Contents

Foreword

Customer experience (CX) continues to gain momentum in Saudi Arabia, reflecting the growing recognition of its pivotal role in driving business success and creating a competitive edge. With the Kingdom's ambitious Vision 2030 as a catalyst, organizations across industries are increasingly prioritizing CX as a cornerstone of their strategies to build stronger, more meaningful relationships with customers and enhance loyalty. As the Saudi market undergoes rapid transformation, businesses are recognizing that delivering exceptional customer experiences is not merely an option, it is a critical driver of growth, brand differentiation, and long-term success.

The integration of artificial intelligence (AI) is fundamentally transforming the CX landscape, providing businesses with powerful tools to understand and meet customer needs in ways that were previously unimaginable. AI technologies such as predictive analytics, natural language processing, and machine learning are enabling organizations to unlock deep insights into customer behavior, preferences, and expectations. By leveraging these capabilities, businesses can deliver more personalized, seamless, and efficient experiences that are tailored to individual customers at every touchpoint. For instance, AI-powered chatbots are revolutionizing customer service by providing instant, 24/7 support, while predictive models help businesses anticipate customer needs before they even arise.

In Saudi Arabia's rapidly evolving market, the adoption of AI-driven solutions is not just an innovation, it has become a necessity for organizations that aim to stay competitive and elevate their CX to new heights. Consumers today expect convenience, speed, and personalization in every interaction, whether they are engaging with a brand online, in-store, or through a hybrid channel. AI helps businesses bridge the gap between these expectations and their operational capabilities, enabling them to respond proactively and efficiently to customer demands. This proactive approach fosters trust and loyalty, ensuring that customers not only return but also become advocates for the brand.

To succeed in this new era of CX, businesses must adopt a holistic, customer-centric approach that goes beyond technology. They must rethink traditional practices and align their strategies, culture, and processes around the customer. This includes fostering an agile mindset across the organization, breaking down silos between departments, and ensuring that every employee is empowered to contribute to a superior customer experience. Additionally, the rise of omnichannel engagement requires businesses to deliver consistent and coherent experiences across all platforms and touchpoints. By using AI to unify customer data from various channels, organizations can create a seamless journey that reflects the unique needs and preferences of each customer.

The journey toward CX excellence is not without its challenges. Businesses must navigate issues such as data privacy, ethical AI usage, and the integration of new technologies into existing frameworks. They must also invest in employee training and development to ensure their teams are equipped to leverage these advanced tools effectively. In Saudi Arabia, where the workforce is becoming increasingly tech-savvy, there is a significant opportunity to build a culture of innovation that supports the delivery of world-class customer experiences.

As part of this global survey, already fifteen years underway, we assess emerging customer experience leading practice across 26 countries, regions, and jurisdictions with over 88,000 consumers rating their experiences with some 2,900 companies to identify the organizations that are leading the pack. This year, for the second time, we ran this survey in Saudi Arabia – with more than 1500 customers – and are glad to present you the results.

Adib Kilzie
Head of Customer Experience and Alliances

Research methodology

About the research

In this updated review of the KPMG Customer Experience Excellence report, we share the insights from our research with 1531 consumers who have evaluated their experiences with some 104 organizations across ten different sectors.

This forms part of a wider global program identifying best practice around the world for organizations to learn from. KPMG's Customer Experience Excellence Center is an international think tank dedicated to achieving outstanding business results from CX best practices.

Research

The research for this survey was conducted starting from June to August 2024. A nationally representative sample of respondents were asked to complete an online survey. The survey included 96 brands with a large customer base and local presence across ten different sectors in Saudi Arabia.

Respondents who had interacted with a brand in the previous six months were given the option to answer questions about that specific brand. A threshold of at least 80 respondents per brand needed to be reached for the brand to be included in the final results.

Analyze

The CEE methodology – made up of the Six Pillars – is the DNA of every outstanding CX and the fuel that powers fast business growth. The Six Pillars represent the core of this research as they make up the fundamental components of an ideal CX.

Customers were asked to respond to pillar-related questions for each brand they had interacted with. Brands were given a score between 1 and 10 for each of the Six Pillars. The scores were then combined into an overall CX rating with a CX evaluation delivered by each brand. Additionally, customers were asked to indicate their likelihood of recommending a brand (advocacy) and of repurchasing (loyalty) from them.

The analysis - based on quantitative research data, written customer feedback and various interviews with brands - offers a detailed snapshot of Saudi Arabia's CX performance. The Saudi market was then compared against the global market and incorporated into KPMG's international, large-scale CX study.
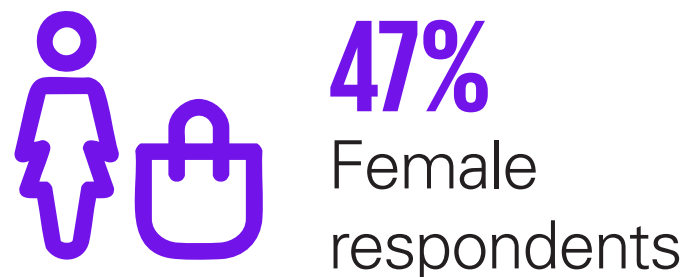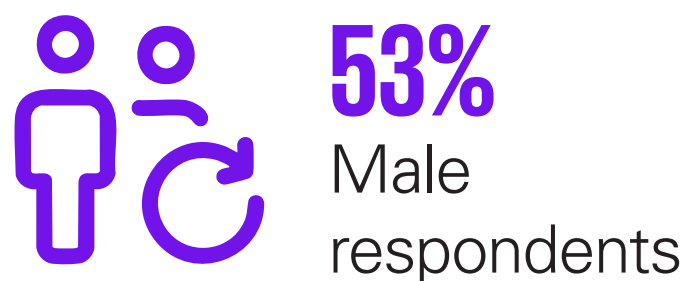
Apply

The research results assessed CEE levels in Saudi Arabia and were used to prepare a state of the nation performance evaluation. The results include a ranking of Saudi Arabia's brands by CEE score awarded by customers, comprising a benchmarking analysis in relation to global results. Saudi Arabia sector rankings are presented in this report.

Study statistics

Survey period

June - August
2024

15 years
of ongoing research
in the field

87 brands
reached the
minimum

1531
Number of
respondents

53%
Male
respondents

47%
Female
respondents

Average age of respondents

22%
of respondents ages
were between **18 to
24** years
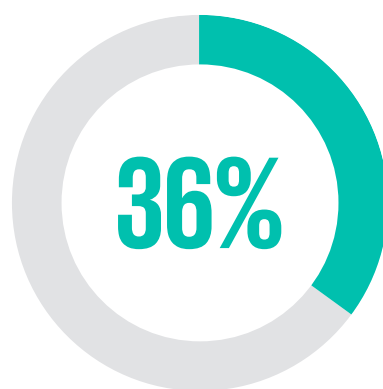
36%
of respondents ages
were between **25 to
34** years

24%
of respondents ages
were between **35 to
44** years

16%
of respondents ages
were between **45 to
54** years

3%
of respondents
ages were over
55 years

Sectors covered

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

The Six Pillars

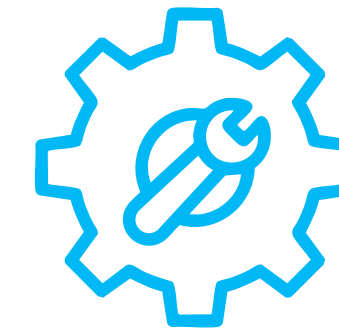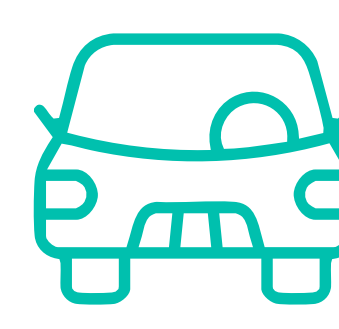**The Six Pillars of Customer Experience Excellence, a concept developed by KPMG, have been consistently shown to be the essential characteristics of world class experiences. The presence of these six factors is essential if the customer experience is to stimulate commercially beneficial behaviors.**

Whether that is increased share of wallet, loyalty, or advocacy, these six factors are the prerequisites for commercial growth. However, as they are all interconnected, it is essential to be good at all six.

Empathy

Organizations are beginning to operationalize empathy; it is becoming a core competence when it comes to user experience design and improvement. More widely, anthropology and ethnography techniques are informing experience designers.

Personalization

Advances in technology, data, and analytics are enabling companies to create much more personal and 'human' experiences across moments, channels and buying stages.However, personalization is so much more than just technology.
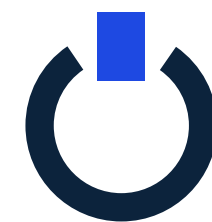
Time and effort

Effort and loyalty are inextricably connected: the easier an experience is, the less physical, emotional and cognitive effort it takes, the more likely a customer is to continue purchasing.

Expectations

We have historically observed a trend of expectations transfer as customers expect their best experience with a company to be replicated elsewhere. Firms are having to rapidly increase the pace of innovation and development to keep up, and this is driving an improvement across all aspects of business.
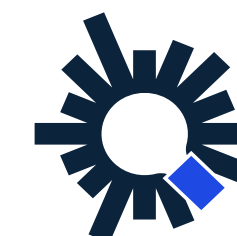
Resolution

Customer problem solving has moved beyond just fixing problems that a firm may cause for its customers into a focus on customer lifetime problems, both as a source of innovation, but also a mechanism for extending a trusted relationship.

Integrity

Corporate integrity and its outcome, trust, continue to be a focus for the leading companies. Reengaging with purpose, validation of values and moving corporate social responsibility to the forefront of the brand have been key areas for organizations.

Summary of results

Sector

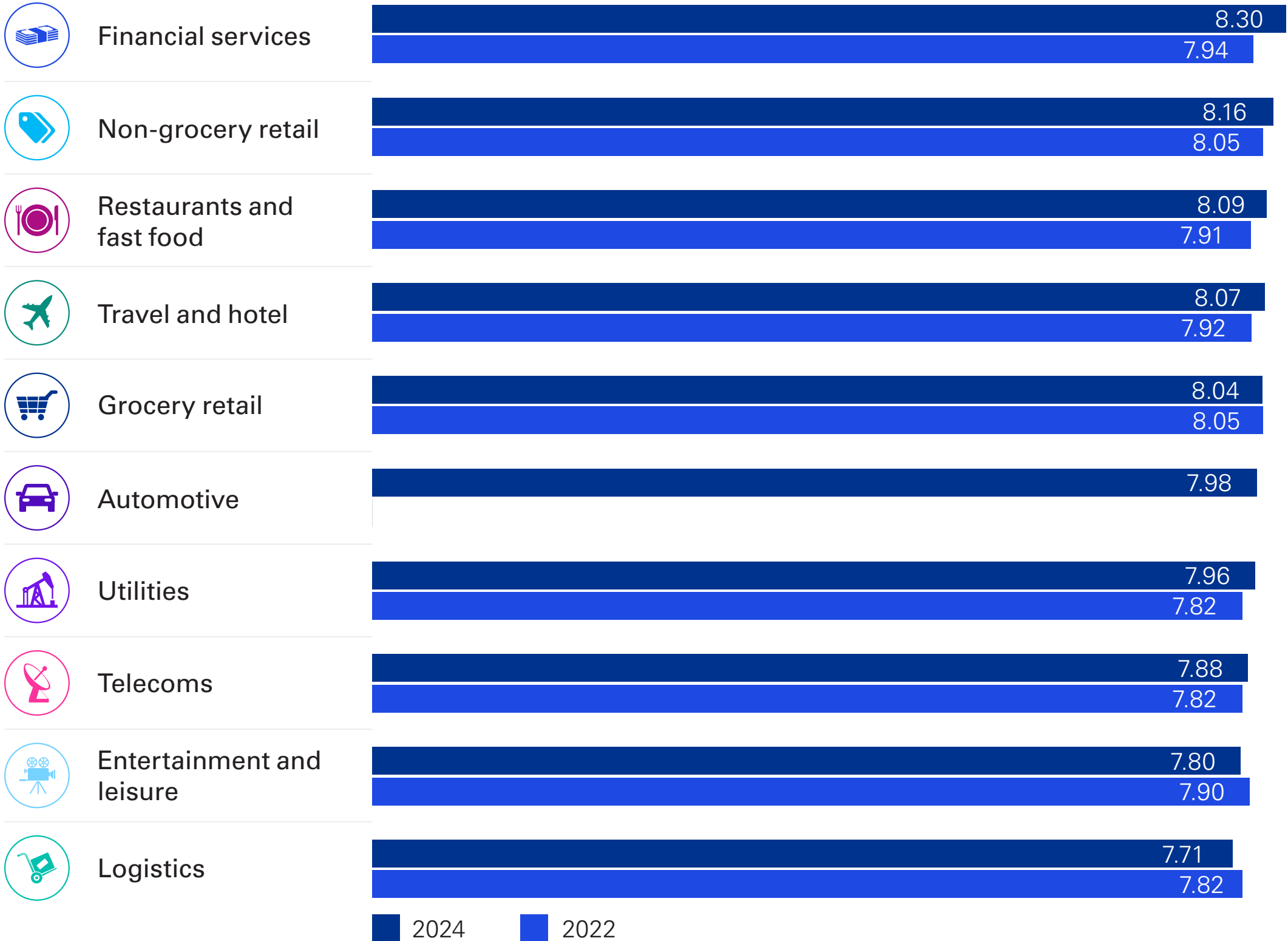| Sector	2024	2022
Financial services	8.30	7.94
Non-grocery retail	8.16	8.05
Restaurants and fast food	8.09	7.91
Travel and hotel	8.07	7.92
Grocery retail	8.04	8.05
Automotive	7.98	
Utilities	7.96	7.82
Telecoms	7.88	7.82
Entertainment and leisure	7.80	7.90
Logistics	7.71	7.82

■ 2024   ■ 2022

The sectors listed in the chart include Financial Services, Non-Grocery Retail, Restaurants and Fast Food, Travel and Hotels, Grocery Retail, Automotive, Utilities, Telecoms, Entertainment and Leisure, and Logistics. Notably, the Automotive sector has been newly assessed for customer experience in this year's ranking.

The Financial Services sector shows an improvement from a score of 7.94 in 2022 to 8.30 in 2024. Non-Grocery Retail also sees a slight increase from 8.05 to 8.16. Restaurants and Fast Food, Travel and Hotels, and Grocery Retail have scores that remain relatively stable, with minor fluctuations.

The Automotive sector, being newly assessed, has a score of 7.98 for 2024. Utilities show a significant improvement from 7.82 in 2022 to 7.96 in 2024. Telecoms and Entertainment and Leisure sectors also exhibit slight improvements. However, the Logistics sector shows a decrease from 7.82 in 2022 to 7.71 in 2024.

This chart is particularly interesting and relevant as it provides insights into the evolving landscape of customer experience across different sectors in Saudi Arabia. The inclusion of the Automotive sector for the first time highlights the expanding scope of customer experience assessments across all KPMG six pillars of customer excellence.

Results by sector

Sector	Detractors	Passives	Promotors	NPS
Financial Services	10%	28%	61%	51
Non-Grocery Retail	10%	36%	54%	44
Automotive	11%	36%	53%	44
Telecoms	15%	30%	55%	40
Restaurants and Fast Food	13%	35%	52%	39
Grocery Retail	15%	35%	51%	36
Utilities	15%	34%	51%	36
Travel and Hotel	16%	34%	51%	35
Entertainment and Leisure	14%	40%	45%	31
Logistics	19%	38%	44%	25

■ Detractors   ■ Passives   ■ Promotors
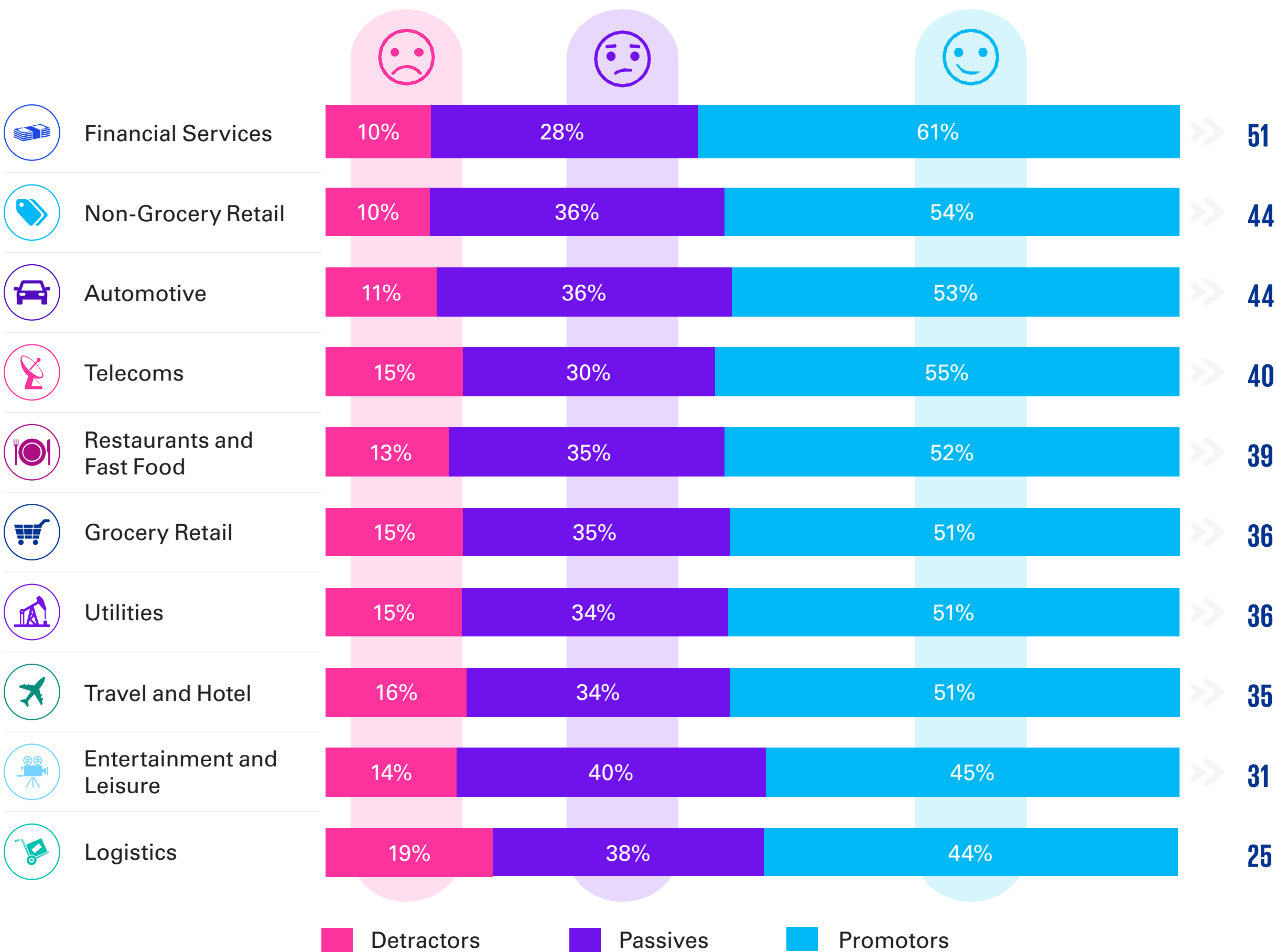
The net promotor score (NPS) represents the traditional question of likelihood to recommend a specific brand for someone else in a scale from 1 to 10.

Customers who have answers of 0 to 6 called **detractors** indicating that customers are not particularly satisfied by the product or service.
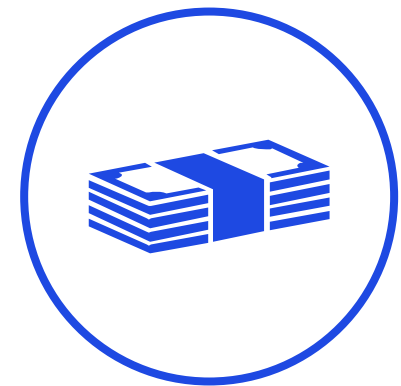
Customers who have answers of 7 and 8 called **passives** indicating that customers are neither emotionally invested or disengaged, where their scores were left out of the NPS calculation.

Finally, customers who have answers of 9 and 10 called **promotors** indicating that customers have a positive influence on customer satisfaction, loyalty, and fuel growth all achieved through the world of word-of-mouth.

The final NPS score is the difference between the percentage of promotors and detractors; it is calculated by the following formula: % of promotors minus % of detractors.

In order to recommend a brand, it must meet the expectations, as is shown that it's the most pillar that makes customer confidence by putting their neck on the line and by recommending the brand to others.

In comparison of all sectors in the NPS index, non-grocery retail, grocery retail, and financial services scored the highest. On the other hand, logistics, and entertainment and leisure scored the lowest.

Financial Services
Overall score: 8.30

Pillar	Financial Services	Average of all sectors	Change
Personalization	8.20	8.15	+0.6%
Time and effort	8.33	8.31	+0.2%
Expectations	8.13	7.94	+2.4%
Integrity	8.34	8.23	+1.3%
Resolution	8.28	8.01	+3.4%
Empathy	8.10	7.76	+4.4%

■ Financial Services ■ Average of all sectors

Financial Services achieved the top rank among the 10 sectors analyzed with an overall score of 8.30. This ranking is based on key performance indicators (KPIs) that include Personalization, Time and effort, Expectations, Integrity, Resolution, and Empathy. These indicators demonstrate the sector's strength in providing personalized experiences, reducing customer effort, meeting customer expectations, maintaining integrity, resolving issues effectively, and empathizing with customers.

Additionally, Financial Services has set high standards for other sectors while showing considerable progress across several pillars. This is particularly notable in the area of Loyalty, which has been an essential focus. The sector has maintained high standards in customer experience over the past three years, securing a top 3 position from 2021. Effective marketing strategies, promotions, and customer engagement through campaigns and discounts have significantly contributed to customer satisfaction, ensuring that Financial Services continues to lead the rankings.

Across all pillars Integrity and Time and effort stand out as the leading pillar in the financial sector

Trustworthiness, transparency, and ethical practices have never been more crucial for clients navigating financial decisions. Integrity plays a pivotal role in this sector, demonstrating that customers want to engage with institutions that not only provide excellence in service but also share their core values. They actively seek out financial partners associated with social responsibility, ethical ideals, and a commitment to doing what's right. This emphasis on integrity has propelled the financial services sector to the forefront among industries, setting new standards in customer experience and reaffirming the importance of values-driven business practices in today's economy.

Non-Grocery Retail
Overall score: 8.16

Personalization
8.26
8.15
+1.4%

Time and effort
8.45
8.31
+1.7%

Expectations
8.01
7.94
+0.9%

Integrity
8.39
8.23
+2.0%

Resolution
8.12
8.01
+1.4%

Empathy
7.74
7.76
+0.3%

■ Non-Grocery Retail ■ Average of all sectors

Non-Grocery Retail secured the second rank among the 10 sectors analyzed, with an overall score of 8.16. This ranking was achieved through high performance in key metrics such as Personalisation, Time and effort, Expectations, Integrity, Resolution, and Empathy. These scores highlight the sector's ability to deliver customized experiences, efficiently manage customer time and effort, meet customer expectations, uphold integrity, resolve issues effectively, and show empathy towards customers.

Non-Grocery Retail has made significant progress, particularly in Loyalty. Over the past three years, the sector has maintained high standards in customer experience, holding a top position in previous years. Non-Grocery Retail's marketing strategies, promotions, and customer engagement through various campaigns and discounts have greatly enhanced customer satisfaction. These efforts have ensured that Non-Grocery Retail remains a leader in the rankings, setting a benchmark for other sectors to follow.

Time and effort: Elevating Saudi Arabia's Non-Grocery Retail experience

In Saudi Arabia's non-grocery retail sector, time and effort stands out as the leading pillar this year. By simplifying shopping and minimizing obstacles, retailers are respecting customers' time, propelling the sector to second place among the ten analyzed. This focus on convenience sets new standards for customer experience in the Kingdom's dynamic marketplace.

Restaurant and Fast Food
Overall score: 8.09

Pillar	Restaurant and Fast Food	Average of all sectors	Change
Personalization	8.17	8.15	+0.3%
Time and effort	8.39	8.31	+1.0%
Expectations	7.97	7.94	+0.4%
Integrity	8.23	8.23	+0%
Resolution	8.01	8.01	+0%
Empathy	7.79	7.76	+0.4%

■ Restaurant and Fast Food ■ Average of all sectors

Restaurant and Fast Food achieved the third rank among the 10 sectors analyzed, with an overall score of 8.09. This sector saw an improvement from its previous rank of 5th in 2022. These scores reflect the sector's ability to cater to customer needs through tailored experiences, efficient service, fulfilling promises, maintaining trustworthiness, effectively resolving issues, and showing genuine concern for customers.

Over the past three years, Restaurant and Fast Food have consistently improved customer experience, with a notable rise in rank from 5th in 2022. Effective marketing strategies, promotions, and customer engagement through various campaigns and discounts have greatly enhanced customer satisfaction, ensuring that the sector continues to ascend the rankings and set new benchmarks for excellence.

Enhancing Saudi Arabia's Restaurant and Fast Food experience

In Saudi Arabia's restaurant and fast food industry, time and effort emerge as the leading pillar this year. To cater to a fast-paced lifestyle, establishments have adopted innovative measures to streamline service and minimize wait times. By implementing digital ordering systems, enhancing drive-thru efficiency, and expanding delivery options, they have significantly reduced the effort required from customers.

These changes reflect a commitment to providing quick and convenient dining experiences, which has elevated the sector's position among the ten analyzed. This focus on efficiency sets new standards for customer satisfaction in the Kingdom's bustling food scene.

Travel and Hotels
Overall score: 8.07

Personalization
8.12
8.15
+0.4%

Time and effort
8.24
8.31
-0.8%

Expectations
7.97
7.94
+0.4%

Integrity
8.17
8.23
-0.7%

Resolution
8.07
8.01
+0.8%

Empathy
7.86
7.76
+1.3%

■ Travel and Hotels   ■ Average of all sectors

The Travel and Hotels sector in Saudi Arabia has impressively maintained its 4th position in the Customer Experience Excellence rankings for 2024, matching its standing from 2022. This consistency underscores a steadfast commitment to enhancing customer experiences. Key factors include a strong focus on personalization, with hotels and travel companies tailoring services to individual guest preferences. Efficient processes, such as streamlined booking and check-in procedures, reduce customer effort and time. Emphasis on meeting expectations and maintaining integrity has built trust, while effective issue resolution and empathetic service enhance overall satisfaction.

Moreover, the sector has invested in digital transformation, adopting mobile apps and user-friendly platforms to modernize the customer journey. Aligning with Saudi Vision 2030, there have been significant investments in infrastructure, boosting the quality and capacity of services offered. Incorporating authentic Saudi cultural experiences has enriched offerings, appealing to both local and international travelers.

Redefining hospitality: Saudi Arabia's Travel and Hotels

Amid a strong market rebound, Saudi Arabia's travel and hotels industry is redefining hospitality by focusing intensely on customer experience. Two key themes are shaping this transformation: first, a significant investment in technology to streamline services, such as mobile check-ins and personalized apps, reducing time and effort for guests. Second, a commitment to offering unique and authentic experiences that resonate with travelers seeking deeper connections with the Kingdom's rich culture. These efforts not only enhance satisfaction but also set new standards in Saudi Arabia's dynamic tourism sector.

Grocery Retail
Overall score: 8.04

The Grocery Retail sector in Saudi Arabia showcases remarkable resilience and steadfastness, holding strong with an overall Customer Experience Excellence score of 8.04 in 2024, just a hair's breadth from its 8.05 score in 2022. This consistency underscores the sector's unwavering commitment to delivering quality experiences to customers across the kingdom. Despite a rapidly evolving market and shifting consumer behaviors, grocery retailers have maintained a solid performance, reflecting their ability to meet customer needs effectively.

This slight shift presents an exciting opportunity for the sector to innovate and elevate the customer experience even further. By embracing cutting-edge technologies, enhancing personalization, and deepening customer engagement, the Grocery Retail sector is poised to not only regain that marginal difference but surpass previous achievements. The focus can be on expanding online shopping convenience, introducing loyalty programs, and offering a wider range of organic and locally sourced products. With these strategies, the sector is well-positioned to enhance customer satisfaction and climb higher in future rankings.

Personalization
- 8.13 (Grocery Retail)
- 8.15 (Average of all sectors)
- **-0.3%**

Time and effort
- 8.34 (Grocery Retail)
- 8.31 (Average of all sectors)
- **+0.4%**

Expectations
- 7.87 (Grocery Retail)
- 7.94 (Average of all sectors)
- **-0.9%**

Integrity
- 8.16 (Grocery Retail)
- 8.23 (Average of all sectors)
- **-0.9%**

Resolution
- 7.96 (Grocery Retail)
- 8.01 (Average of all sectors)
- **-0.6%**

Empathy
- 7.80 (Grocery Retail)
- 7.76 (Average of all sectors)
- **+0.5%**

■ Grocery Retail   ■ Average of all sectors

Revolutionizing convenience: Delivery apps transform Saudi Arabia's grocery industry

A significant transformation is underway in Saudi Arabia's grocery sector as delivery apps redefine the customer experience. The rapid adoption of these services by retailers has propelled them into a new era of accessibility and efficiency, markedly enhancing performance in time and effort.

At the core of this shift is the commitment to maximize convenience by minimizing customers' time and exertion. Shoppers increasingly rely on delivery apps for groceries, pharmacy items, gifts, and more. Grocery stores embracing these platforms are not only meeting modern expectations but also setting new standards for customer satisfaction, while those who don't risk falling behind in a market that highly values speed and convenience.

Automotive
Overall score: 7.98

Metric	Automotive	Average of all sectors	Change
Personalization	8.08	8.15	-0.9%
Time and effort	8.10	8.31	-2.5%
Expectations	7.81	7.94	-1.6%
Integrity	8.05	8.23	-2.2%
Resolution	7.96	8.01	-0.6%
Empathy	7.85	7.76	+1.2%

■ Automotive ■ Average of all sectors

The Automotive sector, which predominantly includes car dealerships, in Saudi Arabia has made a remarkable debut in the Customer Experience Excellence rankings for 2024, securing the 6th position among the ten sectors analyzed. As a new entry, this accomplishment reflects the industry's significant efforts to enhance customer satisfaction and adapt to evolving consumer expectations. Car dealerships across the kingdom have been embracing innovative strategies to elevate the entire purchasing journey, from initial engagement to after-sales support.

Key factors contributing to this strong performance include the adoption of digital technologies like virtual showrooms and online sales platforms, making it more convenient for customers to explore vehicle options from the comfort of their homes. Personalized services, such as customized financing solutions and tailored vehicle features, have also played a crucial role in meeting diverse customer needs. With this solid foundation, the Automotive sector is poised to climb even higher in future rankings, setting new standards for excellence in customer experience within the industry.

Driving forward: Saudi Arabia's Automotive sector personalizes the customer experience

As a new addition for 2024, Saudi Arabia's automotive industry is revolutionizing customer experience by making personalization its leading pillar. Dealerships and manufacturers are tailoring services to individual customer preferences, offering customized vehicle options, personalized consultations, and bespoke after-sales support. This focus allows customers to select features that reflect their unique tastes and needs, creating a more engaging and satisfying buying journey.
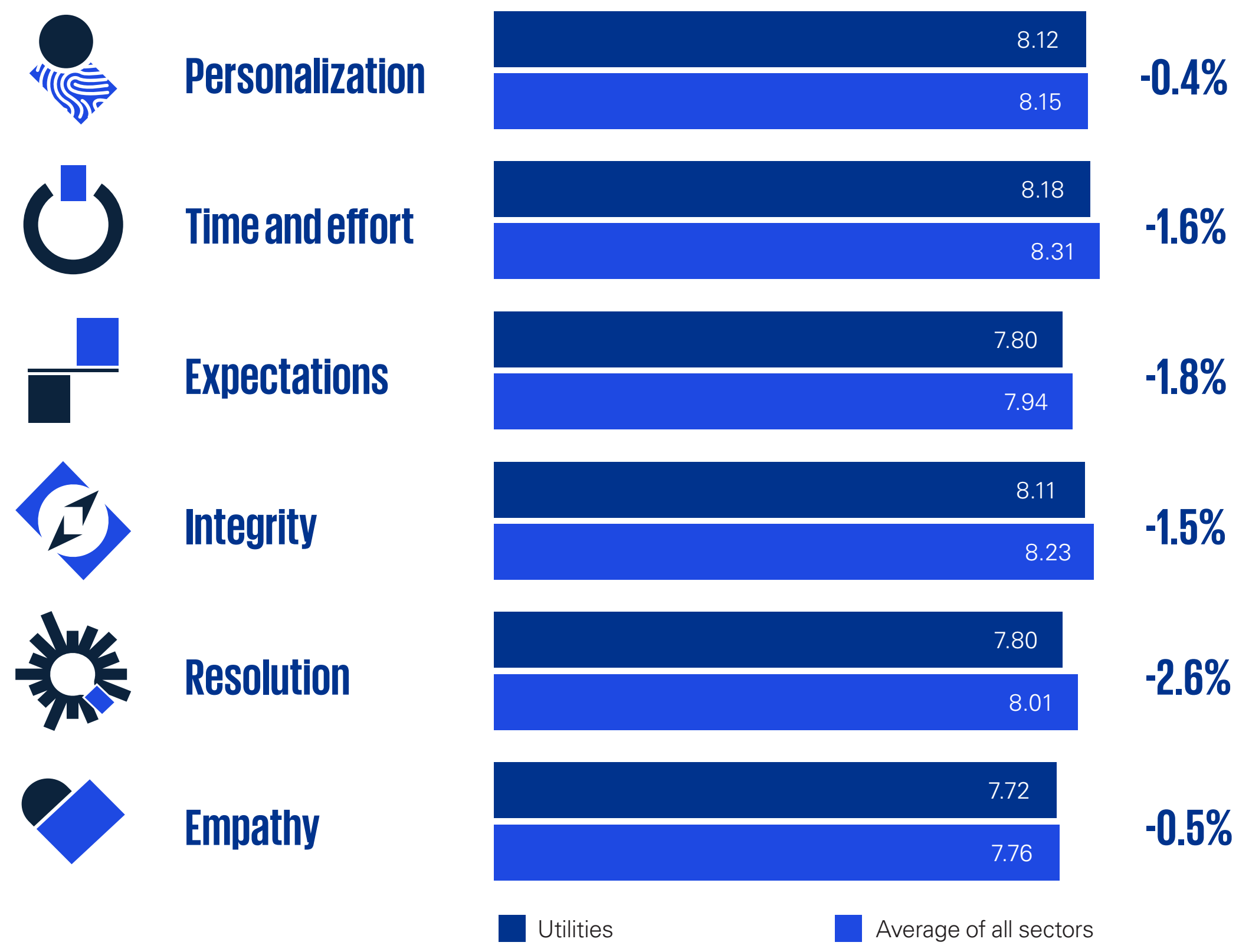
By leveraging advanced technologies like AI-driven recommendations and immersive virtual showrooms, automotive companies are enhancing personalization at every touchpoint. This strategic emphasis sets new standards in the Kingdom's market, positioning the automotive sector at the forefront of delivering exceptional, individualized customer experiences.

Utilities
Overall score: 7.96

Pillar	Utilities	Average of all sectors	Change
Personalization	8.12	8.15	-0.4%
Time and effort	8.18	8.31	-1.6%
Expectations	7.80	7.94	-1.8%
Integrity	8.11	8.23	-1.5%
Resolution	7.80	8.01	-2.6%
Empathy	7.72	7.76	-0.5%

■ Utilities   ■ Average of all sectors

The utilities sector in Saudi Arabia has been ranked 7th out of 10 in the 2024 customer experience excellence report. This ranking reflects the sector's performance across various metrics, indicating both strengths and areas needing improvement. Key performance areas evaluated include personalization, time and effort, expectations, integrity, resolution, and empathy. While the overall customer experience score is moderate, slight discrepancies in factors like issue resolution and time and effort suggest room for enhancement.

In recent years, Saudi Arabia's utilities sector has focused on modernizing its services and infrastructure to better meet customer needs. Despite these efforts, the sector remains in the middle of the pack compared to other industries. Integration of advanced technologies like smart grids and renewable energy is ongoing, and these initiatives are expected to enhance customer experience in the near future. With continued investment in innovation and customer-centric strategies, the utilities sector in Saudi Arabia is poised to improve its ranking in the coming years, aligning with the goals outlined in the Vision 2030 program. Their bill with one click on their bank account.

Digital transformation enhances Saudi Arabia's Utilities sector

The utilities sector in Saudi Arabia is making significant strides in 2024 to boost customer satisfaction by embracing digital transformation. Recognizing that customers now seek ease and convenience in their daily interactions, utility companies are focusing on providing smooth and efficient service experiences.

With government-regulated pricing on essential services like electricity and water, companies are exploring other avenues to enhance the customer experience. A major contribution is the implementation of advanced digital platforms that allow customers to manage their accounts seamlessly. Features such as user-friendly mobile apps for bill payments, real-time usage monitoring, and proactive notifications about service interruptions have become prevalent. This progress in the utilities sector significantly improves the Time and effort pillar, ensuring that interactions are more efficient and satisfying for customers.

Telecoms
Overall score: 7.88

Personalization
Telecoms: 8.03
Average of all sectors: 8.15
-1.5%

Time and effort
Telecoms: 8.07
Average of all sectors: 8.31
-2.9%

Expectations
Telecoms: 7.76
Average of all sectors: 7.94
-2.3%

Integrity
Telecoms: 8.07
Average of all sectors: 8.23
-1.9%

Resolution
Telecoms: 7.76
Average of all sectors: 8.01
-3.1%

Empathy
Telecoms: 7.61
Average of all sectors: 7.76
-1.9%

■ Telecoms ■ Average of all sectors

The telecoms sector in Saudi Arabia experienced a decline in customer experience, dropping from 7th to 8th place in the latest report. This sector's overall score is 7.88, with notable decreases in personalization, time and effort, expectations, integrity, resolution, and empathy compared to the average of all sectors. The drop suggests that telecom companies need to focus more on improving these areas to enhance customer satisfaction and regain their previous ranking.

Despite the decline, the telecoms sector in Saudi Arabia continues to show potential for growth and improvement. The sector is undergoing significant transformation with advancements in technology, such as the expansion of 5G networks and increased investments in infrastructure. These developments are expected to drive better customer experiences in the future. However, telecom operators must prioritize addressing the current gaps in customer service to meet rising expectations and improve their overall performance.

Prioritizing integrity: Strengthening trut in Saudi Arabia's Telecom sector

In 2024, integrity has emerged as the leading pillar in Saudi Arabia's telecom industry, fundamentally reshaping customer relationships. Telecom companies are placing a stronger emphasis on transparency, honest communication, and ethical practices to build and maintain trust. By clearly conveying plans, pricing, and any changes without hidden fees or ambiguous terms, they foster an environment of openness that resonates with customers.

Moreover, providers are committed to safeguarding customer data, enhancing privacy measures in an era where digital security is paramount. When issues arise— whether service disruptions or billing discrepancies—they proactively address them with honesty and promptness, ensuring customers feel heard and valued.
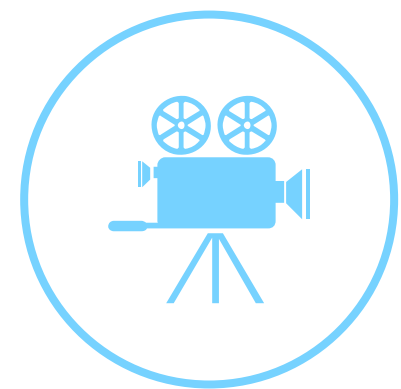
Entertainment and Leisure

Overall score: 7.80

Metric	Entertainment and Leisure	Average of all sectors	Change
Personalization	7.85	8.15	-3.7%
Time and effort	7.97	8.31	-4.1%
Expectations	7.66	7.94	-3.5%
Integrity	7.95	8.23	-3.4%
Resolution	7.75	8.01	-3.2%
Empathy	7.63	7.76	-1.7%

Legend: Entertainment and Leisure ■ / Average of all sectors ■

The Entertainment and Leisure sector in Saudi Arabia experienced a decline in its ranking from 6th place in 2022 to 9th place in 2024, according to the CEE report. This drop can be attributed to challenges in maintaining high standards in areas such as personalization, time and effort, expectations, integrity, resolution, and empathy. The sector's overall score of 7.80 indicates a decrease in performance across these key metrics.

Despite the decline, the sector remains a significant part of Saudi Arabia's Vision 2030, which aims to transform the country into a global tourism destination. The report suggests that addressing the identified challenges and improving performance in the mentioned areas could help the sector regain its previous standing and continue contributing to the Kingdom's tourism goals. The sector has seen substantial growth in leisure tourism, with a 656% increase in the number of tourists arriving specifically for entertainment and holiday purposes in the first seven months of 2024.

Building trust and convenience: Saudi Arabia's Entertainment and Leisure sector in 2024

In the 2024 Saudi Arabia Customer Experience Excellence report, the entertainment and leisure sector excels by focusing on Integrity and Time and effort. The General Entertainment Authority (GEA) plays a crucial role in fostering trust through transparency and ethical standards, ensuring providers maintain high levels of integrity. Simultaneously, the GEA enhances convenience by streamlining ticketing systems and promoting user-friendly event platforms, reducing the effort required for customers to access and enjoy entertainment options. These initiatives are elevating the sector's performance, setting new benchmarks for customer satisfaction in the Kingdom's vibrant leisure landscape.

Logistics
Overall score: 7.71

Personalization
- Logistics: 7.76
- Average of all sectors: 8.15
- **-4.8%**

Time and effort
- Logistics: 7.92
- Average of all sectors: 8.31
- **-4.7%**

Expectations
- Logistics: 7.62
- Average of all sectors: 7.94
- **-4.0%**

Integrity
- Logistics: 7.93
- Average of all sectors: 8.23
- **-3.7%**

Resolution
- Logistics: 7.67
- Average of all sectors: 8.01
- **-4.2%**

Empathy
- Logistics: 7.37
- Average of all sectors: 7.76
- **-5.0%**

■ Logistics   ■ Average of all sectors

The Logistics sector in Saudi Arabia has consistently ranked last in 2024, similar to its position in 2022. This ranking reflects ongoing challenges in areas such as personalization, time and effort, expectations, integrity, resolution, and empathy, with an overall score of 7.71. Despite these challenges, the sector remains crucial to Saudi Arabia's Vision 2030, which aims to establish the country as a global logistics hub. Significant investments and strategic initiatives, such as the expansion of major ports and the introduction of new shipping services, have been undertaken to improve the sector's performance and competitiveness.

In 2024, the Saudi Ports Authority (Mawani) achieved significant milestones, including improved international rankings for Saudi ports and the launch of major investment projects. Additionally, 34 new shipping services were introduced, connecting Saudi ports with key ports in the East and West, further enhancing the flow of national exports and imports.

Bridging the Gap: Enhancing Empathy in Saudi Arabia's Logistics sector

The logistics sector ranks last among the analyzed industries, with empathy identified as the lowest-scored pillar. Customers are seeking more understanding and personalized interactions from logistics providers. In an industry heavily focused on efficiency and timely deliveries, the human element can sometimes be overlooked.

To improve, logistics companies need to prioritize empathetic communication—listening to customer concerns, addressing issues with compassion, and providing proactive updates during delays or disruptions. By embracing a more customer-centric approach and acknowledging the unique needs of each client, the sector can enhance satisfaction and build stronger relationships. Fostering empathy not only bridges the gap between service and expectation but also sets the foundation for a more resilient and responsive logistics industry in Saudi Arabia.

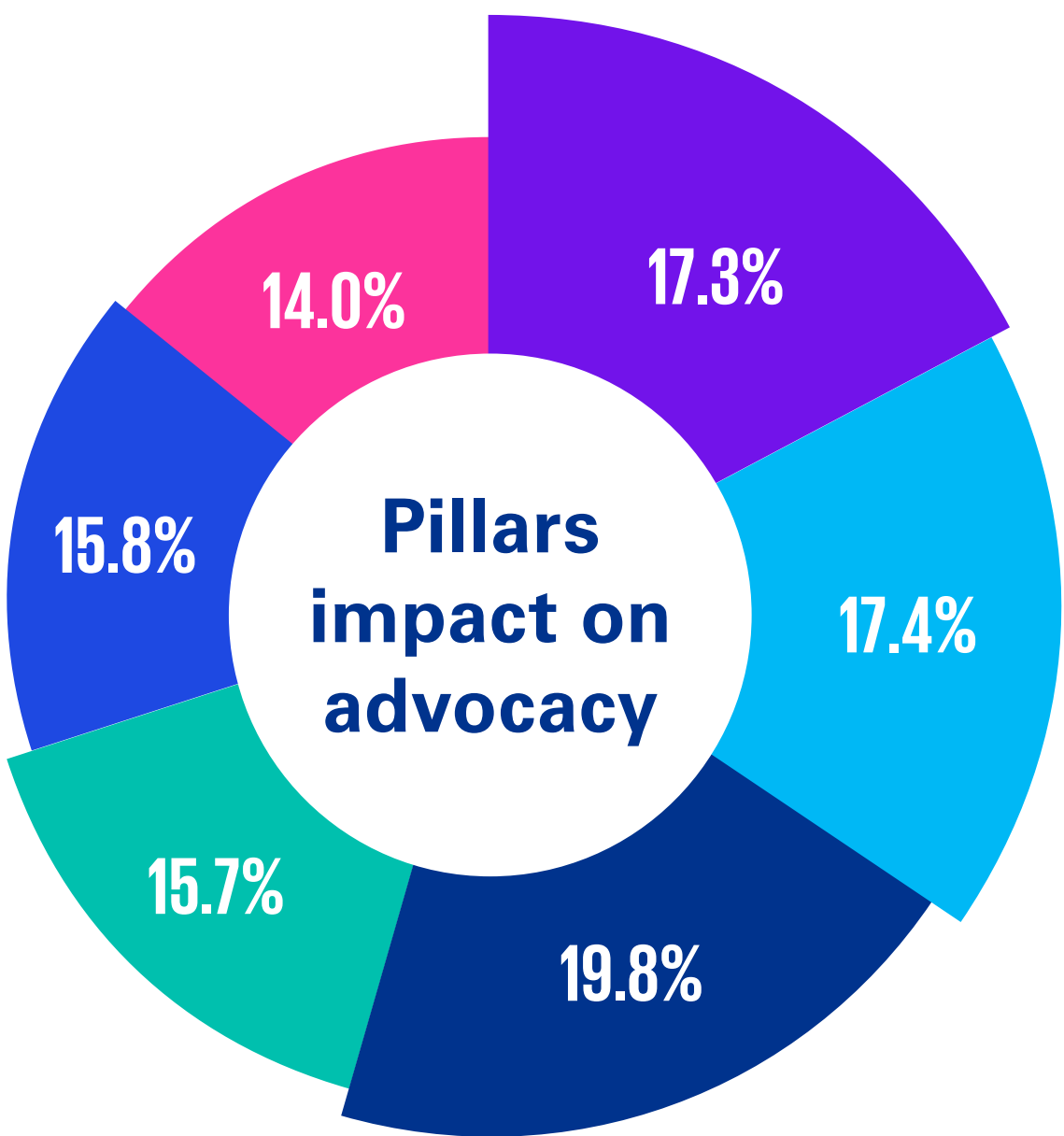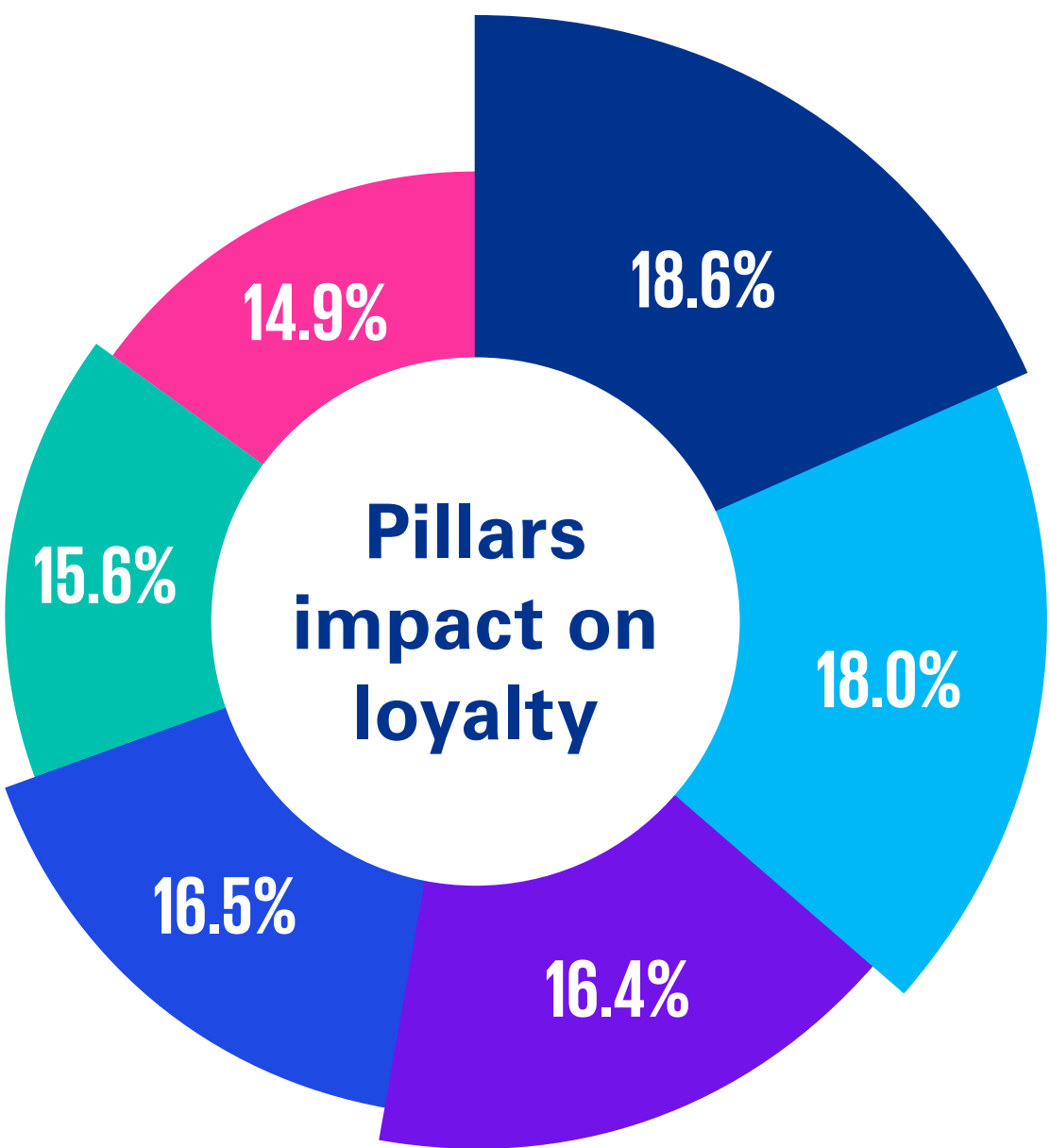# Customer loyalty and advocacy drivers

The Six Pillars, being measurable, offer a powerful complement to other metrics like the net promoter score (NPS), customer satisfaction or customer effort. **They enable an accurate analysis of customer journeys to be compared against best practice journeys elsewhere.**

The Six Pillars aim not only to delineate customer experience excellence but also to envision commercial success since a strong performance across The Six Pillars is linked to enhanced customer loyalty and advocacy, resulting in improved financial outcomes. Higher revenues and lower average cost to serve stem from better customer retention, proving the strong relationship between CX quality and financial performance.

The results of our analysis show that loyalty and advocacy are mainly driven by the pillars of Expectation and Integrity.

Integrity drives loyalty the most since customers feel a brand is trustworthy by delivering on its promise.

On the other hand, Also **Integrity drives advocacy**. Which indicate the importance for all brand to show their integrity on all their interaction with the customers.

Pillars impact on loyalty

- Integrity 18.6%
- Personalization 18.0%
- Expectations 16.4%
- Time and Effort 16.5%
- Resolution 15.6%
- Empathy 14.9%

Pillars impact on advocacy

- Expectations 17.3%
- Personalization 17.4%
- Integrity 19.8%
- Resolution 15.7%
- Time and Effort 15.8%
- Empathy 14.0%

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

The impact of ESG and cost of living on purchasing attitudes

AI integration and consumer attitudes
The adoption of AI has highlighted distinct generational divides in attitudes and concerns. Understanding these differences is crucial for businesses aiming to effectively implement AI-driven customer service solutions.

Younger consumers
The primary concern among younger demographics is the fear of AI displacing human jobs, leading to worries about the reduction of entry-level positions and the long-term impact on career opportunities.

Older consumers
They value the personal touch that human representatives provide. They find AI interactions impersonal and less satisfactory, especially when dealing with complex or sensitive issues. They also have pronounced concerns about the security of personal data, being wary of potential data breaches and the misuse of their personal information by AI systems.

Impact of cost of living
Customers in Saudi Arabia face cost of living and inflationary pressures, but how these are experienced differs by age groups.

62% of people who took the survey in Saudia Arabia feel the financial pressure and are either extremely, or significantly impacted, and they are adjusting their purchasing behavior to minimize its effects on their finances.

ESG considerations

Its important to showcase the growing prioritization of sustainability in customers' purchasing decisions. This year, the survey showed that 38 percent of consumers in Saudi Arabia are extremely willing to pay more for ethically and sustainably sourced goods and services. Notably, this willingness differs by age group.

Younger consumers (18 to 24)

43%
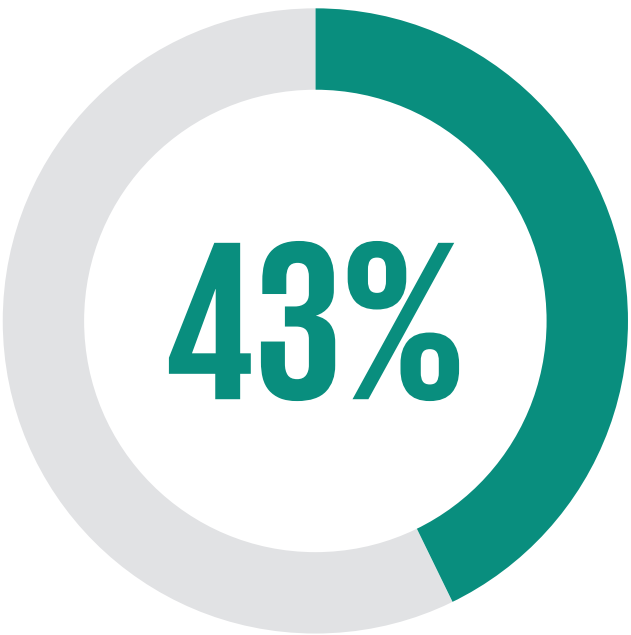
are extremely willing to pay more for ethically and environmentally focused products.

Older consumers (55+) Only

25%
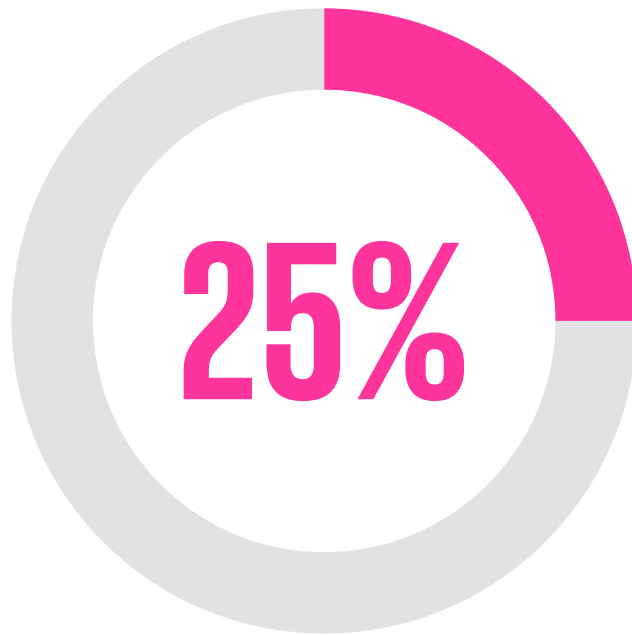
show the same willingness, indicating a decline in priority for ESG concerns with rising age.

Prioritizing customer-centricity: The key to successful AI implementation

AI has the power to amplify human performance, by enabling intelligent search, extracting meaning from data, automating and streamlining processes through organizing data, identifying anomalies, and unlocking new possibilities by sparking new ideas and concepts.

Design customer journeys with AI

Customer journey mapping involves identifying and addressing the touchpoints where customers interact with the organization. AI can enhance these interactions by personalizing experiences, predicting customer needs and providing timely solutions. For instance, AI-driven chat conversational and virtual assistants can offer real-time support, reducing wait times and improving satisfaction. These implementations should be spearheaded by marketing and customer service teams, who possess the nuanced understanding of customer behavior and preferences. By collaborating with IT, these business units can ensure that the technology aligns with strategic goals and delivers tangible benefits to customers.

Harness deep personalization

By leveraging context-aware AI, organizations can create more personalized, adaptive and effective interactions fulfilling a customer's goals and intents. For example, change the delivery date of an order, change the shipping address, or allow for real-time status updates to shipments. This involves recognizing various situational factors and adapting behavior accordingly, leading to stronger and more resilient customer relationships. By leveraging context-aware AI, organizations can create more personalized, adaptive and effective interactions. Mental health support apps, like Woebot and Companion, use AI to engage users in conversations and detect their emotional state through their responses.

These apps can offer support, coping strategies and therapeutic conversations tailored to the user's current mood. However, they require a deep understanding of the customer, their psychological needs as well as their physical and transactional ones.

Optimize value streams and use cases

Value streams encompass the series of steps an organization takes to deliver a product or service to the customer. AI can streamline these processes by automating routine tasks, optimizing supply chains and predicting demand fluctuations. Operations and logistics teams, equipped with insights into operational efficiencies and bottlenecks, should take the lead in identifying areas where AI can add value. IT's role here is to provide the technical infrastructure and support necessary to implement these solutions effectively.

Solve customer problems, fulfill their goals

AI's predictive analytics capabilities can preemptively address customer issues before they escalate. In the near future, AI agents will likely operate autonomously undertaking tasks for the customer. For example, in the financial sector, AI can analyze transaction patterns to detect fraudulent activities and alert customers proactively. Product development teams, with their deep understanding of customer needs and pain points, should drive these initiatives. They must work closely with data scientists and IT professionals to ensure that the AI models are robust, accurate and ethical.

It's vital to recognize that not every problem necessitates an AI solution, and not every AI application adds value. The focus should be on strategic integration of AI to address specific issues and deliver tangible benefits. By engaging in detailed research to uncover customer pain points, organizations can pinpoint where AI can offer meaningful solutions. Organizations can make sure their AI solution strategically enhances the customer experience by mapping the customer journey, the value streams that support it and identifying where AI can enhance the experience.

What is next for AI?

Keeping pace with AI developments is crucial for organizations to stay competitive as AI technology not only advances rapidly, but also has the potential to redefine technology creation itself.

The next generation of AI will revolutionize customer experiences by offering even more personalized, efficient and intuitive interactions. Advanced AI systems will be able to predict customer needs with greater accuracy, providing tailored recommendations and solutions in real-time. With improved natural language processing, customers will engage with AI in more seamless, human-like conversations, enhancing ease of use and accessibility. Additionally, smarter AI can anticipate potential issues before they arise, enabling proactive support and minimizing disruptions. This increased sophistication in AI can empower businesses to create deeper, more meaningful connections with customers, elevating satisfaction and trust to new levels.

Recent research published in Nature Human Behavior indicates that large language models (LLMs) are increasingly capable of understanding complex human mental states, a trait once thought unique to humans. For instance, the Inflection AI chatbot, named Pi for "personal intelligence," aims to offer emotional support with empathy and humor, demonstrating the potential for AI to provide meaningful human-like interactions.

In theory, the better AI models are at mimicking humans, the more useful and empathetic they can seem in their interactions with us. Both OpenAI and Google recently announced supercharged AI assistants. Named GPT-4 and Astra, respectively, these virtual assistants are designed to deliver much smoother, more natural responses than their predecessors. While such advancements are promising, we must recognize these AI abilities are not humanlike — even if they appear that way.

The future of AI, with advancements in self-supervised learning, explainable AI and human-AI collaboration promises more intelligent, autonomous and ethical AI systems, significantly impacting various industries and everyday life. These future AI systems are likely to have greater autonomy, enabling them to operate without constant human intervention. This could be particularly impactful in fields like autonomous driving, robotics and industrial automation.
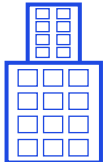
Navigating to the future

To thrive in an AI-driven future, organizations should focus on staying abreast of AI advancements like machine learning, natural language processing, computer vision and robotics. Understanding AI and data regulations, adhering to ethical AI practices and developing a clear AI strategy aligned with organizational and strategic goals are essential. Investing in research and development, fostering an AI-friendly culture, and promoting cross-departmental collaboration will help integrate AI effectively. Addressing workforce changes by reskilling employees and prioritizing hiring and training in AI and data science are key. Engaging with the broader ecosystem through partnerships and open innovation initiatives will also offer competitive advantages.

Global trends by sector

AI is revolutionizing individual business sectors, enhancing efficiency, improving customer experiences and enabling innovative solutions. The leading companies in this year's index are making significant progress with scaling and operationalizing AI in their customer experiences.

Airlines

UAE-based airline **Emirates** is using AI to streamline operations, enhance customer service and optimize the travel experience. The airline uses AI-powered chatbots to provide instant responses to customer inquiries, reducing wait times and improving satisfaction. Additionally, AI algorithms analyze data to predict maintenance needs to better prevent technical issues and ensure safer, more reliable flights. AI also helps Emirates personalize marketing efforts, tailoring promotions and services to individual preferences and travel histories.

Banking

In the banking sector, **first direct** in the UK and **MAIF** in France harness AI to offer personalized financial services and improve operational efficiency. first direct uses AI chatbots to assist customers 24/7 with quick and accurate responses. AI is also used to detect fraudulent activities by analyzing transaction patterns and identifying anomalies in real time. Similarly, MAIF employs AI to enhance customer interactions. AI is also working to streamline and accelerate insurance claims processing by analyzing claims data for potential fraud and approving legitimate claims.

Retail

Leading retailers are using AI to advance the shopping experience and optimize supply chain management. Czech based company **La Formaggeria Gran Moravia** enhances its customer experiences with personalized recommendations and targeted marketing based on customer preferences — increasing sales and customer loyalty at the same time. **HEB** in the US is able to forecast demand, manage inventory and reduce waste by using AI to analyze purchasing patterns and external factors like the weather.

Healthcare

AI is transforming healthcare by improving diagnostics, patient care and operational efficiency. The **Mayo Clinic** in the US uses AI to analyze patient data, enabling earlier and more accurate diagnoses. AI algorithms also assist in interpreting medical images to identify patterns that may be missed by human eyes. **Humana**, a health insurance company, uses AI to personalize health recommendations and manage chronic conditions, while its AI-driven platforms monitor patient data in real time to offer proactive health interventions and improve patient outcomes.

Hospitality

In the hospitality industry, global brands **Marriott** and **Hilton** use AI to enhance guest experiences and streamline operations. Marriott uses AI to personalize guest interactions, from customized room settings to tailored recommendations for local attractions. AI-powered chatbots also assist with booking inquiries and service requests, improving efficiency and customer satisfaction. At Hilton, AI optimizes revenue management by analyzing booking trends and adjusting prices dynamically. AI also supports the hotelier's sustainability efforts by optimizing energy usage and reducing waste.

Insurance

Insurance companies **FWD** in Asia and **USAA** in America are adopting AI to improve customer service, underwriting and claims processing. FWD uses AI to provide instant insurance quotes and streamline the underwriting process. AI algorithms assess risk more accurately to allow for fairer premiums and faster policy issuance. USAA enhances the claims process by using AI image recognition to assess vehicle damage and expedite claims approval. AI also helps USAA detect fraudulent claims, reducing losses and improving service efficiency.

Logistics

AI is revolutionizing logistics by optimizing routes, improving delivery times and enhancing customer service. In the Czech Republic **Zásilkovna** uses AI-driven analytics to predict demand and better allocate resources, reducing transit times and fuel consumption. Packeta employs AI to provide real-time tracking and personalized delivery options for customers, and improve warehouse operations, reducing costs, improving accuracy and enhancing the customer experience.

Public Sector

In the public sector, AI is enhancing service delivery and operational efficiency. **Singapore General Hospital** uses AI to improve patient care through predictive analytics and personalized treatment plans. AI algorithms analyze patient data to predict health outcomes and recommend interventions, improving recovery rates and reducing hospital stays. The **Employees Provident Fund** in Malaysia uses AI to streamline administrative processes and enhance customer service by managing member contributions and disbursements, providing accurate and timely information to members.

Telecom

Telecom companies are turning to AI to enhance network performance, customer service and operational efficiency. **Spusu** in Austria uses AI to optimize network management, ensuring reliable connectivity and reducing downtime. They also use AI-driven analytics to understand customer usage patterns to personalize service offerings. **Viettel** in Vietnam is improving customer service through virtual assistants and chatbots, providing instant support and reducing call center workloads as well as network maintenance by predicting faults and optimizing repair schedules.

How KPMG can help

Transformation never stops. Neither do we.

KPMG Customer Experience services add value at every stage of the customer experience lifecycle, from strategy development to execution. Leveraging its Six Pillars of Customer Experience Excellence framework — Integrity, Resolution, Expectations, Time and effort, Personalization, and Empathy — KPMG firms help organizations deliver outstanding customer experiences by providing a holistic approach to improving every aspect of customer interactions.

By applying this framework, KPMG enables organizations to enhance customer loyalty, satisfaction, and overall business performance.

Customer strategy: Using innovative approaches to product development and new business models, KPMG helps clients focus on their customer strategy. KPMG's network of strategic alliance partners bring innovation and mastery of new digital technology to help build strategies that respond to digital disruption.

Customer Experience: Using the KPMG Customer Experience Excellence Center that has led this research, we help to define winning CX strategies, help clients redesign customer journeys which improve customer loyalty and help maximize customer lifetime value.

Marketing, sales and service transformation: KPMG consultants can help you to digitally enable and transform the effectiveness of your marketing, sales and service functions to create a connected enterprise, integrating front, middle and back office operations to enable a more agile and responsive business.

Customer-centric organization: Helping clients to empower employees and improve the employee experience with engaging digital solutions.

Customer data, analytics and insights: KPMG customer analytics solutions and decision engines can help harness insights to power improvements in CX and customer lifetime value.
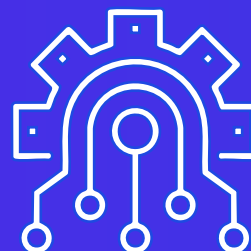
Digital transformation: KPMG digital specialists can help you to succeed in the digital world. From strategy to technology enablement to cultural change, our multi-disciplinary teams take a holistic view of how processes, platforms and behaviors across the front, middle and back offices need to evolve – and offer clear methodologies for executing that transformation.

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