



Customer
Advisory

A decade of advancing customer experience:

How top companies are using empathy
and GenAI to create more value

2024-2025

US Customer Experience
Excellence Report



Introduction

This year marks the tenth anniversary of the KPMG Customer Experience Excellence (CEE) research in the US. The evolution of customer experience (CX) has been dramatic, and leading companies in our study reflect the culmination of these changes. Values, empathy, and technology are combining to form the next wave in CX.

The top three companies this year—USAA, H-E-B, and Patagonia—stand as powerful examples of how organizations can leverage values-based empathy, personalization, and innovative technologies to gain a competitive edge. These companies have not only excelled in meeting customer needs, but also demonstrated a deep commitment to the well-being and values of the individuals and communities they serve.

After last year's decline in the emphasis on empathy, we are witnessing its revival in customer decision-making. Sterile, digitally mediated customer interactions are being enhanced with emotional connections and tangible signs of care. Empathy has become a critical differentiator, signaling that as businesses prioritize not only transactions, but also meaningful, human-centered experiences, they can win the battle for customer loyalty.

The shift to digital has created monumental change, with more consumers engaging online with brands than ever before. Companies have had to adapt by offering seamless digital experiences and integrating online and offline channels to create a cohesive customer relationship.

With the availability of vast amounts of customer data, companies

can deliver highly personalized digital experiences. This trend has evolved from simple product recommendations to tailored customer journeys based on individual preferences and behaviors using real-time data.

As automation and AI have become more prevalent, the importance of empathy in customer interactions has grown, acknowledging that a deep understanding of customer needs is critical for building loyalty. Brands that can blend technology with genuine human connection are thriving.

We hope you enjoy taking a look at how CX excellence has evolved over the past decade in this report, and seeing where it has the potential to go next.



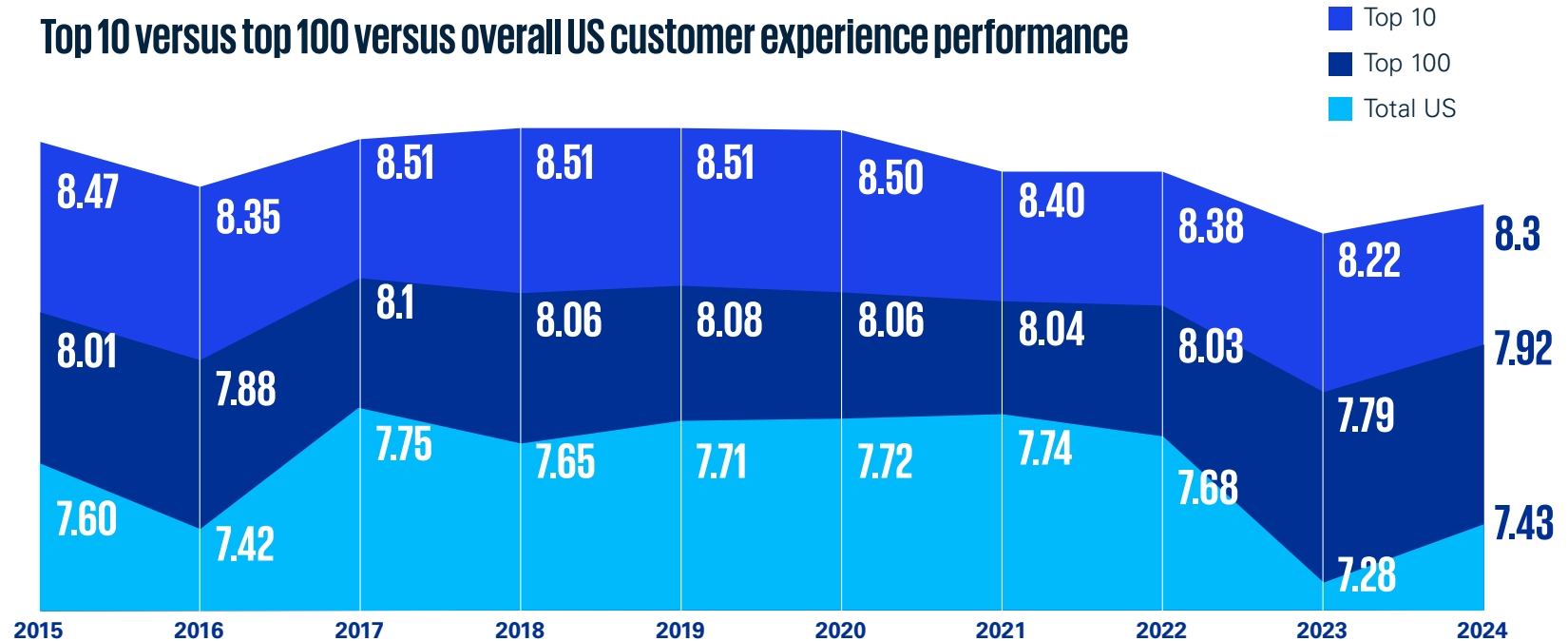
Jeff Mango
US Customer Experience &
Engagement Leader
KPMG LLP

68% of CEOs say generative AI (GenAI) is a top investment priority despite uncertain conditions.¹

¹ KPMG CEO Outlook (2024)

10 years of US customer excellence

Top 10 versus top 100 versus overall US customer experience performance



From a pre-pandemic high of 8.51 (the weighted score across the Six Pillars), overall customer perceptions of the experiences they receive from the top 100 companies have been in decline since 2019, reaching an all-time low in 2023. This year shows a recovery.

Key trends over the decade

Customer experience in the US has seen significant evolution over the past decade due to technological advancements, shifts in consumer expectations, and broader societal changes.

- 1 Front office digital transformation:** The shift from traditional to digital-first experiences has been a dominant trend accelerated by mobile, AI, and the pandemic.
- 2 Personalization:** The increased use of data and AI is increasing personalized experiences. Concerns about privacy and data security have grown. Maintaining customer trust through transparent data practices and robust security measures has become critical.
- 3 Customer empowerment:** Customers now expect greater control over their experiences, with more self-service options and transparency.
- 4 Social and environmental consciousness:** Brands are increasingly judged on their social and environmental impact. Consumers gravitate towards brands that align to their values.
- 5 Seamless omnichannel experiences:** Consistency and orchestration across all customer touchpoints have become essential.



54%
of leaders expect new business models to support their growth strategies in the next 12 months, followed by new product and revenue streams (46%), productivity (39%), and profitability (31%).²

² KPMG GenAI study, "The path to sustainable returns" (March 2024)

	Where CX was 10 years ago	Where CX is now	Where CX will be (three year horizon)
	Customer service-centric: Focused on service touchpoints	Omnichannel integration: Enabling complex journeys across omnichannel, driven by choice of device and data preference of the consumer	Hyper-personalization: Ubiquitous use of smart agents configured with customer consent and preference that deliver anticipatory experiences
	Basic feedback mechanisms: Post-purchase surveys and transactional feedback	Real-time analytics: Instant feedback from multiple sources such as social media, customer interactions, and Internet of Things data	Predictive analytics: Prescriptive autonomous tools that will anticipate customer needs before they arise, using historical and real-time data, to implement and manage the next best action
	Siloed customer data: Leading to fragmented customer data and experiences	Data integration: Platforms that integrate data from multiple systems to create unified 360-degree customer profiles	Unified CX platforms: Fully integrated systems across marketing, sales, service and commerce functions, supporting end-to-end value streams, with data-driven decision-making
	Basic personalization: Limited to basic segmentation	Advanced personalization: Tailored experiences based on segmentation models and real-time customer data	AI-powered personalization: Dynamically adapts to user behavior and context, creating more precise and relevant interactions across touchpoints that lead to unique experiences at the individual rather than segment level
	Long response times: Delays across email or phone support	Timely resolution: AI chatbots and self-service options	Proactive customer support: Predictive AI resolves issues before they impact the customer
	Physical store dominance: Brick-and-mortar experiences were the primary touchpoint	E-commerce and mobile first: Online and mobile channels dominate. Growing integration between digital and in-store experiences	Augmented reality (AR) and virtual reality (VR): Immersive digital experiences
	Limited customer insights: Leading to generalized customer trends	Data-driven decisions: Businesses use large data sets and AI analytics	Deep customer understanding: Predicting customer needs at every step of the journey using that knowledge for product development, delivery, and customer engagement
	Customer satisfaction as primary metric: Satisfaction surveys and Net Promoter Scores (NPS)	Customer journey analytics: Easy for customers to achieve their objectives and resolve issues	Customer emotion measurement: Gauge and respond to emotional cues through voice, text, and facial recognition AI
	Reactive marketing: Campaigns were planned months in advance	Dynamic marketing: Campaigns adjust in real-time	Autonomous campaigns: Fully automated marketing and sales campaigns driven by real-time AI insights
	Limited self-service options: Most interactions required human support	AI and automation: Chatbots and AI assistants now handle basic customer inquiries	Wide-ranging automation: Autonomous management of increasingly complex tasks such as ecommerce returns and flight delay rebooking

2015

Customer journey mapping

- Companies increasingly began to map out the entire customer journey
- The goal was to understand pain points, moments of delight, and opportunities for improvement throughout the customer's experience
- Companies could deliver more personalized and targeted marketing efforts

2016

Personalization and data-driven CX

- The use of data analytics to personalize customer experiences became mainstream
- More targeted content, offers, and communication utilizing algorithms to recommend products based on past behavior, preferences, and trends
- Email marketing campaigns became more personalized

2017

The experience economy

- A shift from selling products to creating memorable experiences
- Experiential marketing such as pop-up shops and immersive brand experiences
- Interactive apps that enhanced the experience along the customer journey

2018

AI and chatbots

- The adoption of first-generation artificial intelligence (AI) and chatbots in customer service to handle customer queries, provide recommendations, and even assist with purchase
- Customers experienced faster response times and around-the-clock support, raising their expectations for instant and efficient service

2019

Conversational interfaces

- Voice-activated assistants and conversational interfaces became more integrated into everyday life
- Customers began expecting more natural, conversational digital interactions with brands. This influenced how businesses designed their customer service and user interfaces

2020

COVID-19 and digital acceleration

- COVID-19 forced a rapid shift to digital experiences as in-person interactions became limited
- Companies enhanced their digital platforms, offered contactless experiences, and improved online customer support
- Contactless delivery options became essential and telehealth virtual consulting services boomed

2021

Social responsibility

- With COVID-19 social and economic disruptions, customers began valuing empathy, transparency, and social responsibility
- Businesses were expected to demonstrate care for their customers, employees, and the broader community
- Customers increasingly expected brands to take a stand on social issues

2023

Hyper-personalization and AI-driven CX

- Hyper-personalization, driven by AI and machine learning, reached new heights
- Customers expected highly tailored experiences, from personalized product recommendations to proactive customer service
- Recommendation engines improved, offering users increasingly accurate and personalized content suggestions

2022

Sustainability and ethical CX

- Sustainability and ethical business practices became key factors as customers were attracted to brands that aligned with their values
- This shift influenced purchasing decisions and brand loyalty

2024

Human-centric and hybrid CX

- Growing emphasis on balancing automation with human-centric experiences
- Companies are recognizing the need to blend the convenience of digital solutions with empathy and authenticity
- Businesses are focused on creating hybrid experiences that merge digital convenience with human empathy

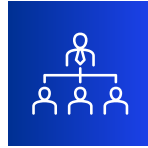
The next few years are likely to see continued focus on blending technological advancements with a human touch to create truly memorable customer experiences.

When thinking of their growth and transformation objectives, the majority of CEOs are placing capital investment in: buying new technology 60% and developing their workforces' skills and capabilities 40%.³

³ KPMG CEO Outlook (2024)

The evolution of the employee experience

As the customer experience has evolved, so must the employee experience. As AI becomes more pervasive, its influence on the employee experience—across the physical, digital, organizational, and human dimensions—will become more of a focal point. This evolution is crucial for organizations aiming to enhance productivity, improve complex problem-solving capabilities, and build a more integrated experience for employees and customers alike.



AI and the evolution of organizational structures

As AI technology reshapes business operations, it is also redefining traditional organizational structures, hierarchies, and cross-functional collaboration. The rise of AI demands a shift from rigid, top-down hierarchies toward more agile and collaborative frameworks. This transformation can create flatter, more dynamic structures, enabling organizations to be more responsive and innovative. This provides employees with a much more stimulating work environment.

AI's ability to automate routine tasks and analyze vast amounts of information means that middle management may focus less on operational oversight and more on strategic decision-making and coaching. This redistribution of responsibilities can result in flatter organizations where power is more distributed. Employees are empowered to make decisions faster and closer to the front lines, allowing businesses to be more agile and adaptable.





Impact on leadership and culture

As AI flattens hierarchies and enhances collaboration, the role of leadership also shifts. Leaders will need to focus less on top-down control and more on fostering a culture of innovation, continuous learning, and adaptability. The ability to inspire, coach, and guide teams through change becomes paramount. Leaders must also work to ensure that AI adoption aligns with organizational values, ethics, and employee well-being, as AI is as much a cultural shift as a technological one.



Enhancing cross-functional collaboration

One of the most significant opportunities AI presents is its ability to break down silos and facilitate better cross-functional collaboration. Traditionally, organizations have struggled to achieve seamless collaboration between departments due to misaligned goals, disparate data systems, and differing workflows. AI changes this by serving as a bridge between functions, enabling data-sharing, communication, and alignment in real time.



Addressing historically poor technological capabilities

AI presents an opportunity to rectify the shortcomings of existing systems. By integrating AI-powered solutions like intelligent automation, conversational AI, and predictive analytics, businesses can streamline routine tasks and provide employees with more intuitive digital experiences. AI systems can learn from employee behaviors, offering personalized recommendations and tools that adapt to specific needs. This evolution helps employees become more productive by eliminating repetitive tasks, allowing them to focus on higher-level problem-solving and creative work.



Enhancing complex problem-solving and productivity

AI has the power to augment human intelligence, particularly in complex problem-solving. Employees are no longer bound by the limitations of their own knowledge or tools; AI provides real-time data analysis, forecasting, and scenario planning to help employees tackle complex challenges more effectively. AI can assist with risk assessments, predictive modeling, and diagnosis, significantly improving both speed and accuracy.

However, with this power comes the need for employees to evolve their skills. Problem-solving in the AI era requires not only technical know-how but also the ability to collaborate with AI systems, interpret data-driven insights, and make decisions based on algorithmic recommendations. Critical thinking, adaptability, and the ability to work in teams will become more important than ever. To support this shift, organizations must prioritize upskilling programs, fostering an environment where AI is seen as a tool for empowerment, not replacement.

Building a better employee experience

The future of the employee experience must be designed with the understanding that AI is here to stay. Companies should reimagine the four key dimensions of employee experience—physical, digital, organizational, and human:



1

Physical dimension: With the rise of hybrid and remote work environments, AI can assist in optimizing the physical workspace. From AI-driven smart office systems that manage environmental controls (e.g., lighting and temperature) to collaborative tools that bridge physical and digital spaces, companies can ensure employees remain engaged regardless of their location.

2

Digital dimension: Digital transformation needs to continue beyond deploying AI tools. This involves creating seamless, integrated platforms that enhance how employees interact with technology. Companies should focus on usability, ensuring that digital tools are not only functional but also intuitive and efficient.

3

Organizational dimension: AI can support organizational culture by fostering transparency and collaboration. Predictive human resources analytics can help managers identify team dynamics, track well-being, and develop strategies to boost engagement and performance. Moreover, AI can help reduce bias in decision-making, particularly in hiring and promotions, by offering data-driven insights and removing human subjectivity.

4

Human dimension: Despite the emphasis on technology, the human element must not be overlooked. Employees need to feel a sense of purpose and connection. AI should be used to enhance, not replace, human interactions. Leaders must focus on maintaining empathy, emotional intelligence, and fostering a sense of belonging within the workforce. AI should serve as a tool to elevate these experiences, not diminish them.



Gen Z and a new way of working

Organizations will have to focus on how they work in an AI-driven world with the next generation of employees: tensions are already emerging.

Gen Z workers, many of whom began their careers during the pandemic, have come to value the flexibility of remote and hybrid work models. For them, the idea of being tethered to a physical office five days a week feels outdated. They often view remote work as a norm, not a temporary solution, and appreciate the autonomy it provides.

Perceived mismatch of values with leadership

Gen Z workers may view the push to return to the office as a sign that company leadership is out of touch with modern workforce expectations. They value transparency, open communication, and a progressive approach to workplace flexibility, and may interpret a strong insistence on in-office work as a signal that leadership is clinging to outdated norms.

This generational divide can create friction, especially if Gen Z employees feel that their preferences are being overlooked or dismissed in favor of more traditional views held by senior management.

By taking a flexible, empathetic approach, companies can better align their return-to-office policies with the values and expectations of their Gen Z workforce.

Desire for purpose and meaning

Gen Z is also known for seeking meaningful work and aligning themselves with companies that reflect their values, especially regarding diversity, inclusion, and sustainability. For them, flexibility and remote work can be tied to a larger conversation about trust, autonomy, and respect for employee well-being.

A rigid return-to-office mandate may signal, to Gen Z, a lack of understanding or empathy from leadership regarding their broader expectations for a modern workplace. Companies pushing a return-to-office agenda without clearly explaining the purpose behind it—such as better collaboration, learning opportunities, or company culture—risk alienating these workers, who are likely to question the alignment between corporate actions and values.

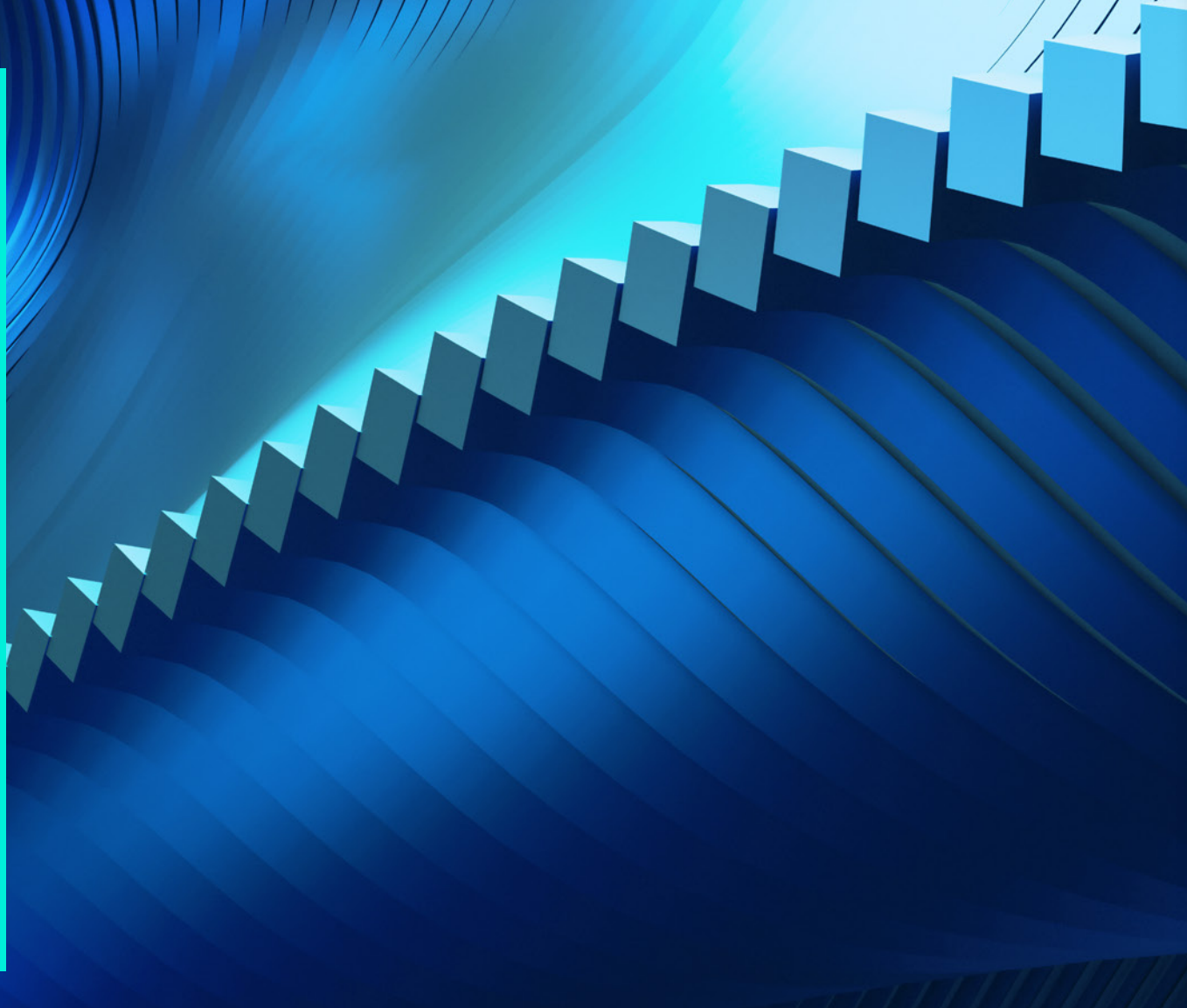
Navigating the tensions

To address these tensions, organizations must find a balance that considers the needs of Gen Z while maintaining their business goals. Some strategies include:

- **Hybrid models:** Offering a flexible approach where employees can choose a mix of remote and in-office work days. This provides a compromise that supports autonomy while allowing for in-person collaboration.
- **Communication and transparency:** Clearly explaining the reasons behind return-to-office policies and how they benefit both employees and the organization. This could include discussions on innovation, team cohesion, and career growth opportunities.
- **Focus on well-being:** Ensuring that return-to-office plans are designed with employee well-being in mind. Offering mental health resources, flexible start times, and wellness programs can help alleviate stress.
- **Technology integration:** Ensuring that digital tools used in remote work are seamlessly integrated into in-office workflows, so that employees don't feel a stark contrast between working environments.

2024 report findings

We surveyed over 10,000 consumers who provided their insights as to the experiences they received from 316 US companies in the final results. The insights were evaluated through the lens of the Six Pillars of Experience, the DNA of world-class experiences. These companies were then ranked in a league table based on their combined score across the Six Pillars.



This year, 7 of the top 10 companies have been in the top 10 in at least one of the previous years, demonstrating that once acquired, excellence becomes a habit. This year's top 10 companies are:


Brand	Sector	Rankings									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
USAA	Financial Services	1	1	1	2	4	1	1	1	2	1
H-E-B	Grocery Retail	-	-	16	4	2	2	3	5	1	2
Patagonia	Nongrocery Retail	-	-	-	-	-	-	Not ranked	Not ranked	19	3
Publix	Grocery Retail	2	3	7	6	14	8	11	12	8	4
Fidelity	Financial Services	31	21	48	53	46	34	42	18	12	5
Costco Wholesale	Grocery Retail	9	6	9	36	8	7	9	2	17	6
Hallmark	Nongrocery Retail	19	43	133	65	53	63	68	51	33	7
L.L. Bean	Nongrocery Retail	-	-	-	-	7	16	14	6	6	8
Navy Federal Credit Union	Financial Services	-	-	-	1	1	4	7	7	3	9
Sherwin-Williams	Nongrocery Retail	-	-	-	-	25	11	26	19	4	10

The top 10

Three companies—USAA, H-E-B, and Patagonia—have emerged as leaders in delivering exceptional CX in the United States. Their success is attributed not only to innovative technology or efficient service but also to their deep sense of empathy, purpose-driven ethos, and a nuanced understanding of their customers' needs. These elements are key in explaining their Six Pillar score, as they leverage the power of empathy, personalization, and AI in meaningful ways.

How an organization contributes to society continues to be important to consumers. Over 50 percent of our respondents indicated they would be quite or extremely willing to pay more for goods and services from ethical companies or those that give back to society. Each of the top 3 companies can be described as ethical and a positive contributor to the communities they serve.

Empathy has become an essential component of CX in 2024, shaping how organizations interact with their customers. For USAA, H-E-B, and Patagonia, empathy is more than just a buzzword; it's a strategic imperative that informs every aspect of their CX. This deep understanding of their customers' emotions, needs, and life circumstances allows these companies to create personalized experiences that resonate on a human level.



Out of 316 companies, USAA and H-E-B have the highest empathy scores in the study and Patagonia has the seventh highest score.

This year's Top 3 companies have performed exceptionally well over the past year. USAA and H-E-B have almost doubled in size, and Patagonia has experienced a fourfold increase in revenue.

USAA

USAA returns to the number one position. For this insurance organization and bank, which serves military members and their families, empathy is intrinsic to its mission. USAA's representatives are trained to understand the unique challenges faced by their customer base, which is reflected in every interaction, whether through human agents or AI-driven chatbots.

USAA has created an Empathy Lab that helps understand how new technologies can help veterans cope better with PTSD. This empathetic approach helps build trust and loyalty, explaining why over the past 10 years USAA has consistently been in the top two companies in the study.

1

H-E-B

Similarly, H-E-B, a Texas-based grocery chain that takes second position this year, demonstrates empathy through its commitment to community support and customer well-being. During times of crisis, such as natural disasters, H-E-B has been known to prioritize community needs, showcasing a level of care that goes beyond transactional interactions.

During the pandemic, H-E-B showcased and sold food from local restaurants unable to open due to lockdowns. This empathy-driven approach has fostered strong emotional connections with customers, reinforcing their loyalty to the brand.

2

Patagonia

Patagonia moves up 16 places. Renowned for its environmental activism, it extends empathy beyond the customer to the planet. The company's purpose-driven stance on sustainability resonates with a growing number of consumers who prioritize ethical consumption.

Patagonia's commitment to the environment and its transparent communication creates a powerful emotional bond with its customers, driving both loyalty and advocacy.

3

Spotlight on the top 3 companies

Personalization has consistently been a crucial factor in determining advocacy and customer loyalty. However, it's no longer just about delivering the right information at the right time; it's about understanding a customer's circumstances and tailoring the entire journey accordingly. USAA, H-E-B, and Patagonia excel in this area by leveraging AI to deliver hyper-personalized experiences that feel authentic and relevant.

For instance, USAA uses advanced AI to analyze customer data and provide personalized financial advice, insurance products, and services that match the unique needs of military families as they encounter significant life events. This level of personalization not only enhances the customer's experience but also strengthens the emotional connection, further driving loyalty.

H-E-B's approach to personalization goes beyond just product recommendations. By understanding local communities and individual customer preferences, H-E-B curates in-store experiences and product selections that feel uniquely tailored to each shopper. Their use of AI-driven insights ensures that every interaction, whether online or in-store, feels personal and relevant.

Patagonia's personalization efforts are closely tied to its sustainability mission. By providing customers with personalized product suggestions that align with their environmental values, Patagonia deepens its relationship with its audience. The company's use of AI to predict and cater to customer needs while maintaining its ethical stance has been key in driving both customer satisfaction and loyalty.

Empathy: The connective tissue for CX success

Empathy is the underlying theme that connects all these elements—personalization, AI adoption, and generational adaptation. In an era where technology often threatens to depersonalize interactions, USAA, H-E-B, and Patagonia demonstrate that success in applying new technologies to the CX requires a deeper knowledge of the customer than ever before. By integrating empathy into their AI systems, they ensure that every interaction feels personal, relevant, and human.

These top brands have shown that being purpose-driven, empathetic, and attuned to the diverse needs of their customers is not only good business but also essential for thriving in a rapidly changing world. As the landscape of CX continues to evolve, the lessons from USAA, H-E-B, and Patagonia will undoubtedly serve as a blueprint for other organizations seeking to excel in CX.

Key learning points from the top 3 companies



Prioritize values and purpose in CX

- **Align CX with core values:** USAA, H-E-B, and Patagonia have built their CX strategies around strong values and a clear sense of purpose. This alignment builds trust, loyalty, and emotional connections with customers who share those values.
- **Communicate authenticity:** Customers today are increasingly drawn to brands that are authentic and transparent. For other organizations, demonstrating a genuine commitment to their stated values can differentiate them in a crowded market.



Embed empathy into every customer interaction

- **Deeply understand customer needs:** Organizations should invest in gaining a profound understanding of their customers' needs, pains, and aspirations. This can be achieved through active listening, customer feedback loops, and direct engagement with customers.
- **Humanize technology:** Even as these companies embrace advanced technologies, they ensure that their customer interactions remain human-centric. Organizations should focus on using technology to enhance empathy, not replace it. AI and automation should be designed to support human interaction, offering personalized, thoughtful responses rather than impersonal transactions.



Leverage technology to amplify empathy

- **Use AI for personalization:** By leveraging customer data, they tailor interactions, recommendations, and services to meet individual needs. This requires a strong data strategy and ethical use of customer information.
- **Balancing empathy and innovation:** USAA, H-E-B, and Patagonia demonstrate that empathy and technology are not mutually exclusive but can complement each other to create exceptional customer experiences.



Improving the front office to enhance the customer experience

While the top three organizations have made significant improvements in their customer interfaces and their front office operations of marketing, sales, service, and commerce, the remainder of the Top 10 companies have improved as well. They have focused on enhancing digital engagement, personalizing customer experiences, and maintaining high service standards to improve customer satisfaction.

4

Publix

Publix excels in CX by prioritizing customer service and community engagement. The supermarket chain “where shopping is a pleasure” is known for its friendly, helpful staff and a consistent, high-quality shopping experience. Publix also places a strong emphasis on cleanliness, product availability, and ease of shopping.

Publix has focused on improving its commerce digital engagement and customer convenience. The grocery chain enhanced its mobile app and online shopping experience, making it easier for customers to navigate and order groceries for delivery or pickup. Publix also expanded its customer loyalty program, offering personalized deals and promotions based on shopping history.

Key learning points:

- **Employee training:** Delivering exceptional customer service by instilling strong principles in their employees to focus on customer satisfaction whilst investing in comprehensive training programs to ensure staff know how to deliver exceptional service.
- **Community focus:** Engaging with the community through charity programs and local involvement, building loyalty and trust.
- **Consistency:** Maintaining high standards across all locations, ensuring customers know what to expect every time they visit.

5

Fidelity

Fidelity excels in CX by offering personalized financial services and robust digital tools that cater to individual customer needs. It has transformed its front office operations of marketing, sales, and service, focusing on providing clear communication, accessible resources, and proactive support to help customers achieve their financial goals.

Central to its success has been a globally coordinated voice of the client program where over 1,000 employees have been trained to make the most of client feedback and senior executives are expected to make outbound calls to close the loop for dissatisfied clients.

In addition, Fidelity has significantly enhanced its digital tools and platforms, making it easier for customers to manage their finances and investments online. They rolled out improvements to their mobile app, providing more personalized investment advice and real-time updates, ensuring a smoother and more intuitive user experience.

Key learning points:

- **Personalization:** Use data to tailor financial advice and services to individual customer needs, ensuring the voice of the client drives customer understanding.
- **Digital innovation:** Invest in user-friendly digital platforms that make financial management accessible and straightforward.
- **Proactive support:** Offer ongoing support and education to empower customers in their financial decisions.

6

Costco Wholesale

Costco Wholesale's success in CX stems from its value-driven approach. By offering high-quality products at competitive prices and providing a membership model that encourages loyalty, Costco Wholesale creates a sense of exclusivity and savings. The company is also known for its generous return policies and excellent customer service.

Costco Wholesale continued to focus on delivering value to its customers by maintaining competitive pricing despite inflationary pressures. They worked closely with suppliers to keep costs low and upheld their high customer service standards through policies like an exceptional return policy and well-compensated staff.

Costco Wholesale also maintained a high membership renewal rate by providing consistent value across its offerings, which includes fresh foods and even gasoline.

Key learning points:

- **Value proposition:** Focus on delivering exceptional value through pricing and product quality. Carrying a smaller selection of products with a curated approach works better for Costco Wholesale than the usual large-scale retail model, resulting in higher sales per square foot and better working efficiency.
- **Customer loyalty:** Utilize membership programs to foster a sense of belonging and reward repeat customers.
- **Customer-centric policies:** Implement customer-friendly policies, such as hassle-free returns, to build trust and satisfaction.

7

Hallmark

Hallmark's purpose is helping people "to live more caring and connected lives." It has maintained a strong emotional connection with its customers by focusing on personalized, meaningful products. The brand leverages nostalgia and sentimentality, creating products that resonate deeply with customers during key life moments. Hallmark works with a diverse base of partners in the United States and around the world to extend capacity, lend outside expertise, and help get products to stores faster than ever.

Hallmark has worked on strengthening its omnichannel presence by integrating its physical stores with online platforms. Customers can now enjoy a more seamless shopping experience, whether they're purchasing greeting cards online or in-store. They also launched new personalized card services, allowing customers to customize their cards, enhancing emotional connections with their products.

They are focused on fusing tradition with innovation; for example, the Sign & Send digital feature allows users to have their handwritten message printed on a real Hallmark card that they can send straight from their phone and have delivered to a recipient's mailing address.

Key learning points:

- **Emotional connection:** Build strong emotional bonds with customers through products that reflect personal and meaningful experiences.
- **Brand loyalty:** Maintain consistency in brand values and messaging, fostering long-term customer loyalty.
- **Cultural relevance:** Keep products culturally relevant and aligned with customer values, such as sustainability and inclusivity.

8

L.L.Bean

L.L.Bean describes itself as a purpose-led brand "to inspire and enable people to experience the restorative power of the outdoors." It is for anyone who wants to experience an outdoor lifestyle. L.L.Bean excels in CX by blending quality, durability, and a customer-first approach. Known for its outstanding customer service, lifetime guarantees, and commitment to outdoor lifestyles, the brand creates a trustworthy and reliable shopping experience.

L.L.Bean focused on improving its online shopping experience by refining its e-commerce platform to be more user-friendly. It introduced features like virtual try-ons and better product visualization, making it easier for customers to shop online.

L.L.Bean invested in a personalization platform that enables a single email communication to have over one million adaptations to suit the needs and desires of individual customers. Additionally, it has bolstered its customer service teams to offer quicker and more helpful responses, especially during peak shopping seasons.

Key learning points:

- **Product quality:** Ensure products meet high standards of durability and functionality, aligning with customer expectations.
- **Customer service excellence:** Provide exceptional customer service, including generous return policies and a satisfaction guarantee.
- **Brand alignment:** Align products and services with the brand's purpose and core values, fostering strong customer trust and loyalty.

9

Navy Federal Credit Union

Navy Federal Credit Union stands out for its commitment to serving military members and their families. The credit union offers tailored financial products and services that address the unique needs of its members, supported by exceptional customer service and strong community ties.

Navy Federal Credit Union has been recognized for its superior CX, particularly by focusing on multichannel service excellence; transitioning from traditional personalization strategies to delivering AI-powered, hyper-personalized engagements across channels; and enhancing experiences for their members.

Navy Federal Credit Union has improved its digital banking platform, allowing members easier access to banking services online and through mobile devices. The credit union's dedication to putting customers at the center of its strategy has helped it maintain top rankings in CX across various channels.

Key learning points:

- **Niche focus:** Understand and cater to the specific needs of a niche audience, providing tailored products and services.
- **Member-centric approach:** Prioritize the well-being and satisfaction of members through personalized service and support.
- **Community engagement:** Strengthen relationships with members through community involvement and support initiatives.

10

Sherwin-Williams

Sherwin-Williams excels by providing personalized service and expert advice in the paint and coatings industry. The company leverages its deep product knowledge and in-store experience to guide customers through the buying process, from color selection to project completion.

Sherwin-Williams has enhanced its digital presence by improving its website and mobile app, making it easier for customers to explore color options and purchase paint products online. They've also expanded their color consultation services, allowing customers to receive expert advice either online or in-store, which is part of their broader push to offer a more personalized shopping experience.

Key learning points:

- **Digital technology:** Sherwin-Williams has introduced tools like ColorSnap, a digital color-matching app that allows customers to visualize and find the perfect paint color.
- **Virtual consultation:** They offer virtual consultations, allowing customers to connect with experts remotely. This service extends the in-store expertise to online platforms, blending convenience with professional guidance.
- **Product innovation:** Sherwin-Williams continuously innovates and offers high-quality products that meet evolving customer needs, enhancing satisfaction and loyalty.

Movers and shakers

While there is much we can learn from an examination of the top companies, there is also much to be learned from companies that have made significant improvements in their rankings. This year the top three movers are:

Rank in 2023		Rank in 2024		
215	▲	72		Barclays Financial Services
145	▲	41		Morgan Stanley E*TRADE Financial Services
158	▲	71		Sheraton Travel and Hotels



Barclays

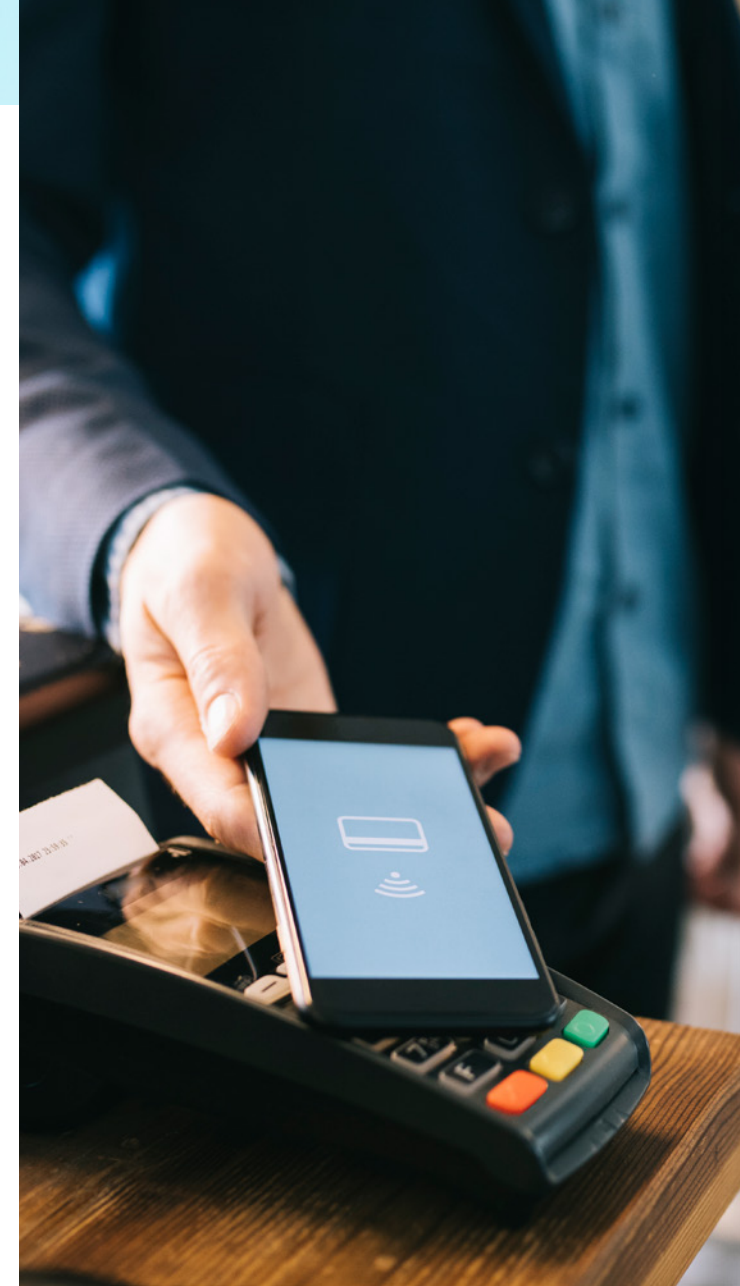
Barclays has emphasized a customer-obsessed mindset within the organization. This is evident in practices like having executives listen to customer calls during weekly meetings to gain insights directly from the customers themselves. This approach helps to ensure that decision-making is always aligned with customer needs and expectations.

The bank has focused on making customer interactions as smooth and frictionless as possible. By identifying key moments that matter most to customers, Barclays ensures that basic processes, such as making a payment on a credit card, are efficient and hassle-free. This focus on simplicity and ease helps to build trust and satisfaction among users.

The bank is proactive in its customer service, aiming to address customer needs before they arise. This proactive strategy is supported by hyper-personalization efforts, leveraging AI to provide tailored experiences across different channels, which has become increasingly vital in a competitive market.

Key learning points:

- **Customer-obsessed culture:** Barclays emphasizes a customer-first mindset by involving executives directly in customer feedback loops, ensuring decisions are aligned with customer needs.
- **Frictionless experience:** The bank prioritizes making key customer interactions, like payments, as simple and hassle-free as possible to build trust and satisfaction.
- **Proactive customer service:** By anticipating customer needs and using AI-driven hyper-personalization, Barclays provides tailored experiences, enhancing customer loyalty in a competitive market.



Morgan Stanley E*TRADE

The acquisition of E*TRADE in 2020 brought cutting-edge digital platforms that made trading and account management more user-friendly. Morgan Stanley has capitalized on this by integrating E*TRADE's robust online tools, making it easier for clients to manage their investments seamlessly through a single platform. Notable enhancements from the past year include:

- Improved Power E*TRADE web charting featuring customizable tools with built-in definitions and education along with new technical analysis studies, drawing tools, chart types, and display options that allow traders to visualize market information from multiple vantages
- Enhanced options trading functionality on the mobile app, including the ability to chart options, view positions, see contract data, and use analysis tools without leaving an options chain
- A revamped Bond Resource Center that serves as a one-stop-shop for all fixed-income clients, from new investors to the most experienced fixed-income traders. Easy-to-navigate and customizable capabilities make it even easier to uncover fixed-income ideas, access exhaustive educational content, and execute trades
- A "Platinum" service level for high-net-worth clients, which provides a dedicated relationship manager, exclusive access to select Morgan Stanley thought leadership, and banking and lending solutions from Morgan Stanley Private Bank.

Key learning points:

- **Digital integration:** The acquisition of E*TRADE allowed Morgan Stanley to integrate cutting-edge digital platforms, making trading and account management more user-friendly and efficient for clients.
- **Holistic financial services:** By merging E*TRADE's self-directed trading with Morgan Stanley's wealth management services, the company offers a comprehensive suite of financial services, catering to different client preferences.
- **Seamless customer experience:** Consolidating financial services into a single platform has improved customer satisfaction and retention, providing a smoother and more unified customer journey.



Responses include consumers who interact with Morgan Stanley, E*TRADE, or a combination of both

Sheraton

Sheraton has progressively improved its customer experience with a focus on making Sheraton properties more appealing to both local communities and global travelers.

Sheraton has revamped the design of many of its hotels, focusing on creating more open and inviting public spaces. This includes the introduction of features like the Community Table, a tech-friendly worktable with wireless charging and ergonomic seating, and The Studios, flexible spaces for meetings or dining. These enhancements are designed to facilitate social interaction and productivity, aligning with the growing trend of “bleisure” (business plus leisure) travel.

&More by Sheraton blends a bar, coffee bar, and market and has become a focal point in the lobby areas. It offers a range of food and beverage options throughout the day, catering to both business travelers and leisure guests.

The new guest rooms are designed with comfort and productivity in mind, offering a space that serves both as a restful retreat and a functional work area.

Key learning points:

- **Brand revitalization:** Sheraton’s ongoing investment in the brand has enhanced its appeal to both local communities and global travelers, focusing on improving CX.
- **Redesigned spaces for productivity and interaction:** The new design of Sheraton hotels includes features like the Community Table and The Studios, which promote social interaction and productivity, and cater to the growing trend of “bleisure” travel.
- **Comfort and productivity in guest rooms:** Sheraton’s new guest rooms are designed to serve dual purposes, providing both comfort and functionality for work and rest.



The empathetic experience

Based on 10 years of primary research in the US, the KPMG Six Pillars of Customer Experience have been identified as the fundamental building blocks of leading experiences. Empathy has been shown to be the distinguishing factor in high loyalty and NPS scores. In combination, the Six Pillars help ensure an empathetic, competitively superior experience.

Collectively the Six Pillars (Integrity, Resolution, Expectations, Time and Effort, Personalization, and Empathy) are the key drivers of CX metrics such as NPS and Loyalty.

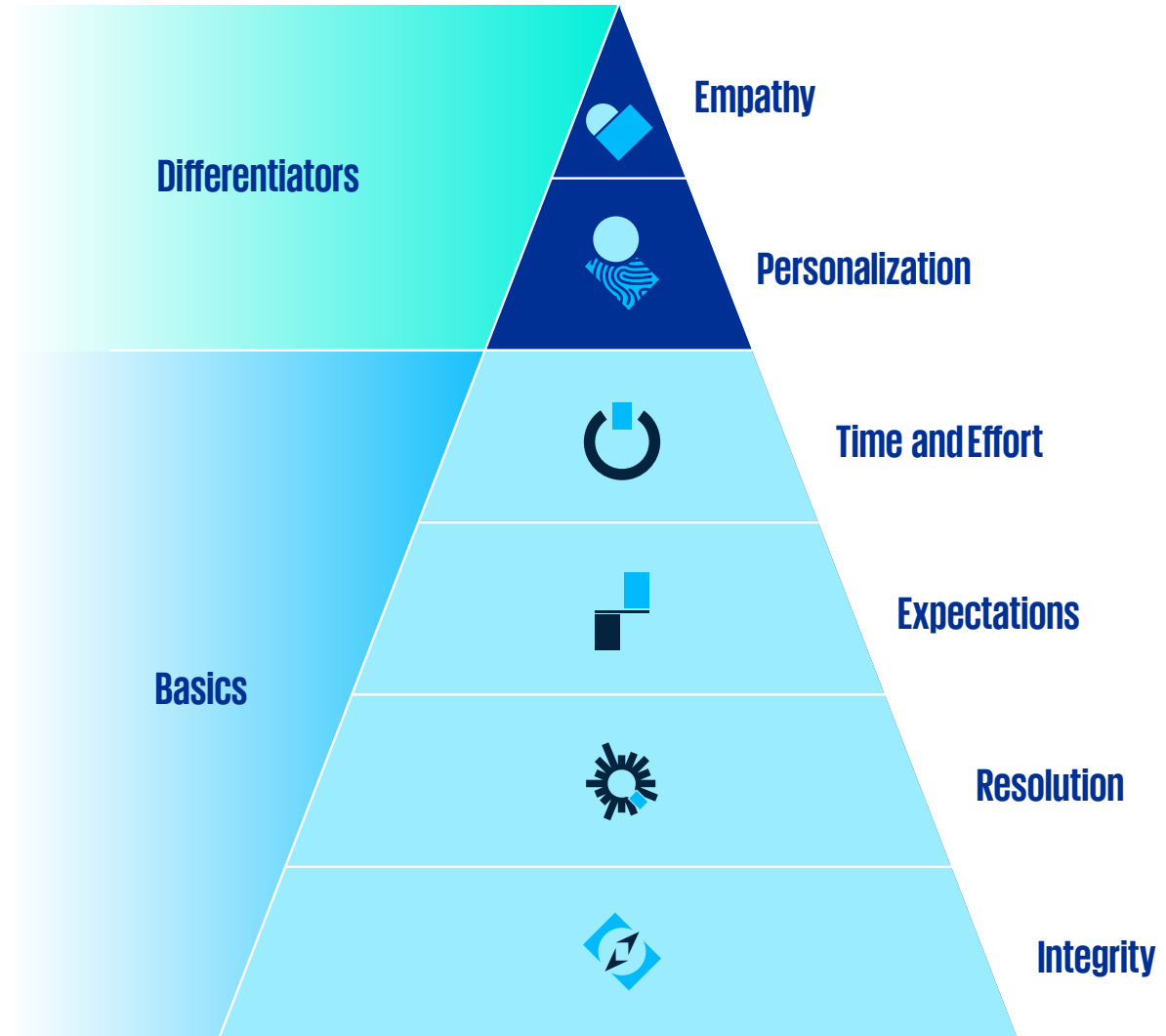
Over the past decade, we have seen an increase in customer expectations, as customers become used to consistently improving experiences. Initially expectations transfer occurred across sectors as customers' expectations were set by the best experience they have had. More recently, the rise in international experiences has reset expectations again as it is now the best experience they have globally. Similarly, Integrity and Personalization go hand in hand as customers need to trust an organization before providing personal data that will drive personalization.

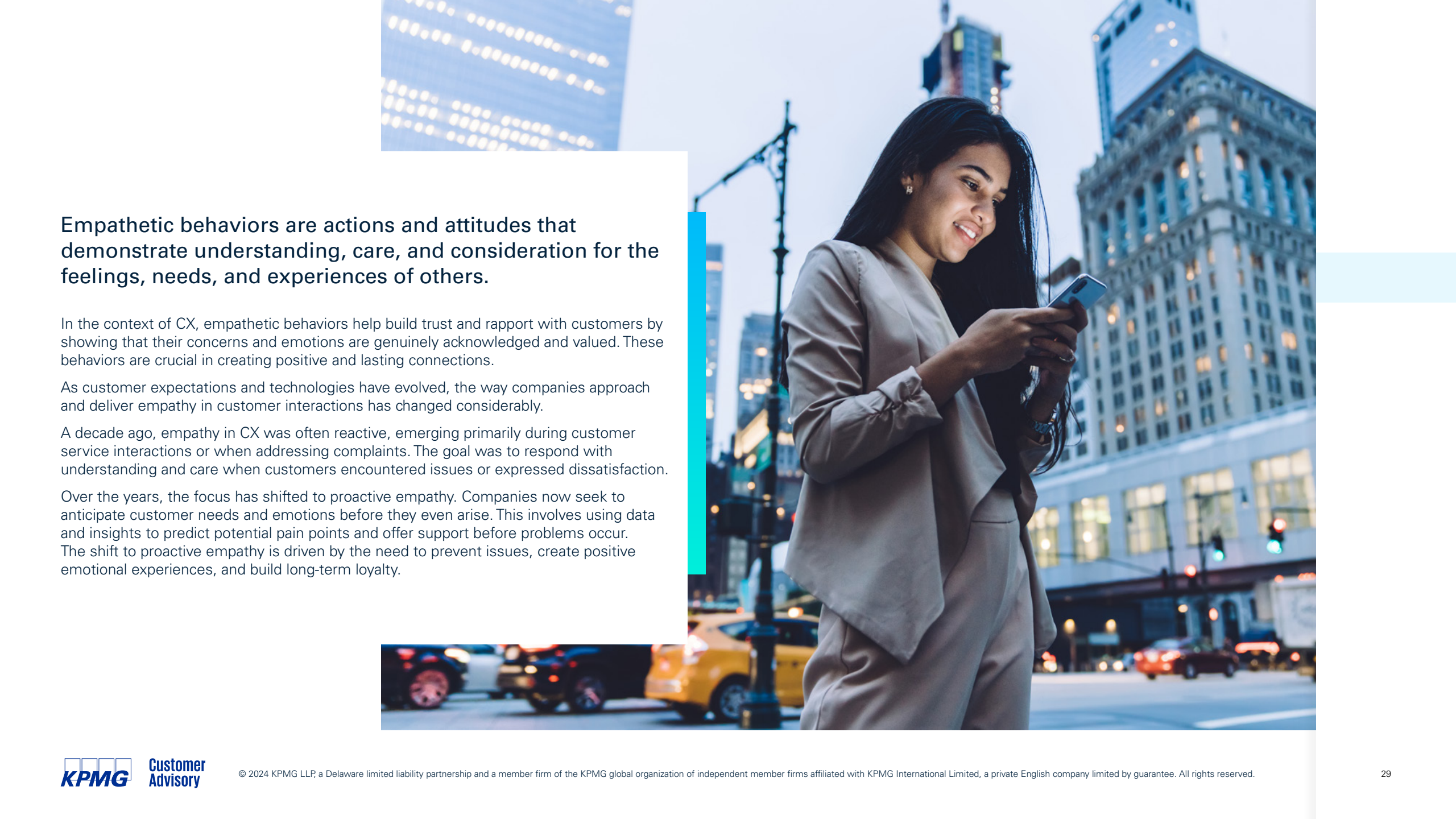


The evolution of empathy: the sixth pillar of experience

The Six Pillars have a high explanatory power for metrics such as NPS and Loyalty. However, the impact each pillar has on these scores is not equal.

Our research has shown that Empathy is the distinguishing factor in driving high NPS scores. It is when an employee shows remarkable emotional intelligence, shows that they really care about achieving a good outcome for the customers, or exhibits genuine kindness that customers score a 10.



A woman with long dark hair, wearing a light-colored blazer and trousers, is standing on a city street at dusk. She is looking down at her smartphone with a slight smile. The background shows tall buildings with lit windows and streetlights, creating a bokeh effect. A yellow taxi is visible in the lower part of the image.

Empathetic behaviors are actions and attitudes that demonstrate understanding, care, and consideration for the feelings, needs, and experiences of others.

In the context of CX, empathetic behaviors help build trust and rapport with customers by showing that their concerns and emotions are genuinely acknowledged and valued. These behaviors are crucial in creating positive and lasting connections.

As customer expectations and technologies have evolved, the way companies approach and deliver empathy in customer interactions has changed considerably.

A decade ago, empathy in CX was often reactive, emerging primarily during customer service interactions or when addressing complaints. The goal was to respond with understanding and care when customers encountered issues or expressed dissatisfaction.

Over the years, the focus has shifted to proactive empathy. Companies now seek to anticipate customer needs and emotions before they even arise. This involves using data and insights to predict potential pain points and offer support before problems occur. The shift to proactive empathy is driven by the need to prevent issues, create positive emotional experiences, and build long-term loyalty.

Digitizing empathy

In recent years, the integration of AI and machine learning has transformed how empathy is delivered at scale. Initially, AI-driven interactions lacked the nuanced understanding of human emotions, leading to impersonal experiences. However, advancements in natural language processing and sentiment analysis have allowed AI to better understand and respond to customer emotions.

In last year's report, we noted the decline in Empathy as customers were shepherded into low emotional connection, low-touch digital channels; however, second-generation AI chatbots have become more capable of simulating empathetic interactions by recognizing emotional cues and responding in a more human-like manner. These technologies allow businesses to provide empathetic support 24/7, offering a blend of efficiency and emotional intelligence.

With the rise of digital interactions, empathy has become an even more critical differentiator. In a marketplace where products and services are increasingly commoditized, the emotional experience customers have with a brand can set it apart. Companies that excel in delivering empathy through every touchpoint—from marketing to after-sales service—are often seen as more trustworthy and caring, which has become a major factor in customer loyalty and brand advocacy.

Empathy as a cultural norm

More companies have aligned their empathy efforts with their broader purpose-driven missions. For example, brands that focus on sustainability or community support are increasingly using empathy to connect with customers who share these values. This alignment has deepened the emotional bond between companies and their customers, enhancing loyalty.

Over the past decade, there has been a shift from isolated acts of empathy to a more holistic, customer-centric approach. Companies are now designing customer journeys with empathy embedded at every stage. This means considering the emotional impact of every interaction, whether digital or in-person, and ensuring that the brand consistently demonstrates understanding and care.

Historically, empathy was considered a “soft” metric that was difficult to quantify. However, over the past decade, companies have developed more sophisticated ways to measure empathy, such as through sentiment analysis, customer satisfaction surveys, and social listening tools. These metrics allow businesses to track how well they are delivering empathy and make data-driven improvements.

Companies have increasingly recognized that empathy must be embedded in their organizational culture to be effective. This involves training employees at all levels to prioritize empathy in their interactions and making empathy a key component of performance metrics and incentives.



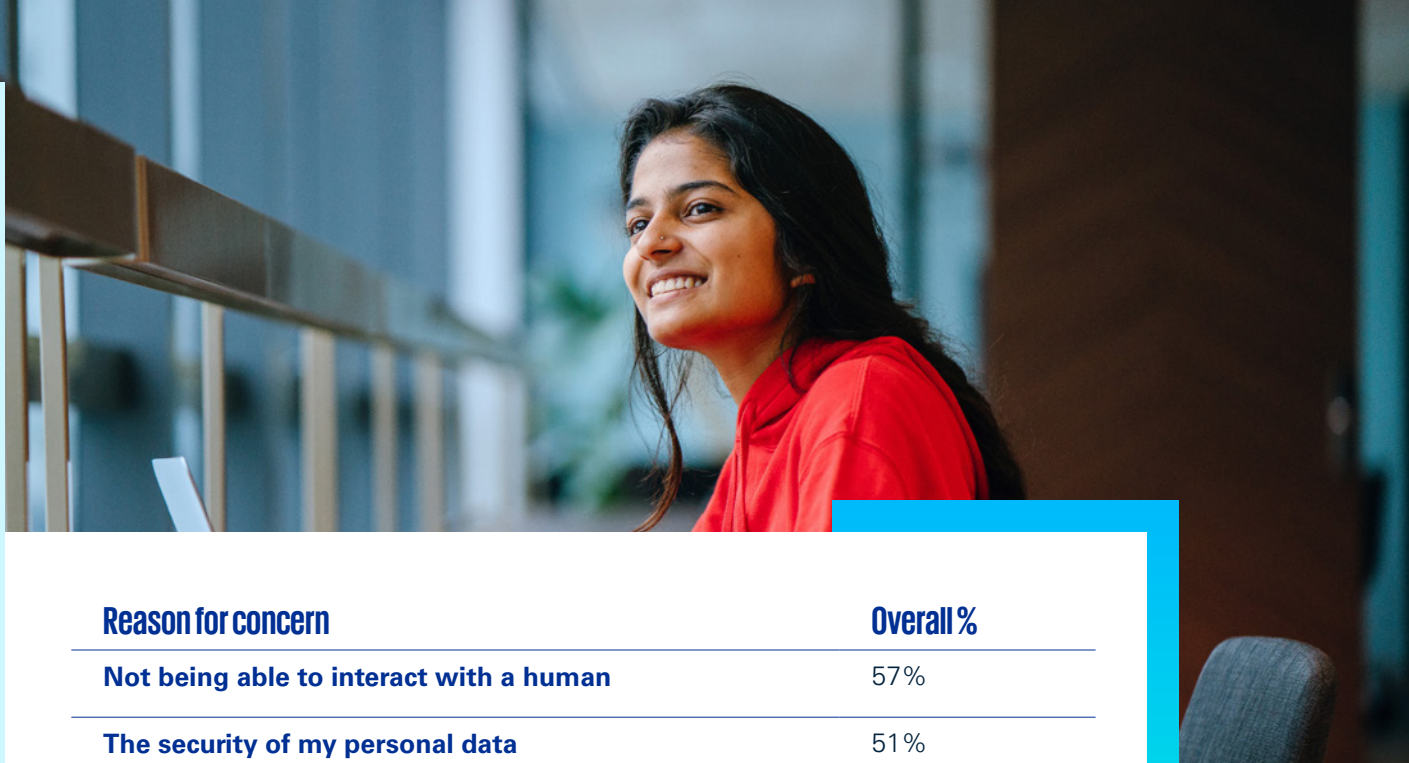
Generational experiences in the age of AI experience

This year, we asked customers about their concerns with interacting with a company through AI. Unsurprisingly, the key concern was the ability to interact with a human—the perceived danger of being locked into a digital world without access to someone who had a name and could own the customer’s problem.

Attitudes toward AI vary widely across age groups, and successful brands must tailor their AI applications to resonate with each demographic.

For younger generations, such as Gen Z and Millennials, AI-driven experiences are often expected. They value convenience, speed, and digital solutions that integrate seamlessly into their lives. USAA, H-E-B, and Patagonia have all adapted to these expectations by offering user-friendly apps, AI-powered chatbots, and personalized digital experiences that cater to the tech-savvy nature of these consumers.

Conversely, older generations tend to approach AI with caution, prioritizing human interaction and trustworthiness over automation. Recognizing this, these top brands ensure that their AI solutions are empathetic and human-centric. For example, USAA’s AI chatbots are designed to handle basic inquiries while seamlessly transitioning to human agents for more complex or emotionally charged issues. This balance of technology and human touch is critical in building trust with older customers.






Reason for concern	Overall %
Not being able to interact with a human	57%
The security of my personal data	51%
Responses being incorrect	44%
AI replacing jobs	44%
AI not understanding human emotions	34%
Not being able to complete my interaction fully	30%
More of my time and effort required	21%
None – I’m not concerned about companies using AI in interactions with me	6%
Other	1%

The Six Pillars and the AI experience

These pillars provide a comprehensive framework for assessing the impact of new technology on CX, including AI technologies such as machine learning, natural language processing, predictive analytics, computer vision, speech recognition, robotic process automation, and sentiment analysis. These technologies are revolutionizing the orchestration of omnichannel customer journeys.

Organizations can ensure they are enhancing the overall CX in meaningful ways by evaluating new technologies through these pillars.

Pillar	Technology assessment	Example
 Integrity	<ul style="list-style-type: none">• Trust and reliability: Determine if the technology enhances or undermines trust. Is it secure and reliable? How does it handle data privacy and protection?• Brand alignment: Check if the technology aligns with the company's values and brand promises. Does it reinforce the integrity and ethical standards of the brand? Does it convey the purpose and values of the organization?	When assessing a new chatbot for customer service, its data-handling practices should be scrutinized to ensure it complies with data protection regulations, thereby maintaining customer trust.
 Resolution	<ul style="list-style-type: none">• Problem solving: Evaluate the technology's ability to address and resolve customer issues quickly and effectively. Does it provide self-service options, and how efficient are they? Does it account for age and generational differences in needs and expectations?• Customer support: Consider how the technology integrates with or enhances existing customer support systems. Does it facilitate better communication and faster resolution of problems?	A self-service portal should be evaluated on its effectiveness in enabling customers to resolve issues without human intervention, ensuring that it provides clear, easy-to-follow solutions.
 Expectations	<ul style="list-style-type: none">• Managing expectations: Examine how the technology sets, meets, or exceeds customer expectations. Does it deliver on its promises, and is it clear about its capabilities and limitations?• Consistency: Assess if the technology provides a consistent experience across different channels and touchpoints, ensuring customers know what to expect.	A mobile app upgrade needs to be checked for delivering on promised features and performance enhancements. Clear communication about what customers can expect from the update is crucial.



Pillar	Technology assessment	Example
 Time and Effort	<ul style="list-style-type: none">• Ease of use: Assess the user-friendliness of the technology. Is it intuitive and easy to navigate? Does it simplify processes for customers?• Efficiency: Determine if the technology saves customers time and reduces effort in their interactions with the company. Does it streamline processes and remove unnecessary steps?	An AI-driven virtual assistant integrated into a banking app should be tested for its ability to use natural language commands and, accuracy and speed of task completion, thereby enhancing the customer's ease of use.
 Personalization	<ul style="list-style-type: none">• Customer insights: Assess how the new technology gathers and uses customer data to offer personalized experiences. Does it leverage AI to tailor recommendations or services based on individual preferences and behaviors?• Customized interactions: Evaluate how well the technology enables personalized communication and interactions. Can it adapt to different customer segments effectively?	A new AI-driven recommendation engine should be evaluated for its ability to learn from customer behavior and preferences, offering tailored product suggestions that enhance the shopping experience.
 Empathy	<ul style="list-style-type: none">• Understanding customer needs: Evaluate how well the technology understands and responds to the emotional and practical needs of customers. Does it show that the company cares about customer experiences?• Human touch: Consider whether the technology maintains a human touch in interactions. Can it recognize and respond appropriately to customer emotions and sentiments?	A virtual assistant should be assessed on its ability to handle customer inquiries with sensitivity and understanding, recognizing when to escalate issues to human agents for more personalized support.

Emotionally intelligent AI

Mimicking human emotions and behaviors: A path to emotional connectivity

Current AI systems are already making strides in mimicking human emotions and behaviors to create more emotionally connective experiences. This ability to simulate emotional intelligence is essential for applications such as customer service, mental health support, and social robotics, where building trust and empathy with users is critical.

AI is currently mimicking human emotions and behaviors in the following ways:

1

Affective computing: Affective computing focuses on enabling AI systems to recognize, interpret, and respond to human emotions. By analyzing facial expressions, voice tones, and even physiological signals (such as heart rate), AI can infer a user's emotional state and adjust its responses accordingly. For example, a virtual assistant might detect frustration in a user's voice and offer help in a calming and supportive manner.

2

Emotionally responsive chatbots: Many AI-driven chatbots are designed to simulate empathy and emotional intelligence. They use natural language processing to understand the emotional context of a conversation and respond in a way that feels human-like. For instance, if a user expresses sadness, then the chatbot might respond with a message of comfort or encouragement, creating a more emotionally supportive interaction.

3

Personalization through behavioral insights: AI systems can analyze user behavior to deliver personalized experiences that feel emotionally attuned. For example, many streaming services use AI to recommend content based on viewing habits, mood, and preferences, making the experience feel more tailored and emotionally satisfying. Similarly, AI in e-commerce can suggest products that align with a user's past purchases and current desires, creating a sense of being understood.

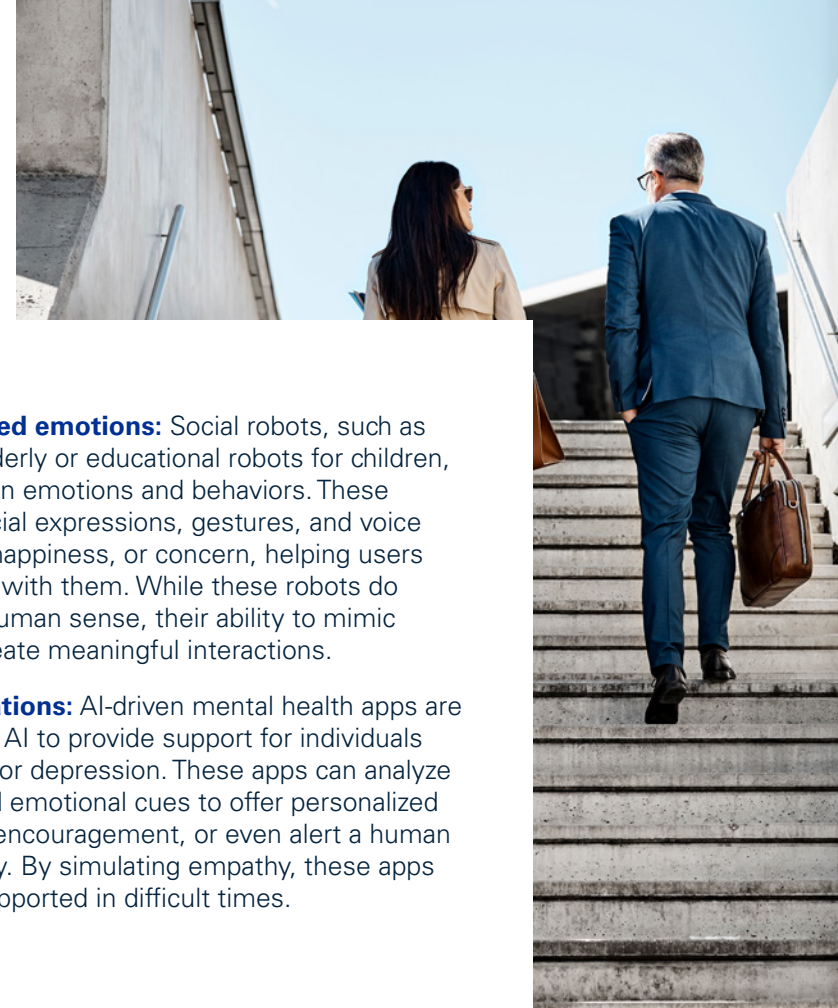
4

Social robots with simulated emotions: Social robots, such as companion robots for the elderly or educational robots for children, are designed to mimic human emotions and behaviors. These robots use AI to simulate facial expressions, gestures, and voice tones that reflect empathy, happiness, or concern, helping users form emotional connections with them. While these robots do not "feel" emotions in the human sense, their ability to mimic emotional responses can create meaningful interactions.

5

AI in mental health applications: AI-driven mental health apps are increasingly using emotional AI to provide support for individuals dealing with stress, anxiety, or depression. These apps can analyze users' language patterns and emotional cues to offer personalized coping strategies, words of encouragement, or even alert a human professional when necessary. By simulating empathy, these apps help users feel heard and supported in difficult times.

As AI continues to evolve, its ability to mimic human emotions and behaviors will improve. In the meantime, AI's capacity to simulate emotional intelligence is already transforming industries and enhancing the way humans interact with machines.





The critical role of deep customer insight in moving to emotionally intelligent AI

As organizations increasingly turn to AI to enhance their operations and deliver superior customer experiences—from personalized recommendations to predictive analytics, AI has the potential to revolutionize the way companies interact with their customers. However, the successful implementation of AI and other advanced technologies hinges on one crucial factor: a deep understanding of the customer.

While AI offers incredible capabilities, such as automation and data-driven decision-making, it is only as effective as the insights that drive it. Without a profound understanding of customer needs, preferences, and behaviors, even the most sophisticated AI systems can fall short, delivering impersonal, irrelevant, or even frustrating experiences.



Personalization beyond the surface

AI's ability to deliver personalized experiences is one of its most celebrated features. From tailored product recommendations to customized marketing messages, personalization has become a key differentiator in the competitive marketplace. However, achieving true personalization requires more than just collecting basic demographic data or tracking past purchases. It requires a deep, nuanced understanding of each customer.

This level of insight allows businesses to go beyond surface-level personalization and deliver experiences that resonate on a more emotional and contextual level. For instance, understanding a customer's values, motivations, and pain points can help an AI system suggest products or services that align with their lifestyle, rather than just offering generic suggestions based on past behavior.

Example:

USAA uses AI to create micro-segments within its member base, often referred to as "hyper-personas." These segments are based on detailed demographic, behavioral, and psychographic data, allowing for highly personalized service offerings.



Predictive accuracy

AI's predictive capabilities are another powerful tool for businesses, enabling them to anticipate customer needs and offer solutions proactively. However, the accuracy of these predictions depends on the quality of the underlying data and the depth of customer understanding.

For example, an AI system that predicts when a customer might need a product restock or service upgrade must be trained on comprehensive customer data, including purchase history, usage patterns, and even external factors like seasonal trends or economic conditions. By leveraging deep customer insights, businesses can fine-tune their AI algorithms to make more accurate and relevant predictions, ultimately improving customer satisfaction and loyalty.

Example:

By identifying patterns in financial behaviors and other data points, USAA can anticipate events like marriage, the birth of a child, or a home purchase. Increased spending at baby stores or hospital visits might indicate an upcoming birth. And USAA's unique focus on military members allows it to use AI to predict events specific to military life, such as Permanent Change of Station (PCS) moves or deployment cycles.



Building trust through empathy

As AI and automation become more prevalent in customer interactions, maintaining a human touch is critical for building trust and fostering long-term relationships. Customers want to feel understood and valued, even when interacting with a machine. This is where empathy, powered by deep customer insight, plays a vital role.

By integrating customer insights into AI systems, organizations can ensure that their automated interactions still feel human-centric and empathetic. For instance, a chatbot that understands a customer's past interactions and preferences can offer more personalized and compassionate responses, rather than generic or robotic replies. This not only enhances the customer experience but also builds trust and strengthens the emotional connection between the customer and the brand.

Example:

Woebot is an AI-powered mental health chatbot designed to provide support through conversations using principles from cognitive-behavioral therapy (CBT). It offers a conversational interface to help users manage their mental health, offering techniques for dealing with anxiety, stress, and depression.



Avoiding pitfalls and bias

AI systems are not immune to bias, and without careful oversight, they can inadvertently reinforce stereotypes or make unfair decisions. Deep customer insight helps mitigate this risk by providing a more accurate and holistic view of the customer base.

For example, if an AI system is trained solely on historical data without considering the broader context of customer behavior, it may make decisions that are biased or irrelevant to current customer needs. By continuously feeding the AI system with up-to-date, diverse, and comprehensive customer insights, businesses can ensure that their AI-driven decisions are fair, inclusive, and aligned with the real needs of their customers.

Example:

Airbnb is a company that has taken a proactive approach to reducing bias in its automated systems. By analyzing booking patterns, customer reviews, and other platform interactions, Airbnb gained a deeper understanding of how bias was manifesting on their platform. This insight was crucial in shaping their AI interventions. They worked to ensure that the data used to train their AI models was diverse and representative of their global user base.



Enhancing CX through continuous learning

AI thrives on data, and the more data it has, the better it becomes at delivering value. However, this data must be constantly enriched with fresh customer insights to keep the AI system relevant and effective. As customer preferences and behaviors evolve, so too must the AI systems that serve them.

Businesses that prioritize deep customer understanding can create feedback loops that allow AI systems to learn and adapt over time. This continuous learning process ensures that the AI remains aligned with customer needs, delivering increasingly refined and valuable experiences. For example, an AI-driven recommendation engine that adapts based on real-time customer feedback and insights will continue to improve its suggestions, making them more relevant and personalized over time.

Example:

Netflix's recommendation engine continuously learns from real-time user interactions. Every time a user watches, skips, or rates content, the system adapts its recommendations. This ensures that the recommendations stay relevant as user preferences evolve.



Driving innovation with customer-centric AI

Ultimately, the goal of implementing AI and other advanced technologies is to drive innovation and create value for both the business and the customer. However, innovation should not come at the expense of customer experience. By grounding AI initiatives in deep customer insight, businesses can ensure that their technological advancements are truly customer centric.

For example, a company looking to introduce a new AI-powered feature or service can use customer insights to identify pain points and opportunities for improvement. This ensures that the innovation addresses real customer needs and delivers meaningful value, rather than simply being a flashy but irrelevant addition.

Example:

Nike used insights from athletes and everyday customers to identify a common pain point: the need for a shoe that could adjust its fit dynamically during activities. Based on this understanding, Nike developed the Nike Adapt, a self-lacing shoe that can be adjusted via a smartphone app or manually, providing customized comfort during different phases of a workout or sporting event.

Conclusion

The human factor in AI success

As organizations continue to embrace AI and other advanced technologies, it is essential to remember that technology alone is not a silver bullet. The success of AI initiatives depends on the depth of customer understanding that informs them. By prioritizing customer insights, businesses can harness the full power of AI to deliver personalized, empathetic, and relevant experiences that not only meet but also exceed customer expectations. In the end, AI is a tool, and like any tool, its effectiveness depends on how well it is used. With deep customer insight as the foundation, businesses can ensure that their AI-driven strategies are not only technologically advanced but also deeply human, creating lasting value for both the business and its customers.

Contact us to learn how we can help you advance your customer experience success.

KPMG recognized as a Leader

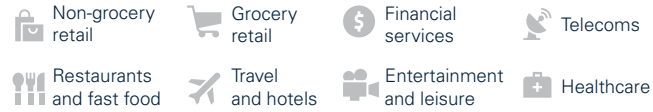
The ForresterWave™: Customer Experience Strategy Consulting Services, Q4 2024.



[Learn More](#)

2024 US top 100 results

Sector key



Change vs. 2023



1	2	3	4	5	6	7	8	9	10					
USAA	H-E-B	Patagonia	Publix	Fidelity	Costco Wholesale	Hallmark	L.L.Bean	Navy Federal Credit Union	Sherwin-Williams					
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Barnes & Noble	World's leading online retailer	Edward Jones	The Vanguard Group	Total Wine & More	Discover	Texas Roadhouse	In-N-Out Burger	Tiffany & Co.	Mayo Clinic	Williams-Sonoma	Charles Schwab	Wegmans	BJ's Wholesale Club	Nordstrom
26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Chick-fil-A	American Express	Sam's Club	Polo Ralph Lauren	Nike	Quik Trip	Southwest Airlines	Adidas	Consumer Cellular	Calvin Klein	Westin	Ace Hardware	Shop Rite	Foot Locker	Wawa
41	42	43	44	45	46	47	48	49	50	51	52	53	54	55
Morgan Stanley E*TRADE	Food Lion	Nespresso Store	IKEA	Sephora	Carraba's Italian Grill	Kroger	Levi Strauss & Co.	Victoria's Secret	Alaska Airlines	AAA	Hilton	Hyatt Regency	Marriott Hotels & Resorts	Hollister
56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Tommy Hilfiger	Double Tree by Hilton	Outback Steakhouse	Michael Kors Store	Hilton Garden Inn	Under Armour	Aldi	Kay Jewelers	Netflix	Krispy Kreme	Olive Garden	Chase	JPMorgan	Best Buy	Zales Jewelers
71	72	73	74	75	76	77	78	79	80	81	82	83	84	85
Sheraton	Barclays	Apple Store	A Leading Grocer	Bonefish Grill	PayPal	Hampton by Hilton	Mailier	Fairfield Inn	JetBlue Airways	Hyatt Place	Sweetgreen	Visa	Kaiser Permanente	Starbucks
86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Capital One	The Home Depot	American Eagle Outfitters	American Greetings	Universal Parks & Resorts	Petsmart	Delta Airlines	Disney Parks	HULU	J.Crew	Macy's	Humana	MasterCard	Ally Bank	Target



Jeff Mango

Managing Director
US Customer Experience & Engagement Leader
KPMG LLP
E: jmango@kpmg.com



Scott Lieberman

Principal
US Customer Advisory Leader
KPMG LLP
E: scottlieberman@kpmg.com

About KPMG Customer Advisory

KPMG Customer Advisory helps clients modernize and connect marketing, sales, and service to deliver experiences and results that matter. Combining market-leading industry experience with functional acumen and technical know-how, we help deliver greater return from your customer-focused investments.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS023318