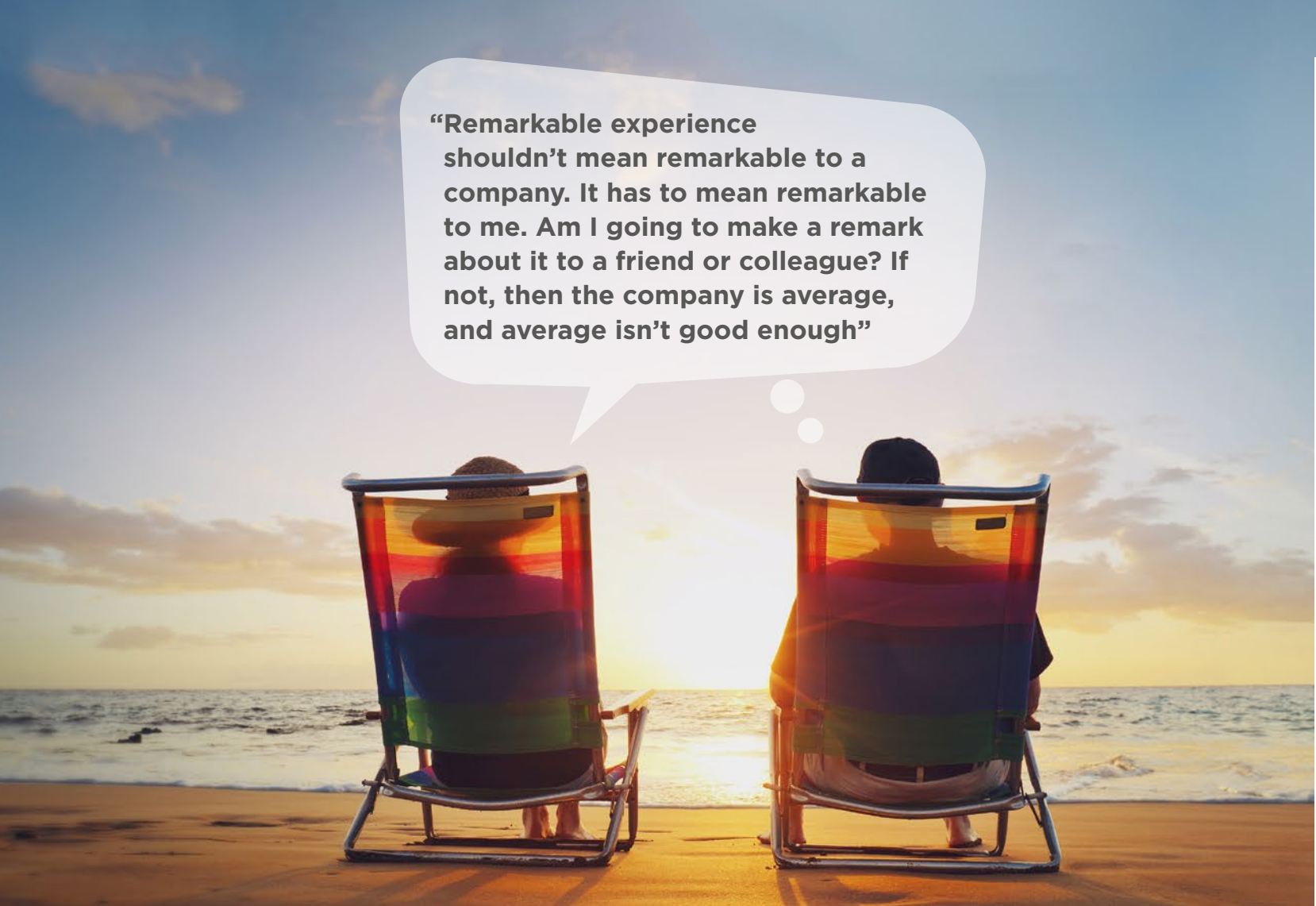


Ireland customer experience report 2015

how the human touch
is transforming Irish
customer experience



“Remarkable experience shouldn’t mean remarkable to a company. It has to mean remarkable to me. Am I going to make a remark about it to a friend or colleague? If not, then the company is average, and average isn’t good enough”

executive summary

CEXi was set up to promote Customer Experience Excellence within companies operating in Ireland. We partnered with KPMG Nunwood to carry out a survey in June 2015 resulting in over 37,000 customer experiences across 151 brands.

Our report shows that Credit Unions provide the best CX in Ireland, closely followed by the National Concert Hall and Dublin Zoo. These brands scored consistently well across our six pillars and have clearly done something extra to delight their customers. The Credit Unions excel in demonstrating integrity and empathy, evident in the time and expertise they spend consulting with customers and their personalised community approach is something you simply cannot buy.

CEXi estimates that Ireland is approximately two years behind the UK and four years behind the USA markets when it comes to world class customer experience. Those markets have embraced an ‘omni-channel’ approach giving customers a seamless experience regardless of how they choose to interact with the brand. In Ireland, face-to-face interaction is highly valued and brands who excel in this area generate strong customer loyalty and advocacy. The key findings of this report are:

Irish brands are not meeting customers’ expectations: The report starkly points a finger at Irish businesses failing to meet consumers’ needs, by setting their expectations too high and then not delivering. This is largely due to recession era cost cutting and post recession marketing, resulting in a lack of synergy between marketing and operations. Companies beware, the post recession scramble to acquire customers must be matched by an ability to effectively provide the products and services that have been promised.

Great Customer Experience doesn’t mean high prices: Several budget brands excelled in our survey. Price leaders can also be leaders in excellent customer experience, and this is why Penneys and Aldi are customer champions. This sets the bar very high.

Motivated staff provide great CX: Companies who deliver great experiences share an understanding that motivated staff create loyal customers, who become advocates for their brand. They retain customers and gain many new ones through endorsements.

CEXi predicts that those companies who excel in humanising omni-channel interactions, who cherish customers by meeting and exceeding their expectations and who nurture their staff, will become iconic CX leaders. The Irish are experts in ‘human touch’. We now must transfer a national ability to form positive relationships to digital, in an era of omni-channel interactions.

We found that corporate culture is central to a successful CX strategy and commitment to the customer must be evident at Board and CEO level. Without this driving force, marketing and CX practitioners will be without the means to be truly effective.

We commend this report to you and hope that you find it informative and useful in your objective of providing your customers with truly remarkable experiences.

CEXi

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F.Y.I.

Key Abbreviations:

CX: Customer Experience

CEE: Customer Experience Excellence

NPS: Net Promoter Score (a measurement tool which scores the strength of a company’s relationships with its customers)

CEXi Metric: Customer Experience metric



what does customer experience excellence look like?

The six pillars™ of success

‘The Six Pillars™’ as developed by KPMG Nunwood describe the core elements of what drives excellent Customer Experience (CX) and provide a practical definition of what all successful customer interactions need to deliver.

Previously, understanding of customer best practice was largely anchored in case studies and anecdotes, rather than scientific rigour. To address this problem of definition, the KPMG Nunwood Excellence Centre has conducted five years of research.

Over one million evaluations later, the analysis clearly shows that there are six discrete, fundamental components of an ideal experience: ‘Six Pillars™’. These have been derived from detailed customer reviews, validated in each market and modelled against the commercial outcomes of acquisition, retention and market performance. They are:



Personalisation

Using individualised attention to drive an emotional connection



Integrity

Being trustworthy and engendering trust



Time & Effort

Minimising customer effort and creating effortless processes



Expectations

Managing, meeting and exceeding customer expectations



Resolution

Turning a poor experience into a great one



Empathy

Achieving an emotional understanding of the customer’s circumstances



The Six Pillars™ can be measured, providing a powerful complement to traditional ‘symptomatic’ metrics, like NPS, CSAT or customer effort. They provide a means of accurately analysing customer journeys and comparing them to best practice journeys from elsewhere in the world. They also allow strategists to understand the CX design principles and behaviours that must sit at the heart of their business.

The Six Pillars™ is a registered trademark of KPMG Nunwood.



Ireland's top 10 league table

We were surprised by several of the CX champions; we didn't expect to see two of the value brands featuring here and we were interested to note that many CX champions do not have a strong digital presence.

Rank 2015	Brand	2015 Score
1		8.21
2		8.08
3		7.94
4		7.77
5		7.74
6		7.72
6		7.72
8		7.70
9		7.69
10		7.68
10		7.68

#1 Irish Credit Unions: since the economic tsunami of 2008, Credit Unions' doors remained open to people in need, a stark contrast to the approach taken by high street banks and other financial institutions. This organisation has strong links with the local community.

Excellence in Integrity and Personalisation

#2 The National Concert Hall: their staff has proved themselves to be a community of people who love music and enjoy sharing this passion with like-minded customers.

Excellence in Empathy and Integrity

#3 Dublin Zoo: upgraded and increased their facilities and by improving the habitat for wildlife they improved customer's experiences too.

Excellence in Expectations

#4 Aldi: they provide a quality range of products (including practical non-food items) at highly competitive prices with helpful staff and quick checkouts.

Excellence in Expectations and Time & Effort

#5 Boots: they understand and do retail brilliantly. Staff are helpful, friendly and knowledgeable and the Advantage Card lives up to its name by offering genuine added value.

Excellence in Personalisation

#6 RaboDirect: they adopt a simple customer-focused approach and hire the right people. Their services are easy to access and to use. They have created a humanised service without a high street presence and killed the complex financial lingo.

Excellence in Integrity and Time & Effort

#6 Butlers Chocolates: customers have come to expect a 'mini-luxury experience' each time they visit a Butlers Café.

Excellence in Expectations

#8 An Post: often local people working in and for their community. Helpful staff and a surprising variety of unexpected services.

Excellence in Integrity

#9 Penneys: Penneys won over many new customers during the downturn with its highly affordable and well-chosen merchandise, positive staff and fast service.

Excellence in Resolution and Time & Effort

#10 Hailo: innovative, easy to use, fast, trackable, safe and reliable; the driver is accountable for making passengers feel safe.

Excellence in Expectations and Time & Effort

#10 Lloyds Pharmacy: trustworthy and local. Lloyds Pharmacists have come front of shop and offer new GP services at reasonable costs.

Excellence in Empathy





Sector analysis



Supermarkets

Ireland's performance against survey average

Personalisation	+2%
Time & Effort	+3%
Expectations	+3%
Integrity	+3%
Resolution	+5%
Empathy	+5%
Value	+6%
Overall CEXi Metric	7.31
Average league table ranking	49
NPS	-2

The above table shows the difference between average pillar scores for all supermarkets in our survey versus the average for all brands. For example, supermarkets performed slightly better (2%) than average on the Personalisation pillar and by more on the Empathy pillar (5%). Not surprisingly, supermarkets did very well on the Value score.

Supermarkets made up the best performing sector overall in the CEXi 2015 Survey achieving an average league table ranking of 49. The sector also achieved an overall CEXi Metric of 7.31 versus 7.06 for all 151 brands in the survey.



Comments

In the USA, the way employees demonstrate Empathy with customers is central to their growth strategy. Staff members are encouraged to engage face-to-face with customers, rather than chained in storage managing cost efficiency process or admin tasks.

Integrity is a major positive force in this USA sector. Unlike major UK and Ireland retailers, where food quality, pricing scandals and supplier bullying have scared customer relationships, the USA leaders go out of their way to show they are acting in the customers best interests at all times. Publix Supermarkets describe their mission as making shopping a pleasure. For many in Ireland it is still a chore.

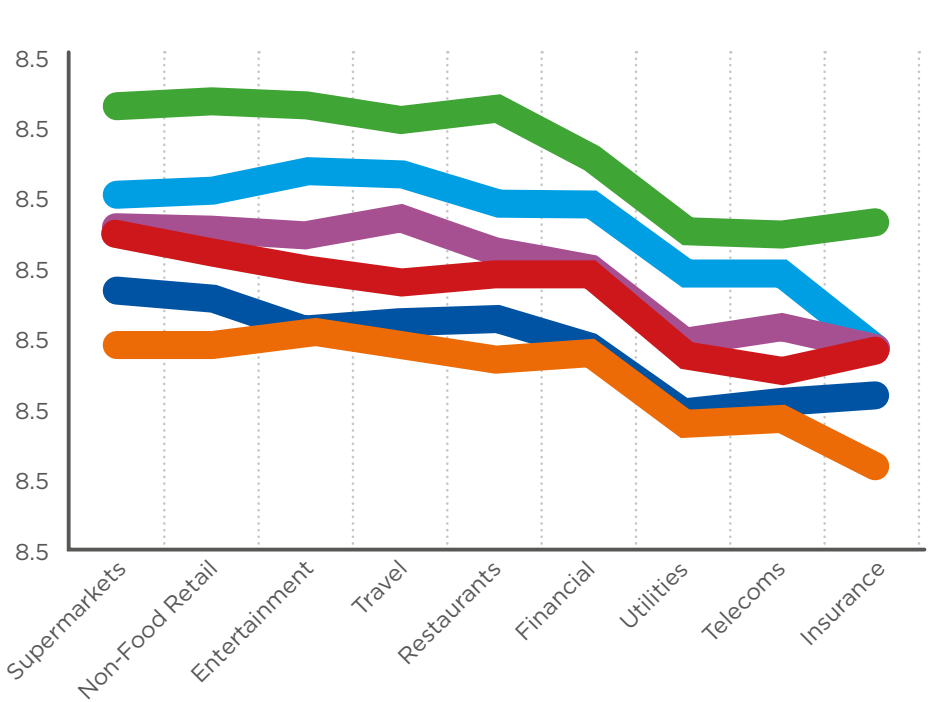


The 2015 CEXi Survey covers brands in nine sectors:

In this section, we look at the performance of each sector relative to that of all 151 brands in our survey.

Industry scores against the 6 pillars 2015

- Time & Effort
- Personalisation
- Integrity
- Resolution
- Expectations
- Empathy





Non-Food Retail

Ireland's performance against survey average

Personalisation	3%
Time & Effort	4%
Expectations	3%
Integrity	3%
Resolution	4%
Empathy	4%
Value	3%
Overall CEXi Metric	7.30
Average league table ranking	49
NPS	4

Retail (excluding supermarkets) makes up the second-best performing sector, achieving an average league table ranking also of 49, and an overall CEXi Metric of 7.30.

Again, the above table shows the difference between average pillar scores for all retailers (ranging from Brown Thomas to Woodies) versus the average for all brands. Retailers performed slightly better (4%) than average on the Time & Effort pillar and by a similar amount on the Resolution pillar (4%). Retailers also did very well on the Value score.



Comments

In the US retail sector, customer convenience reigns supreme with digital innovations leading to highly relevant and personalised omni-channel experiences.

Service plays a key role in establishing a competitive edge for Irish retailers. In particular, there needs to be a greater focus on recruiting for attitude and allowing employees to display genuine empathy while doing everything to minimise Time & Effort.

We note the positive work done in the Irish pharmacy trade where pharmacies scored significantly higher than their counterparts. Bringing the pharmacist to the front of shop and offering a wider range of medical services helps Expectations and is paying dividends with the Irish consumer.



Travel and leisure

Ireland's performance against survey average

Personalisation	4%
Time & Effort	2%
Expectations	3%
Integrity	4%
Resolution	1%
Empathy	2%
Value	3%
Overall CEXi Metric	7.26
Average league table ranking	53
NPS	5

This summary table shows the difference between average pillar scores for all Travel providers (ranging from Aer Lingus to Maldron Hotel Group) versus the average for all brands. The sector performed slightly better (4%) than average on the Personalisation pillar but only slightly better on the Expectations pillar (1%).

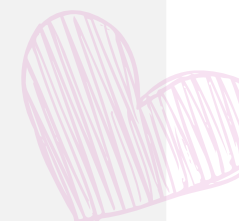
Ireland's travel and leisure sector scored well with 18 brands featured in our top 100 compared with 17 in the UK and 13 in the USA. Travel achieved an average league table ranking of 53 and an overall CEXi Metric of 7.26.



Comments

The USA remains hugely proficient in correcting issues that inevitably arise in this highly complex connected world. Innovations in digital and mobile are being deployed brilliantly by market leaders to address pain points in the travelling experience. From hotel bookings and check-in to flight updates, minimising customer Time & Effort is now paramount for this sector.

In Ireland, managing customer expectations by offering predicted arrival times for the bus, Dart, Luas, trains or taxis has helped lure first time trialists and lock them into public travel.



Ryanair – in the Priority Q for improvement



Despite being a Top 10 performer in terms of value for money, Ryanair did not make it to the CEXi Top 100 in 2015. Penneys and Aldi also score well in this area, yet they made it to the CEXi Top 10. Why is this?

Partly it’s historical. Ryanair’s reputation goes before it as a no-frills airline that gets you to your destination, with the emphasis on no-frills. Historically the experience has been more ‘cheap’ than ‘cheerful’. Yet it would appear from our findings that Penneys, Aldi and Tesco Mobile have managed to combine both a powerful value offering with a great CX.

But Ryanair is changing. That’s why we think it is in the Priority Q for improvement going into 2016. Time will tell, but the experience of Southwest Airlines in the United States (number 10 in the USA) Top 100 published by KPMG Nunwood earlier this year) proves that airlines with a strong value for money focus can also provide the ‘cheap and cheerful’ CX that makes them a CX champion.



Restaurants & Fast Food

Ireland’s performance against survey average

Personalisation	+1%
Time & Effort	+3%
Expectations	+1%
Integrity	+1%
Resolution	+2%
Empathy	+2%
Value	+0%
Overall CEXi Metric	7.19
Average league table ranking	62
NPS	-5

The sector ‘in the middle’ of the nine, by way of rankings overall, is restaurants, achieving an average league table ranking of 62 and an overall CEXi Metric of 7.19. However, the average Net Promoter Score turns negative when we reach this sector.

The summary table shows the difference between average pillar scores for all restaurants (ranging from Costa Coffee to Supermacs) versus the average for all brands. While the sector performed slightly better (3%) than average on the Time & Effort pillar, there is no difference on the Value score.



Financial services

Ireland’s performance against survey average

Personalisation	+1%
Time & Effort	-1%
Expectations	+2%
Integrity	-1%
Resolution	+1%
Empathy	-1%
Value	-4%
Overall CEXi Metric	7.08
Average league table ranking	76
NPS	3

Not surprisingly, only five Irish financial brands (Credit Unions, RaboDirect, Laya Healthcare, KBC and Aviva) featured in the Irish top 100 compared with 19 in the UK and 20 in the USA.

On average, the financial sector in Ireland has under-performed, achieving an average league table ranking of 76 and an overall CEXi Metric of 7.08. Despite this, the sector manages to achieve a slightly positive NPS on average. It performed somewhat better (2%) than average on the Expectations pillar but below average on the Empathy pillar (-1%); and quite negatively on the Value score.

Comments

The silver lining for financial service companies is that it will likely climb the table more rapidly than any other sector.

Across last year’s global results, the financial sector is one of the fastest improving sectors. Banks the world over are now differentiating via CX offerings rather than competing on value or new product offerings. In fact, the financial sector has delivered the world’s best CX performers (first place in each global market) - proof that CEE can be delivered by accountants!

In the USA, staff are empowered to fix problems there and then; in Ireland this is seldom the case. Investment is focused on managing risk and only handling complaints from those that shout loudest or get an airing on Joe Duffy or social media.

We anticipate Irish banks offering hero products (a single product offering) that, when coupled with excellent service, will start to change customer perceptions of the sector. Santander are leading the way with their 1:2:3 account which simplifies the banking process across different products.



Insurance

Ireland's performance against survey average

Personalisation	-13%
Time & Effort	-7%
Expectations	-11%
Integrity	-9%
Resolution	-7%
Empathy	-6%
Value	-10%
Overall CEXi Metric	6.41
Average league table ranking	118
NPS	-22

The worst performing sector in the Irish survey is Insurance. The sector achieves an average league table ranking of 118 and an overall CEXi Metric of 6.41, well below the average of 7.06. Average NPS was the worst of all the sectors in our survey.

Fourteen insurance sector companies are represented in the survey with the highest placed being Laya Healthcare at number 71 and only one other (Aviva) being in the top 100. The poor results for this industry are due to a number of factors. There have been steep rises in insurance premiums recently and this has affected the attitudes of customers as they get renewal quotes. In general, the Irish insurance industry has too high a churn rate of customers. Focus is on price competition and too little time is spent on delivering and messaging high quality CX. We see from other countries that it is possible to compete successfully based mainly on excellent CX and Irish companies need to move in this direction, especially in an era of higher premiums. The motor insurance industry should consider designing products by age segments just as the UK are successfully doing.



Telecoms

Ireland's performance against survey average

Personalisation	-5%
Time & Effort	-8%
Expectations	-6%
Integrity	-7%
Resolution	-8%
Empathy	-7%
Value	0%
Overall CEXi Metric	6.58
Average league table ranking	107
NPS	-10

Telecoms are another negatively performing sector. The sector achieves an average league table ranking of 107 and an overall CEXi Metric of 6.58, well below the average of 7.06. Average NPS also shows a marked deterioration relative to the other sector averages.

As with the financial sector, the telecoms sector performed worse than average on all the pillars, especially Time & Effort; though less negatively on the Value score.



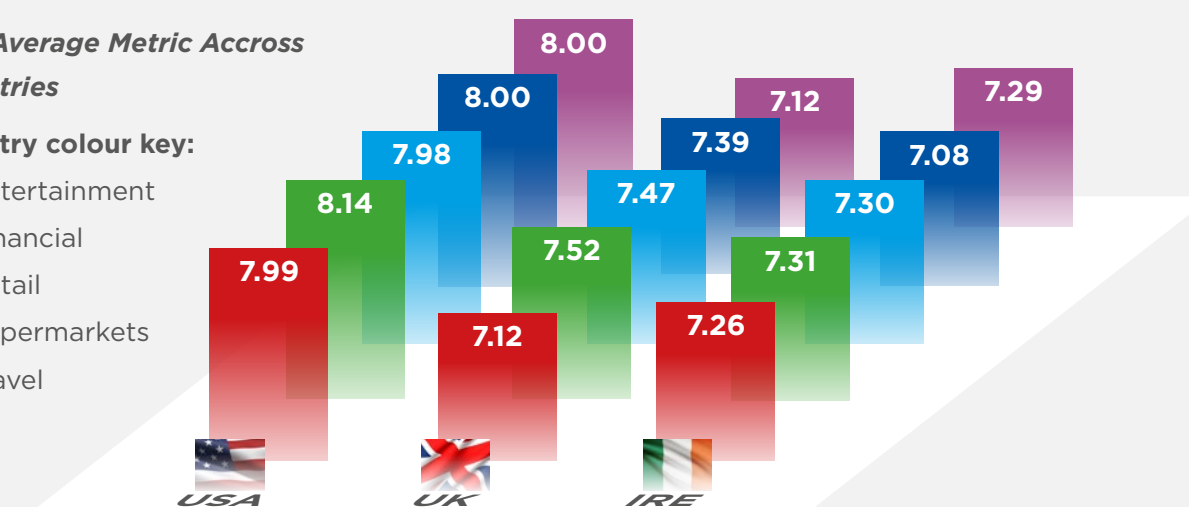
This is because the sector seems to have failed to deliver the basic product across the networks i.e. coverage breakdown, dropped calls, roaming billing issues. Irish consumers are particularly distressed when it comes to the annual contract renewal.

CEE Average Metric Accross

Industries

Industry colour key:

- Entertainment
- Financial
- Retail
- Supermarkets
- Travel





Utilities

Ireland's performance against survey average

Personalisation	-5%
Time & Effort	-8%
Expectations	-6%
Integrity	-8%
Resolution	-7%
Empathy	-8%
Value	-10%
Overall CEXi Metric	6.57
Average league table ranking	97
NPS	-20

Utilities have been a poor CX scorer across all global markets and it is no different in Ireland. The sector achieves an average league table ranking of 97 and an overall CEXi Metric of 6.57, well below the average of 7.06. Average NPS shows a marked deterioration relative to the previous sectors. The sector performed worse than average on all the pillars, especially Integrity; and very negatively on the Value score.



Comments

In the USA utility brands score higher because there is greater commitment to longer term relationships rather than short term sales. Once the land grabs ceases in Ireland we expect to see our utilities rise up the table as a whole.

The USA is also performs strongly on Resolution by handling issues through staff empowerment and turning them into up-sell opportunities. The UK and Irish utilities seem to falter in later phases of the customer journey e.g., billing, general queries and admin issues.



Entertainment

Ireland's performance against survey average

Personalisation	+4%
Time & Effort	+3%
Expectations	+4%
Integrity	+3%
Resolution	+2%
Empathy	+1%
Value	+2%
Overall CEXi Metric	7.29
Average league table ranking	52
NPS	TBC

The third best scoring sector overall is Entertainment, achieving an average league table ranking of 52 and an overall CEXi Metric of 7.29. The summary table shows the difference between average pillar scores for all Entertainment providers (ranging from the National Concert Hall to Netflix) in the survey, versus the average for all brands.

The sector performed slightly better (4%) than average on the Personalisation pillar and by a similar amount on the Expectations pillar (4%).

Irish Water



No surprises for which Irish brand came last in our league table. While we recognise that strong CX work is being delivered by Irish Water front line staff, the company scored the lowest ranking in the history of these tables for Integrity. When customers don't trust a brand they share similarly low scores across the other five pillars without fail.

If Irish Water are with us next year, we would expect a significant jump in their ranking as more Irish consumers will engage with real human staff behind the brand. Irish Water seems to have invested wisely in this area. There are many positive comments from consumers when dealing with general queries. We recommend Irish Water give their staff greater empowerment reins to deal with Resolution issues. We also believe they should manage customer expectations better by making sure marketing and operations are consistent with their promises and delivery.

defining remarkable standards for the six pillars



Below we look at each pillar in more detail and show outstanding examples of how its principles are being put into practice.



Personalisation

Personalisation involves demonstrating that you understand the customer's specific needs and circumstances and will adapt the experience accordingly. Use of name, individualised attention, knowledge of preferences and past interactions all add up to an experience that feels personal. It makes the customer feel important and valued and begins to build an emotional connection.



Hero brand!



With 137m customers, a market capitalisation of \$90bn, annual revenues of \$34bn and 34,000 employees, Amazon has grown rapidly to become one of the world's largest retailers. Jeff Bezos, CEO, set out to create 'the world's most customer-centric organisation' and this vision has shaped all that Amazon has done.

Bezos believes that loyalty is driven by personalisation. "It is just like traditional retail - if a small town merchant knew your tastes he could tell you if something interesting comes in and thinks you might want it. If another merchant opened next door, you wouldn't have as good an experience because the person doesn't have 5 years knowledge of you."



Integrity

Trust is an outcome of consistently positive organisational behaviour. There are trust-building events where organisations must publicly react to a difficult situation and trust building moments where individual actions by staff add up to create trust in the organisation as a whole. Behavioural economics teaches us that we trust companies we like. The ability to build rapport is therefore critical in creating trust.



Hero brand!



From the outset, the biggest hurdle for eBay's business model has been customer fraud. Trust is a pre-requisite in e-commerce since a site will not be used if it's not trusted. Those who don't use eBay have fears concerning trust and security.

The feedback forum on eBay has become a reputation management system helping users to separate the trustworthy from the untrustworthy. It provides reassurance and the eBay community have great faith in the system. Feedback is a key part of the workings of eBay's self-regulating market and one that participants generally regard as effective in 'policing' behaviour for buyers and sellers.



Time & Effort

Time is money and for customers it's more the case than ever. Smart brands are using their omni-channel strategy to short circuit the process of enquiring, buying and sharing with busy consumers. Whether its self-service options or pre-filled application forms, anything that saves customers time will boost CX scores more than simply saving money.



Hero brand!



Fittingly, Hailo describes itself as the "evolution of the hail" because customers are a mere two taps away from a taxi. Hailo score highly in the survey on Time & Effort and credit this to their online platforms which enable fast responses.

To improve CX, Hailo focus on two areas: continual user testing and customer engagement through social media and technology including the Hailo app, website, Twitter, email and Facebook. One key to Hailo's superior relationship with customers is that they actively seek feedback. Customers are prompted to rate their driver with scores of three or less prompting requests for more detail. This is fed directly into their CRM system and acted upon.



















Industry colour key:



















 Supermarkets	 Travel	 Utilities
 Retail	 Restaurants	 Telecoms
 Entertainment	 Financial	 Insurance

top 10



1		CEXi Metric 8.21	4		7.77	8		7.70
2		8.08	5		7.74	9		7.69
3		7.94	6		7.72	10		7.68
			6		7.72	10		7.68

12		7.67	22		7.50	32		7.44
13		7.64	22		7.50	37		7.43
13		7.64	26		7.49	38		7.42
15		7.60	27		7.48	38		7.42
15		7.60	27		7.48	38		7.42
17		7.59	29		7.47	41		7.39
18		7.58	29		7.47	42		7.37
19		7.55	31		7.46	43		7.35
20		7.54	32		7.44	44		7.33
21		7.53	32		7.44	44		7.33
22		7.50	32		7.44	44		7.33
22		7.50	32		7.44	47		7.31

48		7.30	48		7.30	50		7.28
50		7.28	50		7.28	53		7.26
53		7.26	55		7.24	56		7.23
56		7.23	56		7.23	59		7.21
60		7.19	60		7.19	62		7.18
62		7.18	64		7.16	65		7.15

66		7.14	67		7.13	68		7.12
68		7.12	70		7.11	71		7.10
71		7.10	73		7.09	73		7.09
73		7.09	76		7.07	77		7.05
77		7.05	77		7.05	77		7.05
81		7.04	81		7.04	83		7.02

The top 100 league table is a result of 37,000+ responses from Irish consumers in June 2015.

83		7.02	85		7.01	86		7.00
86		7.00	88		6.99	89		6.98
89		6.98	89		6.98	92		6.95
93		6.94	93		6.94	95		6.92
95		6.92	97		6.90	97		6.90
99		6.88	100		6.87			



Expectations

Customers have needs and they also have expectations about how these needs will be delivered. Customer satisfaction is the difference between expectation and actual delivery.

Understanding, delivering and - if possible - exceeding expectations is a key skill of great organisations. Some are able to make statements of clear intent that set expectations (e.g. “never knowingly undersold”), while others set the expectation accurately (“delivery in 48 hours”), then delight the customer when they exceed it.



Hero brand!

ZARA

Zara actually deliver what they say they do. The brand sells accessible, wearable and in a way ‘disposable’ fashion. Their customers have either seen the look on the catwalk and can’t afford it, or they want new fashion at a mid-range price. Zara does not sell high-cost, aspirational fashion that needs a massive marketing and advertising campaign behind it to sell the ‘dream’. They are about being realistic and achievable.



Adding to this, Zara Communications Director J. Eschevarria says. “Advertising is about building up expectations, and telling customers what they can expect and what we can deliver. At Zara, we want expectations to come from the in-store experience, and to come from the customer’s personal journey and satisfaction from shopping at Zara. That way, there is no opportunity for disappointment and there is no way for Zara to give false promises.”

What’s the pay-off for CX excellence?



KPMG Nunwood reviewed CX champions over the past five years showing an average growth of 11% per annum over the FTSE 100 during the same period. The top 10 CX champions achieve even greater returns. On average they grew sales by £43 million more each year compared to those positioned

11-100. Whilst the dynamics vary by business, there is a clear association between CX and financial success. CX excellence drives advocacy which performs higher than all other strategy in influencing purchasing decisions. The best way to build an army of delighted advocates is give them a consistently amazing CX. Unsurprisingly, the opposite is true. Give a poor CX and your advocates turn into digital assassins.



Resolution

Customer recovery is a major opportunity. Even with the best processes and procedures, things will go wrong. 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 they also make the customer feel really good about the experience. A sincere apology and acting with urgency are two crucial elements of successful resolution.



Hero brand!



Internally, An Post puts a high value on resolving issues and uses it as one of their key performance metrics. ‘Failure’ is explored and used as an opportunity to drive a culture of continuous improvement. Employees have great pride in the brand, the service they offer and the communities they serve. Their values, while being commercially focused, always keep the customer at the centre of every conversation.



“Consumers own the brand and the brand values” according to Liam Sheehan, An Post’s Sales and Marketing Director. Its value is based on consistently delivering real value to customers. Post Offices are nationwide, serve the local community and are staffed by colleagues who are part of that same community.



Empathy

Empathy is achieving an understanding of the customer’s circumstances to drive a deeper rapport. Empathy-creating behaviours are key to establishing a strong relationship. These involve the telling of personal stories that reflect back to the customer how you felt when in similar circumstances, then going the extra step because you understand how they feel and you are on their side.



Hero brand!



‘NCH staff go the extra mile’ was a theme which emerged from the CEXi 2015 survey. Quite rightly, the NCH value their staff as one of their greatest strengths with a dedicated customer focus and ethic of serving the public. CEO Simon Taylor says “There is a sense of community among staff, which is derived from a shared love of music”. Customers benefit from this atmosphere, many preferring to come for a chat and catch up with ticket office staff, than buying tickets online.



The NCH has retained an in-house call centre with trained staff, that are kept abreast of their programme. “We are proud to have consistently addressed customer feedback, because we cherish our customers” Taylor continues.

A sense of community and inclusion is evidenced in their ‘Voices Programme’ a staff initiative where employees give a live performance for their families. Everyone is included.



Customer Quote:

“Was purchasing tickets as a present for my mother and wanted to get the best and easily accessible seats I could for her. The staff couldn’t have been more helpful in showing me the best area for her to sit. She thoroughly enjoyed the show, her seats were brilliant, and the ambiance was excellent. This is down to the people working there, and the efforts they make for the people coming to their events.”



Price leaders are now leading CX strategy

Marketing in Ireland used to be easier: either you competed on price by keeping your costs down or you competed on quality by going beyond the basics. But not anymore. The big surprise in the CEXi survey is the performance of brands that established themselves as the price challengers in their sector (Aldi, Penneys) but are now delivering far more than just lower prices to their customers.

In an age when loyalty, retention and repeat business is the first task of marketing and not the last (as it often was before), marketers have to adjust to a whole new set of realities. Competing on price alone is no longer enough (see page 12 on Ryanair): price leaders are now strengthening their market positioning by becoming customer experience leaders, even as their competitors are still scrambling to compete on price. CX is the new challenger strategy.



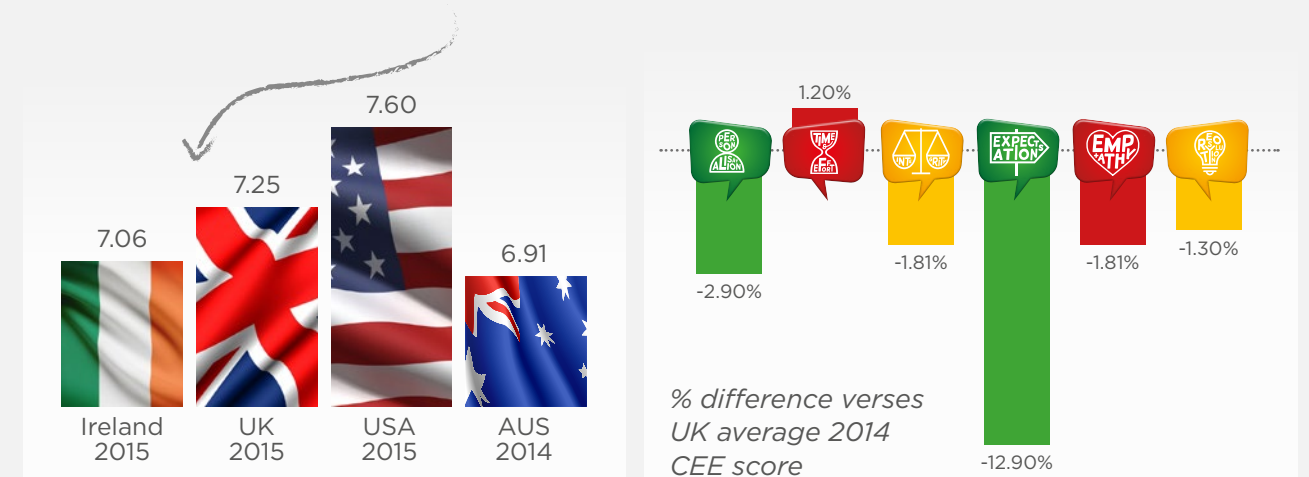
how does Ireland compare globally?



Ireland in context

USA and UK consumers enjoy better experiences than their Irish counterparts with the leading brands in the US currently offering the best experiences in the world. Their learnings will provide CEXi members with rich sources of best practice to accelerate CX development plans in Ireland. With CX now improving at approximately 1% per annum, CEXi predicts that Ireland is two years behind the UK and five years behind the US.

With this in mind, Irish brands would do well to look less for inspiration from local competitors and focus more on learning from leading CX practitioners across the waters. Underlining this is the fact that only three Irish brands would have made the UK top 10 with zero entering the USA top 10. While Ireland looks like we are very close to UK CEE, the difference represents a two year gap of catchup with the UK market.



Ireland falls short on all of the KPMG Nunwood CX pillars except Time & Effort when compared to our UK counterparts. Managing, meeting and exceeding customer expectations are the most significant gaps for Irish businesses. This is possibly down to marketing and operations not aligning their customer promises along with the nation having reached a tipping point where we will simply not tolerate poor service anymore.



Theme 1. humanising interactions in Ireland



Ireland's population size presents unique challenges and opportunities to deliver amazing CX. Being greeted by name and showing a genuine interest in your family is a normal occurrence in rural and local urban communities. Ireland should leverage human interactions wherever possible. Machines don't generally make emotional connections. People do and it's an area in which Irish people the world over excel. Ireland should strive to be world leaders in humanising CX because our demographics allow for it.

An example of this was Aer Lingus who delivered remarkable CX in the 1990s by segmenting their Frequent Flyer Programme into strategically manageable numbers. Their top tier had only 250 members compared to British Airways' top tier of 300,000. Aer Lingus was voted the best Frequent Flyer Programme in the world year after year thanks to their ability to deliver a genuine one-to-one CX. No other major airline could deliver this simply because their customer base was too great.

Irish companies must become more creative in making the most of the human interactions. This does not rule out companies who don't have a retail or call centre channel. Bringing consistent humanisation to websites and digital marketing communications is a major new challenge for Irish business. Tone of voice plays a key role and can be applied to help deliver a fresh and authentic personality. Amazon leverage their "machine experience" predictions brilliantly. They seem to know more about customer needs than their customers themselves do and their digital communications feel human.

Irish brands that emphasise face-to-face interactions with customers perform better than those that don't. The Irish Credit Unions and An Post are proof of this. Their ability to recognise and address customers by leveraging Personalisation and Empathy have clearly resonated positively with Irish consumers in our 2015 CEXi survey.

It is generally accepted that the baby boomers prefer the face-to-face 'I want to speak with your manager' approach to Resolution compared to the 'screen-agers' who are happier to look for a DIY search solution. Age-specific CX solutions will become a priority challenge for Irish marketers in 2016. CX age segmentation will require the development of different channels, device and tone of voice options.

Theme 2. embracing digital across the pillars to accelerate CX



Personalisation, Engagement and Brand Integrity

CX gains are to be made from streamlined services and personalisation.

Personalisation can mean simple solutions such as IP geo-recognition, but true personalisation goes far beyond inserting the customer's name at the top of a web page or email. It considers: customer age and demographic, customer location, recent transactions, what the customer likes and dislikes, when they want to hear from you and when do they not want to hear from you.

To be effective, personalisation needs to be controlled centrally, encompassing all customer touch points both online and offline.

While Facebook is the 'king' of personalisation, we can also learn much about making an online purchasing experience 'personal' from entertainment businesses and market leaders such as Netflix and Amazon. They attempt to make emotional connections by predicting a customer's desire before the customer desires it themselves – in the same way a very good friend can anticipate someone's needs. This 'trusted friend' interface humanises the experience and adds a sense of place, comfort and reassurance. Leaders in online personalisation are all learning how to humanise the digital experience to drive emotional connections.



Digital Heroes:





Time & Effort

Online is the supreme channel for delivering customer convenience that creates competitive advantage. In Ireland, we are already starting to see smart online ordering but could really improve the experience in sectors where inconvenient wait times are concentrated around peak periods.

Examples include the lunchtime restaurant business where mobile could facilitate pre-ordering, pick-up, mobile payments. 'Check in' could also be used by customers short on time. Digital also has a massive role to play in the service culture. Various options exist to make customer support more efficient and the channels which are used are based on customer preference rather than company convenience.

Live online support works extremely well with companies such as Intercom now humanising that experience as much as possible. Great support services go further than problem resolution and increase genuine empathy and business integrity.



Digital Heroes:



Expectations

Leaders understand that under-selling and over-delivering are absolutely key to realising customer expectations. Online promises, giveaways and deals that fail to deliver are a death knell for online CX. However, innovations such as online route planners, mobile apps and detailed timetables by Dublin Bus help to manage expectations.



Digital Heroes:



Integrity

Huge pitfalls and significant opportunities await online for all brands - nowhere more than in social media which now plays a key role in maintaining brand trustworthiness. Integrity means developing a tone of voice, adhering to brand values, offering value for money, and being honest with your customer.

A poorly handled social media storm has the potential to sink any brand. Again, humanising the experience helps ("everyone makes mistakes") and recent climb-downs by Spotify and Apple, admitting error, show how even enormous brands understand the power of social in delivering a sense of genuine integrity.

Digital Hero:



Resolution

Unlike in-store, there is little opportunity to immediately rectify a poor online experience. Turning a poor online experience into a great one involves an excellent support team defusing emotions that may have built up over time. Real-time human support can benefit from near-instant customer contact. Communication between support and development is crucial in identifying real reported issues and resolving the problem at source before it results in an irate customer. RaboDirect's fuss free dealing with customer queries and automatic confirmation of cheque lodgements is an example of this.



Digital Heroes:



Empathy

Nothing achieves greater customer loyalty than empathy - and to gain this, nothing equals experiencing what your customers experience. Decision makers should experience their online customer journey, their tone of voice on social media and communicate the fact that they 'care' about their brand by caring about their customers more.

Digital Hero:





The 10 online commandments

While keeping up with constant online change can place huge stresses on organisations, achieving excellent digital CX scores is not hard. Here are 10 core CX online rules:

- #1 Under promise and over deliver. Keep it simple but do the simple things well.
- #2 Make sure your website loads fast – the ‘back’ button is your biggest enemy. In the US, Walmart have shown that conversion rates rise 2% for every one second in reduced load times.
- #3 Great mobile and tablet experiences are now as important as desktop.
- #4 Images/pictures are important – quality and quantity. These help to emulate the in-store experience.
- #5 Acquire customer personalisation data once you have earned the customer’s respect. Then segment it carefully to personalise future interactions.
- #6 Make it easy and obvious for your customers to contact you and always include a street address.
- #7 Make the cart and check-out process as easy and streamlined as possible. Your customers are trying to give you money – make it simple for them.
- #8 Listen to what your customers are saying about you on social media and learn from it. Always respond and admit when you are wrong.
- #9 Develop an online tone of voice that reflects your offline brand values.
- #10 Allow the customer to dictate how they want to work with your products and do your best to cater to them wherever possible.



Theme 3. managing the expectations gap

Expectations are pre-experience beliefs about how a product or service will be delivered. These serve as a reference point against which the performance of an organisation will be judged.

With the highest brand score for Expectations being 7.4, this pillar is the lowest scoring of all in the 2015 CEXi Survey. It also represents the lowest scoring of all pillars across the various countries in which the survey is completed.

Examples of the survey respondents’ quotes include: “When querying about a bill, it was nearly impossible to get through to them on the phone. The waiting time was very long, and the person on the phone couldn’t answer my question!” or “I tried to book with Company X on line, they said to ring them about the item. I did and was put on hold. They then took my phone number to ring me back but they never got back to me!”

In general, it seems that Irish companies are bad at meeting their customers’ expectations. The evidence points to three reasons:

- ★ As the economic upturn starts to take hold, money is being allocated to marketing and sales activities. However the same cannot be said of the operational sides of businesses. Recession era cost-cutting is still the norm in the production, fulfillment and customer service areas of Irish business. This causes a rift between the ‘story’ and the ‘reality’.
- ★ This first problem is amplified by the fact that very often marketing and operations are not talking. In order to align what you say to what you do there must be constant communication between these teams.
- ★ Finally, Irish people have travelled extensively and have seen the ‘state-of-the-art’ of how experiences and products are sold and delivered. When they return home they compare Irish experiences to those they have seen abroad and not to the other local experiences.



Brands that excel in this area research their customers' beliefs and expectations so that they can systematically reset and exceed them. These companies ensure that their brand and CX planning sit side by side; matching the brand or product promises to the experiences is the key to excellent CX.

A number of themes can be drawn out from brands that score well in the Expectations pillar in Ireland and abroad:

#1 Simplicity in offerings and delivery


In general, brands that have a simple focus and clear vision tend to deliver what their customers expect. This is obviously easier for brands with only a small number of products or services but can be achieved by more complex organisations by ensuring simplicity in every facet of the business.

Most exceptional brands ensure that the purchase journey is clear to the customers and their internal staff. They don't try to up-sell customers until after they have made a purchase or in any way clutter an 'inflow' buying process with offers or deals.

 **RaboDirect:**
"Very straight forward"


#2 Easy access to assistance

Leaders in CX provide quick and clear access to helpful advice throughout the buying process. No matter how clear and simple a process is, there will always be customers that get stuck. In these cases the ability to get clear answers to their concerns ensures that customers' expectations are met.

 **Credit Unions:**
"Very thorough on details of loan application and fully explained everything."

#3 Under promise, over deliver

Brands that are seen to go the extra mile for customers always gain great scores in this area and are seen by their customers to provide great value.

 **Butlers Chocolate Café:**
"While buying a coffee the assistant offered me a free chocolate and expertly explained the different choices. I subsequently bought a selection of chocolates!"

Irish CX leaders

First Place - Irish Credit Unions

Personalisation	+15%	Integrity	+21%
Time & Effort	+13%	Resolution	+16%
Expectations	+17%	Empathy	+23%



With their roots deeply embedded in the community, Credit Unions were first established to help people by offering convenient access to affordable credit. While every Credit Union is a separate entity with its own business strategy, a shared focus is the importance of their members.

What makes Credit Unions different to other financial institutions is the policy of reinvesting profit for members. "Unlike other financial institutions we are member-owned so there is no conflict of interest between stakeholders" according to Kevin Johnson, CEO of the Credit Union Development Association.

During the economic and social tsunami of 2008, it was especially apparent that Credit Union doors remained open to people in a way that those of banks and other financial institutions did not. They continued to facilitate loans and consulted with people to help them recalibrate their household budgets. In response to the empathy offered by Credit Unions, people trusted them and continue to depend on them as the recovery takes hold.

"A key element since 2008 in particular, is that we haven't downsized staff and volunteers. We have maintained a personalised service in towns and villages and this means a lot to people" says Mandy Johnston, Head of Communications at the Irish League of Credit Unions.

Goodwill towards Credit Unions is reflected in their growing numbers with a 70,000 increase in membership in the last two years. They maintained their presence in communities during the recession and now have 15,000 volunteers across the country and 4,000 employees.

While they excel in Personalisation and Empathy, Credit Unions face a real challenge in providing the digital platform that is increasingly demanded by the younger market.

"The personal contact in Credit Unions has been – and will continue to be – an integral part of how we operate" according to Johnson.



Customer Quotes

"I feel it is very community based, very helpful and pleasant"

"I was there to open an account... staff made me feel valued, took time to give me every information for an informed choice."



Joint Sixth Place - RaboDirect

Personalisation	+7%	Integrity	+18%
Time & Effort	+10%	Resolution	+11%
Expectation	+9%	Empathy	+6%



RaboDirect has doubled in size over the last few years and a strong focus on the customer has been a primary driver of this growth. A combination of a strong parent brand and a commitment to delivering great service to their customers has seen the organisation thrive through a difficult time for the banking sector.

RaboDirect appreciates the amount of work involved in ensuring continued success as technology and customer expectations both evolve at great speed.

“As a business we have been absolutely focused on positioning ourselves as Ireland’s savings specialist. A key part of the realisation of this positioning strategy is ensuring that we deliver a quality experience at every point our customers and customers-to-be touch us” observes Tim Bicknell, General Manager, RaboDirect Ireland. RaboDirect is hugely proud of their customer care team who manage most of the day-to-day customer contact and they work very hard to ensure they hire the right people and give them the right training.

The bank provides a fun and supportive working environment for employees. This has been key in ensuring they don’t lose sight of the fact that their customer-first approach remains key to their success despite their business model being built on digital distribution. They do not use IVR and nine times out of ten a customer will get through to a team member within 20 seconds and have their query resolved or question answered straightaway.

RaboDirect adopts a simple and customer-focused formula built around being Ireland’s savings specialist and hiring the right people. Tim Bicknell sums this up by saying “If there was a single most important factor in our success to date it has been in creating a team full of people who are passionate about making sure our customers experience a great service”.



Customer Quote

“Everything is dealt with online or over the phone. I like this as there is no need for annoying queues.”

Joint Sixth Place - Butlers Chocolate Cafés

Personalisation	+8%	Integrity	+10%
Time & Effort	+5%	Resolution	+ 4%
Expectation	+12%	Empathy	+8%



Butlers Chocolate Cafés are an original concept incorporating an offer that is based on all things chocolate, including the full range of chocolates, drinks and desserts. Offering customers a complimentary chocolate when purchasing beverages has proven very effective in engaging coffee drinkers.

They clearly differentiate themselves through their outlets which are designed to convey a premium luxury image. Butlers Chocolate Cafés offer customers an opportunity to switch off and the company takes full advantage of the emotional impact of chocolate, calling their loyalty card a Butlers ‘Happiness Card’.

They understand the importance of building relationships with customers and giving a personalised customer service. “All staff receives comprehensive training to ensure customers visiting a Butlers Chocolate Café are treated courteously, efficiently and professionally. This makes Butlers Chocolate Cafés a great atmosphere to work in because if the customers are satisfied then staff are too” says Marketing Manager, Kathy Smyth.

Butler’s staff are loyal, with some staying for over twenty years. The company scored particularly high in Time & Effort and this reflects staff’s openness to engaging with customers and describing their products in detail. There is no doubt that training has played a large part in achieving this high score.

According to Kathy, everything the company achieves is the result of team work and all staff working together in pursuit of a common goal: “to create the most delicious chocolates and to look after our customers to the best of our ability”.



Customer Quote:

“Excellent consistent level of service across all branches I have visited. High quality coffee at reasonable prices, with a free Butlers chocolate. Always seek out Butlers when I need a coffee in town.”



Irish CX lessons: what needs to be improved

In the USA, CX management is a more mature business discipline than in Ireland or the UK. It's better defined, understood and practiced with organisational leaders setting the customer agenda and building a customer culture from the top down with religious enthusiasm.

Almost all of the Irish brands surveyed have a CX team, mission or strategy. However they very rarely have real teeth. With CX managers having to fight to get the customer on the boardroom agenda, Irish CEOs need to help companies make positive CX a priority.

So what can Irish companies take out of the CEXi Ireland CX Report 2015?

- #1 Irish customers are spoiled for choice and the only thing differentiating competing companies is the CX. **Outstanding CX is now the best way to differentiate your brand.** Aim to be a key iconic CX brand. Bring your brand experience alive during every customer engagement. Above anything else it's easier, cheaper and more impactful to implement amazing CX rather than to R&D a new product.
- #2 Human interaction is revered in Ireland, particularly by older age group segments. **Companies must find ways to humanise their digital offerings**, for example, by segmenting according to age groups.
- #3 **Irish businesses must under promise and over deliver** to reduce the 'Expectation' gap. Companies will secure powerful advocates who will share these pleasant surprises with other friends, family and colleagues.

- #4 **Focus on retention to drive acquisition.** Build an incremental sales force of thousands of your happiest customers to help sell products on your behalf. Lush cosmetics topped the UK CX table in 2015 and deliver supernormal commercial performance. They choose word of mouth in favour of advertising and equip their front line staff with great CX stories to share with customers and then encourage them to go forth and share these with friends and family.
- #5 **Accept your company will make mistakes.** Design a heroic recovery plan in advance. Determine where your brand promise goes adrift and prepare brilliant resolution solutions for fast and effective resolution. Resolution is one of the best opportunities to create advocacy. The golden rule is to train staff to use their best judgement at all times.
- #6 **The elephant in the room: leadership support is essential** to create a CX team with real teeth. The CEO must participate in making CX a business priority.
- #7 **Staff must be encouraged and empowered** to deliver outstanding CXs. Encourage them to gain real empathy by meeting customers regularly. Enable flexibility to resolve issues – the Ritz Carlton allows each staff member a resolution budget of \$3,000 per customer, without being required to get approval. Wouldn't that be nice!
- #8 **Positive customer behaviour should be rewarded.** Why reward new customers and ignore loyal ones who have proved their worth to you?
- #9 To become world class, **companies must look beyond their sector.** Customers don't compare by sector, they compare all sectors. Companies must do likewise.
- #10 **Read your customer's mind, not your own.** A big challenge we face when creating our experience strategy is using internal definitions and desires about what is remarkable and what isn't. Often staff don't have much in common with the people they are marketing to. What staff find remarkable or desirable may not be relevant.
- #11 **The only channel that matters is the one customers are using now.** Digital directors are now being replaced by the omni-channel directors. Since customers use different channels in different situations, forward-looking organisations are now integrating the digital team with mainstream operations. However regardless of the channels being used customers want a consistent, personalised and relevant experience.

further resources

CEXi is a community of CX practitioners supported by specific CX tools and services. These include consumer research (Ireland and abroad), customised briefings, annual CX Stories Festival, face-to-face and online networking opportunities and CX resource library.

To find out more, see www.cexi.org



Attend the first CEXi 'Stories Festival' on 29 October 2015



Enquire about joining CEXi



Download UK and USA industry analyses at www.nunwood.com



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the methodology underpinning the survey

The CEXi 2015 survey was conducted in June 2015 by Amárach Research using the KPMG Nunwood 6 Pillars methodology. The same research format was used in the Irish survey as in the UK, US and Australia to provide directly comparable findings. A total of 2,700 Irish adults were interviewed about their experiences of brands they had interacted with in the previous six months. Consumers were asked to select from a total of 151 brands across nine categories and typically provided feedback on 10-12 brands each. An average of 260 customers for each brand was surveyed. More than 37,000 CXs were evaluated across the 6 pillars as well as Net Promoter Score, loyalty, value for money and verbatim comments on good or bad aspects of each experience.



CEXi has been created for senior decision makers within companies in Ireland who are tasked with growing their business through the delivery of measurable world class customer experience programmes. CEXi will help you to understand what a great customer experience programme looks like and enable your team to benchmark their programme against others in Ireland and abroad.



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