

Power to the people

**2019 UK Customer Experience
Excellence analysis**





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



10 years of ongoing research



2,700 detailed brand reviews



Over 3 million individual B2C and B2B evaluations



Coverage of 24 markets

Defining customer best practice through the lens of The Six Pillars



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

Designed to enhance the effectiveness of your CX programmes



CX insight



CX design



CX strategy



CX economics



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Introduction



A million workers working for nothing, you better give 'em what they really own."

John Lennon
"Power to the People" (1971)

Although not widely recognised as a management treatise, John Lennon's lyrics neatly encapsulate the need for organisational leaders to think less about management and control and more about enabling, empowering and engaging their people.

Companies around the world are attempting to transform their businesses but only a small number have made energising their frontline people a central part of their transformation journey. It is by no means a coincidence that those that have are achieving the promised economic benefits of customer experience excellence, whilst those that haven't, flounder.

These leading companies are embracing the concept of the "workplace as an experience", where every aspect of work is carefully designed, arranged, and controlled to energise and inspire employees to deliver the prescribed customer experience. This requires a new covenant between front-office and people leadership, connecting the worlds of customer, HR and general management in a way that most operating models resist.

Those that do, start with the design of a competitively superior customer experience and then design the culture, skills and behaviours that will enable frontline employees to deliver such an experience. Why? Because innovation, creativity, passion, commitment and the desire to do great things for the customer start and finish with the employee.





In short, transforming the customer experience (CX) requires that they adopt an equally methodical approach to the employee experience (EX). Those that seek to change the world recognise they must first change themselves.

To achieve this, these organisations are looking at their people through the same lens as they do their customers and applying the same engagement strategies to improve attraction, motivation, and retention. It spans propositions, experiences, journeys and personal growth and manifests itself in a customer obsessed culture.

Importantly, they are removing disconnection between employee values and their brand experience. Most organisations have both, few have had the bravery to create the intellectual and cultural bridge between what they are, what they do and how it feels to customers. This disconnection acts to confuse and disempower, subverting the organisation's ambitions for customer excellence.

In this, our 10th year of Customer Experience Excellence analysis, we identify the critical need for organisations to align employee experience to customer experience. This means putting their employees in lockstep with their customers; equipping them to be agile, responsive and thoughtful about how they can achieve more together.

The research shows that The Six Pillars – the unique factors that define and deliver experience excellence, can be universally applied to both customer and employee relationships. By seeing all people (and their digital counterparts) through this singular lens, organisations can remove disconnection and unify their colleagues around common ways of thinking.

Firms that are able to do this have had to reach a new level of understanding of both their employees and their customers and find new ways of linking the two. Based on the analysis of the 337 brands in this year's report, we explore this through five key themes:



Driving growth: the trust imperative.

Trust is the basis of all positive human relationships and is the foundation stone for employee engagement. If employees do not trust the organisation, how can customers?



Employee experience economics.

There is a strong economic link between EX and CX, firms who master both achieve higher growth. There is untapped value for organisations who start to do this.



The problem-solving organisation.

The key source for understanding, and finding solutions for customer problems, is employees. Millions are wasted on complex analysis and consulting, when often the simple solutions sit with front-line colleagues.



Employee journey management.

Transformation success requires alignment between the employee lifecycle and employee journeys and the customer lifecycle and customer journeys. A joined up approach to experience management, replacing traditional journey mapping, is required.



The connected enterprise.

This, in turn, requires a new working covenant between the HRD, CMO and CXD whereby each is clear on how they make their contribution to the customer experience. Systems, insights and operations must all flow from this commitment to connecting up the employee and customer agenda.

One decade ago, we started our project to decode, define and disseminate customer experience best practice. Now operating in over 20 markets worldwide, the Excellence Centre's work has catalogued the successes and failures of over 2,500 brands across over 50 publications. Across this body of insight, the simple truth that frames this report is perhaps the most profound: only by consistently focusing on optimising all human relationships can businesses become customer experience leaders.

Those that want to start a customer revolution need to start here.

David Conway
Director

Tim Knight
Partner

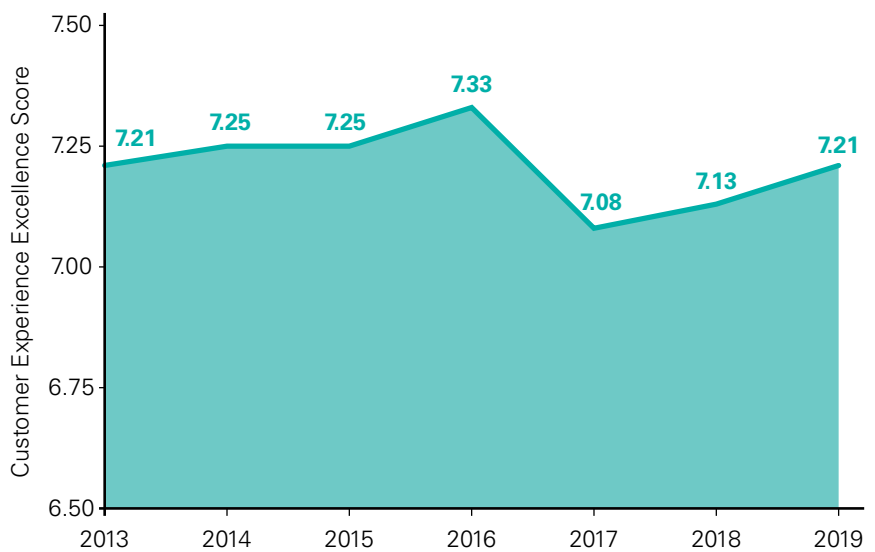
State of the nation

Last year we saw UK PLC taking its first steps to CX recovery following the decline of 2017, where the lowest customer experience performance was recorded since the study began a decade ago. This year, UK organisations are making slow but steady progress, with the average UK CX score rising to 7.21.

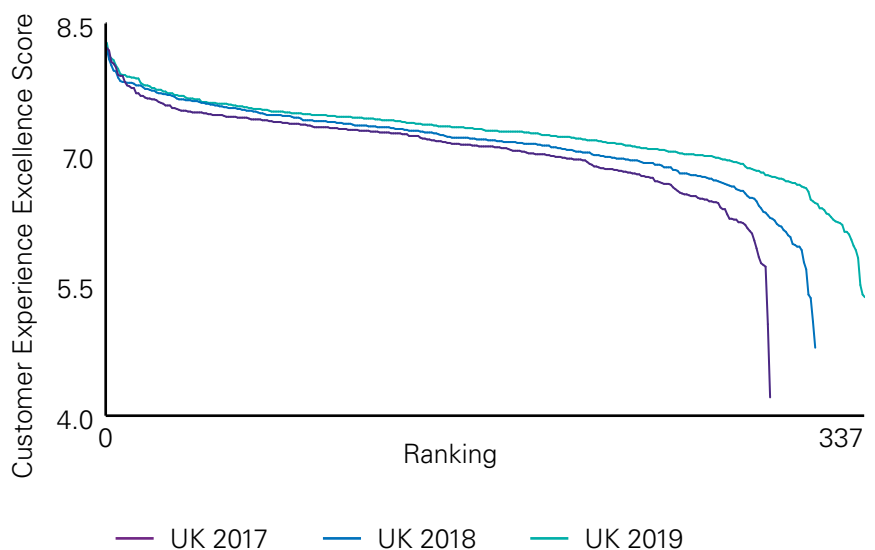
Whilst the top performers have remained equally excellent over time, the customer experience curve demonstrates that the lowest performing brands have had some success with their efforts to improve. This has been recognised by consumers with higher scores for the lower ranked brands this year.

Nevertheless, whilst organisations are performing better overall, the majority are predictably average. Of the 337 brands included in the rankings this year, 71% (240 organisations) scored between 6.5 and 7.5. 21% of brands scored above 7.5 (72 organisations), whilst just 7% scored below 6.5 (25 organisations).

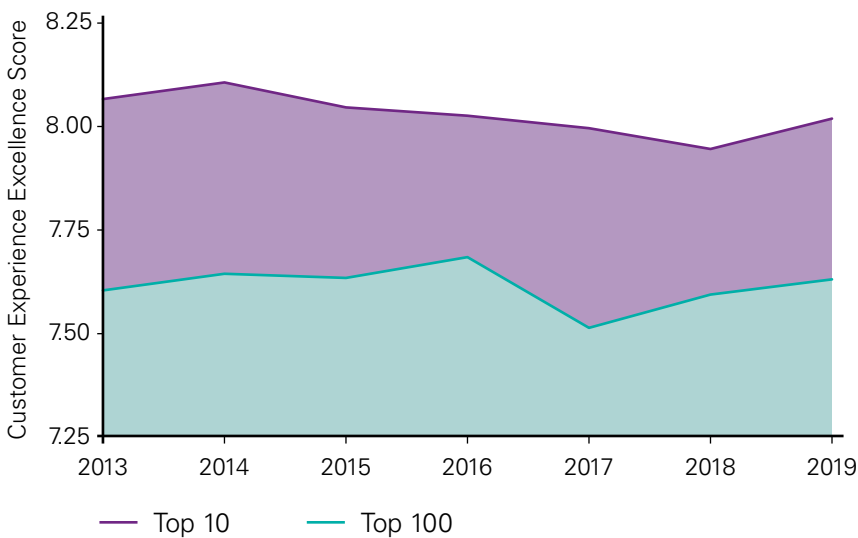
UK overall customer experience performance



The customer experience curve



Average CEE metric over time



Ultimately, as more brands progress towards an average score, less differentiation is noted between them by consumers, resulting in increased expectations whereby performing well is the minimum standard required, rather than exceptional.

The top 10 brands continue to stand out against the rest of the pack and we see an increase in their scores over the last year as they respond to customers' expectations of best experiences. Five brands achieve a score of 8 or more in the UK in 2019 (first direct, Monzo, Lush, Richer Sounds and John Lewis Finance), compared to just three in 2018.

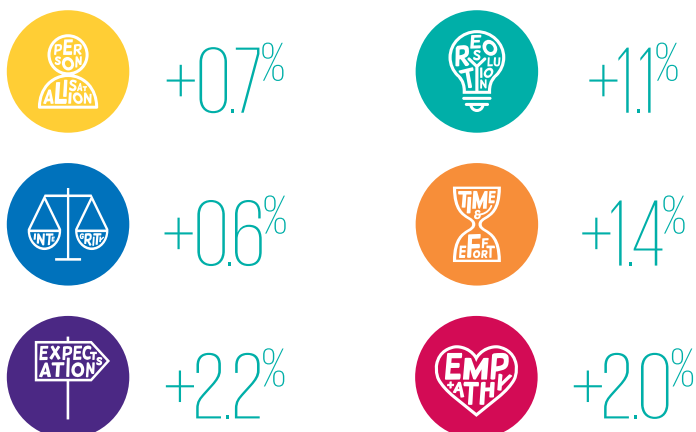
Number of brands achieving a score of 8 or more



Slight progress is evident in the UK's performance across The Six Pillars this year. Consistent with 2018, the most notable improvements continue to be in the pillars of Expectations and Empathy.

Organisations are taking note of the CX leaders and are increasingly attempting to replicate the best practices of companies such as first direct and Monzo when it comes to meeting customer Expectations and demonstrating Empathy. These organisations recognise that connected and real-time experiences are considered the norm for customers when interacting with brands, and have adapted to meet these expectations.

Six Pillar performance (2019 vs 2018)






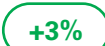






























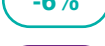



UK 2019 sector performance

From a sector perspective the picture is fairly consistent with previous years: retail, followed by financial services, remain the leaders, whilst utilities, logistics and the public sector continue to languish towards the bottom of the sector rankings.

Despite their low ranking, the greatest progress for any sector this year sits with the utilities and public sectors. Utilities' progress has largely been driven by two newcomers to the study: Bulb Energy and Octopus Energy. Both companies have positioned themselves as "doing things

differently" from traditional energy providers. Green energy specialist Bulb has taken the switching process to new heights, taking just 30 seconds of a customer's time and refunding exit fees that past suppliers might charge to move on, whilst Octopus strives to save customers money through clever use of technology, integrating with Amazon Alexa for smart energy use and even offering households with high energy bills, thermal imaging cameras to detect causes of energy inefficiency.

UK sector	% difference in UK sector CEE score vs 2018	Sector performance vs UK average	UK 2019 sector ranking
Non-grocery retail	  +1%	 +3%	 1st
Grocery retail	 0%	 +3%	 2nd
Financial services	  +1%	 +2%	 3rd
Restaurant and fast food	  +2%	 +1%	 4th
Entertainment and leisure	 0%	 -1%	 5th
Telecoms	  +2%	 -1%	 6th
Travel and hotels	  +1%	 -3%	 7th
Utilities	  +3%	 -4%	 8th
Logistics	  +1%	 -6%	 9th
Public sector	  +4%	 -10%	 10th

The 2019 customer experience excellence champions

This year's top 10 companies are examples of businesses where the contribution of the employee experience to the customer experience is not only recognised but positively nurtured. Their people are empowered to excel at delighting the people they serve:



01 first direct

Number one for the second year in a row, first direct describe itself as the "people powered bank". From the outset being able to directly access a human being who demonstrably cares about you without being greeted by a computer has been a significant differentiator. Eschewing the tendency of financial services firms to recruit experienced people, first direct target the caring professions instead with their recruitment criteria being to "hire for the smile and train for skills". The brand wants to ensure that their people have the innate personality trait of care and concern for others.

With 44% of new recruits recommended by existing staff, not only does "like recruit like" but it shows the depth and power of staff advocacy. Indeed 75% of its people would recommend the bank to their friends.

Employees say

"first direct is a fabulous place to work. I have been there since it opened and wouldn't consider going anywhere else. The thing that matters most is the customer."



02 Monzo

A digital only bank, it has grown rapidly over the last four years and has over 800 staff and over 2 million customers (Source: Monzo website). Monzo targets a customer demographic that values convenience and technical innovation. It was one of the first banks to make an API available for integration with externally originated software tools. The bank has had four "hackathons" where developers at the forefront of fintech can experiment with Monzo data and develop new ideas and new means of meeting customer needs.

As a digital bank driven by innovation it is the technical strength of its people that makes the difference. The company is data driven with everyone (including the CEO) getting data from live dashboards. The culture of individual teams, and indeed across the whole company, is non-hierarchical, often comprising of the best analysts in each of their domains from elsewhere in banking.

Employees say

"There's something amazing being created here. Please keep up the work of maintaining that and building on it."



03 Lush

Lush employees are amongst its biggest fans. As a values-led business, it is critical that employees see their own values reflected in the actions of the company. As a campaigning brand that uses its shop windows to promote its causes, it can move into controversial territory. However, each Lush shop has the right and the autonomy to opt out of a window campaign if they have strong reasons. To do this, shop managers are expected to take into account the views and opinions of all the staff in their shop and come to a collective and democratic decision.

Lush expects its people to deeply understand the products and be able to prescribe exactly the right products for each individual customer. As such, there is a huge investment in staff training and the provision of new products free of charge for staff to use and form their own views.

Finally, the brand makes a number of commitments to its people: there will be no glass ceiling; pay will always exceed the statutory minimum; and they will be valued and treated with respect at all times.

Employees say

“I was treated amazingly and all staff were so helpful and lovely. I was given so much experience in working with customers and gaining confidence to talk about products that will benefit them.”



04 John Lewis Finance

83,900 partners of the John Lewis Partnership are part owners of an £11.5bn business. Much has been made of the employee / owner model and how the role of being a partner drives a superior customer experience. The organisation rebranded this year to include the word partner in the name, to reflect the importance of partnership.

However, what customers talk about is the level of knowledge that partners have about their individual product areas and their willingness to impart that knowledge without pressing for a sale.

This is particularly evident in the banking area where detailed product knowledge, innovation and great service combine to deliver an outstanding customer experience. Formed “to support you through the big events in your life, and all the little moments in between,” John Lewis Finance brings its sense of brand integrity to the world of personal finance and continues to innovate (Source: John Lewis Finance website). For example, the ability to open an account and leave with the Partnership card ready for use is often mentioned by new customers.

Employees say

“During my time working for John Lewis Finance, I gained professional customer service skills and met very nice and professional people. I was given very good training by experts and the atmosphere in the building was very positive and happy.”



05 Lakeland

A new entrant to our top 10, Lakeland is a family owned business that extends the family ethos to its colleagues and how it treats its customers. Lakeland's customers love its 'helpful', 'knowledgeable' and 'friendly' colleagues and rate their attitude and helpfulness as outstanding.

Interestingly, Lakeland's colleagues also talk about the helpfulness of people inside the company and the desire to help new starters establish themselves. A case of authentic internal behaviours manifesting themselves for customers.

The Lakeland guarantee and price promise make their customer commitment real and tangible. If customers aren't completely satisfied they can return a product up to three years after purchase.

Employees say

"Lakeland promotes a family ethos and is an enjoyable place to work. From my 8 years of working there, I have learnt that customer service is absolutely essential. They take pride in customer care and put it at the forefront of everything they do."



06 Nationwide Building Society

The link between employee satisfaction and customer satisfaction is very clear at Nationwide. The driver of their superior customer experience is their people. They have long focused on three things: engagement - the degree to which employees are enthused about their relationship with the company; enablement - the degree to which employees have the right tools to delight customers; and empowerment - the decision-making latitude that employees have to make things right for the customer at the first point of contact.

Every morning teams across Nationwide engage in a huddle at quarter to nine. This reviews the progress made for customers the previous day and is a fun and inspiring event that ensures that all staff start the day with a picture in their heads of what good looks like, but also creates a great atmosphere that is immediately apparent to customers.

Employees say

"An excellent place to work with fantastic managers. I have retired now but I miss meeting the customers with their individual personalities and being able to help them secure their home, and also celebrating when they get their key, and keeping in touch with them post completion. I still have many old customers asking me to come back."



07 Richer Sounds

Founder, Julian Richer is very hands on and sets the tone from the top – customers are the number one priority and great staff make the company successful. He has recently announced that he is transferring 60% of the equity in the firm to its employees and providing significant cash bonuses to loyal employees, at the same time as creating a John Lewis & Partners style of employee ownership model. In addition, 15% of company profits are donated to charity – in 2018 this amounted to £9.6m (Source: The Guardian, May 2019).

For staff, finding the best, lowest cost way to meet customers' requirements is what drives job satisfaction. Assembling audio and visual systems from a wide range of components requires deep product knowledge and customer understanding.

Numerous respondents in the CEE research talked about how knowledgeable staff were and how they talked them out of higher priced items for lower priced options, but equal or better quality products. This ethical approach to the customer builds a lifetime relationship.

Employees say

"This company is odd in a very good way. Here, you are rewarded for being a good, ethical sales advisor. They actually insist you do not push sales on people. They insist you treat your customers well, exactly as you would expect yourself and it is a very good system that works. Customer feedback rewards the staff far better than the commission they receive from their sales."



08 Virgin Atlantic

Outstanding customer service has long been the hallmark of Virgin Atlantic. One of the first organisations to coin the phrase "brilliant basics and magic touches", its reputation has been built on consistently delivering a unique Virgin experience. Employees recognise that without brilliant basics, magic touches have little long term value.

It is the recruitment of quintessentially Virgin staff that makes the difference, according to respondents to the 2019 CEE research. Staff who want to serve passengers and whose positive, outgoing, friendly and caring approach sets them apart from other airlines.

Virgin Atlantic describes its customer experience as being built around the "four Es": Engagement - delivering a personalised service; Excitement - surprise and delight; Excellence - making everything easy; and finally Efficiency - a focus on continuous improvement.

Employees say

"Whilst it was often a high pressure environment, the sense of achievement as an individual and a team was delivering an exceptional customer experience on a daily basis and creating the wow factor for our customers."



09 Ocado

Ocado describes itself as “a customer insights led company” and this has led to an increased focus on technology. Smartphone users, in particular, have benefited from the company’s technological experimentation. It has even created its own separate business, Ocado Technology, for the very purpose of pushing the technological envelope.

One such innovation is the brand’s smartphone application, which allows shoppers to scan, shop, create a ‘favourites’ list, and carry out many other time-saving activities. One of the more recent features can be seen in its optimisation for smartwatch users, meaning that customers can simply say the word “bread” to begin searching for that item. There is also the Instant Shop feature, which enables customers to complete an order in 15 seconds using a predicted list, which is based on a person’s previous orders and delivery times.

It is the understanding of its customers and the imagination of its people that is driving world-leading innovation.

Employees say

“I found Ocado and in particular the ‘Freezer section’ an enjoyable, friendly and helpful environment to work in. From day one I was made to feel like one of the Ocado family.

When you are a new member of the team the trainers, as well as the rest of the team, are all there to help you develop your skills. One of the best companies I have worked for.”



10 QVC UK

Two years ago QVC UK ranked first in our analysis - a result of its deep and profound understanding of their customer, and excellence in meeting their needs. For QVC UK, Empathy is a way of life, being able to continually see the world through its customers’ eyes has enabled the business to substantially grow the profitability by delivering an outstanding experience.

Success has been driven by its ability to communicate with shoppers on a very human level. Presenters and personalities act as brand advocates, taking shoppers through a journey of discovery as they present items in a down-to-earth, humanised manner, reminiscent of a best friend describing their new handbag over a cup of coffee. This method is demonstrably more engaging than a picture of a product on a website, or an item sitting on a shelf.

Employees are given autonomy and are able to blog about their careers with QVC UK, sharing behind-the-scenes information and inviting customers into their lives so that they feel part of a community.

Employees say

“QVC is a company I feel lucky to work for. I work in a team of around 15 people and get on really well with each person. I work hard on each shift, and make sure the requested standards are always met.”

Spotlight on:

first direct



The secret to continued customer experience excellence

Ranked first in the UK Customer Experience Excellence analysis for two consecutive years and taking the top spot four times in the 10-year existence of the research, first direct's continued customer experience success is driven by a fine balance of two key elements, according to Joe Gordon, Head of first direct. These two elements are consistency and change.

"Those two things might seem like separate bedfellows, but they work incredibly well together" explains Gordon. "The consistency of focus we have on customer centricity internally, the consistency we have around what our purpose is, what our values are - pioneering amazing service - it's something we all try and live by. That consistency of what we are trying to do is really important, but equally the change of how we do it is really important as well. Customer expectations change, technologies change. In 1989 we set up to pioneer amazing service and the how of today then was telephony. Then it changed and we changed to online banking, then it changed to app banking and then today to open banking. Our ability to cope with that change and understand that change in today's environment, as well as being consistent with our focus, is key."

"In today's world anything that can be replicated and automated will be, but what can't be becomes much more valuable. That's why our people will always be the heart of the business."

Helen Priestley

Head of Brand at first direct

Balancing consistency and change enables first direct to be both personal and relevant to its customers, meeting their expectations of a bank that is simple, easy and great to do business with.

The importance of people

As the leading organisation, first direct excels across all of The Six Pillars, but most notably in the pillars of Resolution and Empathy. Gordon states that it's the people who drive this, which is underpinned by a strong emphasis on the right approach to recruitment. "We are really clear about the way we recruit people. Having people who have done the job recruit for attitude, recruit for understanding and then



Financial services

1st

rank in 2019 of 337 brands



places from 2018

The Six Pillars: scores vs industry average



+11%



+11%



+13%



+11%



+14%



+13%

Employees say

“first direct is a fantastic company to work for. It’s as all companies should be.”

training those skills we need is really important to us. But also trying to make sure we can engage people in the purpose they’re trying to drive for the business and the value they can have.”

The culture of first direct

As Gordon describes, “culture is so hard to verbalise but so easy to feel”. And it can be felt upon walking into first direct’s office – the vibrancy and friendliness exuding from those you meet. For Gordon, the culture is embodied in the values of the organisation. “We try to encompass our culture in what we call our F-DNA – our value set.” These values are across the walls of the open plan head office and permeate the people and culture:

*We’re always on it
We have uncommonly good sense
We dare to be different
We take money seriously, not ourselves.*

Investing in new ways of working

first direct is continually investing from a digital perspective, most recently in new technology platforms, new telephony platforms, online banking, new functionality on the app, fdpay (social media pay) and also fdesign, a customer co-creation platform.

It’s not just about technological investments for the bank though. As Gordon describes: “We’ve implemented new ways of working in the last year around agile, around closed loop feedback and re-designing our business around customer journeys. It’s those kind of investments, as well as the digital investments, that have really helped us in the last year.”

“Agile at scale” is the mantra that guides project management. Rather than the traditional waterfall project approach where a perfect solution takes a long time and things have often changed in the meantime, multiple teams work towards rapid delivery of minimum viable products. The result has been much more rapid responsiveness to escalating customer expectations.

Organising the business around the customer

In the last year first direct has reorganised the business. Historically set up on a functional basis with departments operating separately, the bank has now restructured around the key journeys for their customers.

As Gordon describes, “instead of it just being one person’s job to do customer service, we’ve reorganised our business around the journeys that inhabit first direct and now have someone responsible for each journey. That person running that journey will have access to people across the operational teams, across the marketing teams, the commercial teams, the risk teams, the COO office and all those people work together to solve the big issues around that customer journey.”

The organisation moving from a horizontal structure to more of a vertical stream means that the whole business is focused on the customer from the point where they enter the business to the experience they have all the way through with first direct.

Connecting with the customer of the future

Gordon believes that customer values haven’t really changed since first direct launched as the original challenger bank in 1989. His view is that customers still want a service that is simple, easy and straightforward. As a result, the values of first direct haven’t changed either – the bank has remained focused on “pioneering amazing service.”

However, what has changed, from Gordon’s perspective, are the expectations of customers to do things differently. “Keeping up with the pace of change is important. That’s why we’re partnering with fintechs such as Bud to release a new platform for first direct, and building that back in terms of what we can do around understanding open banking. So working in new ways is important, but what customers value I don’t think really has changed that much.”

“I have been with first direct for many years. I have always been treated as a human being rather than a means of making a profit.”

UK CEE 2019 respondent





















The biggest moving brands of 2019

There is much to be learnt from companies that make rapid progress in ascending our index. Whilst it might seem like an overnight success, it is often the culmination of years of work and then all of the individual efforts come together and suddenly make sense to the customer as a unified whole. That is true of many of this year's most improved companies.

2019 has seen marked movement for a number of brands, most notably Mothercare which has moved up 119 places in the last year. Following a period of restructuring, Mothercare, led by CEO Mark Newton-Jones, has revitalised the experience, one aspect of which has been an intense focus on the experience of its people.

Of the 10 biggest movers, five sit within the food industry – and predominantly, restaurants. This

is reflective of the results of the Customer Experience Excellence Centre's recent global analysis (Tomorrow's Experience, Today), where a number of restaurants featured in the list of leading brands across the globe. The dining industry is recognising that a strong customer experience is a key differentiator – it's no longer just about the food, but so too the process, which is increasingly digitised across booking, ordering and payment, if customers so wish.

Brand		Rank movement 2019 vs 2018	CEE rank 2019
Mothercare		 +119	57th
Green Flag		 +95	36th
YO! Sushi		 +85	41st
PizzaExpress		 +78	87th
Prudential		 +73	54th
Toby Carvery		 +64	86th
Virgin Holidays		 +54	15th
Just Eat		 +53	90th
Joules		 +50	40th
Caffè Nero		 +49	88th



Mothercare

For Mothercare, adjusting to the fundamental changes in UK shopping habits has meant that the organisation has had to focus on capital restructuring at the same time as delighting its customers. In fact, it has closed over 50 of its stores.

In the midst of a financial turnaround, Mothercare has had to maintain the motivation of employees whilst equipping them to forge a new type of relationship with customers - one based on collaboration and revitalising the "Care" element of Mothercare.

Mothercare's focus is on helping customers deal with the life-changing impact experienced by most new parents. With many of them having children later in life and often geographically distant from their parents, many new parents do not have the support network their parents enjoyed. They are having to look elsewhere for insight, wisdom and guidance. Modern parenting can be isolating, which is why help in connecting with peers and essential advice has become crucial. Mothercare is focusing on helping first-time mums and dads to feel empowered and part of a wider supportive community.

For employees, restructuring brings challenges. However, the essence of the role is passing on high-quality advice and guidance to those who are hungry for it, and that is a reward in itself.

Employees say

"To work at Mothercare is a joy, there is no one day where I do not learn new things. At Mothercare I have a wide enhanced knowledge of the products and all of its features and this knowledge is passed on to customers wishing to buy our products."



Green Flag

In a competitive market, Green Flag has to work hard to deliver on its brand promise, offering compensation if its mechanics fail to arrive in the promised one hour.

The company has also focused on innovation of its digital app. Customers can use their smart phone to provide the GPS coordinates when they require assistance. Also, a small device can be fitted to their car to provide alerts when battery life begins to fail, or when warning lights appear, enabling the driver to know how far the car can be safely driven.

Where possible, support is provided over the phone to get the driver mobile as soon as possible.

For employees, this means a focus on teamwork and collaboration, supported by top quality training and development.

Employees say

"A great and agile business full of passionate people that are hungry to challenge the status quo."



Having celebrated its 21st birthday last year, YO! Sushi has 90 restaurants across the UK. Inspired by the work being done around customer in the airline industry, YO! Sushi see the future of its customer experience in Personalisation. That is, the ability to understand its customers' preferences and being able to demonstrate that the company "knows" its customers.

Digitally, YO! Sushi is empowering its customers to share their experiences and their views on new dishes via WhatsApp functionality.

The brief to new employees captures the brand, the unique personality and the experience they want for both employees and customers:

- Serve up some of the finest quality recipes this side of Japan
- Do what the head chef tells you (at least until you get to be head chef)
- Make the customers happy by giving them what they want – and more
- Be clean, organised and meticulous to the point of obsession
- Be happy and pleasant to work with – not too much to ask
- Be funky (we're not sure what this means but it sounds good)

Of course, not just anyone can wander in and start throwing knives around. So we'd like:

- Proven kitchen experience - or something very similar
- The ability to communicate well (sharp knives good; sharp tongues not so good)
- A customer focus, remembering that the guy on the other side pays all our wages
- A nice cool head even when things are manically busy
- A good team spirit – it makes everyone's life easier

Employees say

"From the food to the staff members it was a joy to see on a daily basis. The staff works as a united family, regardless of race or age. I really enjoyed working there."



PizzaExpress

PizzaExpress knows customers are looking for an experience that goes beyond good food. The environment, ambience and atmosphere are all part of the experience, but the experience continues outside the restaurant. The PizzaExpress app has provided a new channel to communicate with customers, allowing them to receive exclusive content - for example, games, rewards and birthday treats. This helps the organisation to be connected to and build relationships with PizzaExpress fans.

It also enables PizzaExpress to listen to what customers are saying and play close attention to trends. For example, it has responded to an increase in the demand for vegan options, and it likes to surprise and delight customers by appearing in unexpected locations.

“We want customers to enjoy their favourite pizza wherever they are. This could be in a field at a festival, delivery to home or in one of our restaurants. That’s why popping up in unexpected places like the British Summer Time festival in Hyde Park, London, provides the opportunity to share good food and good times and be part of our customers’ life experiences.”

Tim Love
CMO, PizzaExpress



Prudential

Prudential has a strong and clearly articulated purpose. It states: “We help to remove uncertainty from life’s big events, providing our customers with the freedom to face the future with greater confidence”

It’s all about peace of mind, and to this end, it has systemically focused on the customer experience, looking across journeys and touchpoints to remove pain points and make life easier for the customer. It has also restructured the contact centre around the customer, and supporting agents with expert systems to help them navigate the complexities of legacy pension plans, and resolve queries at the first point of contact.

It has also had to bring their people with them, and key to this has been the internal culture.

Employees say

“Great place to work. Friendly people, great culture and environment. Lots of social activities organised and a real positive culture. I have never worked somewhere that is so relaxed and friendly, but so efficient. Full of really great, knowledgeable people.”

Spotlight on:

Mothercare



Mothercare has been recognised as the biggest moving brand in the 2019 Customer Experience Excellence top 100, moving up 119 places in the last year to rank 57th.

Mark Newton-Jones, Chief Executive Officer at Mothercare is proud of this success after what he describes has been a “tumultuous year”. Following a period of restructuring, Mothercare is now focused on re-establishing its reputation through a range of staff service training and incentive initiatives, improving the presentation of its stores and stock, as well as enhancing the customer journey and delivery proposition online.

Investing in its employees

The key to an excellent customer experience, more often than not, lies in the hands of an organisation’s employees – particularly when they are the first point of contact in the customer journey. With that in mind, Mothercare has focused its efforts in encouraging its people by enhancing working conditions and equipping them with the tools that they need to deliver great service.

On top of two new customer service training modules which are mandatory for every employee, Mothercare has also designed six product modules, at the end of which sales advisors who successfully pass their exams receive a salary increment. Not only has Mothercare’s investment in its employees increased productivity rates and begun to reduce attrition rates, Newton-Jones notes that it has also “given our advisors the ability that the more they learn, the more they can earn. In return, our service standards have started to improve and the education of our teams is starting to improve and, importantly, the staff turnover is dropping.”

Importantly, whilst there is an abundance of training given to employees, there are also measures in place to ensure that all of this is put into practice. For example, Newton-Jones disclosed that “we’ve set a target that 70% of all sales advisors in stores have to be able to fit a car seat, and the same number must be able to fit a maternity bra.” The result of this is clear in the tone of the CEE respondents’ feedback in the research, most of which praised the staff for making them feel like valued customers. Notably, one respondent reported that “we weren’t buying the most expensive seat, probably the cheapest one they had, but the way they treated us would have made you think we were spending a lot of money. Excellent customer service.”



Non-grocery retail

57th

rank in 2019 of 337 brands

↑ 119

places from 2018

The Six Pillars: scores vs industry average



+1%



+2%



+5%



+2%



+1%



+5%



To win in this retail world, we have to be a specialist through the products and the service we are giving. The role of our sales advisors is much more than just selling products; they have to be able to give education, support, and advice to mums and dads who, frankly, don't know with their first child what they don't know, which is a big job for them to do. So we decided to put everybody's pay rate above the minimum wage and improve the knowledge of our teams."

Mark Newton-Jones
Chief Executive Officer, Mothercare

The role of data in building a connection with customers

Mothercare is not one to sit on its recent laurels, as it keeps a watchful eye on the behavioural trends through data to understand how it can best engage with, and create personalised experiences for, its customers. 'The 2AM Club' – a network via Facebook Live whereby mums can communicate with each other directly and with midwives – was born out of its discovery that its mobile channel was experiencing an increase in the flow of online traffic at 2AM due to mums who were awake feeding. Notably, Newton-Jones explains that "we added that in as an additional service; we're not trying to sell anything, we're just trying to be there to support new mums".

Beyond that, Mothercare also runs events in store throughout the year in association with the National Childbirth Trust (NCT), whereby they bring in midwives and child safety experts to educate expectant parents. Newton-Jones highlights an advantage of these events being that "it allows mums and dads in the community to connect with each other outside of any prenatal classes and they get to hear from experts in Mum and Baby." The customer experience does not end here, as

Mothercare uses its database to stay connected with new mums and check in with them post-childbirth to see how they are and invite them for a free coffee in store and a 'new mums meet up'.

Interestingly, despite having 57 fewer stores compared to last year, these events have garnered the same amount of attendees as they did in 2018 – that is 12,000 mums, in March alone. Newton-Jones points out that "this shows the relevance of the brand and how important that thirst for knowledge is for new mums and new dads".

Fostering a sense of ownership in employees for customers

With a new store incentive plan in place, Mothercare is looking to build a culture of collective team effort amongst store employees. "We put a sales incentive in whereby for every 2% above plan the stores achieve, we give them back 2% in bonus of their salaries. That's for everybody whether you work 10 hours in the stock room or you're a manager in store. We take the view that everybody has a role in increasing sales." By running this monthly, it allows those stores and employees who have excelled to get instant gratification whereas it offers less successful stores and employees the chance to start fresh the next month and try harder. Newton-Jones insists that this isn't designed "to create a commission-based, hard-selling environment because it is a collective bonus amongst everybody – it's a team effort." Importantly, he believes that giving its employees the option to earn money "will ultimately create a real change in ownership for caring for customers in store" as they strive to become specialists.

On top of that, a number of stores have now also been given permission by the Mothercare Board to do two things: firstly, "to build their own social media campaign for their local community"; and secondly, by giving store managers the latitude to "seal the deal and secure the sale." Newton-Jones explains that this is "about empowering the front-line and being flexible. Thus far, the average discount given to customers by store managers has been 7% and we have already seen this generate substantial sales where the customer would have walked out and shopped elsewhere had there been no deal available".

Looking to the future, Newton-Jones is hopeful that the biggest traction will come not just through the momentum of what they've created, but from the dark cloud of Mothercare's transformation and restructuring over the last few years soon disappearing into the past to build a different consumer perspective for the future.

The DNA of experience excellence

Most leading brands also significantly over-index for employee engagement. Whilst there are outliers, the greatest predictor of customer excellence is employee experience excellence.

A Gallup study, of 23,910 business units, compared the results from those in the top 25 per cent of employee engagement with those in the bottom 25 per cent.

- Those with engagement scores in the bottom quartile averaged 31–51 per cent higher employee turnover, 51 per cent more inventory shrinkage and 62 per cent more accidents.
- Those with engagement scores in the top quartile averaged 12 per cent higher customer advocacy, 18 per cent higher productivity and 12 per cent higher profitability.

The same study looked at the earnings per share growth of 89 organisations: those with engagement scores in the top 25 per cent enjoyed growth 2.6 times that of organisations with below-average engagement scores.

As well as creating the right environment, the highest ranked organisations in the CEE research understand a simple truth: employee experiences and customer experiences can be built on the same principles. Most organisations have venerable operating models that place responsibility in different places. This results in a confusion of language, vision and purpose; most often visible through clumsy links between internal values and people strategy to their customer goals.

Despite this disconnect, whether we are talking about a customer or employee experience, we are first and foremost concerned with creating an emotional connection with a human being. It is no surprise, therefore, that what drives this connection is the same for employees as it is for customers.

The Six Pillars, first established a decade ago as the DNA of customer experience excellence, provide this definition. Now commonly used for both customer and employee experience design, they are as relevant to an HRD or people leader as they are to the CX Director.

By looking at both employee and customer experiences through this lens, we can achieve several advantages:

- A single, coherent internal language for experience excellence, whether customer or employee
- A model for defining how to deliver customer outcomes, by showing the precise employee experiences that need to be delivered to create the right behaviours
- The foundations for defining 'customer centric' capability and recruitment frameworks
- A basis for more joined up analysis of customer and workforce insights, linking the voice of the customer with employee feedback



The Six Pillars of experience

Central to the alignment of employee and customer experience is the need for a common language, a framework that establishes the critical links between the two, and ensures that the employee experience is rooted in the experience the organisation wants to deliver to the customer.



Success arrives when the employee is able to mirror their experience to the customer.”

International Customer Management Institute (ICMI)

For almost a decade we have been measuring The Six Pillars of customer experience. Derived from millions of customer evaluations of thousands of brands across multiple markets, we have empirically found that they describe customer experience excellence. The leading firms demonstrate mastery of these pillars and are outstanding at all of them.

The pillars are inextricably intertwined and in combination provide a powerful mechanism for viewing how well a customer

experience is delivered across channels, industries and company types.

They are rooted in human psychology and motivation and, as such, are relevant across B2B and B2C and are as relevant for employees as they are for customers.

The Six Pillar model of customer experience best practice was developed to provide a precise, usable definition of the kind of emotional outcome a successful experience needed to deliver. This aim was born out of a problem of definition associated with existing ways of explaining customer experiences, plus associated measures such as NPS or CSAT. Whilst these concepts remain useful for describing the symptoms of a successful experience, most organisations found that they did little to direct or define what a good result looked like. Understanding of customer best practice was largely anchored in case studies and anecdotes, rather than scientific rigour.

To address this problem of definition, the Customer Experience Excellence Centre's research clearly shows that The Six Pillars are discrete, fundamental components of an ideal experience. These have been derived from detailed customer reviews, employee research, validated in each market and modelled against the commercial outcomes of retention and recommendation.



Personalisation

Personalisation is the most valuable component of most experiences. It involves demonstrating that you understand the employee's specific circumstances, needs and aspirations and will adapt their experience accordingly. Just like customers, employees want to feel valued, important and understand how they can utilise their unique talents to best effect.



Integrity

Integrity is an outcome of consistent organisational behaviour that demonstrates trustworthiness. At the heart of integrity is purpose – the “why”. This must be more than just making money for shareholders. Companies with a strong sense of purpose energise both staff and customers. For all customers and employees, it is the degree to which the organisation delivers on its promises both internally and externally that is consistently top of mind.



Expectations

Customers and employees have Expectations about how their needs will be met, increasingly set by the best brands they have encountered. Understanding, delivering and, if possible, exceeding Expectations is a key skill of great organisations. In recent times, firms have had to become very clear on the employee-employer relationship and have had to redefine the Expectations of each. For employees, Expectations centre around personal growth, working culture and recognition. Employers require engagement, emotional intelligence and attitude. This is requiring firms to be very clear on both the psychological and the formal contract.



Resolution

Customer and employee recovery is highly important. Even with the best processes and procedures things will go wrong. Great companies have a process that not only puts the individual back in the position they should have been in as rapidly as possible, but also makes them feel really good about the experience. A sincere apology and acting with urgency are two crucial elements of successful Resolution.



Empathy

Empathy is the emotional capacity to show you understand someone else's experience. Empathy-creating behaviours are central to establishing a strong relationship and involve reflecting back to the individual that you know how they feel. Then going that one extra step because you understand how they feel. For leaders, this has become an essential quality - the ability to see the world from the employee's perspective and act accordingly.

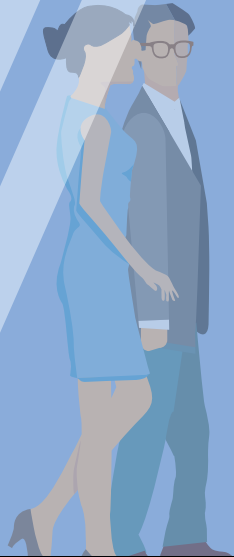


Time and Effort

Customers and employees are time-poor and are increasingly looking for instant gratification. Removing unnecessary obstacles, impediments and bureaucracy to enable them to achieve their objectives quickly and easily have been shown to increase loyalty. Employee enablement and empowerment are crucial for customer experience success. Ensuring employees have both the right tools for the job and can make sensible decisions and exercise informed judgement reduce friction for both employee and customer.

The employee experience challenge

Delivering employee experience excellence requires high performance in each of The Six Pillars



Empathy

- I am able to bond and affiliate with my colleagues
- Issues are dealt with sensitively and with emotional intelligence
- Leaders react positively and in line with our values when under pressure



Personalisation

- Help me develop as an individual - be the best I can be
- A job role that enables me to utilise my unique talents
- An environment that promotes continuous learning and improvement



Time and Effort

- My time and extra effort are recognised and appropriately rewarded
- Employee journeys to achieve a personal objective are clear and straightforward
- Leaders and managers show respect for my time



Expectations

- The organisation has stretching objectives
- Leaders are clear on their expectations
- Leaders provide helpful and constructive feedback



Resolution

- Personal concerns are dealt with, with urgency
- I am able to participate in decisions that affect me and my team
- I am supported by leaders to learn from mistakes without blame



Integrity

- The business has a higher purpose than just making money
- Interpersonal relationships are based on trust
- Communications are consistent, open and explanatory

Achieving high levels of employee and customer engagement is not easy. In the same way as the customer experience has evolved rapidly to keep pace with escalating customer expectations and new technologies, so has the employee experience. In fact there are some seismic shifts affecting the employee experience:



A mix of demographics in the workforce, millennials and baby boomers and soon Generation Z means careful employee segmentation is required to create appropriate HR solutions, especially for a younger, more demanding workforce.



A recognition of health and wellbeing going beyond the physical to mental also. The mental cost of continuous change is becoming an area of corporate concern.



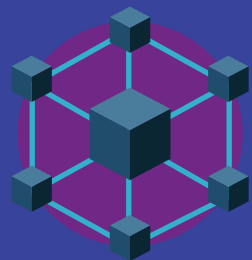
People want to connect their purpose and passion to the company purpose and have a meaningful connection to the customer.



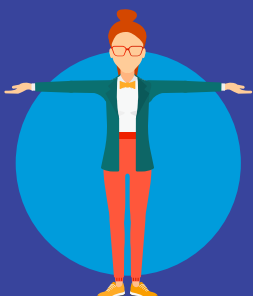
Technology is both connecting and isolating. With current technologies working remotely, the sense of community and meaning is lost - senses that are usually created with physical colocation.



Employee journeys driven by segmentation and sub-journey definition are the building blocks of the new employee systems. Anticipation and predictive personalised information delivery based on life stage, employment lifecycle and career stage.



Silos are no longer an acceptable way of working – being able to connect cross-functionally is a key skill. Indeed, firms are seeking much greater horizontal integration across silos.



“T-shaped” people, those who may have a core discipline but a wide range of knowledge across an organisation on how to discharge it effectively are in demand.



The expectation of workplace technology is that it meets the same standard as consumer technology: beautiful, useful and valuable.

Looking externally, companies that are bringing new technology-based solutions to the employee experience are becoming stand out employers attracting the best talent:



Companies such as LinkedIn, Spotify and Cisco overcome the limitations listed by enabling communities of interest to develop across their digital platforms. They enable teams spread across different countries to work together virtually and provide technology to support both purpose finding and long-term career planning.



Hierarchies are giving way to distributed networks of cross functional teams – the movement of people between teams mediated by a technology that knows their aspirations, ambitions and career path.



For firms like first direct, “agile at scale” has become the operating mantra as the principles of rapidly forming teams, and rapid result generation changes the traditional time-consuming project waterfall model.





At Monzo, control is replaced by trust as people are guided by the purpose and values of the company. Employees are able to input on matters of strategic significance for the company through the medium of technology. For this organisation, the employee voice is less about engagement and more about enablement, empowerment and contribution.



Microsoft has rolled out digital assistants to enable employees to personalise their experiences with HR systems, to cancel or set up meetings, organise diaries and conduct basic tasks.

The highest ranked organisations are providing enabling technologies that support how people think, work, collaborate and develop. The basics of HR administration are hygiene factors handled easily, simply and almost invisibly. Employee journeys are supported digitally and proactively. They are engineered and delivered to at least the same standard as customer systems: beautiful, useful and valuable. They support the changing nature of work and the changing nature of the employee, with all its ensuing challenges and opportunities.

Most importantly, they are doing this with their customer goals and outcomes in mind. By optimising employee experience to deliver specific and well-defined outcomes, they are taking a highly purposeful approach to what the employee experience must deliver.



Connecting customer and employee experience

At the nexus of employee and customer lies emotional labour. Modern customer experiences require the frontline employee to act in a way that is not always consistent with how they feel internally.

The complexity of delivering a personalised emotionally connective customer experience whilst dealing with customers with different needs, wants and personalities requires high degrees of empathy, emotional intelligence and resilience.

Whilst all humans are born with a degree of emotional intelligence bestowed upon us by evolution to keep us safe by enabling us to intuit the feelings and intentions of others, large organisations seem to drive it out of us. It is no accident that one of the fastest growing areas of corporate training is empathy.

Nevertheless, the level of emotional intelligence that individuals possess can vary widely. That is why leading companies are very focused on the type of person they recruit and their values, motivations and natural ability to care.

They support their people with wellbeing and mental support programmes, that recognise that emotional labour brings stresses all of its own.

first direct, our number one brand, recruits primarily from members of the caring professions. Nearly half of all new recruits are recommended by existing employees – so like recruits like.

Zappos in the US took the decision to relocate their company from San Francisco to Las Vegas where there was a ready supply of emotionally intelligent individuals trained by the hospitality industry (Source: Harvard Business Review).

Wegmans (a supermarket chain in the US), Singapore Airlines and Air New Zealand are all firms that lead in our global index and all specifically recruit employees for their personalities.

Subconsciously, customers assess the emotional state of employees and it impacts their view of the experience. Are the employees we encounter, enthusiastic, happy and energetically going about their duties or simply acting robotically to fulfil what is needed?

Our research shows that the organisations that achieve leadership have put emotional connections at the centre of a chain which starts with culture and ends with growth. Doing this means considering the way in which employee experience bisects with customer experience.

The “Human Value Chain” shows the link from culture, to employee experience, to their behaviours, the customer experience and ultimately the customer behaviours that underpin retention, acquisition and lifetime value.

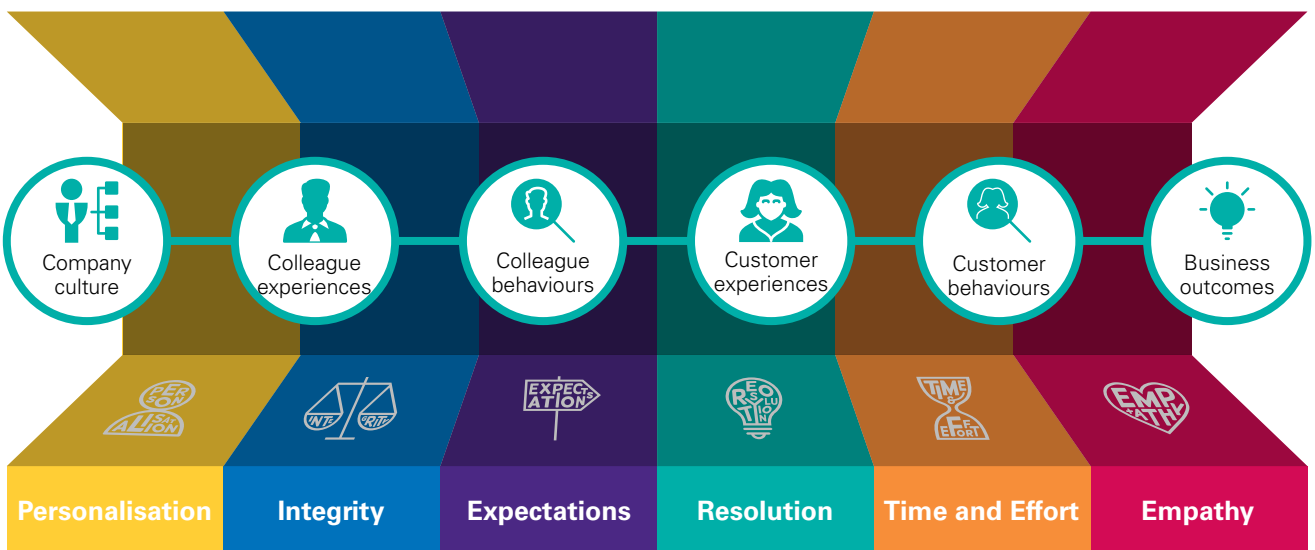
Making this value chain work requires emotional connectivity. To ensure this connectivity between customers and employees, the best organisations manage various environmental, leadership and structural factors.

Once the organisation has the right employees, it then needs to ensure that the right environment exists for the employee to deliver their best

for the customer. It requires an employee experience that enables The Six Pillars of experience to emerge naturally for customers.

When the employee brings emotional intelligence, enthusiasm and energy and the organisation brings empowerment, enablement and engagement, then magic happens for customers.

The “Human Value Chain”



The Six Pillars of experience provide an integrating framework ensuring the employee experience is architected to deliver an excellent customer experience.

Spotlight on:

Monzo



Monzo, the digital-only challenger bank, is a new entry into the UK Customer Experience Excellence rankings for 2019; and moves into second place behind first direct.

Headquartered in London and founded as recently as 2015, Monzo formed part of the first wave of disrupters seeking to challenge the dominance of the “Big 4” – Barclays, HSBC, Lloyds Banking Group & Royal Bank of Scotland Group.

While these organisations retain a 70% share of the UK current account market, in excess of 2 million people are now using Monzo – with 35,000 new customers joining every week (Source: finextra article).

The bank’s success is driven in large part by a frictionless customer experience, its continued commitment to transparency, co-creation with its customer community, and through the delivery of an exceptional customer experience.

“When I joined Monzo I was expecting a lengthy process but that wasn’t the case. Opening the account was exceptionally easy.”

UK CEE 2019 respondent

Exceeding customer expectations

Monzo’s performance across The Six Pillars underlies its strong performance in the 2019 rankings. The bank demonstrates UK-leading performance in the pillar of Expectations and is more than 14% higher than the average performance within-sector.

The company – unlike some of its more entrenched competitors – is truly moving at the pace of the customer, introducing new account functionality and features that directly resonate with important financial and personal issues that consumers are facing.

In 2018, for example, Monzo introduced an optional Gambling Block feature, to help users take control of their finances and keep a healthy relationship with their money. “Gambling Block,” says Simon Balmain, Customer Operations and Community Specialist at Monzo, “helped some very vulnerable people conquer very heavy addictions.”

Such initiatives are reflective of a customer experience design that delivers not only against core functional-level financial customer needs, but also attends to higher-level emotional needs as well – allowing the bank to begin to play a broader role within culture and society, heightening brand advocacy and consideration in the process.



Financial services

2nd

rank in 2019 of 337 brands



New

to 2019 analysis

The Six Pillars: scores vs industry average



+9%



+8%



+15%



+9%



+9%



+12%

Enhancing the customer experience value chain

Monzo, like so many of its successful peers, is not achieving its differential customer experience advantage on its own. It is enhancing its customer experience value chain significantly through the use of community-based co-creation and through the careful selection of a number of external partnerships.

Co-creation is evident via the Monzo Community forum, which allows users to “help build the bank of the future, and get the most out of the Monzo current account.” The forum now has more than 40,000 total users and recently registered 14,500 posts in a month.

And many of the bank’s most popular features started as ideas that emerged through the Community forum. “You’d be surprised at how much we do listen and go, oh, that’s a good idea”, says Brenda Wong, Learning and Development Project Manager at Monzo. “The idea of the coin jar, for example – which rounds up a purchase and saves the left over pennies – was originally a forum-driven idea.” (Source: brandwatch.com)

But despite having executed what appears to be a carefully configured customer experience design, Monzo demonstrates a level of maturity by way of not trying to perfect each of its new propositions before they go to market. Monzo Plus – a way for its customers to get more from their account for a small monthly fee – has been released early because, according to the Monzo website, “we don’t believe we can build the ‘perfect’ product – or even a great product – without a lot of customer feedback and iteration along the way.”

And in terms of external partnerships, the careful selection of these enables the bank to remain focused on its core competencies, whilst drawing upon expertise that exists outside of the company to help further drive its customer experience.

For example, its partnership with If This, Then That (IFTTT), one of the leading automation platforms, allows customers to link-in with their other apps to trigger personalised rules. This provides a strong exemplar of how digital brands can successfully deliver against the Personalisation pillar in a digital age. This has long been a customer experience challenge that digital brands have faced when compared to their bricks-and-mortar peers.

The importance of the employee experience

At the very heart of Monzo’s customer experience success is the experience it delivers to employees on a daily basis. The brand is one of the leading organisations to have prioritised the employee experience as part of its customer experience and core business strategies. It

recognises that having engaged employees and the right culture are critical ingredients to achieving – and maintaining – customer experience success.

Its commitment to mental health, for example, is as evident inside the company as it is outside. The firm has funded the training of a number of mental health first aiders, provides discounted subscriptions to the meditation app Headspace, and provides employees access to a counsellor with whom they can chat on a daily basis.

Company culture is also carefully designed with its employees in mind. The bank encourages flexible working hours, promotes walking meetings, and provides different types of workspaces within its head office to empower its employees.

The brand’s commitment to radical transparency is a key element of its employee experience. As Tristan Thomas, Head of Marketing and Community describes “at Monzo we have a very open and transparent culture. It’s radical transparency — where you need to make a proactive argument not to share information with colleagues or customers, rather than the other way round. If there’s no good reason, then we default to transparency. For me, this sits at the heart of ensuring that we, as Monzo employees, are all engaged. It means that everyone is free and able to learn as much about the company as possible and get involved in discussions that interest them, even if it’s not directly related to their job role. This engagement directly impacts our customers’ experience, because people see that we’re all passionate about what we’re doing. That kind of positive culture is recognised both internally and externally.”

The employee experience represents a significant opportunity space for many organisations – an area which remains untapped for many, and provides a strong potential source of future growth.



At Monzo we have a very open and transparent culture. It’s radical transparency — where you need to make a proactive argument not to share information with colleagues or customers, rather than the other way round.”

Tristan Thomas
Head of Marketing and
Community, Monzo

Driving growth: the trust imperative

We live in cynical times. The level of trust in corporate and governmental institutions has never been lower. The natural corollary of mistrust is anxiety and in the UK we are seeing high levels of both.

We have seen the overall Integrity score on our index decline in previous years and it has made the least progress of all of The Six Pillars in 2019.

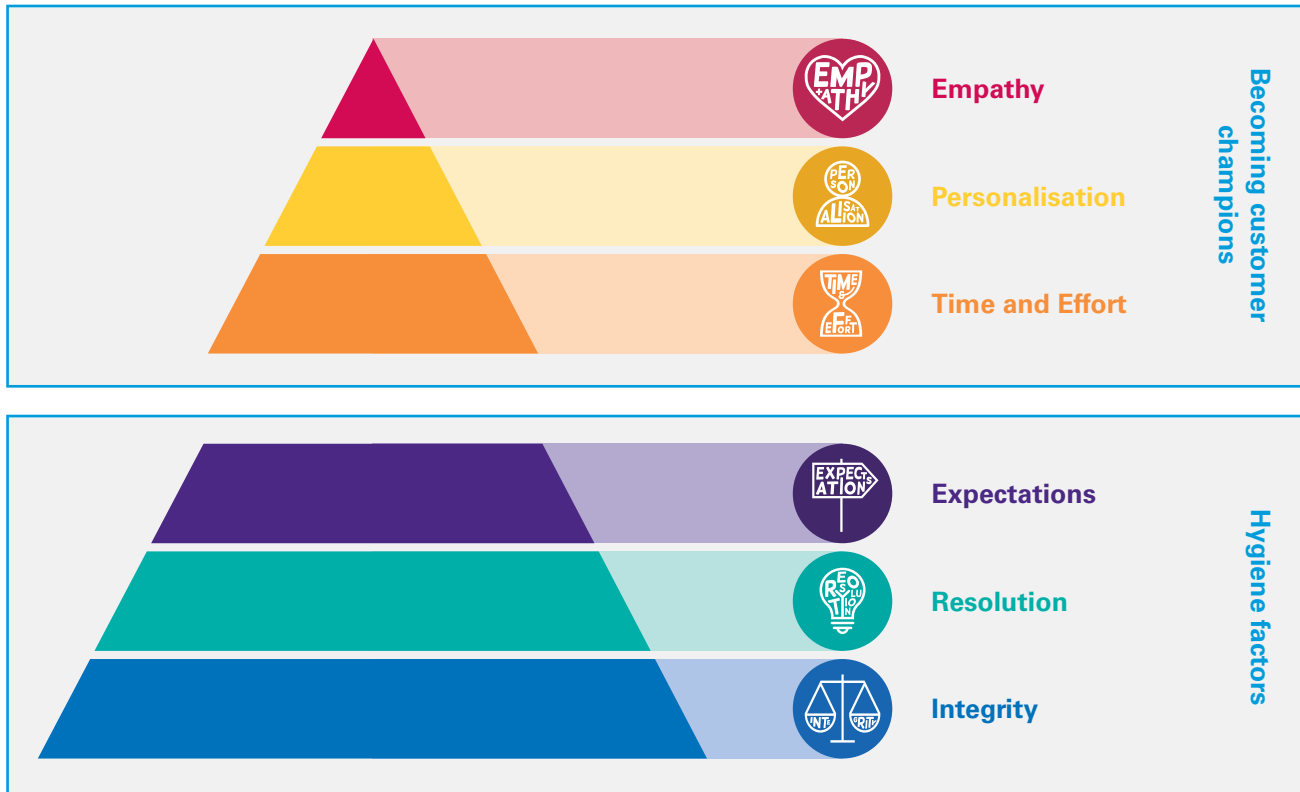
Various studies have suggested that employee trust in their employer is at an all-time low, with less than 50% of employees saying they trust the organisation they work for. This prompted the Chartered Institute of Personnel and Development (CIPD) to issue their 2012 report "Where has all of the trust gone?"

Trust is the basis of all strong human relationships and it starts with the employee. How can customers be expected to trust an organisation if those inside it don't? This lack of internal trust requires a new focus on elevating trust in the workplace.

3



Trust is the foundation of The Six Pillars



The lack of trust externally is not surprising as hardly a day passes without a high profile data breach or a major hack of a previously trusted organisation. The consequence of which are a population that is both wary and reticent to share personal data.

The “Me, My Life, My Wallet” 2019 KPMG study highlights that the level of anxiety has reached an all-time high. Some 40% of consumers are more anxious this year, than last, about possible misuse of their data.

This research shows that not only is mistrust widespread across sectors, but it is also endemic in such fields as advertising; where only 15% of the UK population trust advertising messages. When it comes to online and social media consumers believe there is much to be frightened about. Unauthorised tracking of their online habits, identity theft, hacking of personal data, and misappropriation of credit card details all play their part in the rapid decline of brand trust. In fact only 1 in 10 UK customers are

willing to trade their personal data for improved products and services, over half would not want to release mobile data and nearly a third do not want firms to contact them directly on social media.

Even so, the mistrust isn't exclusively linked to personal data - it is as much about how large companies are perceived to be behaving - acting in their own interests first, putting stakeholders ahead of customers and employees and generally not acting in the best interests of those who buy their products and services, or work for their company.

Leaders need to demonstrate they are trustworthy, and employees need to see Integrity practiced daily by organisational role models. This means: doing the right thing because it is the right thing to do, leading in alignment with the values of the organisation; rewarding and recognising those who act with Integrity; and giving trust whilst asking for trust in return. Internal trust precedes external trust and in today's world both are needed for growth.

Trust building behaviours

Warning signs

- People lack the courage to speak up
- Failure isn't tolerated
- Hidden agendas
- Staff follow leaders' individual agendas
- A highly risk-averse culture (implies people cannot be trusted)
- A politicised environment
- Introverted silo mentality
- An environment of command and control

Behaviours that erode trust

- Bottom line at any costs – ends justify the means
- Trust eroding behaviours tolerated amongst senior staff
- Not responding to employee feedback
- Inconsistency between word and deed
- Lack of clear or timely information
- Informed of change after – not before
- Senior staff pursue individual agendas
- Customers seen as a target for sales
- Customers' best interests not taken into account

Behaviours that build trust

- Show employees they are trusted
- Senior leaders:
 - Show ability
 - Have concern for others
 - Demonstrate integrity in decision making
 - Are committed to fairness
 - Avoid hypocrisy
- Openness and transparency – even on difficult subjects
- Staff given influence of things that affect their job
- Encouraged to take risks and coached for success
- Employee welfare a priority
- Control ceded to employees (carefully) – empowerment
- Trustworthiness a key criteria for advancement

Creating the “Trust Fund”

Little surprise then that firms are beginning to consider how they set a trust agenda internally and externally, how they convey their trustworthiness to their employees and customers and how they cease activities they are not proud of.

It requires a management philosophy that puts trust and integrity front and centre in all that it does. It is linked to the organisation’s purpose and what it stands for and is guided through implementation by being clear on what is acceptable and not acceptable in discharging that purpose.

Trust in an organisation is highly nuanced:

- Trust in each other
- Trust in immediate manager
- Trust in senior leaders
- Trust in the organisation
- Trust in how the organisation relates to external stakeholders (media, regulators, customers)

Firms such as M&S Food, which has consistently been one of the leading firms in our index, has laid out its ethical and trustworthiness credentials with “Plan A”, its commitment to the provenance of its produce and the standards by which it is created. Cleverly, it has not claimed the high ground,

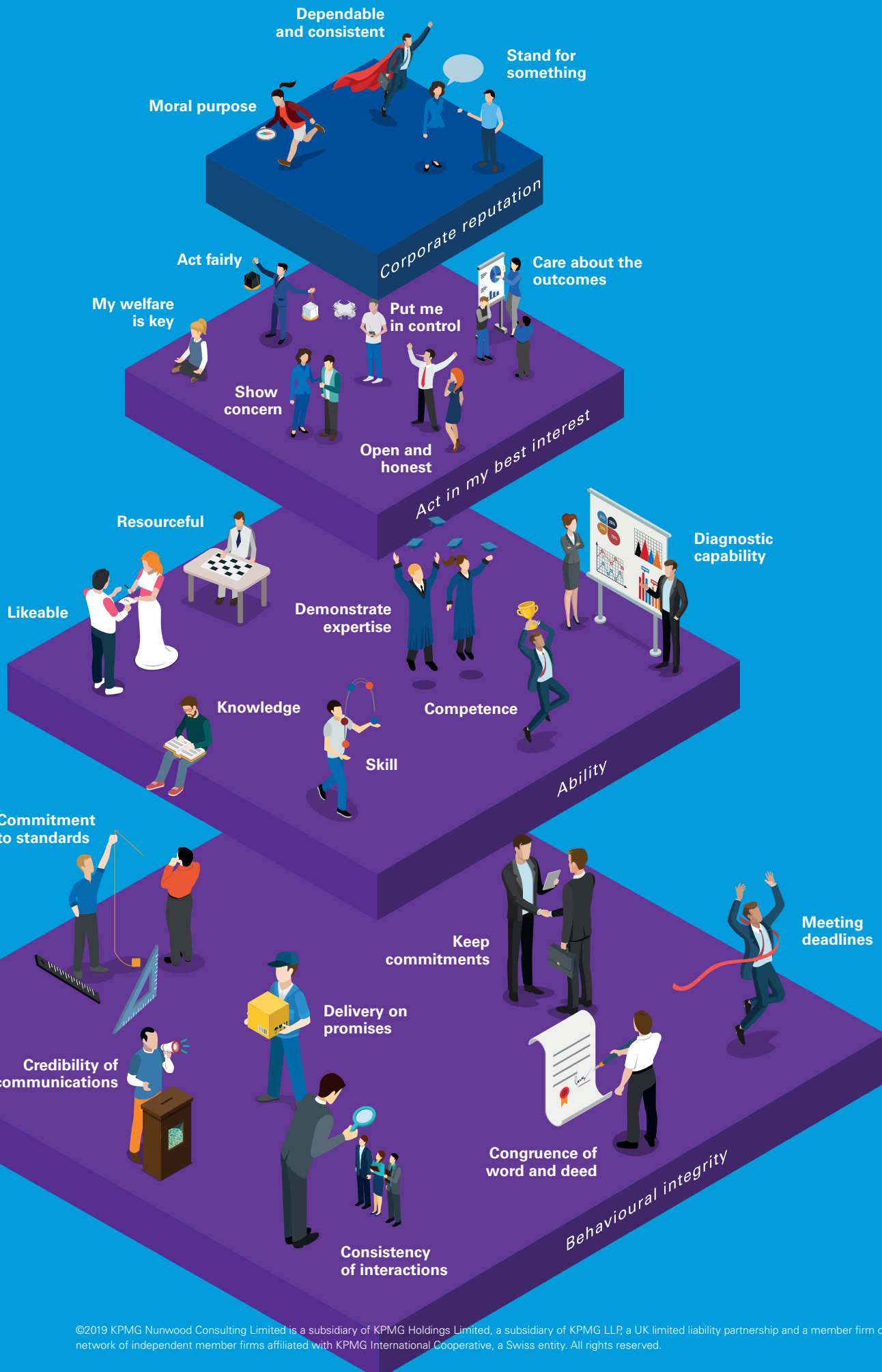
it has simply increased its commitment every year to doing the right thing in the right way. The result has been a significant increase in the level of trust the business enjoys from its customers. It has also resulted in considerable pride amongst employees.

The research highlights that for millennials, the sense of trust is inextricably linked to the purpose of the organisation that they are dealing with. This sense of purpose doesn’t necessarily have to be socially or environmentally oriented - it can be a commitment to meet the needs of a particular customer group in a special way. However, what is critical is that the company clearly and unequivocally puts the needs of its customers before its own. Millennials as employees are drawn to organisations that are built around a strong purpose.

As the saying goes: “Trust is earned in drops and lost in buckets”. It requires firms to identify trust-eroding moments and put them right whilst, at the same time, maximising the positive impact of trust-building moments.

What our study shows is that, in today’s world, trust has become the imperative for staying in business and is a vital prerequisite of growth; it starts internally and radiates externally.

But trust in the organisation is the fundamental starting point for establishing a fund of trust amongst employees. Our research shows that a trust agenda needs to be based on the following:



Macro corporate level

Micro interaction level

Spotlight on:

Bulb Energy



Set up in 2015 by founders Hayden Wood and Amit Gudka, Bulb Energy was designed from the outset to focus on the customer, with the intention of eliminating the frustrations the founders had experienced with traditional energy providers, from poor service to confusing tariffs.

Today, with 1.3 million members and more than 400 employees, the organisation has managed to scale and maintain the desired customer experience.

Geraldine de Boisse, Chief Product Officer at Bulb, explains that this success is reliant on its member collaboration. "We invite our members to build the company with us. We have a community where our members are able to share their ideas and we then work with them to develop solutions."

Setting and exceeding Expectations

A strong performer in the pillar of Expectations, respondents to the CEE research cite the ease of switching and signing up as a key element of their positive experiences with Bulb. With just three simple steps to signing up that take just a few minutes, Bulb has eliminated lengthy and complex processes to avoid customer confusion.

"They are a breath of fresh air in the energy and utilities market. They are the first energy company that I've switched to and if they offer water one day, then I will switch that as well."

UK CEE 2019 respondent

Bulb also has just one tariff. And with any reduction in wholesale cost, Bulb aims to be transparent and pass the reduction straight to the customer.

As part of the Expectations pillar, Bulb is very clear with the expectations it sets for itself. "We understood from the very beginning that people don't want to wait to speak to their energy supplier," acknowledges de Boisse, "and they shouldn't have to wait. So we have extremely strict SLAs. We have an SLA of one hour for email response and 10 seconds wait time on the phone. Everything we do and the way we're set up means we're empowering the team to try and meet those SLAs, but we don't always meet them. And when we don't, we proactively send the customer an email crediting their



Utilities

25th

rank in 2019 of 337 brands



New

to 2019 analysis

The Six Pillars: scores vs industry average



+11%



+12%



+14%



+11%



+8%



+13%

Employees say

“Awesome start-up, on its way to becoming a huge player in the energy industry.”

account with £10. When we fail – and we do say we fail - we try and make it better internally, as well as crediting the customer to acknowledge their wait.”

From de Boisse’s perspective, “customers in the UK energy market have low expectations generally. They find that it’s a confusing market, there aren’t many renewable options, so expectations of their energy provider are pretty low compared to other markets. People also have the sense that energy suppliers don’t care. We’ve made it our mission to make energy cheaper, greener and we communicate it in everything we do on a daily basis.”

One of Bulb’s values is “People, Planet, Profit” - in that order. Everything the organisation does is driven by the impact they want to have on their members first, the planet second. Only then does the company consider the commercial outcome.

Strong values form the foundations of Bulb

Alongside the value of “People, Planet, Profit”, employees at Bulb also aim to live by the values of “Make it better” and “Action today”.

“Everyone loves the “Make it better” value here at Bulb,” explains de Boisse. “All of the energy specialists (Bulb’s customer service team) spend between 20-30% of their time on improvement projects, so it makes the job more interesting for them and it means for us that we’re constantly innovating in order to improve the products and service.”

Our other value of “Action today” means if we decide we want to do something we just get on and do it. We’d rather do things quickly and then improve them and that’s where the “Make it better” value comes in again - rather than progressing in a very slow manner, we iterate a lot. We never really consider that once we’ve solved a problem it’s solved, we always consider it ongoing work to continually improve and we can all work together to do that.”

An employee-led organisation

Bulb has a very open culture where everyone in the business is encouraged to contribute. “I would say we are very much employee led,” asserts de Boisse. “Almost everything we do at Bulb is either suggested or implemented by the team themselves. Every decision we make at Bulb we try and make on a consensual basis, so everyone is very involved. If you see something that is not working, everyone is empowered to just act on it. We don’t rely on someone else – at Bulb it’s everyone’s responsibility. Everyone owns a piece of Bulb and everyone plays a part in how we grow and develop. The fact that everyone can shape the future of the company helps engage employees at Bulb.”

Empowered energy specialists

Bulb’s energy specialists are critical to the success of the organisation. They are encouraged to take their own initiative and with no strict policy in place as to how to deal with members, the guidelines are very much “be yourself”. De Boisse explains that “we don’t want people to speak like robots or change the way they are. We want people to be individuals so we don’t give too much direction on how they should speak to our members or what they should be doing. We usually get much better results when people are empowered to make their own decisions.”

Because of this emphasis on empowerment, it’s really critical to ensure the right type of energy specialist is recruited. “Our recruitment process is really demanding. We want to make sure that we see all of the right behaviours and attitudes when we recruit. It’s not only driven by customer service and customer excellence in general, but it’s also finding people who are problem solvers, people who are able to think creatively, who are do-ers. All of these things are really important to us. That’s how we maintain our culture.”

“The fact that everyone can shape the future of the company helps engage employees at Bulb.”

Geraldine de Boisse
Chief Product Officer

Employee experience economics

In our previous section, we explored “The Human Value Chain” which sits at the heart of connected experiences and fast growth enterprises.

The thinking here is not new: the economic link between employee satisfaction and customer satisfaction was first identified in “The Service Profit Chain” (Heskett, Sasser, Schlesinger). Put simply, “happy employees create happy customers which create happy shareholders.”



But what of the factual basis for this economic logic? Extensive research has shown that in general there is a strong economic link between the employee experience and the customer experience.



Happy employees produce

37%
more sales.



Happy employees are

12%
more productive.



Companies with happy employees outperform the competition by

20%.

Source: retently.com

How employee engagement drives change and boosts revenue

The business impact of employee engagement



Retain your people and attract new talent

Engaging with your employees helps reduce turnover. In fact, the most engaged employees are 87% less likely to leave the company.

Employee churn costs businesses a lot of money. When people leave your company, you'll need to spend the equivalent of six to nine months of their salary to find and train their replacement. Another study, from the Center for American Progress, estimates that the cost of replacing an employee is upwards of 200%.



Drive productivity

When people don't feel engaged at work, they're less productive. For instance, disengaged workers have 37% higher absenteeism and commit 60% more errors. Companies with low engagement scores also suffer from 18% less productivity, according to the Harvard Business Review.



Improve customer experience

Engaged employees are more motivated and willing to go above and beyond others in order to satisfy your customers. This may be why research has demonstrated that companies that lead in CX typically have 1.5 times as many engaged employees as CX laggards (Source: visioncritical.com).



Companies with happy employees **outperform their competition by 20%**



Happy employees are **12% more productive**



Happy salespeople produce **37% greater sales**



67% of full-time employees with access to **free food at work** are "extremely" or "very" happy at their current job



36% of employees would **give up \$5,000 a year** in salary to be **happier at work**



Close work friendships boost employee satisfaction by **50%**



People with a **best friend at work** are **7x more likely** to engage fully in their work

The top three factors contributing to job satisfaction are:

- Job security
- Opportunities to use skills and abilities
- Organisation's financial stability



Employees who report being happy at work take **10x fewer sick days** than unhappy employees



Fortune's "100 Best Companies to Work For" enjoyed a **raise in stock prices of 14% per year** from 1998-2005, compared to 6% for the overall market



Only 42% of employees are **happy with the rewards and recognition** their companies offer



The most engaged employees are **87% less likely to leave the company.**

Spotlight on:

Coventry Building Society



Putting members first

Coventry Building Society ranks 18th in the UK 2019 Customer Experience Excellence analysis, moving up 36 places in the last year. Rachel Haworth, Coventry Building Society's Customer Experience Director, believes the organisation's CX success is driven by a long-standing focus on the mission to put members first, as a mutual organisation. "We have a strong focus on doing the right thing for our members and that drives all of our decisions, whether that be product design, our approach to recruitment, service design or customer experience."

The mission of putting members first was introduced 20 years ago and has built up trust over time for both members and colleagues. As Haworth describes, "I think trust is an incredibly important part of this - trust us to do the right thing - whether it's a commercial decision or a service decision, it means we're always trying to have that long term view for our membership in our minds when we are making every decision".

Employees say

"A company that stands by its CARES Values - Caring, Attentive, Reliable, Ethical and Straightforward. They put their members first in everything they do and internal customers work collaboratively to make this a great place to work."

Recruiting the right people who are empowered to do the right thing

To deliver this, Coventry Building Society recognises the importance of its people. Haworth adds: "You have to have the right people at every level of the organisation, from individual customer facing employees all the way up to a new board member. To do that, we very much recruit on values, attitude and behaviours and that then drives the vision of putting members first throughout the organisation."

Such focus on the right people at every level of the organisation helps to explain the society's strong performance in the pillar of Empathy. For Haworth, the key to Empathy is having the right people who are empowered to do the right thing. "We put so much focus on values, attitude and behaviours of people in the way we recruit, and in our training, and our performance management.



Financial services

18th

rank in 2019 of 337 brands

36

places from 2018

The Six Pillars: scores vs industry average



+6%



+7%



+5%



+5%



+3%



+6%

Ranked 47th in The Times Top 100 Companies to Work For. 92% of employees say they're proud to work for Coventry Building Society.

We encourage our people to think “if it was your mum’s money, or grandmother’s money, how would you treat that individual then?” We create an environment where our colleagues have got the knowledge and the autonomy to treat customers in the right way.”

The importance of managing Expectations for customers

The building society also stands out for the pillar of Expectations – reflective of the specific focus that has been placed on this within the organisation over the last two years.

“From our research we have found that managing expectations is really important to our customers. It’s more important, sometimes, than the actual response. So we’ve done a lot in terms of training individuals to make sure that they are managing customers’ expectations; that they are informing the customer when they’ll get back to them, rather than saying “I’ll get back to you ASAP”, actually giving them timescales of when they’ll be able to come back to them and give them a resolution.”

Measuring what’s important to the customer

Through primary research with its customers, Coventry Building Society has identified that customers are willing to wait a little longer on the phone if their query is resolved by the first person that they talk to. Whilst previously the organisation had considered service level perspectives and focused on call wait times, this understanding of what is important to their customers has led them to develop how they measure themselves. “We historically would have focused mainly on call wait time,” states Haworth, “but now we focus on first contact resolution, because we know that’s more important to our customer.”

Culture is led from the top

Mark Parsons, CEO of Coventry Building Society, attends all inductions for new recruits and instead of focusing on corporate strategy, he talks to the new colleagues about the culture, about putting members first and how this links to the society’s principles and values. As Haworth explains, “to see it right from the top on day one sends a huge message to those people who are joining us”. That input from the CEO doesn’t just stop there. Parsons writes

a weekly blog where he regularly shares stories that he has heard from around the business of employees doing the right thing for the members - the message is continually reinforced from the top.

As a mutual organisation, being owned by its members influences all decision-making because long term benefits for members are always prioritised. From Haworth’s perspective, this really influences the culture. “One of the main reasons I stayed here for so long is because of the culture. I think it can be best summed up as “we do the right thing even when nobody is looking.”

Setting colleagues up for success

The building society has had an increased focus on employee development and wellbeing over recent years, spanning a variety of areas, from offering free fruit and tea to all colleagues, to paid leave for those with carer responsibilities, all the way through to training over 200 managers on mental health. Alongside this, the working environment has been transformed to make it more collaborative and encourage team-working and smart working.

Additionally, there has also been an increased focus on personal growth. “We’re really trying to encourage internal mobility within the organisation” explains Haworth. “We’re encouraging people to develop themselves and that’s not just through training and coaching, but by getting more experiences, volunteering for different projects and really looking at how managers can help coach and develop their people as well. As a result, last year 40% of our new roles were filled by people internally.”

Haworth describes these developments as “setting colleagues up for success.” He says: “I think that you’ve got to create the right working environment to build the culture and develop colleagues who feel they can trust the organisation and, therefore, the organisation trusts them to do the right thing for customers.”



Our employee engagement is consistently high. What underpins this is a real pride in being part of an organisation that does the right thing.”

Lucy Becque
HR Director, Coventry Building Society

Customer problem solving through the employee

Most organisations measure customer satisfaction and advocacy, and employee satisfaction and engagement, however companies rarely connect the two systems. Connecting them can create powerful feedback loops that engage employees and help companies adapt to fast-changing customer expectations.

“

Your employees already know a great deal more than they probably have ever been asked to share about what customers are experiencing. The simple act of asking your employees about their experiences with customers, and what it would take to manage them more optimally, will create a bias for action.”

Lou Carbone
Founder, Experience Engineering

“

When going through a change programme - this is where you invest a disproportionate amount of time - the people at the coalface of the organisation, they will tell you how it is. Too often you only speak to people who speak for these people or claim to speak to them.”

Justin King
Former CEO, Sainsbury's

ES



Voice of the customer through the employee

To serve customers better you have to start with your employees. They are a rich source of knowledge about their customers. They are able to link issues experienced by customers with the internal processes that create them and often have a simple solution.

Nonetheless, beyond an annual engagement survey, few companies systematically engage their employees in a conversation about how things can be improved for customers.

One company that has mastered using systematic employee feedback to drive both local and strategic customer decision-making is Zara. One of the secrets of Zara's success is that it trains and empowers store employees and managers to be particularly sensitive to customer needs and wants, and how customers demonstrate them on the shop floors.

Zara empowers its sales staff and store managers to be at the forefront of customer research – they intently listen and note down customer comments, ideas for cuts, fabrics or a new line, and keenly observe new styles that its customers are wearing that have the potential to be converted into unique Zara styles.

In comparison, traditional daily sales reports do not provide such a dynamic updated picture of the market. Designers can get the new products in store within one to two weeks.

The Zara growth story is built on two basic rules: "to give customers what they want", and "get it to them faster than anyone else". Employees are instrumental in achieving this.

For Zara, employees are central to the customer solution. They are involved, listened to, and invited to contribute their experience, expertise and ideas. They have put mechanisms in place to have an ongoing conversation with staff, to ensure both the employee and customer voice is heard.

Virgin Group generally, and Virgin Atlantic specifically, values listening to its employees to show that they are valued, listening to their opinions and soliciting their ideas, enabling healthy debates and continuous innovation. As a result, the organisation keeps learning and employees feel important and engage with the organisation.

Listening is at the heart of engagement. In our experience, everyone wants to be seen and heard – it's a minimum requirement of leadership, yet often overlooked for the immense value it can bring. On top of it simply being the right thing to do. We see that employees who feel listened to want to reciprocate, they want to do their best because they feel valued and important.

Integrating employee feedback into the insight eco-system

In the UK CEE 2018 report (Ignite Growth) we focused on the insight eco-system. Employee feedback provides not only valuable context and augments customer insights - it can also extend the ecosystem itself.

Employees can add knowledge about hard-to-reach customers, customers who contact infrequently or have very specific needs; for example, those who are vulnerable or in disadvantaged circumstances. They can also gather feedback from customers directly. For example, they can gauge their views on new products or ad campaigns, and discover how they feel about recent interactions, and what is working (or not working) for them at that moment in time.

Individual customers see the world through their individual lens, and therefore provide a singular view of what affects them. However, employees speak to lots of customers every day and are therefore able to recognise patterns; they have a more holistic view of what is impacting groups of seemingly unrelated individuals.

Often, root cause analysis is being undertaken by people without a first hand, day to day view of what customers are thinking and feeling. A single root cause survey to frontline employees may well yield a much richer and more actionable insight.

Where employees physically interact with customers, they can capture pictures or recordings of problems, which can prove to be highly insightful.

Spotlight on:

Nationwide Building Society



Doing the right thing

Moving up six places since 2018, Nationwide Building Society now sits in 7th place in the UK 2019 Customer Experience Excellence analysis. James Powell, Nationwide Building Society's Head of Customer Insight, credits this achievement to the culture of the organisation and the values that it enshrines. "We have a very strong set of values at Nationwide which centre around putting members first and doing the right thing. We care more about members than profit and that plays out in all the decisions we make, in how we recognise and reward employees, and how we celebrate success. It's the driving force of everything we do."

A culture of accountable freedom

As part of its culture of doing the right thing for members, the society knows that it needs to start with its people and ensure that the environment they're experiencing is as good as can be, such that they can deliver great service to customers at the frontline. To do this, Nationwide has created an environment of what they call 'accountable freedom' – a place where colleagues feel empowered, not constrained, to make decisions. Powell explains that this is about "understanding how the decisions you

"It's very clear that as part of the culture of doing right for members, we need to start with employees and make sure the environment they're experiencing is as good as can be, such that they can deliver great service to our customers at the frontline."

James Powell

Head of Customer Insight, Nationwide Building Society

make are framed by the purpose and values of the organisation, and understanding the consequences of those decisions"; but within that frame, being empowered to be a leader at Nationwide and not be bound by hierarchy or governance rules.

Moreover, employees are encouraged to take their own initiative with customers. For example, "colleagues in the call centre are encouraged to bring their own personality to the calls and not just follow a script, but to have proper engaging conversations with members. That has played out with improved colleague satisfaction and improved results in terms of member satisfaction."



Financial services

7th

rank in 2019 of 337 brands



places from 2018

The Six Pillars: scores vs industry average



+7%



+7%



+6%



+7%



+9%



+8%



A truly excellent organisation, who are an example of how to do business to all other domestic banking institutions."

UK CEE 2019 respondent

This motivating culture may be one of the reasons why the society stands out in the pillar of Resolution – a feat which is also recognised by respondents to the 2019 CEE research. One customer recounted an exceptional experience whereby, "I needed to transfer money urgently, so I phoned my local branch and spoke to the assistant manager about the problem [of not having a card reader]. Half an hour later, the same manager came to my home and personally delivered a card reader to me. That's what I call service!"

79% of employees feel engaged in working for Nationwide Building Society, which is around 20 percentage points higher than average for financial services organisations.

Giving colleagues a voice in how the society is run

In the spirit of empowering and engaging its employees, the building society invites customer-facing colleagues to share their insight about member experience directly with senior leaders at a weekly operational meeting. "The impact that has had has been really powerful, where frontline colleagues feel listened to, feel that their experiences are acknowledged, and where possible, solutions are found to some of the problems or issues they're facing."

One particular initiative that has helped boost employee engagement is the Arthur Webb Challenge Cup – a competition named after Arthur Webb, who led the society for 60 years. "The challenge cup was an invitation for employees to form teams, come up with their own ideas for improvements or innovations and then pitch those ideas in a light hearted competition. It has been a hugely successful initiative with hundreds of people taking part across the organisation and we've seen some really good ideas surfacing. That is just one example of

harnessing the ideas and the power of colleagues to feel engaged and to feel empowered to make a real difference to how we run the society."

The benefit of these initiatives is reflected in the results of Nationwide's formal employee satisfaction survey. As Powell reports, "we have a 79% employee engagement score for the whole organisation, which is around 20 percentage points higher than the average for financial services organisations"

Collaboration is key to delivering the customer promise

As employees become happier and more engaged, it is no wonder that their communication with each other has also improved. According to Powell, "recently we've seen more cross-team working where rather than individual teams working in isolation, groups of individuals are pulled together in hubs or squads to work on an issue that is more member-centric than their individual team structure. We've seen lots of benefits of that with more member-centric, end-to-end journey decisions being made."

This approach of 'working outside the box' is one that is not only applied internally, but also externally. "There has been a growing recognition recently that we don't have to build everything internally ourselves. We can work collaboratively with other partners or other agencies, particularly where we need to be very agile or innovative." This partnership, Powell believes, is the key to the society's ongoing success.

Looking ahead, in preparation for the customer of the future, Nationwide has already begun looking into what the future consumer landscape looks like, how expectations are evolving, and how the digital landscape is transforming service. With these projects underway, coupled with the investments that the society has made this year in its people, its branches and its technology, Powell is confident that Nationwide is in a good place to understand how customers are changing and how it can remain relevant to them against an increasing wave of competition.



Employees say

A great and supportive corporate culture – Nationwide is very member focused and aims to always make the correct call in terms of supporting our members."

Aligning employee and customer journeys

Our research shows that successful organisations think more and more about end-to-end transformations that focus on internal customers - their employees - as well as external ones, to gain a sustainable competitive edge.

The best customer experiences bring the company's distinctive brand values and attributes to life, and the same is true of employee experiences. Companies are designing them to align with the priorities and differentiators of their brands. For example, if a company wants its brand to be known for automation and speed, then the employees' workplace environment, benefits, performance reviews, and so on should be technology-enabled and fast. If personalisation and care is what distinguishes a brand, then the employee experience at that company should deliver on those values.

This way, employees experience the benefits of the brand first hand and are better equipped and motivated to reinforce and interpret them with customers.

Authenticity needs to permeate the organisation end-to-end if it is to be felt as such by customers.

So, simply put, the employee experience should directly align to the customer experience. Firms need to design their employee experiences as methodically as they design their customer experiences, at both the strategic level and the day-to-day level. Increasingly, this is done through the design of employee journeys.

This isn't just for frontline employees. Turning the support functions (such as information technology, finance, human resources and purchasing) into excellent customer service operations is a powerful lever to sustain and expand a full customer-centric transformation. Creating line of sight between an internal task and its impact on the internal and external customer helps to create a new service culture that deepens customer-centric efforts in all layers of the organisation.

American Electric Power engages its employees through a learning map: a 90-minute session that helps employees to understand where his or her position sits in the larger scheme of the organisation and how they contribute to the broader strategy (Source: Forbes). The ultimate goal of the exercise is for employees to see the direction and vision of their department as well as the company, and understand how they contribute to achieving business goals. Learning maps are increasingly common across corporations to help engage employees around the end point customer.

At leading customer-centric companies, such as Disney, creating great customer experiences begins with a sense of purpose and requires an engaged and energised workforce that can translate individual experiences into satisfying end-to-end customer journeys. The logic of extending that commitment inside, to support staff, is a powerful one.

The closer a company can align its commitment to customer-centricity with the interests of its employees, the closer it will get to achieving its customer strategy goals.



Employee segmentation

The leading companies in our research are grappling with advancements in technology, multigenerational workforces and global economics.

In particular, organisations are facing a radically changing context for their workforce and the work place. Life event drifts and the redefinition of life stages affect not just customers, but employees too. These shifts are changing the rules for almost every organisation and impact the way they think about culture and the overall management of change. As such, the roles of managers and leaders are evolving rapidly.

The nature of employees is changing; they are more digital, more global, more diverse,

they are more familiar with automation and they're social media savvy. As such, they are more connected than ever before. Millennials have a very different view on the role of work in their lives than their forebears.

The expectations that customers, regulators and governments have of companies and their products are also changing rapidly. This is causing leading companies to rethink how they approach leadership, management, talent acquisition, retention and how they organise.

The starting point for employee journey mapping is the same as with consumer journey mapping, segmentation models and personas. Not all employees have the same needs

and desires; segmenting the employee base enables more personalised work solutions for different groups of employees.

A leading coffee chain took a customer "action segmentation" approach to understand what attracted, motivated, and retained employees. Based on the results, it found three clusters: "skiers," who work mainly to support other passions; "artists," who desire a community-oriented and socially responsible employer; and "careerists," who want long-term career advancement within the company. The clusters helped managers better tailor programmes to multiple sets of employee needs, as well as enabling the company to understand what needs span groups - such as schedule flexibility or tuition assistance (Source: HR Today).

Firms looking to establish an emotional connection with their employees need to look at both their working and non-working lives and find a mechanism that links the two. In the same way that life events impact consumer purchasing habits and priorities, so too do they with employees' work needs and requirements. In fact, life events - and how they are managed - become critical moments that matter across the employee lifecycle.

“ Treat the customer well and they spend more, when they spend more we can afford to pay more, the better the experience our people deliver to the customer the better their experience in working for us - it is a virtuous circle.”

Lionel Benjamin
Director - Hotels, Topland Hotels Group

Focus on the employee journey

Moments that matter across the employee lifecycle

	Pre-hire and onboarding
	Getting married
	Managing performance
	Moving house
	Becoming a parent
	Building skills
	Promotion to a new role
	Caring for my wellbeing
	Off-boarding

Source: HR Trend Institute

When companies fail to maximise the quality of their internal services, they disconnect the customer experience that their employees encounter at work from the one they aspire to create for their frontline people in dealing with customers.

Consistently making this connection requires active management of The Six Pillars across each stage of the employee lifecycle:



Attract

- Purpose
- Employer brand
- Employee proposition

Example: Lush



Recruit

- Personality
- Values
- Cultural alignment
- Attitude

Examples: first direct, Virgin Atlantic



On-board

- Acculturation
- Values based behaviours
- Customer orientation
- Brand delivery

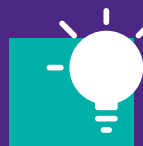
Examples: Zappos, USAA



Develop

- Learning communities
- Communities of interest
- Mentoring/Reverse mentoring
- Customer behaviours

Example: QVC UK



Inspire

- Culture
- Engagement
- Empowerment
- Enablement

Example: Richer Sounds



Retain/Separate

- Alumni

Example: Microsoft



Spotlight on:

Octopus Energy



As a new entrant to the 2019 research, Octopus Energy makes its way into the Customer Experience Excellence top 50, ranking 44th – one of only two utility companies to feature in the UK top 100. Formed in 2016, Octopus Energy describes itself as a new breed of energy supplier which is committed to ‘fair and transparent’ prices and to making things as simple as possible for its customers. (Source: Octopus Energy website)

A disruptor to the energy sector

Respondents to the CEE research acknowledged Octopus Energy’s strong performance in the Expectations and Empathy pillars. According to one, “Octopus provides excellent customer service. For a utility company it is very good to be able to speak to a person without waiting 20 minutes. Good prices, easy to set up and use, and they always resolve any problems promptly.”

“Everything we do at Octopus is designed to make our customers’ lives better, while also being as kind as possible to the planet. We give fantastic customer service that’s fast and flexible – message us on Facebook, send us an email, or simply give us a call. No call centres, just people who love their jobs and are eager to help.”

Greg Jackson
CEO, Octopus Energy

One of the underlying reasons behind the organisation’s rapid success may be its ethos of putting the heart back into energy. As Lily Stein, customer service guru of Octopus Energy, describes, “most suppliers treat their customers like numbers – asking for customer references instead of names, for example. To them, customers are just bits of work they have to do, not people. We think about the customer’s whole experience, treating them how we want to be treated ourselves. Using their names is just one of the ways we can show how serious we are about making a difference.”

To stay ahead of its competitors, Octopus Energy actively seeks to tackle common pain-points amongst customers within its sector. As Stein elucidates, “many of the people I speak to have been messed around by their old suppliers, passed from person to person without ever getting anything done, and having to explain their queries over and over again. Part of what I do is rebuilding that lost trust. We have highly-qualified people who recognise the



Utilities

44th

rank in 2019 of 337 brands



New

to 2019 analysis

The Six Pillars: scores vs industry average



+7%



+9%



+12%



+11%



+9%



+10%



I joined Octopus Energy when we moved into our new home and they have been the very best energy supplier we have had in the past 10 years; we have had five different ones. They are the best at rates, customer service, and email replies. I can't recommend them enough."

UK CEE 2019 respondent

needs of customers and can fix virtually any problem they have the first time." (Source: Octopus Energy blog)

Innovative with technology

Another way in which Octopus Energy stands out from its peers is through the use of technology to help customers cut costs. It has recently partnered with Amazon's Alexa to optimise smart home energy use, allowing consumers to manage how they use electricity and benefit from real-time energy pricing through voice automation. As Greg Jackson, CEO of Octopus Energy, notes, this integration "lets customers interact with their energy in an entirely new way". (Source: Energy Live News article, March 2019)

On top of that, Octopus Energy is also the first of its kind to give households with debt or abnormal annual bills thermal imaging cameras to prompt them to save money. The aim is for customers to use the cameras to scan their home to see areas in which they are losing heat, so that they can make easy and low-cost fixes. Jackson is proud about this initiative as it shows "that Octopus isn't afraid to do things differently. People are understandably immune to bland generic messages about energy efficiency, but by finding the people with unexpectedly high bills, and offering them truly useful advice based on their own home, we hope we can really help people stay warm for less."

The employee experience

Notably, Octopus Energy was named the 'Best Company to Work For' in this year's UK Employee Experience Awards. It is clear that the organisation cares for, and invests in, its employees as much as it does for its customers.

An interesting example of this is the recruitment of its Digital Operations (DigiOps) team – a customer-facing remote team working out-of-hours across all digital platforms – which consists entirely of professional women working from home, the majority of whom are returning to the workforce after having children. As one DigiOps member notes, "Octopus were interested in my skills, and understood that my being a mum didn't mean I couldn't work. I know that Greg, the CEO, leaves work at 3pm twice a week to do the school run – these are realities you just have to work around"

The business has also recently launched a programme called Octoden which is designed to give employees the tools, advice and encouragement they need to develop their entrepreneurial ideas and create their own businesses. Richard Wazacz, CEO of Octopus Labs, describes it as being "very much aligned with our mission to 'find a brighter way', and makes us a more attractive place for colleagues to work and personally grow."

Ultimately, Jackson hopes that Octopus Energy's pioneering attitude towards its people, the workplace and most importantly, green energy, will inspire other energy companies to follow suit, sparking wider innovation in the market.

Employees say



I love it at Octopus. It's a very fun and flexible place to work and they really care about their staff and customers. It's not a typical office environment - everyone is super friendly and helpful. You have the autonomy to do whatever is best for customers and it's really rewarding as a result. There's lots of opportunities to get involved in cool projects and tonnes of socialising."

The new covenant between HRD, CMO and CXD

Often, primarily to be provocative, we ask members of the C-suite, “when was the last time your HR Director (HRD), Customer Experience Director (CXD), Chief Marketing Officer (CMO) and Operations Director got together to discuss and agree the customer experience and the employee experience that is needed to deliver it?”

It is surprising how often the answer is “never”.

If the employee experience is to be designed in a way that delivers a defined customer experience then a new working covenant is required between these roles that addresses this very question.

The employee experience and customer experience, front office and back office, need to be connected in a far stronger way than hitherto has been necessary. They are mutually interdependent and intertwined – managing the connectivity between them has become a critical organisational competency.

Some organisations, such as Pizza Hut and John Lewis & Partners, have combined these responsibilities, whilst others are forming customer committees and working groups. However, it is the structured alignment between these roles that is critical as they are, collectively and individually, responsible for key parts of the end-to-end link between employee and customer.

When each element of the value chain is managed by a different silo within the organisation, the net result is that no-one manages the end-to-end. Each individual department pursues its own agenda and if it all connects up, it is accidental rather than co-ordinated.

It is analogous to having separate engines pulling in different directions. However, for organisations that are able to make the engines work in unison there is a dramatic impact on employee, customer and commercial performance.



Employee and customer experience responsibilities

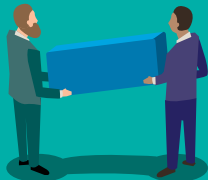
On-boarding sets employees up for success



Alignment between internal and brand values



Employee experience enables target behaviours to emerge naturally



Culture supports the brand



Employee recruitment brings the right people attitudinally

HR Director

Personas developed and implemented



Target customers identified



Communications strategy builds relationships over time



Customer insight drives decision making



Continuous scanning for changing needs



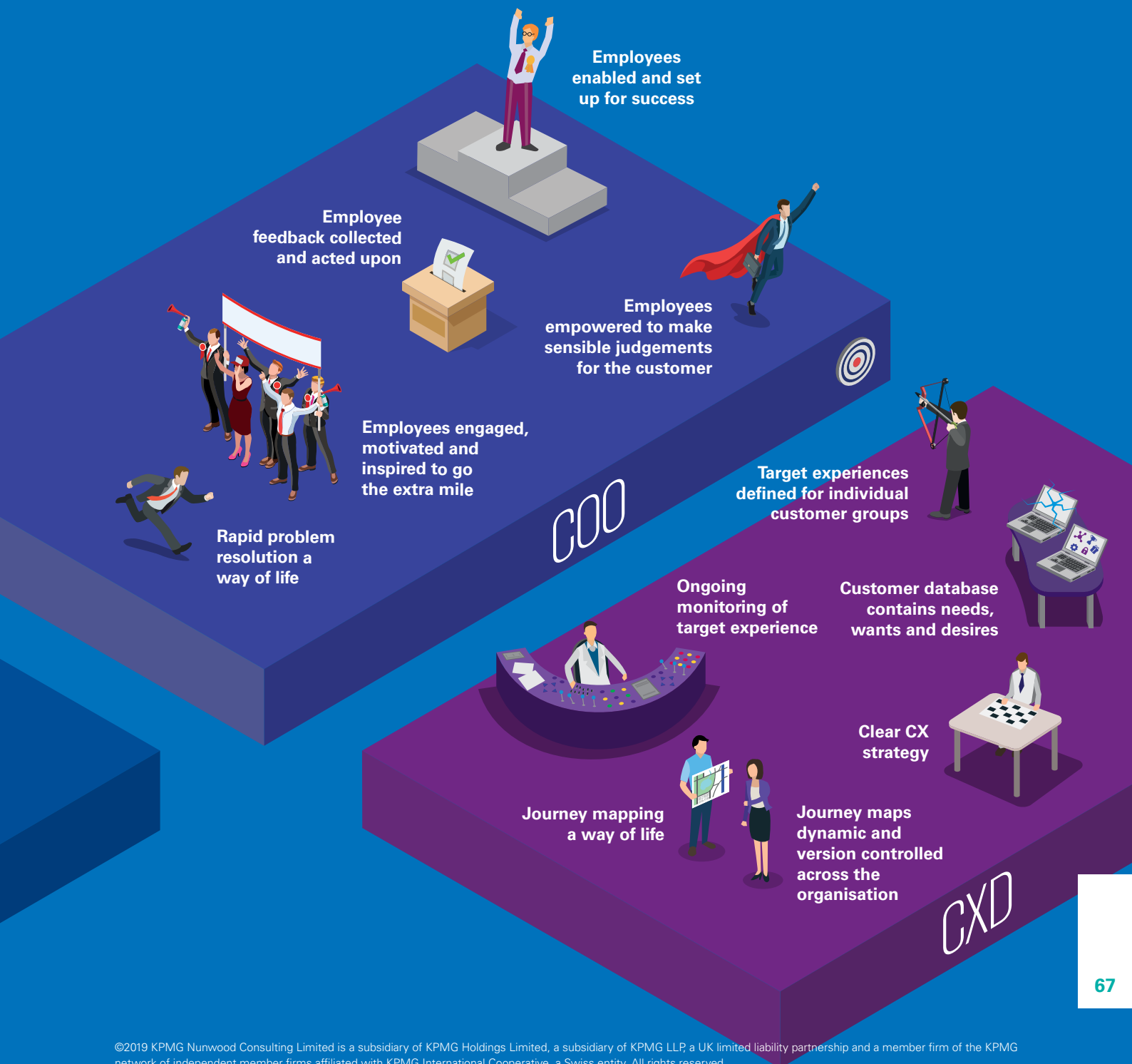
Organisations have a deep understanding of the customer

CMO



There are many transferable skills across the two roles (HR Director and CX Director), which when combined help create a strong brand that is firmly reflective of internal culture."

Catherine Austin
HR and Marketing Director, Pizza Hut



Employee experience checklist



We have defined a clear sense of purpose – over and above commercial outcomes.



We recruit people who embody our values and share our passion for customer service.



We see the employee workplace as an experience – it is part of our employee value proposition.



We work with our employees to actively define and co-create solutions to customer problems.



We have a methodical approach to employee experience design.



Employee feedback on customer is integrated into our insight eco-system.



We are clear on how the employee experience drives the customer experience.



We segment our people into related needs groups and apply the same rigour in defining employee journeys as we do customer journeys.



We have unified our internal values and brand values.



We pay particular attention to aligning the C-suite members around employee and customer experiences.



We are examining how our people think, work, collaborate and develop against best practice.

We have a single design language (such as The Six Pillars) for designing both the employee and the customer experience



Personalisation

We equip our people with the ability to individualise their experience and development.



Integrity

We are clear on our trust agenda and have “trustworthiness” as a core competence.



Expectations

We recognise that in this new world of customer experience we need to reset the psychological contract with our people to meet changing Expectations on both sides.



Time and Effort

We equip and enable our people to deliver our target customer experience easily and quickly. We empower our people to make sensible customer decisions.



Resolution

We enable our people to have ready access to wellbeing and issue support services.



Empathy

We are careful to show our people we care about them and their personal success.



The Customer Experience Excellence Centre

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

An award-winning resource that provides thought leadership, training, networking and practical project applications, with its systems, methods and outputs fast becoming a global standard for best practice.

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Acknowledgements

In addition to the consumer research, the Excellence Centre has interviewed a number of senior leaders to explore the link between customer experience and employee experience in their organisations.

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Author: David Conway

Contributing team: Tamsin Jenkins, Andrew Hume, Elizabeth Lawrence, Komal Doshi, Connor Stewart, Sarah Tracey, Olu Odubajo, Chris Wright

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How KPMG can help

Engagement of employees requires firms to get a number of factors right. These include the environment, the culture, the purpose of the business, internal communications, how people grow and develop and how they are managed and led. All of these contribute to employee motivation and loyalty.

KPMG works with organisations to instil best practice in linking employee experience with customer experience:

We improve CX and EX together, to improve experience and delight customers, through:

- Common vocabulary
- An outcomes-based approach
- Merging employee and customer dialogue
- Real time discussions with employees
- Co-design

We design experiences based on actual data and insight.

The result is an employee proposition that enables our clients to win in the war for talent.



Please [contact an expert](#) to discuss how we can help your organisation.

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Customer Experience Excellence methodology

The consumer research was conducted in April 2019

13,085 UK consumers were interviewed

337 brands are included in the final results

Spanning 10 sectors:



Non-grocery retail



Grocery retail



Financial services



Restaurants and fast food



Entertainment and leisure



Telecoms



Travel and hotels



Utilities



Logistics



Public sector

The employee quotes in this report represent the views of current and former employees of the brands listed. They were sourced from Glassdoor.com and Indeed.com

Top 100: table of results



01		first direct	2019 UK <i>Customer Experience Excellence Centre Leader</i>	
02		Monzo		
03		Lush		
04		Richer Sounds		
05		John Lewis Finance		
06		Lakeland		
07		Nationwide Building Society		
08		Virgin Atlantic		
09		Ocado		
10		QVC UK		
11		Apple Store		
12		Emirates		
13		John Lewis & Partners		
14		American Express		
15		Virgin Holidays		
16		AO.com		
17		Amazon		
18		Coventry Building Society		
19		M&S		
20		Jet2		
21		Samsung Store		
22		National Trust		
23		PayPal		
24		Boden		
25		Bulb Energy		
26		The Body Shop		
27		Next		
28		Hargreaves Lansdown		
29		Skipton Building Society		
30		Waterstones		
31		Netflix		
32		Millie's Cookies		
33		Center Parcs		
34		Tesco Mobile		

Key:

- Financial services
- Non-grocery retail
- Grocery retail
- Travel and hotels
- Telecoms
- Entertainment and leisure
- Utilities
- Restaurants and fast food
- Up vs 2018
- Down vs 2018
- Non-mover
- New to 2019 analysis
- Not ranked in 2018

35 Hilton Hotels and Resorts  	36 Green Flag  	37 NS&I  	38 Iceland  	39 M&S Food  	40 Joules  
41 YO! Sushi  	42 ASOS  	43 Bonmarché  	44 Octopus Energy  	45 Everyman Cinemas  	46 Waitrose  
47 LV=  	48 Dunelm  	49 Saga  	50 Delta Air Lines  	51 Premier Inn  	52 Superdrug  
53 Holiday Inn Express  	54 Prudential  	55 Churchill  	56 Clarks  	57 Mothercare  	58 M&S Bank  
59 Specsavers  	60 Screwfix  	61 Boots  	62 Tesco  	63 giffgaff  	64 IKEA  
65 Subway  	66 Farm Foods  	67 The Gym Group  	68 Novotel  	69 JD Williams  	70 eBay  
71 Aldi  	72 Marriott  	73 Lloyds Bank  	74 Thorntons  	75 Nando's  	76 Bupa  
77 JD Sports  	78 Wagamama  	79 Argos  	80 Holiday Inn  	81 Krispy Kreme  	82 Matalan  
83 Morrisons  	84 New Look  	85 Butlins  	86 Toby Carvery  	87 PizzaExpress  	88 Caffè Nero  
89 Direct Line  	90 Just Eat  	91 Primark  	92 First Choice  	93 Debenhams  	94 Barclays  
95 Vue  	96 Very  	97 Amazon Prime TV  	98 Superdry  	99 Aviva  	100 Asda  

Key:

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  Grocery retail
  Travel and hotels
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 Utilities
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Contact us

David Conway

Director

E. david.conway2@kpmg.co.uk

Tim Knight

Partner

E. tim.knight@kpmg.co.uk

Michael Crow

Director, CX Solutions

E. michael.crow@kpmg.co.uk

Tamsin Jenkins

Executive Advisor, CEEC

E. tamsin.jenkins@kpmg.co.uk



www.nunwood.com

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