# Customer Leadership Index 2022

November 2022

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# Agenda for **today**

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| | |
|---|---|
| **1** | Cost of living – an ongoing challenge |
| **2** | The 2022 Customer Leadership Index |
| **3** | The top 10 |
| **4** | Learnings and insights |
| **5** | Q&A |

**Jon Pickup**
Group Client Director

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Chief Client Officer

# 1

# Cost of living – an ongoing challenge

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Only **24%** of NZ consumers have high confidence in their own financial situation…

…and **66%** are more concerned now than they were 12 months ago

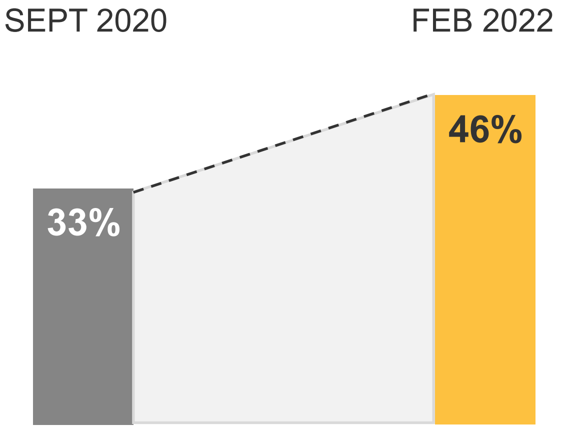
# Around the world, consumer priorities are changing

**EY research suggests consumers are looking to downsize their digital world in response to rising costs**

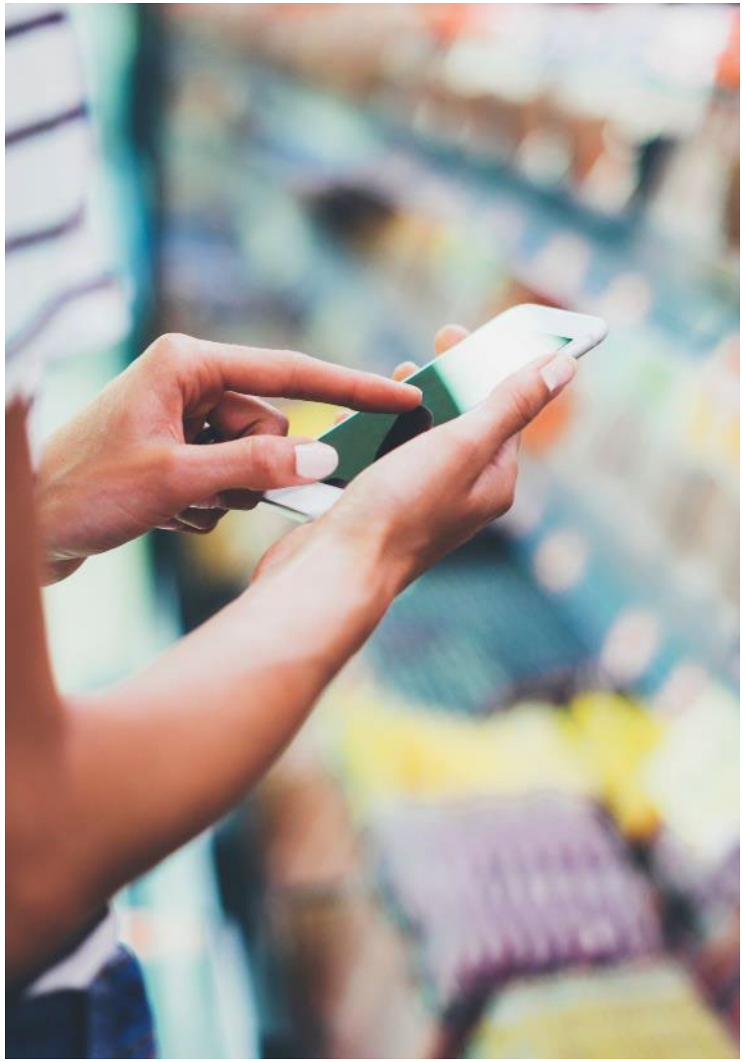
**The Chartered Insurance Institute say that cost of living rises have led to consumers wanting to feel more in control during the claims process**

# Value is increasing in importance and can lead to more shopping around

*% reporting they have shopped a new brand recently*




*% reporting they have shopped a new retailer / store / website recently*

**90%** of consumers who switched brands or retailers expect to incorporate these into their regular routines



Source: McKinsey COVID-19 US Consumer Pulse Surveys (2020-2022)

# 34%

**of consumers in South East Asia say they would drop a brand that delivered two poor experiences in a row**

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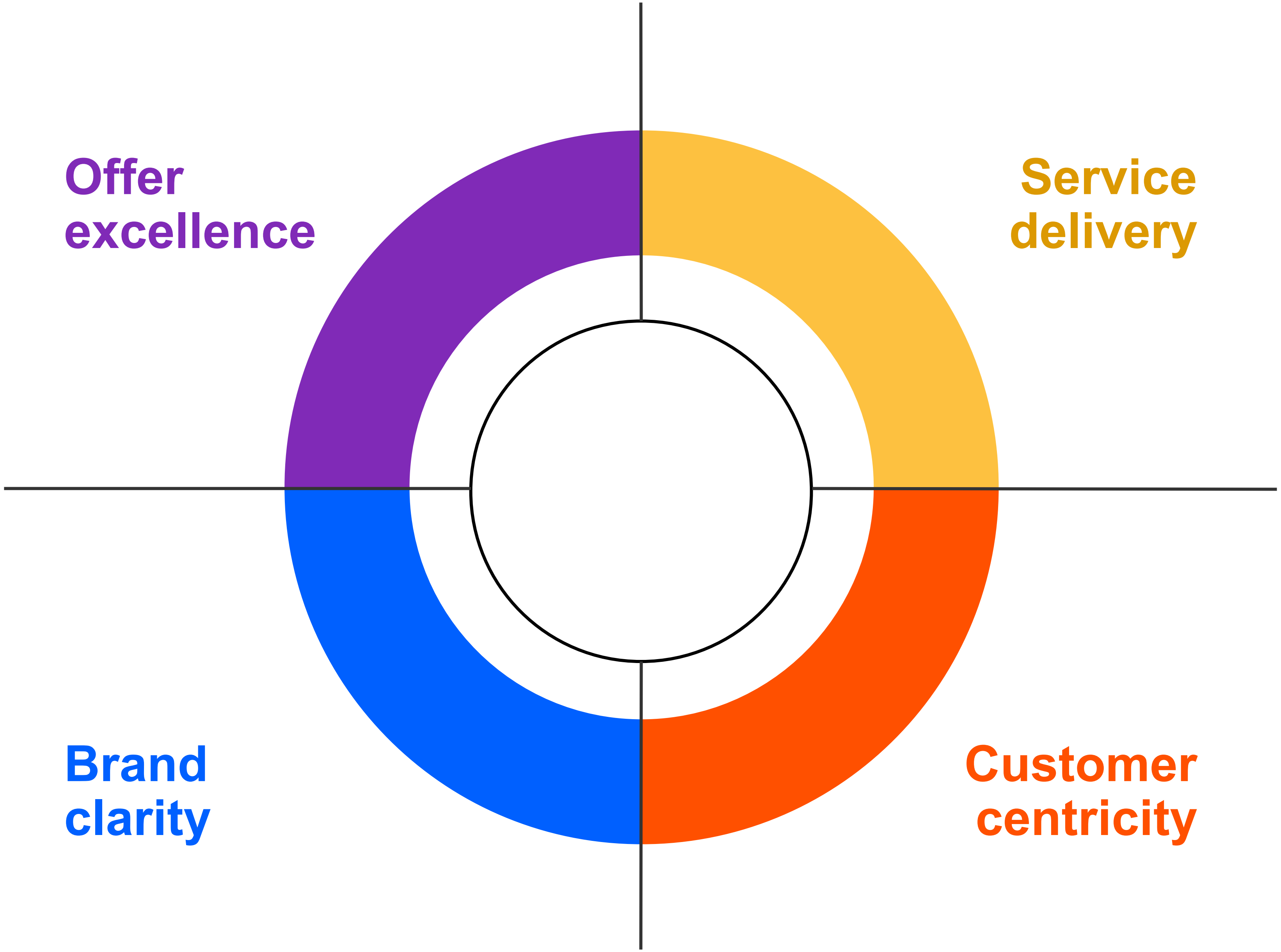
Source: Kantar: The Currency of Customer Experience (2022)

# If customer expectations are shifting, even successful brands need to do more than maintain the status quo

# Even if the relative importance of each area can shift, the core building blocks of succeeding with customers remain valid

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# The 2022 Customer Leadership Index

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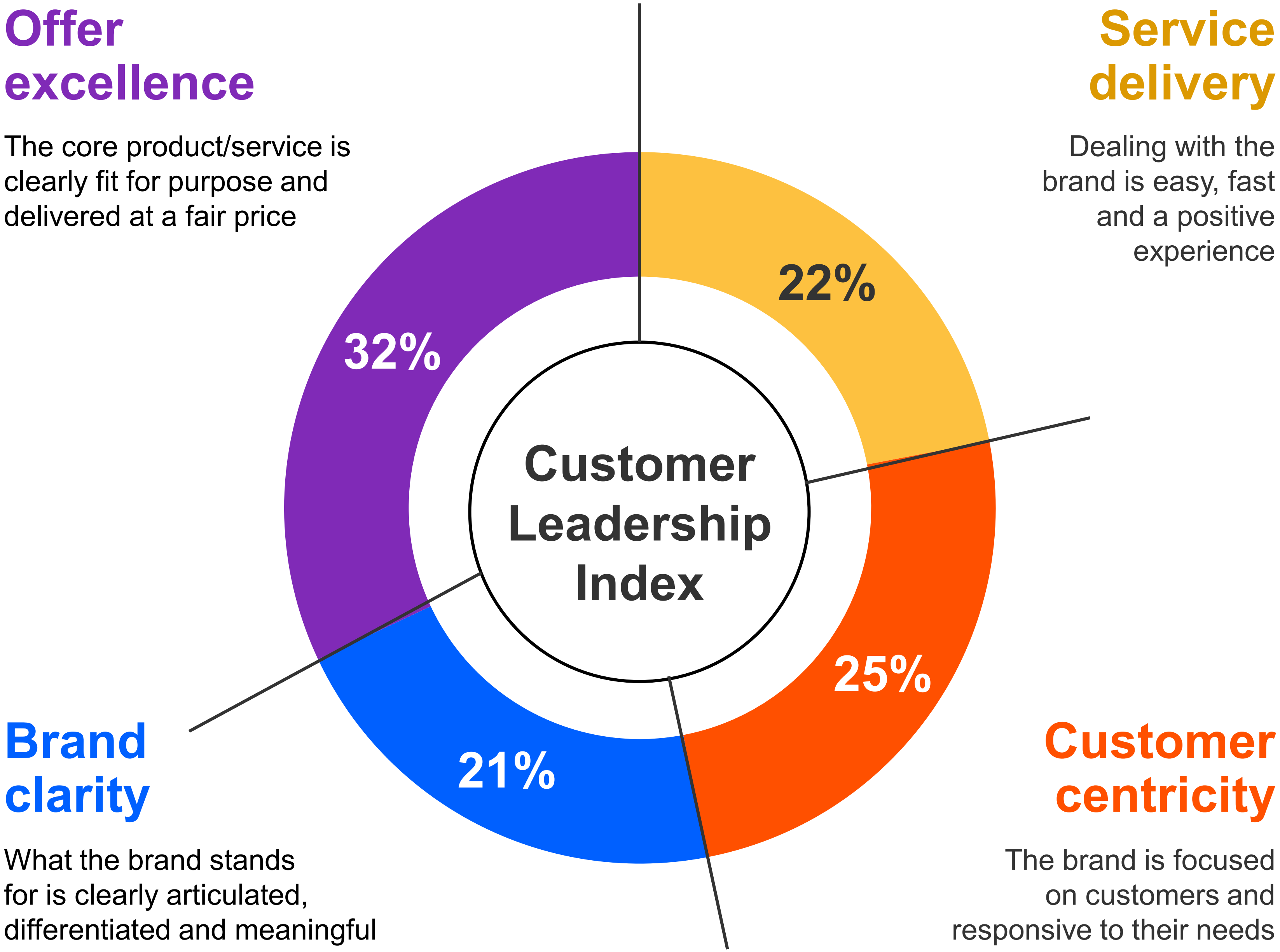
# The 2022 index retains the strength of the 2021 version with only a few slight tweaks

- Still based on 2020 CLi structure and methodology
- Automotive repair sector added, replacing liquor retail
- Sample size increased to **n=2500** surveys
- Giving us **n=7500** brand measurements
- **64 brands** across **13 sectors**
- Fieldwork in September and October

# The Customer Leadership Index comprises four core pillars

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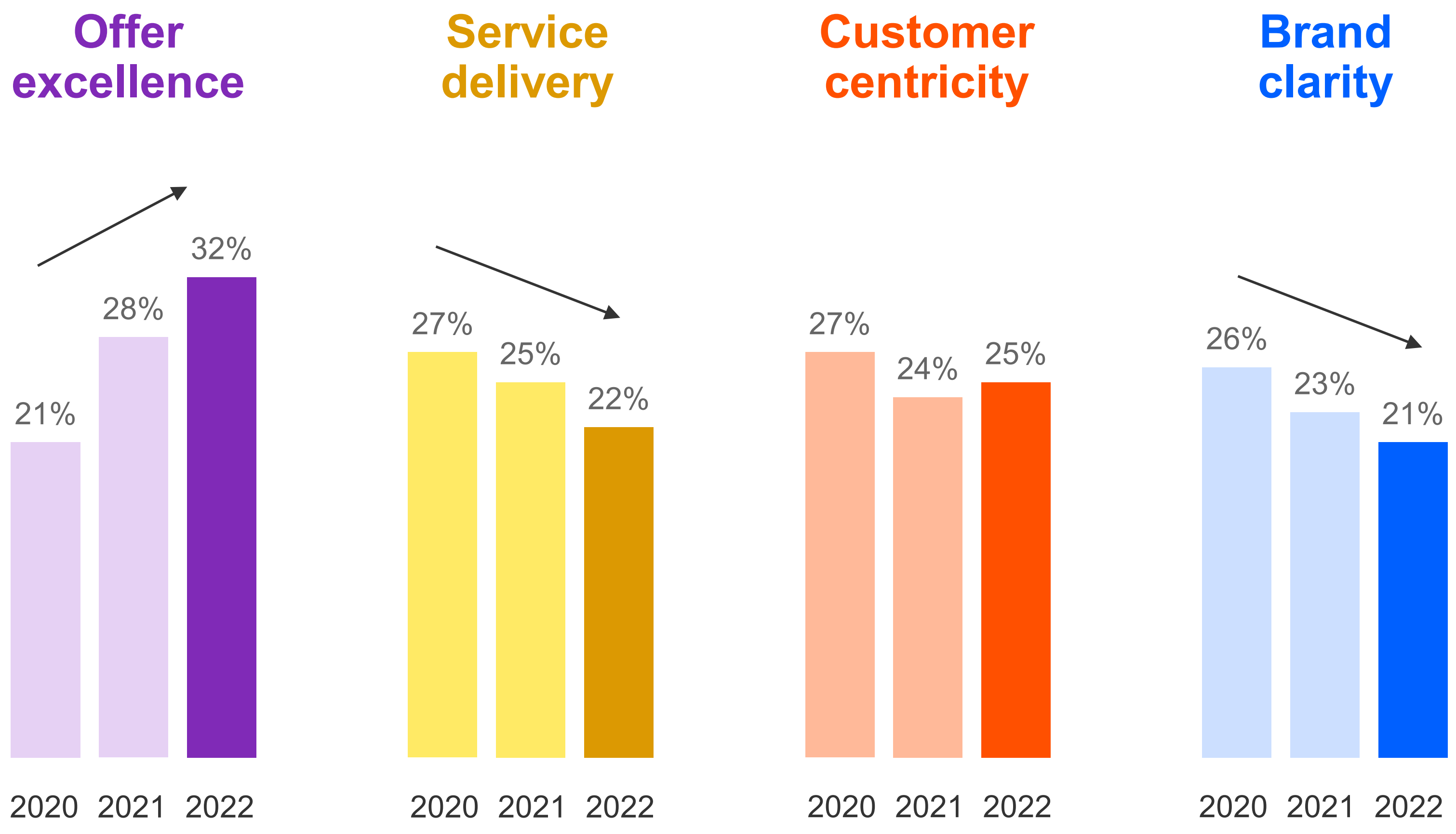
# It is becoming increasingly important for brands to deliver offer excellence – the importance of both product quality and delivering value have risen

CHANGE IN IMPORTANCE OF PILLARS OVER TIME

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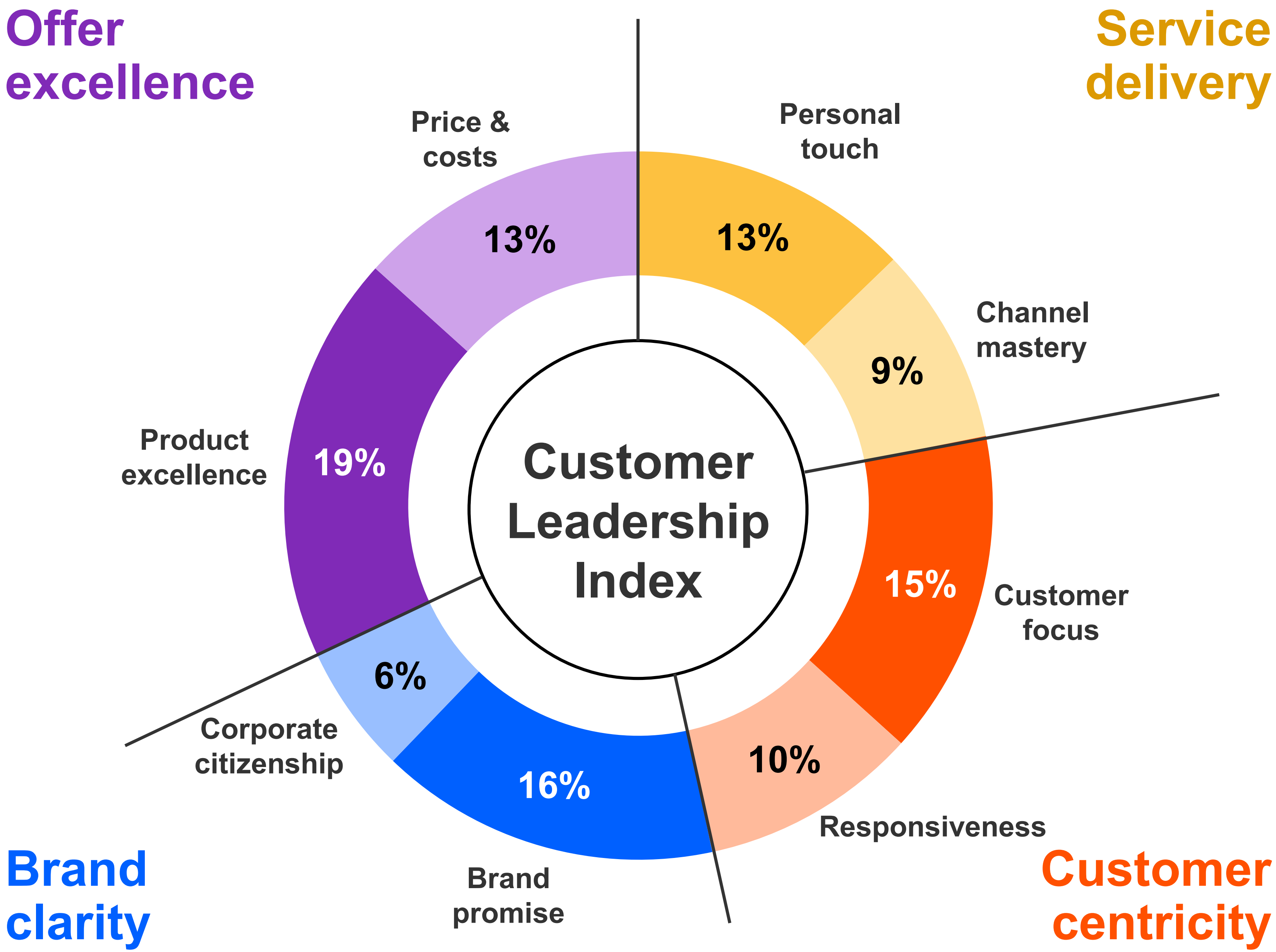
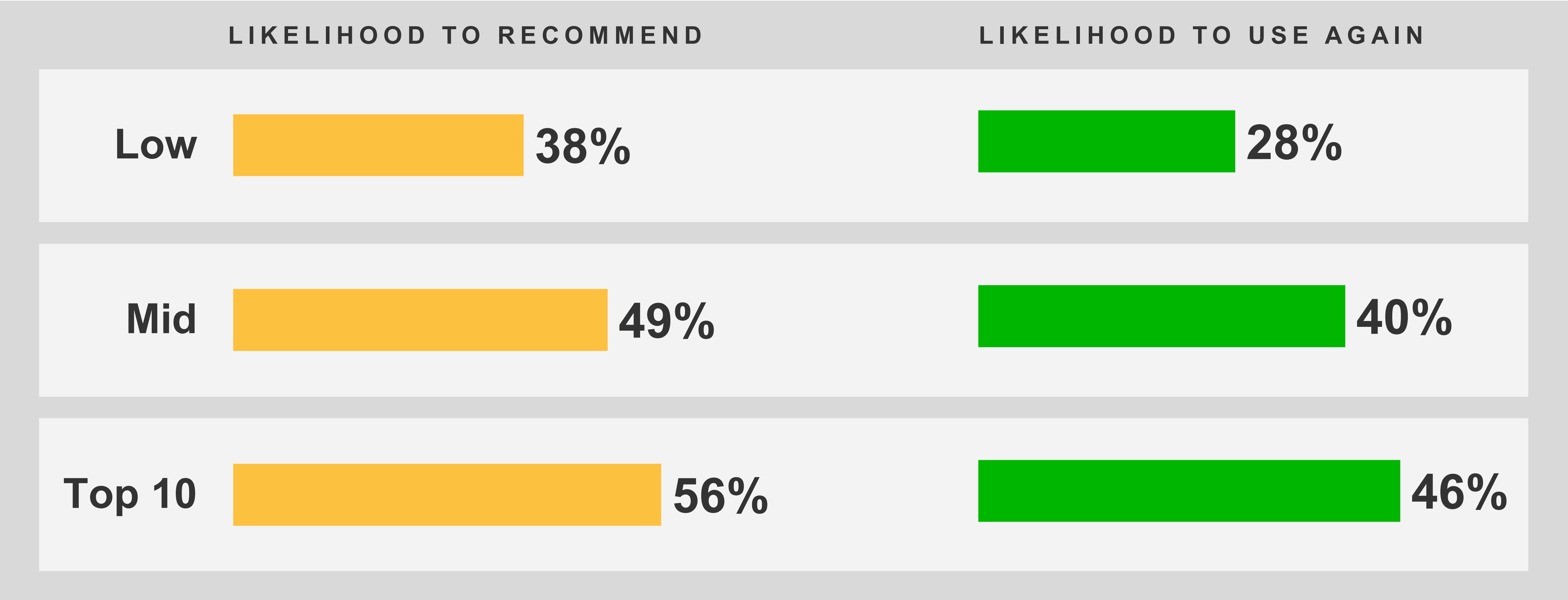
# Each pillar is broken into two sub-pillars



# Higher index = better outcomes



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## The top 10

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# THE TOP TEN

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| | | |
|---|---|---|
| 1 | Sharesies | 74 |
| 2 | AA Insurance | 70 |
| 3 | MITSUBISHI MOTORS | 69 |
| 4 | AA | 68 |
| 5 | | 68 |
| 6 | STATE | 68 |
| 7 | noel leeming | 67 |
| 8 | TOYOTA | 67 |
| 9 | Ford | 65 |
| 10 | MIGHTYape | 64 |

= Index

# There are multiple paths to success

## Customer centricity

- MITSUBISHI MOTORS
- Ford
- AA Insurance
- STATE
- Sharesies
- AA
- TOYOTA
- noel leeming
- 2°
- MIGHTYape

## Service delivery

- Sharesies
- MIGHTYape
- noel leeming
- AA Insurance
- MITSUBISHI MOTORS
- STATE
- AA
- MY FOOD BAG
- ASB
- TOYOTA

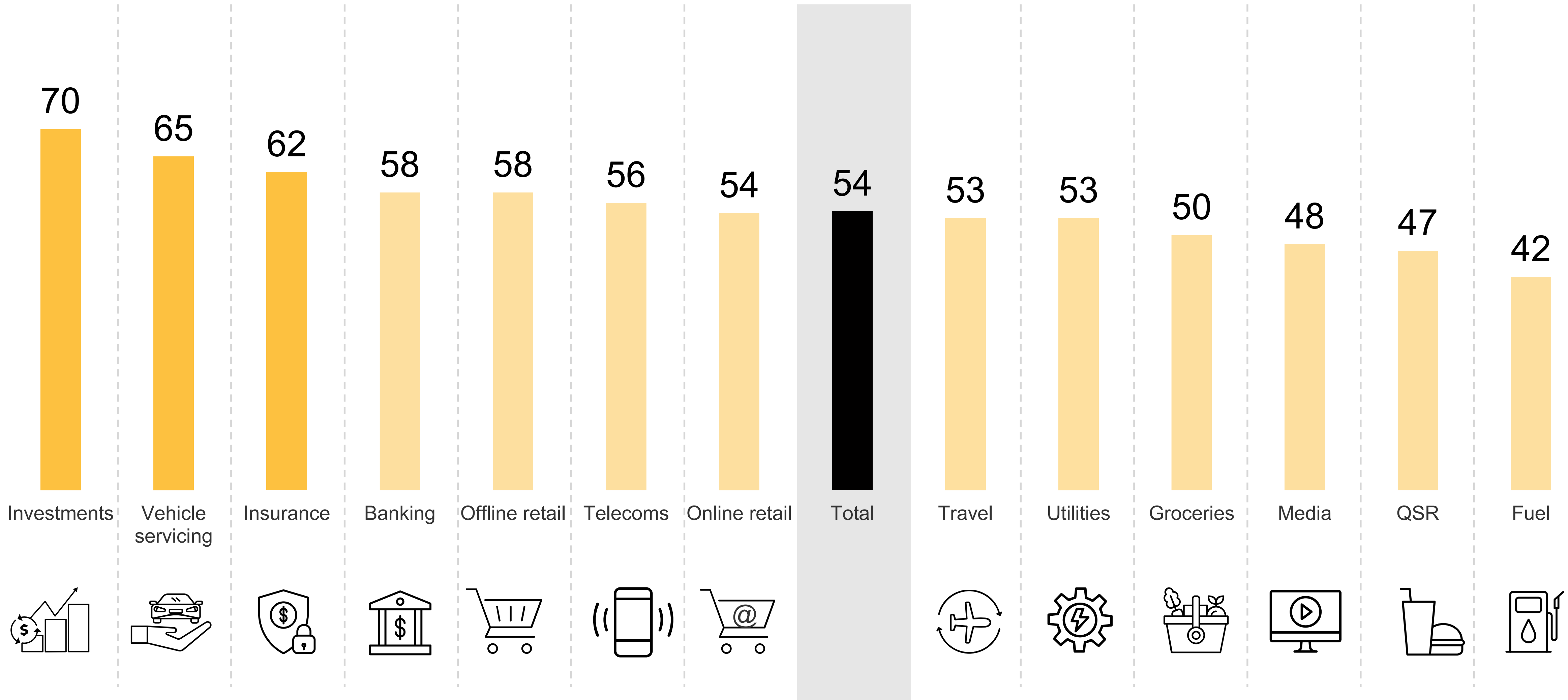
## Offer excellence

- Sharesies
- 2°
- AA Insurance
- noel leeming
- BUNNINGS warehouse
- MITSUBISHI MOTORS
- AA
- STATE
- TOYOTA
- amazon

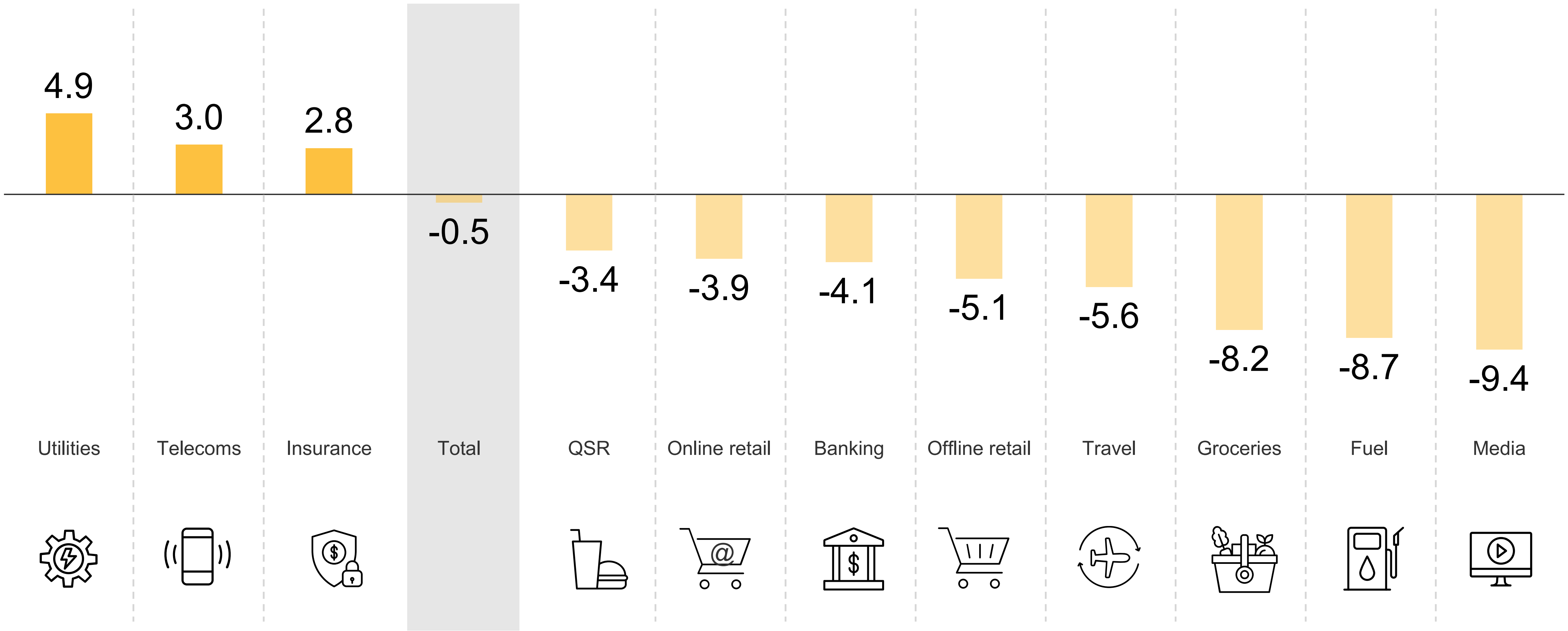
## Brand clarity

- Sharesies
- TOYOTA
- AA
- AA Insurance
- Meridian.
- MITSUBISHI MOTORS
- Kiwi bank.
- AIR NEW ZEALAND
- 2°
- Ford

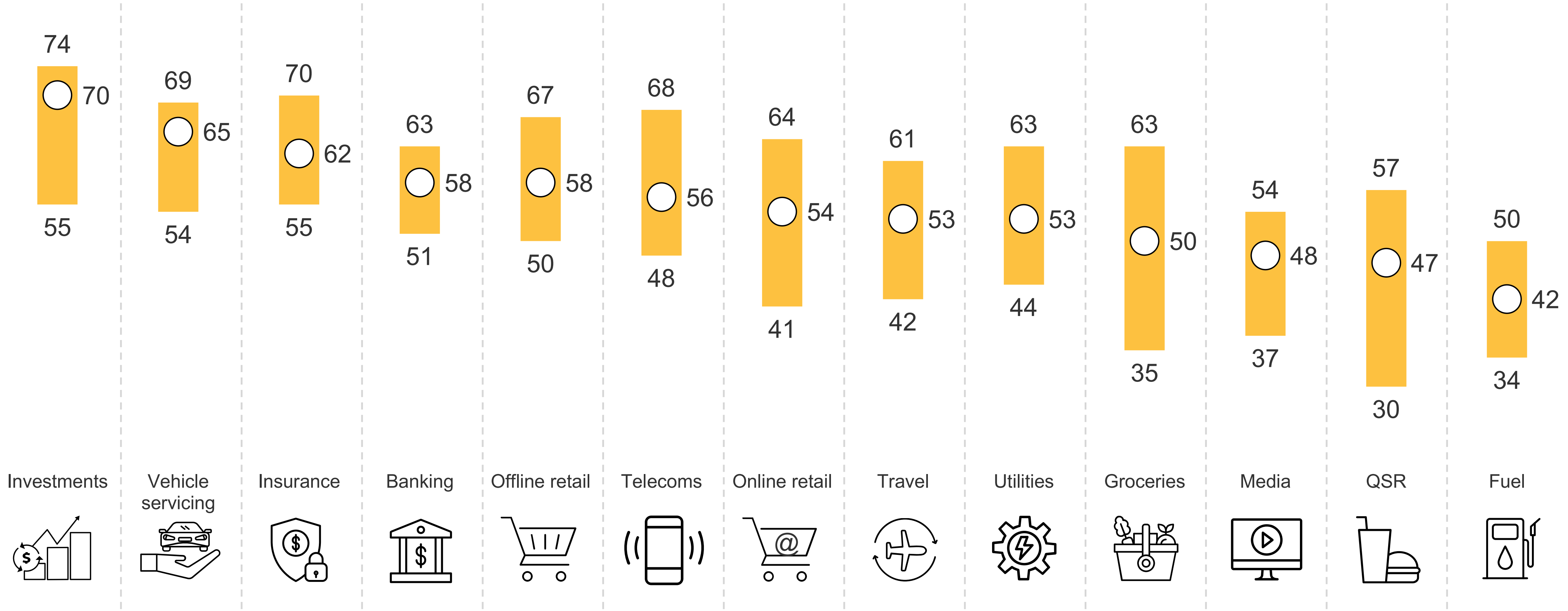
# Investment, vehicle servicing and insurance brands do best overall



# Index scores have softened across many industries, but utilities, telecoms and insurance are notable exceptions



# Wide variation within sectors is still evident, highlighting opportunities and risks for growth

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# Learnings and insights

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# The strongest performing brands are demonstrating a **strong value proposition.**

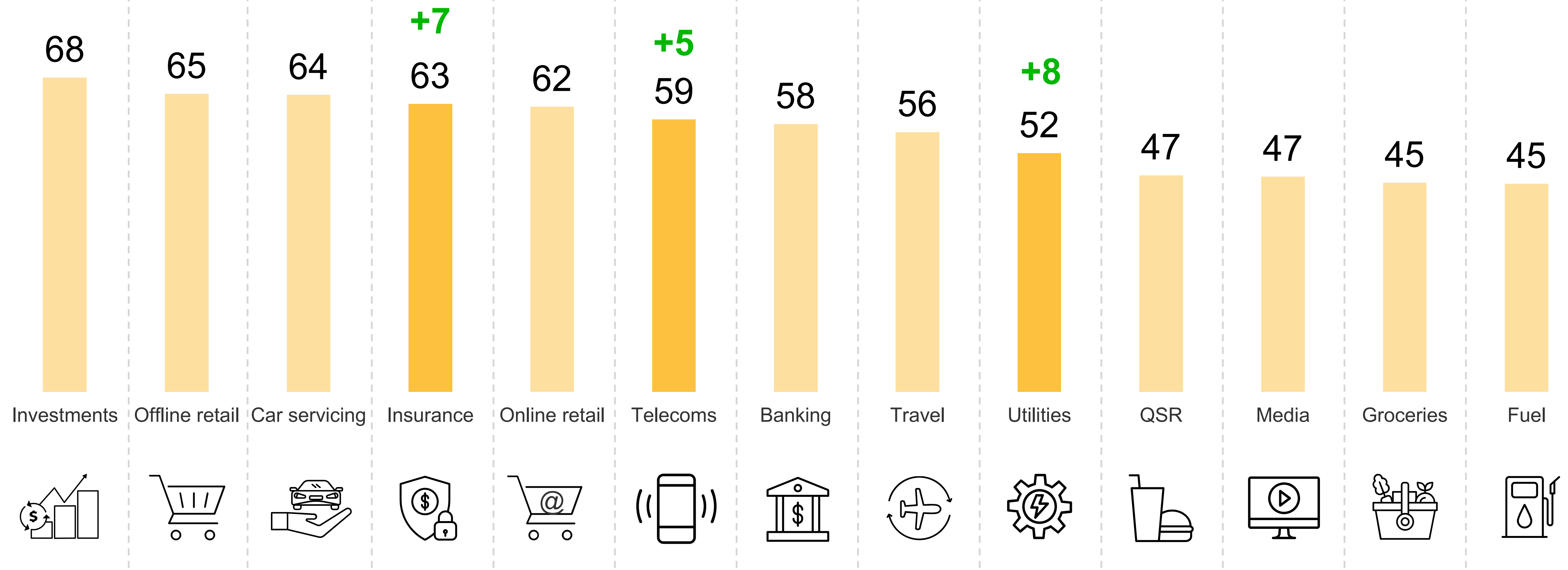
## This is more than just offering the lowest prices

### Change 2021-2022 – Providing competitive prices


### Change 2021-2022 – Providing good value

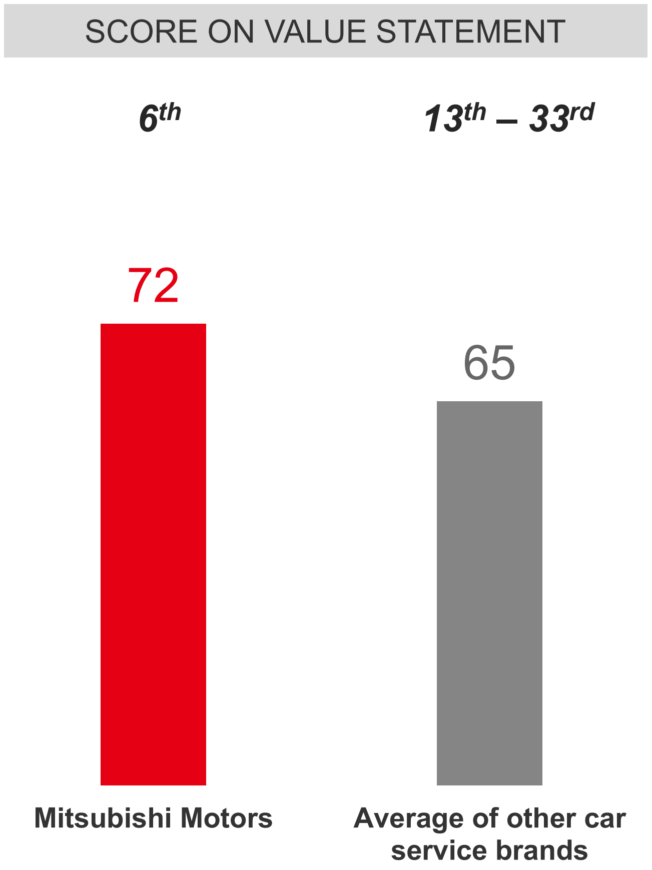
# Perceptions of value vary widely by sector – the only three sectors with an improving score were those seeing an overall index increase

## Sector scores: Providing good value



# Leading a high performing sector on value

## Mitsubishi Motors – scores on delivering good value vs. all other car servicing brands




- Shift from vehicle-centric to customer centric approach
- Increased collection of customer feedback
- Automation to make time for tasks that deliver value
- Service focus leading to repeat custom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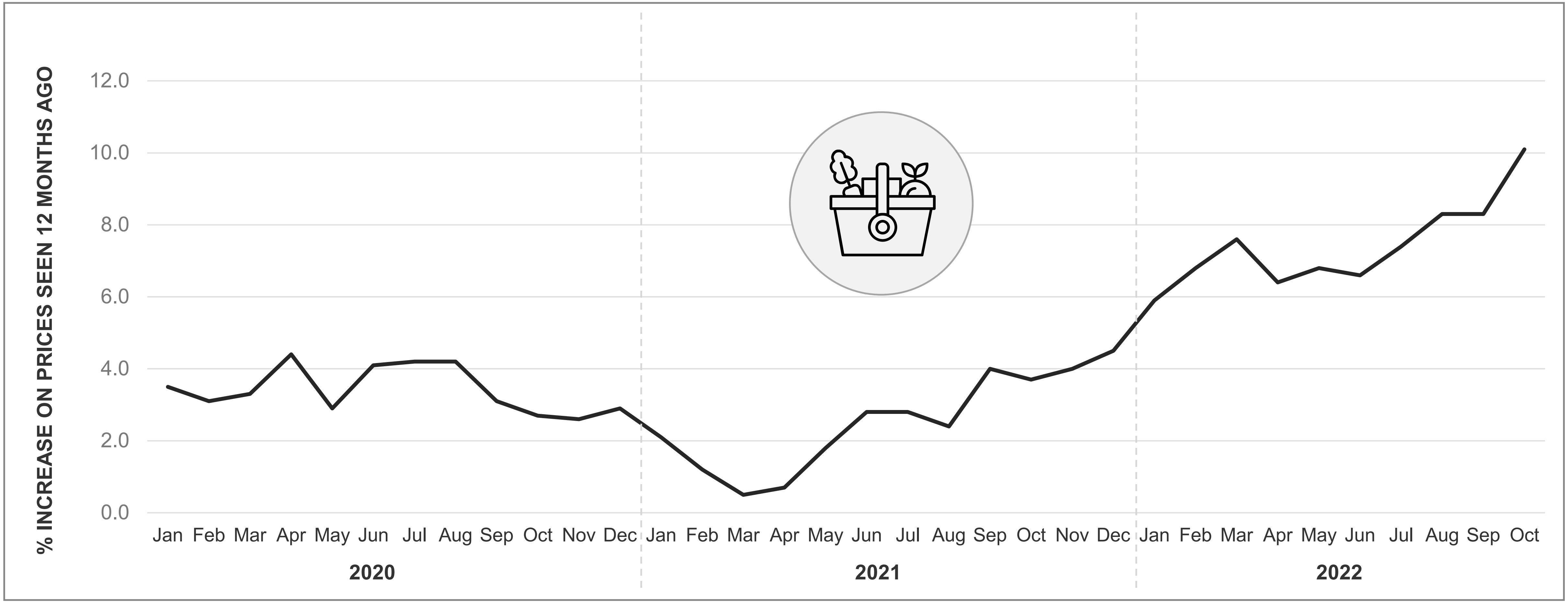
# The rising cost of food has been a challenge for the grocery and restaurant sectors

## New Zealand Food Price Index

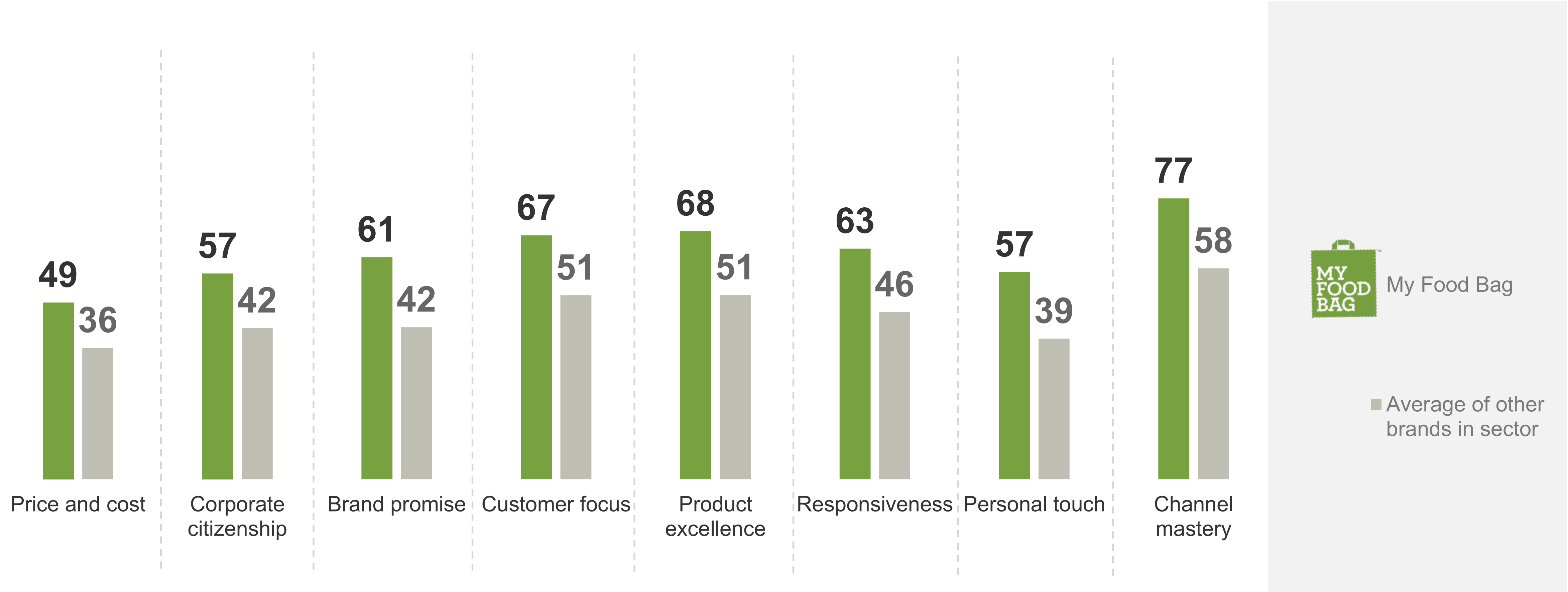


# While consumer sentiment around price and cost has dipped, this is also the case across the full range of sub-pillars

## Grocery sector: change on sub-drivers

# Even in extremely challenging times, a focus on service delivery can enable a brand to swim against the tide of falling consumer sentiment

## Sub-pillar scores: My Food Bag vs. average of other grocery / food delivery brands



# Delivering great service in challenging times

## Overall Rank:

12th

KEY AREAS OF STRENGTH:

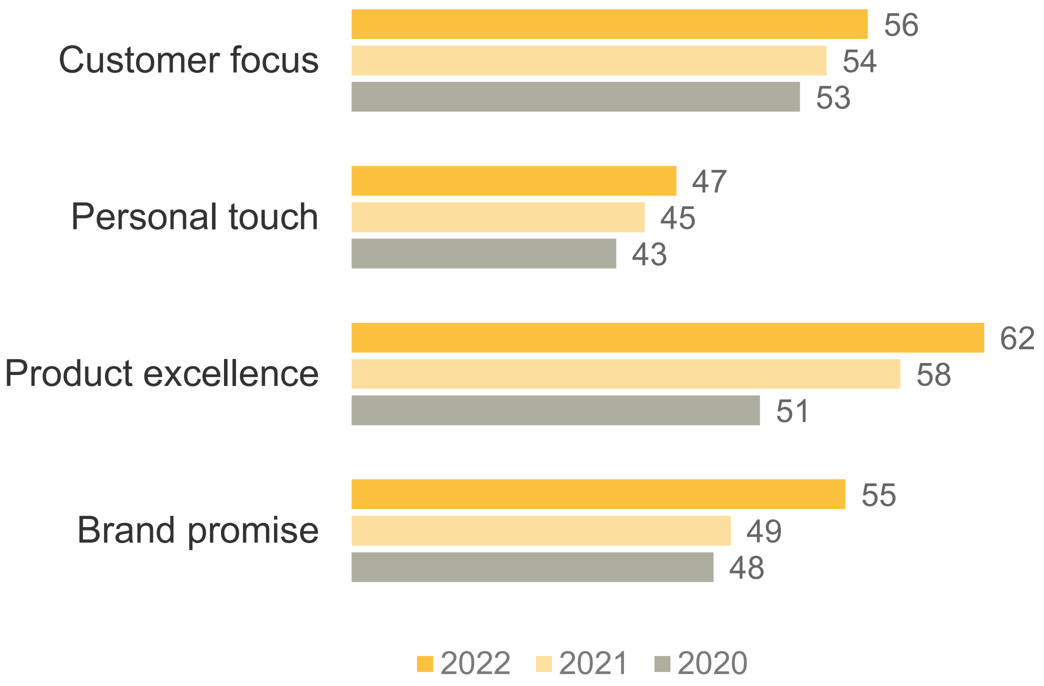
| | |
|---|---|
| Speed of service | *3rd* |
| Leading the way with its products and services | *6th* |
| Providing memorable and delightful experiences | *7th* |
| Being easy to contact | *8th* |
| Service consistency | *10th* |

> *We've made a number of seemingly small but clearly important changes over the last 12 months, improving the key element of every customer's journey and contact with us.*
>
> *We're super proud to see the shift in the scores for our brand, and whilst we know we still have further to go, it's exciting for the team to know the love bombing we give our customers week in week out is working!*
>
> Jo Mitchell
> Chief Customer Officer
> My Food Bag

# The sectors which saw an increase in index score have seen rising performance across our four pillars

## Sub-driver score change over time

### TELECOMMUNICATIONS




### UTILITIES

Meridian.

# Developing a clear brand promise, backed up with strengthening customer service

## Meridian make the largest jump in the rankings, from 52nd in 2021 to 13th in 2022

AREAS OF GREATEST IMPROVEMENT:


**1st** in NZ | *Supporting worthwhile causes such as the community or the environment*

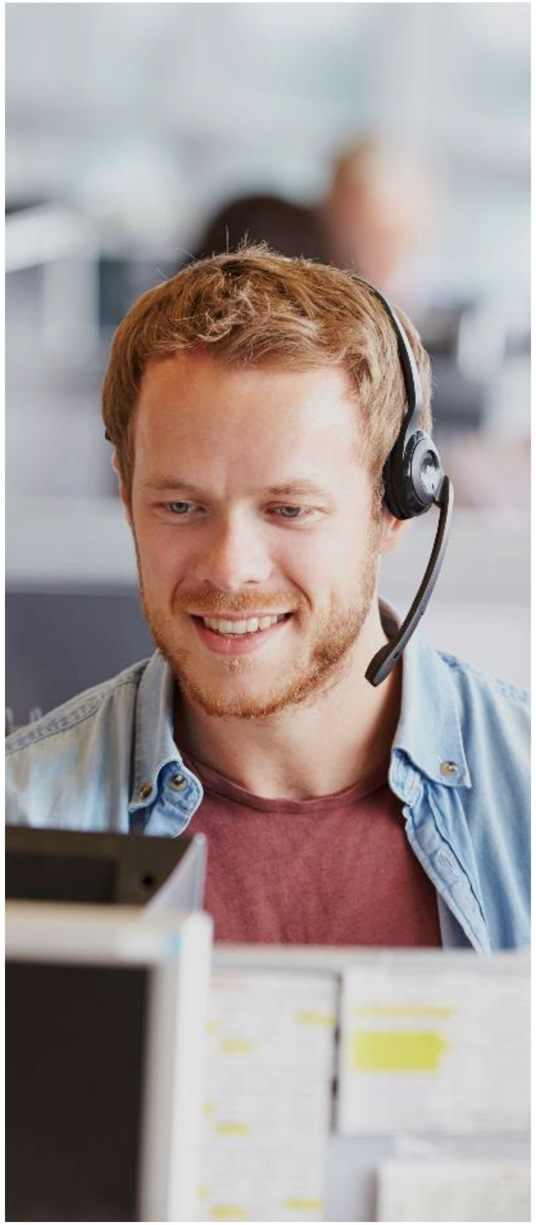
# Focusing on resolution to drive improvements

## State make the second largest jump in the rankings, from 31st in 2021 to 6th in 2022.

AREAS OF GREATEST IMPROVEMENT:


Areas of focus:

- First call resolution
- Technical training
- Empowering consultants to make decisions
- Identification of key customer pain points
- Dedicated teams for key groups / journeys
- Focus on internal culture



Sharesies

# Maintaining excellence in spite of changing expectations

## Sharesies lead the way in:

**3** of the four pillars of customer leadership

**9** of the individual driver statements

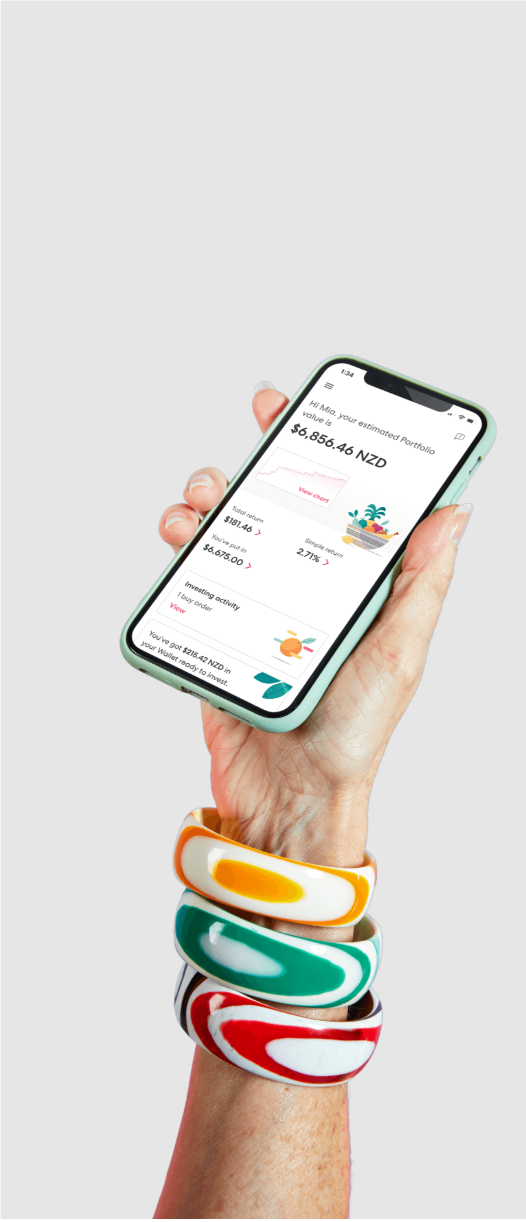
**KEY STRENGTHS IN 2022:**

**Digital service being easy to use**

**Consistency of service**

**Making it easy to get set up and going**

> *Our mission is to make investing a loveable, empowering experience – putting customers first and building caring, constructive connections with all our investors. In the current economic climate, it's more important than ever.*
>
> Liz Krammer
>
> Investor Care Manager
> Sharesies



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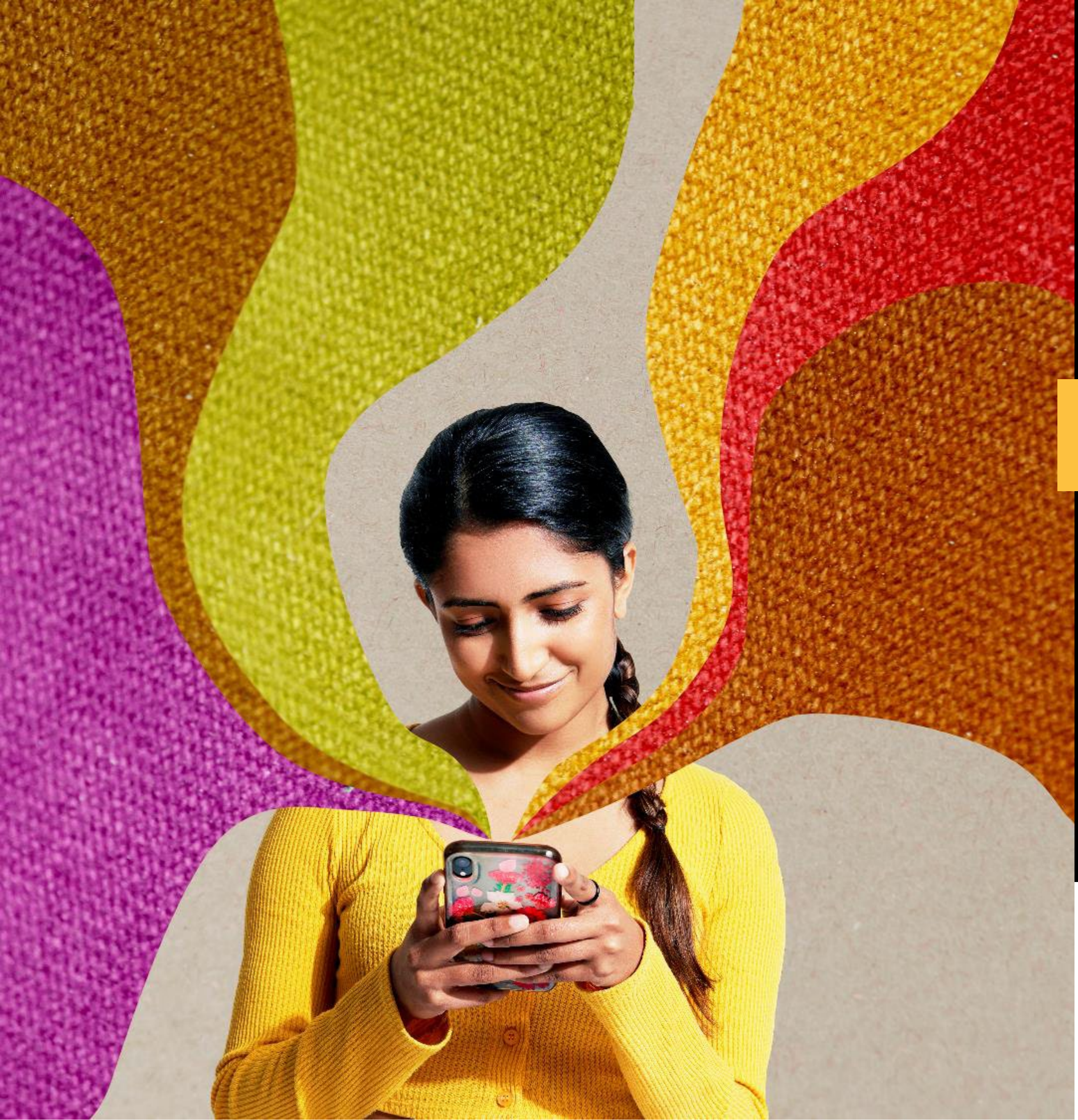

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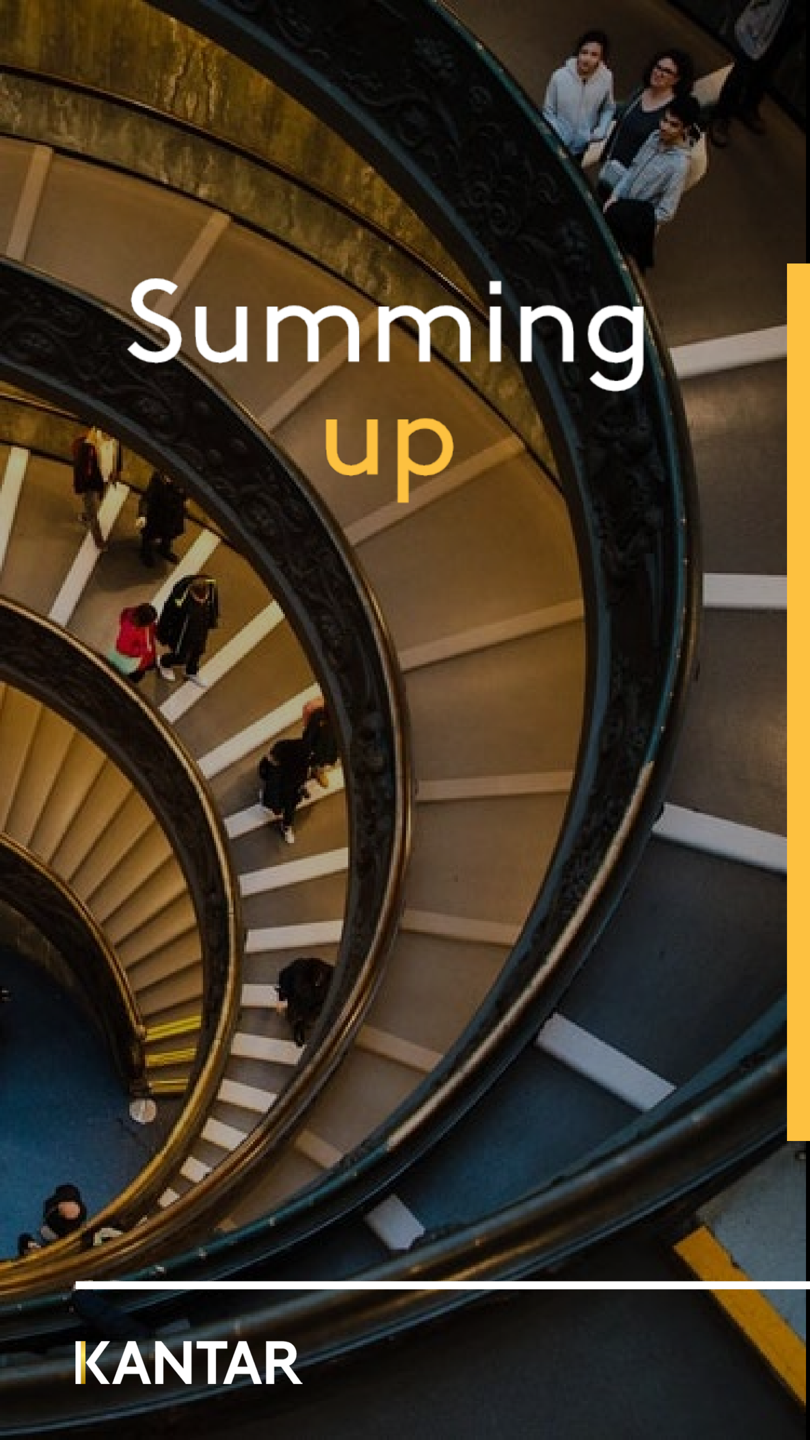
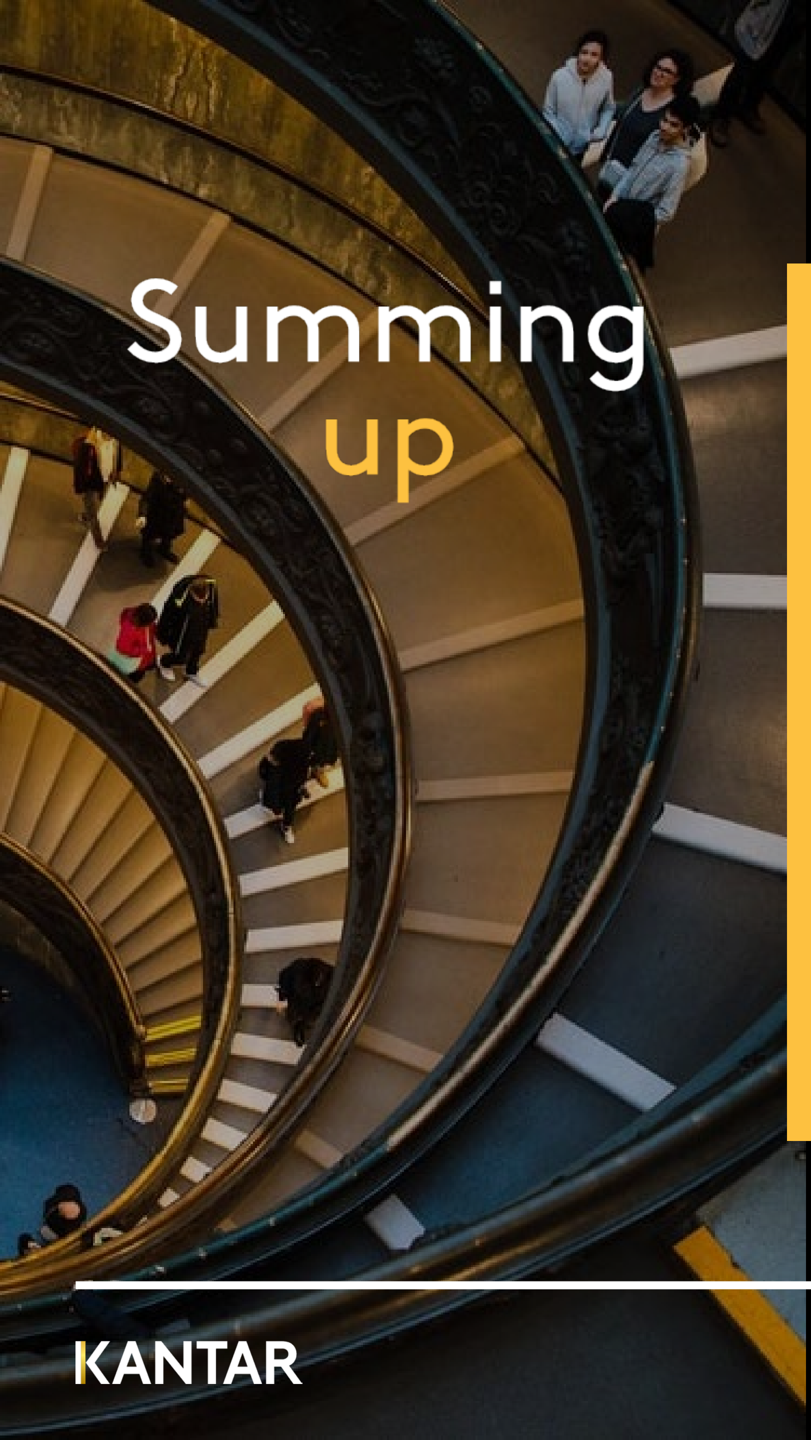
## Wrap

# Summing up

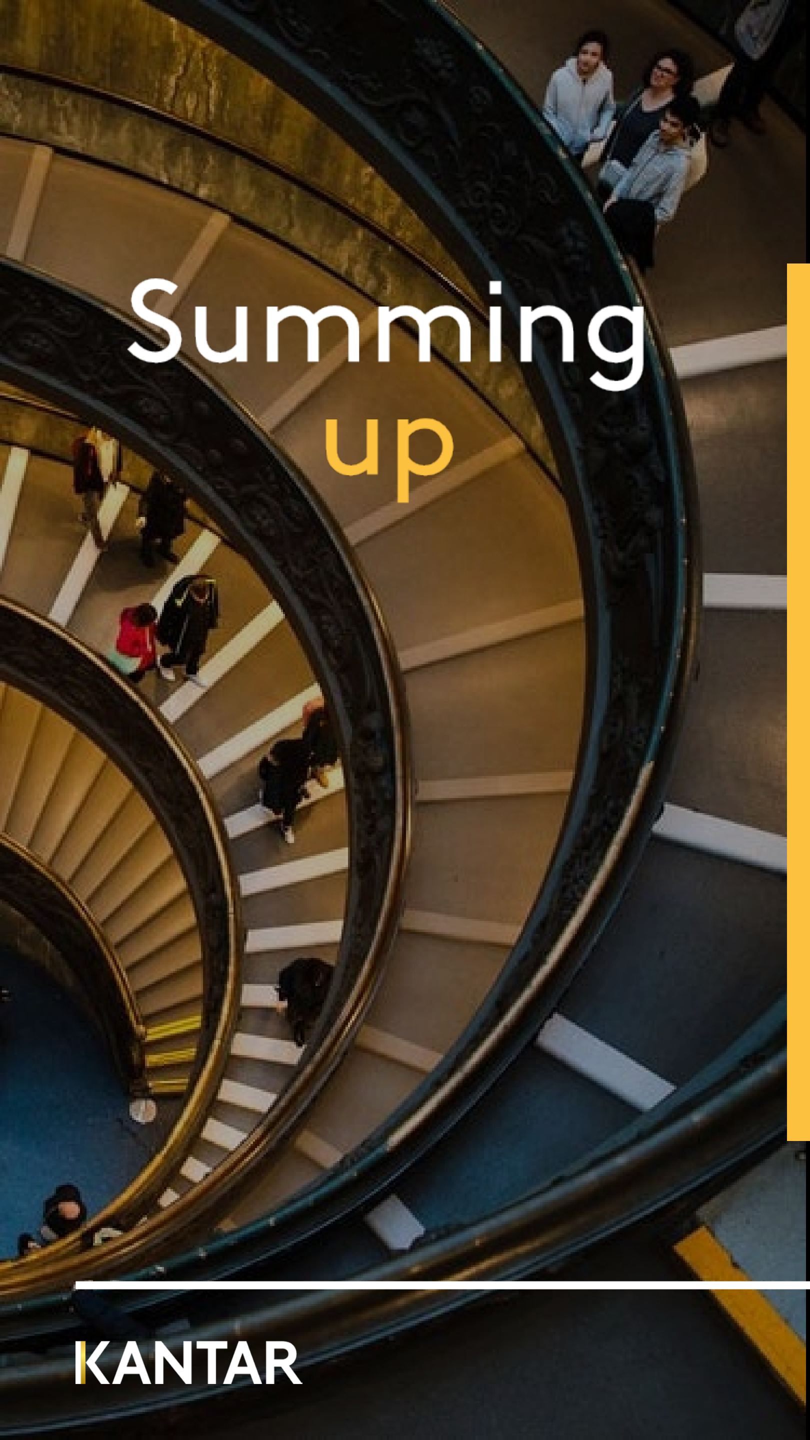


Delivering a great experience is even more important when consumer priorities are shifting

# Summing up

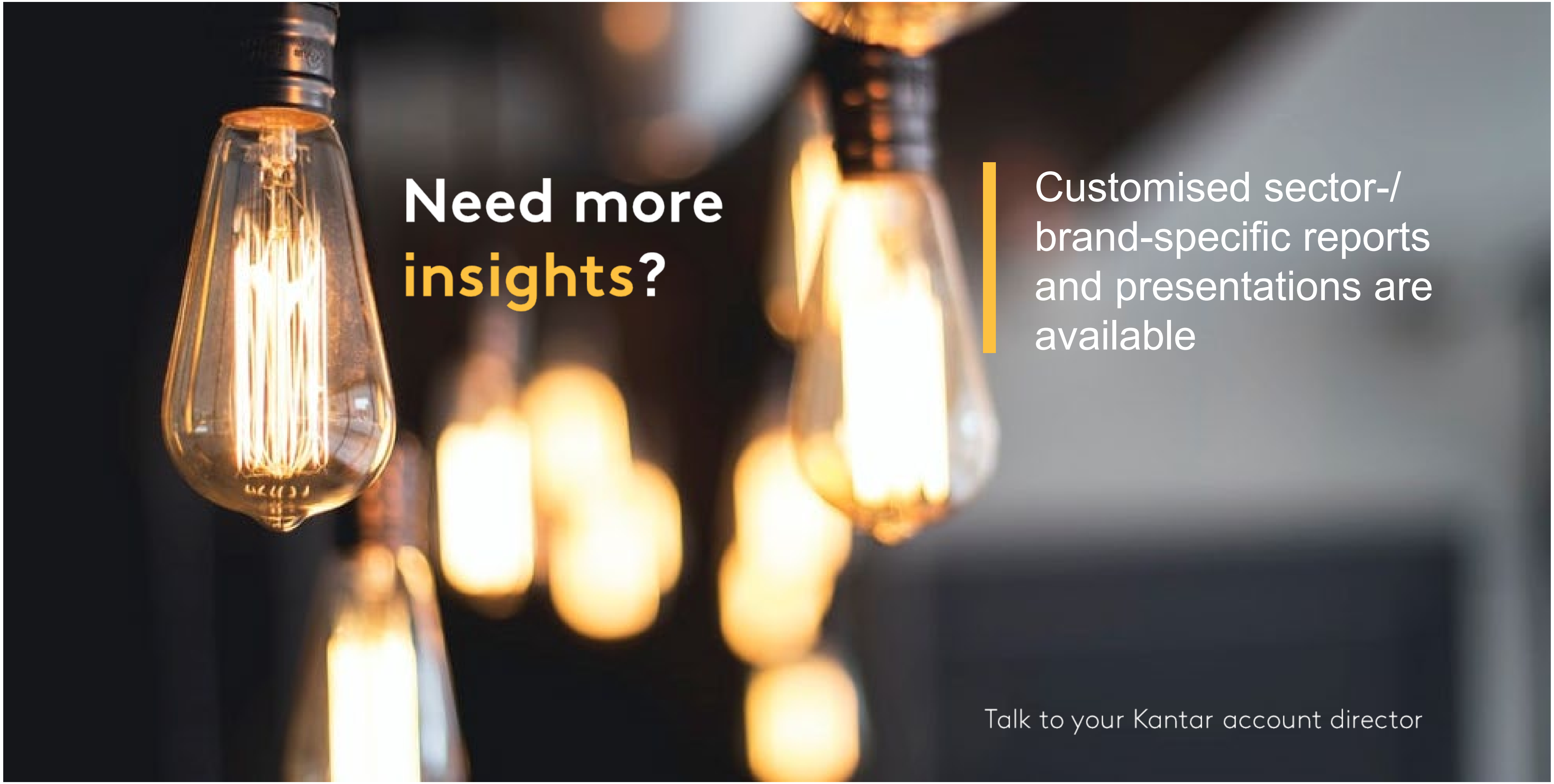


Brands which can demonstrate value are better placed to ride out the current economic challenges



# Summing up

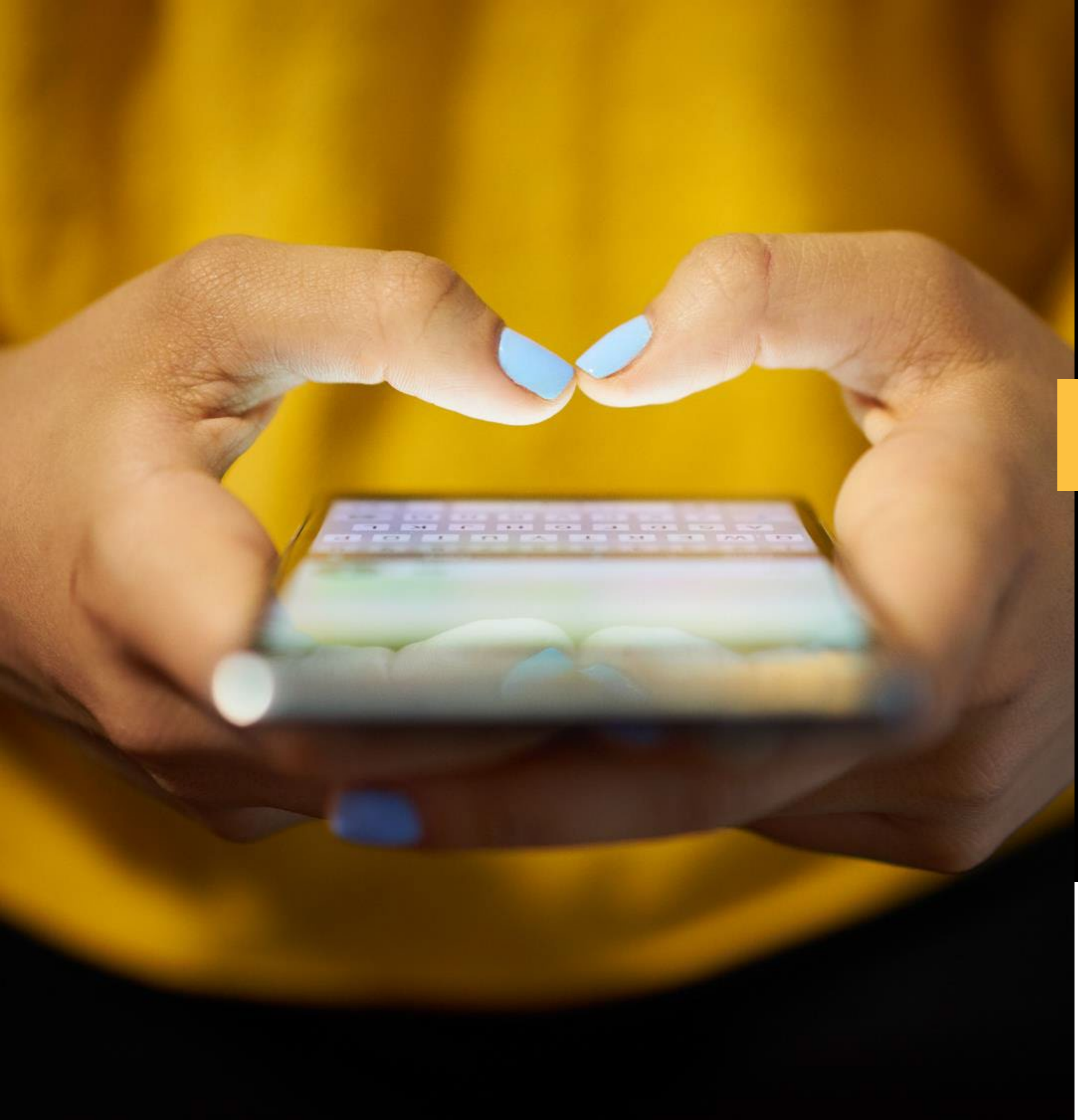
Service which reflects and reinforces the brand promise remains important



# Need more **insights?**

Customised sector-/ brand-specific reports and presentations are available

Talk to your Kantar account director



# Q&A

# Thank you

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