



The connected experience in transport and logistics

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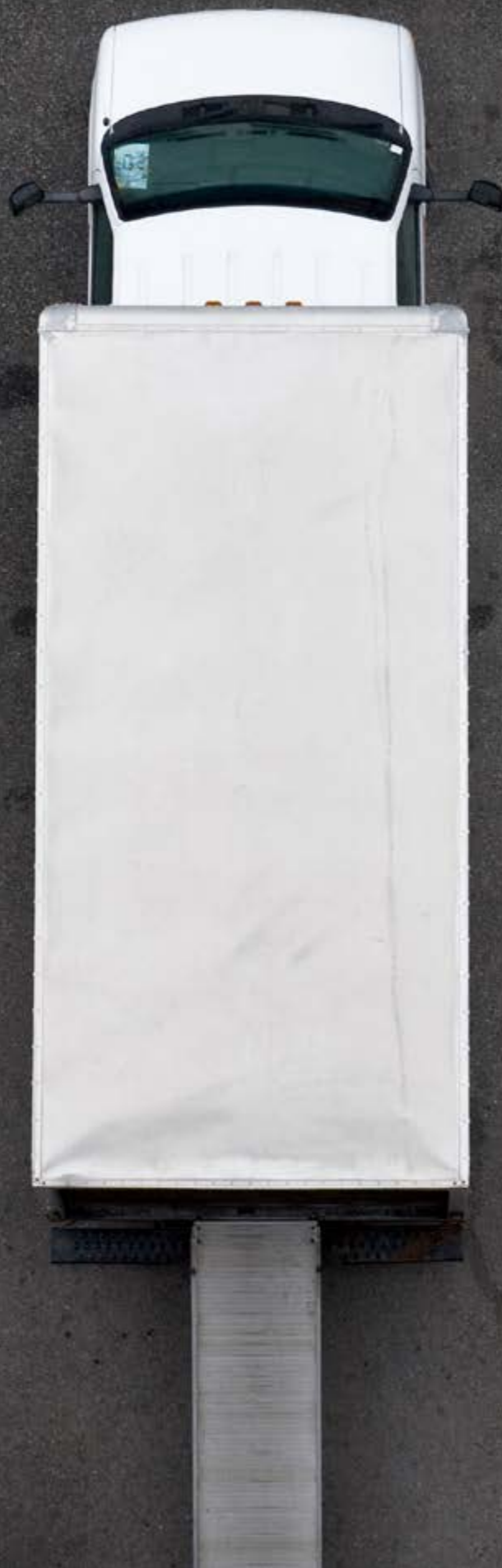
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01

Customer experience is the new battleground

The quest for growth in transport and logistics revolves around the customer. Those companies that know more about their customers, and harness that understanding to deliver a superior all-round experience, are likely to achieve greater success.

A commissioned study conducted by Forrester Consulting on behalf of KPMG, January 2019 reveals that, across multiple sectors, the top 25 customer experience leaders achieved 5 times the earnings growth and 7 times the revenue growth of the bottom 25.

Transport and logistics companies recognize this shift and are reappraising what customers want and need:



of transport and logistics leaders say their companies are focused on improving customer experience and yet,



say their businesses cannot define a differentiated customer experience.

Offering a superior, differentiated customer experience takes on even greater importance when you consider the macro-economic and competitive forces impacting the sector.

The decade-long shipping crisis has hit margins, while local public transport financing difficulties have slowed down mass transportation improvements. Developments like the Paris Agreement on climate change are accelerating a move towards lower carbon, requiring billions of dollars of investment in electric mobility and digitization to improve efficiency.

Competition is also hotting up. Technology startups are increasingly targeting the industry, often via platforms that 'own' the customer. Meanwhile, retail groups are moving into the logistics space, building their own service networks.

As they consider how to become more customer-focused, transport and logistics companies need to address two key challenges:

- Understanding what a good customer experience looks like

- Re-orienting the entire organization around the customer to ensure a strong consistent experience across every channel

In our experience working with companies across the sector, those organizations that master these two challenges tend to exhibit the following characteristics:



Excellence

A commitment to excellence and competitive superiority as part of a customer-first culture. They know what 'customer first' means to their company and then align processes, operations, culture and behaviors around this goal.



Engagement

High levels of staff engagement and employee experiences that connect with the customer experience.



Execution

An obsession with high-quality execution. They design and deliver a seamless, personal customer experience that meets evolving expectations across all physical and digital touch points, to drive engagement, satisfaction and loyalty. This calls for full integration of all payment technologies for a convenient, secure and consistent transaction experience.



Economics

Clarity on the economics of experience. Which means understanding the costs and benefits of delivering customer experience, as well as the value it brings to customers and shareholders. They harness data insights to engage with customers across channels, while also maintaining data integrity, privacy and security.

When combined, these four capabilities create a connected experience for customers, whether linking retailers and consumers, being a trusted carrier for B2B enterprises, or as key players in passenger mobility.

In this paper we will discuss why connectivity is so vital to performance in the transport and logistics sector and plot a path to customer-centricity.

The impact of a great customer experience

The top 25 customer experience leaders achieve 5 times the earnings growth and 7 times the revenue growth of the bottom 25.

02

A growing focus on customer-centricity

Transport and logistics companies recognize the importance of a customer-centric approach. According to the Forrester study of the industry’s executives, most of the main business drivers revolve around customer experience, preferences and engagement. More than two-thirds (71 percent) of respondents say their organization’s customer-centric strategy is either a top or high priority.

Furthermore, a number of these, companies are actively tracking the outcomes of their approach. 46 percent measure their return on customer-centric investments in terms of increased revenue and 48 percent through customer satisfaction.

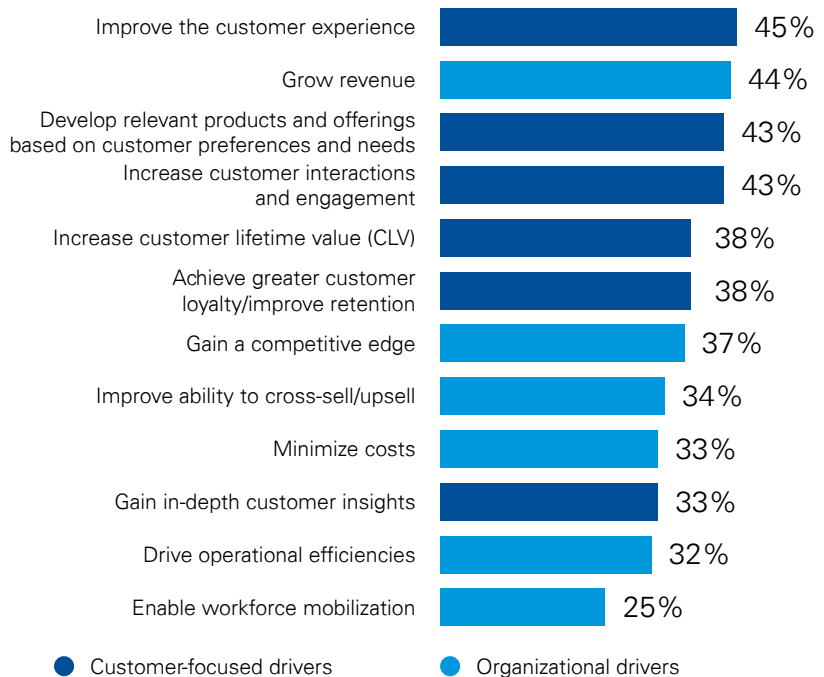
Such a focus appears to bring significant business benefits. Analysis from KPMG’s 2019 Global Customer Experience Excellence Report finds that customer experience is one of the main factors to drive engagement, satisfaction, loyalty and profitable growth.

Not surprisingly, the sector is seeing investment in technology that brings greater customer-centricity. Jernhusen AB, one of Sweden’s leading train operators, has introduced an innovative augmented reality application to help passengers navigate through the country’s busiest station via their smartphones.

Searoutes.com is another relative, technology-enabled response to new maritime regulations, which require ships to use more expensive fuel that causes less environmental harm. The software accurately calculates the most fuel-efficient route and monitors fuel usage throughout the journey. According to Searoutes.com, this can cut costs by as much as 10 percent per voyage.

A number of maritime startup hubs are emerging, typically backed by venture capital funding, to encourage incubator programs. Examples include Singapore’s Pier71 and London’s Startupwharf. Meanwhile incubator ZeBox in Marseilles is backed by world leading liner company CMA CGM.

Improving the customer experience is the leading strategy driver for customer-centricity



71 percent of transport and logistics executives say customer-centricity is either a top or a high priority

Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, January 2019

What defines a great customer relationship?

Companies committed to customer experience excellence see customers as assets to be invested in and nurtured. Which means offering more than just great products and services. But what differentiates these organizations from their peers? Through more than 3 million evaluations across multiple markets, KPMG

has identified six fundamental components – what we call ‘pillars’ – behind strong customer relationships. Organizations that embrace the Six Pillars of customer excellence have proven to achieve better outcomes, grow faster and deliver greater shareholder value.

The Six Pillars of customer experience excellence



Personalisation

Knowing the customer in ways that drive an emotional connection and brand loyalty



Resolution

Turning a poor experience into a great one



Integrity

Being trustworthy and engendering trust



Time and Effort

minimizing customer effort and creating frictionless processes



Expectations

Managing, meeting and exceeding customer expectations



Empathy

Understanding the customer’s circumstances to drive deep rapport

Digital amplifies experience

New technologies like data and analytics, automation, Internet of Things (IoT) and blockchain have an enormous potential to connect better with customers and improve the experience. To date, these innovations have only been partly integrated into few transport and logistics organizations. However, when fully utilized, digitization holds the key to closer customer relationships:

01 The user experience: where customers enjoy a personalized, convenient and memorable experience. For example, digital

freight forwarding platforms enable customers to book air, rail, road and sea freight in real time, at market prices. These platforms provide cost transparency and can actively manage a shipment throughout its transport.

02 Deep customer relationship: Relationships shift to continuous, deep contact. Some liner companies may

develop their own digital platforms, which could become an industry standard.

03 New interaction channels: Where customers interact instantly and reliably with various levels of the business.

The latest IoT sensors let logistics customers track their cargo's location and condition and can predict the journey time.

Customers are influencing many of the sector's trends

Key trends in transport and logistics to 2023	
Trend analysis using KPMG Cloud research	Rank
Data explosion (from IoT and customer transactions)	1
Automation (robots, autonomous vehicles, bots interacting with customers)	2
Changing customer needs (digital services, real-time tracking, transparency)	3
Increasing threat to corporate security (cyber security, crime, terrorism)	4
Convergence (technology players building customer relationships)	5

According to transport and logistics companies surveyed by KPMG, the single biggest trend in the sector is the explosion of data. With digital platforms and Blockchain capturing customer data, and IoT sensors constantly feeding data on product shipments, the volume of information is rising exponentially.

The challenge is not just about capturing data; it's about putting it to effective use, to understand evolving markets gain new insights about customers and their preferences, and provide instant updates on the progress of passenger and freight transport.

Automation is second on the list. In a traditionally labor-intensive, sector, automation and robotics, enhanced by AI, can help companies offer faster, safer and more cost-effective services for their customers.

Not surprisingly, customers figure highly in third place. Customers express a growing desire to connect digitally from any device through multiple channels, to track movement of goods and people, to access fast, low-cost transactions, and receive real-time communication. With new digital

players entering via freight and other platforms, the competition to own the customer interface is rising.

Given the huge volumes of data being produced, transport and logistics companies are understandably concerned about cyber security and data privacy. Customers acknowledge that providers hold plenty of personal details and appreciate when this is used to enhance their experience. But they also want to be reassured that such information is not susceptible to being stolen or used inappropriately.

Finally, convergence is a significant trend. However, the threat is clear, from technology start-ups as well as major players like Amazon, which is building a huge logistics capability. In the future, large retail groups, for example, could follow a similar path and invest in their own logistics solutions. These competitors are disrupting the market by offering a fast, efficient and flexible service to give customers what they want, when they want it.

At the same time, new mobility concepts are blurring boundaries between passenger transport and logistics, as private vehicles enter the delivery market. Such developments offer opportunities as well as threats; established logistics providers have the chance to use their platforms to access different delivery options (not all owned by themselves), thus retaining customer ownership.



03

Obstacles to customer-centricity

Customer experience is driving strategy, but cyber, organizational and people challenges must be overcome

Customer-centricity relies on realtime data insights. As the transport and logistics sector becomes ever more digitized, companies need to collect, store, access and analyze data, whilst keeping it secure and adhering to privacy regulations.

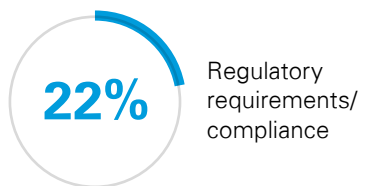
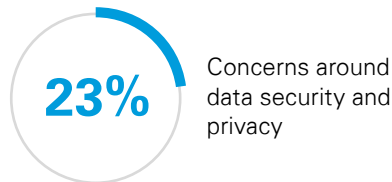
In June 2017, almost 80 ports and terminals around the world came to a standstill or experienced significant delays, following a ransomware attack on a major shipping company. Other parts of the industry have experienced similar incidents.

Data breaches and fraud pose a serious threat to customers as well as to brand reputation. In the Forrester study of transport and logistics executives, data security and compliance concerns are cited as major obstacles to centricity.

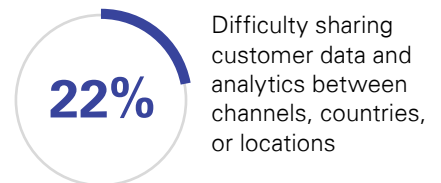
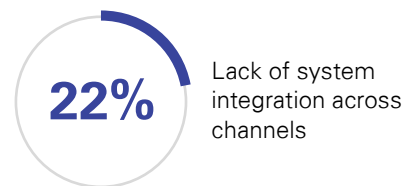
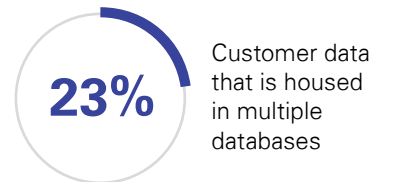
Legacy IT is another factor holding back effective use of data, with respondents pointing to multiple databases, lack of system integration and difficulties in sharing data.

Companies' customer-centric efforts are also restricted by limitations in the supply chain, and by poor alignment between front, middle and back offices. Respondents point to the lack of a company-wide customer engagement strategy, and a supply chain that cannot meet promised commitments. As mobility and other platforms bring an increasing number of third parties into play,

Security and compliance concerns



Technology and data silos



it's notable that the executives surveyed are concerned that their organizations are not sufficiently aligned with partners.

The Forrester study suggests inconsistent pricing of products and services across channels – which is a sizeable worry when operating

a multimodal strategy, where customers demand a seamless experience.

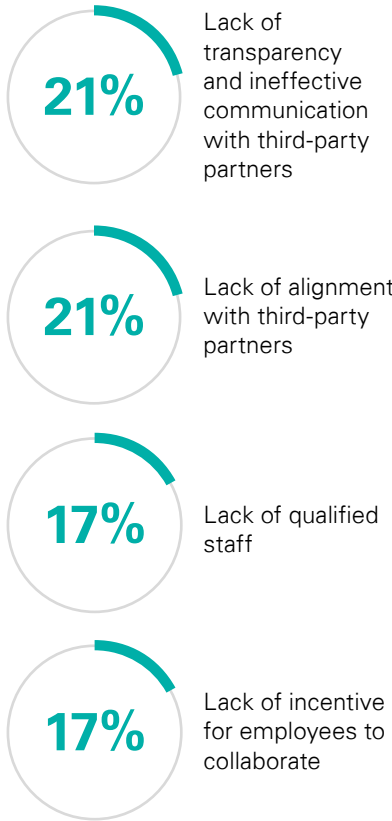
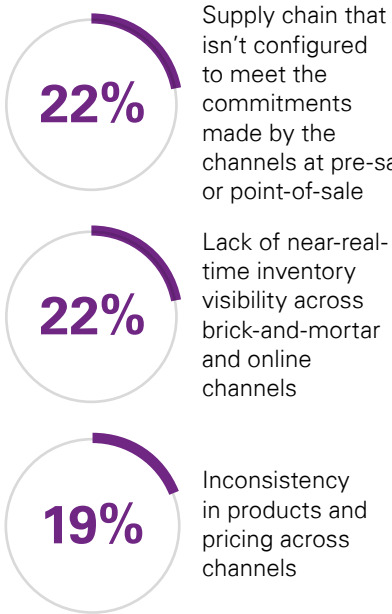
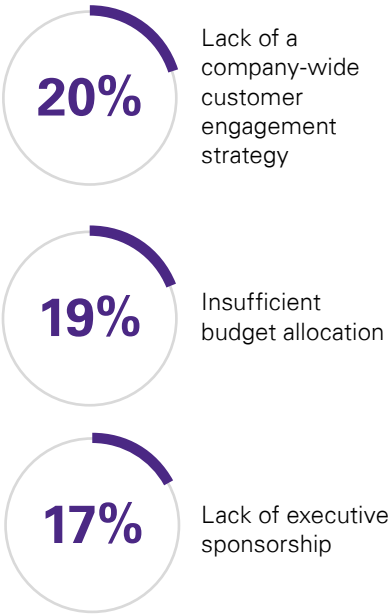
In the next section we discuss how transport and logistics companies can overcome these barriers and grasp the opportunities of customer-centricity.



Strategy misalignment

Business silos

People/process misalignment



Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, January 2019



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04

The
connected
experience

Transport and logistics businesses used to be structured around the various functions. But today, they need to be centered around their customers, to satisfy the needs of different segments.

With ever more parties involved in providing services, and with customers expecting continual access to information and services, connectivity is critical. The right connections enable companies to manage internal and external relationships and ensure that every employee – including suppliers and partners – is totally focused on the customer journey.

Connectivity also means tapping into the right technologies to drive future strategy, and all these factors, when combined, can create a connected customer experience. Organizations that exemplify this approach exhibit the following characteristics:



1. Excellence

A commitment to excellence and competitive superiority as part of a customer-first culture.

Connective excellence means customer strategy is well articulated, communicated and implemented, with a defined experience for each customer segment. At a more granular level, every individual understands the importance of each customer experience – and her/his role in influencing the experience. Such an approach leads to consistent customer interactions, which are regularly reviewed and benchmarked against best practice.

By getting closer to the customer, companies can innovate their offerings, using the power of digital, and critically, the voice of the customer should drive decision-making and strategy, by shaping how everyone in the businesses thinks about customer experience.

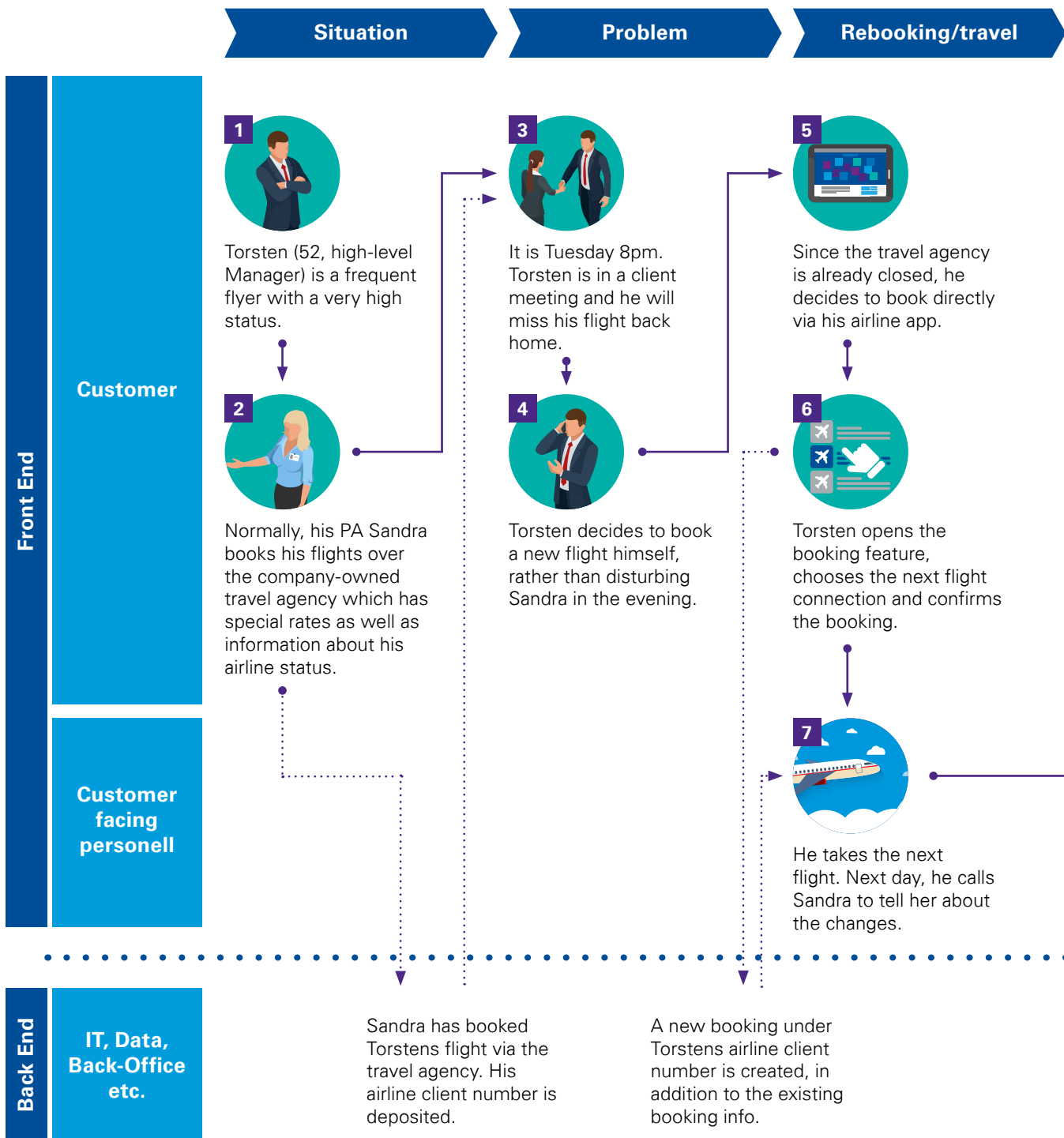
Looking beyond the transport and logistics sector helps stimulate new ideas, building on examples of excellence. Operating models should also be regularly reviewed, to ensure they optimize customer delivery. Management needs to have a defined list of prioritized initiatives that will make the difference to customer experience.

Planning a train journey with a video call

NextAgent™ is a virtual ticket office enabling rail travelers to buy tickets and speak with experts via a video link from terminals in rail stations. The machines are typically placed in remote locations where there is limited space for a full ticket office, and also act as

helpful customer information points. Customers are serviced swiftly and consistently, and a number of European rail operators have introduced the system, including at least one airport.

Example: airline industry: rebooking a flight using two different channels



Mapping out the ideal customer journey

Cancellation **Closing**



8
Unfortunately, she has initially booked a flight rate which can be changed but not cancelled.



9
Sandra calls the airline's customer service and explains the situation.



10
The agent tells her that since the prior flight has already gone, there is no possibility to change the booking.



11
Now the trip cost has doubled causing inconveniences



12
Torsten is disappointed

Line of Visibility

The agent has a look at Torsten's client data and bookings, recognizes his frequent flyer status and the last double-booking.

Areas of improvement :

- A smarter reservation system to flag duplicate bookings.
- Smooth connected systems linking travel agency/booking platform data and the airline app to rule out any data leakage. So it can recognize a duplicate booking in temporal proximity. Like in our example; two flights booked for a traveler, on the same day to the same destination at a slightly different time.
- Ability to make exceptions to meet the client's needs and define a signature moment in the customer journey.



2. Engagement

Creating the right environment to deliver a great customer experience

In an engaged business, the entire culture supports customer-centricity and the customer strategy. Employees are constantly thinking how they can differentiate the experience for every customer interaction, and they are encouraged to come up with new and better ways to meet customer needs and are given a degree of freedom to put such ideas into action. Indeed, the concept of a 'customer-first' culture is as important as the products and services.

The entire employee experience needs to be in tune with the desired customer experience, with employees encouraged to anticipate customer needs and exceed their expectations. Performance management, incentives, behaviors, and customer communications and feedback should all be based around delighted customers. Customers should be the first thing every employee thinks about every day. Great examples of customer experience are shared regularly, and customer feedback is collected continually and used to drive improvements.

Southwest Airlines: Prioritizing employee engagement to improve the customer experience

In order to drive competitive advantage in a highly competitive and regulated industry, Southwest Airlines is empowering employees to take ownership in the company brand. Employees were asked to design a new flight attendant uniform, and in addition, Southwest began quarterly employee surveys on employee engagement. The airline also encouraged attendants to be "creative and funny" on safety announcements. Results appear highly positive: Southwest continues to rank as a top US employer, being the only airline to place top 20 in the 2017 Employee Experience Index. Their annual revenues have grown by about US\$140 million.



3. Execution

Transforming the organization around the customer journey

Any gaps between customer expectations and service quality are likely to be ruthlessly exploited by competitors.

In a customer-centric business, the 'voice of the customer' dictates the design and delivery of services. It's not enough to simply have continuous feedback

– companies must act on these messages to give customers what they want and maintain a consistent experience across all channels. But surveys and research alone will not drive change; a wider 'voice of the customer' program pulls together data from multiple internal and external sources to provide a single view of what individuals and businesses really want. Such a program measures the entire experience throughout the customer journey, which drives improvement and innovation.

Customers in any sector receive a variety of services from different parts of the organization. Traditional functional design is ill-equipped to offer a seamless journey, hence the need for centrality, integrating Operations, Marketing, Sales, Customer Service and Finance.

The ability to design a customer experience should become a core capability in organizations, with leaders placing a high priority on excellent execution to achieve this goal.

All of these factors are leading to a multimodal view of customer journeys, involving multiple players.

Towards multimodal: managing every step of the journey

To be truly customer-centric, transport and logistics companies must offer a consistent brand experience for every interaction, through every channel. They should carefully consider how products and services are delivered at every touchpoint. Employees should have a complete and up-to-date view of every customer transaction, so they can respond to queries instantly. Faced with legacy systems that don't communicate with each other, and functions that operate independently, businesses have a huge and complex task creating an organization and culture that takes a single, multimodal view of the customer. Fortunately, the technologies exist to make this happen.

Some automakers are taking steps in this direction by moving into multimodal mobility services that encompass every stage of a journey including car, bus, train, ship and airplane. They are looking to make more use of multimodal travel planning and intelligent transport systems (ITS). Such systems provide passengers with useful details throughout the journey, to simplify customers' decisions and make travel more efficient. For example: Daimler's mobility service, Moovel, allows people to plan an entire trip through its multimodal mobility platform that integrates public and private transportation. Moovel had over 6 million users as of February 2019.

Travel data plays a crucial role in ITS – something that the European Commission has recognized in its multimodal strategy blueprint.

The EU study Towards a European Multimodal Journey Planner supports the development of national and regional multimodal journey planners, establish links

between existing planners, and enable door-to-door journey planning services. This study was also the first step towards creating specifications for EU-wide multimodal information services, elaborated under the ITS Directive.

IoT and new related technologies can vastly improve transport – especially rail services. Rail companies are adopting predictive maintenance by using a variety of sensors on critical parts of trains and tracks. These sensors provide vital information to assess the condition of assets, to avoid costly repairs and breakdowns, making rail travel more efficient, reliable and safe.

Technology startups like Hawkeye 360 and Clearmetal use sensors to monitor activities across air, land and sea, to predict the journey time of shipments as well as the early identification and remediation of faults.



4. Economics

Enhancing the customer journey to optimize costs and revenues

The customer journey is at the heart of customer experience economics.

Each stage in the journey presents significant opportunities to reduce costs and improve revenue.

The Forrester study suggests that, across multiple sectors, brands that improve the customer journey enjoy revenue increases of 10 to 15 percent while lowering costs by 15 to 20 percent.

There are significant inefficiencies in a typical customer journey involving an array of touchpoints including online, face-to-face, phone, app, operations and logistics. A call center might respond to a passenger complaint at a car rental company about a damaged car, or long waiting lines at the pick-up points, but not identify or solve the root cause quickly enough, causing other customers to complain about the same issue. In many cases, poor design slows down the overall process or creates workflows that are duplicated and wasteful, adding cost and impairing the customer experience.

Brands that improve the customer journey can enjoy revenue increases of 10 to 15 percent while lowering costs by 15 to 20 percent.

At the same time, opportunities to increase revenue continually arise, but few organizations are positioned to make the most of them.

Detailed analysis of the customer journey reveals ‘moments of truth’. This might involve a retailer whose shipment of the latest fashion is running late, or a

manufacturer whose supplies of vital parts appear lost in transit, and so on. According to our Forrester study, an initial positive experience increases trust and makes customers more likely to cross-buy other products and services from your organization. And, of course, the reverse is also true, with a poor experience increasing the chance of attrition.

Many firms are incentivizing customers to talk about their experiences on social media. Such interactions present opportunities to cross-sell while collecting vital information that can be used to personalize relationships and identify future sales.

Companies investing in customer experience must be clear about the commercial benefits. This calls for a deep understanding of the drivers of customer value and the specific revenues that may ensue.

Analyzing key segments over time reveals how customer value changes based on their experiences.

Once any ‘pain points’ have been identified and their potential impact assessed, it is possible to evaluate the cost-benefits of addressing them. Savings may include fewer inbound calls to handle, fewer complaint escalations, and fewer visits to dissatisfied customers.

Understanding customer value

Of course, budgets have limits, and it’s important not to ‘over-engineer’ services to the extent that they cease to be profitable. Few transport and logistics companies understand the true lifetime value of customers, with CFOs rarely involved in such assessments. A financial measurement framework links high-level customer metrics (like such as customer satisfaction (CSAT) or new Net Promoter Score (NPS) to the actual financial contribution. It also measures any change in value from modifying the customer experience.

Measures of enhanced customer experience include cost reduction, revenue increases and gains in market share, all of which raise value.

Armed with precise customer journey cost-and-revenue analysis, organizations can make informed investments in customer experiences that deliver the highest returns over the lifetime of the relationship, bringing value to both themselves and the customer.

How much to invest in customer experience?

Evaluating the cost-benefits

- Arranging a separate delivery of a late item to a major customer: cost of transport and people versus customer satisfaction and enhanced reputation and endorsement
- No-quibble returns policy: cost of transport and risk of wastage versus customer retention
- Refunding fare for travellers whose train was delayed: cost of fare versus future customer business

05

Investing in connectivity: creating a customer- centric business

The way in which companies are structured has a huge influence on the customer experience delivered by employees. Connective thinking helps drive innovation and service improvement.

The quality of ideas that a business generates is often given scant, if any, attention. Ideas indicate closeness to the customer and have many sources, from informal conversations by the water cooler to meetings and conferences.

Our brains prefer to work by connecting ideas and concepts to form new ones. Unfortunately, modern organizational life has led to mechanical thinking, meaning that we are ruled by habits, automatic departmental associations and historic responses.

Getting stuck in fixed patterns of thought leads us to make fewer and fewer connections and, as a result, companies are being left behind by startups and digital technology firms unencumbered by the past.

It is the quality of their customer ideas that has propelled organizations to the top.

However, few businesses are structured in a way that facilitates integrated, holistic thinking about customers and their needs.

Indeed, good customer ideas rarely see the light of day. Companies simply recycle or reinvent what has worked in the past because it is safer to do so. But this mindset is illusory as rising expectations render traditional customer practices obsolete.

Organizational design is often an outcome not an input; a function of history and turf wars, numerous forums, steering groups and processes that have grown randomly and incrementally.

Businesses that map the customer journey recognize the shortcomings of functional structure and cross-functional journeys. This drives duplication and inefficiencies that impact both customers and costs.

Most organizations are still hierarchies, designed to maintain the status quo.

There has been a movement towards matrix structures with 'customer journey owners' and journey steering groups. But even these are only halfway houses that are complex to manage and inflexible.

Our Forrester study reveals that more than 30 percent of Fortune 500 companies have now moved to more customer-centric operating models. For some, this involved structuring around customer need groups, for others around customer segments; but each of these transformations required a thorough reappraisal of how to get closer to the customer. These companies have enjoyed dramatic improvements in the ideas and innovations that cement customer relationships. They are transforming good ideas into customer benefits faster than their competitors.

This has not been without pain or financial impact. Indeed, many of these companies saw profits fall in the first and second year before recovering and then increasing.

Companies are starting to move towards customer-centric business models.

Case study: Designing compelling customer propositions for one of the world's busiest airports

The Challenge:

- Understand what it's really like to travel to, from and through the airport
- Define the future travel experience and new service innovations
- Create capability in designing customer experience

The airport management recognized that merely changing physical assets would not be enough to produce a step change in passenger satisfaction and revenue growth.

How KPMG helped:

KPMG professionals were asked to lead the design and development of innovative, commercially viable propositions to delight passengers and power revenue growth.

The KPMG team deployed our Experience Design and Engineering method and tailored this to our client's specific culture and requirements.

Real passengers were engaged to ensure that future experiences truly met their needs and expectations. The first step involved understanding the current customer experience across all customer segments (for some 75 million passengers), including the physical journey and the emotional experience. While this made uncomfortable reading for the client

leadership team, they demonstrated tremendous commitment to redesign journeys around passengers' needs. KPMG worked with 70 enthusiastic employees from across the client's business to develop its in-house experience design capability. Using design thinking techniques, we identified more than 500 potential innovations that would both improve passenger experience and drive additional revenue. By combining the airport team's creative innovation and design capability with KPMG's financial analysis skills, together we developed 'CFO-credible' business cases and implementation roadmaps.

Finally, client developed a series of activation plans to prepare the organization to implement these pioneering new business models.



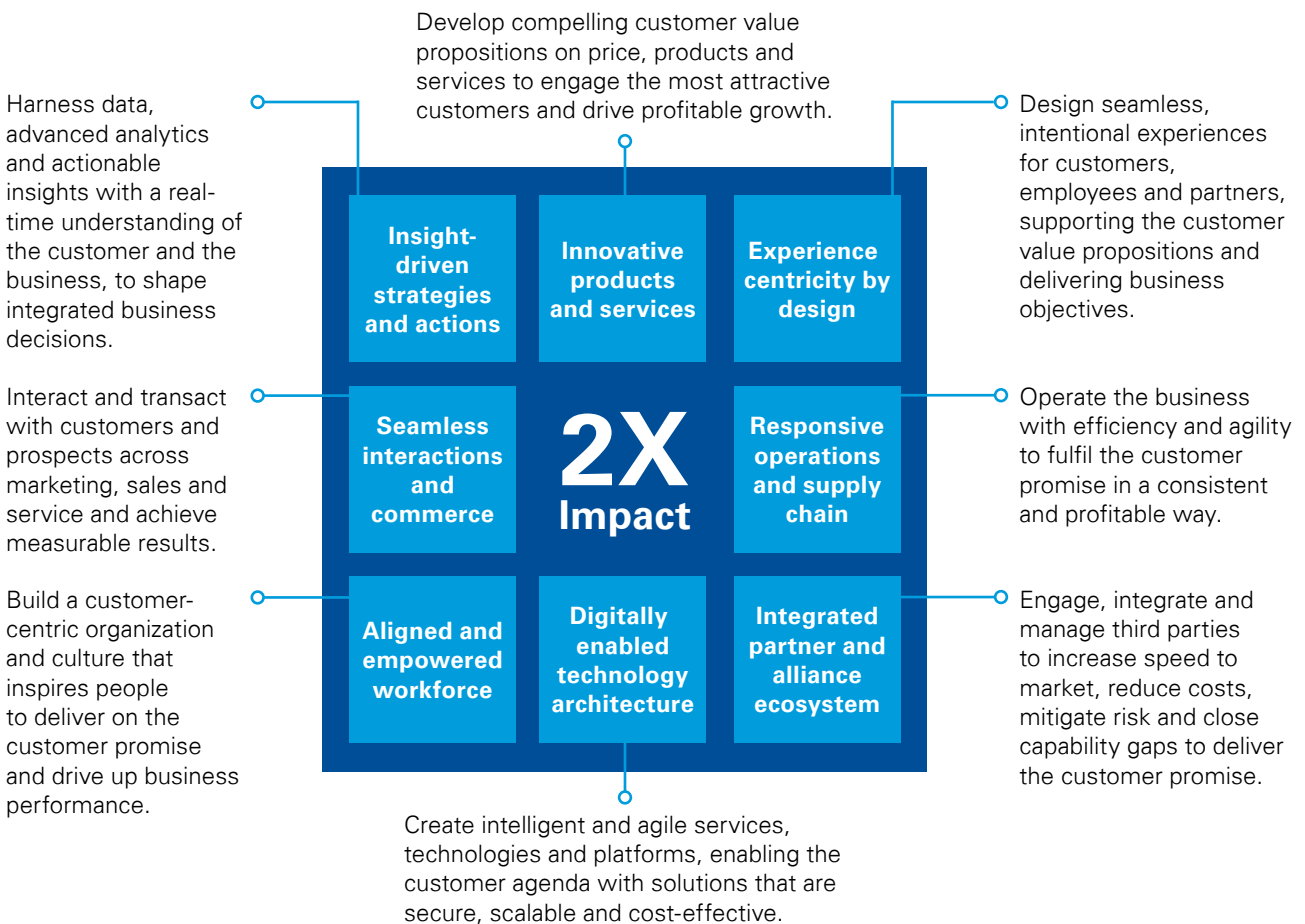
Rethinking the corporation to embrace connectivity

How can transport and logistics companies embody customer excellence, engagement, execution and economics within their corporate operating models? What's often holding them back is a disconnect between the front, middle and back offices.

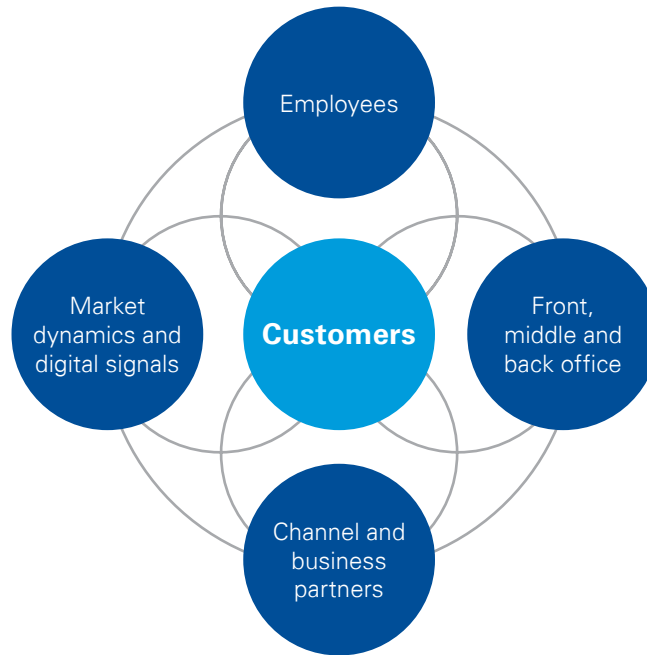
With the complex value chains in the sector, there's a temptation to see the customer as just one more link in the chain. A Connected Enterprise, on the other hand, begins with the customer and ensures that every part

of the organization, as well as its partners and suppliers, are connected around this goal.

As per our Forrester study, almost 50 percent of CEOs, across multiple sectors, believe they need to align their front, middle and back office functions to deliver customer-centricity and growth. KPMG has identified eight fundamental capabilities that will help organizations become connected enterprises:



A connected enterprise is centered around the customer

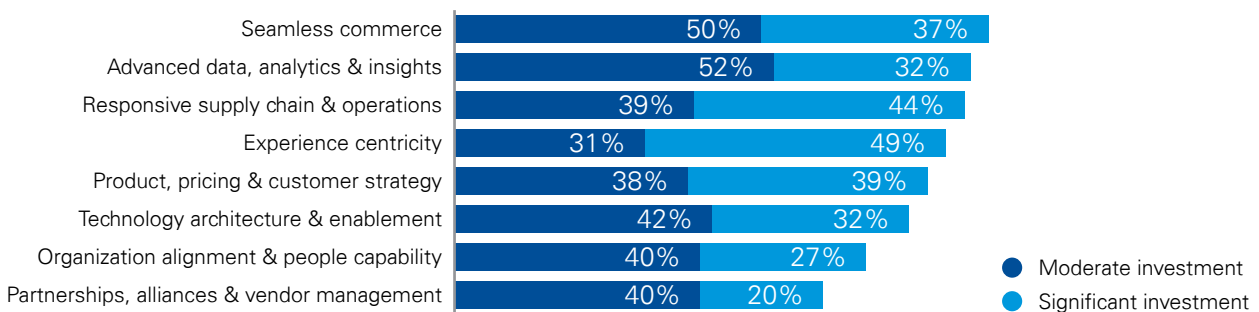


According to a 2019 global KPMG survey of transport and logistics executives, the sector is investing most heavily in seamless commerce, advanced data and analytics, and a responsive supply chain and operations. However, when it comes to 'significant' investment, the top choice is 'experience centricity, reflecting the shift to customer experience.

Examples of investment can be found in public transport systems such as London Underground and

Tokyo metro, which have both moving to cash-free payments, replaced tickets and tokens with smart cards, contactless payment and mobile ticketing apps. In March 2018, Germany's Deutsche Bahn started the first digital 'interlocking' trains in Europe. This new system enables signal commands to be transmitted to points via a wireless intranet, eliminating the need for thousands of miles of cables. It also lets controllers manage signals and points from a far greater distance, cutting costs and improving efficiency.

Expected investments in customer-centricity in the next 12 months



Shipping has also seen extensive digitization. The Port of Antwerp, in Belgium, uses the NxtPort data utility platform to link maritime and logistic companies and industry associations using the port. The platform allows faster, efficient and cost-effective transfer of data

between the different players. One of the key benefits is increased transparency across the entire shipping process – from tracing goods to real-time tracking and proactive queries.

Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018

06 Key takeaways

Human interaction today has been digitized. People and businesses are connected – and they expect their transport and logistics providers to offer a fully connected experience.

However, the Forrester study indicates that many industry executives feel their companies have some work to do if they are to meet these demands. Less than half (48 percent) believe they can offer true experience centricity, and only 45 percent say they are effectively using data to drive insights and actions.

On the plus side, 63 percent believe their organizations are building strong partnership ecosystems, and 64 percent feel they're well on the way to offering seamless interaction and commerce.

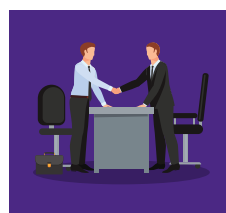
As they consider the path to a connected experience, leaders should address the following challenges:

Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018



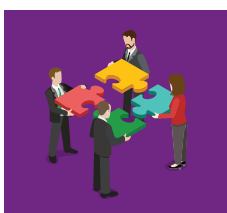
1 Excellence

- The 'voice of the customer' drives strategy
- We have defined what an excellent customer experience looks like for each targeted segment



2 Engagement

- We continually communicate the 'customer-first' culture and strategy
- We encourage and incentivize employees to constantly address and improve customer experience



3 Execution

We have a 'voice of the customer' program to measure and continually improve the customer experience

- We have aligned all parts of the organization – including third parties – around the customer, to deliver a seamless, multimodal and personal customer experience



4 Economics

We understand the precise costs of each customer journey and the overall cost-benefit of improving the customer experience, in terms of lifetime value

- We link high-level customer metrics to customer and shareholder value

07

How KPMG can help you deliver a connected customer experience

Our transport and logistics professionals have extensive experience at the cutting edge of the sector, working with airlines, freight and shipping companies, ports, and rail, bus, and transit operators. We understand the financial and operational drivers of the sector and can help our clients deal with current and emerging issues such as disruption, market consolidation, deregulation, public private partnerships and financing.

We understand the impact of key industry trends and challenges and help our clients to promptly act on those to thrive in a tough competitive market.

We offer a new perspective on where to start, how to prioritize and how to navigate the journey. Our teams have the insights, skills, experience and resources to help clients deliver on the promise of a customer centric business as well as increased customer satisfaction and profitability. KPMG methodologies span strategy through execution and leveraging the power of our entire global network.

KPMG's Customer Advisory practice works to provide a spectrum of connected customer enterprise transformation services across all stages, including diagnostic assessment strategy, design, prototype, road map, deployment and monitoring. A number of service offerings, aligned to the eight capabilities, are embedded in the architecture that underpins the connected customer enterprise framework.

Together, we help you develop and deliver seamless, personal customer experiences that drive engagement, satisfaction and loyalty—and profitable growth. Master the economics of the customer experience and strategy.

Get in touch today!



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