



Adapting to change and becoming future-ready

Customer Experience Excellence
Report 2022

KPMG in Singapore





Foreword

Singapore has emerged stronger from the COVID-19 pandemic. However, global events from the last two years – a pandemic, geopolitical tensions, climate disasters and rising inflation, have all significantly disrupted how businesses operate and the manner in which brands interact with their customers. Consumer expectations are now higher than ever, with buyers looking to brands to better understand and adapt to their evolving needs.

Designing, developing, and delivering orchestrated and connected experiences that are derived by consumer needs, circumstances, and preferences will require companies to have a deeper understanding of their customer — a task more easily said than done. The reality is that any company that is not challenging itself regularly to rethink its direction runs the risk of becoming irrelevant to its customers. Businesses need to stay adaptive and flexible, readying their operating models to respond to more frequent market shifts and gearing their businesses to be future-ready.

In our report examining customer experience both globally and in Singapore, we surveyed customers on their experiences with companies to understand their expectations of brands that can be considered “future-ready”. Specifically, this would pertain to how well brands can connect their key capabilities, data, and strategies to create more seamless customer experiences. The leading companies in our 2022 report have indicated their continuous drive for adjustments as part of being agile, flexible, and responsive.



Becoming future-ready

Our research reveals that to be considered future-ready, organisations should have three distinct characteristics: one, they have developed informed perspectives of their markets; two, they align business models with these said perspectives; and three, they consistently orchestrate customer experience-driven activities across their front, middle and back offices.

Today, organisations should draw on projections on how their product or service is evolving as well as incorporate broader industry trends to better anticipate customer needs and wants. These businesses are the ones likely to achieve strong growth amidst challenging economic conditions. Now, it is undeniable that flexibility, cross-functionality, and effective collaboration are key pillars of being future-ready. Companies that have reconfigured their organisational structure to incorporate these key pillars across the board are best-positioned to respond quickly and decisively to their customers.

Transitioning to being adaptive and flexible

Findings from this year's survey on the Six Pillars of customer experience have revealed similar trends as was reported in 2021. Personalisation remains the primary driver of delivering powerful customer experiences, followed closely by meeting customer expectations and integrity. This reflects the consumer behavioural changes and what Singapore consumers today are looking for;

the Singapore consumer today are experience seekers, cautious spenders and focuses on self-care.

This year, we have observed organisations here directing customer experience (CX) efforts towards three key areas: customer intelligence, organisational orchestration, and measuring and quantifying their CX activities. In doing so, they are better positioning themselves to provide personalised products and services, meet customers' expectations and maintain trust despite macroeconomic challenges.

Specifically, we see organisations in Singapore leveraging data more extensively, while breaking down silos and simplifying the organisation. They are also carefully calibrating the spaces they operate in while being intentional about the capabilities they develop.

What this translates into, is a more prudent and focused approach to becoming future-ready, while providing greater flexibility to adapt to evolving business and market conditions over the short and medium term.



Guillaume Sachet
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Orchestrating the connected customer experience in Singapore





Orchestrating the connected customer experience in Singapore

Customer intelligence: creating a unified view of the customer

Brands in Singapore are investing in capabilities that pool data from disparate data sources and customer touchpoints to create unified customer profiles and to better manage end-to-end customer journeys.

By making the most of the data that they have, companies can build a strong foundation to compete in their respective marketplaces since data powers AI and automation and can highlight signals of change in consumer behaviour and needs.

We see evidence of customer intelligence in NTUC FairPrice, Singapore's largest supermarket chain and owner of the leading customer loyalty platform, NTUC Link.

Both the NTUC entities pooled their data to develop profiles of customers across different life stages and lifestyles¹, which

enabled them to leverage data and analytics to enhance the experience of their customers, all while delivering on their mission of moderating prices of essentials for consumers in Singapore.

NTUC FairPrice and NTUC Link have also adapted to shifting consumer preferences for shopping for groceries and essentials online. By tapping on a wealth of customer data such as spending patterns and other indicators for customer behaviour, they have been able to tailor product offerings and issue exclusive offers timed with occasions and platforms most likely to appeal to their customer base.

This has resulted in NTUC FairPrice reporting a 15 percent increase in their sales conversion rate, in addition to increased cost-efficiencies in marketing and promotions.

1. <https://www.imda.gov.sg/How-We-Can-Help/Better-Data-Driven-Business/-/media/Imda/Files/Programme/BDDDB/Shopping-Gets-Personal-with-Data-Collaboration---NTUC-Link.pdf>



Organisational orchestration: from siloed capabilities to interconnected teams

Pivoting away from a reliance on circumstances, leading businesses in Singapore are making efforts to intentionally design every touchpoint in a customer's journey and actively manage subsequent engagements with relevant, real-time interactions.

However, such intentional design across a customer journey requires similar orchestration to occur within the organisation itself. This means breaking down complexities and aligning the business model and operations around the customer from front to back office.

Across industries, we are seeing an incremental shift from using individual technologies, capabilities, and process streams to mobilising teams that cut across several business lines. While not an entirely new way of working, cross-functional teams allow for greater agility and adaptivity in a period marked by disruptions and uncertainties.

While company leaders should be setting the digital transformation agenda and articulating their shared vision and

overarching goals for the organisation, implementation needs to be bottom-up, involving everyone in the organisation.

DBS, a yearly top ten brand in our Customer Experience Excellence (CEE) survey, is frequently heralded for its digital transformation efforts and its focus on enhancing the customer experience through the widespread adoption of technology. DBS adopted five key steps to orchestrate an organisational culture that was capable of delivering its digital transformation agenda: agile teams², encouraging employees to adopt a learning-focused mindset, being customer-obsessed, staying data-driven and repeatedly experimenting with new ideas.³

In 2021, DBS established a unified and scalable data platform with more than 400 analytics users, an analytics sandbox, and a data factory that accelerates value-based ingestion. DBS has shown that orchestrating an organisation around a clear vision empowers employees to prototype ideas in the market and collaborate effectively and efficiently to address customer needs as they arise.

2. https://www.dbs.com/newsroom/DBS_announces_range_of_initiatives_to_embrace_the_future_of_work

3. <https://www.itnews.asia/news/why-banks-struggle-with-change-and-how-did-dbs-get-it-right-568446>



Return on investment: measuring and quantifying CX activities

Organisations have a limit on resources and need to find the most efficient means of moving the needle on their CX efforts. Gearing metrics and incentives to focus on end-to-end outcomes and value - rather than functional objectives (e.g. First Contact Resolution) - enables them to better evaluate the ROI on CX initiatives.

As a result, brands are taking steps to identify the relationship between functional metrics and their impact on key CX outcomes such as loyalty. With this, brands are also able to make CX a quantifiable metric to be evaluated and monitored across multiple touchpoints in the entire customer journey, and such data is likely to prove invaluable as companies develop and redevelop their CX strategies.

This year's report identifies several organisations that have invested carefully to successfully improve their customer service journeys.

Looking ahead in the CX landscape

Businesses and consumers have faced a constant wave of challenges in the last 12 months. In addition to adjusting to new ways of working and living post-pandemic, companies are now grappling with higher costs and soaring prices while continuing to keep up with pivotal developments in technology and digitisation.

Among the companies profiled in the CEE 2022 report, three key areas of improvement have emerged:

1. A renewed focus on harnessing customer-related data
2. A reconfiguration of organisational structures to better address employee wellbeing and business needs
3. Investments in specific initiatives aimed at enhancing customer experiences

Through these areas, major brands in Singapore are continuing to anticipate customer needs, produce personalised solutions and services, and, in turn, preserve trust with their consumer base. Looking ahead, this year's CEE presents insights and examples that will help companies across all sectors become agile, flexible, and future-ready.



The Singapore customer today





The Singapore customer today

Throughout COVID-19, Singapore went through multiple rounds of restrictions that shifted the way consumers interact with brands – moving to a mix of face-to-face interactions and digital touchpoints.

The three key trends that can be seen in the Singapore customer today are the experience-seeking customer, the cautious customer, and the wellness-focused customer.

Experiential stimulation is a key motivation

The Singapore customer has always been an “Experience Seeker”. In fact, this desire for experiential stimulation heavily influences how Singapore customers approach and interact with brands.

According to the 2022 Singapore Retail Report⁴, 69 percent of Singapore customers today believe that physical stores should be an exciting place to visit. This is important as 56 percent of the respondents from the report also cited that they prefer shopping offline.

What does this mean for today’s brands?

Brands will need to cultivate new and unique experiences to keep the Singapore customer captivated and attracted, most especially to physical touchpoints. Brands can also leverage this opportunity to differentiate their online and offline experiences – moving away from just offering products and services, which are available on both types of channels.

Furthermore, with the opening of borders, the Singapore customer has been quick to travel again – outbound travel by Singapore residents rose from nearly 120,000 travellers in January to just under 550,000 in September.⁵

Travel opens the Singapore customer to a world of new brands and experiences. Whether good or bad, these customer experiences abroad will leave an impression. That means local brands will need to peg their customer experiences against global standards, to continue earning the trust and loyalty of consumers in Singapore.

4. <https://www.adyen.com/reports/sg-retail-report-2022>
5. <https://tablebuilder.singstat.gov.sg/table/TS/M650661>



The cautious buying consumer

Today, the effects of rising inflation can be felt across the globe. This is impacting consumer behaviour as the cost of living increases are dampening consumer purchasing power and buying intent.

Meanwhile, geopolitical events globally have placed upward pressure on global gas and oil prices, and this has directly impacted Singapore businesses and consumers in the form of higher energy tariffs. The effect of this has been felt across industries, amidst increases in rent, labour and utility charges⁶, and core inflation nearing a 14-year high.⁷

Coupled with the planned increase in Goods and Service Tax (GST) in 2023⁸, it's easy to see why Singapore consumers are increasingly cautious in their purchases.

It is against this backdrop of cautious buying and easy brand switching that we are seeing more organisations here focusing on branding and partnerships to enhance their customer proposition and engender greater stickiness.

For example, the new yuu loyalty programme partners with 15 common household brands in Singapore. Through this strategic partnership that DBS is also part of, members are rewarded for everyday purchases across these brands, located in more than 1000 outlets in Singapore.⁹

By creating a consortium-like loyalty programme, brands are leveraging a shared ecosystem to make earning and redeeming rewards easier. Customers earn more based on their spending and achieve rewards milestones quicker, making these brands their brands of choice when buying.

6. CNBC, "Soaring rents and electricity prices are squeezing Singapore retailers' margins", 2022, <https://www.cnbc.com/2022/07/07/singapore-inflation-rising-costs-are-squeezing-retailers-margins.html>

7. <https://www.channelnewsasia.com/singapore/singapore-core-inflation-september-2022-cpi-food-prices-3024016>

8. [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/gst-rate-change/gst-rate-change-for-consumers1](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/gst-rate-change/gst-rate-change-for-consumers1)

9. <https://yuu.sg/about-yuu>



Increasing focus on wellness and self-care

In the wake of the COVID-19 pandemic, Singapore consumers are placing increasing importance on personal wellness – be it physical, emotional or mental health. It can be noted, for example, that Google searches for ‘mental health’ alone have doubled in Singapore in the last year.¹⁰

With self-care a key focus, consumers are increasingly re-evaluating their relationship with brands through the lens of low effort, wellness and enabling a healthier lifestyle. Even while brands in recent years have worked to create frictionless experiences for consumers – shortening purchase journeys, and introducing no-questions-asked return and refund policies – this alone has not been enough in light of shifting customer expectations.

This has led to brands eyeing the wellness opportunity and looking to integrate aspects of personal wellness in their customer proposition, even if they are not in the business of wellness themselves.

For example, beauty retailer Sephora has gone beyond being just being a beauty product retailer to offering facial services at their new Raffles City outlet in Singapore. Located near multiple office spaces, this outlet provides both shoppers and office workers with a quick pick-me-up¹¹. The trend of self-care and wellness will continue in the foreseeable future and brands that can provide a holistic experience that addresses customer needs in this area will be well-positioned for these opportunities.

10. <https://www.thinkwithgoogle.com/intl/en-apac/marketing-strategies/search/lifestyle-changes-pandemic-singapore/>

11. <https://www.lifestyleasia.com/sg/beauty-grooming/makeup/what-to-expect-at-sephora-raffles-city-asias-first-store-of-the-future/>



The Six Customer Experience Excellence Pillars in 2022



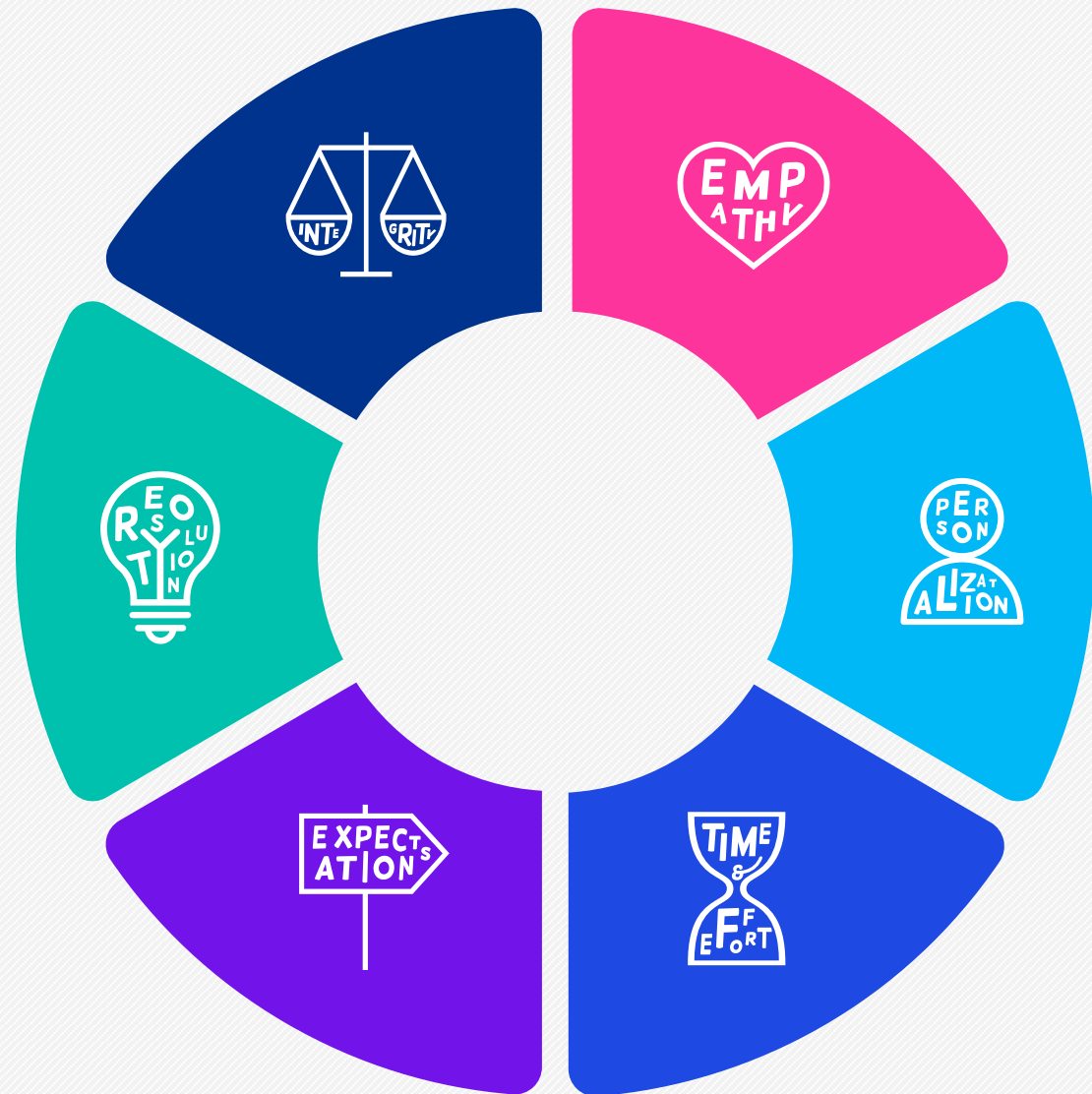


Introducing the Six Pillars in 2022

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 an 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 the realisation that a competitively superior experience is multi-dimensional and often multi-sensorial. Our leading organisations are masters at managing The Six Pillars as a set.





Integrity

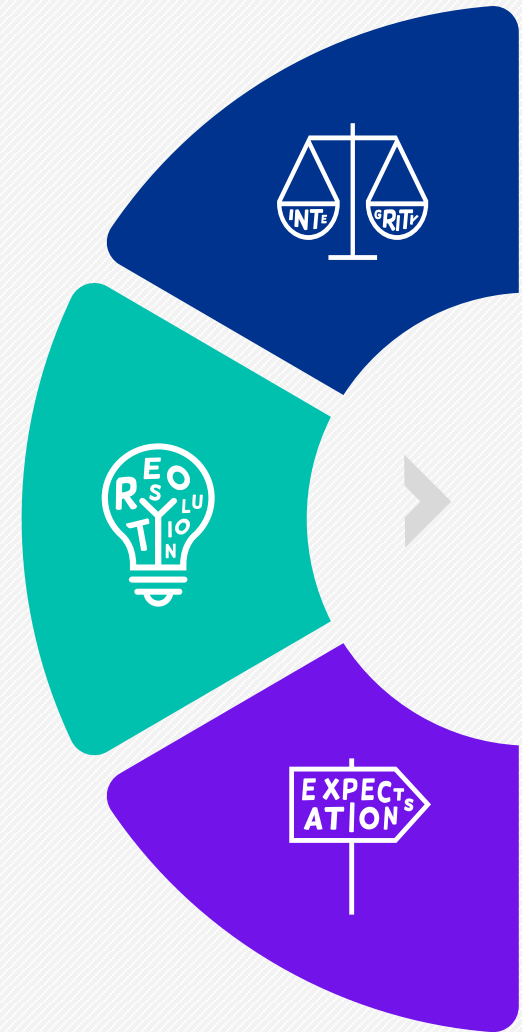
Corporate integrity and its outcome, trust, continue to be a focus for the leading companies. Reengaging with purpose, validation of values and moving CSR to the forefront of the brand have been key areas for organisations.

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.

Expectations

We have historically observed a trend of expectations transfer as customers expect their best experience with a company to be replicated elsewhere; this has become even more evident this past year, as customers embrace a raft of new technologies. 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.





Empathy

Organisations are beginning to operationalise 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.

Personalisation

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

Time and Effort

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

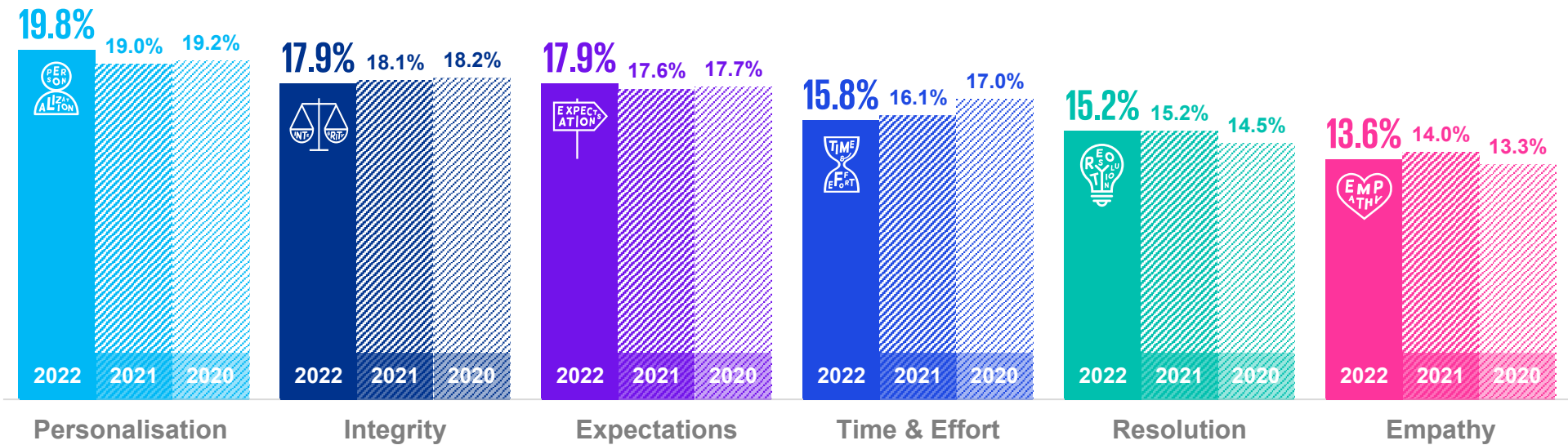


The Six Pillars in Singapore

Despite uncertainties in the business landscape and market environment, brands can look to the Six Pillars to anchor their customer experience (CX) strategies and initiatives. The Customer Experience Excellence (CEE) survey measures relative importance of the 6 Pillars by respondents in contributing to their perception of customer experience excellence. In its fourth year, the CEE survey shows that Personalisation (19.8 percent) and

Integrity (17.9 percent) are the leading pillars driving customer advocacy and loyalty in Singapore. Meanwhile, the Empathy Pillar dipped slightly to 13.6 percent. These trends suggest that Singapore consumers are seeking more impactful personalised experiences from brands that consistently builds trust.

Six Pillars of customer experience weightage: A 3-year trend between 2020 - 2022





Personalisation

Personalisation continues to be highly desired by customers

Personalisation continues to be the strongest pillar driving customer experience and its importance has only grown since 2021. While technology has been a major enabler, personalisation – at its core - is about understanding customers' needs, and engaging customers at the right time.

As more brands look towards orchestrating experiences and providing hyper-personalised experiences for their customers, the Singapore customer has grown increasingly accustomed to having such tailored experiences as they shop. With this, customers have only become more demanding in their ask for personalisation, which is borne out in it being the top-ranked pillar since 2019.

Amongst brands in Singapore, DBS exemplifies the ability to promptly respond and provide tailored solutions with a survey respondent sharing, "I submitted an enquiry as I wanted to learn more about insurance products. A financial representative reached out to me shortly after and was very helpful with advising me on my eligibility for certain insurance products based on my personal circumstances and background."

For Non-Grocery Retail brands, customers tend to gravitate towards brands that understand their needs and help them find viable options as they shop in-store. Personalisation in-store focuses on employees' ability to quickly understand the customers' needs and individualising recommendations based on that. This further extends to personal client relationships, one with familiarity and a shared history. For example, a respondent from the CEE survey who was at Zara said, "I was looking for a birthday gift for my brother and decided to go to Zara to pick out a present. A sales assistant approached me and helped me out."

Moving forward, with the growing use of digital channels amongst Singapore customers, leveraging real-time customer data such as their purchase history, and past interactions will become increasingly important in creating differentiated customer experiences.



Integrity

Integrity is being increasingly driven by brands' efforts to safeguard and ethically use customer data

In Singapore, the Integrity pillar has been consistently ranked second among the top three pillar drivers, with minimal fluctuation over the years. In 2022, we are seeing customers consider integrity from the perspective of an organisation's security and its use of personal data. Recent data breaches have heightened this concern, with one in three Singapore organisations experiencing breaches in 2022, and incurring losses to the value of nearly S\$1.3 million¹².

Hence, brands today need to ensure appropriate data safeguards are in place, and that their efforts have been clearly communicated to gain customers' assurance. Trusted brands are those that customers can engage with peace of mind.

12. <https://sbr.com.sg/information-technology/news/1-in-3-singapore-organisations-lost-1348m-data-breaches>



Expectations

Brands are turning to automation as an enabler to help manage expectations across the customer journey

The Expectations Pillar has held constant over the last three years, although the slight year-on-year increase has pushed it to the joint second-most important item driver in Singapore. In considering Expectations, Singapore consumers typically look for upfront and timely communications in their customer experiences. A 2022 Singapore survey, for example, found more than 50 percent of respondents looked for SMS notifications on events such as appointment reminders, product deliveries and payment statuses¹³.

Many leading organisations in Singapore are turning to technology to orchestrate these communications to set and manage expectations at scale. Insurers, such as Manulife, for example, are using SMS automation to proactively communicate policy notifications at specific journey milestones¹⁴.

13. <https://toku.co/blog/sg-consumer-report/>

14 <https://www.channelasia.tech/article/698956/manulife-taps-vonage-enhance-customer-engagement/>



Time and Effort

Minimising Time & Effort remains a given and minimum expectation

The Time & Effort pillar decreased from 16.1 percent to 15.8 percent this year, declining for the second year in a row.

This decrease suggests that customers have grown accustomed to a level of convenience. Frictionless, seamless experiences are also now the minimum benchmark that brands are expected to satisfy.

One example can be seen in how many Singapore organisations have been partnering technology and finance providers to streamline payments for their customers, in view of the rise of digital wallets and contactless payments.



Resolution

Being there in moments of stress can be defining experiences in the customer relationship

The Resolution pillar has remained the same as the previous year standing at 15.2 percent, particularly in retaining customers who have had adverse experiences. This is since the ability to turn an unpleasant situation into a positively memorable one can be key to driving loyalty.

Financial Services and Retail were the strongest sectors with high Resolution scores. These sectors received positive feedback from customers, when it came to the ease to contact through multiple channels, great customer service when helping them on issues and brands going the “extra mile”. Notably, when the Banking sub-sector faced service disruptions in late 2021 and early 2022, Singapore’s banks were quick to engage customers, offering clear next steps to remediate.

As called out by an OCBC respondent – “[OCBC] is reliable and trustworthy. They have been stepping up measures to safeguard consumers in a bid to prevent scams.”

In recent years, resolution has become much more than simply recovering a poor customer experience; it also extends to recovering the public perception of a brand.



Empathy

Delivering interactions with a “human-touch” is key in our highly digital world today

Empathy is the lowest-ranked pillar in Singapore with a score of 13.5 percent, down by 0.5 percent compared to the previous year. This is in spite of the year-on-year increase we saw from 2019 to 2021.

While Empathy scores do track lower than the other Pillars, leading organisations have made conscious efforts to balance a ‘human touch’ in customer engagement alongside their digitisation efforts, to build meaningful relationships and create a human connection to their brand.

Fostering a customer-centric culture, and gaining a deep understanding of a customer’s needs are the first steps towards achieving this goal.

Leading brands also recognise that a customer’s journey cuts across digital and human channels. To facilitate such seamless consistency, brands have been increasingly exploring collaboration between departments to support and provide a consistent experience in the entire customer’s journey.











Singapore's top brands for customer experience excellence





Singapore's top 10 brands for customer experience

| Company | Rank | | |
|---|------|------|------|
| | 2022 | 2021 | 2020 |
|  ▶ Apple store | 1 | 3 | 3 |
|  ▶ Apple Pay | 2 | 4 | 9 |
|  ▶ Allianz Insurance Singapore | 3 | - | - |
|  ▶ POSB | 4 | 7 | 6 |
|  ▶ HSBC Life | 5 | - | - |
|  ▶ DBS | 6 | 10 | 10 |
|  ▶ Changi Airport | 7 | - | 4 |
|  ▶ Shell | 8 | 5 | 19 |
|  ▶ A digital payments leader | 9 | 20 | 14 |
|  ▶ Zara | 10 | 40 | - |



Singapore’s top brands for customer experience excellence

1st Apple Store

In 2020, Apple opened one of its most iconic retail stores in Singapore at Marina Bay Sands, creating a unique and memorable experience for its customers. Understanding the dynamism of Singapore’s local culture and its role as a travel hub, the Apple Marina Bay Sands store has nearly 150 employees who speak 23 different languages¹⁵. Beyond experiencing its products, the store also provides a space for customers to participate in seminars and to learn and be inspired by local artists, musicians, and creators; the space also enables like-minded people to come together as a community.

With regards to experience delivery, a clear demonstration of Personalisation and Integrity was mentioned by a survey respondent who was provided tailored and non-intrusive advice by an Apple Store employee - “Nobody pushed any of their products for me to buy... The staff suggested and recommended – only when asked to assist – and I was even advised not to get the latest Apple Watch model because my regular usage does not warrant the top-of-the-line version.”

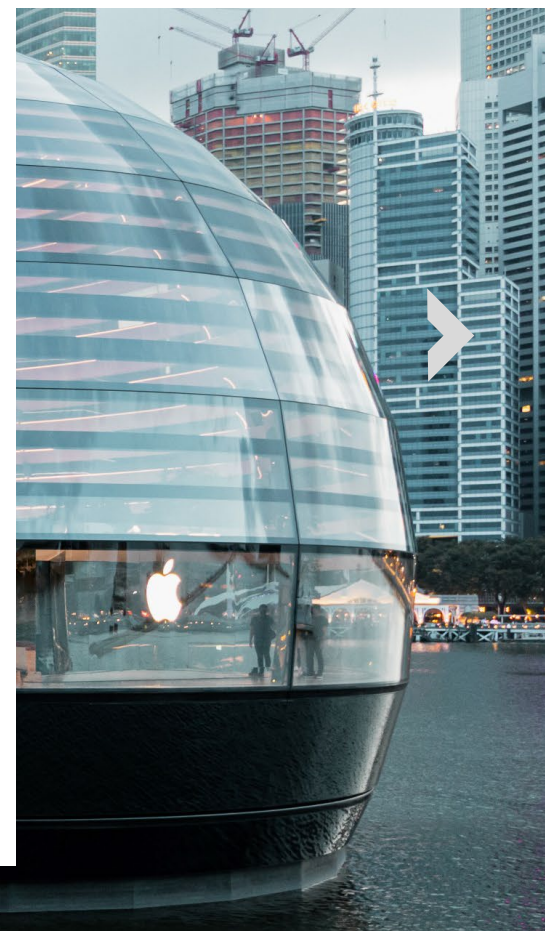
The extent and willingness of Apple Store employees to provide an exceptional in-store experience was also highlighted by

another survey respondent – “So many times things were my fault with computers, phones, tablets whatever and they always helped or made it reasonable to do so. People that work there are always pleasant and I’m always amazed at how quickly you can check out when ready. By far my favourite retail experience,” – exemplifying how a brand can genuinely demonstrate Empathy to its customers by always striving to show concern and taking ownership of the issue.

The consistently positive testimonials from survey respondents further demonstrate the brand’s ability to orchestrate activities across the front, middle and back offices to deliver holistic and integrated customer experiences.

In fact, it is this commitment to constantly innovate and improve its customer experience that has seen the Apple Store move up the ranks to come in as the top brand in Singapore in 2022, building a loyal following of Apple customers as seen by its high NPS score (51 percent Promoters). NPS - which stands for Net Promoter Score - is a customer satisfaction benchmark measuring how likely customers will recommend your business to a friend, and scores range from -100 to 100.

15. Apple, “Apple Marina Bay Sands opens Thursday in Singapore” 2020, <https://www.apple.com/sg/newsroom/2020/09/apple-marina-bay-sands-opens-thursday-in-singapore/>





Singapore's top brands for customer experience excellence

2nd Apple Pay

Spurred by the pandemic, the last two years saw an acceleration in mobile wallet adoption in Singapore as an increasing number of merchants, big and small, took to accepting digital payments. In turn, Singapore consumers have also come to expect the frictionless payment experience offered by contactless payment options as the norm, rather than the exception. This is consistent with the Time and Effort pillar decreasing in the survey rankings over the last few years.

In parallel, Apple Pay has worked closely with banks and card issuers in Singapore over the last few years to expand its network of compatible credit and debit cards. Apple Pay now covers all major banks in Singapore in addition to American Express, Singtel and Wise-issued cards, providing access to a wider range of customers who were not able to use its mobile wallet previously.

Facing increased competition in the mobile wallet space from super apps with their own payment solutions such as GrabPay and ShopeePay, Apple Pay knows that it needs to further

differentiate itself to retain its customers. One key differentiator is the enhanced security features that Apple Pay employs to mitigate and manage fraud; this includes providing real-time control to its customers to suspend, remove and erase cards. Other additional features include allowing customers to store digital keys for their homes, cars and hotel rooms as well as corporate and student ID cards, expanding the use of Apple's mobile wallet beyond that of a payment solution¹⁶.

The convenience and assurance that Apple Pay provides are well-noted by survey respondents, with one commenting, "Apple pay stores my credit cards safely and allows me to easily pay for products".

Providing customers with a friction-free payment experience no matter the device – while continuously improving on its security and privacy features – is what led Apple Pay to stand out this year in the Integrity, Expectations and Personalisation Pillars, setting itself apart from other payment solutions.

16. Apple, "Suspending, removing and erasing cards", 2022, <https://support.apple.com/en-sg/guide/security/seca09c3b780/web>





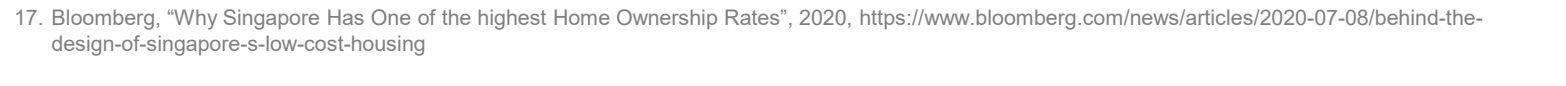
Singapore's top brands for customer experience excellence

3rd Allianz Insurance Singapore

An established General Insurance brand in the Singapore market, Allianz appeared as part of the Top 3 brands in Singapore for this year's Customer Experience Excellence (CEE) survey. As a newly added brand to the list, it scored highly in Time & Effort pillar, which is a key factor for insurance customers, particularly when it comes to claims. This was in large part due to a timely organisation-wide digitalisation programme just before the pandemic, which meant that Allianz was able to safeguard and continue delivering its solutions to both customers and business partners while ensuring easy and seamless experiences.

In fact, Allianz's ability to deliver quality products at a good value, while still offering timely claims has been well recognised by its customers, with one survey respondent aptly citing – "Allianz Singapore is an insurance company I have used that is very cost-effective because they can settle claims in a very short period of time and are very efficient."

In a country where homeownership rates are one of the highest in the world¹⁷, this represents an untapped area of growth for Allianz, as the market penetration rate for Home & Contents Insurance is relatively low compared to Health and Life Insurance.



17. Bloomberg, "Why Singapore Has One of the highest Home Ownership Rates", 2020, <https://www.bloomberg.com/news/articles/2020-07-08/behind-the-design-of-singapore-s-low-cost-housing>



Commendable brands in customer experience

Great Eastern Moved up 37 ranks

Great Eastern saw a sharp increase in the scores achieved for its Integrity and Empathy pillars (+0.46 and +0.45 respectively) and a significant improvement in its Loyalty (+0.45) pillar.

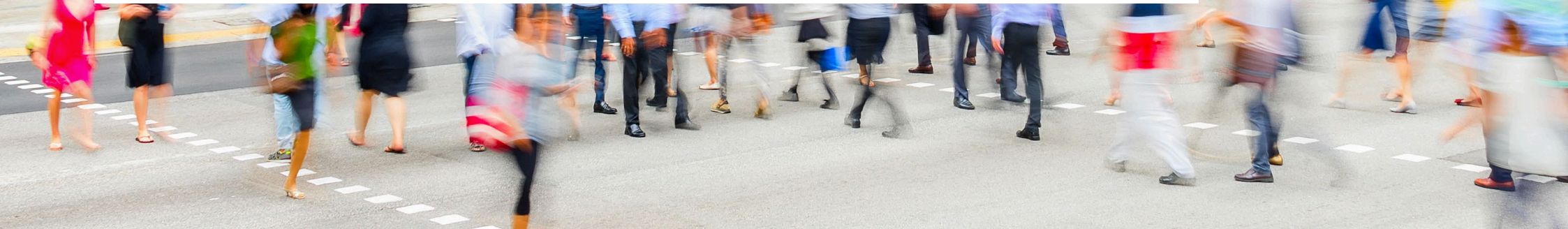
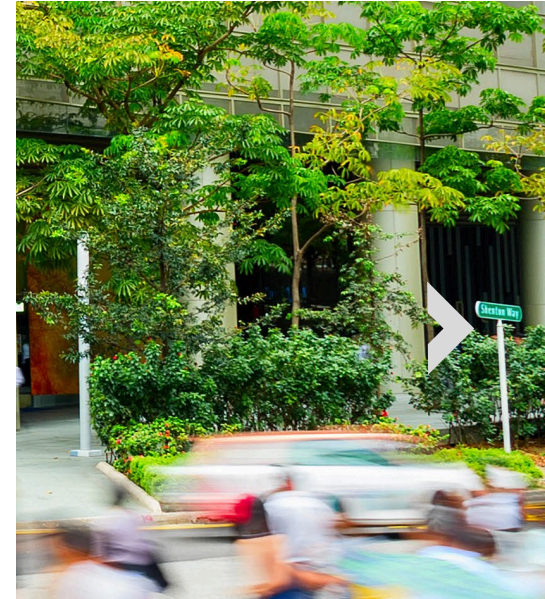
The brand has implemented a number of customer-focused initiatives. For instance, in October 2021, as part of the company's 113th-anniversary celebrations, Great Eastern gave out Great Eastern Gift credits, enabling Great Eastern Life policyholders to use its mobile app to offset up to 10 percent of the premiums for a range of general insurance products¹⁸. It also announced a collaboration with the Special Needs Trust Co., a local charity focusing on the financial needs of families with special needs children.

This partnership allows families to purchase the Great Eastern Cares Term Plan via a trust account for their children – in turn helping to make insurance affordable for these families, while aiding them in provisioning to fund long-term care needs.¹⁹

These initiatives have led survey respondents to position Great Eastern as a brand that values its customers and stands for more than profit. One survey respondent commented, "Great Eastern has been at the forefront of Asia's insurance industry, providing financial security and peace of mind to customers."

18. Great Eastern, "Great Eastern gives away more than S\$400m gift credits" <https://insuranceasia.com/insurance/news/great-eastern-gives-away-more-s400m-gift-credits>

19. Great Eastern, "Parents of special needs children now able to future-proof long-term financial needs" <https://www.businesstimes.com.sg/lifestyle/parents-special-needs-children-now-able-future-proof-long-term-financial-needs>





Commendable brands in customer experience

Changi Airport Ranked 7th overall

Recognised as one of the best airports in the world, Changi Airport returned in the 2022 Customer Experience Excellence (CEE) survey, ranking among the Top 10 brand list this year. Pre-pandemic, Changi Airport was a consistent feature in CEE's Top 10 brand list, having ranked second and first in 2019 and 2020 respectively. *[Note: Changi Airport was not ranked in the 2021 CEE survey due to the limited tourist arrival into Singapore from strict Covid-19 border measures. Hence, the brand did not meet the minimum number of required respondents to rank in the survey]*

Since Singapore started easing border measures in Q3 2021 and subsequently reopening its borders to all fully vaccinated travellers, operations at Changi Airport resumed. Increased interactions allowed for Changi Airport to meet the minimum

respondents to place 7th in our 2022 CEE survey.

As travel returns to normalcy, survey participants have shared that their experiences with services at airports around the world were delivered with a bit of lag. Other survey participants reported more positive experiences, describing staff as very helpful and professional with a good attitude.

Another survey respondent shared that he was particularly impressed at the service he received because he was not even a tourist. Overall, it shows how Changi is revitalising its "Changi Experience" post-COVID to achieve a constant level of service in its daily operations. In addition, the airport continues to be awarded for its best-in-class service across the world by Travel + Leisure, IFALPA and DestinAsian Readers²⁰.

20. Changi Airport, 2022, <https://www.changiairport.com/corporate/about-us/awards-and-accolades.html>





Singapore's customer experience trends by sector










Singapore's customer experience trends by sector

Two sectors in the 2022 Customer Experience Excellence (CEE) survey stood out - Non-Grocery Retail and Financial Services. Non-Grocery Retail took the top rank due to its weight in Personalisation, Time & Effort and Expectations while Financial Services sector ranked second, jumping three ranks up from the previous year with Resolution and Empathy being key


pillars for the Insurance sub-sector.

This section explores the key trends of the two sectors that have contributed to the strong customer experience (CX) performance.

| Top five sectors | 2022 Rank | 2021 Rank | 2020 Rank |
|---|-----------|-----------|-----------|
|  ▶ Non-grocery retail | 1 | 3 | 2 |
|  ▶ Financial services | 2 | 5 | 1 |
|  ▶ Grocery retail | 3 | 2 | 3 |
|  ▶ Travel & hotels | 4 | 4 | 4 |
|  ▶ Utilities | 5 | 1 | 1 |



Ranked #1: Non-Grocery Retail, top sector

| Vs. previous year | | | | | | | | | | |
|---|------------------|-----------------|---------------|--------------|-----------|------------|---------|-------|---------|--|
|  | Number of brands | Personalisation | Time & Effort | Expectations | Integrity | Resolution | Empathy | Value | Loyalty | |
| Non-Grocery Retail | 13 | 1% | 1% | 1% | 0% | 1% | 0% | 1% | 1% | |
| Electronics Retail | 1 | 8% | 9% | 6% | 10% | 8% | 6% | -2% | 6% | |
| Gas Station / Petrol Station | 2 | -1% | 2% | 2% | 1% | 3% | 2% | -2% | -1% | |
| Clothing Retail | 5 | 4% | 2% | 3% | 2% | 3% | 2% | 3% | 3% | |
| Cosmetic Retail | 1 | -4% | -1% | -3% | -5% | -3% | -5% | -5% | -2% | |
| Online Retail | 3 | 0% | 0% | -1% | -1% | -2% | 0% | 6% | 2% | |
| Homeware and Electronics retail | 1 | 2% | 0% | 1% | 0% | -1% | -2% | -2% | 3% | |

The 2022 CEE survey included 13 Non-Grocery Retail brands, covering six sub-industries as listed above. Performance is generally positive across the sub-sectors, with Electronics Retail seeing the strongest year-on-year improvement, followed by Clothing Retail. Three out of the overall top 10 brands this year are from the Non-Grocery Retail sector.



The last two years expedited the digital transformation of many brick-and-mortar brands within the Non-Grocery Retail sector. Brands such as Uniqlo, Zara, H&M and Sephora were forced to adapt and started focusing on their online distribution channels in order to continue reaching and servicing their customers amid COVID-19 restrictions on the operation of their physical stores.

With this shift, Non-Grocery Retail brands were able to leverage the customer data received to personalise customer interactions in more ways than before and create new opportunities and avenues to interact with the customer beyond purchase. Between 2021 and 2022, the Non-Grocery Retail sector saw increases in the scores for Personalisation, Time & Effort and Resolution, and this year recorded the highest improvement in Loyalty across all sectors.

Within the Non-Grocery Retail sector, Apple Store is ranked number 1 for customer experience, with Shell and Zara also placed in the top 10. Zara performed strongly this year, moving up 30 places in the overall market rankings, since 2021. One key area of focus for the sector has been enhancing the omnichannel experience for customers. For example, through its app, Zara leverages digital tools to empower consumers in both physical and digital interactions with the brand. The app provides a real-time 360 view of its inventory, both online and in-store, and options for 'Click & Go', 'Click & Find', and 'Click & Try' to improve convenience.

In addition to allowing customers to purchase from the brand anytime and anywhere, apps also facilitate continuous engagement with the customer even after they have left the store. For example, Uniqlo and Sephora both found a way to evolve their mobile apps to become more than a shopping cart – offering style tips, shopping advice, and acting as a customer's personal concierge while shopping both online and in-store.


One Uniqlo survey respondent alluded to the mobile app's ability to provide tailored sizing guidance – "I saw a dress via their weekly email eDM and I just log on to their mobile app and made my purchases right after verifications made on their product specifications versus my body size. Perfect buy!"

As these Clothing Retail brands have increased their focus on digital technologies to expand their reach beyond the store, we have also seen their 6 Pillar scores improve – in particular Personalisation.

The future of retail customer experiences will be omnichannel, and the challenges of the last two years have only served to accelerate both consumer adoption of digital channels and retailers' urgency in rolling them out. This also increases the need for businesses to better orchestrate activities across the front, middle and back ends of their operations.



Ranked #2: Financial Services, making a comeback

| Vs. previous year | | | | | | | | | |
|---|------------------|-----------------|---------------|--------------|-----------|------------|---------|-------|---------|
|  | Number of brands | Personalisation | Time & Effort | Expectations | Integrity | Resolution | Empathy | Value | Loyalty |
| Financial Services | 30 | 0% | 1% | 0% | 1% | 2% | 3% | 4% | 1% |
| Credit Card | 2 | -2% | -1% | -2% | -1% | -3% | -1% | 0% | -2% |
| Payment Service | 5 | 1% | 0% | 1% | 2% | 2% | 1% | 3% | 1% |
| Banking | 8 | 0% | 1% | 0% | 0% | 2% | 1% | 2% | 0% |
| Insurance | 15 | 2% | 3% | 3% | 3% | 5% | 6% | 7% | 4% |

The 2022 CEE survey included 30 Financial Services brands, covering four sub-industries as listed above. Performance was largely positive when compared to the previous year across sub-sectors, with Insurance seeing the strongest year-on-year improvement across the 6 Pillars, including Value and Loyalty scores. This is also reflected in the positioning of six Financial Services brands within the overall top 10 brand list in Singapore in 2022.



The Financial Services sector jumped up three ranks to second place in the 2022 survey rankings among other sectors, after placing fifth last year. Despite this jump in rank, the year-on-year improvement in 6 Pillar scores is modest. In fact, the large improvement by Insurance brands likely bolstered most of the improvement at a sector level. Notable brands in this sub-industry include Allianz Singapore and Great Eastern – both of whom either emerged among the top brands or saw a great improvement in their ranking.

As a whole, the Financial Services sector's marginal year-on-year improvement may indicate that while brands are taking active steps to improve their customer experience, the full effects of these efforts may have yet to be realised by customers. For example, brands such as UOB have been actively leveraging artificial intelligence (AI) to deliver "hyper-personalised experiences" based on the customer data it collects. Over the last two years, UOB has been building more data models and making improvements to its services provided via its app, TMRW, to better meet customer needs. Added features such as an indicator to show how close a customer is to reaching the next interest rate band and personalised restaurant recommendations based on spending history²¹, although proactive, may not be moving the needle as distinctly for respondents. Nevertheless,

as brands continuously compete, the benchmark for customer experience will only increase and brands need to continue taking such active steps forward.

Empathy is a key Pillar for the insurance sub-industry and noted an observable increase year-on-year. A survey respondent for Prudential commented, "My agent has been nothing but a blessing, from taking the time to explaining what I need to have and it's so important to give us tokens of appreciation once in a while. I have absolutely no interest in other companies and agents because I trust my current agent so much."

The ability of brands and their employees to empathise with the customer will help drive personalisation and integrity, fostering relationships beyond just the transaction itself. In this example, moving beyond just digital connections to human connections has helped cement a life-long relationship with the customer. This is especially important in a sub-industry such as insurance given the strong agent-led focus when it comes to providing customer experiences.

21. <https://www.businesstimes.com.sg/companies-markets/banking-finance/singapore-fintech-festival-2022/hyper-personalisation-growing>



Furthermore, with the rise of digitalisation and open banking, technology continues to transform the way the financial sector operates and how customers conduct banking and financial activities. Moving forward, the arrival of digital banks on our shores will be interesting for the industry. While not entirely new, digital-only financial services brands have predominantly been in the Insurance sector where we have noted the emergence of digital insurers such as FWD, Direct Asia and Budget Direct.

However, digital banks, like most digital-only brands, will see its challenge in developing customer relationships to build trust and loyalty in an already crowded marketplace. This is because they are in direct competition with the long history and "homegrown" status that local brands such as DBS and POSB have - and customers generally prefer banking with companies that have fared well in terms of integrity in their respective industries - especially when it comes to activities such as making deposits and taking loans. Digital banks are consequently being more commonly used as digital wallets or credit cards.

With this many predecessors, both from local brands and overseas competitors, digital banks will need to take learnings and explore creative ways of maintaining that human touch amidst the backdrop of cold-faceless technology.

One key area in which digital banks could have an advantage is in Personalisation. In the case of digital bank, Trust Bank – a joint venture between Standard Chartered Bank, FairPrice Group and NTUC Enterprise – where the joint venture entity is integrated into the FairPrice ecosystem, there is the opportunity to further customise offers and solutions more meaningfully, based on the customer's transaction data where consent has been provided.



**Recommendations
for enterprises:
Adapting to change
and becoming
future-ready**





This year's Customer Experience Excellence (CEE) has revealed three significant areas that companies are addressing to attract and retain customers amidst a challenging macroeconomic landscape and to become future-ready. Firstly, businesses now have access to more data on their consumers' behaviour than ever before but may be lacking in their abilities to harness and consolidate the information to their advantage. Secondly, to continue enhancing customer journeys and creating meaningful customer experiences, the orchestration of an organisation as a productive workplace conducive to employee well-being is critical. Finally, targeted investments geared specifically toward the enrichment of CX with quantifiable benefits are the most effective ways for companies to realise returns.

1. Customer intelligence: Meaningfully activating data

The survey results revealed that Personalisation remains the most powerful pillar. Increasing digital adoption and online-shopping channels have created a wealth of data for companies about their customers. Harnessing and consolidating such data is key to identifying change and to an organisation's success. Brands in the non-grocery retail sector such as Zara and Uniqlo leveraged real-time customer data including purchase history and past interactions to substantially enhance their mobile applications and improve the virtual shopping experience. However, other companies are still struggling to meaningfully engage their customers as they lack the capabilities to analyse data across multiple sources.

To address these issues and uncover insights about customers met and unmet needs, tools such as Customer Data Platforms

(CDP) can help create a unified and accessible consumer database. CDPs convert, retain, and engage existing customers to match and enrich customer profiles, derive future engagements, and provide AI-driven segment recommendations. A comprehensive customer view will allow companies to build personalised roadmaps to attract new customers and increase engagement.

With these holistic customer profiles, AI/ML-driven recommendation systems can provide brands with "next best actions". These data-backed "next best actions" provide brands a view on how to best engage their customers moving forward, based on data of similar customers with similar past behaviours. Additionally, communication with the customer will be consistent across channels and thus improve the Integrity pillar too.



2. Orchestrating an organisation that allows employees to strengthen customer experiences

The establishment of productive, cross-functional teams coupled with a focus on employee experience can spur an organisation's growth. Creating more opportunities for cross-collaboration and establishing customer experience-related performance indicators across the entire organisation can help cultivate a customer-centric culture. Ownership of the customer does not belong to just one department, but it is a shared responsibility across the organisation. DBS, known for its digital transformation efforts and customer-centric services, have illustrated the importance of a strong company culture. By inculcating a technology-focused mindset among employees across all divisions and advocating a customer-first mentality, DBS has ranked as a consistent favourite among consumers.

To support a change in company culture, focusing on the employee and their satisfaction will be key. Companies with Workforce Engagement Management tools are 96 percent more likely to be able to achieve overall profitability and are 82 percent more likely to provide a better-quality customer experience according to research conducted by Frost & Sullivan ²². Orchestration for better customer experience requires brands to first look inwards – reflecting on the state of their employee experience and designing the ideal future state, based on frameworks like the 6 Pillars.

► 6 Pillars and employee experience

Amidst the changing landscape of working norms, there has been a shift in employee expectations. Organisations need to keep up with new trends to ensure employee satisfaction as employees now expect companies to be aware of and offer new ways of working such as hybrid or flexible models. Besides that, staff expect to receive greater Empathy and care, while the organisation also focuses on providing a strong customer-centric collaboration culture within the ecosystem for greater success. Personalisation is also equally important, as having that sense of acknowledgement in their work can strengthen loyalty and retention within an organisation.

Digital transformations, while they may face initial scepticism, contribute towards better Time & Effort, assisting companies in focusing on closing gaps and resolving issues by improving convenience for both customers and employees. In terms of attracting new talent, Integrity places a high value on determining the best fit for a company's culture. With people of similar mindsets, this can help organisations grow to be more customer-centric and ESG-focused as well. Setting appropriate KPIs and check-ins to keep their employees up to date and on track shows care towards their employees. When employees feel more emotionally connected to an organisation, they are more likely to offer this to the customers and improve the overall customer experience.

22. <https://www.genesys.com/en-sg/resources/workforce-engagement-management-how-to-engage-your-team-for-the-best-customer-experience>



3. ROI: Deliberate and targeted investments

Deliberate, targeted investments in customer experience (CX) initiatives are critical to strengthening customer journeys. With the tightening of budgets across most industries, leaders need to better quantify the potential financial gains from their investments. For most brands, this does not necessarily entail the collection of new data or information, but rather the use of a strategic organisation of data to create and track KPIs that are effective in communicating CX value. Some examples include comparing the cost of acquiring a new customer against that of retaining an existing customer, understanding the cost of losing a customer due to poor interaction, and calculating the customer's lifetime value.

With these data points, brands can better weigh the cost and benefits of the differentiated customer experience provided – that

is, to identify customer segments that stand to be the most profitable, with the least cost to the brand. While the ability to do so may vary by business, the key is for brands to be able to attach a monetary value that can illustrate clearly how excellent customer experience impacts a company's bottom line.

Considering today's challenges and the pressing need to become future-ready, brands are urged to rethink the way they manage their people, processes and technology. While it may seem like a tall order, companies can leverage external resources experienced in managing the end-to-end transformation to help them continue strengthening customer experiences.



“ ”

Consumers in Singapore continue to place a strong emphasis on personalised experiences from the brands they buy from as seen in our Customer Experience Excellence survey this year. Businesses looking to become future-ready should start making deliberate and targeted investments to differentiate their customer experience meaningfully – be it through the use of data or delivering exceptional customer service. Making a strong first impression will be critical for brands looking to make a lasting impact in a crowded marketplace.



Guillaume Sachet
Partner, Advisory,
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Conclusion: How we can help

Future-ready customer experience leaders will be brands that are adaptive and flexible. Achieving adaptivity and flexibility will require brands to look internally – firstly, focusing on their current ways of working and culture in relation to Customer Experience. Once brands can identify their key areas to work on, they must then evaluate how their future employee and customer experience will look like, whilst considering the technology to help drive these ambitions.

To achieve customer experience (CX) excellence, KPMG can support you in your journey by:

1. Assessing current CX maturity

Through our proprietary CX maturity framework, we will work with your internal stakeholders to uncover your current ways of working, in relation to customer experience. Focusing on CX strategy, cross-department cooperation and culture, and technology among other factors, we will assess your ability to continuously deliver consistent customer experiences through an adaptive and flexible organisation.

2. Designing employee and customer experiences to meet your CX goals

Organisations see the importance of keeping their employees motivated and satisfied as they play an integral role in creating and delivering excellent customer experience. Companies must now place equal emphasis on employee

experience (EX) as they do customer experience (CX). Leveraging the 6 Pillars, we will design your employee and customer experience based on this framework – taking into account key Customer trends and best practices.

3. Strategising and implementing your customer orchestration

To complement your future customer journey and improve your employee experience, leveraging customer data efficiently and effectively is key. At KPMG, we believe in the power of Connected Enterprises – a customer-centric, tailored-by-sector approach to digital transformation. With Connected Enterprise, we will focus on helping you consolidate your customer data across silos and activate it to support customer-led decisions. Customer Relationship Management (CRM) tools and Customer Data Platforms (CDPs) will help you manage your interactions with customers, identify the next-best engagements based on ML-based models, and support you in creating a single view of the customer.

Companies which deliver integrated and holistic customer experiences across the organisation - guided by a powerful understanding of their customer and the marketplace - will engender greater customer loyalty and increased business performance.



Methodology: About Global CEE 2022

About the research

For 13 years, KPMG professionals have been asking consumers about their individual experiences with brands. Over that time, more than 550,000 consumers have been interviewed, providing more than 5.5 million individual evaluations across 39 countries, regions and jurisdictions to support our expertise in customer experience best practices.

This year alone we have taken in the views of more than 89,000 consumers across 25 markets. The research for this report was conducted via an online survey methodology. 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.

In order to be included in the final rankings for each country, each brand must have achieved a minimum number of consumer responses. This report analyses the results of a consumer survey undertaken in June through August 2022. 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 International or its member firms.

CEE scores

The rankings for each country are determined by the CEE scores of the brands surveyed. 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.



25 Countries, regions and jurisdictions



3,077 Brands evaluated



89,903 Consumers



876,864 Individual brand evaluations



Methodology: About Singapore CEE 2022

Online survey

The survey was conducted in May – June 2022. A nationally representative consumer sample was targeted for each market. To participate in the research, respondents must have interacted with the brands in the previous 6 months. An interaction is defined, but not limited to:

- Making a purchase
- Using the brands products and services
- Contacting a brand with a query
- Browsing their website

CEE Score

- The overall performance of each brand is determined by the CEE Score
- The score is calculated by taking the weighted average of each of the Six Pillar scores of each brand
- The weighting is derived through regression analysis to understand the relative importance of each of the Six Pillars in driving advocacy and loyalty
- A minimum of 80 consumer responses are required for the brand to be included in our final analysis



8 sectors



76 Brands evaluated



1,556 Consumers



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