



Orchestrating the connected customer experience

Customer Experience Excellence in
Saudi Arabia 2022



Content

Foreword	4
About the research and methodology	6
Study statistics	7
Sectors covered in the research	8
The Six Pillars of Customer Experience Excellence	10
Ranking of all sectors' performances	12
Average net promoter score for all sectors	13
Non-grocery Retail	14
Grocery Retail	15
Financial Services	16
Travel and Hotels	17
Restaurants and Fast Food	18
Entertainment and Leisure	19
Telecom	20
Utilities	21
Logistics	22
Drivers of customers loyalty and advocacy	24
Key trends	26
Challenges	27
Implications on organizations	29
How KPMG can help	30

Foreword

At its heart, customer experience should be simple; treat customers well and ensure they feel valued so that they keep coming back and advocate for new ones to come and stay. The reality is, this oversimplification can be hard work for the enterprise to plan, execute and maintain.

Increasingly, there are many moving parts that don't always work well together. There are everyday business needs, like hiring and training, adopting technology, maintaining costs while managing a relevant product portfolio. Elements that make it easy to be diverted from the consistent delivery of the right customer experience in a way that supports delivering compelling customer economics.

It has become evident that designing and delivering compelling customer experiences needs a high degree of orchestration across the business. This orchestration requires breaking down complexity and aligning the business around the customer; based on a deep understanding of the customer segments, their needs, the surrounding marketplace, and how the organization responds to those needs.

For some this has involved a complete reset, for others reconceiving how they make the most of potential opportunities, but for all it has meant a fixation on the customer to deliver an experience that 'works' well.

Achieving significant growth, however, is less straightforward — it requires concentrated thought about the customer, their lives, their problems and how they might be solved. It involves answering the questions: "Do we need to sell more to existing customers, or do we need to attract new ones? Are there segments that are being underserved with unmet needs, or should we focus on new segments altogether?"

Organizations have also had to give due consideration to their culture, and whether it will accelerate or inhibit their strategy. They have had to be clear on how their employee experience drives the desired customer experience while seeking to foster an agile culture and ensure that the organization consistently thinks customer-first.

Traditional companies have had to consider how they align customer journeys with internal departmental responsibilities and how they embrace agile-at-scale in a functional environment. Enterprise-wide adoption of advanced technologies requires new ways of thinking about how technology is introduced — moving away from the traditional waterfall development to minimum viable product releases that are then refined and improved.

For some organizations, the urgent fixes required to deal with the Covid-19 pandemic were short-term and probably not suitable or sustainable over the long term. However, the leaders in our research have responded rapidly and decisively to the challenges of the past year. What previously took years to achieve has been completed in months. This has required the careful orchestration of capabilities, managing both their interconnections and interdependence.

As part of this global survey, already twelve years underway, we assess emerging customer experience leading practice across 26 countries, regions, and jurisdictions with over 88,000 consumers rating their experiences with some 2,900 companies to identify the organizations that are leading the pack. This year, we ran this survey for the second time in Saudi Arabia, surveying 1,500 customers and 96 brands, and are glad to present you for the first time with this comprehensive publication.



Adib Kilzie

Head of Customer Experience,
Cloud and Enterprise Solutions
KPMG Professional Services

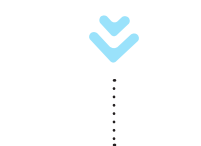


About the research and methodology

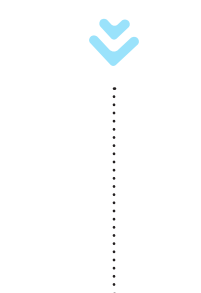
In this our 13th edition of the global, annual KPMG Customer Experience Excellence (CEE) survey we share the insights from our research with 1550 consumers who have evaluated their experiences with some 96 organizations across nine different sectors. It is the second time this survey is run in Saudi Arabia.

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

Research



Analyze



Apply

From June to August 2022, research for this survey was conducted. A nationally representative sample of respondents were asked to complete an online survey. The survey included 96 brands with a large customer base and local presence across nine different sectors in Saudi Arabia.

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

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

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

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

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

Study statistics



Survey period

**Jun/Aug
2022**



13 years

of ongoing research in
the field of customer
experience



90

brands reached the
minimum customer
responses rate



1550

number of
respondents



52%

male respondents



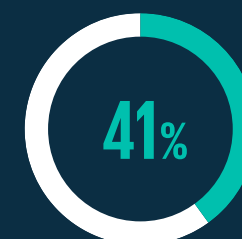
48%

female respondents

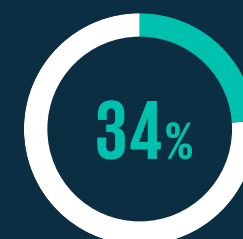
Average age of respondents:



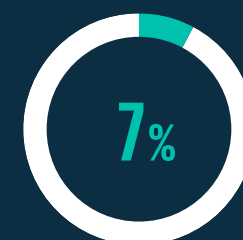
of respondents ages were
between **18 to 24 yrs**



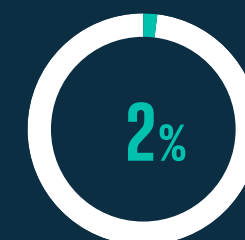
of respondents ages were
between **25 to 34 yrs**



of respondents ages were
between **35 to 44 yrs**



of respondents ages were
between **45 to 54 yrs**



of respondents ages were
over **55 yrs**

Sectors covered in the research



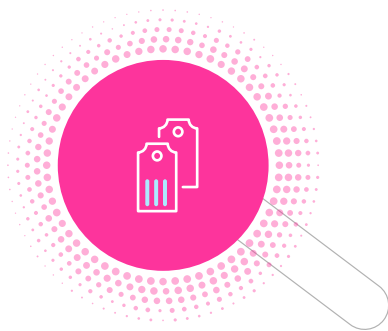
Travel and Hotels



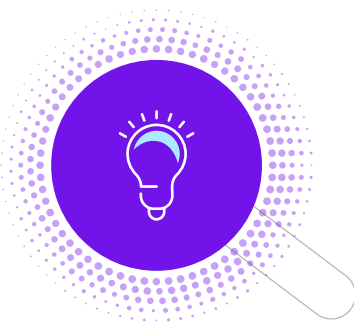
Grocery Retail



Logistics



**Non-grocery
Retail**



Utilities



**Restaurants and
Fast Food**



Telecom



**Entertainment
and Leisure**



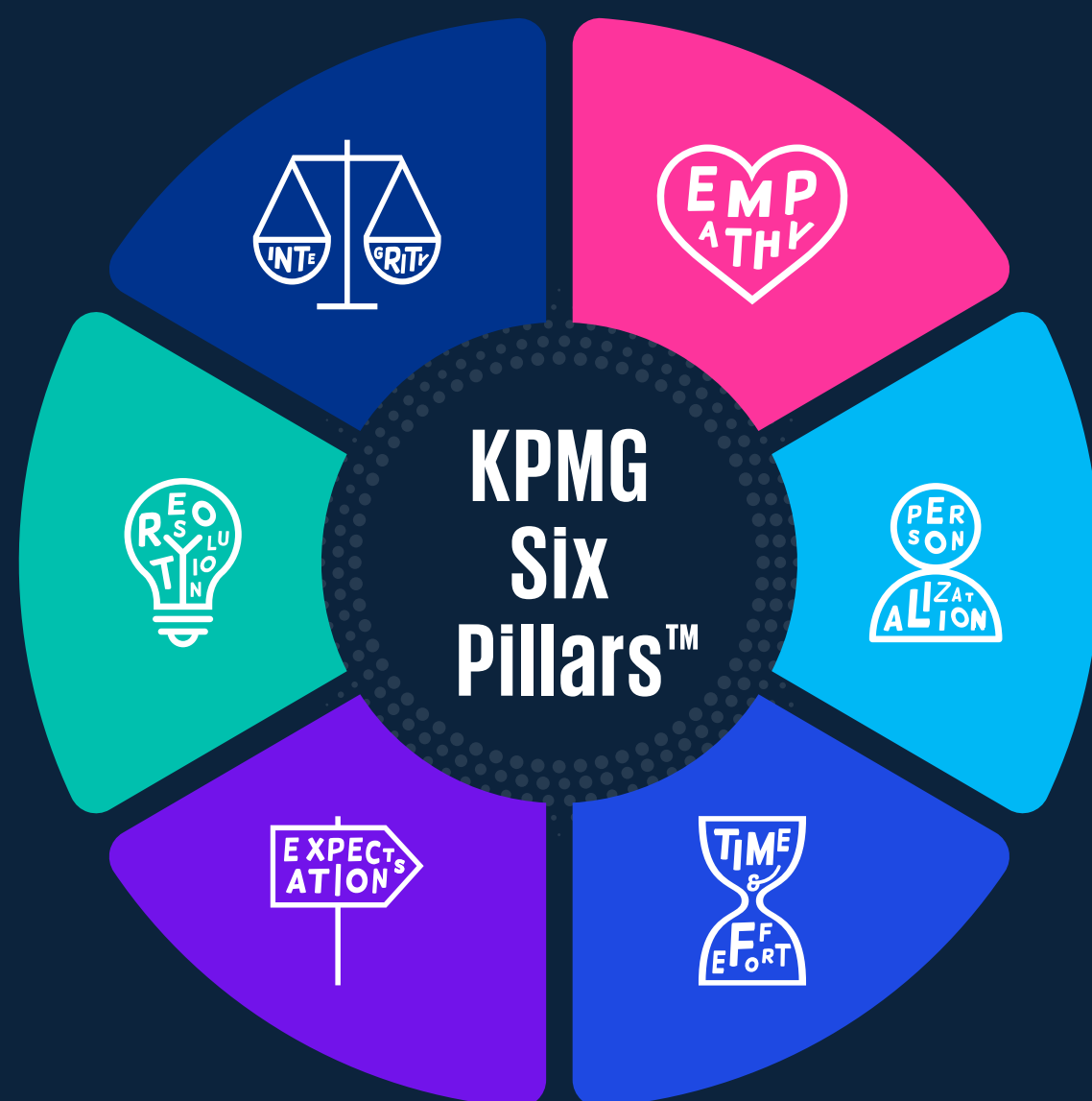
**Financial
Services**



The Six Pillars of Customer Experience Excellence

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

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



Empathy

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



Personalization

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



Expectations

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



Resolution

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



Integrity

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

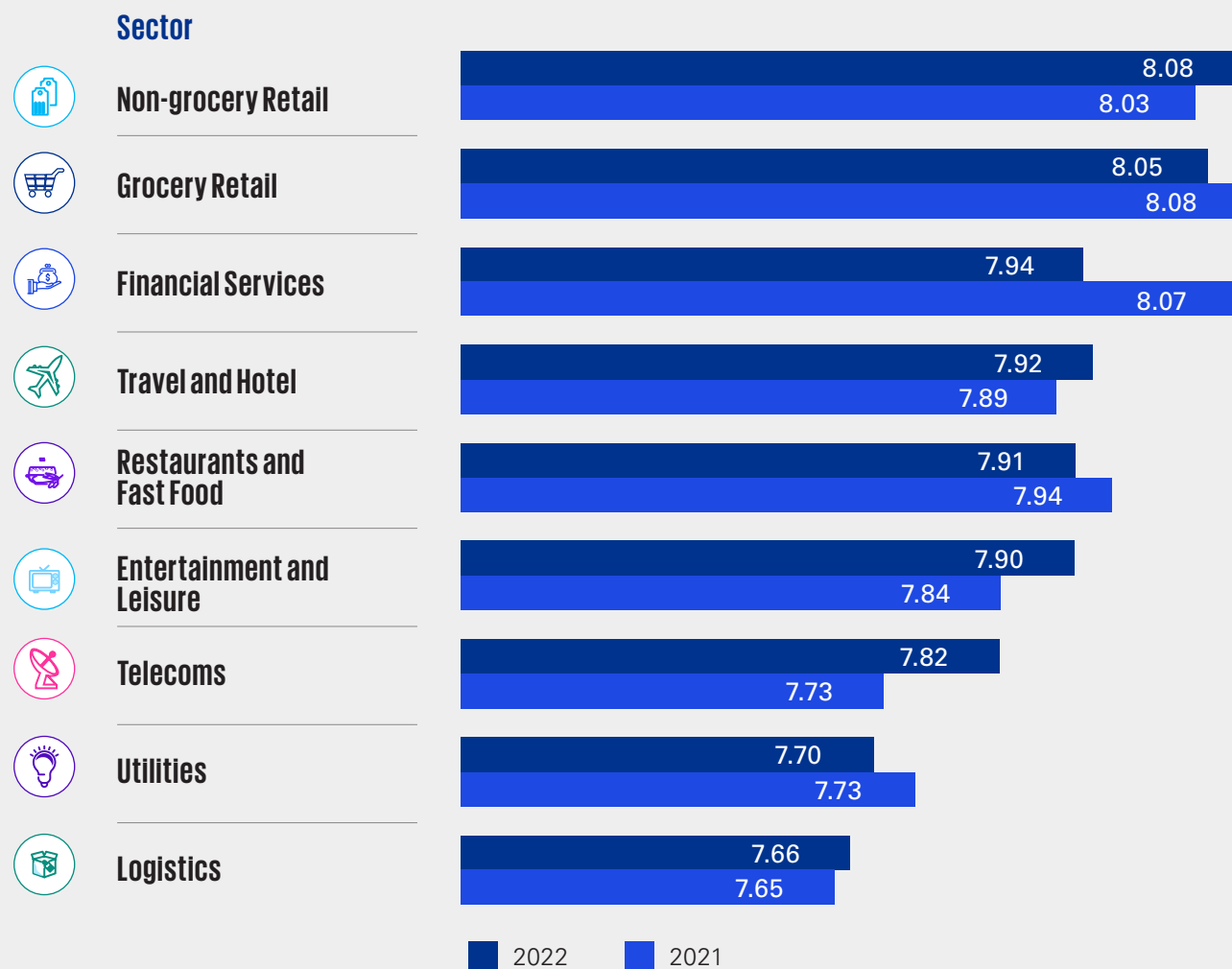


Time & Effort

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



Ranking of all sectors' performances



In terms of overall CEE performance, the non-grocery retail sector leads other sectors in Saudi Arabia with its score and exceeded last year's performance. The grocery retail sector follows closely. Overall, the progress seen in these two sectors is a clear indicator of how non-grocery retail sector and grocery retail have essential roles to play in consumers' lives.

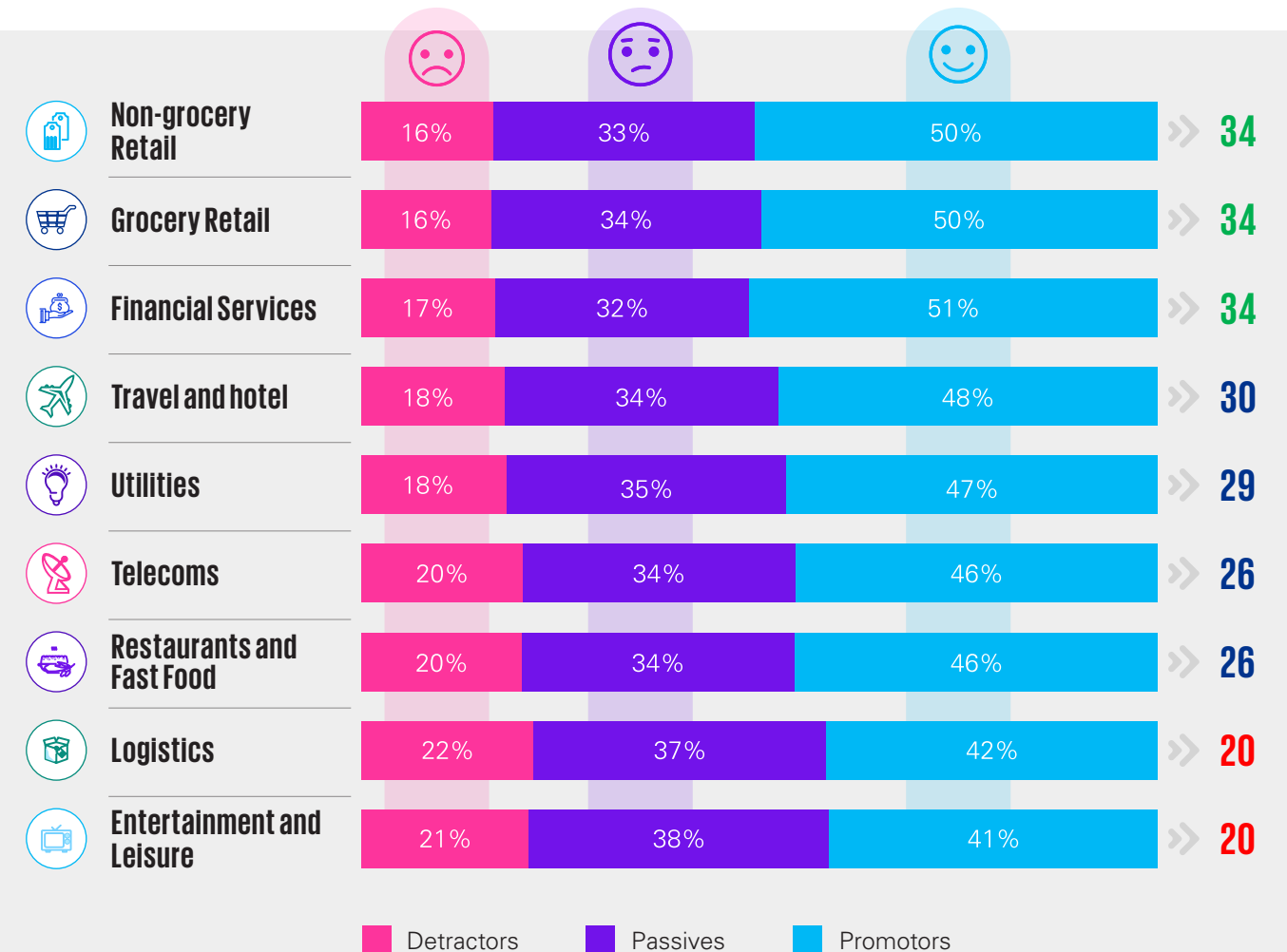
Moving down the chart, the financial services sector marks a noticeable decrease compared to last year's score which indicates huge expectations from customers that brands in the financial sector need to

take into consideration. Travel and hotels, restaurants and fast food, and entertainment and leisure comes after with close scores for each one.

Finally, utilities, telecoms, and logistics sectors feature at the bottom of the ranking. As we know, these sectors have been highly commoditized over the last few years and "opportunities to delight" (i.e., the chances you have as a brand to really make an exceptional impression on your client) have de facto become rarer.



Average net promotor score for all sectors



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

Customers who have answers of 0 to 6 called **detractors** indicating that customers are not particularly satisfied by the product or service.

Customers who have answers of 7 and 8 called **passives** indicating that customers are neither emotionally invested or disengaged, where their scores were left out of the NPS calculation.

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

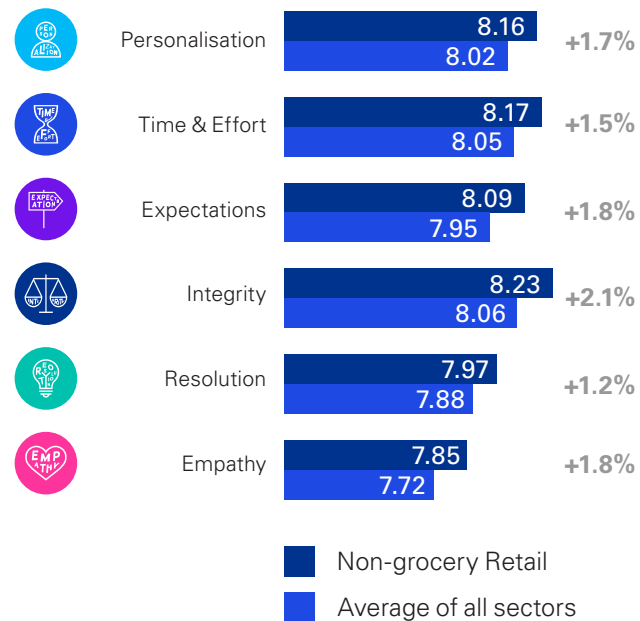
The final NPS score is the difference between the percentage of promoters and detractors; it is calculated by the following formula: % of promoters minus % of detractors

In order to recommend a brand, it must meet the expectations, as is shown that it's the most pillar that makes customer confidence by putting their neck on the line and by recommending the brand to others. In comparison of all sectors in the NPS index, non-grocery retail, grocery retail, and financial services scored the highest. On the other hand, logistics, and entertainment and leisure scored the lowest.

Non-grocery Retail

Overall score: 8.08

1st



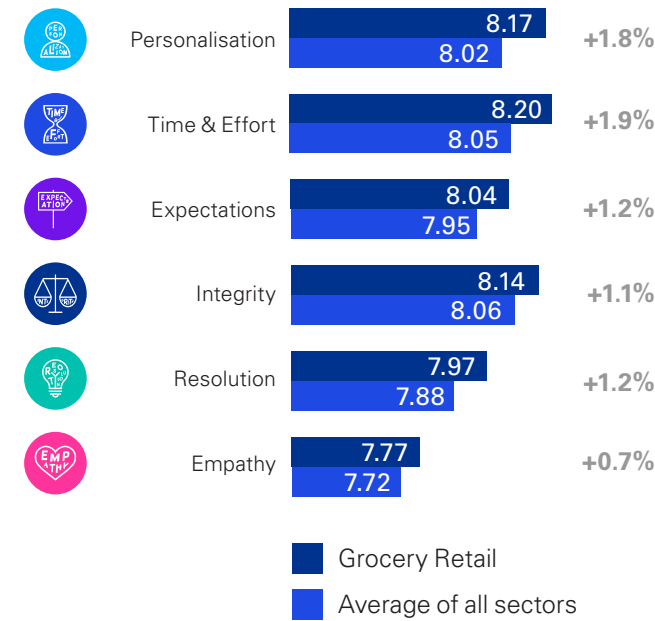
The non-grocery retail sector sets high standards for the other sectors by ranking highest in this year's CEE survey. The impressive data statistics indicate great progress across most pillars, most notably in Loyalty. The sector managed to continue and retain high standards or customer experience throughout the last two years, as it achieved a top 3 position also in 2021.

The Quality of products and services is an essential factor as well as it is vital in any brand's success, and as its clearly shown in the data, brands of the non-grocery retail sector seem to have that covered. Marketing strategies are also a big influence on customers. When brands participate in holidays by doing promotions and campaigns and nice gestures such as discounts and so on, customers are influenced positively, which eventually leads to customer satisfaction. All the factors mentioned above have a big role for the win of this sector in this year's survey.

Grocery Retail

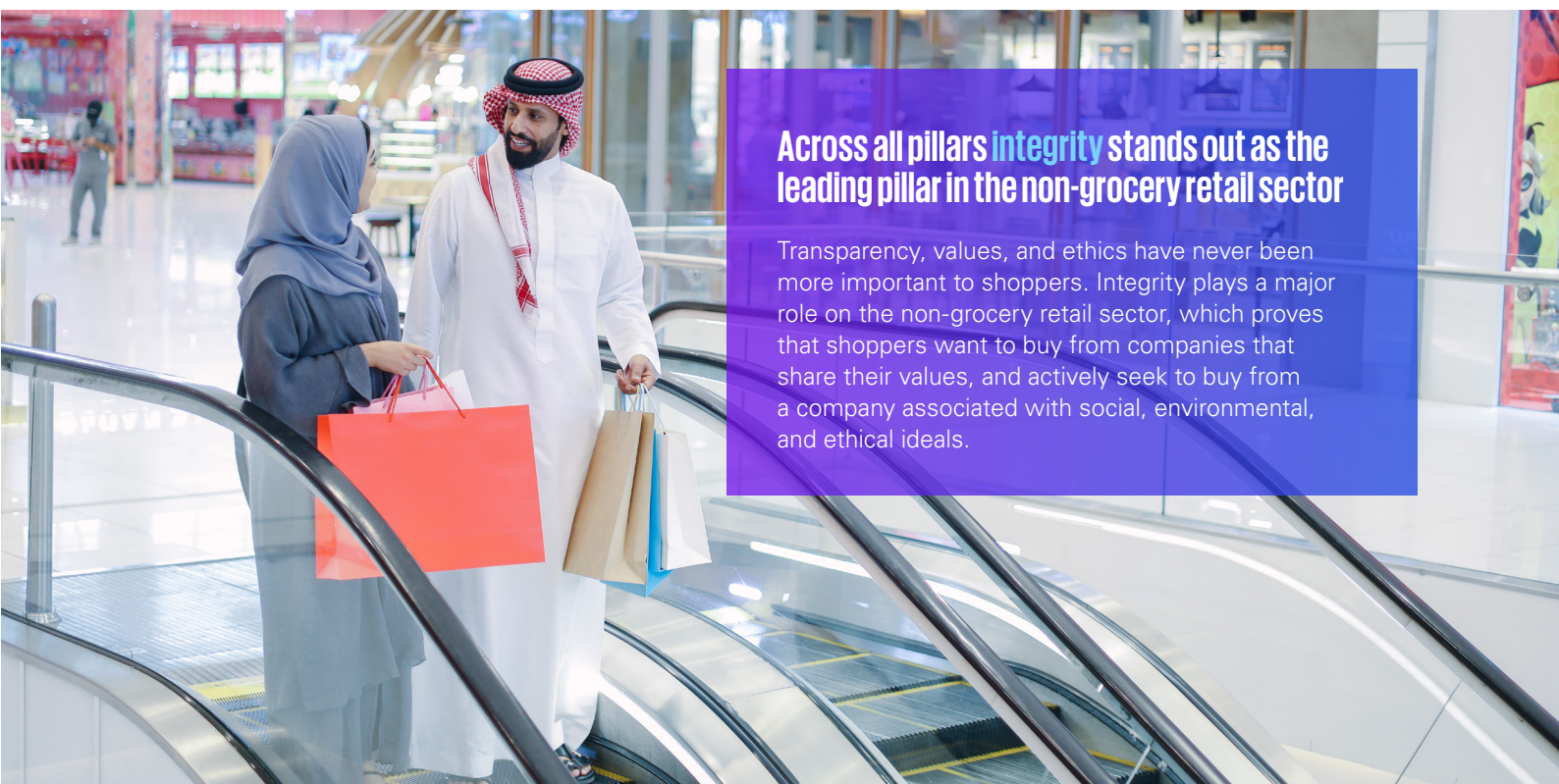
Overall score: 8.05

2nd



Scoring above average of all sectors, grocery retail managed to meet customer expectations and maintain its strength and resilience. As one of the top 3 sectors in 2022, the grocery retail sector recorded remarkable results in our CEE report in most pillars.

Enabling customers to have the convenience of ordering online and getting the order delivered right to their doorstep by just a click is a success factor. The shopping experience is considerably more than just buying the grocery list items, as customers also expect a good service and an organized store. Saudi brands surely met those expectations as they offer a smooth fast service and a systematized product distribution, which ensures a good shopping experience for the customer, and therefore explains the high score in the Integrity pillar.



Across all pillars integrity stands out as the leading pillar in the non-grocery retail sector

Transparency, values, and ethics have never been more important to shoppers. Integrity plays a major role on the non-grocery retail sector, which proves that shoppers want to buy from companies that share their values, and actively seek to buy from a company associated with social, environmental, and ethical ideals.



Two Pillars: Time & Effort and Personalization Really stand out on the grocery retail sector

Providing a variety of options for each product is a big factor in this success where customer preferences change with time – grocery retail adapted well to those changes and listened to their customers' demands. Grocery retail brands in Saudi Arabia have been competing to provide the best selection of everything, which explains the high score in the Time and Effort pillar.

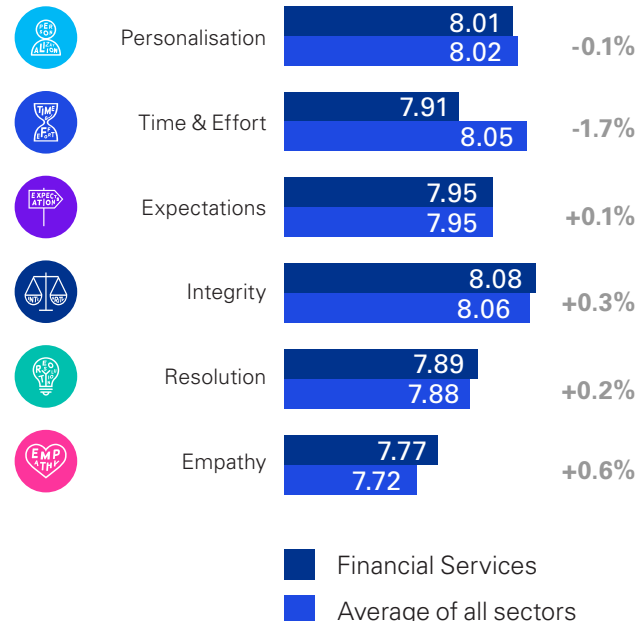
On the other hand, technologically advanced services increase the ease and convenience of the customer's shopping experience, further explaining the high score in the Personalization pillar.



Financial Services

Overall score: **7.94**

3rd



The financial services sector sustained a top 3 ranking across the surveyed sectors in 2022. The financial services sector surpassed expectations by sustaining its innovative solutions as well as keeping up with the fast digital advancement progressions. The Integrity pillar drives the high score of the sector as it's the highest scoring pillar along with the Personalization pillar.

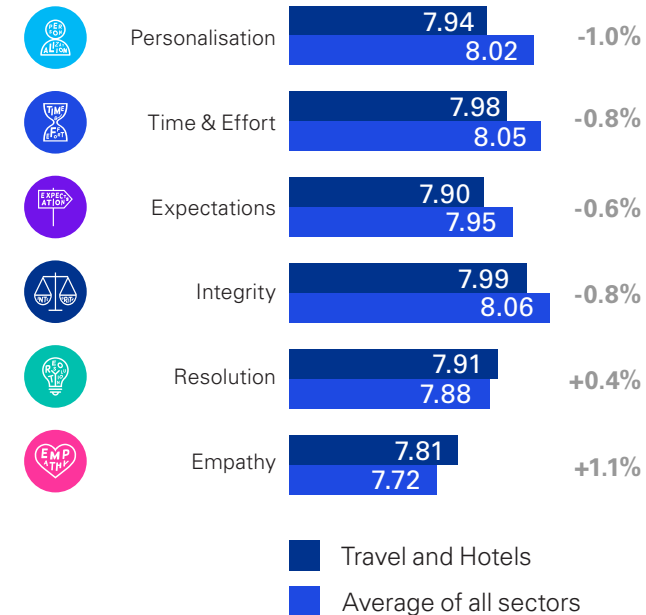
Corporate integrity in the financial services sector is the most vital pillar and the most challenging one as well. Banks, insurance companies, and payment services should give at most effort to ensure the corporate integrity and keeping the customer's information confidential. As expected, the financial services sector in Saudi Arabia excels in offering innovative, convenient, and advanced services and solutions.



Travel and Hotels

Overall score: **7.92**

4th



Maintaining steady results, the travel and hotels sector is ranked fourth in our 2022 CEE survey, showing resilience and even growth compared to last year where Integrity and Time & Effort are the top ranked pillars.

Hotels, airlines, or travel agents – need to stay attuned to the pace of innovation as customer expectations develop rapidly. As shown in the results, firms have been fast to explore new avenues of customer interaction. Offering mobile apps, websites and easy reservation methods that keep up with the expectations of the customers.

The travel and hotels sector critically relies on the Time & Effort pillar, often cited as the number one priority for consumers to save time and effort in the reservations process.

This sector rapidly keeps up with the changing status of the customer's prospects and delivers what is needed from better service to fast solutions in both online and offline experiences. Because Time & Effort and Loyalty are inextricably connected, with more convenience, the more likely a customer will repeat the experience.

Omnichannel and digital transformation are non-negotiable for the financial services sector

The financial services industry no longer competes within just its sector for talent – it now competes across all sectors. The diversification of roles needed within the industry is no longer niche to the sector, meaning attracting and retaining top tech talent to retain a competitive edge in the sector will be pivotal for banks as digitization continues to grow. To excel in the Six Pillars, this digital transformation is non-negotiable.

The online presence of banks continues to transform the ways customers can access services, and an omnichannel approach has become the norm in the wake of the Covid-19 pandemic. Customers need day-to-day services at their fingertips and on-demand, but still need access to a human touch for more complex issues. Cybersecurity remains a top priority for banks as this digital age advances.

While broadly the market seems to be stabilizing after a period of great challenge, there are two key themes affecting the market's ability to meet consumer needs:

First, there is a global labor shortage. This of course affects a hotel's ability to service rooms, clean facilities, and provide an in-person, human-first experience to customers. In fact, many hotels are only able to offer half of their rooms to the public, which leads to higher cost-per-night for the customer.

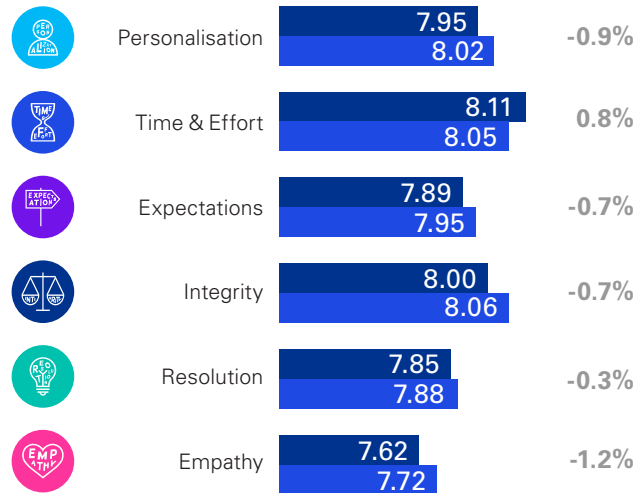
Secondly, the rising cost-of-living is affecting the viability of holidaymaking for customers. Rising prices and a lack of personalized service could spell challenges for the sector.



Restaurants and Fast Food

Overall score: **7.91**

5th



■ Restaurant and Fast Food
■ Average of all sectors

The restaurants and fast-food sector continue to uphold their standard of good stable results, recording high results in the Time & Effort and Integrity pillars. The biggest driver of these results is definitely the provided delivery services, as consumers, in general, have a preference for home delivery as a result of the recent technological progression in the past few years.

Brands partnering with food-delivery apps to provide delivery services helped immensely in meeting the customer's expectations. Drive-through services in some branches and the multiple number of branches in different locations and the concept of "Dark Kitchens" also saves the customer's time and effort, generates more accessibility and makes the process of ordering convenient. Thus, a high score in the Time & Effort pillar.

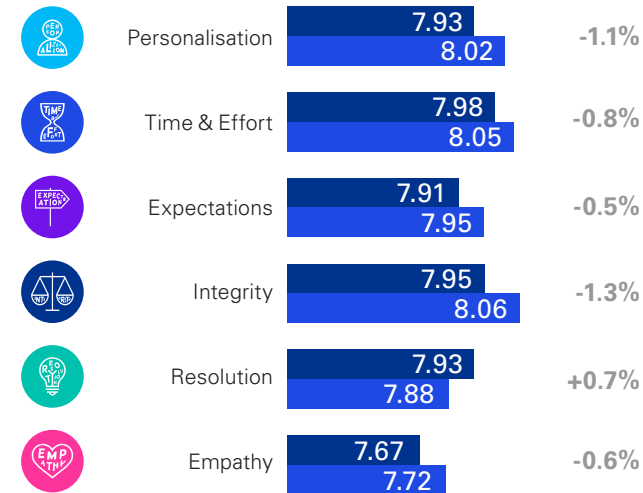
An important measure for the restaurant and fast food sector is being active and engaging with the customers on social media, selling grocery or pantry items out of their restaurants, lowering the number of dine-in seating, using disposable cutlery, and developing online-scannable menus to keep their customers safe.



Entertainment and Leisure

Overall score: **7.90**

6th



■ Entertainment and Leisure
■ Average of all sectors

The entertainment and leisure sector has not been as successful as other sectors in satisfying customers, as it presented low ranks in most pillars in our CEE survey. Even in comparison with global results, the outcomes were below the mark. Overall, the Empathy pillars reported the lowest results, and the Time & Effort and Integrity pillars being the highest, but low compared to other sector performances.

Building a thriving entertainment and leisure sector is a central pillar of Vision 2030, with the prospect of largescale investments into all sorts of entertainment venues and events — therefore it was expected for it to thrive in the results our CEE study. That said, the sector might not be aligned with customer preferences or expectations. Taking cinemas as an example, many believe that movie tickets, and the food options are overly priced.



The reliability on delivery apps has increased significantly

The quick implementation of delivery methods was key to ensuring service continuity and accessibility which positively influenced the performance of this sector in time and effort.

Delivery apps are built on the concept of saving the customer's time and effort. Customers nowadays are dependent on them for everything. Not only do they deliver food, but also goods from pharmacies, grocery stores, and even flowers and gifts. The market for such applications is growing rapidly in Saudi Arabia and therefore restaurants and companies who are not listed in any are at risk to overlook a tremendous amount of potential business.



Entertainment and leisure sector in Saudi Arabia is developing vastly with big ambitions

The current entertainment and leisure investments under way in Saudi Arabia are ambitious and are developing vastly, with more than one entity contributing to these investments. The Ministry of Culture, the General Entertainment Authority, and the General Sport authority have big roles on the contribution that is being made. Thus, it is highly anticipated that the entertainment and leisure sector will be one of the most successful sectors.

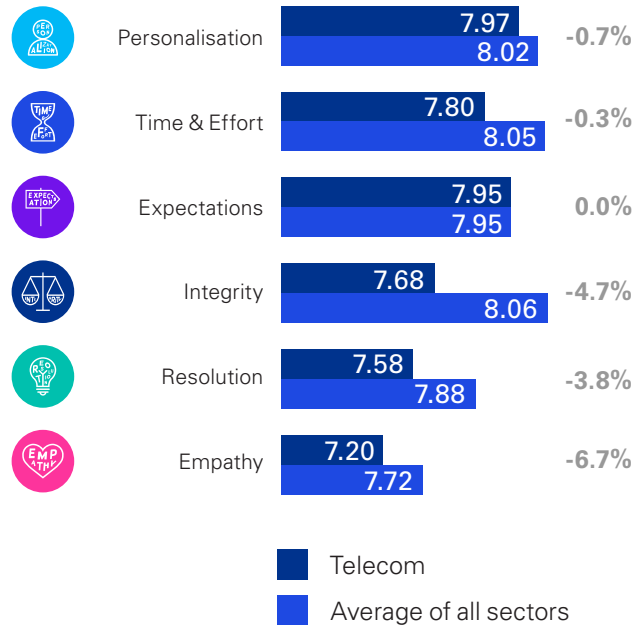
Since the launch of Vision 2030 in 2016, Saudi Arabia has organized more than 2000 entertainment, sports, and cultural events, attended by more than 40 million visitors. Much of these events were driven by government initiatives and the aforementioned entities – including the Saudi Seasons. With new global and local brands entering the market, this is surely a space to watch.



Telecom

Overall score: **7.82**

7th



Telecommunications companies are having a larger role to play as 5G wireless technology begins to gain traction among enterprises and consumers alike.

The demand for reliable internet connection has also accelerated. The increased consumption of high-quality, heavy content is critical for many individuals and businesses.

The telecoms sector ranked relatively low in this year's 2022 CEE survey, most notably sliding on the Empathy and Resolution pillars — mirroring the 2021 results. According to gathered data, many customers evaluate the companies in the telecoms sector because of their experiences in direct interactions. Although these companies are highly technologically developed, offer advanced services, and are up to date on what are the current customer preferences, they still have the disadvantage of dissatisfying customers with their service.

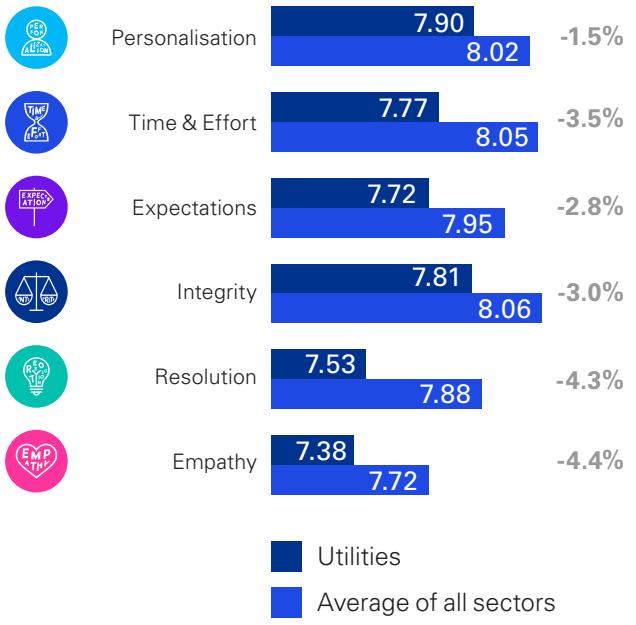
In Saudi Arabia, the digitalization is high where citizens and residents can use a variety of governmental and non-governmental services through apps. All government and bank apps are linked with phone numbers. Users will be verified by receiving a text on the phone number linked with Absher a smartphone application that allows citizens and residents in Saudi Arabia to use a variety of governmental services. Phone bills, for example, is linked with bank accounts where users can pay their bill with one click on their bank account.



Utilities

Overall score: **7.70**

8th



The utilities sector came in the bottom ranks of the top 10, similarly to the previous year, particularly scoring low results in most pillars, lowest being the Empathy pillar, while the highest being the Personalization pillar.

Most of the given opinions state that the brands of the utilities sector offer good customer service, but responsiveness can be very slow at times. While others stated the opposite, saying that the given service is bad, but the upside about it is that it is fast. These occurrences mean that it is different for each situation and depends on certain factors that cannot be controlled by those brands.

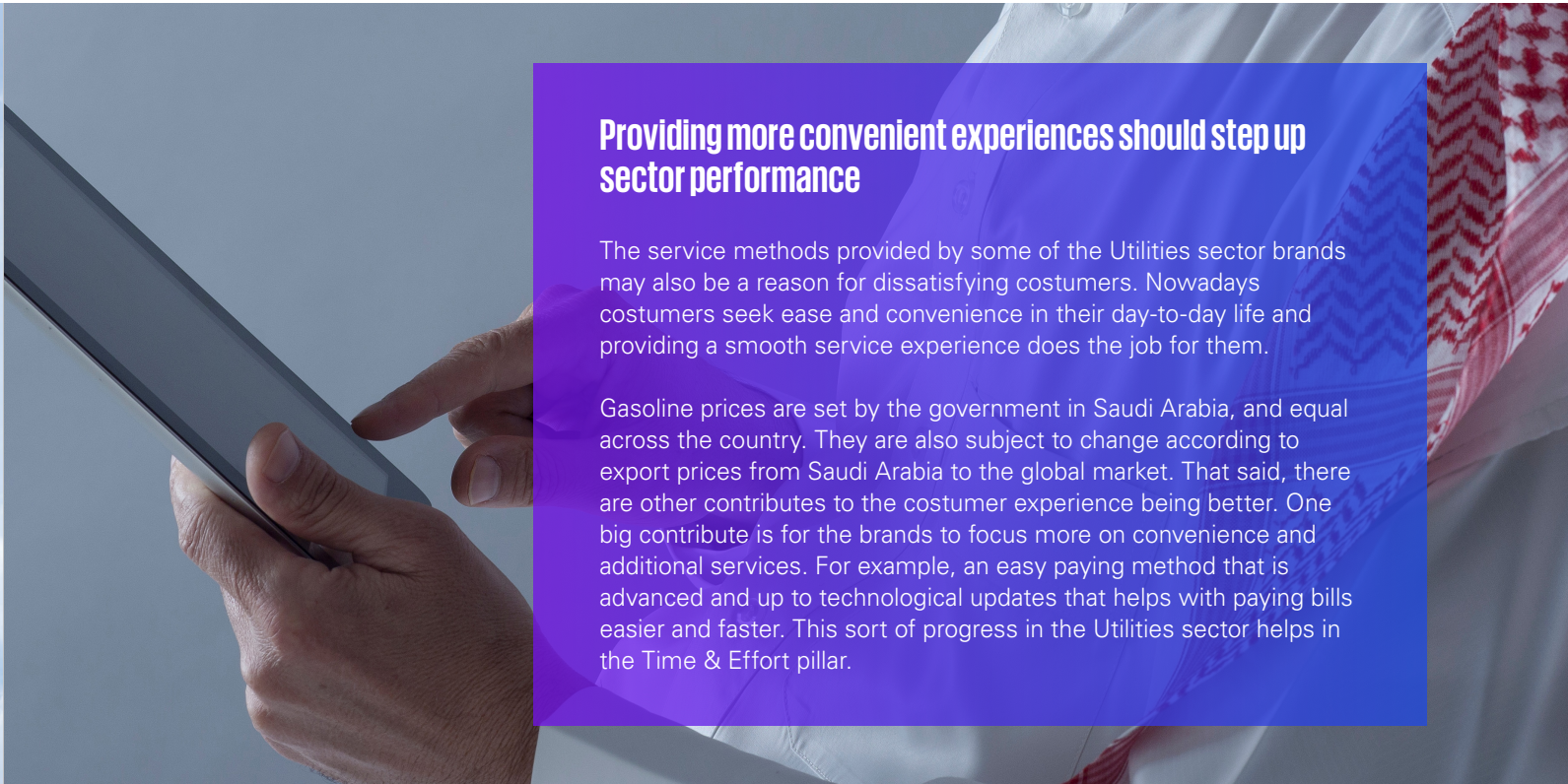
Look into the sector global results

The sector is also low in the global results with the downgrade of most of the percentages ranging from -1% to -4%, with the lowest pillar being the Resolution pillar. In the case of the utilities sector, understanding the customer's preferences does not always help considering that there isn't always room to fix and change things according to the liking of the customer, especially in this sector.



Providing omnichannel experience

It is worth remembering that, even though we are in the midst of a digital revolution, telecoms companies must not stop showing their human side and willingness to respond to customer needs. The ideal solution might be to implement an omnichannel (a multichannel approach to sales that seeks to provide customers with a seamless service/shopping experience) that ensures the continuity of interaction so that customers can easily and seamlessly access both digital and physical services at any time. To make customers happy, providing them with the convenient service approach of getting what they require in the comfort of their homes is the best that can be offered.



Providing more convenient experiences should step up sector performance

The service methods provided by some of the Utilities sector brands may also be a reason for dissatisfying customers. Nowadays customers seek ease and convenience in their day-to-day life and providing a smooth service experience does the job for them.

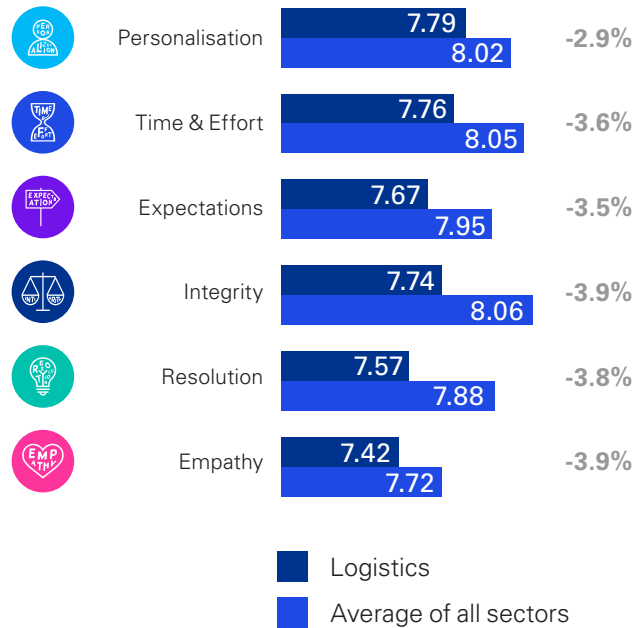
Gasoline prices are set by the government in Saudi Arabia, and equal across the country. They are also subject to change according to export prices from Saudi Arabia to the global market. That said, there are other contributors to the customer experience being better. One big contributor is for the brands to focus more on convenience and additional services. For example, an easy paying method that is advanced and up to technological updates that helps with paying bills easier and faster. This sort of progress in the Utilities sector helps in the Time & Effort pillar.



Logistics

Overall score: **7.66**

9th



The logistics sector ranked the lowest in the list of our CEE survey for 2022, performing less than average in all Six Pillars. The highest scoring pillars were Personalization, but not high enough to grant the sector to a good rank. Clients have come to depend heavily on the convenience of delivery options and their expectations have grown significantly higher.

Not only that, but people are now used to same-day deliveries so often that it dissatisfies them if the deliveries take longer.

E-commerce businesses now have a critical challenge in partnering with a dependable logistics/delivery business as the quality of the delivery is a critical component of the holistic customer experience.

Digital channels play a key role in letting customers choose their preferred delivery methods, reschedule a delivery or arrange a shipment by printing labels themselves and simply waiting for the carrier to turn up. This is key to making customers feel engaged and in control of the delivery schedule and pick-up or drop-off location.

Customers expect to receive their parcels in the day and time they prefer

Customers want ultimate flexibility on when and where they receive their parcels, and thanks to advancements in AI and automation, deliveries can be diverted when circumstances change. Chatbot technology continues to increase the availability of resolution services, though this must mature to be fully effective. Data sharing across supply chains must be seamless yet secure, especially during periods of disruption, labor shortages, and geopolitical unrest.

Drivers of customers loyalty and advocacy

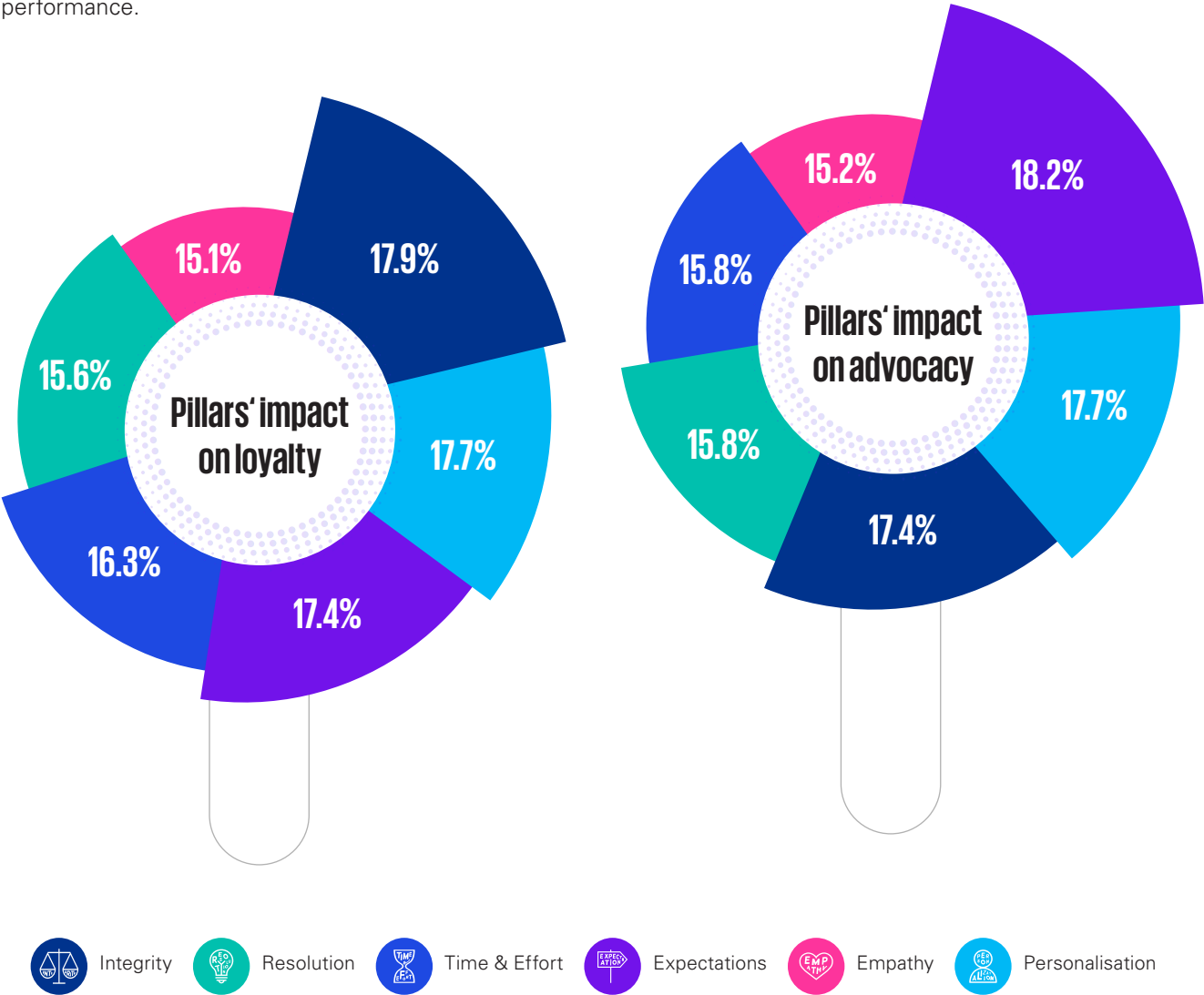
The Six Pillars, being measurable, offer a powerful complement to other metrics like NPS, customer satisfaction or customer effort. They enable an accurate analysis of customer journeys to be compared against best practice journeys elsewhere.

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

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

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

On the other hand, **expectation drives advocacy**. When a brand is meeting customers needs and expectations, it most likely becomes the object of recommendations to friends or colleagues.



Key trends



Pillar: Integrity
Sector: Telecom

Cybersecurity and data integrity continue to be primary demands of telco carriers, as customers are becoming increasingly data-savvy, and wary of how their information is being stored and used. Alongside this, customers demand transparency on ESG initiatives, choosing to place trust in telecom providers that care for their colleagues' wellbeing and the wider environmental wellbeing of the planet.



Pillar: Resolution
Sector: Travel and Hotels

Though AI chatbots continue to mature and gain customer trust, many consumers are facing lengthy delays to travel and are increasingly frustrated by the lack of a human at the end of the conversation. As the labor shortage continues to cause issues in the sector, enhanced technologies may be the answer to meet this need.



Pillar: Expectation
Sector: Financial Services

The competitive environment within the financial services sector continues to give customers more agency over the experience they can demand. With emerging digital banks revolutionizing the customer experience and taking things completely online, traditional institutions must level up capabilities to keep pace, while maintaining their original unique selling proposition.



Pillar: Time & Effort
Sector: Logistics

Algorithmic predictive analysis can inform local and global delivery partners on popular goods, locations and demand timing. This will help keep pace with e-commerce and allow logistics organizations to intelligently optimize supply chains to provide goods at the right time, to the right customer, before they even know they need something.



Pillar: Personalisation
Sector: Travel and Hotels

Customer data will gain increased importance for hotels as brands look to understand their customers' unique needs and further enhance personalization. Understanding special needs for a customer visit allows brands to offer services in parallel with expectations, including seamless or contactless check-in, personalized room features, and intuitive booking experiences led by the consumer.



Pillar: Empathy
Sector: Financial Services

Insurers are in a unique place in financial services to deliver genuine empathy especially at the key moment of truth in a claims situation. With the human touch seen as critical to 'operationalizing' empathy in these situations, insurers are wary of automating too many customer facing processes due to the perceived risk to delivering empathetic experiences. However, there are a number of insurers who are investing in the right technology and genuinely understand the customer's emotional journey who are successfully delivering empathy and increased NPS.



Challenges



Lack of technological agility

Digital transformation trends have swept the market and there's hardly any business that does not claim to have undergone a degree of transformation. However, success rates vary and the results of those transformations are often measured by pure financial ROI as opposed to their impact on customer satisfaction and CX rating.

Business with high CX scores seem to have been able to design digital strategies that align closely with their CX strategy.

They are able to quantify the success of their transformation and link it to better customer experiences; be it omni-channel sales, shorter transaction processes or the convergence of banking, connectivity and logistics.

With customer expectation continually rising, faster, smoother and efficient transactions are always desirable. This is also achieved through pushing service fulfillment functions to the front-office through efficient automation and integration. That said, the above is not easily achieved without the buy-in from the organization's senior levels and the proper execution by a competent IT team.



Levels of customer service

A core customer centric philosophy must be manifested in every customer interaction. The report shows that many organizations lack the clear vision for an exceptional customer service and lack the ability to execute the needed CX strategies.

The challenge includes hiring the right-minded staff, training them, equipping them with the right tools and empowering them to resolve issues. The recent Covid-19 related restrictions have impacted supply chains and availability of goods; it has also impacted manpower availability and preparation.

This has had significant adverse impact on CX standing for many organizations. Some have managed to cope with that market stress through innovation, automation and other creative solutions; others were not as successful.

Although some regulated industries have introduced CX related guidelines; non-regulated business see the need for CX in the context of competition and differentiation. Those businesses are in constant race to maintain and enhance their CX standing, client retention and loyalty but not all are equally successful.



Understanding customer needs

One common challenge across businesses is truly knowing their customer nature and understanding their needs; losing the ability to personalize and tailor their services as a result.

Although most businesses appreciate that need and its impact on their market share and profitability, they continue to face challenges in data collection and customer insight.

The market has witnessed a rise in the use of VoC solutions, surveys and questionnaires; however, many businesses have not been able to leverage the needed real-time data collection and decision capabilities.



Implications on organizations

Companies are now acting purposefully, deciding what to take with them into the future and what to leave behind. For most companies it has meant a significant transition underpinned by new ways of working. The following chart illustrates the journey that our survey’s leading companies have been on.

The hierarchical silos of an industrial past are giving way to an agile culture for a digital future. Our survey’s leading firms have gone beyond seeing digital as a channel into seeing how new technologies underpin customer journeys end-to-end, orchestrating online and offline capabilities to build seamless, low-effort highly personalized customer experiences that are at once both human and memorable.

 Culture	Bureaucratic and rules based	▶	Agile and algorithms
	Incrementalism	▶	Innovative and creative
 Process	Offline with a digital channel	▶	Digital integrated with offline
	Customer journeys as a method	▶	Customer journeys as a way of life
	Customer journeys as maps	▶	Real-time customer journey visualization based on real-time customer behavior
 Technology	Isolated predictive models for sales optimization	▶	Integrated predictive models driving next best actions, service, and risk identification
	Ad hoc channel-based customer experiences	▶	Orchestrated omnichannel customer experiences
	Customer insight as an input	▶	Machine-derived customer insight at scale driving real-time decisioning
	Isolated testing of AI, machine learning, Blockchain, cloud in specific use cases and applications	▶	Building the technical and data science infrastructure for these technologies to move mainstream
 People	Inflexible and institutional	▶	Responsive to unexpected events and evolving customer needs — agile at scale
	HR, people management	▶	Remote working, innovation and wellbeing, servant leadership



How KPMG can help

Today's customers are better informed, better connected and more demanding than ever before. Customer experience is overtaking price and product as the number one brand differentiator. Organizations are investing record amounts in customer-related initiatives, but not all are seeing a credible return on investment.

Customer strategy

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

Marketing, sales and service transformation

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

Customer experience

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

Customer data, analytics and insights

KPMG customer analytics solutions and decision engines can help harness insights to power improvements in CX and customer lifetime value.

Customer-centric organization

Helping clients to empower employees and improve the employee experience with engaging digital solutions.

Digital transformation

KPMG digital specialists can help you to succeed in the digital world. From strategy to technology enablement to cultural change, our multi-disciplinary teams take a holistic view of how processes, platforms and behaviors across the front, middle and back offices need to evolve – and offer clear methodologies for executing that transformation.

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