondents from the US say they log more than three times as many complaints with their banks as their peers in China, yet the two countries report a very similar level of overall customer experience in that sector. Clearly, some local context is needed when interpreting this data within individual markets.

### Financial services and utilities have a lot to learn from e-retailers

Not surprisingly, perhaps, e-retailers returned the highest levels of customer experience of the sectors examined. Respondents also claimed to have logged

the lowest levels of customer complaints with their e-retailers and, when they did complain, reported the highest levels of complaints resolved at the first point of contact. Yet while some of these successes are certainly the result of a relatively simple business model when compared to banks and insurers, this data does suggest that other service-based sectors have much to learn from the e-retail model.

What may be surprising, however, is that despite the global credit crisis, mis-selling scandals and backlash against bankers' bonuses, the banking sector came out second in our review of the sectors. In fact, respondents were more likely to recommend their bank than any of their other service providers across the sectors. And while both general and life insurers received middle to low scores, this is likely due to the infrequent interaction between insurers and their customers and the fact that insurance is increasingly perceived as a commoditized product. For many, it is a grudge purchase, something for which they have no choice but to pay.

### Self-service increases satisfaction, but staff engagement is critical to success

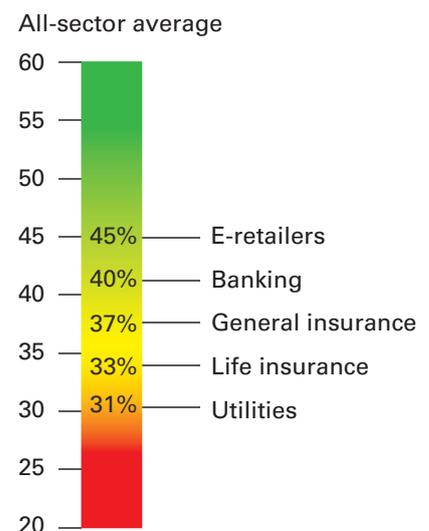
While many service-based organizations are already moving towards a self-service model as a means to enhance efficiency and reduce costs, our survey shows that customers who predominantly use face-to-face or telephone channels are significantly more likely to complain than those who use self-serve channels. In many cases, this reflects the nature of interactions across the different channels, but our data clearly shows higher levels of customer experience with self-serve channels than any other.

"In many ways, the move towards digital channels has forced organizations to improve the operational nature of their customer experience," noted Daniel Knoll, Partner with KPMG in Australia. "The reality is that self-serve channels tend to have no human 'buffer' to help solve problems when they arise and, as such, organizations have had to really step up their game to ensure that, operationally, the customer experience is efficient and effective."

That being said, the attribute category identified as being the most important was staff engagement, with respondents particularly noting the importance of staff who are honest and who consistently follow through on their promises. Somewhat counter intuitively to our findings on self-service, the attribute categories that ranked as the lowest importance were personalization and accessibility.

However, the most important take-away from this data is that many brands often seem to be investing in the wrong things. Across the data, we have found that importance scores generally range higher than performance scores. In fact, the gap tends to widen as the importance of an attribute increases.

This clearly indicates that while investments in customer experience over the past few years have been directionally accurate, organizations will need to refocus their attention onto those attributes that rank highest in importance for their specific customer segments. In particular, organizations should review how they approach key attributes such as staff engagement and delivering value for money.



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

## Overview:

# Financial services

Over the past few years, the relationship between financial services organizations and their clients has taken a beating. Scandals and financial crises have rocked trust, human interaction has been replaced by digital channels and internal cost-cutting efforts have whittled down customer-focused training and capabilities.

But while the financial services sector may not have the best historical track record for creating memorable customer experiences – if we are honest, many barely paid lip service to the customer experience – the reality is that the environment has now fundamentally changed.

Today, customers measure their service providers by the standards set in other sectors. E-retailer Amazon's customers do not just welcome their recommendations; it's why many people shop there in the first place. Those passing through the doors at any John Lewis department store in the UK overwhelmingly feel that they can trust the chain's promise never to be undersold. Few financial services organizations, if any, have achieved anywhere near the brand promise offered by their retailing peers.

Yet, over the course of the past 5 years, there are clear signs that the customer has vaulted up the financial services agenda, launched, in large part, by a rapidly shifting environment: the consumers' desire for simplification; the emergence of digital and new technologies; increasing regulation around customer outcomes; a reduction in sales forces to meet cost and efficiency objectives; and the realization that the best way to drive greater financial return is by leveraging the existing customer franchise through greater cross-selling and retention rates.

No wonder, then, that the customer experience is quickly becoming core to how financial services organizations make their decisions.

“If financial services organizations ever hope to regain the trust of their customers, their regulators and the public in general, they will need to focus on improving the overall customer experience,” noted **Hugh O'Reilly, Associate Partner of KPMG in the UK's Customer and Growth practice.** “Banks and insurers clearly need to rethink their value proposition to the market and find ways to improve – or in some cases demonstrate – the trustworthiness and capability of their staff; rebuilding trust will be an uphill battle unless financial services organizations take the customer experience seriously.”

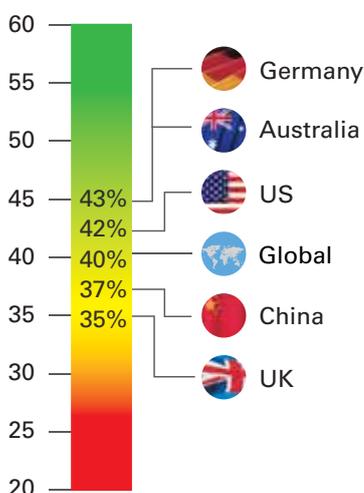


# Spotlight

## ▶ banks

Despite all of the challenges faced by the banking sector over the past six years, customers still report fairly high levels of satisfaction with their banking experiences.

Customer experience barometer: banking



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

When compared against other sectors included in this survey, banks score relatively well in terms of customer experience. In fact, in all markets, banks scored either equal to or higher than the all-sector average of 37 percent. Respondents from Germany and Australia were rather upbeat about their experience, pushing their brands to the top of the banking sector, while the UK returned some of the lowest scores of the sector (35 percent).

“Over the past few years, many of Australia’s banks have invested heavily in becoming more customer-focused by updating their systems and gaining a clearer picture of their customers through stronger data and analytics,” noted Tracey Ah Hee, a KPMG Managing Director with deep financial services experience in both the US and Australia. “Customer experience is now the lens through which they view their business decisions, whether that is the launch of a new product or the implementation of a new system.”

Australia is not the only market to have seen improvements. Overall, customers believe that their banking experience has improved over the past year. However, respondents from China were strikingly complimentary about the performance of their banks. Almost half (46 percent) of respondents from China said that their experience had improved; a score 20 percentage points above the all-sector global average and almost 30 percentage points above similar results returned for the UK.

While respondents from Australia and the US reported about average improvements in their banking experiences over the past year, our survey shows that banks in the UK have the most room for improvement in the eyes of their customers.

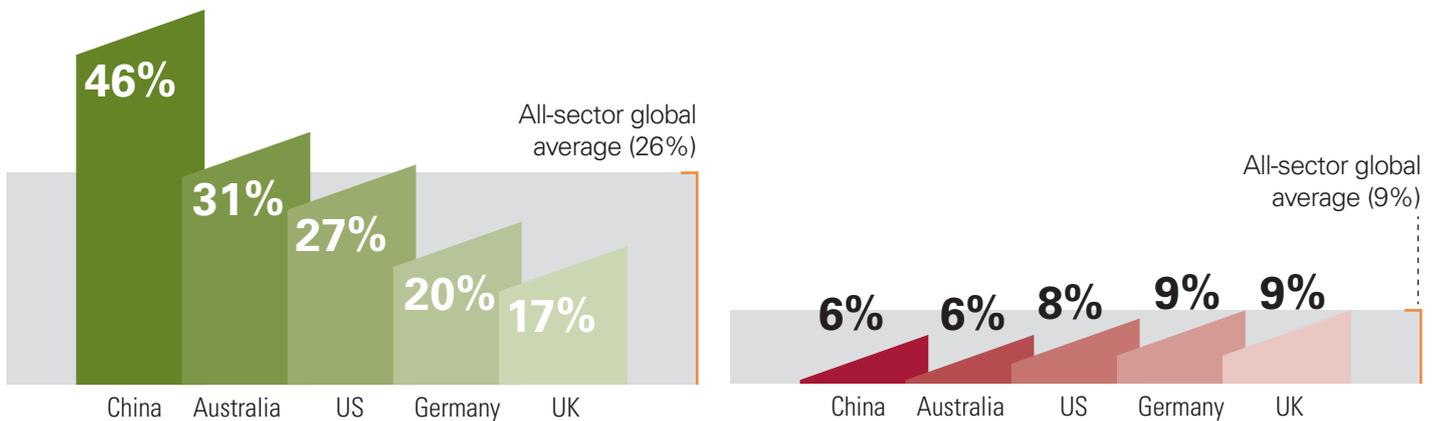
“To be honest, the fact that Germany ranks so highly in banking is surprising; German customers are often rather negative about the level of customer experience they receive from their banks and tend to believe – rightly or wrongly – that their banks do not truly care about their needs,” noted Jörg Günther, Partner with KPMG in Germany. “German banks should not waste the opportunity to build upon their perceived strength in this area. This is their opportunity to truly create a differentiating proposition in this market.”



## ► Change in customer experience over the past year: banking

Better

Worse



Source: Customer Experience Barometer, KPMG International, 2014

### Viewpoint

## Compliance drives change Now go beyond

While in many markets the increased focus on customer experience is, in part, driven by new regulation and compliance requirements, those banks that are able to use their compliance requirements as a platform for transforming the customer experience will ultimately excel and win in tomorrow's market.

Indeed, a single-minded focus on compliance contributes to the low overall scores reported in the UK. Banks in Australia, for example, have taken a very different approach that places the customer at the heart of the business. And, as a result, they are now outperforming their peers across many of the most important attributes driving positive customer experience.

That is not to say that pockets of true customer-centricity do not exist in the banking sector. But, for the most part, it is the smaller players that tend to rise to the top of customer surveys. Ultimately, the smaller players recognize that where they can't win on size or capital, they can chip away at the bigger players by offering a unique customer experience.

The real lesson behind these numbers is that better customer experiences come from organizations that strive to go beyond their compliance requirements by creating a culture that truly places the customer at the center of the organization.



By  
**Tracey Ah Hee**  
Managing Director  
KPMG in the US



For many banks, the customer experience is a highly over subscribed investment request,” noted **Daniel Knoll, Partner with KPMG in Australia.** “It can take significant work to bring the deluge of investment requests down to a realistic and achievable level of demand.



## Ranking brands in the banking sector

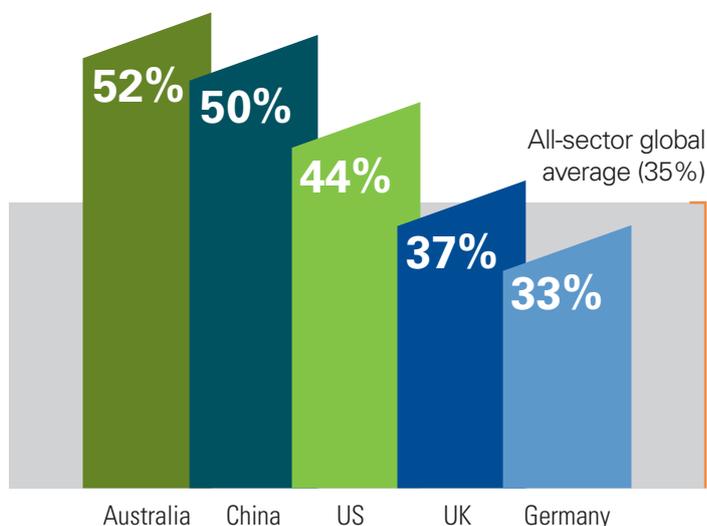
We asked bank customers if their bank brands stand out for customer experience.

Respondents from Australia were the most likely to say that their bank stood out in comparison to their leading competitors. This is not surprising, given the market’s high rankings in the banking sector.

However, Germany (which tied Australia for customer experience in the sector, overall) fared poorly in the brand ranking, with just a third of respondents from Germany saying that their bank stood out from its competitors.

The perceivably low impact of brand on customer experience is reinforced by data that shows customers consistently rank brand as being of low importance to their experience (ranked 28 out of 30 in terms of important attributes).

### Brand standout across markets: banking



Source: Customer Experience Barometer, KPMG International, 2014

## Aligning investment to importance

If bank leaders are serious about improving customer experience, then they need to invest in the right places. Our research identifies a number of key areas where banks could be focusing in order to bring their performance more in line with customer expectations.

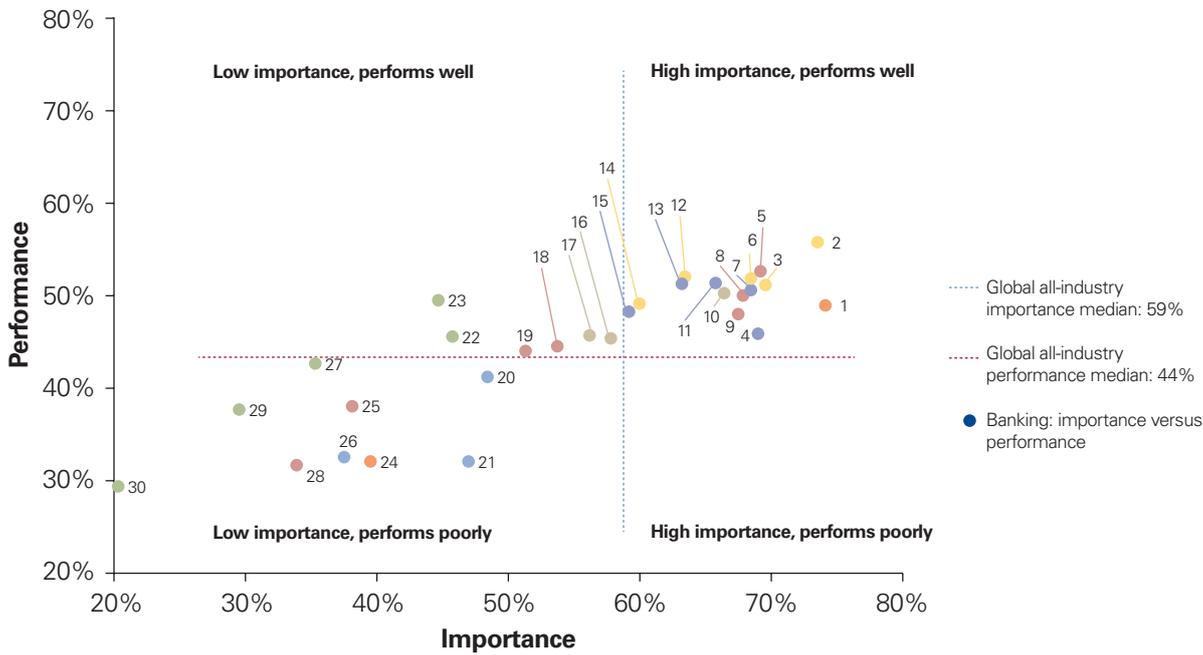
Our survey finds that banking customers place two attributes above all others: value for money and honest, trustworthy staff. This may reflect the current low interest rate environment in many of the markets surveyed, which is delivering low returns on deposits and investments.

“For many banks, the customer experience is a highly over subscribed investment request,” noted Daniel Knoll. “It can take significant work to bring the deluge of investment requests down to a realistic and achievable level of demand.”

Regardless, these results suggest that those banks able to improve their perceived value for money could quickly differentiate themselves in comparison to their competitors.

When one compares the importance placed on these attributes against the banks’ perceived performance, a number of interesting focal points appear. For example, customers rate the availability of staff who are honest and tell the truth as being of very high importance, yet the gap between importance and performance is much wider than that for many other (less important) attributes. What this suggests is that banks may be overinvesting in less important areas – such as accessibility or personalized offerings – rather than focusing on the more important attributes to their customers (value for money and staff engagement).

### Ranking of most important attributes versus performance of attributes: banking



Source: Customer Experience Barometer, KPMG International, 2014

Key	Importance	Performance
1 Value for money (i.e. fair and appropriate fees and charges)	74%	49%
2 Staff who are honest and tell the truth	74%	56%
3 Staff who consistently follow through on their promises	70%	51%
4 Getting things right the first time	69%	53%
5 A company that puts the consumer first	69%	46%
6 Quality of advice and service offered	69%	52%
7 Speed when resolving a complaint/resolving a query	68%	51%
8 A company I know will deliver	68%	50%
9 Trust that the brand delivers on its promises	68%	48%
10 Ease of getting issues/queries/complaints resolved	67%	50%
11 Speed of service	66%	51%
12 Staff who are knowledgeable	63%	52%
13 Speed of making an inquiry/transaction	63%	51%
14 Staff with a positive attitude	60%	49%
15 Consistency of service – continuity in communications or interactions	59%	48%
16 Having services and products that are easy to understand	58%	45%
17 Ability to get in contact with the company with short wait times	56%	46%
18 Trust in the brand to do the right thing	54%	44%
19 Trust that the brand understands my needs	51%	44%
20 Offers products and services that can be tailored to my specific needs	48%	41%
21 Rewards my loyalty	47%	32%
22 Availability of services (around the clock)	46%	46%
23 The choices/options available for contacting a provider (online, telephone, face-to-face)	45%	49%
24 Availability of rewards and promotions	40%	32%
25 A company that is well regarded in the media	38%	38%
26 Rewards my choice to do business with the company	38%	32%
27 The physical proximity/ease of access of a company	35%	43%
28 A brand that inspires me	34%	32%
29 The appearance and operation of a website (including navigation)	30%	38%
30 The ambience or decor of a bank, office, store	20%	29%

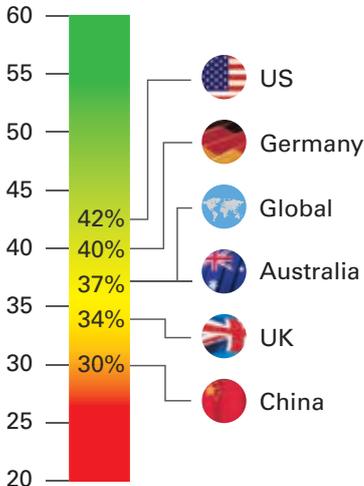
- Customer experience attribute categories**
- Accessibility
  - Ease of doing business
  - Executional excellence
  - Personalized offering
  - Staff engagement
  - Value for money
  - Brand value and reputation

# Spotlight

## ▶ general insurance

As general insurers continue to look for new business models, customer experience is rising up the agenda. Now the focus must shift to improving key attributes.

Customer experience barometer:  
general insurance



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

General insurance companies may be disappointed (but unlikely surprised) that they still have some way to go before they can outperform the level of customer experience provided by banks and e-retailers. This is a natural aspiration for an industry which is looking to other sectors (such as retailing) for inspiration. Improving customer experience is a challenge in the general insurance sector, as customers often struggle to differentiate between insurers' products due to the relatively low level of customer interaction. Indeed, unless a claim is made, there can be little to tell insurers apart besides price and brand. But such commoditization has not held the retailers back; insurers have much to learn from this sector. For instance, the UK adoption of aggregator comparison websites is a good example of an increasing shift towards a retailing mentality.

"The UK results may also be slightly skewed by the rapid growth of price comparison websites which, 10 years ago, had no brand value at all," noted Phil Smart, Partner with KPMG in the UK. "Today, more people in the UK can cite the name of an aggregator than a general insurer, a major challenge for companies seeking to differentiate themselves."

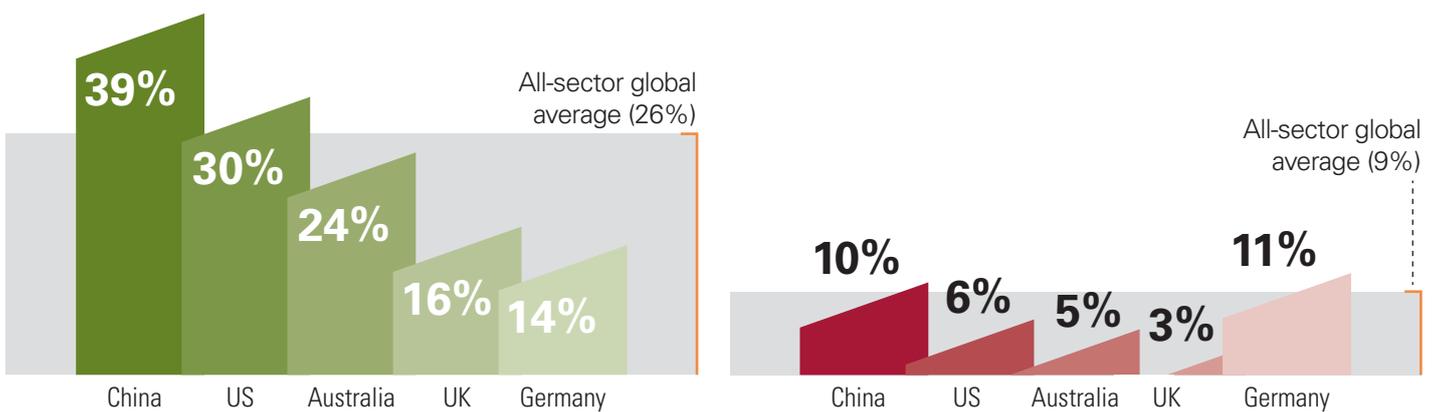
The KPMG customer experience barometer indicates progress is being made. Across the board, respondents reported that their customer experience with their general insurer had improved over the past year. Interestingly, respondents from the US give their general insurers the highest score (42 percent) out of the five countries surveyed versus China, where just 30 percent ranked their customer experience highly. In the US, there are indications that insurers are starting to catch up with other service-oriented sectors. In fact, general insurers in the US pull ahead of banking in areas such as consistency of service, trust to do the right thing and short wait times, as well as several other factors. As a result, general insurers are enjoying a slight benefit that has caused US customers to be more likely to recommend their general insurance brand over banking and life insurance brands (see page 32 for more details).

"The US results highlight some early indicators of improving customer experience in the brands surveyed," noted Laura Hay, US Insurance Practice Leader. "However, it may still take some time before this encouraging trend catches on across the sector as a whole, given the large number of insurance brands and diverse markets operating in the US."

## ► Change in customer experience over the past year: general insurance

Better

Worse



Source: Customer Experience Barometer, KPMG International, 2014

The data also suggest that we may see a turnaround on the tables very soon. General insurers in Germany, which rank second highest in terms of customer experience, were considered to have achieved the lowest levels of improvement, while China (which ranked lowest overall for customer experience) returned the highest levels of improvement. Should this pattern continue, we will likely see China move up the rankings while Germany and the UK move down.

### Viewpoint

## Changing perceptions and **experiences**

People often lose sight of what insurance does for them and, therefore, insurers need to consider how they influence their customers' perception of value. For instance, some insurers are now focusing on loss prevention in addition to paying out when a loss occurs. Helping customers secure their belongings ahead of an impending storm is a good example.

As a result, customer value is felt beyond the relatively small group that ultimately makes a claim. A wider community emerges to see their insurers as a 'force for good' as opposed to a grudge purchase that only provides a safety net when things go wrong.



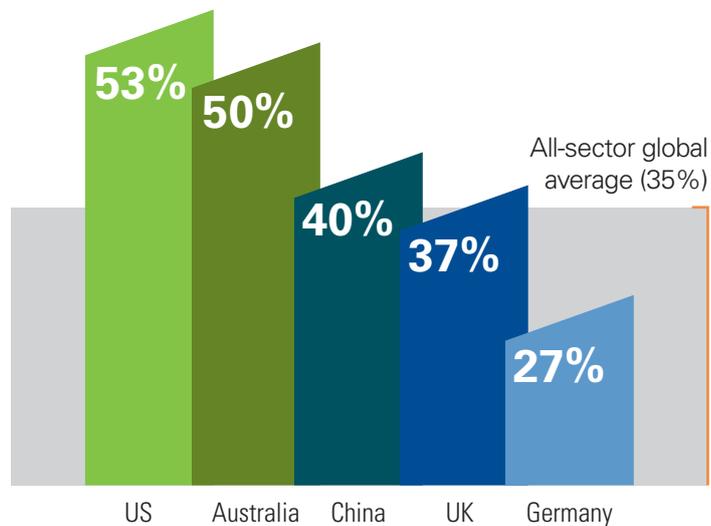
By  
**Gary Reader**  
KPMG's Global Head of Insurance

## Ranking brands in the general insurance sector

Interestingly, general insurers enjoy a higher level of brand differentiation due to customer experience than their peers in other sectors. And while this may be due to the development of new brands, it is also clear that the sector also continues to invest heavily in advertising.

However, it is worth noting that, while brand awareness can certainly raise trust levels with customers, it requires something more tangible than advertising to change the perceived value in the minds of customers.

### Brand standout across markets: general insurance



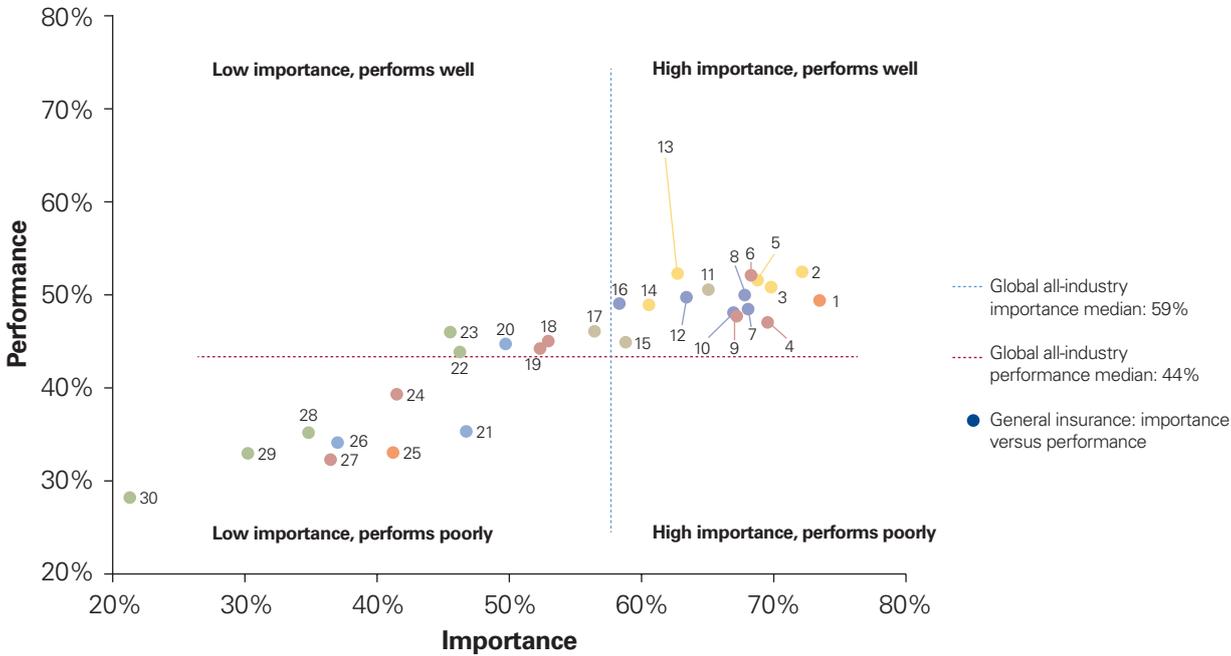
Source: Customer Experience Barometer, KPMG International, 2014

## Aligning investment to importance

Much like their peers in other sectors, customers of general insurance organizations place high importance on value for money and staff engagement. Given that insurance is largely based on a 'promise to pay' in the future, it is perhaps not surprising that consumers' willingness to trust an insurer is directly related to how they are treated by its staff today.

One area where general insurers will want to pay particular attention is in operational excellence. Our experience suggests that customers are increasingly demanding error-free processing, which means that insurers must get better at getting things right the first time. Fully integrating front-end and customer-related channels with the back office will be an important first step.

**Ranking of most important attributes versus performance of attributes: general insurance**



Source: Customer Experience Barometer, KPMG International, 2014

Key	Importance	Performance
1 Value for money (i.e. fair and appropriate fees and charges)	74%	49%
2 Staff who are honest and tell the truth	72%	52%
3 Staff who consistently follow through on their promises	70%	51%
4 A company that puts the consumer first	70%	47%
5 Quality of advice and service offered	69%	52%
6 A company I know will deliver	68%	52%
7 Getting things right the first time	68%	48%
8 Speed when resolving a complaint/resolving a query	68%	50%
9 Trust that the brand delivers on its promises	67%	48%
10 Speed of service	67%	48%
11 Ease of getting issues/queries/complaints resolved	65%	51%
12 Speed of making an inquiry/transaction	64%	49%
13 Staff who are knowledgeable	63%	52%
14 Staff with a positive attitude	61%	49%
15 Having services and products that are easy to understand	59%	45%
16 Consistency of service – continuity in communications or interactions	58%	49%
17 Ability to get in contact with the company with short wait times	57%	46%
18 Trust in the brand to do the right thing	53%	45%
19 Trust that the brand understands my needs	52%	44%
20 Offers products and services that can be tailored to my specific needs	50%	44%
21 Rewards my loyalty	47%	35%
22 Availability of services (around the clock)	47%	44%
23 The choices/options available for contacting a provider (online, telephone, face-to-face)	46%	46%
24 A company that is well regarded in the media	42%	39%
25 Availability of rewards and promotions	41%	33%
26 Rewards my choice to do business with the company	37%	34%
27 A brand that inspires me	37%	32%
28 The physical proximity/ease of access of a company	35%	35%
29 The appearance and operation of a website (including navigation)	30%	33%
30 The ambience or decor of a bank, office, store	22%	28%

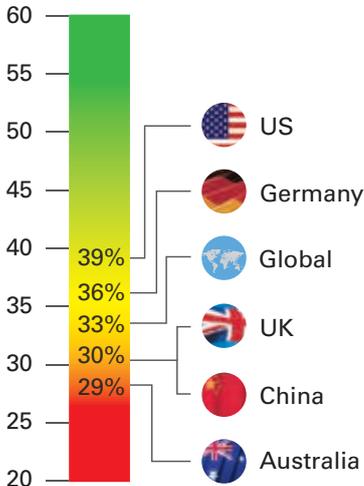
- Customer experience attribute categories**
- Accessibility
  - Ease of doing business
  - Executional excellence
  - Personalized offering
  - Staff engagement
  - Value for money
  - Brand value and reputation

# Spotlight

## ▶ life insurance

With little actual interaction with customers, life insurance organizations have a small window of opportunity to create a positive customer experience.

Customer experience barometer:  
life insurance



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

As one might expect, respondents to the KPMG customer experience barometer ranked their experience with their life insurers below that of their general insurers across all geographies surveyed. Again, this will be no surprise to the industry, as life insurers enjoy even less interaction with their customers than general insurers and, as a result, tend to be further behind in the customer experience journey.

“Customers expect to interact with their bank on a 24/7 basis – whether that is at an ATM, online or in person – whereas life insurance companies are lucky if they interact with their customers once a year or even once a decade,” noted Mary Trussell, Partner with KPMG in the UK. “Rebuilding trust or impacting the customer experience is very difficult when the window for making an impression is so small.”

Using the KPMG customer experience barometer, life insurance brands in the various markets tended to fall below the ‘all sector’ average, with the US and Germany posting the only exceptions. However, the relatively low scores may also reflect the complexity of establishing life insurance policies, which often require the use of outside service providers such as intermediaries, doctors and medical examiners.

Interestingly, while German life insurers rank second for customer experience, German respondents also claimed that they had seen no net improvement in customer experience over the past year – one of the few market sectors in this survey to fail to do so. At the other end of the scale, respondents from China were once again the most positive in suggesting that they had enjoyed better customer experiences over the past 12 months in the life insurance sector.

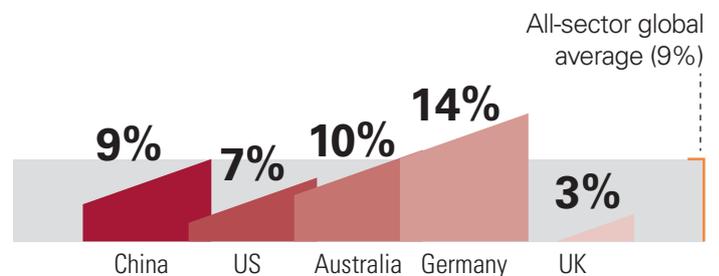
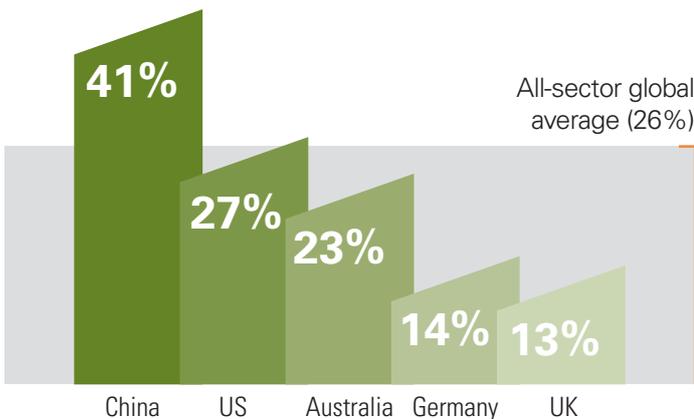
“China’s insurance customers are indeed seeing significant improvement in their experience, in part driven by a regulatory agenda that focuses on customer protection, but also due to notable improvements in the range of products available via direct sales channels and the scope of information and functionality provided through web-based self-servicing across both life and general insurance sectors,” noted Mark Bain, Partner with KPMG in China. “In China and around the world, the reality is that customers’

insurance buying decisions are increasingly influenced by peer review on web and social channels which, in turn, creates new opportunities for insurers to differentiate themselves – both by better customer communication on these channels and by mining and leveraging the voice-of-customer data that flows from these reviews.”

### ► Change in customer experience over the past year: life insurance

Better

Worse



Source: Customer Experience Barometer, KPMG International, 2014

## Viewpoint

### Making **customers** for **life**

Improving customer experience in the life insurance sector will be no easy task.

In part, this comes down to the complexity of the topic. How, for example, does one measure value for money when clients are rarely around to see the payout?

In reality, what is important to customers is their perceived value for money, which insurers can influence by focusing on how they do business today (i.e. their digital offerings) rather than the size of the payout.



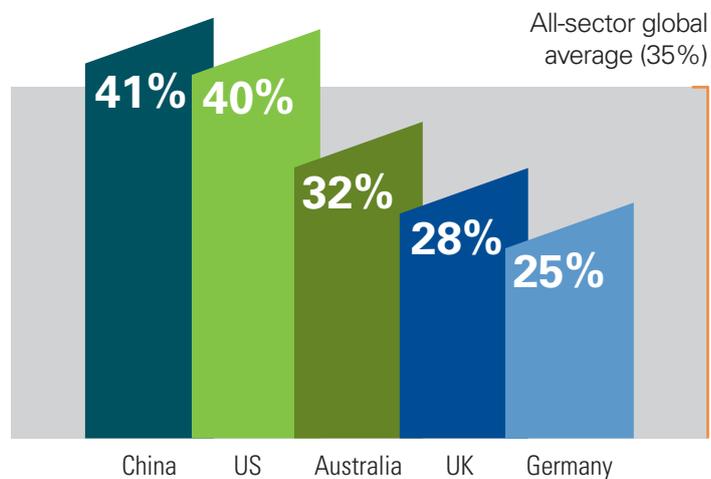
By  
**Jörg Günther**  
Partner,  
KPMG in Germany

## Ranking brands in the life insurance sector

Consistent with their overall rankings, respondents generally ranked the ability of life insurance brands to stand out on customer experience as below that of other sectors.

Exceptions exist: respondents from both China and the US returned some very high results for specific life insurance brands that enjoy high profiles within their markets. As a result, net results for both markets were lifted above the all-sector average.

### Brand standout across markets: life insurance



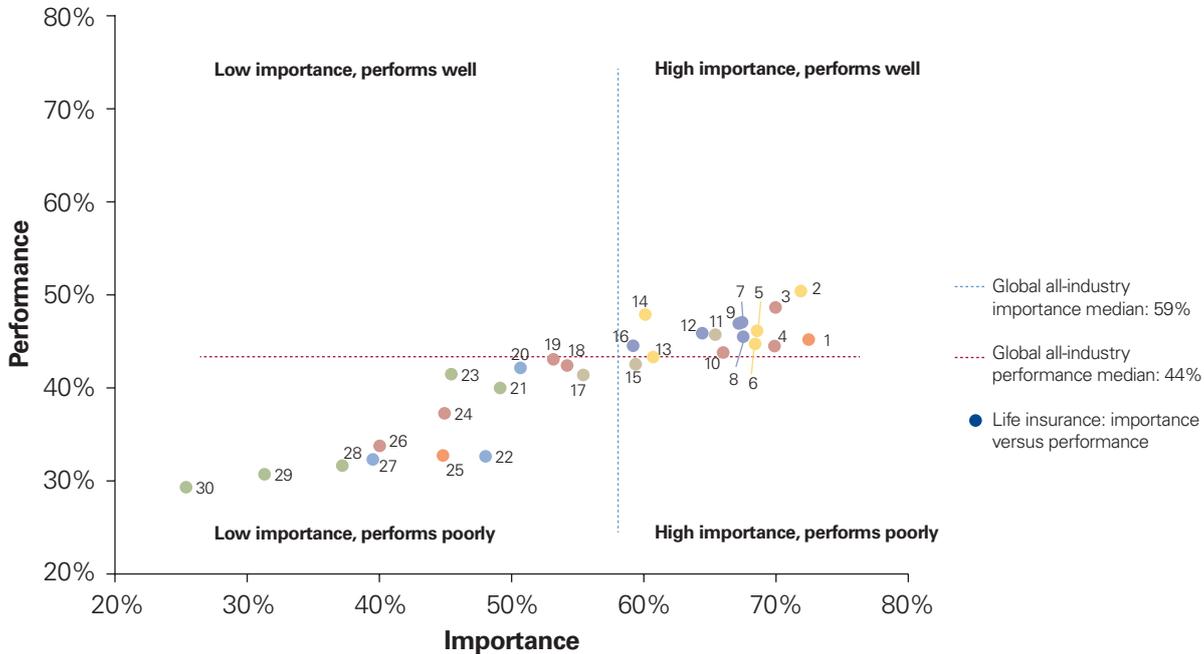
Source: Customer Experience Barometer, KPMG International, 2014

## Aligning investment to importance

Once again, the KPMG customer experience barometer found that life insurance customers place high importance on the value they get for their money and the engagement and professionalism of staff. Given the sensitivity of the topic and the trust required by customers to believe that their policies will be honored after they have passed, this is hardly surprising.

One key area where life insurers will need to focus, however, is on operational excellence. Many life insurers are operating multiple, inefficient legacy platforms with separate operating models by line of business. Many lack a real-time holistic view of their customers, which makes delivering a consistent customer experience that much more difficult.

**Ranking of most important attributes versus performance of attributes: life insurance**



Source: Customer Experience Barometer, KPMG International, 2014

Key	Importance	Performance
1 Value for money (i.e. fair and appropriate fees and charges)	72%	45%
2 Staff who are honest and tell the truth	72%	50%
3 A company I know will deliver	70%	49%
4 A company that puts the consumer first	70%	45%
5 Staff who consistently follow through on their promises	69%	46%
6 Quality of advice and service offered	68%	45%
7 Speed when resolving a complaint/resolving a query	68%	46%
8 Speed of service	68%	45%
9 Getting things right the first time	67%	47%
10 Trust that the brand delivers on its promises	66%	44%
11 Ease of getting issues/queries/complaints resolved	65%	46%
12 Speed of making an inquiry/transaction	64%	46%
13 Staff with a positive attitude	61%	43%
14 Staff who are knowledgeable	60%	48%
15 Having services and products that are easy to understand	59%	43%
16 Consistency of service – continuity in communications or interactions	59%	45%
17 Ability to get in contact with the company with short wait times	56%	41%
18 Trust in the brand to do the right thing	54%	43%
19 Trust that the brand understands my needs	53%	43%
20 Offers products and services that can be tailored to my specific needs	51%	42%
21 Availability of services (around the clock)	49%	40%
22 Rewards my loyalty	48%	33%
23 The choices/options available for contacting a provider (online, telephone, face-to-face)	46%	42%
24 A company that is well regarded in the media	45%	37%
25 Availability of rewards and promotions	45%	33%
26 A brand that inspires me	40%	34%
27 Rewards my choice to do business with the company	40%	32%
28 The physical proximity/ease of access of a company	37%	32%
29 The appearance and operation of a website (including navigation)	31%	31%
30 The ambience or decor of a bank, office, store	25%	29%

**Customer experience attribute categories**

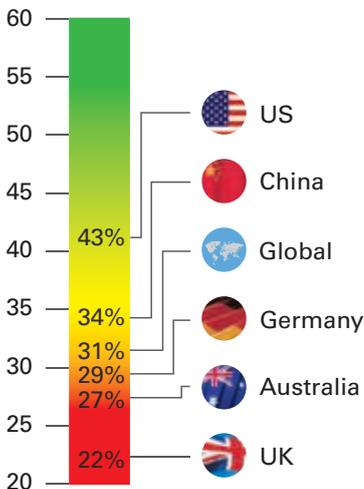
- Accessibility
- Ease of doing business
- Executional excellence
- Personalized offering
- Staff engagement
- Value for money
- Brand value and reputation

# Spotlight

## ► utilities

While customers ranked the utilities sector as having the poorest customer experience overall, results from the US demonstrate that great opportunity exists for those able to meet customer expectations.

Customer experience barometer: utilities



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

After seemingly endless price increases, a series of consolidations and a litany of lofty energy policy announcements, many consumers seem disillusioned with their utilities providers. All markets returned below average scores with the exception of the US, where respondents ranked their utilities eight percentage points above the all-sector average (likely due to comparatively low energy costs, which would directly impact perceived value for money). Clearly, there is significant opportunity for utilities organizations to close the gap between expectations and reality.

“In the utilities sector, much of the customer perception of service comes down to security of supply and cost,” noted Peter Kiss, KPMG’s Head of Power & Utilities for Europe, Middle East and Africa (EMEA). “Power is either on or it is off and customers are quick to complain when it is off; customers are also quick to anger if prices increase without any additional value in service, but when the service choices are either ‘on’ or ‘off’, it is very difficult to create value.”

In particular, the KPMG customer experience barometer shows that UK utilities have much room for improvement. Respondents from the UK awarded their utilities the lowest scores for customer experience across all sectors and markets – 13 percentage points lower than the all-sector average – and were the only group of respondents to say that their customer experience had actually worsened in the past 12 months.

“In Australia, much like many other markets around the world, utilities have traditionally been a state-run sector where customer experience rarely made the agenda,” noted Ronan Gilhawley, Partner with KPMG in Australia. “But as privatization sweeps the sector and competition heats up, companies are increasingly recognizing that they can sustainably compete on the basis of the customer experience and are, therefore, investing significantly in this area.”

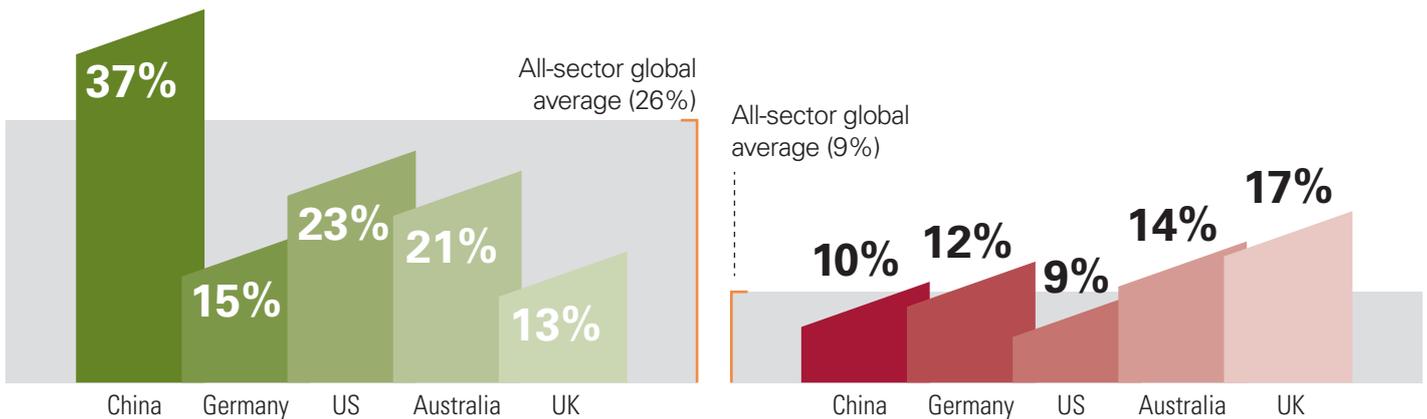
However, this must be placed within the context of an overall poor score for improved customer experience for the sector. Four of the five markets surveyed said that their experiences had improved less than the all-sector average; only one of the five claimed that it had improved more.



## Change in customer experience over the past year: utilities

Better

Worse



Source: Customer Experience Barometer, KPMG International, 2014

### Viewpoint

## A slow surge of **improvement**

When price is the overwhelming factor for customer satisfaction, it is difficult to impact the customer experience without eroding margins.

As such, the real takeaway of this report for utilities is not as much whether customers are satisfied, but rather just how dissatisfied they are versus the closest competitors.

And while there has been a preference in the sector for packaging up price increases in ways that may be less obvious to consumers, the reality is that consumers tend to only see the bottom line of their bill; all of the packaging only tends to confuse and anger customers.

But given that just 10 years ago most utilities were staffed entirely by engineers, this data suggests that progress is being made.



By

**Peter Kiss**

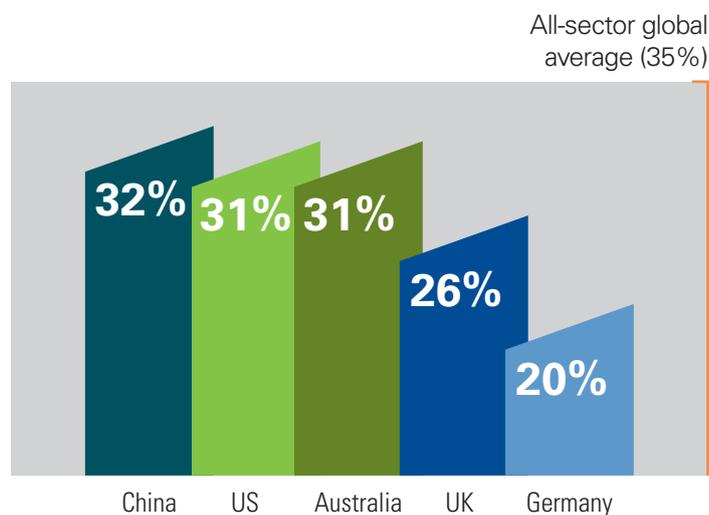
Head of Power & Utilities for Europe, Middle East and Africa (EMEA)

## Ranking brands in the utilities sector

Our data shows that brands across the utilities sector have failed to differentiate themselves based on customer experience. While this clearly reflects the overall low customer experience scores, it may also be due to the presence of monopoly brands in certain regulated markets.

Once again, German respondents suggested that their utilities providers were the least likely to stand out on customer experience, scoring them 15 percentage points below the all-sector average.

### Brand standout across markets: utilities

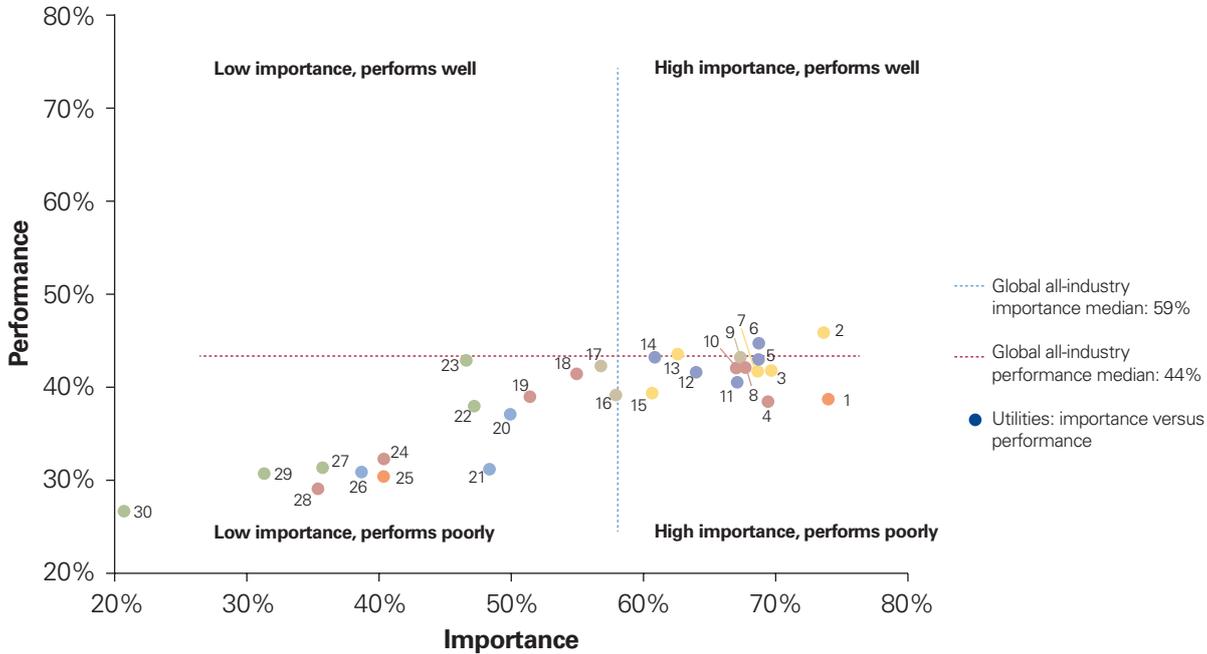


Source: Customer Experience Barometer, KPMG International, 2014

## Aligning investment to importance

As the scatter graph illustrates, respondents said that their utilities providers failed to live up to expectations in all but two of the key measures used in this survey. Indeed, the gap between performance expectations and reality in many of the top measures suggests that utilities customers are highly disappointed in their providers. For value for money, the attribute selected by respondents as being the most important, utilities saw a relatively large performance gap of 35 percentage points (likely highly influenced by recent price increases). Similarly, respondents reported a 31 percentage point gap between their expectations for putting the customer first and their experience. It is worth noting that utilities' customers also place a comparatively high value on attributes associated with brand value and reputation.

### Ranking of most important attributes versus performance of attributes: utilities



Source: Customer Experience Barometer, KPMG International, 2014

Key	Importance	Performance
1 Value for money (i.e. fair and appropriate fees and charges)	74%	39%
2 Staff who are honest and tell the truth	74%	46%
3 Staff who consistently follow through on their promises	70%	42%
4 A company that puts the consumer first	69%	38%
5 Speed when resolving a complaint/resolving a query	69%	43%
6 Getting things right the first time	69%	45%
7 Quality of advice and service offered	69%	42%
8 A company I know will deliver	68%	42%
9 Ease of getting issues/queries/complaints resolved	67%	42%
10 Trust that the brand delivers on its promises	67%	40%
11 Speed of service	67%	42%
12 Speed of making an inquiry/transaction	64%	42%
13 Staff who are knowledgeable	63%	43%
14 Consistency of service – continuity in communications or interactions	61%	43%
15 Staff with a positive attitude	61%	39%
16 Having services and products that are easy to understand	58%	39%
17 Ability to get in contact with the company with short wait times	57%	42%
18 Trust in the brand to do the right thing	55%	41%
19 Trust that the brand understands my needs	52%	39%
20 Offers products and services that can be tailored to my specific needs	50%	37%
21 Rewards my loyalty	49%	31%
22 The choices/options available for contacting a provider (online, telephone, face-to-face)	47%	38%
23 Availability of services (around the clock)	47%	43%
24 A company that is well regarded in the media	41%	32%
25 Availability of rewards and promotions	41%	30%
26 Rewards my choice to do business with the company	39%	31%
27 The physical proximity/ease of access of a company	36%	31%
28 A brand that inspires me	35%	29%
29 The appearance and operation of a website (including navigation)	32%	31%
30 The ambience or decor of a bank, office, store	21%	27%

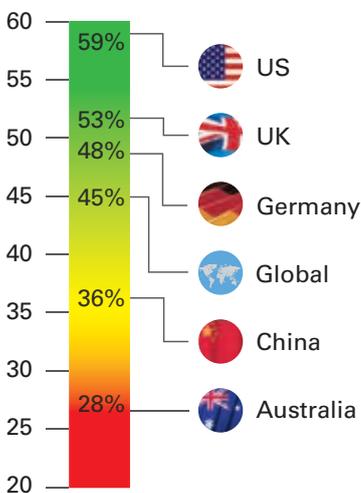
- Customer experience attribute categories**
- Accessibility
  - Ease of doing business
  - Executional excellence
  - Personalized offering
  - Staff engagement
  - Value for money
  - Brand value and reputation

# Spotlight

## ► e-retailers

With the highest scores for customer experience across all sectors, e-retailers offer some valuable lessons for other service-based organizations.

Customer experience barometer:  
e-retailers



Percentage of respondents who rated their experience as either a 9 or 10 out of 10.

Source: Customer Experience Barometer, KPMG International, 2014

Financial services and utilities organizations will want to examine the strategies employed by US-based e-retailers. Their customers ranked them highest for customer experience across all sectors and markets surveyed (59 percent). In part, these high scores demonstrate that – even though switching between brands in the e-retail sector may be fairly straightforward – a clear focus on customer experience can improve loyalty and customer ‘stickiness’.

“Given the type of omni channel experience that e-retail organizations strive to achieve, it is not entirely surprising that they lead the other sectors in creating a strong customer experience,” noted Willy Kruh, KPMG’s Global Chair for Consumer Markets. “E-retailers have been very focused on creating a seamless experience for their customers and that has positively impacted the accessibility and ease of use of their various channels.”

Respondents from the UK and Germany also awarded their e-retailers comparatively high scores, at 53 percent and 48 percent, respectively. However, it is worth noting that only two brands were included in the Australian sample, which significantly impacts the overall market score.

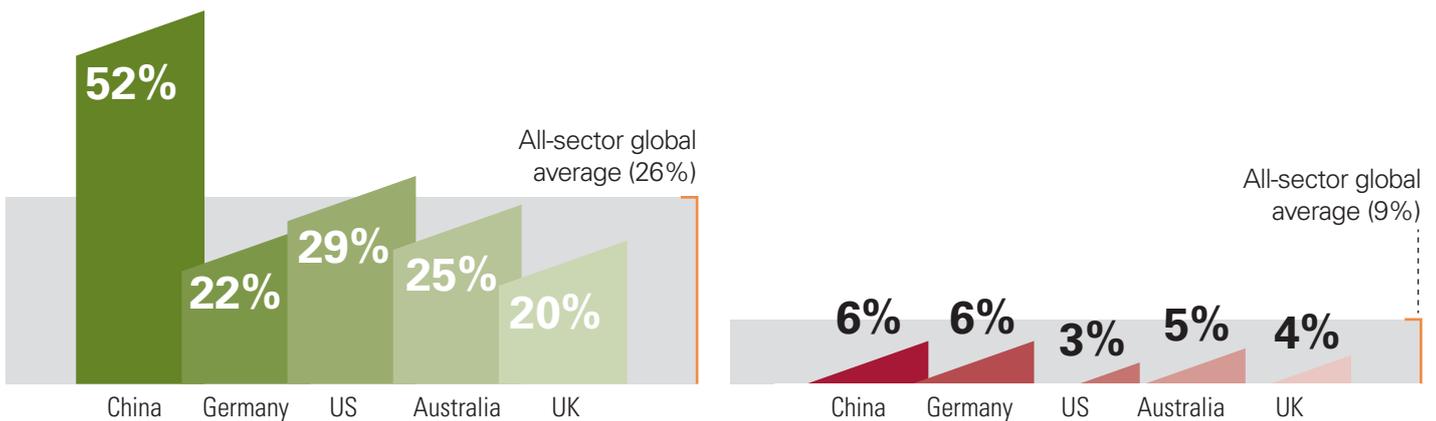
“E-retailers, like many service sectors in Australia, have been fairly cloistered and insular over the past few decades and that has often led to a duopolistic market structure where two major brands dominate the market,” noted Ronan Gilhewley, Partner with KPMG in Australia. “Ultimately, this means that there has been little historical incentive for service-based organizations in Australia to compete on the basis of customer experience. However, the rise of international competition, particularly from Asia and the UK, has forced Australian e-retailers to rethink how they go to market and what their value proposition is outside of the Australian market.”

Customers were also overwhelmingly positive about improvements in their experience with e-retailers over the past year, with more than half of respondents from China and Germany saying that their experience had improved. Egidio Zarrella, Clients and Innovation Partner, KPMG in China, says, “As China’s economy has rapidly expanded over the last few years, consumers have migrated straight to mobile platforms. This provides huge opportunities for businesses in this space. Online retailers are increasingly entering the payments space and are innovating to try to get the stickiness of the consumer via broader offerings.” UK e-retailers, while ranking highly overall, eked out less than average improvements when compared to the all-sector average.

## ► Change in customer experience over the past year: e-retailers

Better

Worse



Source: Customer Experience Barometer, KPMG International, 2014

### Viewpoint

## Learning from e-retailers

What can other sectors learn from the success of e-retailers? For one, the experience of e-retailers shows that as consumers become more comfortable with digital channels, their satisfaction increases.

E-retailers are also very focused on creating a differentiated offering through customer service and this has translated into higher than average customer experience scores across the board.

In particular, e-retailers have managed to create a strong customer proposition through the mobile channel, which allows them to enhance value for money, improve customer care and streamline sales without massive increases in capital expenditure.



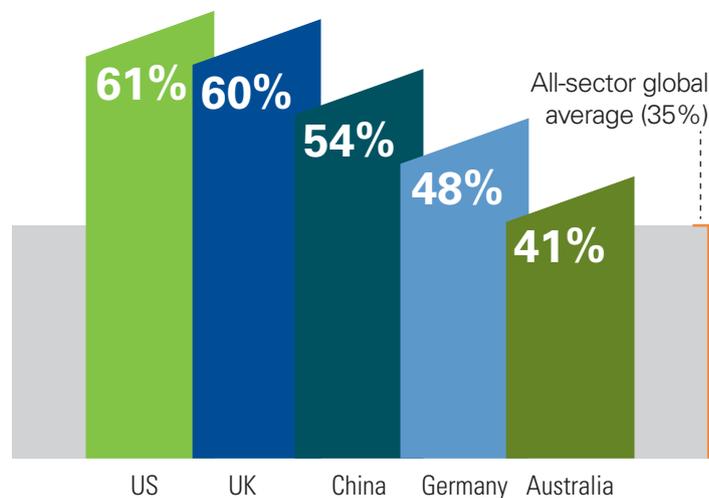
By  
**Willy Kruh**  
Global Chair for  
Consumer Markets



## Ranking brands in the e-retail sector

Respondents certainly believe that their e-retailers stand out on the basis of the customer experience they offer. All e-retail markets surveyed returned above average scores for their ability to differentiate on customer experience.

### Brand standout across markets: e-retailers



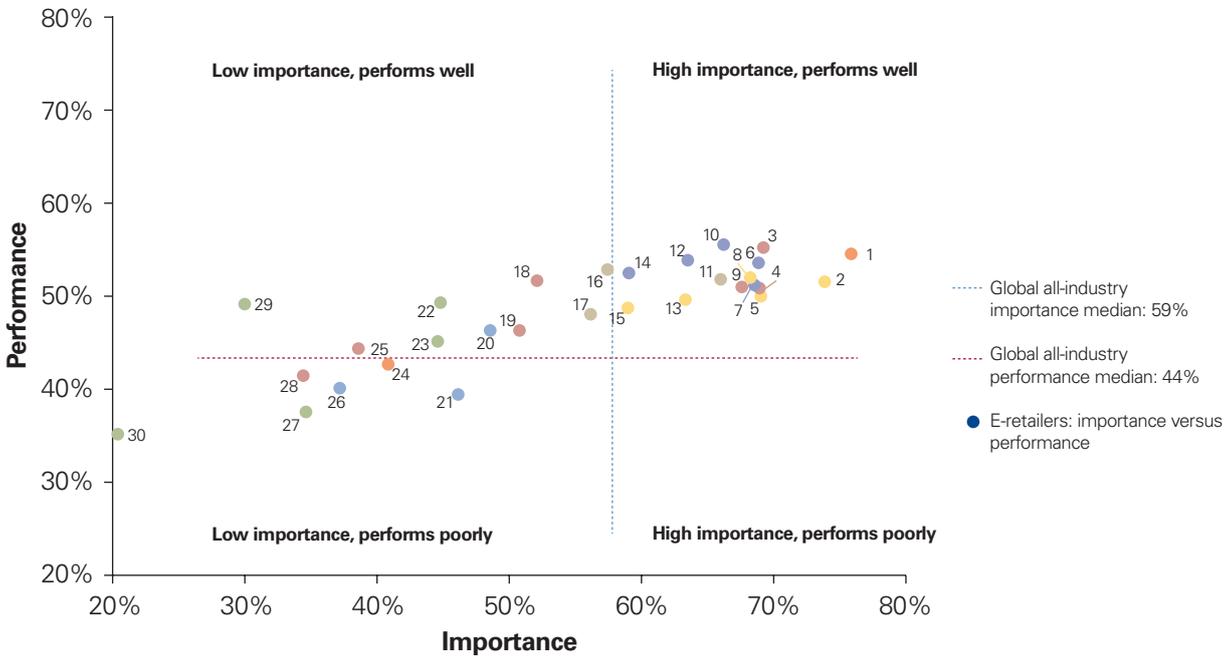
Source: Customer Experience Barometer, KPMG International, 2014

## Aligning investment to importance

In many respects, e-retailers are meeting their customers' expectations. For example, where customers – once again – rank value for money as the most important attribute for a good customer experience in the e-retail sector, they also rank their performance as fairly high. Indeed, in many attributes, e-retailers perform at a higher level than warranted by their relative importance, suggesting that e-retailers may now be investing in the wrong areas to elicit significant improvements going forward.

Customers ranked staff engagement as being of relatively low importance which correctly reflects the very low levels of contact throughout a typical e-retail transaction.

### Ranking of most important attributes versus performance of attributes: e-retailers



Source: Customer Experience Barometer, KPMG International, 2014

Key	Importance	Performance
1 Value for money (i.e. fair and appropriate fees and charges)	76%	54%
2 Staff who are honest and tell the truth	74%	51%
3 A company I know will deliver	69%	55%
4 A company that puts the consumer first	69%	50%
5 Staff who consistently follow through on their promises	69%	51%
6 Getting things right the first time	69%	54%
7 Speed when resolving a complaint/resolving a query	69%	51%
8 Quality of advice and service offered	68%	52%
9 Trust that the brand delivers on its promises	68%	51%
10 Speed of service	66%	55%
11 Ease of getting issues/queries/complaints resolved	66%	52%
12 Speed of making an inquiry/transaction	64%	54%
13 Staff who are knowledgeable	64%	49%
14 Consistency of service – continuity in communications or interactions	59%	52%
15 Staff with a positive attitude	59%	49%
16 Having services and products that are easy to understand	58%	53%
17 Ability to get in contact with the company with short wait times	56%	48%
18 Trust in the brand to do the right thing	52%	52%
19 Trust that the brand understands my needs	51%	46%
20 Offers products and services that can be tailored to my specific needs	49%	46%
21 Rewards my loyalty	46%	39%
22 Availability of services (around the clock)	45%	49%
23 The choices/options available for contacting a provider (online, telephone, face-to-face)	45%	45%
24 Availability of rewards and promotions	41%	43%
25 A company that is well regarded in the media	39%	44%
26 Rewards my choice to do business with the company	37%	40%
27 The physical proximity/ease of access of a company	35%	37%
28 A brand that inspires me	35%	41%
29 The appearance and operation of a website (including navigation)	30%	49%
30 The ambience or decor of a bank, office, store	21%	35%

#### Customer experience attribute categories

- Accessibility
- Ease of doing business
- Executional excellence
- Personalized offering
- Staff engagement
- Value for money
- Brand value and reputation

# Focus

## ► advocacy and brand recommendation

Our approach to investigating brand advocacy focuses on both intent and action. The data suggest that customer recommendations may have far greater potential in influencing buying decisions than typical advocacy scores suggest.

### Viewpoint

## Time to **rethink priorities**

It will take years and significant effort for banks to undo the reputational damage wrought by the 2008 economic crisis. So while many banks are already investing exponentially more resources into training, professional standards, conduct and culture, it will be some time before these investments have a noticeable impact in customer surveys or results.

In part, creating change will require banks to rethink their investments and prioritize areas that will deliver the greatest improvement to their customer experiences. Delivering new digital channels and customer touch points can be a worthy investment, but only if they deliver more of what customers want: value for money and better, more trustworthy staff encounters.

Banks may also want to focus on improving those existing services that are critical to their customers. China's banks, for example, have been dramatically improving access, security and reliability of payments and are enjoying increasing satisfaction from customers.

Some of our clients are now starting to leverage their customer data to determine product suitability on a customer-by-customer basis; others are using their data to screen customers not just for sales potential but also to ascertain which clients will be profitable and which may not. I believe that data, used appropriately and analyzed effectively, is as much a key to creating good customer experiences as the frequently-discussed need for cultural change.

Clearly, those banks that are able to really think differently about the customer experience will excel in the new market environment, while those focused purely on compliance and bottom-line growth may be left behind.



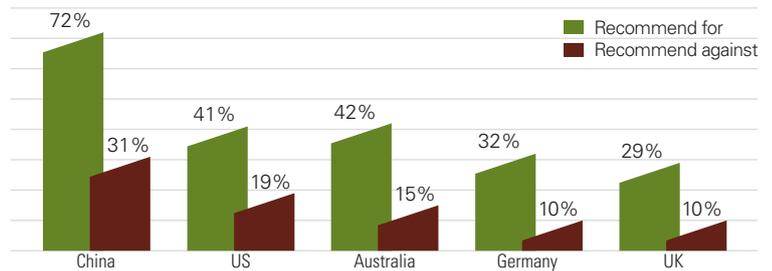
By  
**David Sayer**  
KPMG's Global Head  
of Banking

## Banking

Respondents from China were most likely (72 percent) to say that they had recommended their bank brand in the past year versus only 29 percent of respondents from the UK, reflecting the recent fallout from the credit crisis in the developed economies. At the same time, however, almost a third of respondents from China also said they had recommended against their bank brand in the past year, reflecting a fast-changing banking environment in that country.

Have you recommended any of the following brands to either friends and family or more widely in the past 12 months?

### Recommend for vs. against

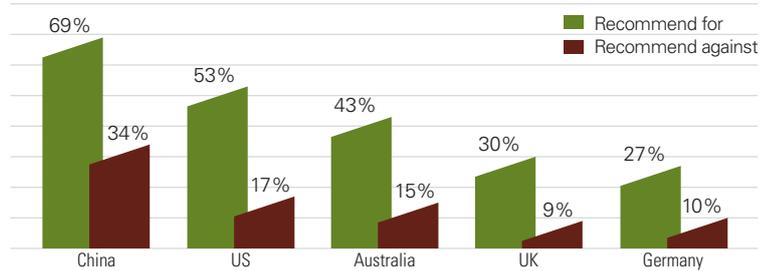


Source: Customer Experience Barometer, KPMG International, 2014

## General insurance

China's respondents led the pack for brand recommendations given to general insurance providers over the past year, with almost seven in 10 claiming to have made a recommendation. German respondents seemed least likely to recommend their general insurance provider (27 percent). In a number of surveyed markets, recommendations made for a brand were approximately three times as common as those against a brand.

### Recommend for vs. against

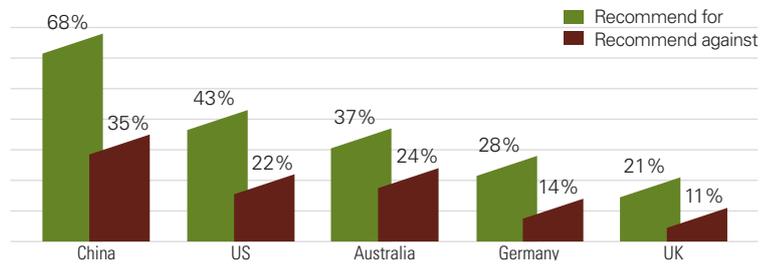


Source: Customer Experience Barometer, KPMG International, 2014

## Life insurance

Similar to other financial service sectors within this survey, respondents from the UK and Germany were least likely to say that they had recommended their life insurance provider in the past year. Respondents from China again report making the most recommendations both for and against their brands, while Australia's respondents returned one of the lowest net positive scores in the survey for their life insurance brands.

### Recommend for vs. against

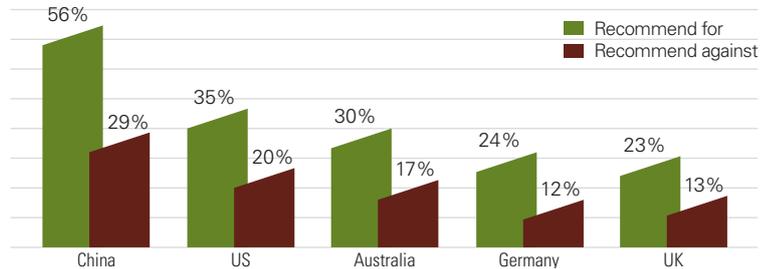


Source: Customer Experience Barometer, KPMG International, 2014

## Utilities

Considering that utilities returned some of the lowest customer experience scores overall, the reported advocacy scores are rather surprising. More than half (56 percent) of respondents from China and around a third of those from the US and Australia reported making a recommendation for their utility brand in the past year. Similarly, only 13 percent of UK respondents and 12 percent of German respondents recommended against their brand.

### Recommend for vs. against

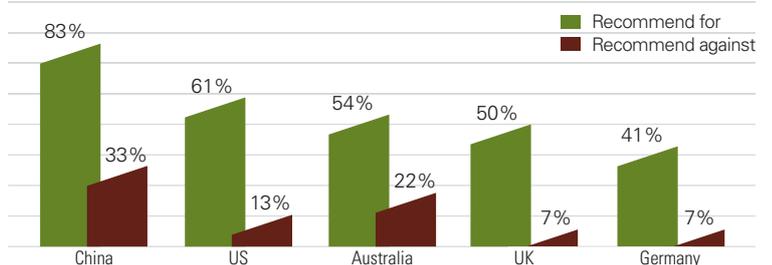


Source: Customer Experience Barometer, KPMG International, 2014

## E-retailer

What is not surprising is that e-retailers scored the most recommendations in favor of their brands and – in most markets – the least number of recommendations against. Eighty-three percent of China's respondents said they had recommended their e-retailer; more than half of those from the US, Australia and the UK did the same.

### Recommend for vs. against



Source: Customer Experience Barometer, KPMG International, 2014

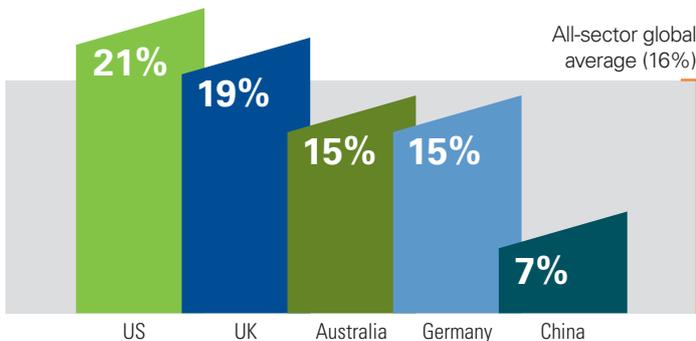
# Focus

## ► complaints and complaint handling

Our experience suggests that a customer's view of a brand can be significantly impacted by how their issues and complaints are treated.

Have you ever made a complaint to any of the following companies?

### Complaint against brand

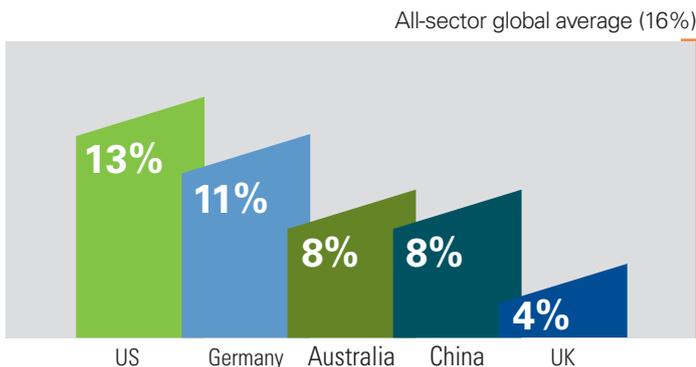


Source: Customer Experience Barometer, KPMG International, 2014

### Banking

While more than one in five US respondents claim to have lodged a complaint against their bank, this may have more to do with cultural attitudes rather than specific challenges with the customer experience. On the whole, banks performed either at or above the 'all sector' average when it came to resolving customer complaints at the first point of contact. The UK led the rankings with a third of respondents claiming swift complaint resolution; US banks trailed the pack with less than 22 percent claiming the same.

### Complaint against brand



Source: Customer Experience Barometer, KPMG International, 2014

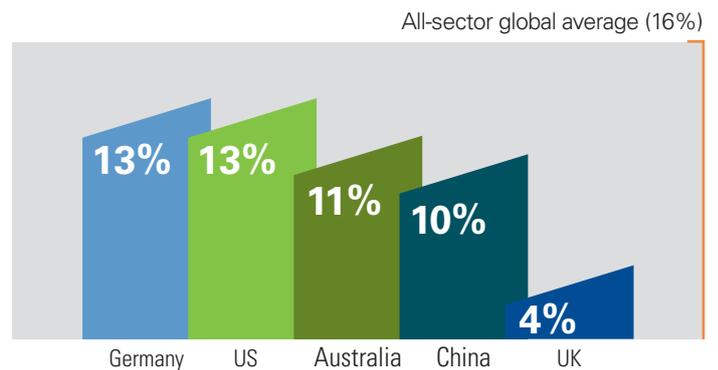
### General insurance

Overall, respondents report a relatively low level of complaints to their general insurance providers, which likely reflects the infrequent interaction typical of most general insurance customer relationships. However, the sector performs below-average for first point of contact complaint resolution, this is likely to be due to the complex nature of the complaint lodged and the regulated resolution processes.

## Life insurance

While the level of reported complaints is fairly consistent with other financial services sectors, this is somewhat concerning as the level of interaction between customers and staff is often rather low. Reported complaint levels may also be related to historic mis-selling rather than current customer experience. The sector also performs below-average for resolving customer complaints at the first point of contact, again due to the complex nature of complaints lodged against life insurers.

### Complaint against brand

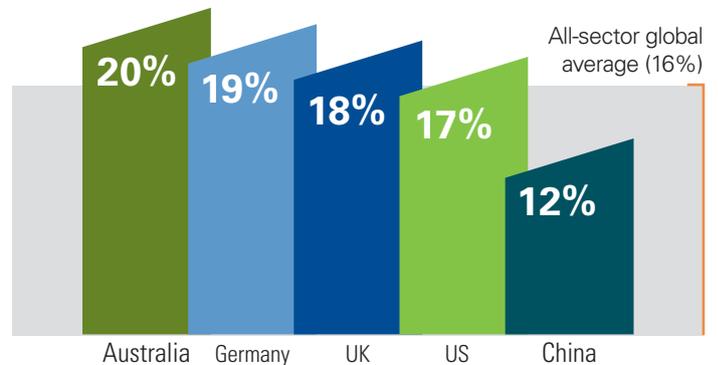


Source: Customer Experience Barometer, KPMG International, 2014

## Utilities

Despite reported poor customer experience scores and the significant gap between performance and importance, utilities' complaint levels are not as high as might be expected compared to the 'all sector' global average. The sector also returned average scores for resolving complaints at the first point of contact with the UK leading the rankings.

### Complaint against brand

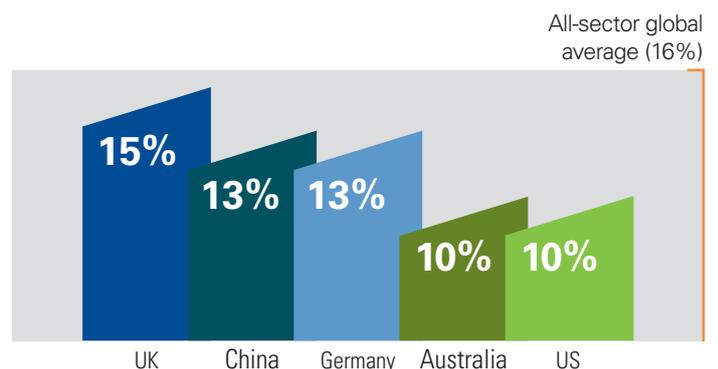


Source: Customer Experience Barometer, KPMG International, 2014

## E-retailer

In line with their high rankings for customer experience overall, e-retailers saw the lowest percentage of complaints than any other sector. And when complaints were logged, e-retailers seem to have responded admirably. More than half of all respondents from the UK and US report having complaints resolved at the first point of contact, well above the 'all sector' average of 27 percent.

### Complaint against brand



Source: Customer Experience Barometer, KPMG International, 2014

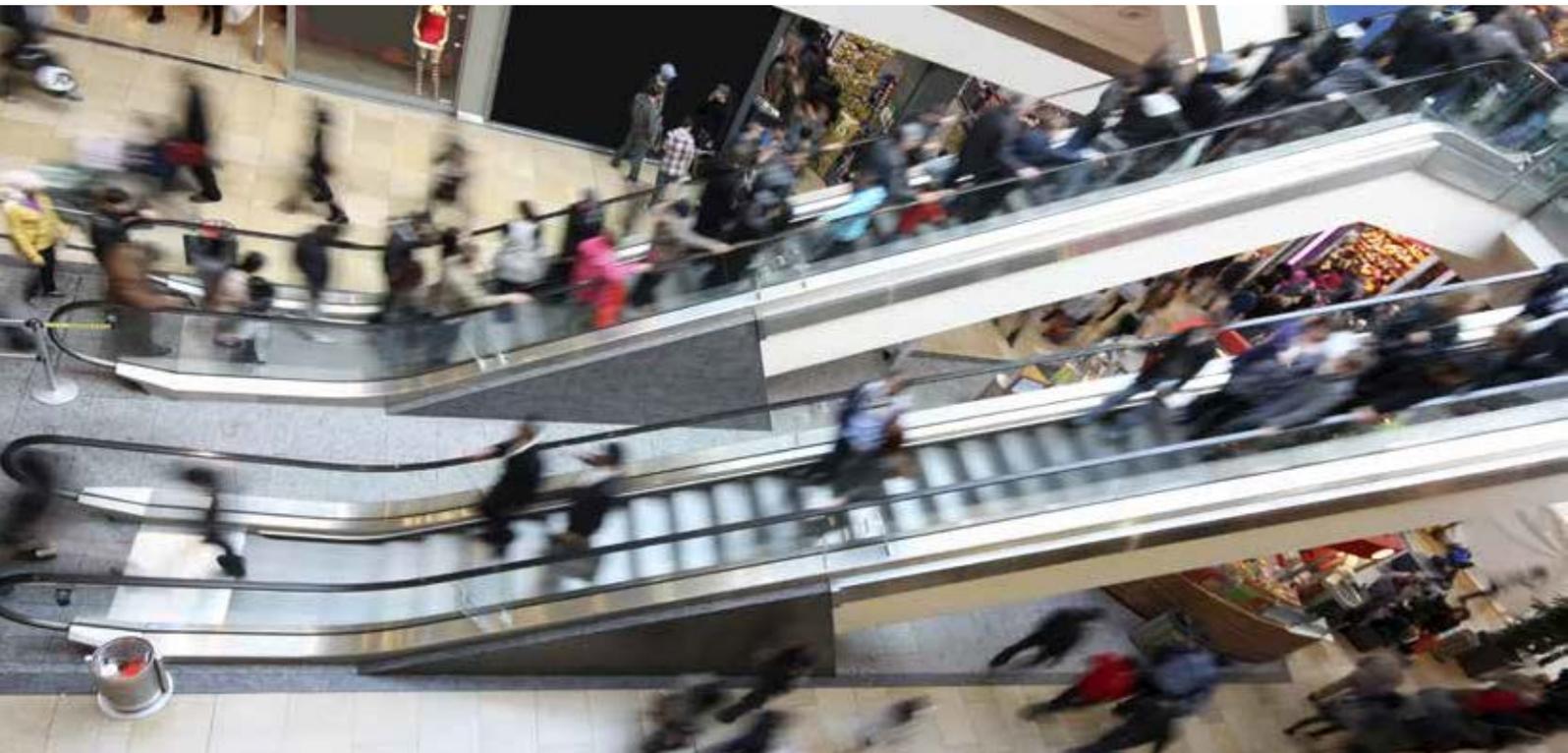
# About

## this report

The KPMG customer experience barometer has been designed to provide a simple means of measuring, tracking and benchmarking the customer experience for markets, sectors and brands.

To develop this report, KPMG International partnered with Edelman Berland (the market research arm of the public relations firm Edelman) in the fourth quarter of 2013 to collect data from 5,000 consumers spread equally across five major markets: Australia, China, Germany, the UK and the US.

In addition to the aggregate data contained within this report, our research allows us to deliver deep insight into the actual customer experience for more than 160 leading brands in the banking, general insurance, life insurance, utilities and e-retail sectors. The survey methodology was designed to evaluate brands in the five markets across their sectors, only those respondents who had used the brand were asked to evaluate them. In the US specifically, general insurance and life insurance brands were weighted for both customer age and portfolio size.



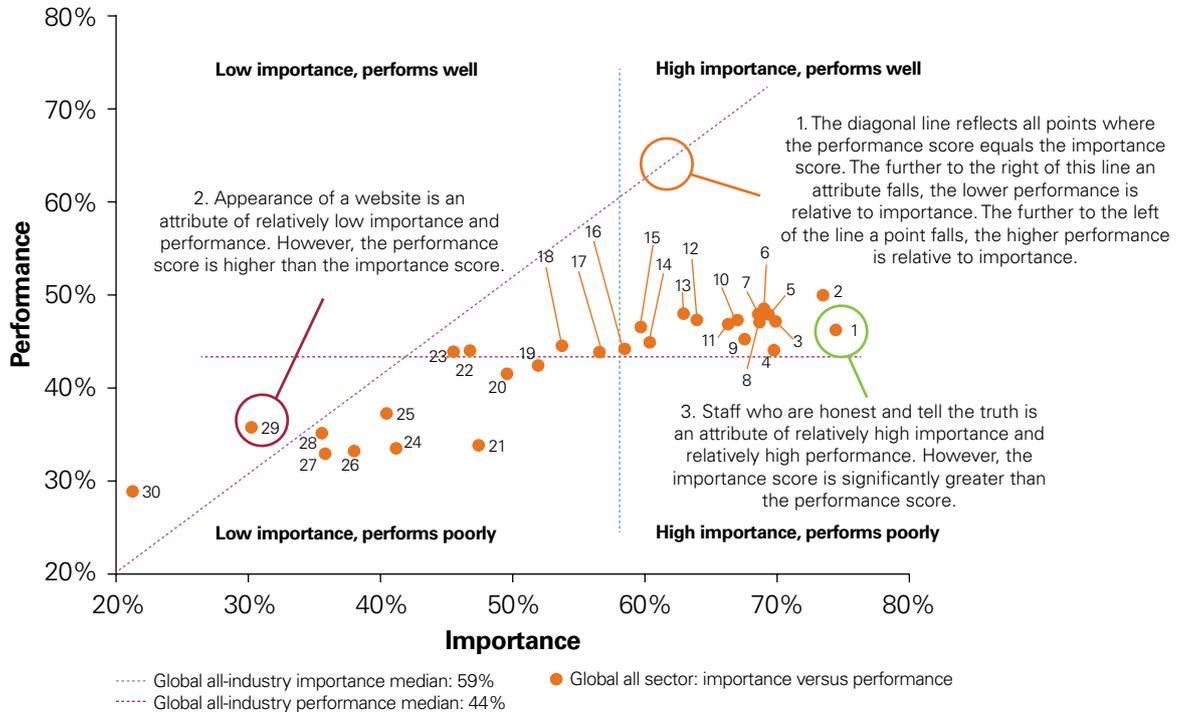
## Using the KPMG customer experience barometer

The KPMG customer experience barometer assesses performance and perceptions across more than 30 individual attributes. For each, it shows the percentage of respondents who scored customer experience as a 9 or 10 out of a possible 10. Within the chosen market, it shows the overall range from the top score to the lowest score recorded and, in doing so, illustrates relative performance amongst the competitive set.

By using KPMG's proprietary customer experience model, the KPMG customer experience barometer allows organizations to examine their performance and rankings across more than 30 individual attributes. Each attribute is measured for both importance and performance, thereby establishing where performance gaps exist between the two. The importance and performance scores again reflect the percentage of respondents who scored each attribute as a 9 or 10 out of 10.

1	<b>Accessibility</b>	<ul style="list-style-type: none"> <li>the choices/options available for contacting a provider</li> <li>the physical proximity/ease of access of a company</li> <li>availability of services (around the clock)</li> <li>the appearance and operation of a website (including navigation)</li> <li>the ambience or decor of a bank, office, store.</li> </ul>
2	<b>Ease of doing business</b>	<ul style="list-style-type: none"> <li>having services and products that are easy to understand</li> <li>ease of getting issues/queries/complaints resolved</li> <li>ability to get in contact with the company with short wait times.</li> </ul>
3	<b>Executorial excellence</b>	<ul style="list-style-type: none"> <li>speed of making an inquiry/transaction</li> <li>getting things right the first time</li> <li>consistency of service – continuity in communications or interactions</li> <li>speed when resolving a complaint/resolving a query</li> <li>speed of service.</li> </ul>
4	<b>Personalized offering</b>	<ul style="list-style-type: none"> <li>rewards my loyalty</li> <li>offers products and services that can be tailored to my specific needs</li> <li>rewards my choice to do business with the company.</li> </ul>
5	<b>Staff engagement</b>	<ul style="list-style-type: none"> <li>staff who consistently follow through on their promises</li> <li>staff with a positive attitude</li> <li>staff who are knowledgeable</li> <li>quality of advice and service offered</li> <li>staff who are honest and tell the truth.</li> </ul>
6	<b>Value for money</b>	<ul style="list-style-type: none"> <li>value for money (i.e. fair and appropriate fees and charges)</li> <li>availability of rewards and promotions.</li> </ul>
7	<b>Brand value and reputation</b>	<ul style="list-style-type: none"> <li>a brand that inspires me</li> <li>a company that is well regarded in the media</li> <li>a company i know will deliver</li> <li>a company that puts the consumer first</li> <li>trust in the brand to do the right thing</li> <li>trust that the brand understands my needs</li> <li>trust that the brand delivers on its promises.</li> </ul>

### An illustration of importance versus performance



Source: Customer Experience Barometer, KPMG International, 2014

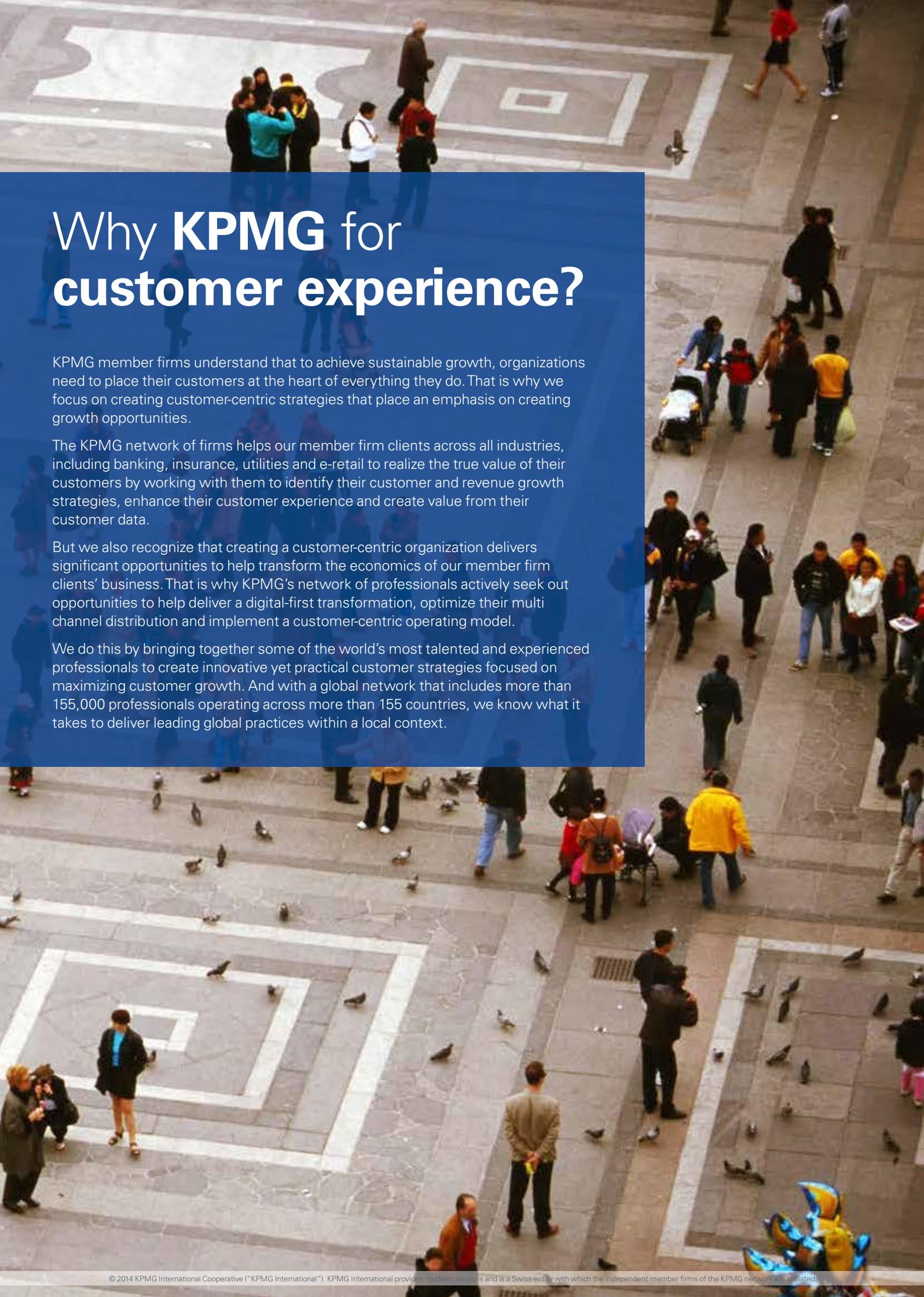
In presenting this data, the relationship between the importance and performance of attributes is expressed through the use of a scatter diagram where the performance gap is represented by the distance a point falls from the diagonal line that represents a performance score equal to an importance score.

In addition to measuring customer experience across our model, we have also measured other customer indicators commonly linked to economic value, such as customer advocacy, customer loyalty, the likelihood of a customer to purchase again and the treatment of customer complaints.

### Applying the results to your organization

While this report does not name individual brands, the data for each of the 160 organizations included in this report is available upon request by company officials. KPMG's member firm professionals are also available to conduct an assessment of customer experience using the proprietary Customer Experience model. Benchmarking data is available across a range of sectors and markets.

To explore these findings in more detail or to find out more about applying the findings of this report within your organization, we encourage you to contact your local KPMG member firm or any of the contacts listed at the end of this report.



# Why **KPMG** for customer experience?

KPMG member firms understand that to achieve sustainable growth, organizations need to place their customers at the heart of everything they do. That is why we focus on creating customer-centric strategies that place an emphasis on creating growth opportunities.

The KPMG network of firms helps our member firm clients across all industries, including banking, insurance, utilities and e-retail to realize the true value of their customers by working with them to identify their customer and revenue growth strategies, enhance their customer experience and create value from their customer data.

But we also recognize that creating a customer-centric organization delivers significant opportunities to help transform the economics of our member firm clients' business. That is why KPMG's network of professionals actively seek out opportunities to help deliver a digital-first transformation, optimize their multi channel distribution and implement a customer-centric operating model.

We do this by bringing together some of the world's most talented and experienced professionals to create innovative yet practical customer strategies focused on maximizing customer growth. And with a global network that includes more than 155,000 professionals operating across more than 155 countries, we know what it takes to deliver leading global practices within a local context.

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