KPMG nunwood

[Digital] customer is our master

2019

KPMG.pl

Customer Experience Excellence Centre

Methodology

PROVEN METHODOLOGY OF KPMG NUNWOOD

8 years of research

Over million individual evaluations

2300+ brands measured

SECOND YEAR OF RESEARCH IN POLAND

>5000 respondents

The survey was conducted by an external research agency in the second quarter of 2018, using the CAWI method (Computer-Assisted Web Interview) on a representative sample of over 5,000 Polish customers of age 16+.

>200 brands

The analysis included brands that provide services or sell products to retail clients and have a significant presence on the Polish market. The study includes those sectors in which companies using a given brand have a significant impact on building Customer Experience in many touchpoints. Selection of sectors is consistent with the research methodology adopted by KPMG Nunwood in other countries. The conclusions of the report were based on a sample of 192 companies for which a sufficient number of responses was collected.

9 sectors

- Entertainment and Leisure
- Utilities
- Restaurants and Fast Food
- Logistics
- Telecoms
- Travel and Hotels
- Non-grocery Retail
- Grocery Retail
- Financial Services

Six Pillars of Customer Experience

- Integrity
- Resolution
- Expectations
- Time and Effort
- Personalization
- Empathy

The goal of the study was to to analyze the Customer Experience offered by various brands during the entire Customer Journey. Respondents evaluated their satisfaction in terms of service and assistance at all stages of the Customer Journey as many touchpoints as possible. The prerequisite for including a brand in the final study was to collect the minimum required number of responses in order to maintain correctness of statistical inference.

The basis for comparisons between brands, industries and countries is the CEE (Customer Experience Excellence) Index. This indicator is calculated based on the assessment of the Six Pillars of the Customer Experience, taking into account their individual impact on building Customer Experience in a given country.

Results of this study presented in the report were developed based on the results of a consumer survey carried out by an external research agency and publicly available information. The research was aimed at collecting individual opinions of respondents. The report illustrates the practices used in managing Customer Experience and by no means constitutes an opinion or position of KPMG in Poland regarding any any brand nor it's operation in Poland.

Introduction

„Client centric", „Customer first" and similar buzzwords have been commonly used in Polish business for over 20 years. However, in practice many organizations actions have been mostly internally focused, and cost optimization was one of the primary criteria in customer management improvement programs.

Nowadays, on a highly competitive Polish market, the companies are trying to understand why customers prefer certain brands, stay loyal to them and recommend them – especially especially when products and services of different brands are comparable. Customers evaluate brands throughout the experiences during the entire customer journey – starting from the discovery of a brand and its products, up till the termination of the relationship. A brand's ability to provide excellent Customer Experience (CX) has become the key differentiator to win the market. In order to ensure the best Customer Experience, brands need to understand their clients, their preferences, motivation and decision making process and then adjust their offer to best meet clients' expectations.

In recent years, KPMG has been truly focused on the Customers agenda. KPMG Nunwood, our special team of CX professionals in KPMG UK, has developed a very unique methodology of Six Pillars™ of Customer Experience that enables to define and measure key aspects of customers opinion about experience provided by a brand. These pillars represent the deterministic components building customers' opinions, and therefore allow brands to effectively build up an improved Customer Experience. Analyses conducted in over 20 countries from various continents show that in all markets the Six Pillars of Customer Experience explain two-thirds of NPS (Net Promoter Score) or CLI (Customer Loyalty Index).

When applying the Six Pillars methodology in Poland, it is important to understand the specifics of the Polish market and how do Polish customers evaluate the Customer Experience delivered by various brands. In 2018, we again cooperated with the same external market survey agency that conducts similar surveys for KPMG in other countries. The agency collected evaluation forms from the representative sample of over 5,000 Polish consumers. Based on the results of the survey, we created the list of TOP 100 Brands that in the opinion of Polish consumers provide the best Customer Experience. The report shows our comments and conclusions resulting from the survey and market research.

We believe that the survey and our additional analysis provide valuable insights on expectations of Polish consumers, but also the trends and root causes of customer problems, as well as solutions that make customers satisfied with offerings of various sectors. Collected market data on each of the 200 brands evaluated during the survey, together with our knowledge of digital customers, specialized tools and multidisciplinary approach, enable us to design and implement a Customer Experience transformation program that will effectively drive the growth of customer satisfaction.

This brief report is focused on presenting key conclusions from our Customer Experience research that are relevant to all sectors. We do hope that it will in many ways inspire you to provide your customer with even better experiences. Those readers who are interested in more detailed analysis (including benchmarking of their brands), are encouraged to contact us directly. We will be very keen to meet you, share the results of our studies and provide comments on directions for the improvement of the Customer Experience offered by your brand.

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Main conclusions

Brands in Poland are taking better care of their customers

The analysis of the survey results, and additional interviews conducted during the preparation of this report show that brands in Poland are increasingly focusing on building positive Customer Experiences. In 2018, consumers evaluated brands better then a year ago across almost all industries. Polish consumers also have more and more requirements when it comes to the experience they are being offered – they cross-reference their expectations between brands and industries, expecting all companies to care for them just as well as those who do it best.

Polish consumers demand similar Customer Experience as clients in the most developed markets

Analyses in 2018 showed that particular pillars have a similar meaning to Polish consumers, as in countries with the most developed consumer markets. Just as in the US, UK and most other developed countries, the pillars of Integrity and Personalization have the most impact on Customer Experience. Global digital providers that effectively use proven pro-client approach are now also achieving a rapid success on the Polish market. However, many retail companies operate in Poland at lower margins than in many other markets, and this in fact is limiting their ability to invest in building solutions and systems aimed at improving Customer Experience.

Brands that provide the best Customer Experience in Poland have higher revenue growth than their competitors

Similarly to last year, we compared the revenue growth rate of companies listed on the TOP 100 list versus the growth of revenues of companies from the same industries listed on the Warsaw Stock Exchange (WSE). In our comparison, we took into account the Compound Annual Growth Rate (CAGR) of revenues in 2015-2017. Our analyses showed that the average CAGR growth of the Customer Experience leaders presented in the TOP100 Brands in this report was 9 pp higher than CAGR of companies from the same sectors listed on the WSE. Customer Experience leaders from Restaurants and Fast Food sector were even more efficient in growing their revenues during the analysed period: CAGR of revenues for this sector was higher by 21 pp than those from the same industry listed on the WSE.

THE GDPR created both challenges and new opportunities for managing Customer Experience

Collecting and processing customer data is the only effective solution for understanding a given customer and then personalizing his offer provided experience. The GDPR regulation introduced ways of protecting customers which may significantly limit the capability of many brands to collect and use data, if they are not able to obtain appropriate consumer consents. The key to the brand's success in the GDPR era is its Integrity, which, combined with additional values for customers, will convince them to give necessary consents. Thanks to the use of data, the company will in turn be able to better personalize its offer and deliver better Customer Experience, thus also improving client satisfaction.

Digitization dynamically changes expectations of Polish consumers regarding the experiences they demand from brands

A significant increase in the importance of the Personalization pillar (from 15% in 2017 to 20%) results from the fact that Poles are becoming not only more mature consumers, but also consumers using increasingly more digital solutions. The digital world teaches them that products and interactions with brands can be not only simpler, faster and more convenient, but also better tailored to meet their individual needs. Those who have experienced advanced personalization offered by digital service providers expect that brands operating in other industries will also offer them similar experiences.

Integrity and Personalization have the greatest impact on the assessment of the experience of Polish consumers

Integrity and Personalization are pillars that have the highest importance for Polish consumers. Consumers require brands to be trustworthy and deliver on their promises, but also expect a given brand's products, services and customer service to be more personalized and tailored to their individual needs and expectations.

Brands originated in Poland are doing very well when competing with global brands

The first place on this year's TOP 100 Brands list was awarded to Ziaja, a pharmaceuticals cosmetics company that was established in Poland, and now is successfully expanding internationally. 51 brands from the Top 100 list were originated and built in Poland. Polish brands understand their consumers well, but also know how to build their brands, and have successfully built solutions that enable to provide positive Customer Experience to their client.

1

The Six Pillars™ of Customer Experience

KPMG designed a unique methodology based on the Six Pillars™ of Customer Experience. The goal was to understand customers' approach to the assessment and evaluation of brands that provide them with products or services. These Pillars are representing the determinants of human motivation and enable better understanding what aspects of a consumer's relationship with the brand, and parts of customer's journey are particularly important.

Integrity results from consistent delivering the brand promise and demonstrating trustworthiness. It is important that the company's activities are consistent with the declared mission and values, and that the interests of the customer and the brands are on par.

Integrity
Being trustworthy and engendering trust

In the event of unexpected or problematic events in the brand-client relationship, restoring customer's satisfaction and giving him help is expected by all consumers. An important element of this Pillar is not only the effectiveness of the actions undertaken by the company, but also their speed and the willingness to admit their mistakes.

Resolution
Turning a poor experience into a great one

Clients have specific expectations as to the way in which their needs will be met. The brand should build positive experience by first understanding the potential expectations of consumers (which are also often shaped by their experiences with other brands from various industries), effective management of these expectations, as well as going beyond the client's standard expectations.

Expectations
Managing, meeting and exceeding customer

Six Pillars™ of Customer Experience

Personalization
Using individualized attention to drive emotional connection

Customers increasingly require products and services best suited to their needs and are also expecting a more personalized service. Personalization is the ability of a brand to understand individual customer needs and to provide a product or service that meets his specific expectations.

Time and Effort
Minimizing customer effort and creating frictionless processes

Customers expect that they can purchase a product or use a service in the most convenient way possible. Brands should aim to remove unnecessary obstacles, impediments and bureaucracy, which will enable the consumer to use the offer of a given brand as efficiently as possible.

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

Empathy is the ability to understand others. In the case of a customer-brand relationship, it is increasingly important to build a relationship based on positive emotions between the consumer and the brand, which gives the consumer a sense that the company understands and responds to his specific situation.

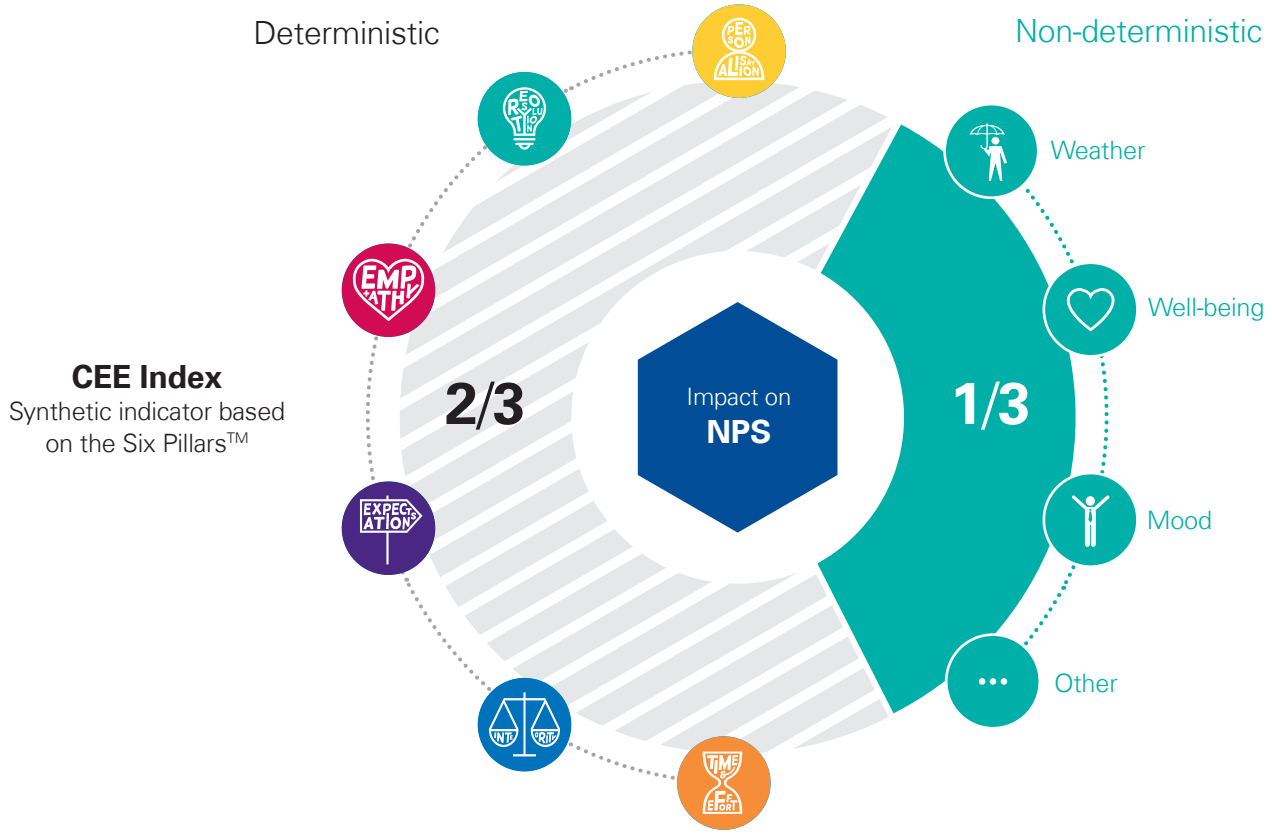
The scheme was prepared on the basis of KPMG Nunwood methodology.

Use of the Six Pillars™ methodology to effectively manage Customer Experience

Net Promoter Score (NPS) has been a widely established standard measure of the quality of Customer Experience. This indicator reflects how positively customers evaluate their relationship with a given brand. However, the biggest challenge for a brand is to interpret the indicator in such a way that enables them to implement economically optimal solutions that improve Customer Experience.

The main advantage of the Six Pillars™ Methodology is that Pillars represent about 2/3 of the factors that determine the consumer's willingness to recommend a given brand or to be loyal to it (see below, Fig.1). The remaining 1/3 of the NPS variability results from non-deterministic factors (e.g. weather, mood, or customer's well-being), which the brand cannot really influence. The analysis of results of research carried out by KPMG across markets in different countries showed that the impact of the Six Pillars on NPS is very similar, regardless of the specifics of the consumer market, with only the weight of individual pillars differing in various countries.

Fig.1. Impact of the Six Pillars™ on NPS based on the Customer Experience Excellence research conducted in various countries using Six Pillars™ methodology developed by KPMG Nunwood.



NPS structure based on the *Customer Experience Excellence* research conducted in various countries using Six Pillars™ methodology developed by KPMG Nunwood.

Understanding the essence of the individual Pillars™ is the basis for using this method in effective management of positive Customer Experience. Based on our research and analysis, Integrity and Resolution are the Basic Pillars that are the foundations for building positive experiences. If the client does not trust a brand, then he will likely be critical of it – the same will be the case if the brand is not able to effectively resolve problems that inevitably happen while using their products and services.

Expectations and Time and Efforts are the Intermediate Pillars, and they enable further enhancing positive consumer experiences. Investing in customer-oriented activities that relate to those pillars is justified when the client already has confidence in a given brand, and he is satisfied with its problem solving capabilities.

The last level in the client experience management hierarchy represents the so-called Distinguishing Pillars, i.e. Personalization and Empathy, which allow brands to create a very strong relationship with their client and, by building up a sense that a given brand is unique, making the customer a real brand ambassador.

Fig.2. How to use the SixPillars™ Method to manage NPS

NPS structure based on the *Customer Experience Excellence* research conducted in various countries using Six Pillars methodology developed by KPMG Nunwood.

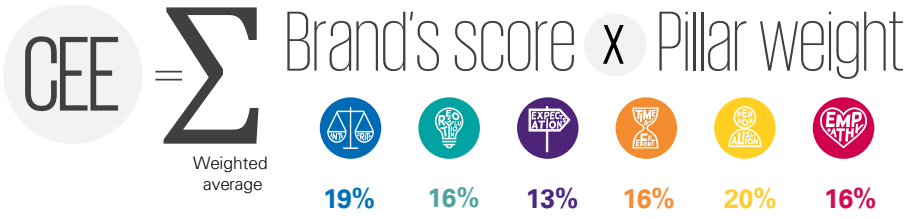
2

The study results in 2018 – digitization, GDPR and the economics of Customer Experience

According to respondents, brands in Poland are better caring for their customers

The CEE (Customer Experience Excellence) index is derived for each brand through a weighted average of the brand's score for each of The Six Pillars™. The weight is calculated through regression analysis to understand the relative importance of each pillar in driving the two commercial outcomes measured in the analysis: advocacy and loyalty.

Fig.3. The CEE index



Pillars weight obtained in the Customer Experience survey in Poland in 2018

In 2018 Polish consumers evaluated Customer Experience provided by various brands more positively than a year ago. Although, as shown in Fig. 4, the average CEE index only increased slightly, the number of brands for which the CEE value exceeded 7.5 increased by 9%. And so, in 2018 more brands were well assessed by Polish consumers and the number of brands assessed relatively low has also significantly decreased.

Fig.4. Comparison of the results of CEE index based on the study on Polish consumers performed by KPMG in 2017 and in 2018.

The presented results relate to the value of the CEE index for all surveyed brands in 2017 and 2018.

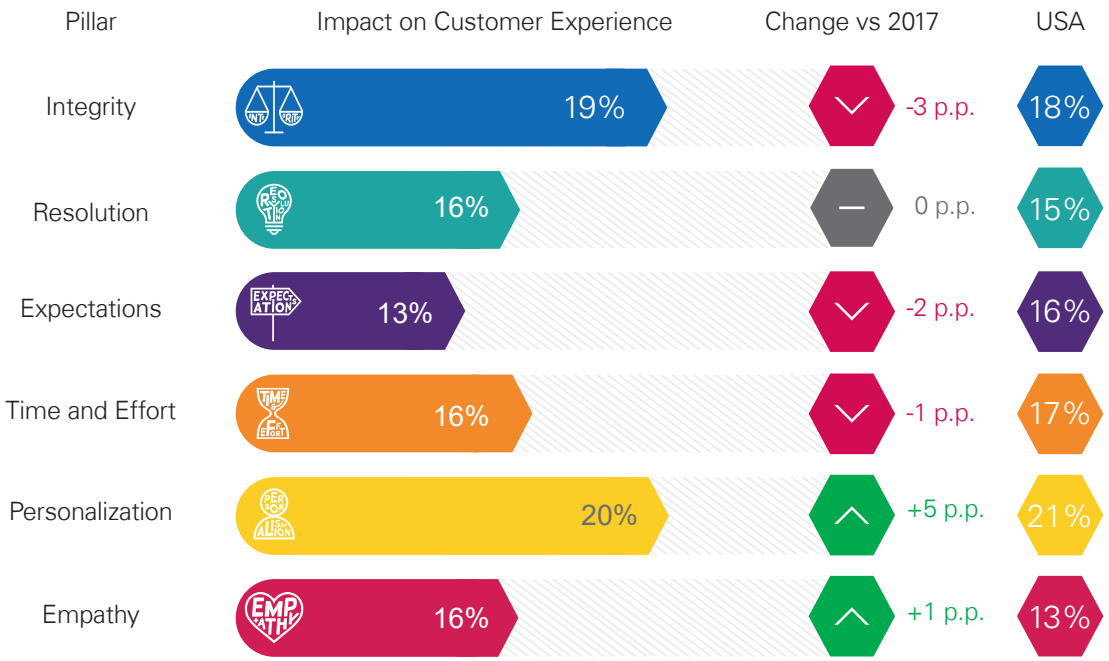
Integrity and Personalization are the key to managing Customer Experience in Poland

Our study on Polish consumers carried out in 2018 showed that since the first quarter of 2017 Poles have changed their preferences and expectations towards to brands. As depicted on Fig.5., Personalization and Integrity are Pillars that have the greatest impact on the client's inclination to recommend a brand.

Integrity is the foundation of the brand-client relationship in Poland, as in other countries where similar studies are conducted by KPMG. Although the weight of the Integrity Pillar decreased by 3 pp in relation to the analysis from 2017, it is still very important for Poles that a given brand is recognized and trustworthy.

In 2018, the role of the Personalization pillar grew considerably – its independent influence on NPS increased by 5 pp, making it the pillar with the greatest impact on customer loyalty. Polish consumers are expecting suppliers to offer products and service already adapted to their individual needs and preferences more than ever – and the result of this rapid change is, undoubtedly, digitization. Since the customers have already experienced the benefits of personalization in digital channels, they expect that the same convenience will be offered to them by brands of all other industries, even those these are companies from brick and mortar industries. As Poland is becoming an increasingly mature digital market, the weight of Personalisation pillar is similar to its importance on such markets as the US or Great Britain.

Fig.5. Impact of the SixPillars on client's tendency to recommend a brand



The graph presents the impact of a given pillar on the client's loyalty to a brand and the tendency to recommend it. The results vary depending on a country.

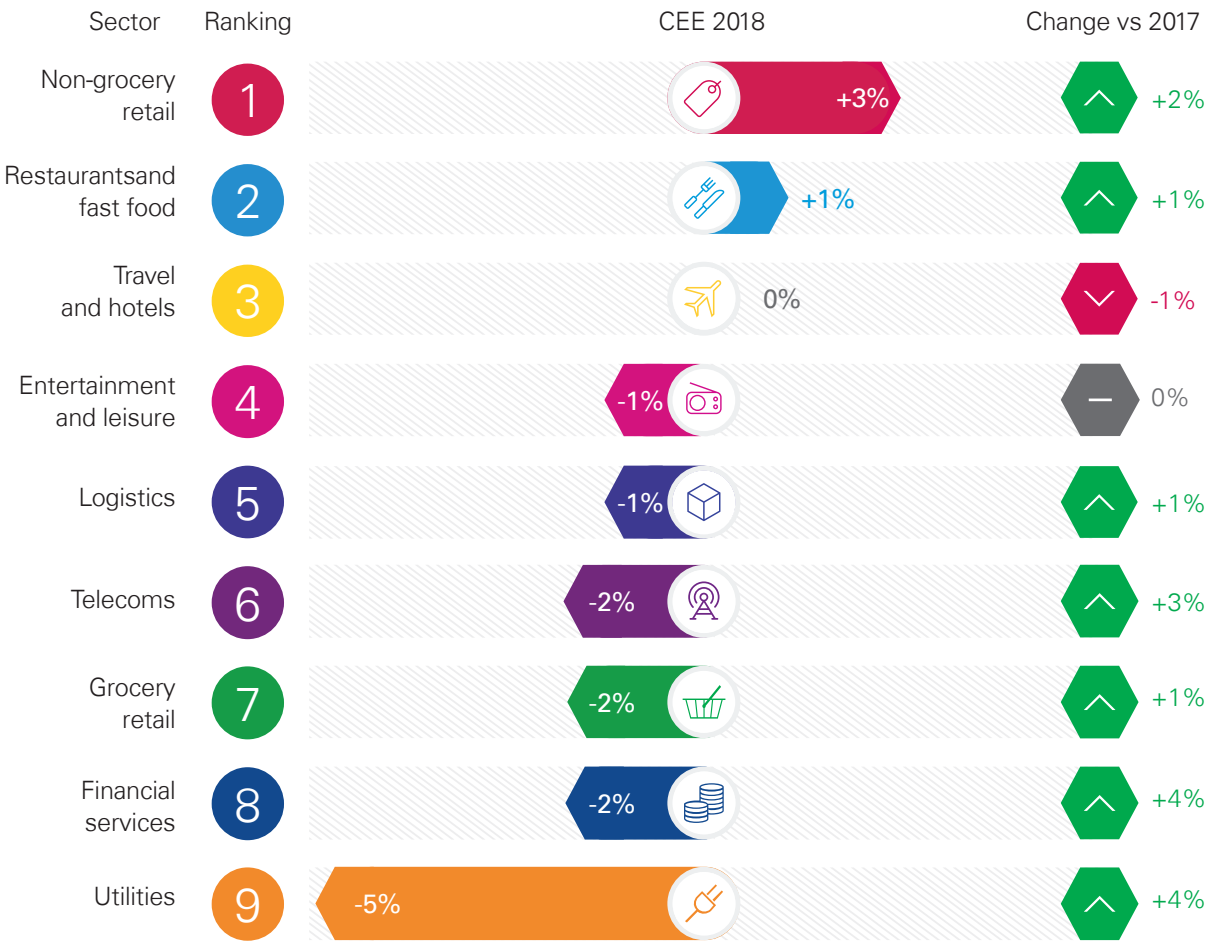
How do the Polish customers rank different sectors

In order to compare how Polish consumers evaluate their experience with particular industries, we calculated the average value of the CEE index of brands belonging to a given sector for each of the 9 sectors covered by the study.

Figure 6 illustrates the comparison of the average CEE index for 9 sectors. Similarly to 2017 studies, Polish consumers evaluated their experience with brands from the non-grocery retail sector. This sector is also the most competitive one in Poland, where for many years now companies have been fighting for the client and hence, implementing pro-customer actions. Brands in this sector also have many years of experience in digital channels, both in marketing and sales, as well as providing online customer service.

Similarly to last year, sectors providing consumers various services (in particular electricity or gas), were ranked lower. This might be due to the fact that offering services and products to consumers under long-term contracts requires longer and more complex cycle of customer service. What is more, the scale of operations and complicated regulatory restrictions provides additional challenges. However, it is noticeable that brands belonging to these sectors ranked lowest by Polish respondents have been implementing successful initiatives aimed at improving Customer Experience, as their average CEE index have increased by 5 pp to 2 pp compared to 2017.

Fig.6. Comparison of the CEE index for different sectors in Poland



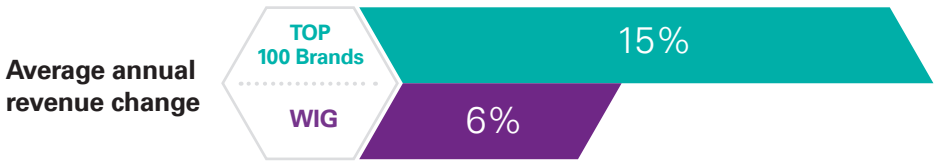
The graph shows the difference between the CEE index for a given industry and the CEE index for all analyzed brands. The presented order of industries results from the average CEE index value for a given industry. Based on a consumer opinion survey conducted by an external research agency commissioned by KPMG.

Effective management of Customer Experience goes hand in hand with achieving significantly faster revenue growth

The basic questions that managers in charge of Customer Experience ask is if, how much and which pro-client initiatives to invest in to achieve business benefits. The advantage of the Six Pillars™ method is the ability to determine the impact of potential initiatives on NPS and CLI, and the resulting revenue growth – and so, it is easier to prioritize possible actions to be taken.

KPMG compared the level of revenue growth achieved by Customer Experience (brands that were included in the Top 100 list), in relation to companies from the same industries listed on the Warsaw Stock Exchange. For this purpose, we have determined the compound annual growth rate (CAGR) of revenues in 2015-2017 for all companies included in the TOP 100 list and for similar (also serving retail clients) companies from the same industry listed on the WSE.

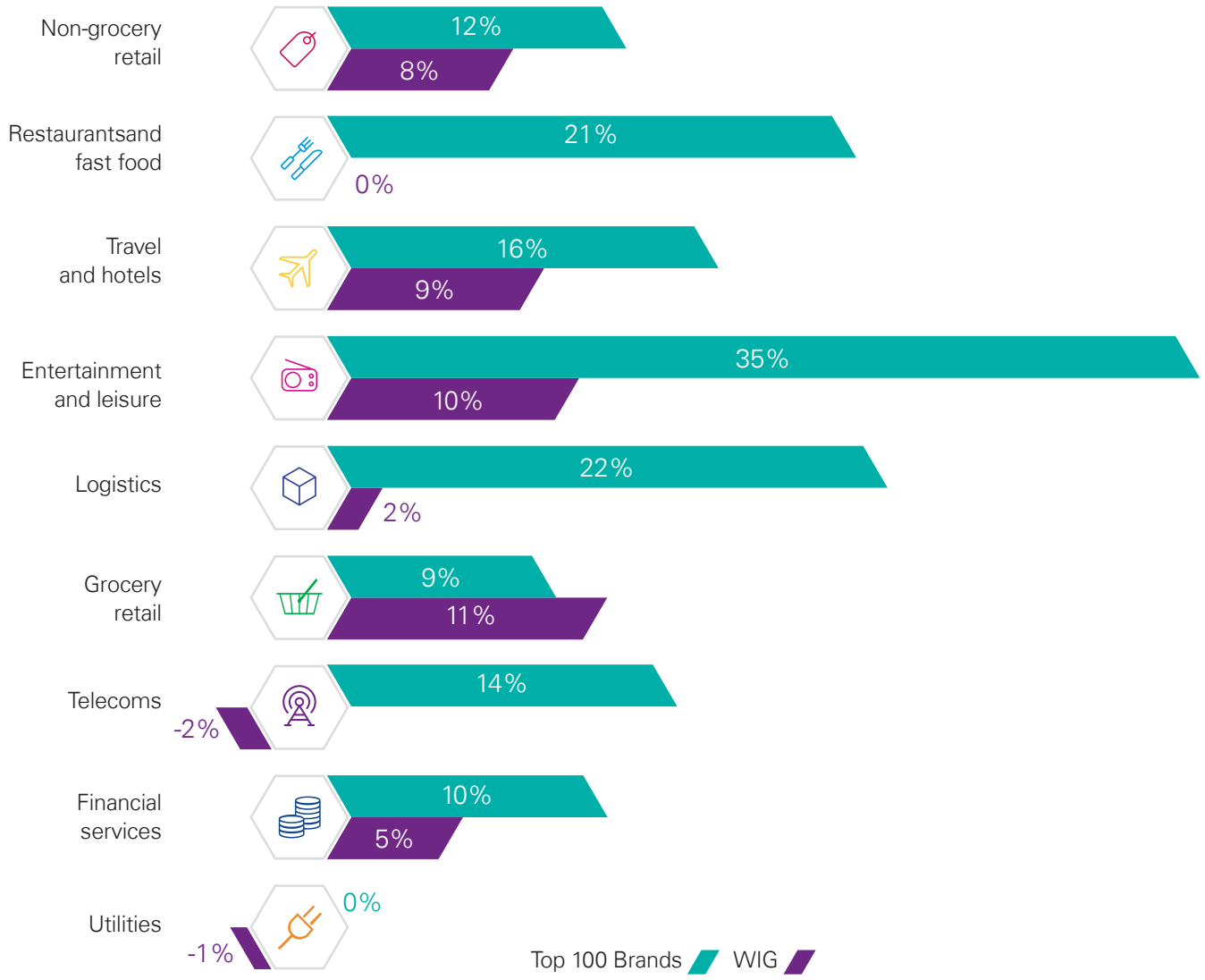
Fig.7. Analysis of the average dynamics of the compound annual revenue growth rate in 2015-2017 for companies from the 2018 TOP 100 list and comparable companies listed on the WSE.



The consolidated and separate financial statements have been taken into account in case of companies listed on the WSE and those from the 2018 TOP 100 list respectively. In the absence of data availability, the company was omitted in the analysis. Some entities were included in both groups.

Our analyses showed that the revenue growth of the top companies offering leading Customer Experience was, on average, annually 9 pp higher than the revenue growth of the analysed stock companies (see Figure 8). For example, for the years 2015-2017 the restaurants and fast food sector brands from the TOP 100 list had a 21 pp higher CAGR than other companies from this industry listed on the WSE. In the case of telecommunications services, the annual growth in revenues of TOP 100 brands was over 16 pp. higher than the average for telecoms sector brands listed on the WSE; in case of financial services – 5 pp. higher than the industry average.

Fig.8. Analysis of the average dynamics of the compound annual revenue growth rate in 2015-2017 for companies from the given industry from the 2018 TOP 100 list and comparable companies from the same industry listed on the WSE.



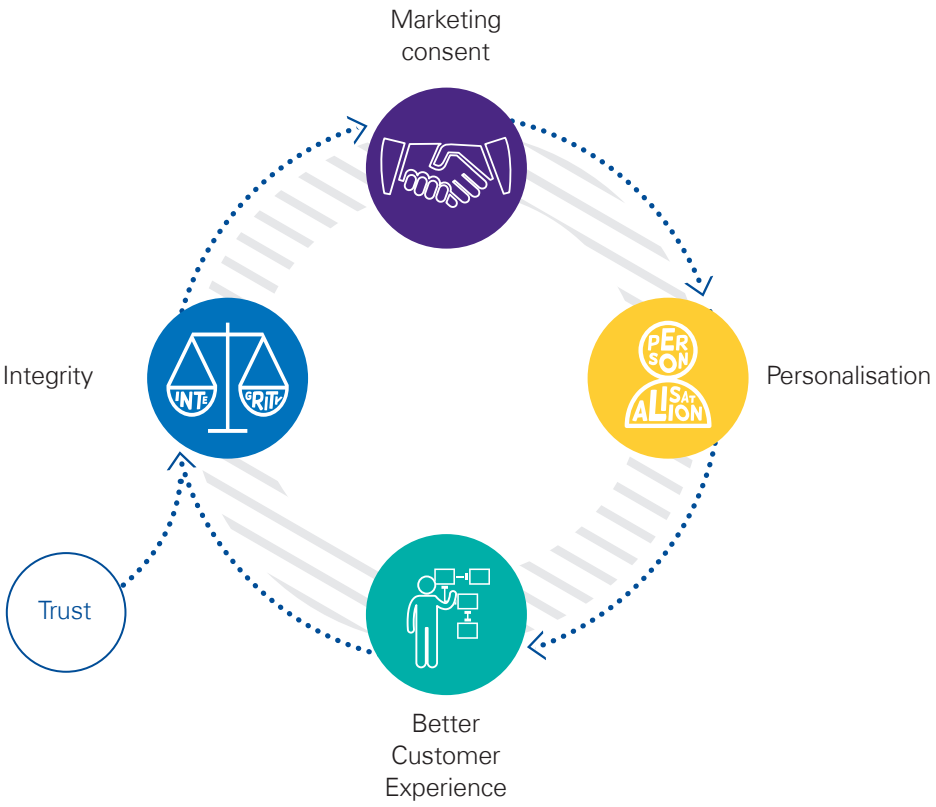
The consolidated and separate financial statements have been taken into account in case of companies listed on the WSE and those from the 2018 TOP 100 Brands list respectively. In the absence of data availability, the company was omitted in the analysis. Some entities were included in both groups.

Customer Experience in the General Data Protection Regulation (GDPR) era

On 25th of May, 2018, the GDPR came into force, regulating the way companies collect, store, share and use personal data. On the one hand, we live in times when complex data analytics of an entire qualitative and quantitative data ecosystem allows companies to better understand their customers and then, provided them with improved, more personalized Customer Experience. On the other, customers are now growing more and more aware of the need to protect their privacy, fear data leakage or personal data abuse and are not too fond of aggressive marketing techniques or profiling.

Here too, everything depends on the trust in a brand – and not only in its mission or values, but also in cyber security. Only brands that truly ensure data security can count on customers' trust and their decision to share new information about themselves, believing that their privacy will still be protected. Thanks to the gained trust of clients, the organization will be able to better personalize products and services, as well as the manner of serving a given customer, which will improve his experience, thus increasing his loyalty to the brand. Brands in the digital era must become a trusted partner for the customer, and offer both security and transparency and clearly defined benefits of data usage for the client.

Fig.9. Brand's Integrity is the key to strengthening customer-brand relationships in an increasingly digital world.



The scheme was prepared on the basis of KPMG study.

3 The key Pillars of CX in Poland – Integrity & Personalisation

Integrity

As shown by KPMG's global analysis, the Pillar of Integrity plays a key role in all countries. After all, it is not surprising that the consumers want to be served by brands that they know and trust. To do that, the companies have to prove their credibility at every step of the relationship with their clients, but also be consistent with their mission and values. The digital era has also forced the players to tackle another side of Integrity – on one hand, prove reliability and consistency on all channels, including digital ones, on the other – ensure data safety and understanding in brand's actions online.

Integrity

Keeping the word and inspiring trust

The Golden rules:

- Do not focus solely on the profits
- Show that you also act in my interest
- Show your interest in me as a person
- Keep your promises
- Inform me about everything that is important
- Be competent

Personalisation

Poles are becoming more and more digital consumers and moving their positive experiences from the world of digital services, they pay more and more attention to Personalization. Now, brands understand better that Personalization is a great pillar to build a strong relationship with the consumer, based on showing that the brand not only knows the customer and the history of his relationship with a company, but also understands his lifestyle and needs. Following the Golden Rules of Personalisation brands can offer tailored products or services that suit client's individual needs.

Personalisation

Using an individualised approach to building customer relationships

The Golden rules:

- Greet me
- Show me that you know me
- Familiarize yourself with the history of our interactions
- Surprise me with something relevant to me
- Understand my personal needs and circumstances
- Adjust what you do to my expectations

4

Top 10 brands in Poland

Brands presented in this section were distinguished in the survey results by the highest values of the Customer Experience Excellence index calculated based on Polish consumers evaluation forms. In case of equal value of the CEE indicator for given brands, they were presented in an alphabetical order.

The list was based on the results of a consumer survey, carried out by an external research agency on a sample of over 5,000 respondents. Please not that this study does nor TOP100 list do not constitute the opinion or position of KPMG in Poland regarding any brand nor the operation of any enterprise.

Ranking place 2018	Brand	Industry	Sub-Industry
1	Ziaja	Non-grocery retail	Health and Beauty
2	Nike	Non-grocery retail	Sports & Outdoors
3	Hilton	Travel and hotels	Hotels
4	Adidas	Non-grocery retail	Sports & Outdoors
5	Allegro	Non-grocery retail	Online retail
6	Netflix	Entertainment and leisure	Streaming Services
7	Rossmann	Non-grocery retail	Health and Beauty
7	Samsung	Non-grocery retail	Electronics
9	Bank Millenium	Financial services	Banking
9	Castorama	Non-grocery retail	DIY

5 Digitization across the sectors

Analysing the results of the study, we took a closer look at the detailed results in individual sectors. Bearing in mind the pace of changes caused by the digitization and implementation of new technologies, it is worth paying attention to the impact of these changes in the business environment of various industries. Looking at the ranking of top 100 brands, we can observe a real shuffle, which indicates that the assessment of Customer Experience changes over time and maintaining a high position requires constant improvement and the use of new technologies.

Presented order of companies was developed based on the average value of the Customer Experience Excellence index for a given industry. The information on the change of position in relation to the survey in 2017 refers to the list of the highest rated brands in a given industry.

Non-grocery retail

5 companies from the non-grocery retail sector, which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
Adidas	N	Ziaja
Nike	—	Nike
Swarovski	▼	Adidas
iSpot	▲	Allegro
Apart	▲	Rossmann

N New brand included in the 2018 study
▲ higher ranking vs 2017
— no changes vs 2017
▼ lower ranking vs 2017

- The Polish consumer has learned that in the digital world, products and services are generally cheaper and thus, expects this from all suppliers,
- Purchasing decisions are increasingly moving to the digital world, and physical sales outlets are increasingly being treated as showrooms.
- The popularity of the comparison sites is increasing as they allow consumers to access more recommendations and choose the best suppliers.
- Information about brands and its products available in the digital world makes it easier for consumers to make difficult purchase decisions of goods that they do not buy routinely or which have more value.
- Most of the best-rated brands have their own mobile applications, where the consumer purchase in the most convenient way with often simplified payments, but also can receive personalized offers, discounts or exclusive products.

Food and restaurants

5 companies from the Food and restaurants sector, which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017	2018
Grycan	N Green Caffe Nero
Costa Coffee	— Costa Coffee
KFC	▼ Grycan
Starbucks	▲ Pizza Hut
Pizza Hut	▲ A. Blikle

N New brand included in the 2018 study
— no changes vs 2017
▲ higher ranking vs 2017
▼ lower ranking vs 2017

- Increased importance of client's voice is very important – consumers now not only evaluate catering facilities, but also write about their experiences, take pictures, etc. and by publishing this information in the digital world make them more reachable than ever.
- The popularity of specialized digital food services is increasing, as they make it easier for consumers to choose restaurants in a given location by aggregating information on the type of cuisine, menus, prices and, above all, direct customer feedback.
- More and more gastronomic brands have mobile applications in which the customer can access the menus and prices, find the nearest restaurant, order food, receive personalized offers or promotions, or collect points as part of dedicated loyalty programs.
- Advanced digital solutions have appeared in fast food restaurants, where self-service kiosks are available.
- Delivery services introduced on the basis of digital solutions enable completely new possibilities of additional sales. In this case, the challenge to manage Customer Experience may be the need to monitor the quality of services provided by third parties.

Travel and hotels

5 companies from the Travel and hotels sector, which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
Booking.com	N	Hilton
Mercure	—	Mercure
AirBnB	▼	Booking.com
WizzAir	▲	LOT
LOT	▼	AirBnB

N New brand included in the 2018 study
— no changes vs 2017
▲ higher ranking vs 2017
▼ lower ranking vs 2017

- Digitization has given consumers a virtually unlimited choice when it comes to planning and purchasing travel, hotels or organised trips.
- Digital travel aggregators play a huge role in influencing purchasing decisions, providing detailed information on existing offers and making it easy to compare them.
- To create personalized offers, tourism companies must collect as much information as possible to effectively profile the customer.
- More and more attention is paid to self-service opportunities oriented to optimization of Time and Effort (e.g. remote check-in at the airport or at the hotel).
- All airlines included in the KPMG survey in Poland have their own advanced mobile applications combined with loyalty programs. Similarly, travel agencies have websites that allow online booking and purchase, and often a mobile application that stores all the necessary information about booked holidays.

Entertainment and leisure

5 companies from the Travel and hotels sector, which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
Calypso	▲	Netflix
Helios	N	Spotify
Multikino	▲	Cinema City
Netflix	▼	Helios
Cinema City	▼	Multikino

N New brand included in the 2018 study
— no changes vs 2017
▲ higher ranking vs 2017
▼ lower ranking vs 2017

- Media and entertainment industries were the first affected by digitalisation in Poland and for this reason Poles have very high expectations regarding the use of digital solutions.
- The key digital device for this sector is a smartphone - therefore, mobile applications play a special role from the point of view of both access to services (e.g., multimedia content provided), as well as customer service processes.
- Digitization has taught Personalisation to the customer – Polish consumers particularly highly value the experiences offered by digital suppliers who, by observing the content and services acquired by the customer, are naturally able to gather the necessary information for profiling each client and creating personalised offers.
- Classic suppliers (e.g. cinemas, entertainment centres) are naturally pushed to a defensive position - by the nature of their business they have much less information about the client, which makes it more difficult to meet personalization expectations.
- The use of digital solutions for classic suppliers (such as dedicated mobile applications for the fitness centres), not only gives many facilities to customers, but also allows collection of additional information.

Logistics

Companies from the Logistics which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
DHL	▲	DPD
DPD	▼	DHL
GLS	▲	InPost
UPS		

N New brand included in the 2018 study
— no changes vs 2017
▲ higher ranking vs 2017
▼ lower ranking vs 2017

- The choice of delivery method in the e-commerce offer is limited by the availability and service offer of suppliers from the logistics industry.
- Customers can now choose between wider range of delivery methods and parcel machines as well as different collection points (e.g. stores, petrol stations, newsagents) which are gaining popularity.
- The most important for building Customer Experience is the use of digitization in the communication of logistic companies with the parcel recipient.
- Courier companies today also offer their own mobile applications which allow searching for parcel posting points, choosing a convenient delivery time, status information and returns handling.
- Digitization creates potential opportunities in the start-up industry, which in particular can use the importance of the Personalization Pillar and prepare a value offer corresponding to the expectations of a niche segment of customers.

Telecoms

5 companies from the Telecoms sector which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
Virgin Mobile	—	Virign Mobile
Nju Mobile	▲	Play
Play	▼	Nju Mobile
Plus	▲	Plush
	▼	Plus

N New brand included in the 2018 study
▲ higher ranking vs 2017
— no changes vs 2017
▼ lower ranking vs 2017

- Companies from the telecommunications industry provide services that are the basis of digitalization. That is why the industry puts strong emphasis on the digitization of its offer for customers on all points of contact.
- The key challenge is that telecommunications networks are treated as the basic infrastructure for the smooth functioning of the digital world and any issues can create serious problems for the users.
- For the Polish consumer, the key in this industry are the digital functionalities that help him choose the best services package and effective customer service (in particular when it is necessary to solve the problems).
- Telecoms operators have significantly simplified their offers, thanks to which it is easier for the client to choose the most suitable offer, but also to understand what to expect from the service provider.
- There are also more packet-tailored offers, which in addition to telecommunications services include e.g. tv content, advanced digital media services (players, etc.), but also financial services, energy supply or even health insurance.

Grocery retail

5 companies from the Grocery retail sector which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
Biedronka	—	Biedronka
Lidl	▲	Auchan
Kaufland	—	Kaufland
Auchan	▼	Lidl
Tesco		

N New brand included in the 2018 study
▲ higher ranking vs 2017
— no changes vs 2017
▼ lower ranking vs 2017

- Consumer retail is the industry in which the consumer makes decisions in a routine manner, and the key decision criterion for the Polish consumer is price and convenience.
- Large brands of food retailers in Poland have their own mobile applications, which consumers mainly use for the functionality of the loyalty program (where usually one can access discounts for the collected points), or special discount coupons or promotions.
- Other app functionalities such as the location of the nearest store, information on its opening hours, the ability to create a shopping list or advice about healthy food, kitchen supplies and cooking recipes are of much smaller importance for customers.
- The digital marketing content is more and more personalised in order to better reach the customers and gain their loyalty.
- Given the nature of the client's relationship with brands in this industry, as well as very low margins, a more dynamic digitization of customer-brand relations is a challenge this sector will now face.

Financial services

5 companies from the Financial services sector which were in the top positions in the TOP 100 Brands ranking (from highest to lowest)

2017		2018
ING Bank Śląski	▲	Bank Millennium
Bank Millennium	▼	ING Bank Śląski
Warta	▲	Skycash
mBank	▲	Bank Pekao
PKO BP	▼	mBank

N New brand included in the 2018 study
▲ higher ranking vs 2017
— no changes vs 2017
▼ lower ranking vs 2017

- From the point of view of the consumer, digitalisation has been present in the banking industry for almost 20 years. At the moment, Polish banks are among the leaders of European digital functionalities offered to clients.
- Poles are used to digital services offered by their banks – each bank has an advanced online banking system with a dedicated mobile application that allows quick logging (using a pin, fingerprint or other secure authorization system), account overview, quick and convenient transactions or information about promotions.
- When it comes to the insurance sector, its digital advancement is definitely lower. This is mainly due to the dominating in Poland model of insurance products sales through the agents network.
- Insurance companies rather avoid taking actions that could be treated by agents as a threat to an indirect sales channel, and therefore for many years, the development of digital solutions aimed at strengthening the relationship with the end customer was not treated as a priority.
- Nonetheless, insurers already offer more and more advanced mobile applications, which in particular make it easier for consumers to take actions related to the liquidation of damages.

Utilities

No company from the Utilities sector was in the TOP 100 Brands ranking

- Customer assessment of energy suppliers is strongly influenced by cross-referencing their experiences with brands from other industries.
- Consumers find it difficult to make purchasing decisions within that sector – they often do not understand complicated marketing information or price mechanisms used in the industry.
- It is crucial for the sector to simplify its sales and service processes.
- However, the industry continues to increase its use of digitisation in managing its customer relations. Customers have access to their online accounts and sometimes also mobile applications.
- Energy brands prioritise the development of solutions for a smart home, which may be a good base for building a completely new and stronger relationship with consumers.

6

KPMG's Recommendations: What brands should do in the world of an increasingly digital consumer

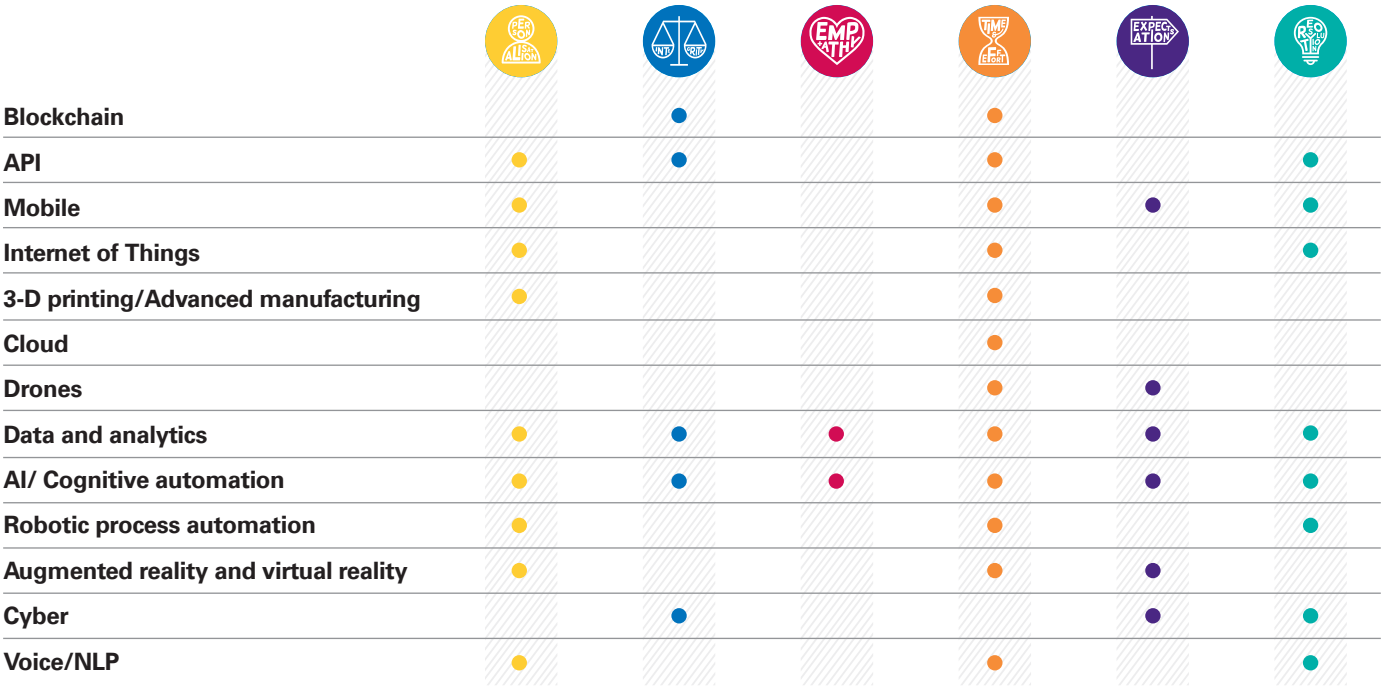
The consumer leaves his „digital footprints" in the digital world, thanks to which every brand can better understand its customers. KPMG's global analysis presented in the report „*Tomorrow's experience, today: Harnessing and changing customers in 2018*" explains the basic dimensions of consumer decision making:

- **My Motivation** – what really matters, motivates and engages
- **My Attention** – when is the consumer most open to interaction
- **My Connection** – which access channels are used by the consumer in specific situations
- **My Watch** – how does the customer's schedule look like; what activities he devotes his time to
- **My Wallet** – how much is he willing to spend

Regardless of the industry, it is very difficult at this time to provide experience that meets the expectations of consumers without the support of digital solutions. Effective management of the experiences of increasingly digital customers is one of the most important strategic business challenges. Therefore we recommend readers of this report to consider several design principles and implementing a client experience management program based on KPMG observations on cooperation in this area with our clients in Poland and many other countries.

The KPMG analyses shown below indicate that the most diverse digital technologies can be particularly helpful in building positive experiences in the pillars of Personalization and Time and Effort.

Fig.10. Impact of new technology on The Six Pillars™



Prepared on the basis of KPMG study.

10 recommendations from KPMG

1. There is no way back from digitalisation. Consider improving the Customer Experience as one of the top three priorities of the digital transformation of your company.

2. Use the Six Pillars™ Method of Customer Experience (or other similar structural methods) for building and implementing a program to design and build positive Customer Experiences. Focus on the pillars that can give you the highest increase in NPS or CLI, taking into account how your competitors are evaluated in each of the pillars.

3. In order to effectively manage the experiences of your clients, you have to systematically and objectively measure how clients evaluate experiences with your brand. You should also know how customers rate your competitors.

4. Get all possible information about your customers: their preferences, portfolio, behaviours and trends. Deploy tools that allow you to collect and process as much valuable data as possible. Build an analytical department that will be able to identify what is the best offer for each client, and how to handle them individually. Build or buy solutions based on artificial intelligence systems, thanks to which you will be able to positively surprise your customers.

5

Ensure that clients understand the benefits of you collecting and processing their data – define and implement key elements of the additional value offer for the client related to the use of his data (e.g. easier use of services, exclusive and customized promotions, etc.)

6

Conduct a systematic analysis of key problems from the customer's point of view (so-called friction points), which have a negative impact on the client's experience and therefore, on your business results. Concentrate on activities that eliminate the most important inconveniences.

7

Define the strategic approach for your brand to take advantage of mobile technologies. Analyse in which moments of the customer's journey the mobile channel is of key importance and implement solutions that your customers are willing to adopt.

8

Identify brand-client interaction points that could benefit most from the use of digital technologies based on robotics and artificial intelligence solutions and that will improve client's experience on one of the key pillars for your company. Focus on solutions that bring measurable financial benefits.

9

Continuous improvement of Customer Experience can be only achieved when employing massively digital technologies and advanced IT systems. IT is the foundation for CX management: majority initiatives that improve Customer Experience cannot be implemented without proper support of IT systems and solutions.

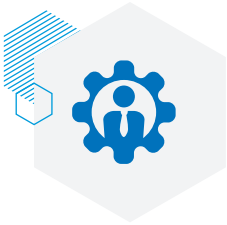
10

You will not build positive Customer Experience without real commitment from your employees. Build in your organization the so-called Employee Experience in the same way as you care about building positive Customer Experience. This will definitely motivate your teams to get involved in designing and implementing a CX management program. Also include all employees (not just those dealing directly with the client) in creative design processes.

Our scope of services in Customer domain

Customer Strategy

Defining growth opportunities



Customer Experience

Transformations to develop loyal customers who recommend

Sales Excellence

Improving efficiency of sales organizations

CRM

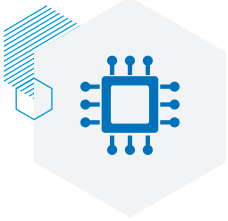
Increasing sales to the current base

Revenue Management

Where and how to improve margins

Data&Analytics

How to use data and insights to support commercial functions



Omnichannel

Developing effective channel management

Legend:

The list in this report presents one hundred brands that obtained the highest marks among the survey respondents. The study was conducted in the second quarter of 2018 by the CAWI method by an external research agency (the same one that conducts such research for KPMG in other countries) on a sample of over 5,000 respondents, representative of Polish residents aged over sixteen. The basis for comparisons between brands, industries and countries is the CEE Index (Customer Experience Excellence). The indicator is calculated based on the assessment of the Six Pillars of Customer Experience, taking into account their individual impact on the construction of Customer Experience in a given country. In the case of equal value of the CEE indicator for given brands, they were presented ex aequo in alphabetical order.

The analysis included brands that provide services or sell products to retail customers throughout the country or in major cities. The study includes those sectors in which companies using a given brand have a significant impact on building Customer Experience in many customer-brand contact points. The selection of sectors is consistent with the research methodology adopted by KPMG Nunwood in other countries. The condition for including a brand in the analysis was to achieve the minimum required number of responses in order to maintain correctness of statistical inference.

The conclusions on particular brands presented in the report and their activities on the Polish market in the area of Customer Experience management have been developed on the basis of the results of a consumer survey carried out by an external research agency and publicly available information. The research was aimed at collecting individual opinions of respondents. The report illustrates the practices used in managing Customer Experience and by no means constitutes an opinion or position of KPMG in Poland regarding the operation of any company.

Top 100 Brands

1 Ziaja	21 Spotify	39 Vistula	59 Wojas	81 InPost
2 Nike	22 Pandora	42 LOT	62 Cinkciarz.pl	81 Polskie Składy Budowlane
3 Hilton	23 Skycash	43 A.Blikle	62 Kaufland	83 Agata Meble
4 Adidas	24 Bank Pekao	44 Cinema City	62 Lidl	83 Jysk
5 Allegro	25 mBank	44 OleOle!	65 Reserved	83 Neonet
6 Netflix	25 Mercure	44 Ryłko	65 Smyk	83 Nju Mobile
7 Rossmann	25 Yves Rocher	47 Biedronka	65 Wittchen	87 IBIS
7 Samsung	28 Hebe	47 PKO Bank Polski	68 BP	87 Sphinx
9 Bank Millennium	29 Pepco	49 Helios	68 Swarovski	89 Plush
9 Castorama	30 Avon	49 Play	70 Nest Bank	90 Itaka
11 Virgin Mobile	31 Booking.com	49 Sephora	71 KFC	90 Multikino
12 Zalando	31 Costa Coffee	52 DHL	72 Lufthansa	90 Obi
13 Bytom	31 Decathlon	53 Super-Pharm	72 Ochnik	90 TUI
14 4F	31 Grycan	54 Shell	72 Ryanair	94 Da Grasso
15 eMAG	31 Inglot	55 Airbnb	72 W.KRUK	94 Plus
16 Green Caffe Nero	36 Yes	55 Auchan	76 Komputronik	94 WizzAir
17 Apart	37 Empik	55 Bank Zachodni WBK*	77 CCC	97 Burger King
17 Ikea	37 Pizza Hut	55 H&M	77 RTV Euro AGD	98 Calypso
17 ING Bank Śląski	39 DPD	59 Douglas	77 Subway	99 Lotos
17 iSpot (Apple)	39 Orlen	59 Leroy Merlin	77 Zara	99 Moya

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