



Augmenting the Human Touch

Vietnam Customer Experience
Excellence Report 2023

KPMG in Vietnam



Contents

FOREWORD 03

KEY INSIGHTS 05

- Consumer sentiment 06
- An expectation for sustainability 08
- Augment the human touch with AI 09

THE SIX PILLARS IN 2023 11

VIETNAM 2023 “HALL OF FAME” 19

- Summary of CEE 2023 rankings 20
- Top 10 brands in Vietnam 21
- Spotlight on Top 3 brands 22
- Customer experience performance by sector 25
- Spotlight on top sector 26
- Biggest positive moving brand 27

GET IN TOUCH 28

Foreword

Welcome to the 4th edition of the Customer Experience Excellence (CEE) report for Vietnam. Over the years, this report has offered valuable insights into the evolving landscape of customer experience. This year, our research engaged with over 1,500 consumers to understand their perspectives on what defines a great customer experience.

Our research notes that most sectors in Vietnam are **performing best in terms of ‘Time and Effort’**. Among the sectors we surveyed, Restaurant & Fast Food emerged as a leader. With the booming growth of new and established coffee chains, this sector has cultivated an increasingly competitive environment, driving each chain to differentiate itself by delivering authentic experiences.

Despite ongoing efforts by brands to enhance customer experience, this year saw a substantial decline in Vietnam's overall customer experience performance. Notably, **many brands fell short in the ‘Expectations’ pillar**. This can be attributed to the prevailing global economic challenges, which have made Vietnamese consumers to become more frugal. Consequently, customers are **increasingly scrutinizing the balance between values and price**. Current economic indicators

suggest that this trend will continue, pressuring many organizations to reposition their brands and re-evaluate their offers.

But price is only one component of value: it is part of a wider physical and psychological experience. KPMG research has consistently shown that an essential part of the value equation is how the organization's purpose resonates with the customer. This year, **‘Integrity’ has emerged as the most influential factor in determining customer loyalty and advocacy**. Recent integrity concerns within the financial sector, including bancassurance employee misconduct and customer data theft involving bank employees, have significantly impacted overall customer experience scores, value perceptions, loyalty, and advocacy.

It seems that today's Vietnamese consumers yearn for a personal, human touch. Our observations from this year's report show that the **best performing brands on ‘Personalization’ is all about human interaction**. This serves as a guiding principle for digitalization efforts aimed at personalization. Therefore, organizations should empower their employees by providing them with technology to better connect with customers empathetically.

The Vietnamese consumers are **more sustainability conscious** than the average global consumer. To meet their expectations, organizations must prioritize and genuinely pursue ESG (Environmental, Social, and Governance) initiatives rather than treating them as corporate checkboxes.

Today, digital transformation and ESG are high-priority topics in the global business community. With so much at hand, organizations now need assistance that benefits everyone. AI, particularly generative AI, holds immense potential to augment employee capabilities and efficiency. Forward-thinking organizations are already contemplating **the integration of AI into their strategies and operations**, as early adopters may reap the rewards of a first-mover advantage in the near future.

In this year's CEE report, we aim to help you enhance customer experience by addressing their ever-evolving needs and harnessing the power of AI to augment the human touch. Should you like to embark on customer experience transformation, please find our KPMG contact at the end of this report.



In this era of uncertainty, businesses face both challenges and opportunities. It's crucial for them to adapt to changing dynamics, leverage technology, and prioritize Integrity as well as Expectations. Customers, even with tightening budget, value fulfilling experiences and will invest in brands that embody these qualities, positioning them for success in the future.”



Nguyen Tuan Hong Phuc
Partner,
Head of Customer & Operations Consulting
KPMG in Vietnam

About the research

Methodology

The Customer Experience Excellence (CEE) report is a global program identifying best practices around the world for organizations to learn from.

For 14 years, our KPMG member firm professionals have been asking consumers about their individual experiences with brands. This year, nearly 80,000 consumers have been interviewed and approximately 3,000 brands have been measured across 21 countries. In Vietnam, more than 1540 consumers have engaged with our research to evaluate 84 local and global brands across 8 sectors.

The research for this report was conducted via an online survey. A nationally representative consumer sample was targeted for each market, to be comparable in terms of age and gender, while also targeting regional representation. To participate in the research and to be able to respond to questions on a specific company, respondents must have interacted with that company in the last 6 months. An interaction is defined as making a purchase, using the company's products or

services, contacting a company with a query, or even browsing their website or store — so not all respondents will have been existing customers of the brand they evaluated. To be included in the final rankings, each brand must have achieved a minimum number of 80 consumer responses.

This report analyzes the results of a consumer survey undertaken in Q2 2023. As such, all companies, including audit clients, are representative of consumer opinion and ranking. Mentions of individual companies should not be interpreted as an endorsement by KPMG Vietnam.

CEE scores

The CEE score is derived for each brand via a weighted average of the brand's score for each of The Six Pillars. The weighting is calculated through regression analysis to understand the relative importance of each pillar in driving the two commercial outcomes measured in the analysis: advocacy and loyalty.

CEE coverage in 2023



21

countries, regions
and jurisdictions



1,549

Vietnamese consumers



>80

ranked brands in
Vietnam



08

Sectors covered
in Vietnam

01 Vietnam 2023 Key Insights



Consumer sentiment

Vietnamese consumers are becoming more frugal due to economic headwinds. The balance between price and values is under greater scrutiny than ever.

As the Russia-Ukraine war and Middle East unrest continue to negatively affect the world's economy, Vietnam has seen its impact on rising energy prices and a decline in export volume. Aside from falling demand due to general economic downturn, experts believe that stricter adherence to sustainable development standards from importers is a barrier that hinders Vietnamese export businesses.

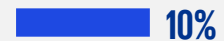
The domestic market has also witnessed stagnant growth due to inflation control efforts and decreased demand. This year survey shows that, 96% of respondents acknowledged being impacted by inflation, leading them to adjust their buying habits to mitigate its effects. Precisely, 21% reported that they are extremely impacted by inflation.

Q: Are your purchasing decisions impacted by the cost of living?

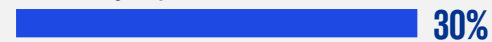
Not impacted



Slightly impacted



Moderately impacted



Significantly impacted



Extremely impacted



Price is undoubtedly an important factor in determining value, but it represents only a fraction of the overall customer experience.

Research conducted by KPMG consistently reveals that an organization's purpose and its resonance with customer values play a pivotal role in the value equation. In fact, Integrity, one of the Six Pillars of experience proposed by KPMG, has exhibited a growing influence in shaping customer loyalty and advocacy.

Consumer sentiment

The significance of Integrity in product transparency has reached new heights this year for Viet consumers.

Customers in Vietnam are actively seeking companies that prioritize transparency and demonstrate a genuine commitment to ethical practices. They value trustworthy brands that align with their values and are increasingly drawn to those that openly communicate about their supply chains, sourcing methods, and environmental impact.



Integrity has become the key driver for advocacy and loyalty, significantly impacting overall CEE score.

- Integrity is now the most important driver for advocacy, **from 16.8% to 18.2%.**
- Integrity has become a key driver for loyalty (together with Personalization), **from 17.2% to 18.5%**

The life insurance industry in Vietnam is currently facing its most substantial crisis of confidence, which was fueled by incidents where bancassurance staff provided inaccurate and irresponsible advice to customers, particularly taking advantage of those with limited knowledge of financial products.

This has resulted in a notable shift in customer perceptions of the insurance sector:

- Avg. CEE score dropped from **8.28** last year, to **7.52** this year
- Pillar performance for Expectations, Resolution and Empathy noted large dips (-0.86, -0.78, -0.78 abs respectively)

The need for integrity also appears in Personal Data Protection

With the exponential growth of data collection and processing, protecting individuals' sensitive information has become vital. A surge in the number of spam calls drives Vietnamese customers more protective of their personal data. This concern is supported by the government's enactment of Decree 13, a long-awaited legislation that focuses on Personal Data Protection. Decree 13 has introduced more detailed obligations pertaining to data protection and cybersecurity, specifically regarding the processing of personal data.

This is an indicator for brands to prioritize openness and transparency regarding their practices, which includes being straightforward about how they handle customer data.

An expectation for sustainability

Despite facing budget constraints, Vietnamese consumers are demonstrating a willingness to invest in higher quality, sustainably produced goods. However, they are now less inclined to pay a premium to ethical companies compared to last year. Yet, compared to the global consumers, they still demonstrate a stronger endorsement of ESG values, with 87% of Vietnamese customers willing to spend more on products from ethical companies, in contrast to the global average of 61%.

Q: How willing are you to pay more to a company that you see as being ethical or giving back to society?*



The change in preferences can be attributed to the rising cost of living. As a result, there is a growing need for affordable sustainable products. To mitigate the impact of increasing prices, many individuals are turning to secondhand products. This shift towards responsible buying practices is evident in Vietnam, where a larger percentage of consumers opt for used or secondhand items compared to the global average. Notably, around 18% of Vietnamese consumers purchase pre-loved items each month, surpassing the global rate of 15%.¹

In the midst of escalating environmental pollution and natural resource exhaustion, The Vietnamese Party and State have affirmed their viewpoint on developing a circular economy so as to achieve sustainable development. Companies now need to focus on sustainable value chains to achieve long-term growth. Sustainable value chains bring about a range of benefits and positive impacts. By implementing sustainable practices throughout the value chain, companies can achieve endorsement from stakeholders, resilience to future changes, lower costs, and regulatory readiness.

* Percentages may not add up to 100%, as they are rounded to the nearest whole number.



¹ Euromonitor, Consumer Lifestyles in Vietnam 2023 – Country report

Augment the human touch with AI

While AI itself is not a new concept, the launch of ChatGPT stands out as one of the most significant technological events of the year, attracting global media attention. Its impact has awakened the corporate world to action. As a result, over the next 3-5 years, businesses will be directing their efforts toward harnessing the vast potential of artificial intelligence (AI), particularly in customer experience.

To comprehensively illustrate the areas of impact, we explore the ‘outside in’ – the customer perspective, who are both excited and nervous about the new technology - and the ‘inside out’, what companies will need to do to successfully respond to customer concerns and needs. This structured approach aligns seamlessly with our Six Pillars framework, categorizing the different facets of the customer experience, ensuring that we comprehensively address every dimension of the customer journey.

The customer perspective

Outside-in

“I want a human touch – when I need it”

“I want to feel heard and be understood, I don’t think a machine can do that”

“I want AI to anticipate my needs and proactively help. For example, suggest relevant products or services, and even predict potential issues before they arise.”

“When AI is incorporated into various products, such as autonomous vehicles, security systems, and smart appliances, I want to be assured about safety, efficiency, and usability”

“I want companies to accurately set my expectations, when I interact digitally will I be dealing with a machine or a human?”

“When using AI-powered chatbots and virtual assistants I want to receive at least the equivalent of a human interaction”
“I want to have a human connection when I need to ask for updates or resolve an issue.”

“I worry about the potential for job displacement and have concerns about job security”
“I worry about how my information is being used”
“I want to trust the outcomes of machine-made decisions”



Empathy



Personalization



Time & Effort



Expectations



Resolution



Integrity

- Human and empathetic cues
- Solves a life problem
- AI augmented human interactions

- AI tailored experiences
- Real-time personalization and decision making
- Predictive recommendations

- Streamlined customer journeys
- Faster and more efficient operations
- Order processing, tracking and delivery
- Automated onboarding – error reduction

- Predict needs and preferences
- AI-driven recommendation engines – surprise and delight
- AI managed interfaces and journey orchestration

- AI identification of trends and patterns
- 24/7 query responses, streamline interactions
- Faster issue resolution and improved customer service
- Predictive resolution – before customer has a problem

- Transparency, data privacy and ethical use
- Eradication of bias
- Ongoing governance and inspection

The company perspective

Inside-Out

Augment the human touch with AI

As useful as it is, AI also poses risks and challenges, raising concerns about the trustworthiness of AI systems (inclusive of data, algorithms, and applications).

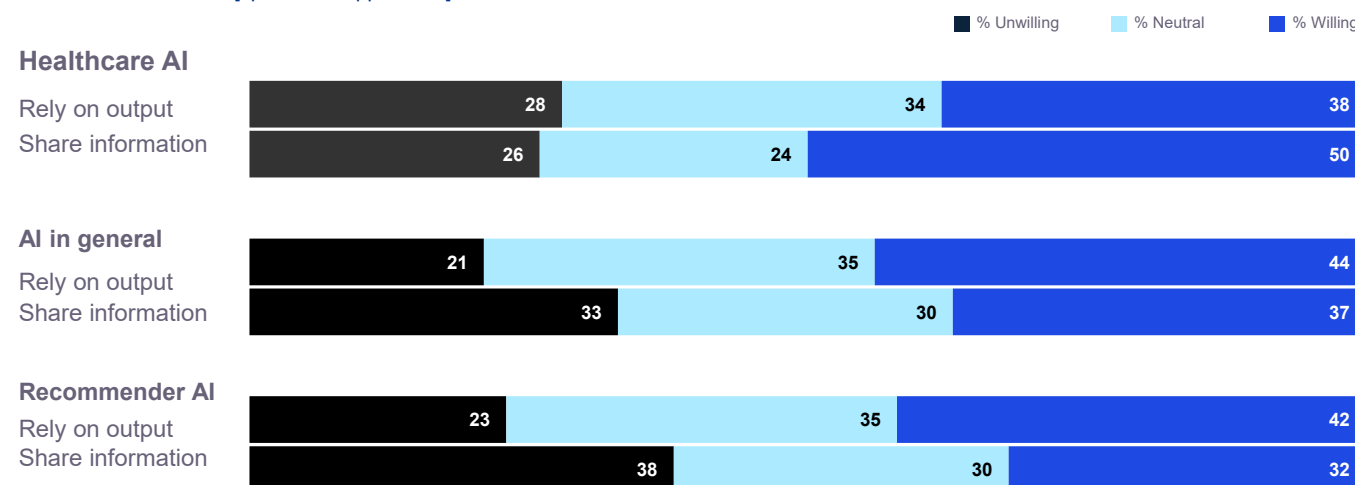
A recent global study conducted by KPMG reveals that trust in AI systems is contextual and depends on the specific application or use case. It is worth noting that people are generally more willing to rely on, than to share information with AI systems, particularly recommender systems (i.e. for personalizing news, social media, and product recommendations).²

To address these dynamics, organizations must prioritize transparency in their data collection practices. They should also establish clear incentives for customers to willingly exchange their personal data. A robust data strategy aligned with the customer value proposition, coupled with the right data infrastructure, is instrumental in delivering compliant yet valuable personalization offerings that cater to customer needs.

In the following chapter, we will delve deeper into how the Six Pillars framework can serve as the guiding principles for impactful AI adoption.

Willingness to rely on and share information with AI systems

Q: How willing are you to: rely on information provided by [specific AI application] / share information with [specific AI application]?



Reliance

Assesses people's willingness to trust that it is accurate (such as a recommendation or decision).

Information sharing

All AI systems are trained on large databases, but only some require the specific user to share information as input to function.

² KPMG's Trust in Artificial Intelligence – A Global Study in 2023

02

The Six Pillars in 2023



The Six Pillars of experience

The Six Pillars of Customer Experience Excellence have been consistently shown to be the essential characteristics needed to build strong experiences. The presence of these six factors is essential if commercially beneficial outcomes result from superior customer experience.

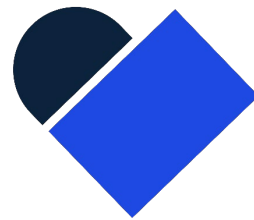
Whether that is increased share of wallet, loyalty, or advocacy, these six factors are the prerequisites for commercial success. However, as they are all interconnected, it is essential to be good at all six.

Interestingly over the past couple of years there has been a rapid rise in holistic thinking, and realization that a competitively superior experience is multi-dimensional and often multi-sensorial. Our leading organizations are masters at managing The Six Pillars as a set.



Personalization

Using individualised attention to drive an emotional connection



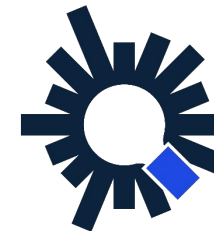
Empathy

Understanding your internal or external customers circumstances to drive deep rapport



Expectations

Managing, meeting and exceeding customer expectations



Resolution

Turning a poor experience into a great one



Time & Effort

Minimising customer effort & creating frictionless processes



Integrity

Being trustworthy and engendering trust

This year, Integrity and Personalization have emerged as the primary drivers of overall customer experience (CX) in Vietnam.

Notably, Integrity has witnessed the most substantial increase compared to the previous year, signifying a notable shift in importance among Vietnamese consumers.

Six Pillar trends in 2023



Key driver for overall CX, loyalty & advocacy

Impact on loyalty: **18.5%**

Impact on advocacy: **18.2%**

Overall, the responsible and thoughtful implementation of AI, with a focus on transparency, data privacy, and ethical use, will positively impact customer trust. Companies that demonstrate a commitment to customer well-being and empowerment through AI technologies are more likely to build long-term trust and loyalty. However, there are areas that companies will need to focus on to ensure that they build rather than erode customer trust.

- One of the critical concerns with AI is data privacy. Customers will be hesitant to share their personal information if they fear that it could be misused or compromised. Companies must prioritise data security and transparency to build and maintain customer trust. AI-powered systems can sometimes make decisions that are difficult to explain or understand, leading to a lack of trust. To overcome this, businesses should strive to create AI models that are explainable, ensuring customers can comprehend the reasoning behind AI-generated recommendations or actions.
- AI algorithms can inadvertently perpetuate biases present in the data they are trained on. This can lead to unfair or discriminatory outcomes, which can erode customer trust. Companies need to address bias in AI systems and ensure fairness and inclusivity in their applications.

- The ethics of AI, how it is used have become talking points in the media. Consequently, customers expect companies to use AI ethically and responsibly. Businesses that prioritise ethical considerations, such as avoiding harmful uses of AI or ensuring transparency in their AI practices, are likely to earn and maintain customer trust.
- The KPMG “Trust in Artificial Intelligence” research shows that people are concerned about AI causing job losses. People also worry about job losses due to automation. Companies should address these concerns proactively and communicate how they intend to upskill employees to equip them to make the most of the new technology to provide job enhancement and greater role satisfaction.

Actions:

1. Analyze customer journeys to understand where trust is built or eroded.
2. Include AI on the risk register, ensure that the downside risks are given sufficient airtime alongside the opportunities. Develop an AI ethics framework.
3. Adopt a “zero trust” approach to all interactions to minimize opportunities for fraud and privacy issues.

Six Pillar trends in 2023



Personalization

Key driver for overall CX, loyalty & advocacy

Impact on loyalty: **19%**

Impact on advocacy: **17.2%**

AI can significantly improve personalization by leveraging customer data and behavior patterns to create tailored experiences. In particular AI algorithms can analyze large volumes of customer data, including past interactions, purchase history, preferences, and demographics. By segmenting customers based on this data, AI can deliver personalized content, product recommendations, and marketing messages to each segment.

- AI can process data in real-time, allowing companies to personalize customer experiences on-the-fly. For example, AI can adjust website content based on a customer's browsing behavior or location, ensuring that the user receives the most relevant information at that moment.
- AI-powered recommender systems can suggest products, services, or content based on a customer's past behavior and preferences. These recommendations can be displayed on websites, mobile apps, or in marketing communications, increasing the likelihood of customer engagement and conversion.

- AI can optimize email marketing campaigns by tailoring content, subject lines, and sending times to individual customer preferences. This level of personalization increases the chances of emails being opened, read, and acted upon. Further AI can dynamically customize website content for each visitor, presenting different layouts, offers, and messages based on their interests and past interactions. This creates a unique and engaging experience for every user. AI can predict customer needs and behavior by analyzing historical data. For example, it can anticipate which products a customer might be interested in, allowing companies to present relevant offers before the customer even searches for them.

Actions:

1. Evaluate GPT models. GPT AI offers some unique advantages when it comes to developing personalized copy for customers – able to generate exciting and relevant content.
2. Personalization requires data. Make data a board level issue – evaluate a Customer Data Platform (CDP) as a means of aggregating and synchronizing all data.
3. Focus on data quality not quantity – AI is fueled by data, but it has to be the right data.

Six Pillar trends in 2023



Impact on loyalty: **15.8%**

Impact on advocacy: **16%**

While technology will struggle to replicate human empathy, AI has the potential to promote empathy in companies and their people by assisting in ways that foster understanding, connection, and emotional intelligence.

- AI can analyze vast amounts of customer data and feedback to gain deeper insights into customer needs, pain points, and emotions. This data-driven understanding helps companies and employees empathize with customers' experiences and challenges. AI-powered sentiment analysis can gauge the emotional tone in customer interactions, reviews, and feedback. This allows companies to respond appropriately with empathy and compassion, addressing concerns and celebrating positive experiences.
- By understanding individual preferences and histories, companies can communicate in a more empathetic and human-like manner.
- AI can provide personalized coaching and feedback to employees, helping them improve their communication and emotional intelligence skills. This can enhance their ability to empathize with customers and colleagues. AI can enhance VR training simulations that expose employees to different scenarios, including challenging and emotional situations. These simulations can foster empathy by encouraging employees to put themselves in others' shoes.

- AI algorithms can be designed to reduce biases in hiring and decision-making processes, leading to a more diverse and inclusive workplace. A diverse workforce often results in a greater understanding and empathy towards various perspectives.
- It's important to note that while AI can contribute to increasing empathy, it should complement, not replace, genuine human interactions. Companies must strike the right balance between AI-driven automation and maintaining a human touch to create an empathetic and compassionate work environment. Training employees to leverage AI tools responsibly and with empathy is crucial for maximizing the positive impact of AI on emotional intelligence within the organization.

Actions:

1. Consider where in a customer journey a human touch will make a difference.
2. Use sentiment analysis to understand the emotional state of customers as they progress along journeys.
3. Identify where AI can augment and empower employees and deliver a superior experience not just replacing them with technology.

Six Pillar trends in 2023



Impact on loyalty: **15.4%**

Impact on advocacy: **17%**

AI can have a transformative impact on customer query resolution and problem solving, improving efficiency and enhancing the overall customer experience. AI algorithms can process vast amounts of data and information quickly and accurately. This means that AI systems are less likely to make mistakes or provide incorrect information, leading to more precise query resolution.

- AI can assist human support agents by suggesting solutions based on previous interactions and customer data. These speeds up the problem-solving process and reduces the back-and-forth between customers and support teams.
- AI-powered chatbots and virtual assistants can provide 24/7 instant responses to customer queries, reducing the time customers must wait for assistance. These systems can handle a large volume of inquiries simultaneously, ensuring faster query resolution. Similarly, AI-driven knowledge bases and FAQs allow customers to find answers to their queries without requiring human intervention. This self-service approach empowers customers and reduces the workload on support teams.

- AI can efficiently route complex or unresolved queries to human support agents. By pre-screening and categorizing queries, AI ensures that human agents focus on more challenging issues, optimizing their expertise and problem-solving capabilities. AI systems can learn from past interactions and customer feedback, continually improving their problem-solving abilities over time. This adaptive learning leads to more effective query resolution and customer support.
- In addition, AI can detect potential problems or issues before they arise and reach out to customers proactively. By offering assistance before customers encounter difficulties, AI can prevent escalations and enhance customer satisfaction.
- Finally, AI can analyze customer data to identify patterns and trends in queries and issues. Automating root cause analysis and problem identification. This information helps businesses identify common pain points, improve products or services, and optimize their support processes.

Actions:

1. Consider using AI on employee and customer feedback to identify patterns and surface hidden issues.
2. Extend to root cause analysis – build a picture of linked pain points and the causal relationship between them. Develop predictive models to drive proactive customer support.
3. Look to next generation conversational chatbots – avoid channel deflection to a lower satisfaction technology – short term benefit but long-term loss.

Six Pillar trends in 2023



Impact on loyalty: **17.1%**

Impact on advocacy: **15.8%**

AI can significantly reduce the time and effort customers spend when dealing with companies by streamlining processes, automating tasks, and providing personalized assistance.

- AI can index and analyze vast amounts of information, making it easier for customers to find specific details or solutions quickly. This reduces the time spent searching through websites or documents to find relevant information.
- AI can handle order processing, tracking, and delivery updates automatically. Customers don't have to wait for manual processing or contact customer support to inquire about their orders.
- Using AI to automate the onboarding process for new customers, guiding them through account setup and providing relevant information promptly ensures quick and accurate set up. Often downstream problems occur due to errors in the onboarding process.

Actions:

1. Analyze the customer lifecycle to identify where AI will have the most beneficial impact both commercially and for the customer.
2. Use customer journey and value stream mapping to identify specific value-enhancing use cases.
3. Focus on the onboarding journey. Not only do first impressions matter, but many subsequent or "downstream" issues can be traced back to how effectively onboarding is conducted.

Six Pillar trends in 2023



Impact on loyalty: **14.2%**

Impact on advocacy: **15.8%**

AI can play a crucial role in helping companies meet and even exceed customer expectations. AI can use predictive analytics to anticipate customer needs and preferences.

By understanding customer behavior patterns, companies can proactively offer relevant products and services, exceeding expectations by providing solutions before customers even ask for.

- The increasing use of AI-driven recommendation systems that can suggest products or services based on a customer's past purchases and preferences increases the chances of cross-selling and upselling as well as leading to a more satisfying shopping experience for customers.
- AI can optimize user interfaces, making them more intuitive and user-friendly. By understanding user behavior, AI can personalize interfaces, leading to a smoother and more enjoyable customer experience.
- AI can automate processes, such as order processing, inventory management, and customer support, leading to faster and more efficient operations that meet customer expectations. This streamlines the customer journey and reduces friction, enhancing overall satisfaction.

Actions:


1. A number of organizations have released low code – no code AI applications – exploring these is a simple and safe way to start gaining AI experience.
2. Use AI to optimize user experience, simplifying interaction pathways.
3. A number of supply chain AI applications exist – an easy entry to improve inventory management.

02

Vietnam 2023 “Hall of Fame”





Summary of Vietnam CEE 2023 rankings




Best performing brand (highest CEE)
Nike jumps six spots to claim the top position with a CEE score of 8.97. Remarkably, the brand also secures the highest scores across all six pillars.

Best performing sector (highest CEE)
Restaurants & Fast food is the leading sector with the highest average CEE score of 8.24.



Biggest positive moving brand
Be has the greatest positive movement from 64th to 7th place this year, making their debut in the Top 10.

Brand performance comparison
65% of brands with CEE score of 8.0 or above, a significant drop compared to 84% of last year.





Value/Price perception
 Value/Price perception decreased by 3.2%.

Driving pillar of advocacy
Integrity is the key driver of advocacy. Consumer willingness to advocate decreased by 11.7%.

Driving pillar of loyalty
Personalization and Integrity are the key drivers of loyalty. Consumer loyalty decreased by 1.5%.

Willingness to pay more for ESG
87% of customers from the survey said they were willing to pay more for goods from companies with strong commitment to ESG principles.



Top 10 brands in Vietnam

Top 10 brands with its correlated industry & movement vs. 2022

2023 Rank	Brand name	Industry	Rank movement since 2022
1	Nike	Non-Grocery Retail	6
2	Viettel	Telecoms	2
3	Adidas	Non-Grocery Retail	2
4	Vietcombank	Financial Services	7
5	Lock & Lock	Non-Grocery Retail	28
6	Highlands Coffee	Restaurant & Fast Food	22
7	Be	Travel & Hotels	57
8	Biti's	Non-Grocery Retail	35
9	GoFood	Grocery Retail	N/A
10	Trung Nguyen	Restaurant & Fast Food	29

Spotlight on Top 3 brands



No. 1 Brand: Nike

CEE score: 8.93

Industry: Non-Grocery Retail



+06
Places
from 2022

This year Nike has impressively aced all 6 pillars of customer experience with an average score of 12% higher than Market Average.

Nike is inarguably the most recognizable sportswear brand globally, known for its innovative designs, its iconic Swoosh logo, and high-profile athlete endorsements. Nike's impact is keenly felt, globally and in Vietnam, their products have deeply influenced the "sneakerhead" community. This influence has nurtured a culture that revolves around collecting, trading, and valuing sneakers both as fashionable items and cultural artifacts. To digital art enthusiasts, Nike itself is now a popular prompt for AI to generate unique outfits and sneakers.³ Needless to say, these creations have rapidly gone viral on social media, as people leveraging these platforms not only to showcase their visual artistry but also to engage in social interactions.

Pillars the brand stands out for: Integrity, Time & Effort

Nike has always been a brand of innovation. It has early on recognized the significance of digital consumption and made substantial investments to deliver exceptional digital experiences, primarily through its mobile applications. One compelling feature is "Nike By You", which allows members to customize their own sneakers. This service empowers individuals to express their creativity by offering various design options, colors, materials, and personalized elements to create unique footwear that reflects their personal style.⁴

In Vietnam, Nike has nurtured a community under the name "swooshsportsclub." This platform lets sports enthusiasts, particularly those with a passion for running, to connect and foster camaraderie. Complementing this sense of community, Nike has introduced a tracking app and sponsors events, positioning itself as a reliable companion for fans.⁵

As the pandemic subsides, Nike has shifted its focus towards enhancing the in-store shopping experience to elevate the overall omnichannel journey. In line with its localization strategy, the recently unveiled flagship Nike store in Hanoi adopts a unique approach. Designed to emulate the familiarity of a home, this innovative space aims to optimize the retail experience for sports lovers. The store's ambiance is crafted with household items to evoke a domestic comfort. Notably, the shoe wall area mimics the shoe shelves one might find within their own living space. This design philosophy harmonizes the physical and personal, reinforcing Nike's commitment to creating environments that resonate with its audience and enhance the overall shopping journey.⁶



Time & Effort
+8.9%



Expectations
+4.0%



Integrity
+3.7%



Personalization
+4.5%



Resolution
+4.0%



Empathy
+3.2%

"Pursuing the goal of "Bring Nike to life" by offering customers an ultimate technological product experience through excellent consulting service, Nike continually strives to stand alongside, motivate, and drive all employees spirit to lead the market. We unite and dedicate ourselves even more on the journey of connecting and serving our customers."

Tu Vu Thu Thao,
Group Brand Manager Nike
Vietnam

Vietnam CEE 2023 Respondent

"When I went to a Nike store, I was impressed with how they set everything up inside. The products and posters they had on display looked nice. The staff there were super friendly and helpful. They gave me great advice and thoroughly understood the products."

³ <https://hypebeast.com/2022/10/stunning-ai-generated-nike-outfits-info>

⁴ <https://www.insidehook.com/article/shoes/you-should-use-nike-you>

⁵ <https://vietnamnet.vn/swoosh-sports-club-sanh-buoc-cung-marathon-tp-hcm-techcombank-2091541.html>

⁶ <https://vnexpress.net/nike-ra-mat-khong-gian-mua-sam-the-thao-moi-tai-ha-noi-4614115.html>

Spotlight on Top 3 brands



As the market leader in Telecom Services, Viettel has consistently outshone other competitors in both CEE performance and technology advancement.

Multiple solutions utilizing artificial intelligence technology are applied in network management and monitoring activities. Viettel's IT system continuously analyzes customer demands and real-time network capabilities, anticipates development trends, identifies situations in advance, issues alerts, and requests for intervention, thereby enhancing cellular network and internet connectivity experiences.⁷ Through pre-emptively addressing issues, Viettel reduces both the Time & Effort required from customers.

Pillars the brand stands out for: Integrity, Time & Effort

In May 2023, Viettel introduced their first virtual ambassador, Vi An, at the Y-Fest music festival. As the first hyper-realistic virtual ambassador in Vietnam, created by Vietnamese developers using the latest meta-human technology, Vi An embodies Viettel's "technology from the heart" philosophy. Being the virtual ambassador for Viettel's telecommunications and digital products, Vi An is the bridge to bring technology closer to everyone, as well as demonstrating the leading role in creating a digital society of Viettel Telecom.⁸

Remarkably, Viettel has conducted trials of 5G services in several cities and announced to roll out 5G services on a larger scale in the third quarter of 2023. Other telecommunications companies are yet to make comparable announcements.⁹



Time & Effort
-1.2%



Personalization
-2.0%



Expectations
-3.4%



Resolution
-2.0%



Integrity
-1.2%



Empathy
-1.3%

Vietnam CEE 2023 Respondent
“Stable connection, reputable and wide coverage”

⁷ <https://viettel.com.vn/vi/tin-tuc-va-su-kien/tin-tuc/tet-quy-mao-2023-viettel-dung-tri-tue-nhan-tao-dam-bao-chat-luong-dich-vu-theo-thoi-gian-thuc/>

⁸ <https://laodong.vn/xa-hoi/hon-20000-khan-gia-chay-cung-viettel-y-fest-2023-1195395.do>

⁹ <https://vneconomy.vn/nha-mang-du-kien-phat-song-dien-rong-dich-vu-5g-trong-quy-3-2023>

Spotlight on Top 3 brands



After experiencing significant growth in Vietnam throughout 2022, Adidas played a pivotal role in driving the country's socio-economic development and fostering collaborative ties between Germany and Vietnam.

The Vietnamese Government has committed to providing favorable circumstances for the expansion of Adidas's operations within Vietnam, positioning the nation as a key manufacturing hub within its operations.¹⁰

Pillars the brand stands out for: Integrity, Personalization

To fully embrace localization, Adidas introduced a new 2023 collection, "Spring Forward", in the spirit of the Year of the Cat. This move aims to motivate Vietnamese youth, encouraging them to seize opportunities and pursue their goals.¹¹

Additionally, Adidas is continuing its "With Women We Run" events in Vietnam, focusing on women's safety during training. Research and surveys conducted by Adidas have highlighted that many women experience unease while running alone due to safety concerns.¹² This global initiative, carried out with the adidas Runners community, aims to create a safer sports environment for women, enabling women to engage in physical activity confidently. Notably, Vietnam is a proud participant in this global initiative, affirming its commitment to the cause.



Time & Effort
-3.0%



Personalization
0.0%



Expectations
-3.5%



Resolution
-1.2%



Integrity
+0.1%



Empathy
-4.9%

Vietnam CEE 2022 Respondent

"Reputable global brand with high quality. They have diverse designs that cater to customer preferences."

¹⁰ <https://hanoitimes.vn/adidas-affirms-vietnam-its-important-market-320128.html>








¹¹ <https://baotintuc.vn/doanh-nghiep-san-pham-dich-vu/hang-adidas-khoi-dong-xuan-but-pha-chao-nam-moi-2023-20221228145212211.htm>

¹² <https://www.globalbrandsmagazine.com/new-adidas-study-finds-92-of-women-are-concerned-for-their-safety-when-they-go-for-a-run/>

Customer experience performance by sector

This year, many sectors experienced a decline in their CEE scores. Notably, the Financial Services and Logistics sectors witnessed the most significant decreases across 6 Pillars. Subsequently, the aforementioned sectors have greatly suffered a decline in their Advocacy indicators (NPS).

Expectations is the most lagging pillar across sectors, indicating that customer expectations are not being managed appropriately. Failure to meet expectations was found to be a primary source of friction in many customer interactions. This implies that organizations need to implement a customer-centric strategy to meet evolving consumer needs. Customer service standards are changing significantly, especially when consumers experience top-notch customer service from well-rounded brands like Nike; they come to expect similar experiences everywhere.

	Sectors	2023 CEE Score	CEE Score vs. 2022	NPS** vs.2022	Leading Pillar for each sector	Lagging Pillar for each sector
	Restaurant & Fast Food	8.24	-0.03	-4.20	Time & Effort	Empathy
	Telecoms	8.22	-0.17	-6.62	Integrity	Expectations
	Non-Grocery Retail	8.17	-0.08	-0.68	Time & Effort	Expectations
	Grocery Retail	8.12	+0.05	+4.04	Time & Effort	Expectations
	Entertainment & Leisure	8.09	+0.02	+8.00	Time & Effort	Expectations
	Travel & Hotels	8.06	+0.08	+1.26	Time & Effort	Expectations
	Financial Services	7.88	-0.32	-10.52	Time & Effort	Expectations
	Logistics	7.72	-0.48	-12.21	Time & Effort	Empathy

** NPS (Net Promoter Score) measures the likelihood of a customer recommending the brand and is calculated as the difference between promoters and detractors.

In Financial Services

the CEE score for Banking decreased by 2.3%, while that of Insurance brands experienced a dramatic decrease of 9.2%.

This decline can be attributed to a lack of transparency in bancassurance practices, particularly in how bancassurance staff exploited less knowledgeable customers to sell insurance policies. In the banking sector, customer data theft involving bank employees has also raised negative attention in the public recently.

For logistics sector

we have observed several customer comments expressing dissatisfaction with the attitude of delivery staff. This observation helps to explain why logistics brands are trailing in the empathy pillar. It is important for brands to recognize that lower empathy scores are associated with perceptions of lower value and reduced consumer loyalty. Consequently, this can result in increased costs for retaining and acquiring new customers.

Spotlight on top sector

Restaurant & Fast Food



The Restaurant & Fast Food industry has emerged as the leader in this year's Customer Experience Excellence report, with an average CEE score of 8.24 and 2 out of 5 brands from this sector are among the top 10 in the CEE rankings. Remarkably, both brands (Highlands Coffee and Trung Nguyen) have significant movement in ranking comparing to last year.

Vietnam is home to a vibrant coffee culture where people enjoy socializing at coffee shops. These shops serve as social hubs where people gather to relax, socialize, and engage in conversations. The coffee shop culture, by providing a space for people to connect and come together, actively encourages a sense of community.

In line with this thriving culture, Highlands Coffee underwent a rebranding in November 2022 to embrace and promote community values.¹³ The staff at Highlands Coffee treat customers as they would their own family members, extending warm greetings and aiding the elderly or those in need. Recognizing the challenges that some individuals might face in the digital era, the staff takes a considerate approach to helping with digital promotions. Highlands Coffee's dedication is grounded in a commitment to infuse the "heart" into their everyday practice, thereby elevating service quality and establishing a genuine connection with the community.¹⁴



Meanwhile, Trung Nguyen is now a multinational chain with presence in the US, China and South Korea. Within the Trung Nguyen Legend spaces, customers are immersed in captivating coffee experiences, encompassing both traditional Vietnamese and global enjoyment styles. These coffee shops not only provide energizing cups of coffee but also serve as inspirational havens adorned with quotes from influential figures and precious books. In 2023, Trung Nguyen Legend introduced the "Meditation Coffee" immersive exhibition. This exhibition enables customers to savor the refined essence of Meditation Coffee while immersed in soothing melodies that foster a sense of tranquility.¹⁵

Additionally, online food ordering through delivery apps and websites has gained popularity, especially due to the impact of COVID-19. Apps like Be and Momo regularly offer promotions and are rapidly expanding, further boosting growth in the Restaurant & Fast Food sector.

"At Highlands Coffee, the voice of the customer is at the heart of everything we do. By continually listening to guest needs, the Highlands offering, physical footprint, digital presence and overall guest experience is always evolving in order to deliver, "The Best of Vietnam", within the café lifestyle sector. This would not be possible without committed investments into our people, systems and processes that enable constant guest experience improvements."

David Thai, Founder & CEO

¹³ <https://english.thesaigontimes.vn/highlands-coffee-refreshes-logo-with-community-oriented-message-highlands-coffee-is-ours/>

¹⁴ <https://vietnamnet.vn/highlands-coffee-23-nam-khang-dinh-chat-cong-dong-trong-tung-buoc-tien-2091223.html>

¹⁵ <https://tphcm.dangcongsan.vn/tin-tuc/trung-nguyen-legend-lan-toa-triet-ly-ca-phe-thien-tai-quan-1-601662.html>

Biggest positive moving brand



Be

CEE score: 8.41
Industry: Travel & Hotels



+57
Places
from 2022

As Vietnam's most advanced technology transportation platform, Be has impressively climbed 57 positions compared to 2022, securing a place in the top 10 CEE Vietnam rankings.

In less than four years since its launch, Be has swiftly evolved its technology ecosystem, encompassing transportation, delivery, and food delivery services. Its operations have expanded across 28 provinces and cities nationwide, garnering over 20 million app downloads.

Pillars the brand stands out for: Time & Effort, Personalization

Be Group has recently secured a \$100 million loan from Deutsche Bank, 16 which they intend to invest in the advancement and augmentation of their three primary services: online vehicle booking, food delivery, and its digital bank arm Cake by VPBank. The funding will not only support expansion into new markets and the introduction of newer services but will also facilitate the achievement of strategic objectives.

What sets Be apart from competitors like Grab and Gojek is its localized approach, exemplified by their collaboration with GSM VinFast, allowing users to book electric taxis through the Be app.

Additionally, Be's competitive pricing and extensive network of 2-wheeler drivers contribute to its appeal. En route to becoming a prominent super-app, Be allows users to experience various in-app functions, including booking flights and coaches.



Time & Effort
+6.6%



Personalization
+5.8%



Expectations
+5.3%



Resolution
+0.3%



Integrity
+5.6%



Empathy
+4.7%

Vietnam CEE 2023 Respondent

“The service is quite convenient for commuting. Reliable and easy to use. Useful, reasonably priced means of transportation.”

¹⁶ <https://vir.com.vn/be-group-receives-loan-of-up-to-100-million-from-deutsche-bank-96100.html>

04 Get in Touch



4. How KPMG can help

KPMG's Management Consulting team is committed to assisting clients in their transformation journey, guiding them in making informed strategic choices based on a deep understanding of their opportunities, risks, and value creation potential. Our Customer Centric Transformation approach seamlessly connects the Front, Middle, and Back Office, ensuring a holistic transformation experience.

Leveraging the vast resources of KPMG's global network, we offer extensive industry knowledge and robust functional expertise. Our objective is to maximize client value by delivering customized, comprehensive solutions that address their specific customer needs, ultimately driving tangible results.

Customer Experience Transformation

We help our clients improve their customer journey using the rich insights we have gained from millions of points of customer feedback.

Sales & Distribution Effectiveness

We use two unique diagnostic tools (Sales Maturity Assessment, SPOT) to identify and focus on high-priority areas, and to analyze all the key areas of the sales function.

Strategic Sourcing and Procurement Excellence

We support our clients to achieve a robust business performance through better spend management, supplier management, contract management and category management.

Sustainable Supply Chain

We offer to assist the enterprise to execute a range of measures and initiatives aimed at driving the transformation, fostering a culture of sustainability throughout the organization.

Finance Transformation

We advise clients on how to use business intelligence and analytics, technology and process improvement methodologies to transform their finance function, close their books faster, define their finance operating models and make finance operations more efficient.

Organization & People Transformation

We deliver HR Transformation so that organizations can transform financial performance and market value through its people. We also help clients manage the people issues – staffing, capability, engagement, transition – as they implement significant change.

Transformation Program Management

KPMG's Business Transformation team brings together a full suite of services to deliver large scale, complex projects, changes in an organization's capabilities, markets/customers, operating model or core products/technology.



Contact us



Nguyen Tuan Hong Phuc

Partner, Head of Customer & Operations Consulting

E phuctnguyen@kpmg.com.vn



Vu Anh Kha

Associate Director,
Customer & Operations Consulting

E khavu@kpmg.com.vn



Nguyen Huong Giang

Associate Director,
Customer & Operations Consulting

E gianghnguyen2@kpmg.com.vn



Nguyen Vu Minh Chau

Associate Director,
Customer & Operations Consulting

E chaumnguyen2@kpmg.com.vn



Tran Minh Ngoc Thuy

Assistant Manager,
Customer & Operations Consulting

E tntran1@kpmg.com.vn

Hanoi

46th Floor, Keangnam Landmark 72,
E6 Pham Hung, Me Tri, Nam Tu Liem,
Hanoi, Vietnam

T +84 (24) 3946 1600

Ho Chi Minh City

10th Floor, Sun Wah Tower,
115 Nguyen Hue, Ben Nghe, District 1,
Ho Chi Minh City, Vietnam

T +84 (28) 3821 9266

Da Nang

Unit D3, 5th Floor, Indochina Riverside Towers,
74 Bach Dang, Hai Chau I, Hai Chau,
Da Nang, Vietnam

T +84 (236) 351 9051



Scan to visit our website: kpmg.com.vn
Email: kpmghcmc@kpmg.com.vn

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Limited, KPMG Tax and Advisory Limited, KPMG Law Limited, KPMG Services Company Limited, all Vietnamese one member limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Public