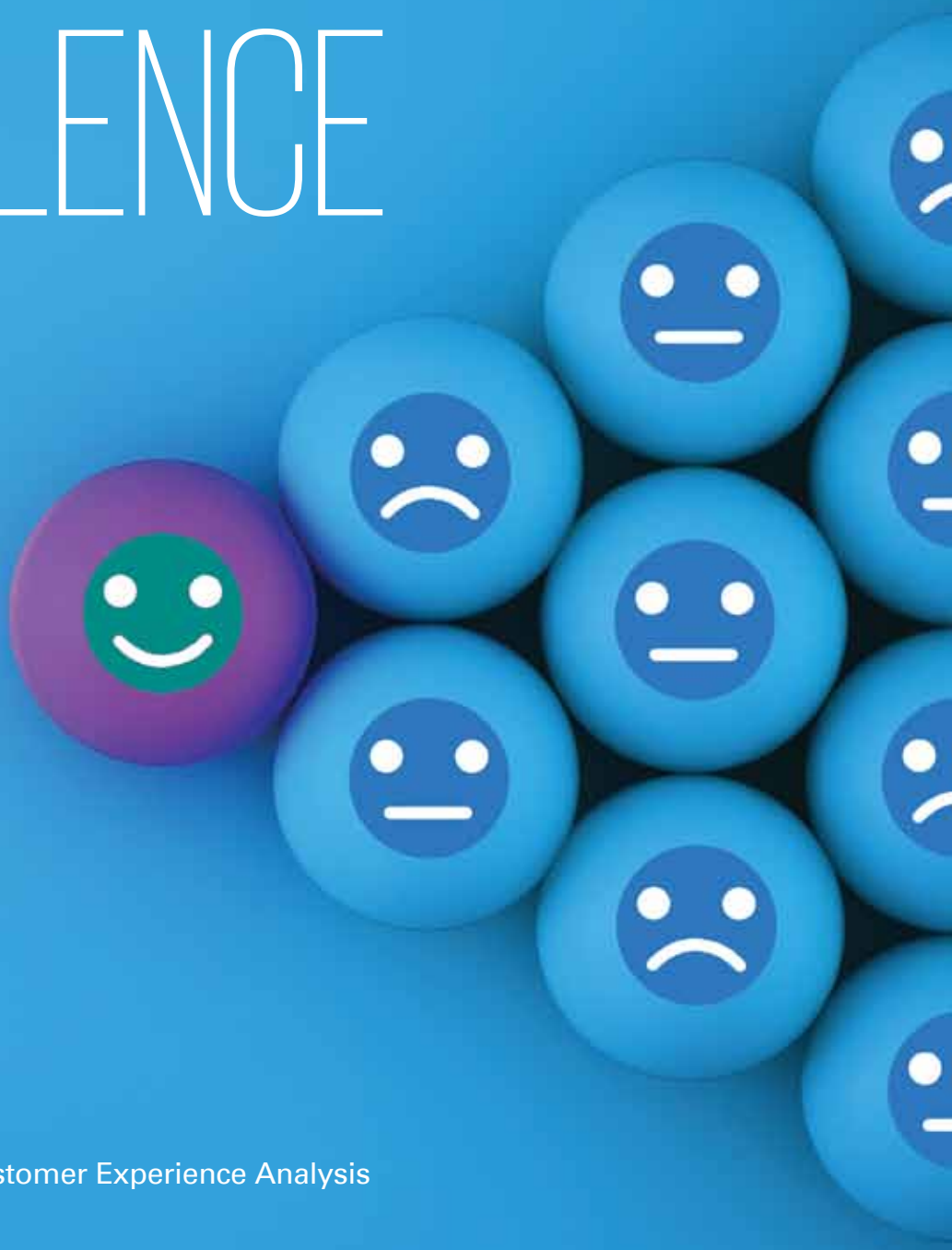
KPMG

The New Competitive Advantage
Customer Experience
EXCELLENCE



The Romanian Market 2019 Customer Experience Analysis

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The KPMG
Customer Experience practice

Ramona Jurubiță

Country Managing Partner

Our Global 2019 Customer Excellence research has showed that in the context of a VUCA world customer experience excellence is the result of intentional, well-assessed and planned interventions. It has also showed that there are three defining and competitively advantageous characteristics of customer focused companies:

They are customer led

They are insight driven

They practice customer foresight to anticipate customer needs

Not surprisingly, we see these characteristics in the champions of the Romanian market. At the same time, our research shows the challenges and opportunities that many brands are facing today, most of which cluster around gaps to be filled within the 6 Pillars framework. We are happy to share these findings with you and contribute to improving the customer centric philosophy and management on the Romanian market.

Romania has experienced significant economic growth in recent years. This growth has mainly been driven by private consumption and companies have experienced a post-crisis golden era. The effect on customer experience, in general, has been mixed. On the one hand, we have witnessed opportunistic corporate behaviors, concentrated on volume sales and one-off interactions. On the other hand, more and more organizations have become aware of the role customers play in the corporate value chains, as customers themselves have become more aware of their bargaining power.

We see today a Romanian customer who is more connected than ever, more demanding and willing to switch providers with little or no effort. Digitalisation, and technology in general, have made this possible as competitive advantage is increasingly based on knowing your client and creating tailored experiences, as well as on building honest, transparent relationships. We see this by looking at the two main pillars, Personalization and Integrity, that dominate the results in terms of importance in the 2019 Romanian CX report. The relevant insights show that the Romanian market, albeit being reasonably polarized, has generally embarked on a serious journey to delivering customer excellence.

Victor Iancu

Customer Advisory Lead

foreword

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

Customer Experience Excellence Centre

10 YEARS ongoing research

over 3M individual B2C & B2B evaluations

24 covered markets

2,700 detailed brand reviews

Since 2010, the Customer Experience Excellence Centre has been evaluating consumers' appreciation of the experiences they have received from brands across a range of sectors in multiple countries. With over three million consumer reviews, these reports are among the most extensive in the world in terms of understanding customer preferences and future trends. In 2019 we are extending this analysis to the Romanian market.

The 6 Pillars of Customer Experience

Ten years of research by KPMG Nunwood shows that every outstanding customer relationship has a universal set of qualities. Rather than one specific outcome or measure, our work has clearly showed that there are six discrete, fundamental components of an ideal customer experience: The 6 Pillars. Based on detailed customer reviews, 2,700 brand reviews, and 3 million individual B2C and B2B evaluations carried out in 24 countries, the Six Pillars have been validated in each market and modelled against the commercial outcomes of retention and recommendation.

Integrity

Integrity

- Stand for something more than profit
- Demonstrably act in my best interest
- Show concern for me as a person
- Do what you say you will

Integrity comes from consistent organisational behavior that demonstrates trustworthiness. There are trust-building events where organizations need to publicly react to a difficult situation, and trust building moments where individual actions by staff add up to create trust in the organization. For all customers, it is the degree to which the organization delivers on its promises that is consistently top of mind.

Expectations

Expectations

- Set my expectations accurately
- Agree timings with me
- Respond more quickly than I anticipate
- Fulfil or exceed your promises

Customers have expectations about how their needs will be met, and these are increasingly being set by the best brands they have encountered. Great organizations understand, deliver and sometimes exceed expectations. Some can make statements of clear intent that set expectations ("never knowingly undersold") while others set the expectation accurately ("delivery in 48 hours") and then delight the customer when they exceed it.

Resolution

Resolution

- See my point of view
- A warm and sincere apology
- Own the resolution –fix as a matter of urgency
- Surprise me in how well you fix my issue

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

Time and Effort

Time & Effort

- Make my time investment pleasurable
- Give me simple, clear instructions
- Provide the answers I need when I contact you
- Advise me of pitfalls ahead

Customers are time poor and increasingly looking for instant gratification. Removing unnecessary obstacles, impediments and bureaucracy to enable the customer to achieve their objectives quickly and easily have been shown to increase loyalty. Many companies are discovering how to use time as a source of competitive advantage. Equally, there are clear cost advantages to saving time, as long as the other pillars are not compromised.

Personalization

Personalization

- Show me you know me
- Recognize our history together
- Surprise me with something relevant
- Understand my needs and circumstances

Personalization is a key component of most experiences. It involves demonstrating that you understand the customer's specific circumstances and will adapt the experience accordingly. Use of name, individualized attention, knowledge of preferences and past interactions all add up to an experience that feels personal.

Empathy

Empathy

- Invest time to listen to me
- Provide the right emotional response
- Take ownership of my issue
- Show you care

Empathy is the emotional capacity to show you understand someone else's experience. Empathy-creating behaviors are central to establishing a strong relationship and involve reflecting back to the customer that you know how they feel; then going that one extra step because you understand how they feel.

Key Findings

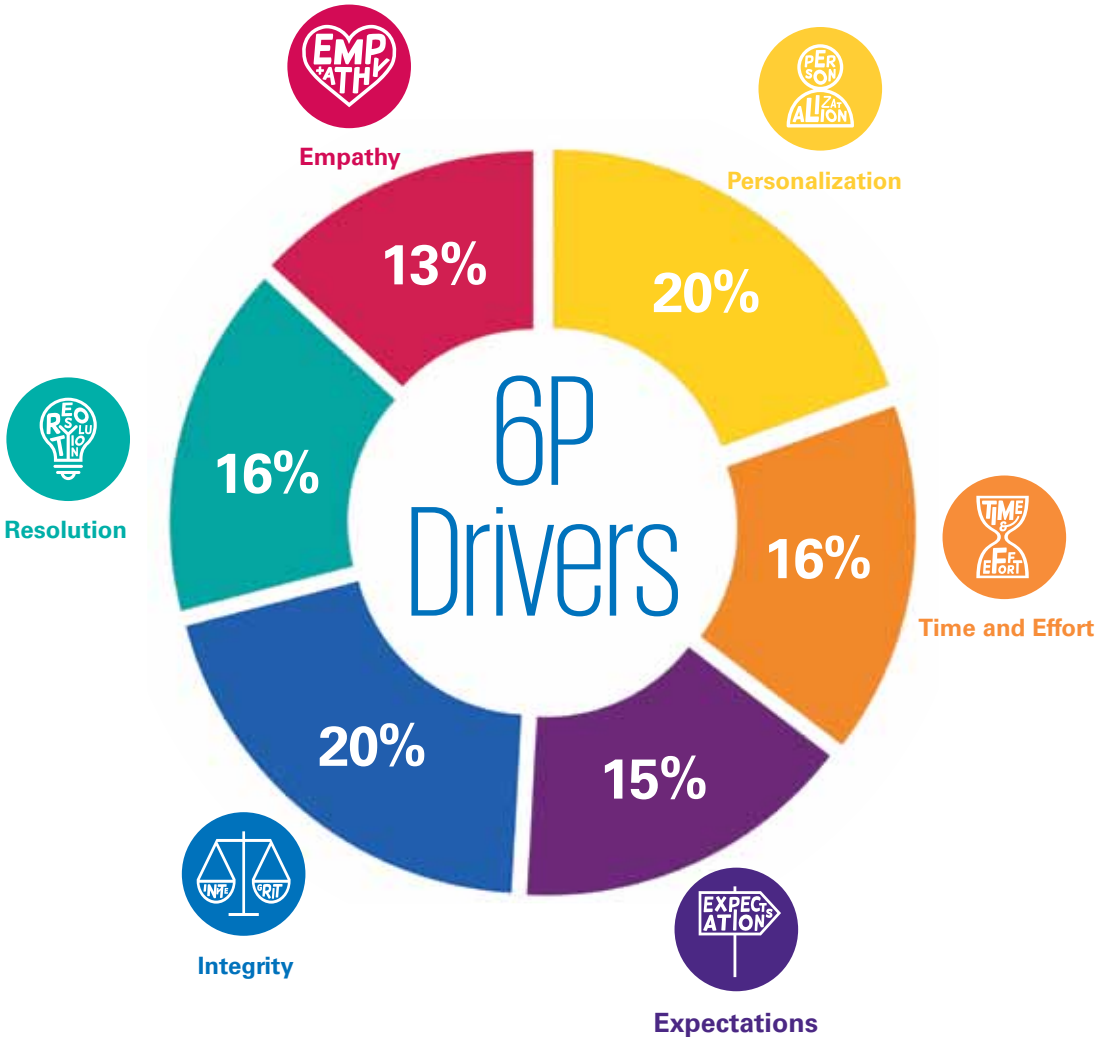
In Romania Integrity matters most in Customer Experience, closely followed by Personalization

Our survey suggests that Romanian consumers are most focused on the level of Integrity and Personalization which a brand offers.

Considering that integrity is a fundamental basis of the customer experience, the above result is not entirely surprising. Without integrity, a truly critical factor, there is no sustainable framework for building valuable, long term customer relationships. This appears to match a global trend, with corporate ethical behavior being seriously taken into consideration by customers. This means that brands that have incorporated strong values into their business and act on them consistently are more likely to build a loyal customer base.

Personalization, on the other hand, is valued by customers because it creates a unique emotional connection, one that is remembered and revisited by clients when they re-engage with their brands. Developments in technology and data analytics are now helping organizations uncover and predict consumer trends, wants and needs. This allows the creation of personalized journeys and the design of tailored products and services to please individual tastes.

Pillar impact on Customer Experience Excellence



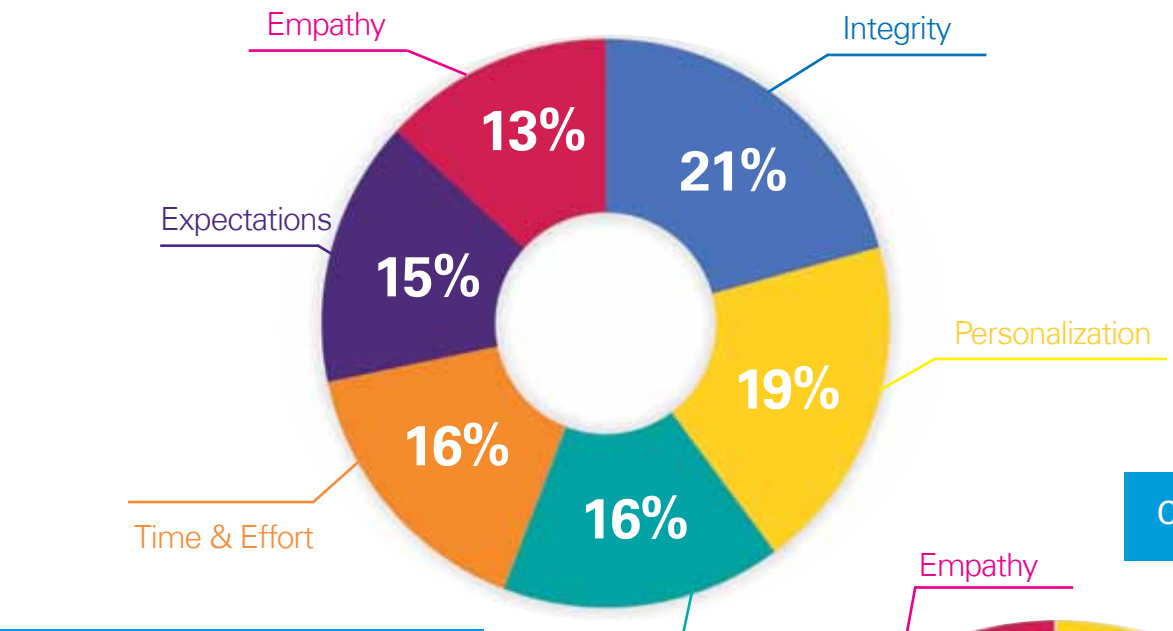
The influence of the Six Pillars of Customer Experience Excellence on Advocacy[1] and Loyalty[2]

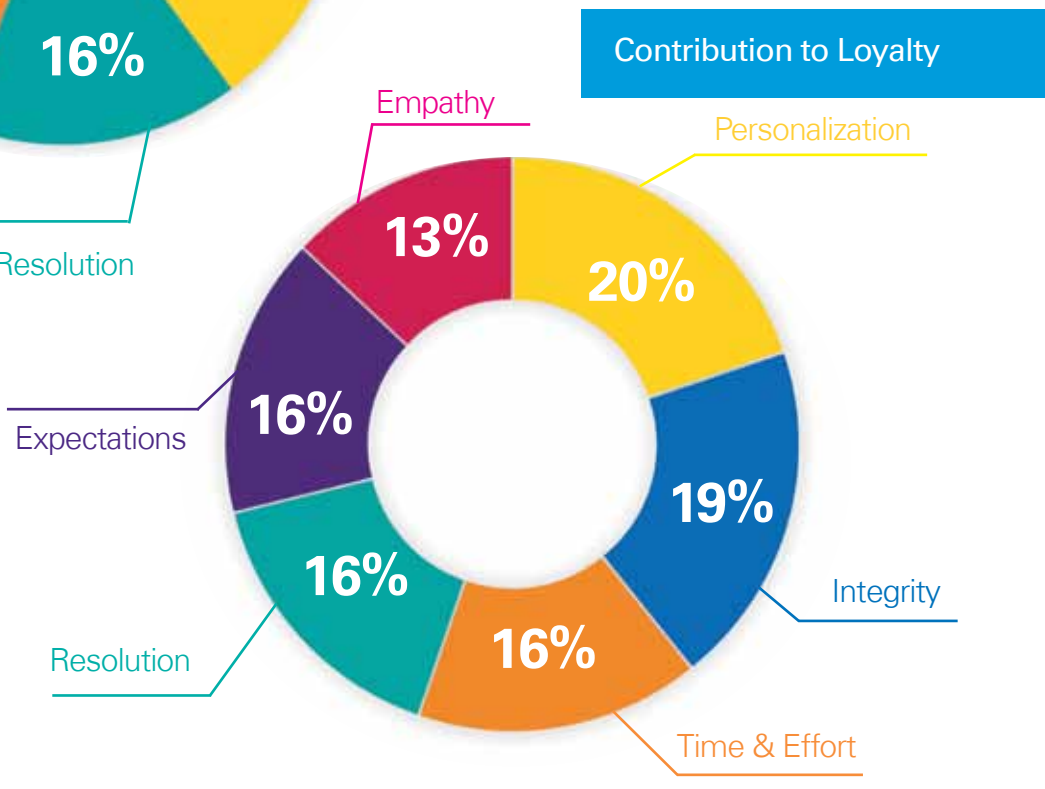
The Six Pillars don't just define Customer Experience Excellence, they also predict commercial success, with strong performance across The Six Pillars leading to improved brand Loyalty and Advocacy.

With regard to Advocacy, the likelihood to recommend a product or service, Integrity also seems to be the number one influencing factor, in close correlation with the impact it has on the overall Customer Experience. This tells us that trusting a brand is important for Romanian consumers. Personalization comes very close as the second most important factor, indicating the emergence of a mature and demanding customer who increasingly values individualized interactions and meaningful connections with his/her brands.

The same Personalization and Integrity Pillars play the most important role in customer Loyalty.

Surprisingly, Empathy seems to have the lowest influence on both customer loyalty and advocacy in Romania. That said, since companies and relationships move further into the digital world, one can expect that empathy will become an increasingly important differentiator for many organizations, regardless of whether they are interacting with customers online or offline. As such, Empathy seems to be the number one opportunity for brands willing to raise their Customer Experience game.





1 Defined as the likelihood to recommend a specific brand and measured through the Net Promoter Score (NPS);
2 Defined as the likelihood of continuing to buy goods / services from a specific brand;

Sector Performance Overview

From a sector perspective, Romanian consumers rated the Non-Grocery retail sector highest, with an aggregate score of 7,92. Closely positioned on the second and third positions are the Restaurants & Fast Food sector, with a score of 7.85, and the Travel sector with a score of 7.84. Not surprisingly, the most important pillar for all the top three sectors is Time & Effort, showing that customers value the removal of unnecessary obstacles, impediments and bureaucracy to enable them to achieve their objectives quickly and easily.
The Grocery Retail and Financial Services sectors follow in fourth and fifth place, with scores of 7.76 and 7.70. While there are representatives in the aggregate top 10 for both sectors (one Grocery Retail and two Financial Services brands) the distance between these sector champions and the rest of the followers appears to be significant, as will be further discussed in the dedicated sector snapshots below.
Telecoms ranks sixth with a score of 7.42, closely followed by Logistics with 7,33. With an aggregate of 7.17 Utilities score the most poorly among the sectors analyzed in this year's report.

Methodology

What is the Customer Experience Excellence (CEE) analysis?

For ten years, the Excellence Centre has been comprehensively researching customer experience best practice across the globe through the Customer Experience Excellence programme. In that time, over 275,000 consumers have been interviewed and 2,700 brands have been measured – providing over 3 million individual evaluations across 24 countries to support our expertise in customer experience best practice.

When was the Romanian 2019 research conducted?

The data collection was conducted between 14 May and 10 June 2019.

How is the research conducted?

A quantitative research was conducted via an online panel survey.

Who was interviewed?

For the 2019 Romanian analysis, we interviewed 2,499 consumers. A nationally representative consumer sample was targeted via our online panel partner (Targeted to be representative in terms of age and gender in Romania).
Respondents must have interacted with a company in the last six months to answer questions about it.
103 brands are included in the final Romania 2019 results. In order to be included in the final results, each brand must have achieved over 100 responses.

Which sectors are covered?*

Grocery retail

Non-Grocery retail

Financial services

Restaurants & Fast-food

Utilities

Travel

Logistics

Telecom

What questions are asked in the survey?

The core elements include:

- Six Pillar rating questions
  Personalization, Time and Effort, Resolution, Integrity, Expectations, Empathy
- Advocacy - likelihood to recommend
- Loyalty - likelihood to repurchase

The Six Pillars

Ten years of research shows that every outstanding customer relationship has a universal set of qualities. The Six Pillars have been validated across sectors and customer types. Businesses that understand and deliver against The Six Pillars have proven to deliver enhanced outcomes, grow more quickly and deliver greater shareholder value.

How is the ranking and CEE score calculated?

Brands are ranked in order according to their CEE score. The CEE score is derived via a weighted average of the brand's score for each of The Six Pillars. This weighting is calculated by the relative importance of each pillar in driving two commercial outcomes measured in the analysis: advocacy and loyalty. For further information please visit www.nunwood.com/excellence-centre

* In addition, two brands belonging to the Entertainment sector have been analyzed. For the purpose of this report this sector is not evaluated and presented independently.

Customer Experience Champions – The 2019 Top 10 B2C Brands

1 Samsung Store

8.56 CEE Score

SECTOR

Non-Grocery retail

For retail firms that are associated with a manufacturer, the latter's brand power significantly contributes to the trust and perception the client has in relation to such a brand. This is the case of Samsung Store, which registers the highest scores in four of the 6 Pillars of customer experience (i.e. Personalization, Time & Effort, Integrity and Resolution). In the above-mentioned context this does not come as a surprise since the Samsung brand is almost synonymous with innovation, personalization, and a customer centric approach to product and service development.

2 Revolut

8.48 CEE Score

SECTOR

Financial Services *(payment service sub-sector)*

Besides being an instant hit after their entry to the Romanian market in 2018, the UK based fintech company is the CX champion of the Financial Services sector, scoring highly on all 6 Pillars. In fact, it scores the highest across the whole market in terms of the Expectations pillar (8.57), proving that clear, simple and transparent value propositions are what customers increasingly appreciate. With an impressive adoption rate, Revolut also registers the highest score in terms of promoters in this year's survey.

3 ING Bank

8.39 CEE Score

SECTOR

Financial Services
(banking sub-sector)

In line with the group's strategy, ING Bank has focused locally on digital leadership, prioritizing innovation and customer experience by making banking clear and easy, available anytime and anywhere. The bank has embraced a bold operational model, based on agile methodologies, also capitalizing on the digital behavior of the customer base (e.g. closing of cash desks). They close this year's podium as the CX champion in the Banking sub-sector, also scoring the highest in terms of Net Promoter Score.

4 Uber

8.38 CEE Score

SECTOR

Travel

An already classic disruptor worldwide, Uber has made its way right to the top of Romanian customers' preferences. Despite extensive debates in the urban mobility industry, massive protests by taxi drivers and a temporary operating ban, the need for better service led to the company significantly growing its client base locally. This has been driven mainly by the simplicity and the intuitiveness of Uber's app and the overall user experience. The personalization factors of the service and the perceived convenience, especially in terms of time savings, contributed to Uber scoring very well in terms of the 6 Pillars of customer experience.

5 Cărturești

8.35 CEE Score

SECTOR

Non-Grocery retail

The only Romanian brand in this year's Top 10, Cărturești is also the CX champion of the General retail sub-sector. Impressively, the brand is the best positioned in terms of Empathy, compared to all other firms surveyed (score of 8.13), a pillar where the whole market scored poorly (aggregate score of 7.24). Recognized and praised by clients for the warm and inviting atmosphere created in their bookstore retail environment, with a human centered approach to customer relations, the Romanian brand is setting CX standards for the sector and the whole market.

6 Netflix

8.25 CEE Score

SECTOR

Entertainment

Another classic disruptor, Netflix is a company that successfully responds to the local customers' needs by offering its well-known easy access to content anytime, anywhere, and on multiple devices, alongside a convenient purchasing model. Owing much of its success to its data driven approach, a model adopted since the company's inception, Netflix is a champion of convenience and personalization. This is particularly relevant with cable TV consumption slowly decreasing in Romania, in line with global trends, and considering the rise of VOD (video-on-demand) and OTT (over the top) services.

7 IKEA

8.15 CEE Score

SECTOR

Non-Grocery retail

In Romania IKEA remains committed to its legacy of providing functional, minimalistic, and affordable furniture while making clients' interaction as seamless as possible. As such, it does not come as a surprise that the company scores best under the Time & Effort pillar. At IKEA, customers experience something beyond shopping, and this is partly due to the store layout, the options to try out and experiment with every item on display, but also due to well-designed facilities that add value to the customers' experience, such as the food court or the children's playground. Through well designed customer journeys the company empowers the client to act and feel independent, to experiment and enjoy the whole process.

8 Sephora

8.15 CEE Score

SECTOR

Non-Grocery retail

As one of the largest retail beauty chains in the world, Sephora enjoys great popularity in Romania too. The French cosmetics and perfumery retailer opened its first store in April 2007, and grew exponentially, operating now from 32 stores nationally. The company stands out in terms of Time & Effort, positioned in the top 3 for this pillar, across all brands surveyed. By launching their online shop in 2016, Sephora designed a multichannel customer journey, one where the in-store sensorial experience and professional advice mixes naturally with the convenience of digital shopping.

8.13 CEE Score

SECTOR

Non-Grocery retail

9 Decathlon

Decathlon in Romania offers quality and affordable products and the brand acts as a full-service agency for sports enthusiasts. What appears to differentiate the company is their positioning as a lifestyle enabler and partner, rather than a simple apparel and sports gear retailer. Decathlon does particularly well under the Personalization and Time & Effort pillars, as it offers customers several adjacent services that address multiple needs and enhance the experience, such as the possibility to try out sports equipment on site or in-store booths for bike repairs, t-shirt printing or tennis gear calibration. In late 2018, the retailer announced its "Made in Romania" product line, dedicated to sporting goods produced locally.

8.12 CEE Score

SECTOR

Grocery retail

10 Lidl

Lidl is the only grocery retailer that made it into this year's top 10. Besides its core market positioning as a discounter, with low prices central to its model, Lidl plays on several other consumer fronts and manages to drive its clients' perception and experience into a different segment - it is a value brand, but it doesn't come across like one. It achieves this through intense personalization efforts (e.g. campaigns such as the country thematic week, or own brand products focused on children) and a focus on streamlining the customer interaction with the products and the store environment (e.g. Lidl promotes its Bakery, the Flower Shop, or the Grocery Market as distinct units, appealing to a specific target audience). The brand also achieves one of the best Loyalty scores across the whole market.

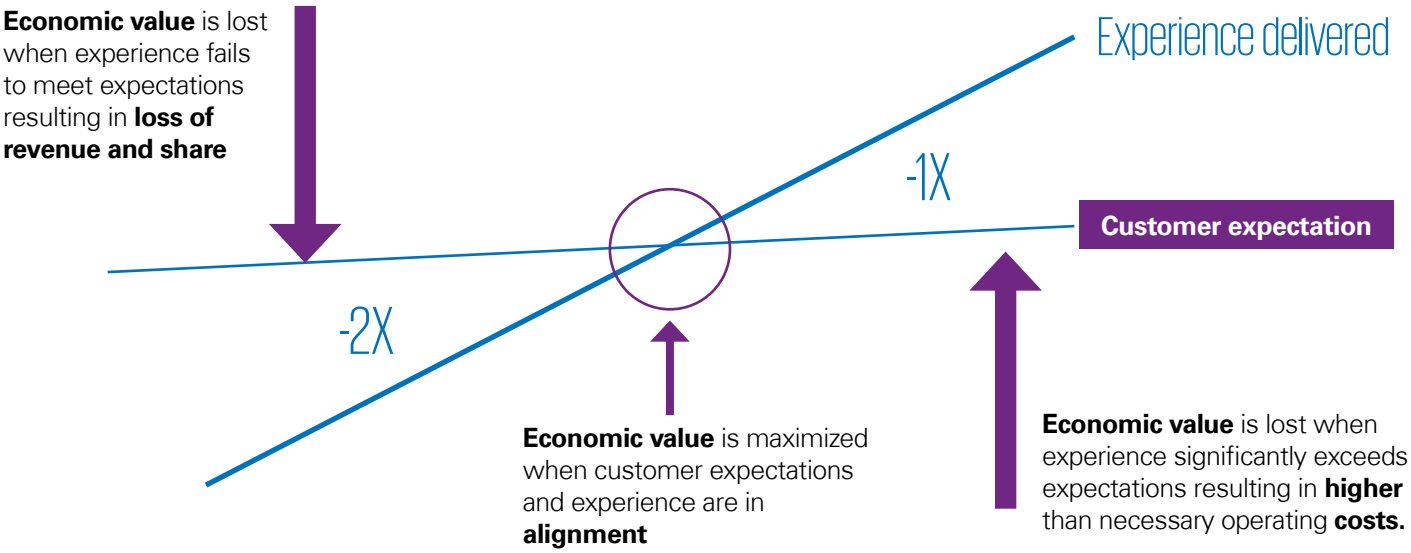
The Omnichannel Index

KPMG has designed an Omnichannel Index for measuring the performance of brands in the delivery of an integrated and coherent experience using various channels. The index represents the average rating of customer satisfaction when interacting with the company on at least two channels: physical, digital and by phone. The ranking is based on the consistency of engagement and interaction between the company and the customer, and considers the perceived ease by consumers to switch from one channel to another. Five of the top 10 Omnichannel champions are in the aggregate (whole market) Top 10, while 8 are in the aggregate Top 20.

CEE rank	Brand
1	Samsung Store
2	Revolut
3	ING Bank
4	Uber
5	Cărturești
6	Netflix
7	IKEA
8	Sephora
9	Decathlon
10	Lidl

Omnichannel Rank		CEE rank
1	Revolut	2
2	Benvenuti	13
3	Samsung Store	1
4	ING Bank	3
5	Uber	4
6	Zara Home	21
7	PC Garage	14
8	Bershka	43
9	Zara	15
10	Cărturești	5

The Economics of Customer Experience



Sector Snapshots

Non-Grocery Retail Sector 7.92

The Champion of the sector is Samsung Store

8.56

CEE score

The Champion of the sector is Samsung Store (8.56), the highest scored registered across the whole market.

The non-grocery retail sector is extremely large. It includes a wide variety of different customers, and competition is significant (nearly one third of the brands analyzed in 2019 are part of this sector). This gives companies a particular sense of urgency and importance when it comes to knowing their client and delivering the right experiences. In 2019, the sector is characterized by several trends such as a focus on product and service diversification, market consolidations, development of new value propositions, and increased efforts to develop omnichannel presence.

Retailers are actively taking steps to maintain customer loyalty. Digital transformation is getting more and more space on the agenda, in an attempt to increasingly meet customer expectations. Various strategies around IT solutions such as robot process automation or artificial intelligence are now being considered, with retailers becoming not only demand drivers but also being part of IT solutions market testing for various specialized developers. In addition, a re-evaluation of the current business models is on the table in many board-rooms as the industry value chain is being disrupted in various ways, including from an increased customer bargaining and market influencing power perspective.

Retail has generally scored well in this survey, with several leading names in the top 10. In Romania, we have seen strong growth in the sector in recent years, with a number of more specialist retailers entering the market and finding a niche. Naturally, this has led to greater competition, and also consumers are increasingly focused on quality and personalization of interaction. Digital transformation has been critical in terms of meeting customers' expectations. Overall, customer excellence is essential for success in this sector and it is good to see that many Romanian retailers have understood this.

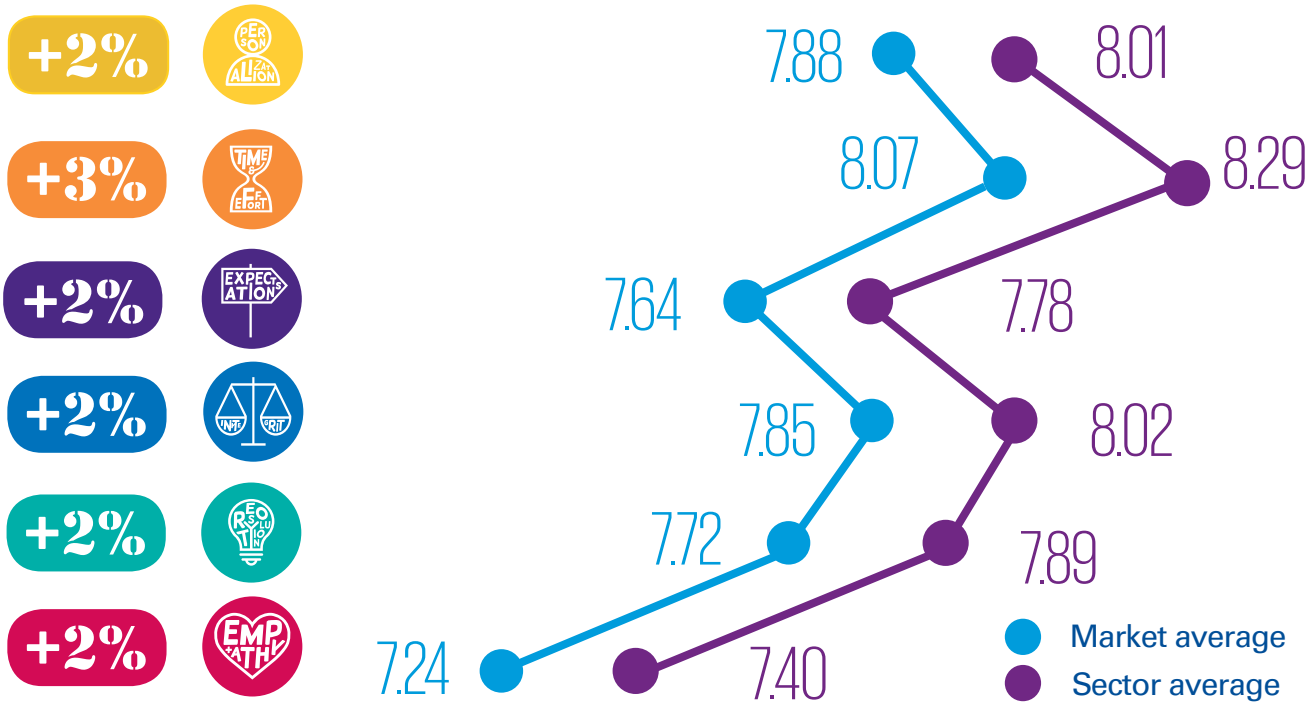
Aura Giurcăneanu
Partner, Head of Consumer Markets & Retail
KPMG in Romania

We are also seeing an interesting development in line with a global trend, the emergence of "clicks and bricks" convergence. As such, traditional bricks and mortar retailers are investing in online shops and are working towards improving the customer's online experience. At the same time web-based players are also looking at various solutions to develop and improve their offline experience.

With a tech-savy, increasingly demanding and channel agnostic customer it is very likely that the boundaries between online and offline retail will fade away in the very near future. This will create a competitive space for players offering a smooth, unitary experience to their customers, and which are able to connect both the physical and the digital and deliver seamless customer experience excellence.

Five of the Top 10 brands, and 20 of the Top 30 come from the non-grocery retail sector. In terms of the 6 Pillars, the sector is above the market average on the whole pillar spectrum. The driving pillar is Time & Effort which is a good indicator of how the sector adapts to a fast-paced customer environment where clients seek and value swift and accurate interactions with their providers. Non-grocery retail also registers the highest Net Promoter Score compared to all other sectors.

The Non-Grocery Retail sector's aggregate 6 Pillars performance and comparison versus market average



Focus on Cărturești

The Empathy Champion

Sector: Non-grocery retail

The 6 Pillars:
Brand scores vs sector average

Personalization	**+5%**
Time & Effort	**+4%**
Expectations	**+4%**
Integrity	**+6%**
Resolution	**+4%**
Empathy	**+9%**

"My experiences with Carturesti have always been pleasant. The employees are always prompt, attentive to the needs of the clients, they treat the problems encountered with calm and professionalism. The atmosphere is very pleasant and urges you to stay and come back whenever you feel the need to relax and disconnect from everyday life."

Female, 30 years old, Bucharest

"Working at Cărturești always meant working towards better versions of ourselves. Our behavior is shaped by a creative restlessness that is also manifest in how we treat each other and our customers. And we believe there is a close relationship between this internal need to evolve daily and the external perception of our work. Epictetus said it best: Seeking the very best in ourselves means actively caring for the welfare of other human beings. Empathy is an essential part of this process of caring for the needs, expectations and the wellbeing of our clients. Putting ourselves in the shoes of those who visit us is a big part of our job but also one of our biggest challenges.

In a post-communist society, where the specter of suspicion towards others still haunts us, showing empathy for strangers in social settings doesn't come naturally. Building better community connections is a continuous process and the change starts with each one of us. We are lucky that our journey so far has put us in a privileged position to develop and exercise empathy both in customer service and in our work relationships.

Empathy begins as an internal feature of the organization that is then passed on to the client. It is part of Cărturești's DNA to cultivate authentic dialogue, through which we get to know each other and learn to accept others as complete human beings, not just as their work persona; task-oriented emotionless co-workers. In real life, we bring our emotions to work and organizations have to create a culture of acceptance where people feel safe enough to admit when they are wrong or to contradict the majority's opinion when that doesn't fit with their own way of seeing things.

Empathy is a two-way street for us. Our customers are our partners. With every new bookstore we have opened, we have slowly, organically created a community around us. Every day, our efforts go into growing and enchanting all those people who believe in us. We invest in all things related to a great experience in our bookstores: beautiful and friendly interior design, free gift wrapping, a creative line of products in cooperation with local designers and illustrators, special events dedicated to passionate readers of all ages and backgrounds, a recently developed loyalty program centered on offering cultural experiences to our customers, a bibliotherapy service, a national festival that blends art, urbanism, architecture, culture and ecology, and many other projects, big and small, that ultimately aim at creating a magical meeting place between readers, books and other readers.

A significant advantage in creating empathy lies in our team and our core values. Once we started scaling up we really turned our attention to both the visible and invisible processes, relationships, rules and conversations inside our organization. Mapping our organizational DNA gave us the chance to meditate on the unique set of principles that brought us where we are. And we noticed that many of the values that drive us are connected by a thread of empathy: we believe that our clients deserve our full attention; that good things deserve to be shared; that reading makes us better; that diversity is our secret ingredient.

Empathy could also be a result of our business model. We are not an exploitative company but a cooperative one that grows by creating value for others. We like to believe that we are an organization that creates "spiritual capital" as defined by the authors Danah Zohar and Ian Marshall: an organization that shows compassion for others, that feels responsible towards the community and always asks 'why' it does what it does. We are not obsessed with meeting objectives and we constantly reflect on our choice of objectives and the consequences of our choices. It is this self-reflective process from which we are constantly learning about ourselves and others.

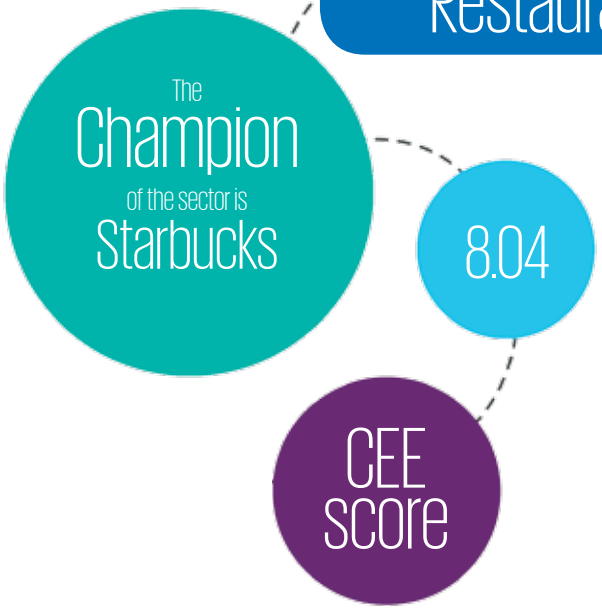
In almost two decades of working together we realized that Cărturești is in the hands of every one of us and that every interaction with our clients creates value. That is why we train ourselves to actively listen to our colleagues and our customers. The lost art of listening is maybe the most important ingredient of empathy. And it's also an important requirement of all job descriptions in Cărturești.

We have configured our bookstores to accommodate experiences, not to maximize sales. And we like to think that our visitors do not look at Cărturești as a place for buying things but as one for collecting joy."

Nicoleta Iordan, Co-Founder Cărturești

Sector Snapshots

Restaurants & Fast Food 7.85



The Restaurants & Fast Food sector ranks 2nd in the Customer Experience Excellence 2019 Report with an aggregate score of 7.85, above the average score of the whole Romanian market.

Positioned in 20th place in the aggregate Top 100, the Champion of the sector is Starbucks with a score of 8.04, visibly above the sector's overall performance.

Restaurants & Fast Food is an extremely competitive environment due to factors such as low entry barriers, client base volatility and a rather high fragmentation of the sector. As Romanians in urban areas are shifting their eating habits towards more convenient and faster options, clients are looking for value and convenience from their fast food and restaurant providers – this is demonstrated, for instance, by an increasing street food culture. Apart from the two segments already mentioned in the title of the sector (fast food brands and restaurants) we also include a third, a hybrid one, i.e. coffee shops and bakeries.

Traditional restaurants are increasingly adapting to customers' various lifestyles with simple yet effective measures such as the introduction of specific offers adapted to a specific time of the day (e.g. breakfast, lunch or dinner menus). There seems to be, however, a significant gap in terms of the quality of interfacing with restaurant personnel. This creates serious improvement opportunities especially in the redefinition of the concept of "service", as well as improving the personalization of the human interaction.

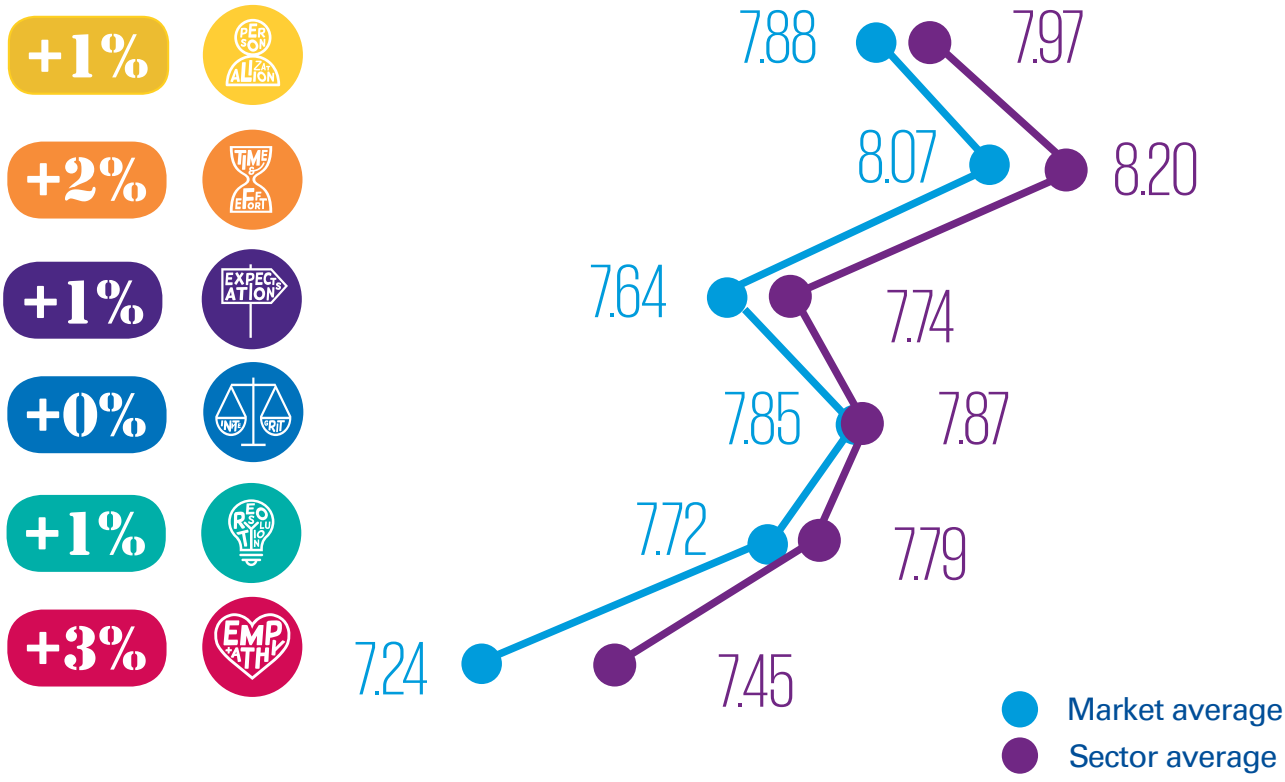
Coffee shops and bakeries could be perceived as the disruptors of the sector, as their hybrid offerings appeal to both restaurant and fast food clients. In addition, they usually offer an extra cool factor residing either in their location/set-up, the interior/exterior design, or the experimental food/drinks menus.

Fast food brands are under continuous pressure to live up to their name and deliver convenience in terms of time and money. Here we see some intense customer focused initiatives, starting with process improvement interventions or redesigned workforce training and continuing with the implementation of technology enabled solutions such as digital terminals, and proprietary mobile apps enabling food ordering, tracking payment, and service rating.

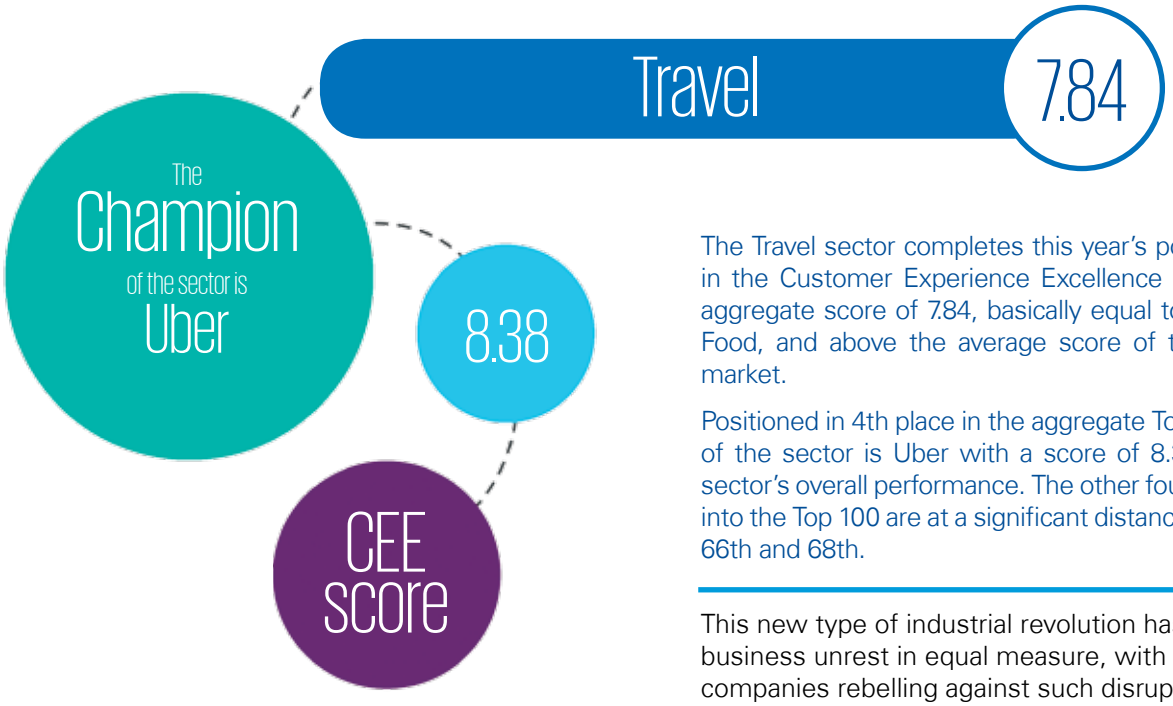
Faced with an intense customer face to face interaction, brands in the sector are visibly making efforts to respond to clients' requirements. How various players on the market differentiate seems to be driven by the efficacy of the service and the personalization efforts, as the relevant 6 Pillars standing shows below. There are 5 brands in the CEE Top 100 this year, quite evenly spread across the board (they rank 20th, 29th, 41st, 58th and 67th).

In terms of the 6 Pillars, the sector performs best in terms of Time & Effort (8.20), an absolute must in this sector. While the sector is above the market average overall, as already mentioned, Integrity is the only pillar that scores closest to the average (7.87). Integrity is the sine qua non of value, the key factor of customer experience excellence, the foundation on which all other pillars build their propositions. For these reasons, addressing the trust deficit may be one of the important measures that brands in the sector need to implement soon.

The Restaurants & Food sector's aggregate 6 Pillars performance and comparison versus market average



Sector Snapshots



The Travel sector completes this year's podium by ranking 3rd in the Customer Experience Excellence 2019 Report with an aggregate score of 7.84, basically equal to Restaurants & Fast Food, and above the average score of the whole Romanian market.

Positioned in 4th place in the aggregate Top 100, the Champion of the sector is Uber with a score of 8.38, visibly above the sector's overall performance. The other four brands that made it into the Top 100 are at a significant distance, ranking 57th, 65th, 66th and 68th.

> The sector is witnessing significant changes as well as disruptive pressures and this is one of the reasons why it is home to continuous innovation, technology development and implementation efforts, wide adoption of yield management techniques, and the development of omnichannel interactions. The champion of the sector, Uber, is one of the most used case studies in business disruption lectures, articles and books. This model is now being copied by other players and it has become an inspiration for many other industries. One common feature is that these new ways of doing old things put the customer in the driving seat with the ability to rate services and providers, provide real time feed-back and even influence the way the products are designed.

This new type of industrial revolution has created social and business unrest in equal measure, with many incumbent companies rebelling against such disruptors, and calling for regulatory protection.

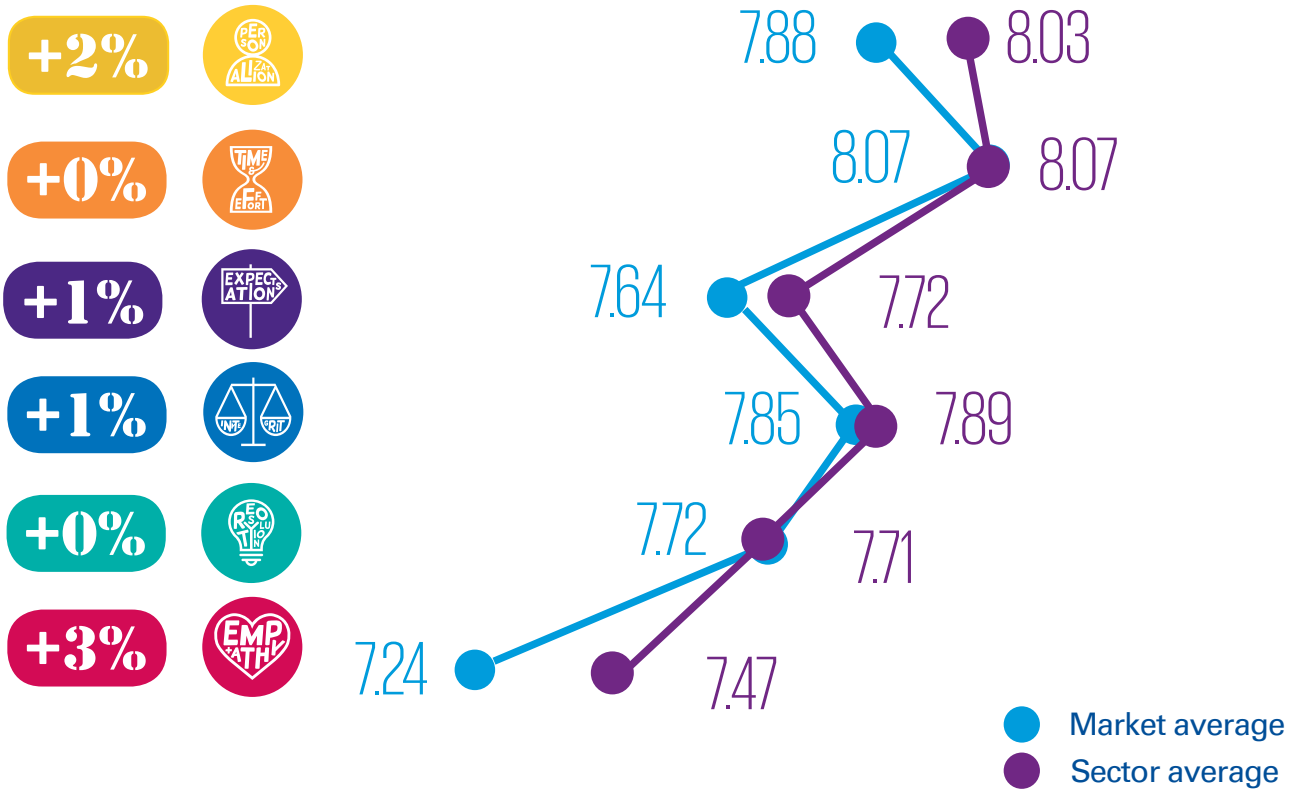
What is relevant for our discussion is that business models such as Uber's have been built by spotting and then solving relevant customer pain points. This is customer experience impact in action. Companies whose driving mission has been to solve such problems have built their entire business models, processes and operations around the customer.

Coming back to the sector, a particular feature of the local market is the growth of air travel where we see quite intense competition. Many regional airports are now operating international flights and several brands are competing in the context of constant demand. In addition, due to the poor road and railway infrastructure, in-country flights are now becoming an interesting opportunity, especially for low cost brands competing in this niche. With an industry already operating at very low margins, employing customer centric methodologies and tools into day to day operations has become a must.

In terms of the performance across the 6 Pillars the sector is pretty much molding around the market average, except for two pillars that clearly stand out with much better scores, i.e. Personalization (8.03) and Empathy (7.47). This is a clear indicator that brands in this sector are focusing on taking advantage of frequent customer interfacing and are working towards individualization of the relevant interactions. This performance is intimately linked to loyalty building efforts in the context of strong competition and it is an area which other sectors can get inspiration from.

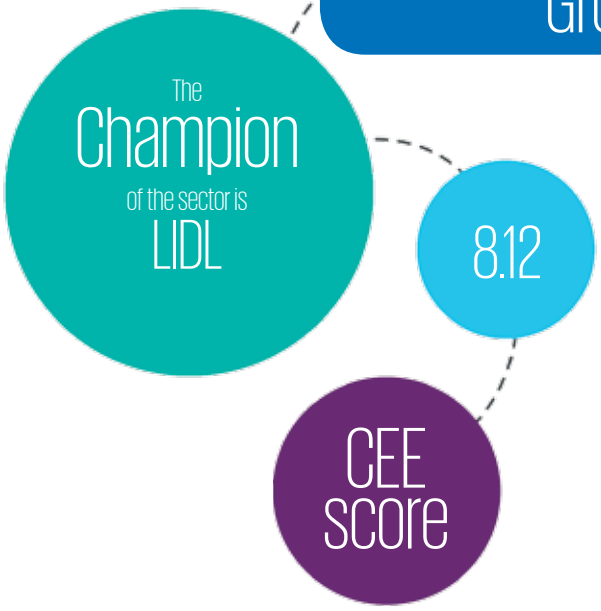
One important point to add is that customers perceive the sector as being the best in terms of Value for Money compared to all other sectors.

The Travel sector's aggregate 6 Pillars performance and comparison versus market average



Sector Snapshots

Grocery Retail 7.76



The Grocery Retail sector is in 4th place in the Customer Experience Excellence 2019 Report with an aggregate score of 7.76, which is basically in line with the Romanian market average score.

The Champion of the sector is Lidl with a score of 8.12, significantly above the sector's performance, and which closes the 2019 aggregate Top 10.

The results for Grocery Retail are quite heterogenous, as we see an almost even spread of grocery retail brands across the top 100. As such, out of the eleven brands that made it into the Top 100, two are in the top 20, another four are clustered around the middle of the ranking, and the rest are spread gradually, taking 63rd, 70th, 71st, 80th and 92nd places. This polarization partly explains why the sector shares similar scores to the market average.

The grocery retail sector is characterized by stiff competition, ongoing consolidations, as well as aggressive expansion strategies. All these pose challenges and opportunities alike. Competition often leads to brands engaging in price wars, while rapid expansion can change efforts to more operational aspects, putting customer related initiatives on the back burner. The obvious go-to solution for both type of challenges is to refocus on the customer, including as a platform for merger/post-merger integration strategies.

Looking at the NPS figures which result from our survey, we notice that all players in this sector have a high share of passives (ranging from 36% to 40%) and quite a low share of detractors, indicating that there is a significant share of consumers not necessarily attached to a specific brand, who are flexible in terms of changing their retailer. In addition, the customer's profile varies significantly across the sector, and each profile is looking for something different in relation to their grocery supplier. For instance, a certain category will be looking for convenience and value for money, while another will perceive grocery shopping as a food experience, a source of inspiration, or a lifestyle habit. The associated challenge for the brands in the sector is to first understand the type of clients they serve or want to serve, and then to start designing the right experiences that will drive loyalty and attachment to the brand.

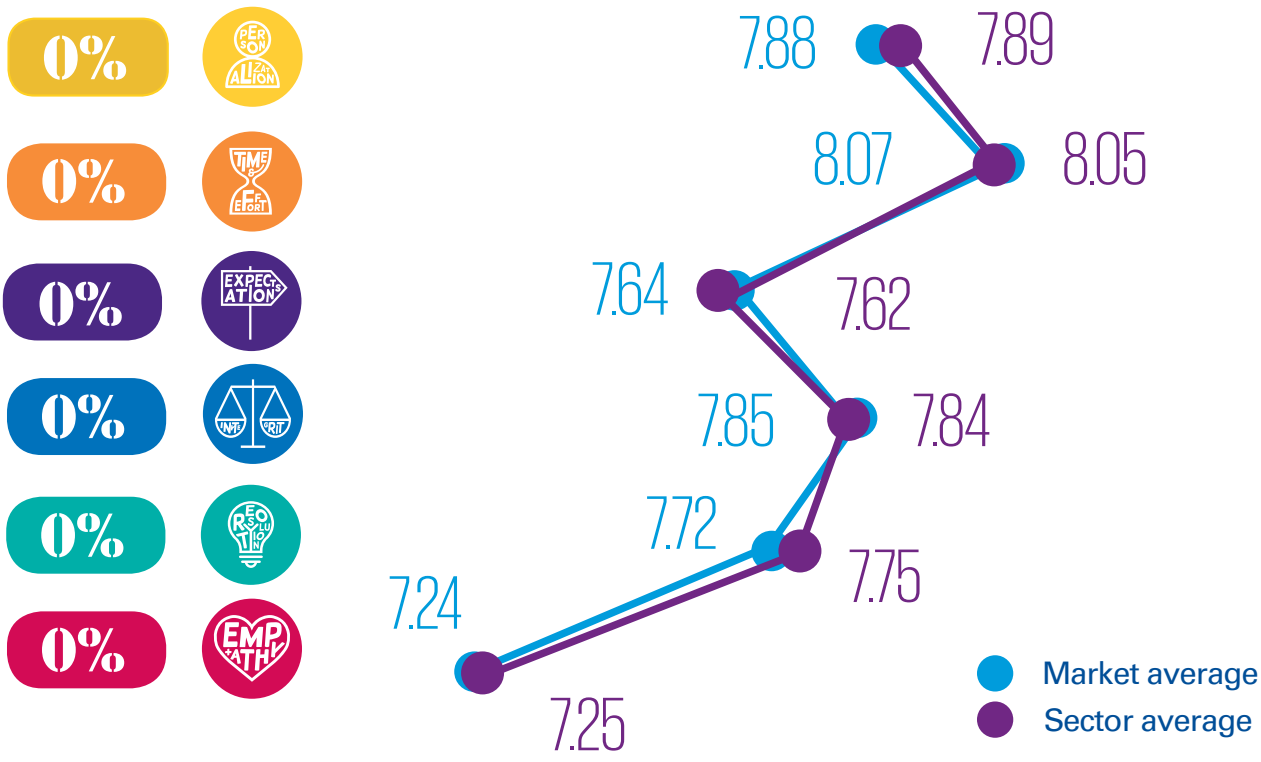
In terms of sector trends, one that we estimate local players will continue to experiment with is cross-sector partnerships (e.g. the Auchan – Petrom partnership), as well as grocery retailers entering new markets in an endeavor to offer new experiences to their consumers (e.g. Mega Image opening "in-house" restaurants and coffee shops). In addition, with customers increasingly preoccupied by health and wellness, food retailers are starting to allocate more shelf space and dedicated sections for pure/organic/bio products, often by developing partnerships with local producers. This latter initiative is by no means minor in terms of brand positioning, considering that large grocery

retailers have occasionally been reported as pushing adverse commercial terms to their suppliers (particularly small ones), significantly reducing their margins.

Some grocery retail brands have developed digital sales channels (e.g. Cora Online, and Bringo - the latter acquired by Carrefour), while also focusing on hybrid shopping/omnichannel strategies to broaden their customer communication and interaction space, as well as strengthening the relationships. This has now become an imperative since online is a much more suitable environment to capture relevant customer data, an area where grocery retailers are lagging both operationally and strategically, compared to other sectors. In this context, efficient gathering and use of client data, digital profiling and cyber security are clear targets for the sector.

In terms of the 6 Pillars positioning, the sector's highest score is for Time & Effort (8.05). This is somewhat surprising and at the same time encouraging since the sector has been historically challenged with several related pain-points, such as crowded store pathways or long queues and waiting times. These issues are being gradually addressed through various measures such as the introduction of self-service counters or home delivery services. The sector scores the lowest on Empathy (7.25) and seems to be missing a lot by not taking advantage of the frequent customer interaction, and not employing empathy as a key differentiating factor.

The Grocery Retail sector's aggregate 6 Pillars performance and comparison versus market average



The sector scores very well in terms of a specific indicator also measured in our survey, i.e. value for money. The value perceived by the customer also influences the overall experience perception and can further drive loyalty and advocacy. Value however, as perceived by the customer or projected by the brand, is by no means an absolute predictor of good customer experience, as our results show. (For instance, some discounters score well on value, or position themselves as value brands, but perform poorly in terms of the 6 Pillars of customer experience).

Focus on Lidl

A Time & Effort Champion

Sector: Grocery retail

The 6 Pillars:
Brand scores vs industry average

Personalization	**+5%**
Time & Effort	**+4%**
Expectations	**+5%**
Integrity	**+4.5%**
Resolution	**+5%**
Empathy	**+5%**

I visit the Lidl store almost daily, mainly for bakery products. Secondly, it is my preferred shop due to the quality price ratio. Thirdly (and which is actually the most important thing for me) I buy almost every Saturday at least one product from their Super Saturday promotion because the price is really low and the product does not have its expiration date the next day.

Female, 56 years old, Ilfov

"Lidl's story in Romania began in 2011 with the opening of the first Lidl stores. Today we have over 7000 employees working in over 250 stores and 5 logistics centers.

Ever since the beginning of our business, in 1930s Germany, our main goal has been to offer quality and freshness for the best price. We have also adopted as a main business principle our desire to focus our activity on customer satisfaction.

Our mission is to offer our Romanian customers the best quality products for the best prices, directly from suppliers, with a wide range of choice, daily. As a discount store we focus on the essential. Because of the efficency or our internal processes and also the strong partnerships we have developed with our suppliers, our customers can always rely on the recognized quality and freshness of Lidl's products. It is the daily focus of our employees to offer our customers the most pleasant shopping experience.

We always pay attention to the needs and feedback of our customers. For example, we believe it is very important to offer our customers a wide range of local products. Because we understand Romanian customers' taste for local traditional and authentic products, we have included locally manufactured goods among our products, such as the Camara Noastra range or the fruit and vegetables from Romanian suppliers available in Lidl Market.

We also strive to offer our customers a well established range of products daily and during themed weeks to offer the variety we are all looking for – from fresh products to internationally well known goods, local specialities, textiles and household items. So, our customers can choose between numerous well known brands, including Lidl's internationally awarded own brands. The regional and seasonal products complement our range of products.

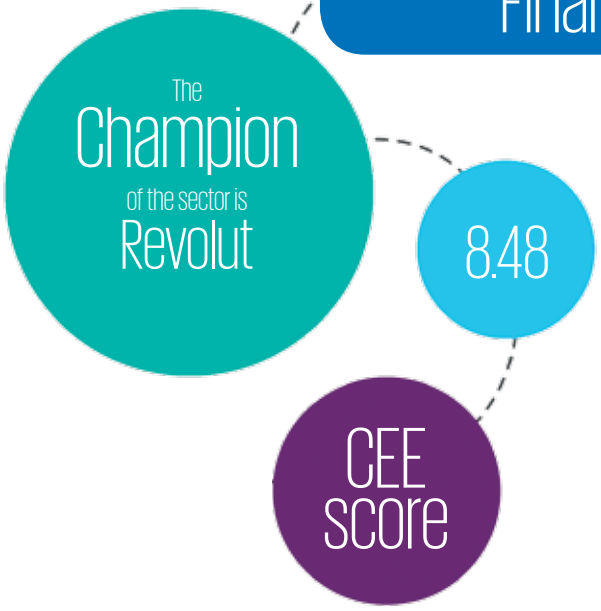
Not only is the shopping experience at Lidl straightforward but we also highly value our employees and offer them an excellent working environment. The secret of our success is based on a system of standardized stores, and we always remain conscious of the responsability we have for our employees and for protecting the environment.

Consequently, we believe we have managed to create pleasant experiences for our customers who we would like to thank for their loyalty and trust."

Lidl Romania

Sector Snapshots

Financial Services 7.70



The Financial Services Sector ranks 5th in the Customer Experience Excellence 2019 Report with a score of 7.70.

The Champion of the sector is Revolut with a score of 8.48, significantly above the industry average.

> The financial services sector appears to be a two-speed market, with only two brands represented in the top 10 and only 4 brands in the aggregate Top 30, taking 2nd, 3rd, 11th and 17th place. This does not come as a surprise however for at least two reasons.

Banking Sub-sector Champion | ING Bank

Insurance Sub-sector Champion | NN

Payment Sub-sector Champion | Revolut

Firstly, the companies that have managed to position themselves so well in our survey are at the forefront of adopting customer centric initiatives. For instance, Revolut (2nd) is known for having designed its business model and the whole app ecosystem around solving particular customer pain-points. As such, it manages to deliver customer excellence consistently across the 6 Pillars. The only banks in the top 30, ING Bank (3rd) and Banca Transilvania (11th), are known for adopting an intensive customer centric approach, embedding CX tools and methodologies at the core of their agile banking models and strategies. Secondly, most organizations in this sector, particularly banks, are still challenged by the legacy of complex organizational structures and cumbersome (sometimes obsolete) internal systems and processes. This has a significant impact on agility, which further translates into poor performance in the Time & Effort pillar. This is of course enhanced by regulatory burdens that are significantly more stringent for financial institutions compared to other industries. The image of a polarized sector takes further shape when we notice that only 6 out of 18 brands in the financial services sector made it into the top half of the 2019 Customer Experience Excellence Top 100.

On the trends side, the digitalization of the B2C financial industry is now a global phenomenon and it includes a wide spectrum of measures from putting in place advanced cyber security systems, to developing and/or improving IT platforms, online tools and apps for customer interaction. Players on the Romanian market are no strangers to these developments and are taking steps towards building digital bridges with their customers, either by taking radical approaches, for example by building end to end digital banking platforms, or by going more specific, for instance by launching specific mobile interaction apps that allow in-app dialogues and enhance conversational marketing opportunities. The main rationale behind these endeavors is technology advancement which has led customers' expectations to change dramatically, as people increasingly value simple and timely interactions, doubled by high-quality and personalized service.

What we often notice with regard to digitalization, but also other corporate transformation efforts in the financial services industry, is a disconnect between the specific solutions created/implemented and the actual customer reality on the ground (e.g. process improvements, organizational redesigns,

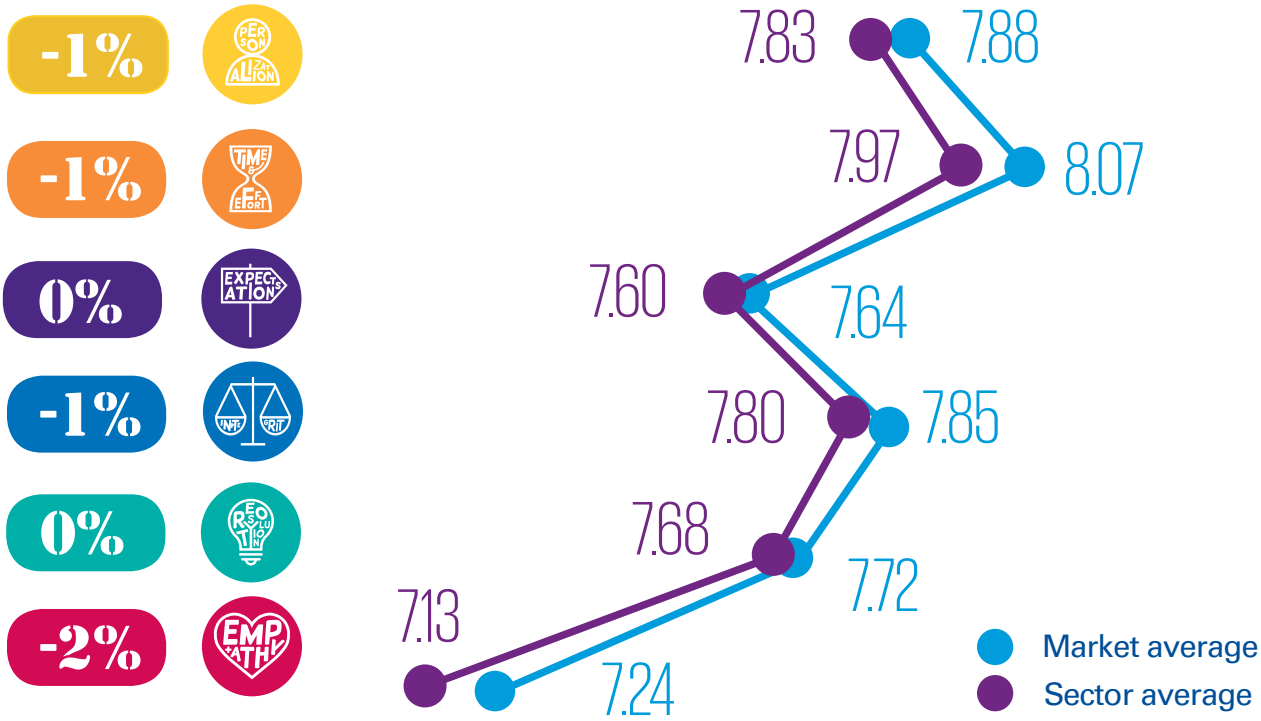
The financial sector has seen significant transformation in recent years, with the rapid development of technology and the emergence of some disruptors on to the market. New firms and few established players are challenging traditional practices and this is making customer experience excellence a priority, both for the newcomers and for the established players which have to keep up. Financial services have done well in the survey, and two banks made it into the Top 30: ING (3rd) and Banca Transilvania (11th). Both have adopted an intensive customer-centric approach. However, many banks and insurers still need to tackle the legacy of complex organizational structures and cumbersome (sometimes obsolete) internal systems and processes.

Tudor Grecu
Partner, Head of Financial Services
KPMG in Romania

CRM implementation/reshuffle). The main danger in such projects is that companies become too attached or captive to inside views and put little or no emphasis on the outside-in perspective, i.e. the customers' view. Based on the results of our study most organizations in the sector have great opportunities to start making greater sense of the data they currently gather, to improve customer related data collection (both qualitatively and quantitatively), and design human centered solutions that "speak" to the customer and actually solve specific issues.

With regard to the 6 Pillars performance, the financial services sector is positioned just below the market average. The biggest gaps versus the average appear under the Time & Effort and Empathy pillars. This may bring several opportunities for financial services players to better attend to their clients' needs and wants in terms of speed and efficiency of interaction (directly linked to a company's processes and systems) as well as in terms of designing human centered experiences, which is will be provided by a company's workforce.

The Financial Services sector's aggregate 6 Pillars performance and comparison versus market average



Focus on Revolut

The Expectations Champion

Sector: Financial services

The 6 Pillars:
Brand scores vs industry average

Personalization	**+10%**
Time & Effort	**+9%**
Expectations	**+12.5%**
Integrity	**+10%**
Resolution	**+8%**
Empathy	**+11%**

Easy to access, easy to use, fast confirmation of identity, low rates for the operations performed. I would recommend it to anyone."

Male, 33 years old, Pitesti

Putting the customer where he or she should be: front & center!

"The story of Revolut on the Romanian market is just one example of how the focus on customers and product can help a new player compete with established, traditional actors, without significant marketing budgets or extensive teams.

Revolut was launched on the Romanian market in May 2018. Back then, a little less than 20.000 Romanians were using Revolut. Fast-forward to today, more than 750.000 Romanians trust Revolut with their money, putting Revolut at the same table with the traditional banks in terms of usage. Several things are key to the success of Revolut in Romania and beyond.

Product first, marketing later!

We started out with the vision of building a radically-better product that helps people be in control of their money. We lived up to this vision by focusing first on the product. At first, we built some core features that differentiated us from all the other actors on the market:

- We offered our users access to excellent exchange rates
- We delivered a truly global experience, by offering the users the possibility to open accounts in multiple currencies, at the tap of a button, with no additional costs
- We enabled instant P2P transfers within the Revolut ecosystem, such that our users can send money anywhere in the world instantly

The product was simple, easy-to-use and solved a real pain point of our users, hence driving the initial adoption. In Romania, the product alone brought Revolut the first 20.000 users, with no team or efforts directed specifically to the local market.

Listening to our users

We kept our commitment to build a radically better product by listening to the feedback received from the user community and creating effective feedback loops. This way we were able to expand our product offering by building the features that our users requested.

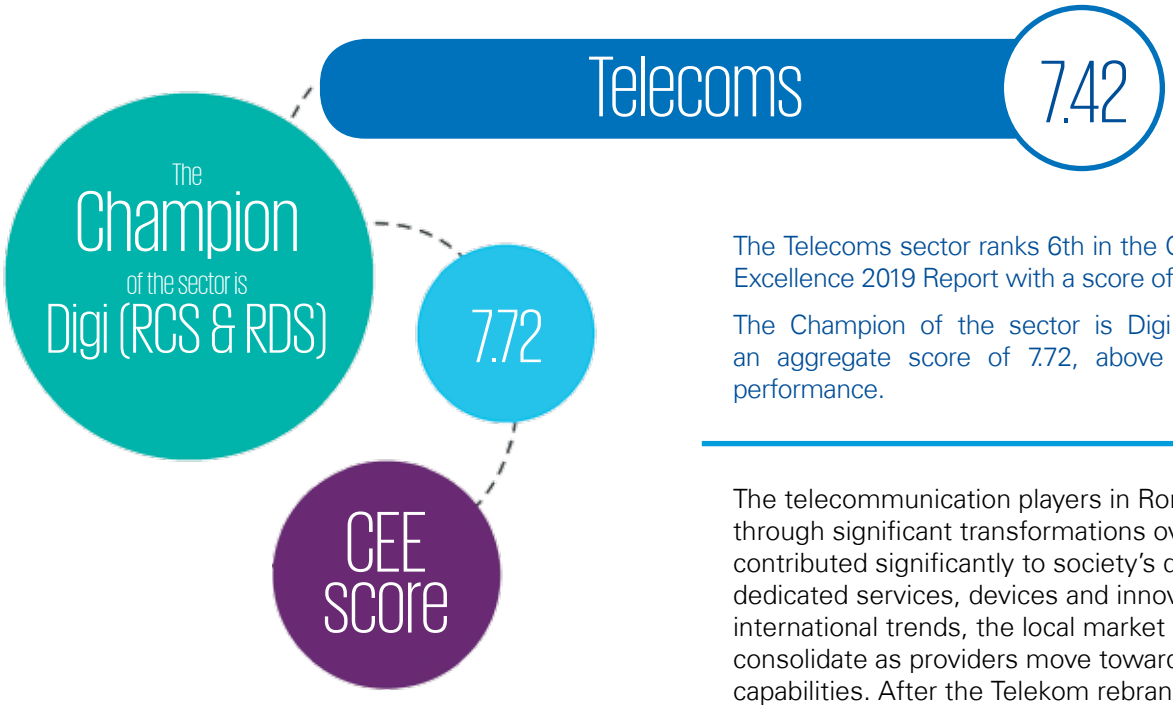
Community-driven growth

Our focus remained on our users as we set-up local operations by hiring the local team. We started engaging with our user base on a regular basis, both directly (through #RevRallys, our community events, as well as out Office Hours session, speaking engagements) and indirectly (through social media and live events).

Marketing came only later in this equation, with our users always being where they should be: front and center in our business decisions. Our vision has evolved today, as we work to become the world's first truly global bank. We aim to do this by growing faster than anybody else and this is achievable only because our team does not only comprise our employees, but also our 7M+ users all around the world who are happy with the product and refer it forward."

Irina Scarlat, CEE Head of Growth, Revolut

Sector Snapshots



The Telecoms sector ranks 6th in the Customer Experience Excellence 2019 Report with a score of 7.42.

The Champion of the sector is Digi (RCS & RDS) with an aggregate score of 7.72, above the sector's overall performance.

Romania is one of the most competitive telecom markets in Europe, but also worldwide, characterized by an abundance of data and minutes offerings, low ARPU and very high internet speeds (4th place for fixed broadband and 39th position for mobile broadband according to the Speed Test Global Index[4]). With mobile media consumption growing, customers are migrating to solutions with more data included.

The telecommunication players in Romania have gone through significant transformations over the years and contributed significantly to society's digitalization with dedicated services, devices and innovation. Following international trends, the local market continues to consolidate as providers move towards full services capabilities. After the Telekom rebranding in 2014, RDS mass marketing their mobile services starting 2012-2014, and the acquisition of UPC by Vodafone in 2018, the market has entered a new consolidation stage as other transactions are expected to take place in the near future.

Overall, the sector performs well below the market average in terms of the 6 Pillars of customer experience, with the best results registered in the Time & Effort pillar (7.7). This reflects, as in the case of other sectors, the response to technology developments that have transformed today's customer into a connected, impatient and demanding individual. The sector scores the lowest in the Empathy pillar (6.91), and this is true across all 5 telco operators included in our 2019 survey.

Digi (RCS&RDS), the leader on the fixed internet and TV markets and a challenger in the mobile voice market, is the champion of the sector, getting the highest CEE score, clearly exceeding the market average in terms of the Personalization and Time & Effort pillars. Digi scores the highest among peers with respect to the Expectations pillar too, which is consistent with the company's strategy of delivering simple and clear value propositions built around the price competitiveness of their offerings.

Changes in consumers' behavior have left their share of impact on the sector and telecom providers now have the chance of reinventing themselves from mere service providers into enablers of various lifestyle choices, brokers of convenience (payments, online shopping, travel, etc.) or spare time partners (social media, music streaming, etc.).

4) https://www.speedtest.net/global-index

The Romanian telecoms sector has seen significant transformation in recent years, and we are now witnessing consolidation on the market. Overall, the sector scores lower than the market average for customer experience excellence, reflecting the demanding nature of today's telecoms consumers, who look carefully at what is offered by each provider. Given the ease with which businesses and individuals can now move from one provider to another, the successful players in the future will be those which focus closely on their customers.

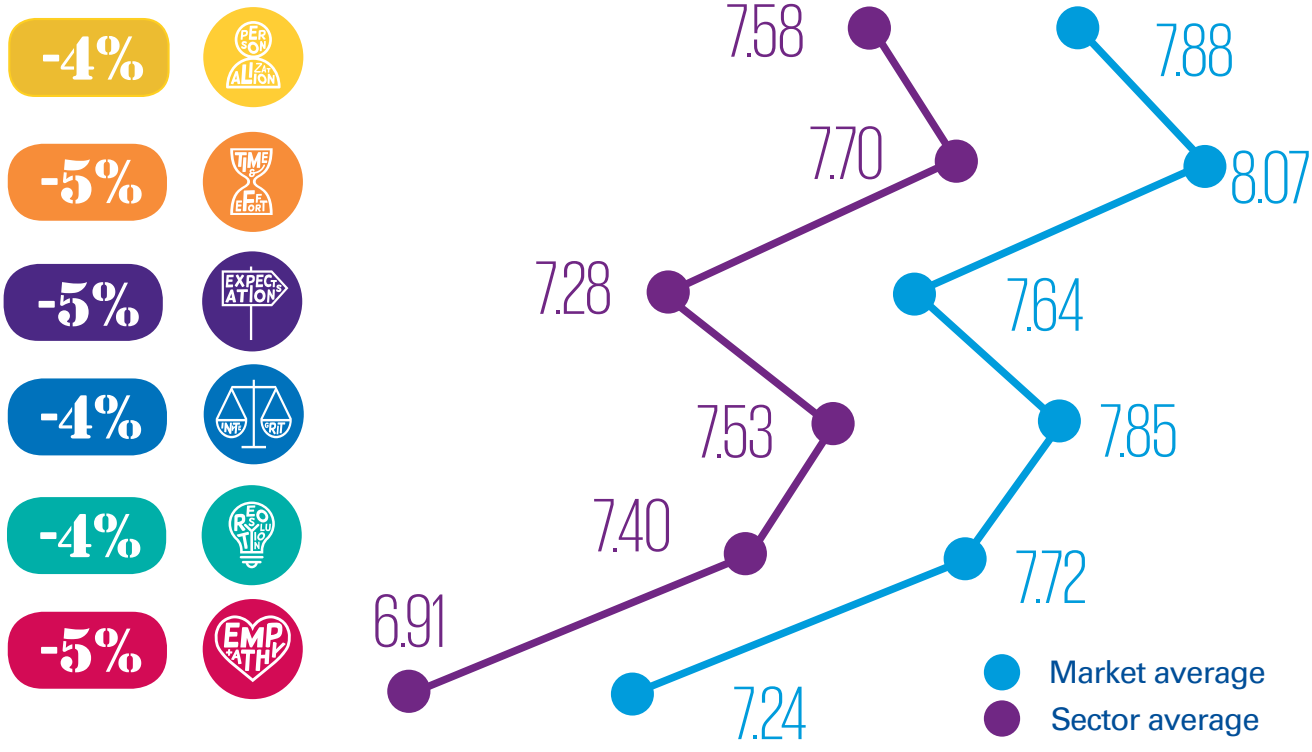
Adela Ciucioi
Partner, Head of Technology, Media & Telecom
KPMG in Romania

In addition, given the continuing decline of traditional calls and text messages, disrupted by data-based services such as Whatsapp, Facetime or Skype, telecoms are also being pressed to revise their revenue models. With consumers increasingly spending significant amounts of time on their devices, continuous customer related innovation and digitalization has also become essential in the industry.

The sector is capital-intensive and has been historically characterized by significant investments in infrastructure and technology which are yet to be felt at the customer level.

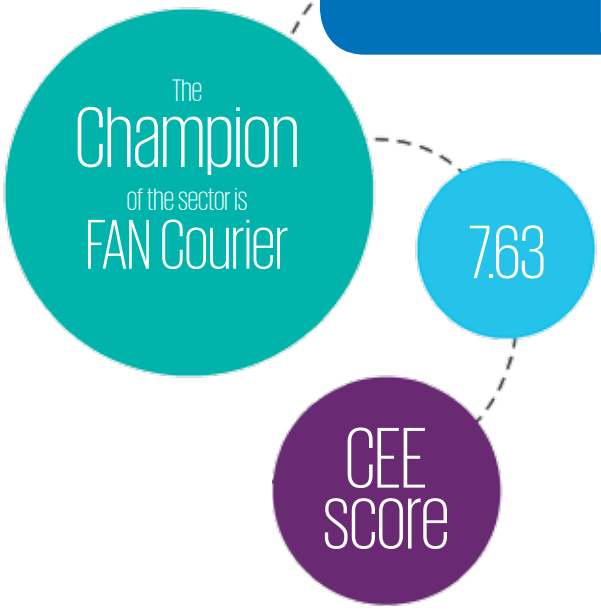
More recently, however, the sector has started to gradually move towards more holistic customer experience approaches, refocusing on changing customer demands. The relevant players on the Romanian market seem to be trying to avoid a commoditization of their traditional offerings (e.g. telephony), with some also approaching price-war strategies. In this very complex context, the only way to go is gaining and maintaining customers' loyalty and trust, thus reducing price sensitivity and dependency. This can be achieved by offering excellence in the customer's experience, a sustainable differentiating factor.

The Telecommunications sector's aggregate 6 Pillars performance and comparison versus market average



Sector Snapshots

Logistics 7.33



The Logistics sector takes 7th place in the Customer Experience Excellence 2019 Report with an aggregate score of 7.33.

The Champion of the sector is the Romanian owned FAN Courier with a score of 7.63, positioned above the sector's performance.

The Logistics sector has become the foundation of the online shopping ecosystem in Romania as the sector has followed the spectacular growth of online retail. This has been positive for business growth. However, such progress has had little impact on the customer's side, as the relevant investments in storage capabilities, sorting systems, and car fleets may have solved intrinsic operational aspects but left few resources (time and consideration included) to be employed for customer centricity initiatives.

The brands competing for market share in Romania are entering a new maturity stage, one that should focus on positioning the client at the center of their development strategy. Like the grocery retail sector, Logistics seems be taking little advantage of regular client interaction situations, leaving unexploited important client insights and improvement opportunities that also drive growth in this age of digitalization.

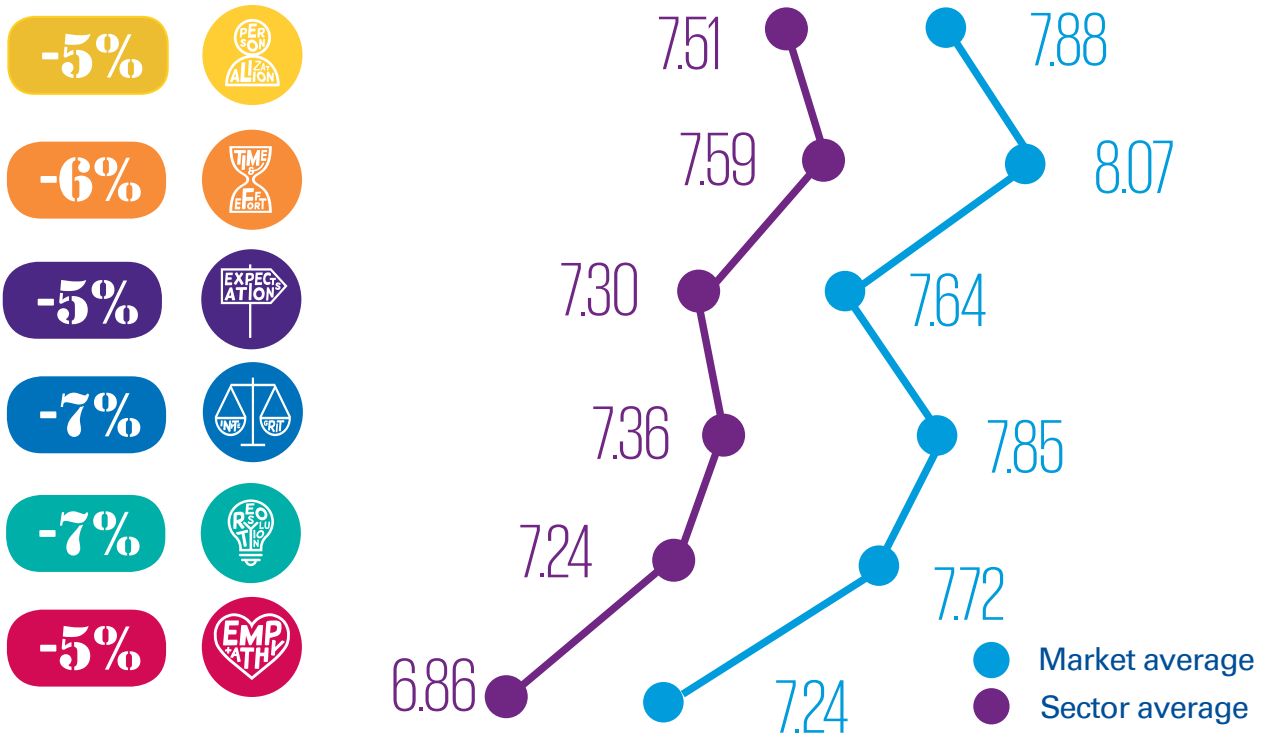
Given the fast development of online retail, consumers increasingly perceive logistics as being a mere commodity and expectations are high. Clients expect products bought online to be delivered at the time and to the place indicated in their order confirmation and require the ability to check the status of their delivery in real time. Despite relevant investments by some players in areas such as order management and tracking, cases where promises are not kept, the information provided is wrong, parcels arrive late, or the personnel's attitude is indifferent at best, are unfortunately much too frequent and are damaging the sector's credibility in the eyes of increasingly demanding clients. With innovation present in so many aspects of our lives, under different shapes and forms, today's clients expect that their suppliers should keep up with trends and deliver to high standards, irrespective of the sector – Logistics is no exception.

From a customer experience excellence perspective, Logistics is home to some of the most dissatisfied clients across all sectors, only ahead of Utilities, and is positioned well below the market's average across all 6 pillars. The difficulties encountered during problem resolution, the recurrent nature of such problems, exacerbated by low skilled personnel in terms of client interaction are the main reasons for the poor positioning of the sector. The Time & Effort pillar scores the highest (7.59) while Empathy is in last place (6.86). The sector also scored the lowest in terms of Loyalty (7.44) compared to all other sectors. All brands in the sector that made it into the Top 100 are positioned in the last quarter, with rankings ranging from 75th to 95th place.

The sector is faced with some challenges, for instance the poor road and rail infrastructure in Romania, which significantly impacts the sector's performance. In addition, the sector faces pressures both from the online retailers and from the final consumers. Finally, a shortage of qualified workers appears to also negatively impact the sector's overall performance, leaving visible marks on the CX results.

In terms of opportunities ahead, Logistics clearly has its share of to-dos. Based on this year's results, we are looking at a few directions the sector should consider: a focus on actively managing customers' expectations and then delivering against them, a pledge to achieve swift and efficient problem resolution, as well as employing empathy as part of the client-facing "toolkit". For this purpose, operations related investments should be accompanied by funds dedicated to data gathering and analytics tools, customer segmentation initiatives, customer journey mapping and design capabilities, as well as training of the relevant personnel in delivering customer experience excellence.

The Logistics sector's aggregate 6 Pillars performance and comparison versus market average



Employee Experience drives Customer Experience

Today's organisations are facing a rapidly changing workplace and workforce. Employees are increasingly digital, global and diverse; their view on the role that work plays in their lives has changed.

KPMG's latest Global Customer Excellence Center research into the organisations that deliver the best customer experiences has found that:

Within the top performing organisations effective employees are vital in delivering the best customer experience.

At the heart of creating effective employees, the best organisations are focused on delivering a positive employee experience.

For aligned organisations there is no distinction between brand values and internal values. The customer experience is rooted in the employee behaviors that emerge from the culture.

Any employer hoping to delight and retain their customers must first focus on their employees. Employees are customers of their organisation's internal systems, technology and processes and so have a set of expectations for their employee experience. Leading companies must rethink how they approach leadership, management, talent acquisition, retention and how they organize their business. and Employee Experience needs to sit close to organisations' customer strategies.

In order to attract and retain the top talent, employee experience must be at the top of the agenda for any leading organisation. The key to delivering a meaningful experience lies in understanding your employees' needs and desires and responding in an authentic manner but delivering employee experience excellence requires high performance in each of the six Pillars previously described.

Mădălina Racoviţan
Partner, Head of People Services
KPMG in Romania

There are a range of proven benefits realised by companies that organise themselves to deliver what customers want through positive employee experiences:

Nearly 80% of millennials value personalization, transparency and trust. Offering this to employees means attracting the best talent, resulting in a more productive workforce.

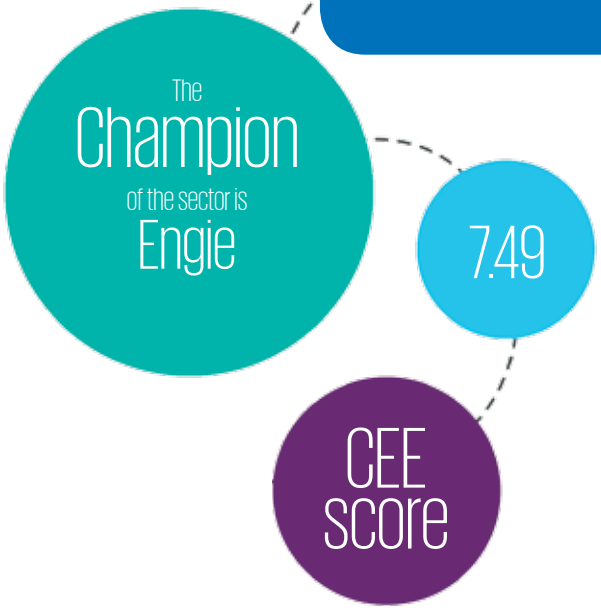
Companies with the most engaged employees enjoy a 103% reduction in employee turnover. This avoids the high costs of recruitment and training.

Strong employee experience ratings correlate to stronger customer loyalty and advocacy. When employees are satisfied in their job, they can deliver better customer experiences.

Organisations that invest in employee experience are seen to be growing profits as much as three times faster than their competitors

Sector Snapshots

Utilities[5] 7.17



The Utilities sector ranks in last place in the Customer Experience Excellence 2019 Report with a score of 7.17. The Champion of the sector is Engie with a total score of 7.49, significantly above the sector's average.

The Utilities sector has some negative results in terms of its 6 Pillars ranking. Besides being significantly below the market average, it has by far the biggest score difference versus the average out of all sectors analyzed; -10% for two of the pillars, i.e. Time & Effort and Empathy, -8% for the Resolution and Expectations pillars, and -7% for Integrity. The sector also registers the lowest score in terms of Value for Money, a clear sign of a commoditization perception.

Based on the insights gathered during our research, clients of utility companies are generally put off by aspects such as fluctuating prices and the perceived lack of transparency in operations, the complexity of some otherwise simple interactions (e.g. invoicing), or by aggressive efforts to prevent the customer from switching to another supplier. Utilities, especially in the energy sector, are increasingly exposed to being disrupted by players from other sectors. Digi (RCS&RDS), this year's champion in the Telecoms sector, is a good example in this sense, having already made its entrance on to the B2C energy market.

It is fair to say that one of the causes of the sector's poor performance is the fact that clients interact with their energy supplier (be it gas, electricity or related services) to a lesser extent compared to other providers, such as a supermarket or an electronics store. As such, when positive changes happen at company level, there may be significant delays in terms of customer realization, and this affects the overall perception.

In an already competitive market, the main challenge of the sector lies in the commoditization of the relevant offerings which makes it very difficult to differentiate. As utilities transition from mere commodity suppliers to energy service providers, customer experience becomes increasingly important. The good news is we are already seeing good progress being made by utilities companies in trying to reduce the experience gaps. We particularly refer to initiatives aimed at making contracting a much smoother and digitized process (e.g. the availability of online contracting), product and service bundling in conjunction with unitary invoicing schemes, or the introduction of dedicated apps allowing quick, simple and efficient customer interaction and communication. We are also witnessing a service portfolio diversification with companies introducing new offerings such as smart home services, or insulation and renewable energy services.

5) Only energy utilities have been included in this year's report (electricity and gas)

There is opportunity for improvement for the energy sector, as no companies in the sector made it into the top 50. One of the reasons is that clients tend to interact less with energy companies than with other providers, and so it can take a long time before positive changes make an impact at customer level. Historically, energy companies have often been in a monopoly position, with little incentive to improve their customer experience. But that has now changed - consumers have greater choice and there is much more competition in the sector. So energy companies will need to develop a more close relationship with their customers if they are to succeed in the future.

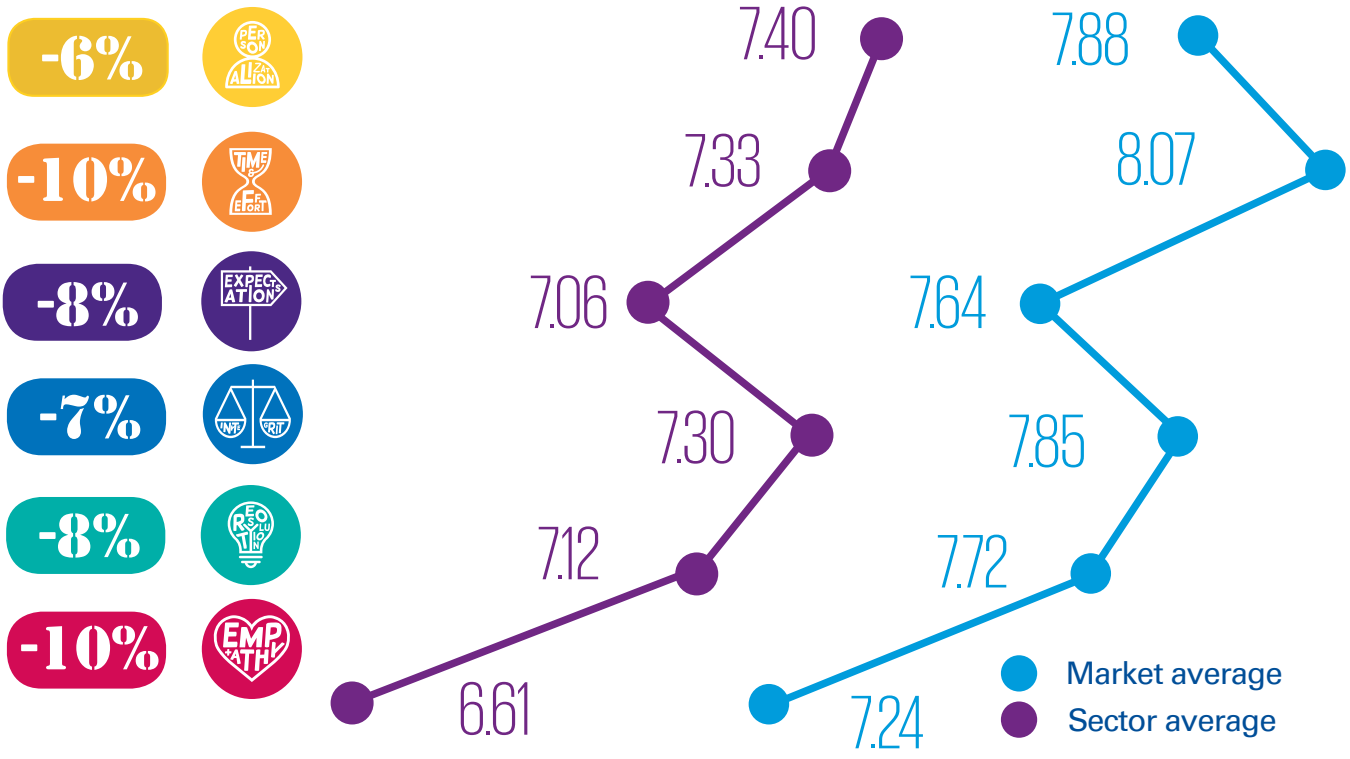
Bogdan Văduva
Partner, Head of Energy & Natural Resources
KPMG in Romania

Customer focused thinking seems to gradually make its way into the utility sector, with companies becoming aware of the key importance of gathering good quality customer insights and managing better the relevant customer journeys and related metrics (e.g. NPS, CSAT, CLTV, churn, etc.). The main risk in the operationalization of such endeavors comes from various initiatives being developed and implemented in corporate silos, with little or no companywide ownership over the related processes.

This very often leads to failures in delivering the true end-to-end valuable experiences that were expected.

Talking about opportunities in this sector, where clients are more concerned about cost and security of supply than brand, we believe there is a broad area where companies can focus their improvement efforts. This includes personalizing the customer's experience, interacting in an easy and transparent way.

The Utilities sector's aggregate 6 Pillars performance and comparison versus market average



the Customer is changing

The most successful enterprises will reinvent themselves to systematically understand and serve increasingly powerful customers.

Forrester

KPMG Customer insight

80% of the global population will own a smartphone in 2020

78% of millennials prefer to spend on experiences over assets

53% of US customers state "poor service" as their reason for switching providers

Customers expect **all experiences** to meet the expectations set by their **best experiences.**

61% are willing to borrow or share products rather than buy new ones

90% of customers say buying decisions are influenced by online reviews

1bn people aged over 60 globally

8S The attention span of a human is just eight seconds

Millenials globally **2.5bn**

Household income segments are increasing by **60%**

Focus on Decathlon

A Personalization Champion

Sector: Non-grocery retail

The 6 Pillars: Brand scores vs industry average

Personalization	+4%
Time & Effort	+1.5%
Expectations	+3.5%
Integrity	+2.5%
Resolution	+1.5%
Empathy	+2%

I bought products from their physical store but also from their website. Each time I had positive experiences. I also repaired my bike several times in their store. They are very friendly and have quality products at quite reasonable prices.

Male, 57 years old, Sibiu

"The goal of Decathlon Romania is to make sports accessible to as many people as possible and to offer products and services with the best value for money. To achieve this, the entire Decathlon team makes daily efforts to analyze customer needs and then to try to provide them with exactly what they want, wherever and whenever they need it. How do we try to maintain the best value for money and respond as well as possible to the expectations of our customers? By covering all the areas related to the commercialization of sports equipment: from designing, researching and testing of products by sports enthusiasts, to ensuring the logistics flow right up to the sale of these products. At Decathlon, we deal with the entire flow (from idea and concept development to the actual production of the equipment), we analyze the needs of sportsmen and women or possible sportsmen and women and we try to offer personalized services and products, according to the needs of each client (specific sports interests, level of experience, the conditions under which the sport will be carried out etc.)."

Adriana Georgiana Marinoiu
E-commerce Manager, Decathlon

CX Top 30*

Best B2C brands in Romania

1 Samsung Store
2 Revolut
3 ING Bank
4 Uber
5 Cărturești
6 Netflix
7 Ikea
8 Sephora
9 Decathlon
10 Lidl
11 Banca Transilvania
12 Dedeman
13 Benvenuti
14 PC Garage
15 Zara
16 Leroy Merlin
17 PayPal
18 Kaufland
19 Elefant
20 Starbucks
21 Zara Home
22 Hornbach
23 Jumbo
24 Stradivarius
25 eMag
26 Mobexpert
27 Altex
28 Rompetrol
29 SaladBox
30 Mol Romania

* For detailed results on the brands above, as well other brands included in the 2019 Top 100 please contact Victor Iancu, Customer Experience Lead (viancu@kpmg.com)

Test your CX Digital readiness

Personalization

- Do we have a single view of the customer across online and offline channels?
- Are we consistently demonstrating that we know our customers as individuals?
- Do new customers feel welcome when they join or visit us?

Resolution

- Do we leverage predictive analytics to identify potential issues before they occur?
- Can we quickly respond to customers' concerns, irrespective of channel or time?
- Do we have clear processes in place for handling issues raised on social media?

Integrity

- Are we present in our customers' circles of trust, including across social media and review sites?
- Do we use data about our customers in a trusted manner?
- Are we keeping the promises and commitments we make to our customers?

Time & Effort

- Have we minimised the need for channel shifts?
- Are we available 24/7 to support our customers when they need us?
- Have we developed simple and intuititve digital interfaces?

Expectations

- Do we understand our customers' expectations at each stage of their journey?
- Are we actively setting and mananging our customers' expectations?
- Is our brand promise clear in terms of what customers can expect from us?

Empathy

- How well do we know our customers?
- Do we know how to connect emotionally in a digital environment?
- Are we clear on when human intervention is required along our customers' journeys?

The KPMG Customer Experience practice

The Customer Experience Academy

Detailed CX training tailored to specific audiences (e.g. Board, Management, operational staff)

Customer Experience Strategy

Corporate strategy analysis and reshuffle built around customer centricity principles and insights

Customer Insight

Employing data analytics tools and methodologies to surface valuable information and drive customer segmentation and behavior mapping

Customer Experience Design

We use our design language (The Six Pillars) for designing both the customer and the employee experience

The Connected Enterprise

Customer Centric corporate transformation, bringing together the front, middle and back-office into a comprehensive, relevant and disruption proof Target Operating Model

Contact us

Ramona Jurubiță

Country Managing Partner
T: +40 (372) 377 800
E: rjurubita@kpmg.com

Victor Iancu

Customer Advisory Lead
T: +40 (372) 377 800
E: viancu@kpmg.com

Aura Giurcăneanu

Partner
Head of Consumer Markets & Retail
T: +40 (372) 377 733
E: agiurcaneanu@kpmg.com

Tudor Grecu

Partner
Head of Financial Services
T: +40 (372) 377 733
E: tgrecu@kpmg.com

Adela Ciucioi

Partner
Head of Technology, Media & Telecom
T: +40 (372) 377 961
E: aciucioi@kpmg.com

Bogdan Văduva

Partner
Head of Energy & Natural Resources
T: +40 (372) 377 828
E: bvaduva@kpmg.com

Mădălina Racoviţan

Partner
Head of People services
T: +40 (372) 377 782
E: mracovitan@kpmg.com

KPMG in Romania

Bucharest Office
Victoria Business Park,
Bucharest - Ploieşti Road
no. 69-71, Sector 1, Bucharest
013685, Romania
P.O. Box 18-191
T: +40 (372) 377 800
F: +40 (372) 377 700
E: kpmgro@kpmg.ro
www.kpmg.ro

Cluj Napoca Office
Vivido Business Center
Alexandru Vaida Voievod street,
no 16, 400592, Cluj, Romania
T: +40 (372) 377 900
F: +40 (753) 333 800
E: kpmgro@kpmg.ro

Constanta Office
Mamaia blv. no 208,
4th floor, Constanta,
900540, Romania
T: +40 (756) 070 044
F: +40 (752) 710 044
E: kpmgro@kpmg.ro

Iasi Office
Ideo Business Center,
Păcurari Road no. 138,
Ground Floor
Iasi, 700521, Romania
T: +40 (756) 070 048
F: +40 (752) 710 048
E: kpmgro@kpmg.ro

Timisoara Office
ISHO Offices,
Take Ionescu blv. no. 50,
Building A, 7th floor, 300124
Timis, Romania
T: +40 372 377 999
F: +40 372 377 977
E: kpmgro@kpmg.ro

KPMG in Moldova

Chisinau Office
171/1 Stefan cel Mare blv.
8th floor, MD-2004, Chisinau
Republic of Moldova
T: + 373 (22) 580 580
F: + 373 (22) 540 499
E: kpmg@kpmg.md
www.kpmg.md

kpmg.com/socialmedia

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