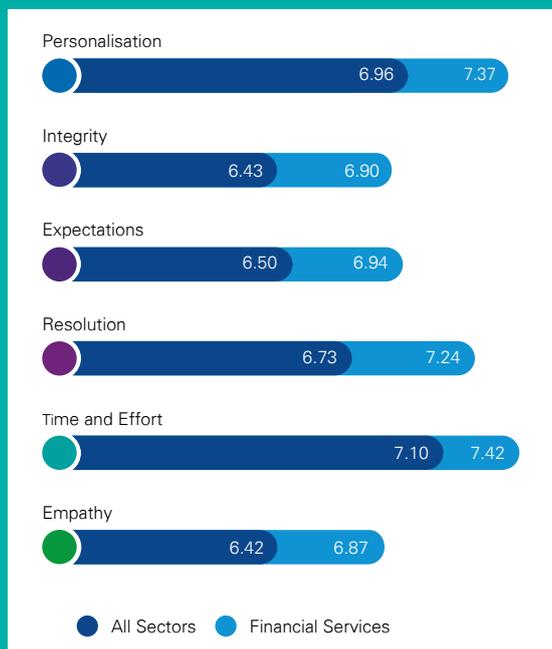


LUX Sectoral Review

2018 LUX CEE sector ranking: 1st

The Six Pillars: how the sector measures up



Brands captured: Retail banks and insurance companies.

Overall result: Financial Services is the best-performing sector in our study. With a CEE score of 7.14, this industry is setting the Luxembourg standard for delivering great customer experience.

The Six Pillar Performance: Compared against the other industry sectors included in our analysis, Financial Services leads on all of The Six Pillars with the exception of Time and Effort.

1. Financial Services

Stability, innovation, and an international outlook have secured Luxembourg's established reputation as a financial centre. Characterised by a deep-rooted culture of investor protection and rigorous anti money-laundering policies, its employees are both multilingual and multicultural, with a long tradition of financial expertise. This well-established reputation is also recognised and valued by customers, who scored the Financial Services sector 6% above study average.

This industry has weathered heavy storms in recent years. Diminished market confidence following the 2008 financial crisis coupled with a low interest rate environment have ultimately made themselves felt on customers' wallets. As brands in this sector have tightened their belts and consequently become increasingly homogenous in the eyes of customers, customer experience has come to be viewed as the key differentiator.

The Financial Services industry is currently undergoing a major shake-up, as new business models, Fintech start-ups and investment in big data alter customer expectations. Market leaders in other sectors have raised the bar in terms of what customers expect, and by extension re-set customer expectations of the financial sector. This is especially true of online providers such as Amazon, and customers now expect the same degree of reliability, rapidity, and seamless on-offline interconnection in their financial interactions, such as opening a bank account or taking out car insurance.

Top 3 customer challenges in this sector



Rethinking traditional Financial Services models

- Customers are no longer willing to pay high banking fees for traditional services. Traditional players need to reinvent their business models to sidestep irrelevance and commodatisation. These players are increasingly competing with non-bank institutions and FinTech players, who may win customer trust with innovative and flexible solutions.



Digitalisation: hand-in-hand with the human touch

- Financial services are using digital enablers to meet expectations for immediate, 24/7 service through the customer's channel of choice. Technology's ability to automate mundane interactions liberates staff to focus on the value-added moments that drive an experience and create brand loyalty. The ability to build an emotional connection within the digital world, where human interactions are becoming less frequent, is a success factor. Banks and insurance companies need to translate their traditional advice model and customer closeness into the customer's preferred channel.



Using customer data to enhance personalisation

- Customers expect to share their personal data when using technology for day-to-day interactions and online transactions. They are however willing to reveal these personal data in exchange for an enhanced customer experience, and in a manner and with solutions that leave them confident that their data are being securely handled and managed.



Banks need to move up the value chain to avoid becoming what Peter Hinssen calls 'dumb pipes'* (relating to Telcos), simply transporting data from one point to another in a completely customer-agnostic way.

**Jean-Pascal Nepper,
KPMG Luxembourg**

** " [In the world of Telcos] the 'Dumb Pipe' syndrome is the fear of bringing connectivity to homes and users – providing the 'pipes' that connect the Internet to the end-consumers – without really 'knowing' the customers they serve. [The new set of platform players like Google and Facebook] gather all the knowledge about the consumers [...] while Telcos' Dumb Pipes are merely there to supply more and more bandwidth. Basically, you can switch from one Dumb Pipe to another without noticing any difference. Google and Facebook, on the other hand, own our pictures, documents, emotions, and friends. Switching them will be felt. Deeply. "*

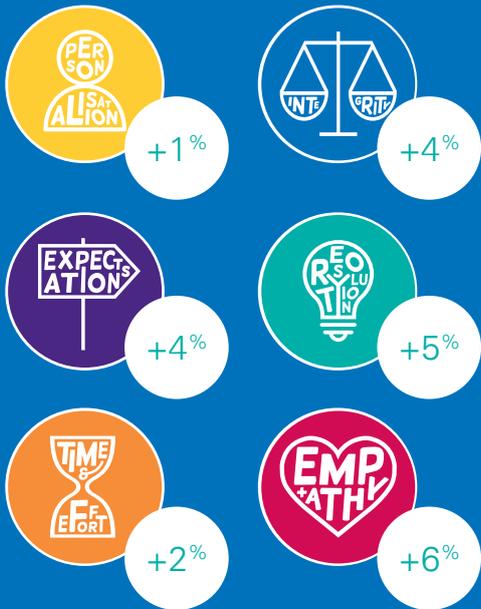
Peter Hinssen, The Day after Tomorrow, 2017



Case Study

2018 LUX CEE brand ranking: 3rd

The Six Pillars:
Scores vs Industry Average



LALUX

The human touch

Insurance company LALUX is this year's top-ranked Financial Services brand. Established in 1920, it was the very first Luxembourgish insurance company to operate in the Grand Duchy and now employs around 500 staff, providing life and non-life insurance products through a nationwide network of over 1,500 agents.

With consistently high scores across The Six Pillars and topping the Resolution rankings for all brands measured, LALUX seems to be truly delivering on its core values: service, stability, honesty, and integrity.

LALUX has set out its stall as a long-established Luxembourg company, delivering tradition, expertise, and strong values and placing integrity at the very heart of its customer and employee interactions. This brand strategy clearly resonates with its employees, as evidenced by a very low staff turnover rate. The company's Head of People and Communication, Marc Parage, confirms that LALUX employees "often stay until retirement, and we are proud of that". The empowerment of staff as agents with their own client portfolios is further testament to a highly cross-functional and customer-oriented organisation from front to back office, which also serves to optimise inter-departmental interactions. In addition, the "Live my Life" inter-departmental exchange programme affords employees an opportunity to walk in their colleagues' shoes, enhancing communication and ensuring that the customer's perspective remains the focus of everything they do.

LALUX customers also rate the company highly for Empathy. Marc Parage describes the company's agents as "the key to our success. They build close, strong relationships with their customers, and in turn our customers feel that they are in good hands."

Seen as being "part of the family", LALUX agents focus closely on both the customers and their families. Insurance can be a difficult and complex topic; to support customers in understanding and selecting the right products for them, LALUX puts its agents at the heart of its client relationship management approach and distribution strategy. This closeness allows agents

to offer services and products that are uniquely tailored to their customers' circumstances and life events. When something goes wrong, customers feel that LALUX agents respond quickly, providing practical solutions.

In an ever-changing world, LALUX is also investing heavily in innovation to enhance its customer experience; according to Maud Lamborelle, LALUX's Head of Marketing, "Innovation and leading digital functionalities are key to staying at the top and remaining a leading insurer in Luxembourg." These digital innovations facilitate customer closeness, particularly in the event of an incident or claim, e.g. customers are notified of their claim status by text message updates, ensuring full process transparency. Customers of DKV Luxembourg, a private health insurer acquired by LALUX in 2015, can also easily scan and send any bills to DKV Luxembourg using their mobile phones, and receive payment within 48 hours. Moreover, LALUX has introduced an automated "Voice of the Customer" feedback programme, whereby customers receive a text message or email requesting feedback once a claim process has been closed and settled. With a focus on the Resolution pillar, unhappy customers are then personally re-contacted in an effort to turn a poor experience into a great one.

Beyond these B2C tools, LALUX is also working to continuously improve its customer experience from a B2B perspective, developing new digital tools to strengthen communication and relationships with its agent network. For example, LALUX agents can use an application that shortens the offer-making timeframe and notifies LALUX of incidents more quickly and efficiently. The company and its agents also use a central client relationship management database for client contact, data, and insight capture. The ultimate aim of this enhanced digital experience is better customer service and great personal interactions between agents and their customers, resulting in the best possible experience for all stakeholders.

The LALUX ambition is to continue to incorporate the human touch into its relationships with its agents and customers, using the right digital enablers to complement this human element.

The Customer Perspective



One of the most competent and conscientious insurers in Luxembourg. Staff are friendly, honest, and easy to work with.

LUX CEE respondent 2018

The LALUX Perspective



LALUX agents are like a part of the family for our customers, and customers feel that they are in good hands.

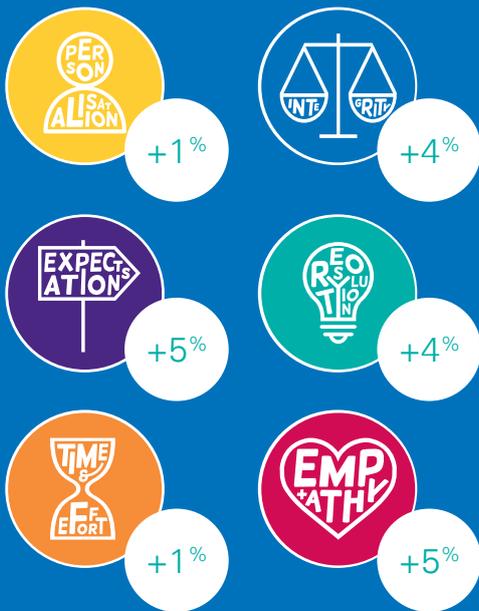
Marc Parage, LALUX Head of People and Communication



Case Study

2018 LUX CEE brand ranking: 4th

The Six Pillars:
Scores vs Industry Average



BCEE

Anticipating the needs of tomorrow's customers

Banque et Caisse d'Épargne de l'État (BCEE) is the leading Financial Services/Banking brand in this year's analysis, with consistently high scores across The Six Pillars. Throughout its 160-year history, BCEE has always endeavoured to meet and then exceed its customers' expectations. Its experienced teams, nationwide branch network, and its willingness to innovate have helped make BCEE the chosen banking partner for both personal and business clients:

- Trusted: combining tradition and innovation since 1856.
- Local: the leading retail bank in Luxembourg with the largest network of branches and self-service banking spaces.
- Attentive: 1,800 employees trained to meet customers' needs and help them meet their goals.
- Strong and sustainable: credit rating agencies Standard & Poor's and Moody's have awarded BCEE some of the best ratings in the world.
- Experienced: As the leading bank for housing loans in Luxembourg, BCEE advisors offer customers in-depth knowledge and extended advice on all real estate matters.

BCEE's constant focus is its customers, and the bank recognises that transparency, trust, mutual understanding, and regular interactions form the cornerstones of a successful and lasting partnership between a customer and their banking advisor. In order to further strengthen this partnership, BCEE works tirelessly to ensure that its services and products are of the very highest quality. "One of our key ambitions is to constantly adapt and improve our service delivery to provide a best in class experience for our many customers," explains Romain Wehles, Executive Vice President and Member of the Executive Committee.

The bank conducts ongoing market analysis surveys and runs regular customer satisfaction programmes to fulfil this ambition, allowing it to gather customer feedback and respond and adapt accordingly. In order to meet both rising customer expectations and new

technological challenges in a constantly evolving regulatory environment, BCEE is investing heavily in an omni-channel offer re-design to improve customer communications and enhance its client relationships. It has introduced innovative digital solutions on both sides of the customer-advisor partnership, optimising the tools available to the relationship manager during customer interactions and those available to customers through its mobile banking app and web solutions, to improve customer closeness. "Thanks to its innovative design and a focus on ease of use, the S-net Mobile banking app has become an essential tool in our digital customers' day-to-day lives" comments Luc Sinner, Assistant Vice President of Marketing. Continuing its focus on closeness and transparency, BCEE has also recently launched MIA (My Intelligent Assistant), a personal finance assistant that aims to help customers manage their budgets and cash flows and analyse and categorise their income streams.

BCEE has maintained its focus on its physical branch network while introducing these digital service enhancements, ensuring a seamless and consistent online/offline banking experience. The bank has renovated a number of local branches in order to successfully meet the needs of customers who appreciate the option of valuable face-to-face time with their banking advisors, particularly when seeking expert advice. BCEE depends on its customer relationship managers to ensure the successful implementation of this strategy. "As a trusted and experienced partner, we emphasise the quality of the advice and services we provide," says Claude Hirtzig, Senior Vice President and Head of Private Banking. BCEE views the ongoing training of its relationship managers as an investment priority, recognising their key role in building customer relationships and providing a personalised customer experience.

An improved customer onboarding process, enhanced relationship manager training and mobility, specialist service centres, robotised investment tools, a mobile branch - these are just some of the many initiatives that BCEE has launched with a view to enabling its customers to interact when and how they choose. BCEE's ambition for the future is to maintain and build on these customer relationships, working as a trusted partner to deliver a service that combines the best of offline and online banking.

The Customer Perspective



BCEE is my favourite bank. They provide very good advice, and their advisors are friendly and helpful.

LUX CEE respondent 2018

The BCEE Perspective



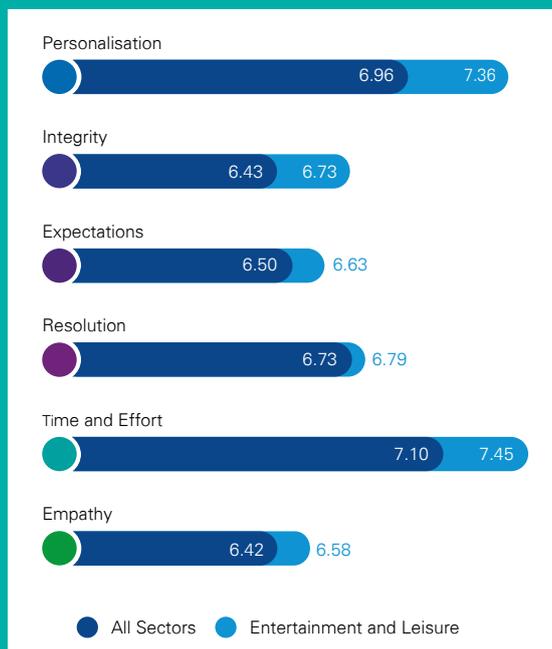
Wherever our customers will be tomorrow, and whatever they will need, we will be with them, and we will offer them the products and services they want to have, where, when and how they want to use them. Customer centricity is our foremost choice."

Françoise Thoma, Chief Executive Officer and President of the Executive Committee

LUX Sectoral Review

2018 LUX CEE sector ranking: 2nd

The Six Pillars: how the sector measures up



Brands captured: Primarily cinema chains and online streaming services.

Overall result: The Entertainment and Leisure sector delivers products and services for customers' pleasure and enjoyment. It is therefore unsurprising that this sector is generating great customer experiences, performing 4% above study average and taking second place behind Financial Services in this year's CEE research.

The Six Pillar Performance: Delivering its strongest performance on Personalisation and Time and Effort, this sector is meeting Luxembourg customers' expectations quite successfully.

2. Entertainment and Leisure

Today's consumers are more mobile, better connected, and more aware of the wider world than ever before. This enhanced connectivity and mobility have coincided with increased demand for leisure and entertainment as consumers have begun to value experiences over ownership. This is particularly true of millennials, who often prioritise spending time with friends and family and may opt to spend their disposable income on leisure activities rather than saving. This generation not only sets ever-greater store by experiences, but is increasingly choosing to spend a larger share of its time and money on them, from concerts and social events to athletic pursuits and cultural experiences. For this demographic, possessions and career status tend to take a back seat in the pursuit of happiness.

The digital age has seen global providers such as Netflix or Amazon Prime Video deliver content on demand that has re-defined the way we consume films. Customers are now used to watching what, when, and where they want, and these new consumer habits do not line up with the traditional cinematic model of outside-the-home, restricted-choice, appointment viewing.

Cinemas can win points with consumers by delivering the best possible movie-going experience, such as exclusive film showings before products are released on digital platforms. Installing state-of-the-art sound technology and audiovisual systems offers key opportunities to delight moviegoers, while loyalty programs and social gathering elements such as lounge and bar areas also feature in cinemas' strategies to counter a fall in attendance. Despite the avalanche of digital entertainment and the still-distant promise of virtual realities, there is still a huge market for "real" offline experiences.

Top 3 customer challenges in this sector



Superabundance of leisure options

- More entertainment material is currently being produced than ever before: mobile phones, tablets, video games, sports, concerts, etc. mean that there is a superabundance of entertainment opportunities. Brands are competing against all of these opportunities in the fight for customers' attention and wallets.



Gaining and holding customers' attention

- There is almost no limit on the supply of entertainment choices nowadays. Technology has given billions of people instant access to a vast range of entertainment anytime and anywhere. The challenge for brands is to stay relevant to customers and to maintain their awareness, which is constrained by time and attention.



Defining a clear brand and pricing strategy

- Many entertainment options have been commoditised due to low barriers to production and distribution - anyone with a mobile phone can film a short clip and share it easily and instantly with a wide audience. The internet has also led consumers to expect most content to be free. However, they are prepared to pay a premium for famous brand names and unique and memorable experiences.



There is almost no limit to the supply of entertainment choices, but people's awareness of them [...] is constrained by the time and attention they can spare.

Gady Epstein, The Economist



Case Study

2018 LUX CEE brand ranking: 12th

The Six Pillars:
Scores vs Industry Average



Netflix

Delivery of a highly personalised experience to each individual subscriber using ever-smarter algorithms has earned Netflix a place in our Top 20, ranking twelfth with a high Personalisation score of 7.75.

Netflix has revolutionised the way we consume our favourite movies and TV shows. Since starting out as a DVD subscription rental service in 1997 under CEO Reed Hastings, Netflix has evolved into a production company and streaming service that is enjoyed by some 100 million subscribers worldwide.

Part of Netflix's success lies in its desire to form an almost intimate relationship with its customers; to understand what holds their attention, and what turns them away. Its in-depth knowledge of its customers coupled with its outstanding customer recommendation algorithms allow Netflix to deliver Personalisation in its purest form, recommending individualized content that, more often than not, is just what the customer wants to watch.

"We own the Netflix customer experience from the moment they sign up, for the whole time they are with us," says Todd Yellin, Vice-President of Product Innovation at Netflix. "We climb under the hood and get all greasy with algorithms, numbers and vast amounts of data. Getting to know a user, millions of them, and what they play. If they play one title, what did they play after? Before? What did they abandon after five minutes?"

Netflix has re-wired the way consumers think about watching TV. Where customers were once content to be drip-fed one episode a week, they are now accustomed to watching an entire series in one sitting, creating a 'boxset binge watch' culture.

By listening to customer needs, Netflix is at the forefront of innovation. The brand is recognised as one of the top five most innovative companies in the world, with industry-leading Personalisation breakthroughs such as the launch of interactive TV shows, which enable viewers to 'choose their own adventure' and make decisions for their favourite characters.

Listening to customers is a key characteristic common to CX-successful companies, and Netflix is constantly listening to its subscribers' feedback as it seeks to continuously improve its viewing experience.

When subscribers called for an offline viewing function, the brand responded rapidly, and this feature can now be found on their apps. Writing in a blog post announcing the introduction of this feature, Eddy Wu, Netflix's Director of Product Innovation, had said, "Whilst many members enjoy watching Netflix at home, we've often heard they also want to continue their 'Stranger Things' binge while flying or in other places where internet access is expensive or limited."

The Customer Perspective



Netflix is great and so easy to use. I don't have a television, and it's becoming a ubiquitous presence in my life - it offers a huge selection, and I use it every day.

LUX 2018 CEE respondent

The Netflix Perspective



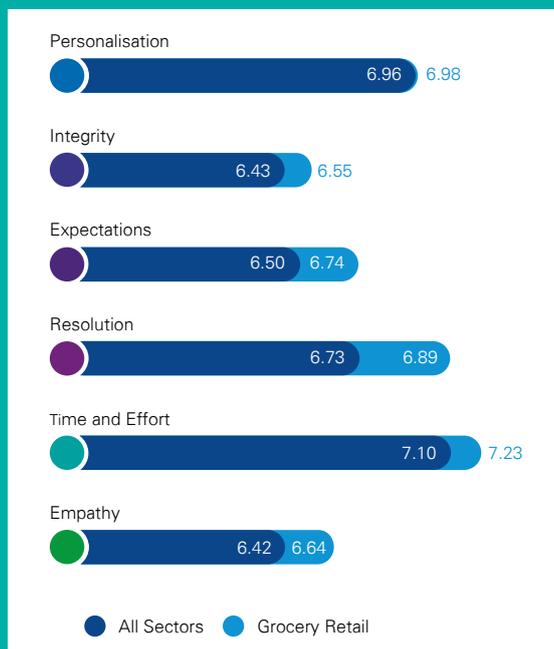
If the Starbucks secret is a smile when you get your latte, ours is that the website adapts to the individual's taste.

Reed Hastings, Netflix CEO

LUX Sectoral Review

2018 LUX CEE sector ranking: 3rd

The Six Pillars: how the sector measures up



Brands captured: Supermarket chains with traditional stores in Luxembourg.

Overall result: Luxembourg's Grocery Retail sector is meeting customers' expectations quite successfully, taking third place and performing 2% above study average.

The Six Pillar Performance: Grocery Retail performs best on the Time and Effort Pillar.

3. Grocery Retail

The grocery retail market has habitually been characterised by intense competition and low barriers to entry or exit. Today, the face of that competition is changing, with traditional supermarkets steadily losing market share to disruptive, alternative solutions such as low-cost supermarkets or online grocery shopping.

Customers' grocery shopping habits are increasingly driven by technology and influenced by environmental sustainability concerns, as well as the impact of their dietary and lifestyle choices on their health and well-being. While consumers are globally-minded, there is also a growing expectation for food products to be locally or regionally sourced. Moreover, rising consumer scepticism around food labels and packaging is leading to calls for greater cross-supply chain transparency.

Looking at the potential shape of the grocery retail sector by 2030, it is clear that traditional grocers who want to keep pace with incoming competitors such as Amazon Pantry will have to reinvent their brands.

In an industry undergoing seismic shifts, evolving consumer shopping behaviours and expectations will ultimately force retailers who want to stay in the game to invest in innovation while maintaining prices and revenues: a major challenge. Making use of big data, retail analytics and metrics or online solutions will be key for personalisation and the delivery of great customer experiences.

Top 3 customer challenges in this sector



Responding to changing customer preferences

- Customer habits and preferences are changing, with rising expectations for freshness, quality and transparency throughout the supply chain. Whether in regard to health, food safety or environmental responsibility, retailers will need to focus more closely on ingredient transparency to meet consumer demand for information about the products they use and consume.



Stop selling products - start creating a shopping experience

- Price is not necessarily the key competitive differentiator. Grocery retailers should stop viewing their role as primarily selling products and instead turn their focus to selling services, customer solutions and creating unique shopping experiences. This means finding ways to deepen their emotional connections with shoppers and encourage them to shop for longer, spend more, and stay loyal.



Personalising through data

- Consumers are sharing their data with retailers; in return, these consumers expect a value-added customer experience. Retailers must harness the power of emerging technologies to offer more personalised grocery shopping experiences, using analysis of past shopping behaviours to translate customer data into location-specific promotions, for example, or to send tailored suggestions directly to consumers' personal devices.



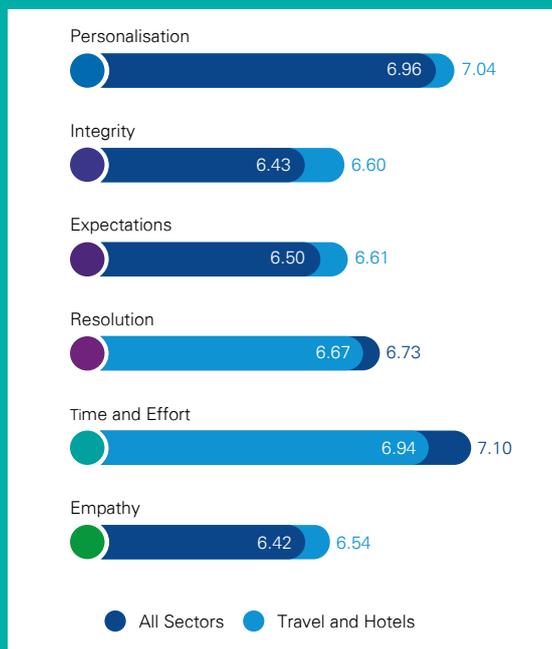
There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

**Sam Walton, Founder,
Walmart and Sam's Club**

LUX Sectoral Review

2018 LUX CEE sector ranking: 4th

The Six Pillars: how the sector measures up



Brands captured: The Travel and Hotels sector includes airlines, holiday companies, as well as rail and bus operators.

Overall result: Compared against all other sectors featured in our analysis, the Travel and Hotels sector is performing 1% above study average.

The Six Pillar Performance: Interestingly, The Six Pillars performance within the Travel and Hotels sector is above-average across all pillars, except for Time and Effort and Resolution.

4. Travel and Hotels

The entry of low-cost airlines into the market has intensified competition within the travel industry in recent years. Moreover, this industry is undergoing a paradigm shift as it moves towards a web-driven rather than human-based model. As the widespread use of travel apps, social media and online reviews makes it easier for customers to cross-compare travel companies, brand loyalty has declined, with customers switching brands more frequently than ever before.

These factors, coupled with travellers' growing desire to limit their carbon footprint, have contributed to the expansion of the sharing economy and the arrival of peer-to-peer travel services such as Airbnb and Uber, giving travellers ever-greater choice over their holiday destinations.

Technological advances have increasingly placed power in travellers' hands, and their expectations and behaviours are changing accordingly. Customers no longer just book a flight or a hotel; instead, they want control over their entire travel experience. They therefore expect tech-friendly options to be at their disposal, offering greater convenience, ease, and flexibility.

Ultimately, the travel industry must adapt to meet the rapidly changing expectations of its ever more empowered and demanding clientele. To boost loyalty and deliver excellent customer service, companies operating in this sector need to understand these new customer expectations and offer personalised services that will delight customers and deliver unique experiences.

Top 3 customer challenges in this sector



Get to know the traveller

- As the industry shifts towards a web-driven model, brands must focus on building long-lasting relationships with travellers throughout their customer journey. To stay competitive, travel companies need to consolidate disparate customer data to craft an in-depth and personalised profile on each and every traveller. Ultimately, brands' success or failure will depend on whether they can value and treat their customers as individuals.



Provide a seamless experience across channels

- Travel industry players need to deliver enhanced digital propositions and a more consistent, omnichannel user experience to ensure that every interaction with a customer, whether digital or face-to-face, is coherent and reflective of the brand.



Upgrade the human touch: from service to host

- Travel brands need to demonstrate both professionalism and problem-solving capabilities if they are to meet the expectations of today's empowered and demanding travellers. The challenge is to demonstrate these capabilities in a way that builds a positive emotional connection, consulting the traveller in a host-guest capacity rather than imparting transactional knowledge as a service provider.



Do what you do so well that they will want to see it again and bring their friends.

Walt Disney, Founder



Case Study

2018 LUX CEE brand ranking: 2nd

The Six Pillars:
Scores vs Industry Average



LuxairTours

Understanding tomorrow's traveller

LuxairTours is the leading Travel and Hotel sector brand in this year's analysis. The tour operator achieved consistently high scores across The Six Pillars and topped the rankings for Expectations and Empathy across all brands measured.

LuxairTours is part of LuxairGroup, a key player and major employer in Luxembourg and the surrounding Greater Region. The Group's 2,700 employees enjoy a dynamic and multicultural working environment, drawing constantly on their industry knowledge and expertise to satisfy the high expectations of today's sophisticated and demanding clientele. LuxairTours offers a wide range of package deals and holiday types to suit every traveller profile, whim, and budget, from beach breaks to city trips to comprehensive discovery packages, with targeted options including LUXiClub for families with children, all-inclusive packages, and Deals of the Month. The brand strives to deliver high-quality travel services both on-board its aircraft and on-location, while also creating that "holiday feeling" for its customers from the very start of the booking process. Whether customers book online or through an agency, the process is easy and personalised: as Marc Gerges, LuxairGroup's Vice-President Marketing & Corporate Communication, explains, "We bring together the best of online and offline channels to make the customer feel that they are in good hands."

LuxairGroup's three core values - passion, caring, and responsibility - are common to all of its operations, including LuxairTours. Internal communications and training programmes are built around these values, allowing staff to find a shared purpose, align their behaviour, and live them in their day-to-day customer interactions. Marc Gerges describes these values as "the fundamental driver in our company's customer experience success. Our passion, care, and responsibility are what our customers praise." These values are expressed in every action, down to the smallest details. Passion: the LuxairTours staff who visit and review new resorts and hotels throughout the year for the brand's various holiday guides, in search of the wow-factor that will draw customers to enticing new destinations. Caring: the LuxairTours representative who will go the extra mile to offer customers the best experience at any moment of their holidays. Responsibility: the LuxairTours agent who will call a far-flung country to make sure that the tour guide receives all required information to take care of the customer and their family on arrival and to resolve any occurring problem immediately. This strategy clearly resonates with the brand's customers, who awarded high customer experience scores in this analysis.

LuxairTours is a relatively small tour operator on the international travel scene, but its reputation for high-quality, personalised service with a focus on customer closeness is well-established. Its personalised approach, all-inclusive packages, and first-hand knowledge of the accommodation and experiences that a destination has to offer have won the operator an extremely loyal customer base. The brand is also known for its reliability, especially in moments that matter to travellers, such as flight cancellations. For example, in response to the Europe-wide shutdown of air traffic following the eruption of an Icelandic volcano in 2010, as Marc Gerges explains, "LuxairTours was the only tour operator being able to bring all 6,000 of our affected customers to designated muster points and transport them back to Luxembourg by bus within a reasonable timeframe." The successful resolution of this incident fostered loyalty amongst LuxairTours' customers and enhanced its brand perception.

To deliver consistently high-level service and performance, LuxairTours works hard to better understand tomorrow's traveller, conducting in-depth market research in Luxembourg and the surrounding Greater Region to define customer target segments and determine how the brand can better serve its customers. Empty nesters, for example - couples aged between 50 and 60 whose children have left home - are an interesting generation for the travel industry. Which tailored products best meet their expectations? What does a frictionless experience mean for them? LuxairTours hopes to answer these questions and create appealing, targeted travel packages and tailored service components that are integral to the customer travel journey, while promoting these in target-segment-specific offers online and in its travel brochures.

LuxairTours also collects Voice of the Customer data from various sources, whether direct from travellers or via travel agencies and tour guides. Consolidating these data to create a single, holistic customer profile, feeding them into a single CRM platform and ensuring immediate access for all Group and travel agency employees, while carefully observing data protection rules, will allow LuxairTours to deliver a consistent and personalised customer experience that values the traveller as an individual. Moreover, the brand's various internal project teams continue to drive the digital transformation of front and back office procedures to provide a seamless cross-channel experience. These projects centre around key moments that matter, such as changes to flight details, where LuxairTours is working to enhance the traveller notification process with immediate, real-time messages to the traveller's smart device. The organisation aims to further tailor its customer experience and brand messaging to deliver an exceptionally high-quality yet good-value service. The purposeful translation of its

brand values into its delivered service experience allows LuxairTours to ensure that every traveller interaction, whether digital, by phone, or face-to-face, is consistent with and reflective of its brand.

The Customer Perspective



A first-class service - easy, fast, faultless. On one occasion my luggage was damaged during a flight, and I was really happy with how easily and quickly they handled the problem on landing in Luxembourg.

LUX 2018 CEE respondent

The LuxairTours Perspective



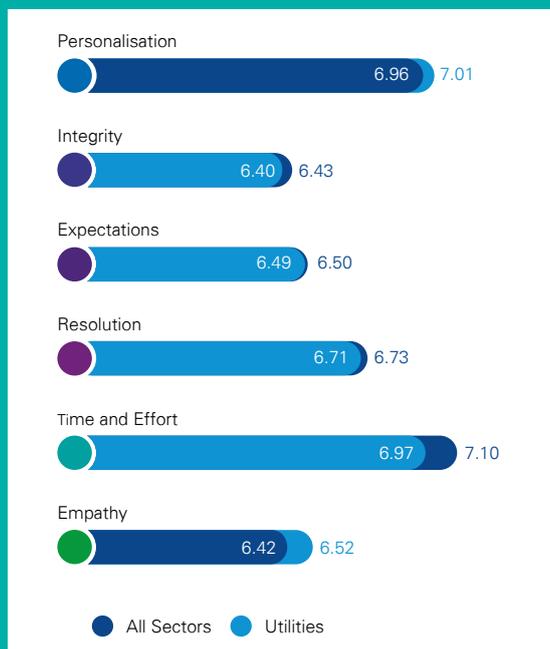
Compared to the big international players, we are a fairly small tour operator. Our size allows us to be close to our customers, who have higher expectations in terms of personalisation, choice, and responsiveness. We strive for creative and innovative ways to meet these rising expectations and to deliver the best experience for tomorrow's traveller.

**Marc Gerges, LuxairGroup's Vice-President
Marketing & Corporate Communication**

LUX Sectoral Review

2018 LUX CEE sector ranking: 5th

The Six Pillars: how the sector measures up



Brands captured: Enovos/Creos is the only brand in the Utilities sector in Luxembourg.

Overall result: The Utilities sector ranks fifth in our analysis.

The Six Pillar Performance: Utilities scores above study average on Personalisation and Empathy. The other four of The Six Pillars score slightly below the analysis average.

5. Utilities

As we witness a revolution in power generation and consumption, the new challenges facing utilities companies are becoming impossible to ignore.

The need for the Utilities sector to improve its energy generation mix and reduce the use of low-reserve fossil fuels is no secret. Policymakers and initiatives such as the Rifkin Study are putting pressure on utilities companies to find cleaner alternatives and increase their use of sustainable and renewable energies.

Environmentally-conscious consumers are also calling for cleaner energy products. In addition, customers want more control over their energy consumption and spending. Expectations in terms of supplier pricing transparency are rising, and consumers are increasingly turning to technologies that can deliver detailed information about their energy consumption and related costs.

Additionally, certain smart tech developments now enable consumers to self-generate and store power before feeding it back into the grid i.e. through renewable energies. These developments are turning consumers into prosumers, simultaneously producing and consuming.

This evolution in the power dynamic between consumers and suppliers is galvanising the Utilities sector into action. Suppliers will need to adjust their customer experience strategies if they are to successfully meet the needs and expectations of empowered prosumers.

Top 3 customer challenges in this sector



Growing awareness of environmental and social impacts

- Customers want greater flexibility, choice and control over their energy consumption. To earn customers' trust and maintain customer loyalty, utility companies will have to focus their attention more closely on the environmental and social impacts of energy generation and supply.



Creating smart partnerships

- Innovations in the Utilities sector, such as new storage battery options or smartphone-based thermostat apps, are advancing at a pace that has surprised both developers and adopters. Industry leaders are integrating these product innovations into their operations and company infrastructure as quickly as possible in an effort to keep pace with growing customer demand.



Striking a balance between personalisation and standardisation

- Luxembourg - a country with a population in constant flux due to incoming and outgoing international workers - needs an energy provider that can connect and disconnect households' energy supply with efficiency and ease. For utilities suppliers to succeed, they need to be able to balance customers' desire for a smooth, standardised delivery of these repeat services against the CX need to meet and, where possible, exceed each customer's personal expectations.



Today's customers are more empowered, conscious, demanding, and connected than ever before, and they certainly want more from a utility than just 'keeping the lights on'. This customer evolution is not unique to the utilities industry, but it is a new force that incumbent utilities need to adapt to.

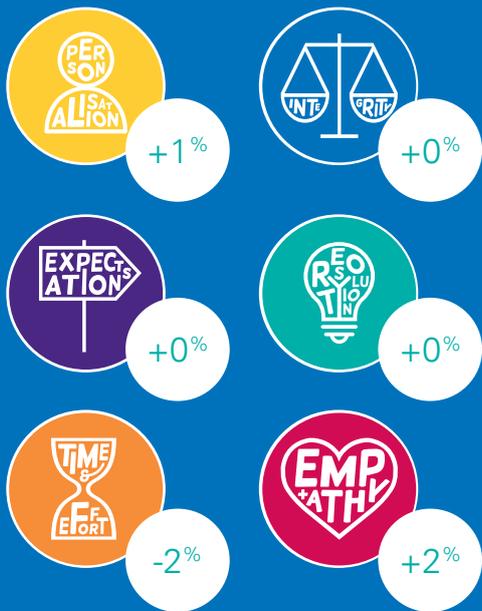
Jérôme Bernard,
KPMG Luxembourg



Case Study

2018 LUX CEE brand ranking: 31st

The Six Pillars:
Scores vs Study Average



Enovos/Creos is the only brand in the Utilities sector. We have therefore compared its Six Pillars Performance against all other brands in this report and used the study average as a benchmark.

Enovos/Creos

An energy partner delivering transparency and innovation

Enovos/Creos is the only Utilities brand and consequently leads the sector by default in this year's analysis. Energy supplier Enovos and grid operator Creos make up Luxembourg's international Encevo Group, with both brands scoring highly on Personalisation and Empathy.

While operating over 10,150 km of electrical power lines and over 3,700 km of gas lines, the Encevo Group currently has over 1,500 employees and more than 300,000 delivery points (electricity and natural gas) across Luxembourg, Germany, France, and Belgium.

The Encevo Group has re-branded in recent years to position itself as customers' preferred innovative energy partner and a key, future-focused player in Luxembourg's energy transition. Its aim is to operate in the best interests of all stakeholders; while its primary focus is its customers, it also endeavours to promote the interests of the general public, its shareholders, government bodies and, naturally, its employees. As an employer of choice, Encevo is committed to working for the well-being and economic and social development of the countries in which it operates. True to its motto - "Energy for today. Caring for tomorrow." - the Group seeks to build stable, long-term relationships with all its customers, centring on quality service provision, innovative products, and reliable and sustainable supply.

The Group's recent re-branding has also focused on customer closeness, emphasising the importance of transparency and leaning heavily on its website and social media channels to promote its mission statement, products and services in French, English and German. This customer closeness also has a real-world component, delivered through four Enovos shops nationwide. These shops offer customers an offline point of purchase while serving as a touchpoint to ask questions and obtain information on wider energy-related topics, including current energy issues affecting Luxembourg and the surrounding Greater Region. Beyond electricity and natural gas, the Group is positioning itself as a reliable and knowledgeable source of information in the fields of eco-mobility, energy efficiency, smart applications, and distributed energy production.

To support the customer closeness and transparency strands of the new strategy, the company's organisational

structure and processes were aligned and reviewed from a customer-centric perspective, while both management and staff's understanding of the customer mindset and customer-centricity concepts was refreshed and reinforced. The Group has enhanced its front-office procedures and introduced single points of contact for electricity and gas customers.

The firm's call centre forms another key touchpoint for Encevo and its customers. As Jean Lucius, CEO of Encevo S.A., explains, "We deliberately took the decision to keep the call centre in-house and not outsource it to third party providers or off-site. By centralising our customer service, we can make sure that we respond confidently and knowledgeably to customer queries, react quickly to resolve any issues, and communicate with our customers in their preferred language." Improved processes in local call centres and the presence of multilingual staff mean that immediate, consistent, and high-quality assistance can be provided in response to any customer query. Additionally, Encevo is investing in digitalisation to enhance both the customer and the employee experience; for example, customers can receive their bills and submit meter readings online. Digital solutions are also being implemented internally, enabling front office employees to manage offers and contracts with ease.

The Encevo Group is working to establish itself as customers' preferred energy partner, for today and for the future. Claude Seywert, CEO of Creos Luxembourg S.A. adds, "We go beyond just delivering gas or electricity and sending the customer their bill. We want to be our customers' trusted partner for energy, offering a full service for smart home energy needs and responding to customer time constraints." Lastly, customers are looking for their best energy fit but must navigate their way through the myriad solutions now available on the energy market, from traditional heating systems to more innovative photovoltaic and solar power systems that turn homeowners into power producers. This process can be overwhelming for some. In response, Encevo and its dedicated market intelligence research and trend analysis team has partnered with multiple innovative players and is running pilot projects with start-ups to build and deliver best energy supply and efficiency practices to their customers. Acting as neutral advisors, they integrate different existing solutions to bring the best of the energy market to their customers.

The Customer Perspective



My bills are sent to me online and have always been accurate. I once requested a detailed breakdown of my energy consumption, which was quickly sent to me via email. Excellent service.

LUX 2018 CEE respondent

The Enovos/Creos Perspective



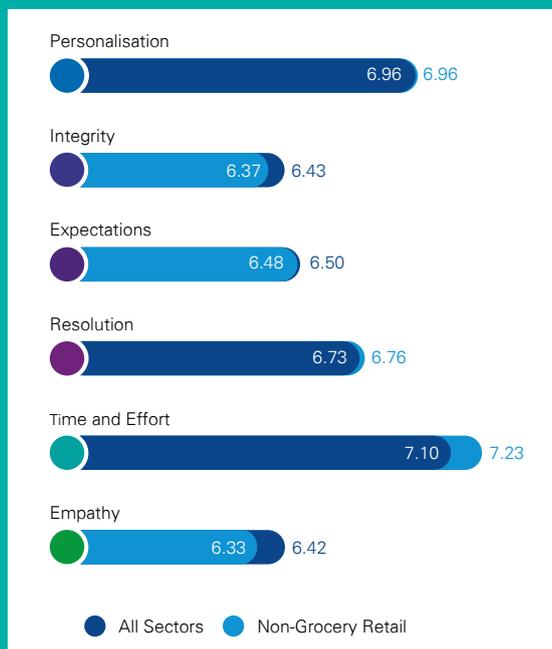
Times have changed and the energy sector is becoming increasingly complex. We therefore need to constantly innovate and progress to respond to rising customer expectations.

**Claude Seywert,
CEO of Creos Luxembourg S.A.**

LUX Sectoral Review

2018 LUX CEE sector ranking: 6th

The Six Pillars: how the sector measures up



Brands captured: Brands in this sector range from bookshops, electronic and online retailers to petrol stations and sport retailers.

Overall result: The Non-Grocery Retail sector takes sixth place.

The Six Pillar Performance:

Personalisation, Time and Effort and Resolution score above study average for Non-Grocery Retail, while the other three of The Six Pillars score slightly below study average.

6. Non-Grocery Retail

Technology-driven innovation and the growing importance of omnichannel retail are changing customer behaviours within the Non-Grocery Retail sector. Customers are becoming increasingly savvy, harnessing growing retail transparency to help them choose between a variety of options. If a customer has a negative experience at a certain touchpoint with one retailer, they will likely switch to another brand altogether. In addition to the very real threat posed to retailers by declining brand loyalty, there is also a growing trend for direct-to-consumer sales, seeing brands pull out of mass retailers to ensure that their unique selling proposition reaches the end consumer directly.

Retail customers now seek the best shopping experience by using online and offline channels in tandem. A typical customer will now start their purchase journey online, where they can browse a huge range of items, and then go in-store for targeted advice. Many retailers are adding buy online, pickup in store (BOPIS) services in an effort to integrate e-commerce and brick-and-mortar operations and capitalise on the advantages of both channels. The real-world point of sale allows customers to interact with the product, seek advice and speak to an assistant who may also be able to provide after-sales service, while the online marketplace offers a huge variety of fast and flexible purchasing options combined with the ease of home delivery. Retailers that offer their customers online and offline channels are more likely to meet customer expectations than those operating through a single channel.

In order to drive brand and repurchase loyalty, retailers are now focusing on the customer decision journey as a whole, from purchase consideration through to after-sales service. This demands huge efforts from retailers, who have to deliver customer service excellence, a personalised experience and a unique selling proposition throughout the value chain if they want to positively influence brand perception and meet the needs of a diverse set of customers.

Top 3 customer challenges in this sector



Creating memorable experiences

- As technology and omnichannel retail options make it easier for customers to switch between brands, staff engagement, with its direct positive impact on the customer experience, has become a key differentiating factor. Retailers are placing ever-greater emphasis on training and retaining satisfied and engaged customer-facing staff, who are more likely to go the extra mile. Beyond staff engagement, the use of retail analytics and innovative solutions such as cashless payment and a fast check-out process are key to creating positive and memorable shopping experiences.



Adapting to individual privacy needs

- Customers are willing to share personal data in return for an enhanced experience and greater value. To develop deep customer knowledge and be able to anticipate customers' specific and individual needs, retail players must gather and analyse data effectively and responsibly. If retailers want to build a long-lasting and trusting relationship with customers, they must strike the right balance between gathering real-time insights and respecting consumers' privacy concerns.



Combining the physical and the digital journey

- Technological advancements now mean that customers can interact with retailers through and across various channels. The challenge for retailers will be to understand how customers are using technology and to provide digital touchpoints throughout their purchase journey.



We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better.

Jeff Bezos, Amazon



Case Study

2018 LUX CEE brand ranking: 1st

The Six Pillars:
Scores vs Industry Average



Ernster

It's all about listening,
listening, and then listening
some more

Ernster – l'esprit livre, a family-owned chain of six bookshops - one of which features a café - and a stationery shop in the centre of Luxembourg, is the leading brand in this year's analysis. Founded in 1889 by the Ernster family, the shop initially sold books mainly to students as well as teachers, and it was traditional for Luxembourgish families with school-age children to buy their books there. Over time, and to meet the needs of Luxembourg's diverse customer base, Ernster has expanded its product range and now offers multi-department bookshops stocking everything from Luxembourgish literature to travel books, a separate All English bookshop, and an online shopping platform. Ernster, a traditional brick-and-mortar retailer, has incorporated a "buy online, pickup in store (BOPIS)" service and free delivery within Luxembourg into its online strategy, and uses social media, including Facebook and Instagram, to further enhance its brand visibility. By integrating its offline and online shopping channels, it aims to combine the best of both worlds for its customers' benefit.

Ernster was awarded consistently high scores across The Six Pillars in our study and topped the rankings for Time and Effort. Transparency, integrity and delivering on values form the credo of the Ernster family and the foundation of how they run their business. In owner Fernand Ernster's view, "Having a core set of values is one thing; living and delivering on them each and every day is something else." Motivated by ethics and social responsibility, the company and its value-driven leadership seem to be truly delivering on their core values, which are positively perceived by both employees and customers.

Recruitment is a key factor in organisational alignment and successfully meeting customer needs. The brand's leadership focuses on hiring people who are motivated, committed, and a good fit with the company culture and mission; energetic team players who have the right mindset to turn casual visitors to their shops and café into loyal customers. Having the right staff on board allows Ernster to offer their customers the best possible service and make their time in store enjoyable.

According to Fernand Ernster, "Tomorrow's employees want a trustworthy, purpose-driven employer who can offer a good work-life balance, variety and empowerment." Listening to employees and caring about them as individuals is fundamental to Ernster's customer experience success. The leadership team,

who understand that employee and customer experiences are intrinsically linked and live by their social responsibility values, have a close relationship with their 80 employees. They greet them individually, are on first-name terms, know them personally and are familiar with the details of their lives. When Fernand Ernster goes into one of his stores, his attention is not on administrative or managerial tasks, but on his staff. Simply listening to his employees helps him to build emotional connections and understand what is on their minds. "Listening is the key to understanding employees' expectations and responding to their needs, which is how we retain and motivate talented team members," affirms Ernster. Ultimately, the leadership team's aim is to build a relationship in which trust flows both ways - they trust and empower their employees, and their employees trust the Ernster family - and in which the company's success is celebrated and shared by all.

Ernster's seven store managers are officially known as account managers, because their mission is customer: organizing the bookshop to best welcome its visitors, listening to customers, understanding their needs, serving them, and working to keep them happy and loyal. These account managers are in frequent and direct contact and hold regular "workshop" meetings to learn from one another, deliver results, and make decisions that will benefit both customers and employees. Sharing experiences and customer feedback, correcting mistakes, and creating an environment in which mistakes can be learnt from is part of the Ernster code of conduct. Moreover, customer returns and issues are rectified immediately; unhappy customers receive a call from the shop owner himself, informing them personally about the resolution of the problem and turning a poor customer experience into a positive one.

Ernster's focus on listening, whether to customers or employees, also extends to market and retail trends. Taking inspiration from other sectors or industry peers in neighbouring countries is key to staying innovative and responding to the needs of both current and future customers. "The leading players were introducing cafés into their bookshops," explains Fernand Ernster. "We brought this concept to Luxembourg. It's a great meeting place for book readings or for live broadcasts by the local radio station." In his constant pursuit of excellence, Ernster didn't want his café to sell any old coffee; he wanted the best espresso and cappuccino in town, and so a consultant was hired to provide guidance on coffee culture and quality and to train the café's dedicated barista. Typically, a bookshop atmosphere invites the customer to relax and browse the shelves, while friendly and highly-trained staff make them feel welcome and comfortable. The addition of a steaming cup of expertly-made coffee to the mix might help convert them into loyal regulars.

The Customer Perspective



Ernster is a great bookshop with knowledgeable staff. It's also one of Luxembourg's last remaining bookshops. I am always keen to see their new stock.

LUX 2018 CEE respondent

The Ernster Perspective



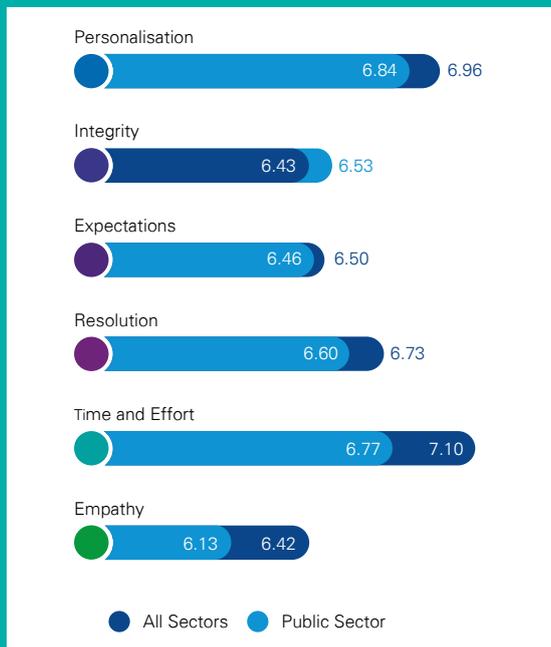
Our business mission goes beyond turning a profit: it's about ethics and social responsibility. We focus on attracting and retaining the most talented staff, who strive to give our customers the best possible service and make their time in store enjoyable.

Fernand Ernster, Ernster owner

LUX Sectoral Review

2018 LUX CEE sector ranking: 7th

The Six Pillars: how the sector measures up



Brands captured: Government services and public agencies.

Overall result: Public Sector industry performance is 2% below study average.

The Six Pillar Performance: Performance is below average for five of The Six Pillars, the exception being Integrity. Personalisation has the highest score in this sector. The proximity of the Luxembourg government to the population allows citizens easy access to public agencies if they need to handle an issue or request information.

7. Public Sector

The major Public Sector transformation programs that are currently underway in Luxembourg and abroad are driven by a desire for more streamlined, modern and interactive public services. There are growing calls for administrative formalities to be made simpler and more accessible to deliver a great citizen-as-customer experience; the option for citizens to pay their taxes with a single click, for example, has the potential to make them happy to pay, or almost. Luxembourg's citizens and businesses want modern, lean, easy-to-navigate administrative processes, requiring minimum effort and offering maximum efficiency.

Public service users are no longer content to be passive recipients of public services. Instead, behaviours and expectations are changing; consumers want to be engaged and active in administrative processes, to be informed of the status of their requests, and be able to ask for help on any topic at any time. Citizens expect the best from their Public Sector experience, with simple and easy-to-use services and immediate, 24/7 access to information.

Luxembourg's public agencies aim to maintain citizens' high living standards by delivering exceptional public services, including social care, family care, and housing. The country's diverse blend of cultures, nationalities and backgrounds means that remaining competitive and attractive to both the cross-border workforce and the international workers who move their families to Luxembourg on a more permanent basis is a key focus for public officials. Luxembourg wants to be perceived as an innovative, dynamic, secure, and easy place to live and work. To achieve this, these values must be integral to its public service delivery.

Top 3 customer challenges in this sector



Changing mindsets and approaches

- An ongoing transition is underway, moving the Public Sector from a process-led to a service-led system and ultimately over to a consumer-led concept. Public agencies need to develop a more collaborative approach based on direct interaction with citizens; in place of a top-down structure, public agencies need to offer personalised solutions that are tailored to individual citizens' needs.



Managing clear priorities in transformation

- The Public Sector is characterized by transformation projects that may be of long duration, meaning that there is a possibility that, once completed, the concepts or technology underpinning them may be outdated. Public agencies should therefore give clear priority to solutions that are visible to citizens, responding quickly to citizens' immediate needs and their rising customer service expectations.



Increasing consistency

- Further harmonisation is required to deliver a consistent citizen experience across Public Sector services. Rather than delivering excellence at just one stage of an administrative procedure, public agencies should design leaner and more consistent processes to deliver a great citizen-as-customer experience across the value chain.



Citizen-as-customer centricity has emerged as a key consideration in transformation initiatives across the Public Sector. Today, governments across jurisdictions are often leading the disruptive charge, particularly in areas such as online services. Countries such as Estonia, with its digital ID program, demonstrate that governments are not only trying to keep pace but also looking ahead to the future when it comes to improving the experience of their citizens.

Patrick Wies, KPMG Luxembourg



Case Study

**2018 LUX CEE
brand ranking: 16th**

The Six Pillars:
Scores vs Industry Average



Guichet.lu

Luxembourg's public agencies: backstage access

Guichet.lu leads the Public Sector pack in this year's Customer Experience Excellence study, scoring highly on Expectations and delivering strong results for Time and Effort. This front-office portal aims to streamline citizens' and businesses' interactions with public agencies, offering fast, 24/7, user-friendly access to all government services and information. Government-funded and run by CTIE, the government's IT centre, Guichet.lu divides into two main sections: Citizens and Business. It also features MyGuichet, a secure interactive platform - all users are required to obtain a LuxTrust e-security certificate - where administrative formalities can be completed with the relevant public agency. Available in French, English and German - Luxembourg's most commonly used languages - Guichet.lu's digital service offering to citizens and businesses includes:

- clear and simple access to all government e-services and information;
- an overview of key administrative areas and procedures;
- the option to download forms and, in certain cases, sign and submit these online;
- the option to complete administrative formalities electronically using online submission;
- the option for individuals to view all of their personal data as held by government agencies.

Gilles Feith, CTIE Director, describes Guichet.lu as a "one-stop-shop for Luxembourgers for any administrative procedure, offering unique and transparent access to the workings of their government and its agencies." The website features a repository of approximately 1,500 citizen-centred administrative procedures, from tax returns to birth registrations, and useful guidance is available to businesses on applying for permits, government subsidies, and registering as an employer for social security purposes. Moreover, some 170 administrative tasks can be completed online via Guichet.lu. Citizens and businesses can also choose to eTrack the progress of any forms submitted to agencies by post. This optional eTracking feature automatically

generates a tracking number linked to the relevant procedure, and aims to make the document processing stage more transparent and accessible for users.

The Guichet.lu concept centres around common events and scenarios for citizens and businesses. Its user-centric and intuitive design takes a step-by-step approach to complex topics such as tax, government assistance and related regulations, making them accessible and easy to understand. From the homepage, users click on the relevant administrative area and task, i.e. filing a tax return or registering a birth, and are then guided through a series of clearly explained actions, allowing them to see exactly what their next steps are, at a time and place that suits them. Information on phone, email and face-to-face support options is available on every page of the website, offering users access to individually tailored assistance.

A government decision taken in 2015 requires every new administrative procedure to have a digital equivalent, meaning that relevant e-services and information should be available to citizens and businesses on Guichet.lu. The website is not only updated to reflect the introduction of new regulations or procedures, however; features and site navigation are constantly reviewed and upgraded based on user, stakeholder and specialist feedback and up-to-the-minute web standards.

The Guichet.lu portal also links to civil service websites such as vosidees.lu and einfach.lu, where users can make suggestions, report issues, and push for enhanced digital public services.

Guichet.lu is maintained by a dynamic 30-strong team who understand their role as the middleman between Luxembourg's citizens and its public agencies. This team works closely with European peer agencies to share best practices and lessons learnt and continuously improve users' digital experience.

Looking to the future, the CTIE Director aims to bring all of Luxembourg's administrative procedures online. "People don't want to have to travel to the town where their child was born to register the birth. We want to offer a quick alternative to paper-based procedures, our goal is to move the majority of administrative documents, sign-offs and authorisations onto the Guichet.lu portal and create a hassle-free, transparent and digital experience for everyone."

The Customer Perspective



Guichet.lu is an easy, convenient and efficient option for administrative tasks. I ordered my new ID card online and it was delivered the following day.

LUX 2018 CEE respondent

The Guichet.lu Perspective



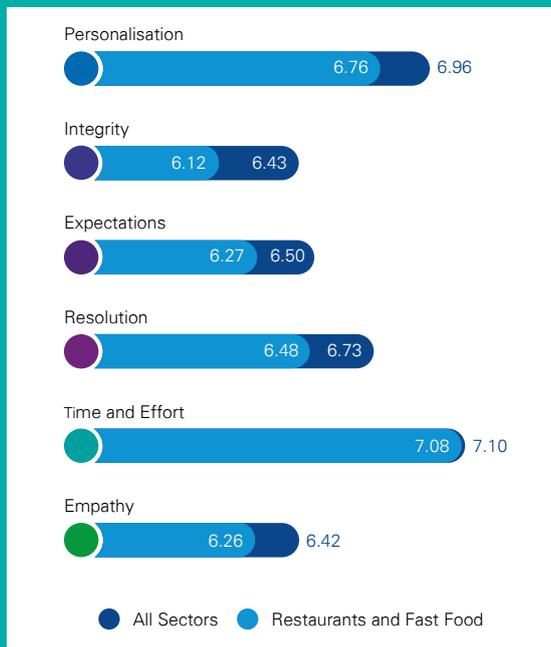
Luxembourg: find out how Guichet.lu can make your life easier.

Gilles Feith, Luxembourg's Chief Information Officer and CTIE Director

LUX Sectoral Review

2018 LUX CEE sector ranking: 8th

The Six Pillars: how the sector measures up



Brands captured: Bakeries, fast food chains and restaurants.

Overall result: Restaurant and Fast Food sector performance is 3% below study average.

The Six Pillar Performance: The Six Pillars scores for the Restaurant and Fast Food sector are below average, with the highest score being awarded for Time and Effort.

8. Restaurants and Fast Food

The nature of the Restaurant sector has long meant that culinary reputations have risen and fallen on word-of-mouth recommendations. The digital age has amplified the importance of word-of-mouth, and customers' instant access to online reviews now means that restaurants must also manage their e-reputations carefully. In addition, consumers now eat out more often and for a wider range of occasions than in the past. A Bloomberg study revealed that in 2015, Americans' spending on dining out exceeded spending on groceries. Eating good food in a restaurant that delivers a pleasant atmosphere and friendly, skilled waiters - highly sought-after among restaurant owners - creates a memorable experience with strong emotional connections for customers.

Customers' tastes and preferences are also evolving, with a shift towards healthier menu options and locally sourced products from organic or socially conscious producers. In addition, the arrival of mobile ordering has empowered time-poor customers to order what they want, when they want, from any location, whether that be the comfort of their homes or a fast food restaurant table.

Smaller providers and new business models have sprung up in response to these changing preferences and technological advances. Home delivery of restaurant food is a growing trend with a dedicated digital marketplace, while dine-in chains are increasingly offering takeaway options. Chain restaurants have captured market share and grown the market with a combination of aggressive roll-out and greater choice, quality, and consistency for customers. Lastly, although speed of service is important for fast food restaurants, so too are the little touches that customers may not expect of this sector, and that make them feel valued.

Top 3 customer challenges in this sector



Gaining share of wallet in a competitive sector

- In a sector characterised by intense competition, standing out from the crowd of market propositions will continue to be a major challenge. This places great pressure on restaurants to create the best atmosphere, hire engaged staff with a keen eye for detail, and serve fresh, high-quality food while delivering financial and operational efficiency.



Meeting rising customer expectations

- Customer expectations are constantly shifting and rising, driven by new food trends and customers' best experiences elsewhere in terms of quality, freshness, and service. Restaurants will need to keep in mind that, over time, what was once considered an exceptional experience with the ability to delight customers may become a basic requirement that has to be met in every interaction, be it on-site or home delivery.



Strategic positioning

- An increase in the number of market players offering similar products requires brands to carve out strategic positions. They will need to focus on innovation and on defining and - most importantly - communicating a clear brand strategy if they hope to stay competitive and visible in a saturated market.



Growing preferences for healthier food options, concerns over environmental sustainability, increased competition from grocery stores, heightened consumer expectations, and rapidly advancing technology are reinventing the traditional dining experience and forcing change on how the industry operates.

Patrick Wies, KPMG Luxembourg



Case Study

**2018 LUX CEE
brand ranking: 10th**

The Six Pillars:
Scores vs Industry Average



Oberweis

An appetite for perfection
with a unique artisanal twist

High-end caterer Oberweis is this year's top-ranked Restaurant brand. With consistently high scores across The Six Pillars and an outstanding Integrity rating, Oberweis seems to be truly delivering on its core values: excellence, transparency, passion, and authenticity.

Established in 1964, this family-owned Luxembourg business is now run by the founder's two sons, Tom and Jeff Oberweis, and employs some 400 staff. Its pastries, baked goods, ice creams and sugar confections are created, crafted, and served with an artisan's eye for detail and a respect for culinary traditions, giving customers an opportunity to rediscover the tastes of yesteryear while exploring exotic flavours from around the world.

From savoury indulgences to sweet treats, Oberweis constantly seeks out new flavour frontiers, refining its recipes to make every season a feast for the senses and to ensure that every day brings a new taste discovery. Brand representatives travel the world for inspiration and carefully handpick individual ingredients from the very best suppliers to deliver a customer experience that will delight any gourmet. "Every day we apply our culinary expertise, creativity, and attention to detail in the hopes of awakening our customers' inner gourmand. Honing each and every stage of the process, from creation to production through to packaging and delivery, is essential if we want to always deliver the very best for our customers," explains Jeff Oberweis.

As a member of Relais Desserts International, the association for the crème de la crème of the pastry industry, Oberweis is not alone in its quest for excellence, creativity, and innovative taste sensations. These highly regarded pastry chefs are all driven by the same motivations, and by a desire to delight their customers' taste buds while meeting high professional standards, as every member agrees to abide by a charter that demands excellence with regard to hospitality, product presentation and display, and hygiene standard compliance.

Oberweis aims to ensure that even simple, everyday products such as the humble loaf of bread are of the very highest quality. Drawing its creative inspiration from many different sources, Oberweis also strives to put its own signature twist on its products and to set the pace for its fellow Luxembourg restaurateurs. As Jeff Oberweis puts it, "20 years ago, we brought the wrap to Luxembourg - but we don't copy our international peers. We put our own stamp on things, with the best and freshest ingredients, creative combinations, and unique packaging." Maison Oberweis, the brand's flagship store in the heart of Luxembourg, embodies this family philosophy. The architect and owners worked together to create a unique, open, and flowing store design that would reflect the

brand's values, with the resulting clean lines and high-end architecture displaying the company's products to their very best advantage. The store's location means that its display windows are rather small, obliging Oberweis to take an innovative approach to window dressing in order to pique shoppers' curiosity and draw them inside.

Tom and Jeff Oberweis inherited their father's appetite for the unexpected and his keen eye for detail, and have cultivated these traits in their employees. "The family's high standards and dedication to quality are shared by every member of our organisation," confirms Delphine Ragot, Head of Human Resources at Oberweis. "We live those values every day, from production to service." All new employees are required to sign and comply with the Oberweis Charter, which sets out the company's hygiene and safety best practices and which is complemented by on-boarding training for all new production and sales staff. More generally, the brand's focus on detail and quality assurance can also be seen in the various weekly checks that are performed on its ingredients and finished products, as well as daily checks on tool and workstation cleanliness, staff hands, refrigerated display case temperatures, and on cold- and hot-chain maintenance.

Like links in a chain, the strengths of the creative, production, packaging, and quality teams all contribute to the strength of the company as a whole, and each team plays a part in ensuring product success and customer satisfaction. Before new creations go on sale, the research and development team will work behind the scenes to tweak yesterday's recipes to cater to today's tastes, combine flavours and textures, and maximise the product's visual appeal. Daily menus are created through careful consultation to deliver a harmonious balance of options and flavours.

The next link in the chain, and the brand's earliest risers, are the Oberweis bakers. They arrive from 2am to ensure that customers can enjoy fresh bread every morning, and are followed by the pastry chefs at 3am and the catering staff at 4:30am. The joint production team leaves nothing to chance in the delivery of daily orders, baking sweet and savoury goods every day to guarantee full shelves and optimal freshness.

The packaging team forms the final link in the production chain, working to keep stores restocked several times a day and to deliver customer orders on time and in perfect condition. The Oberweis packaging team is also responsible for product presentation, creating attractive displays for buffet events and drinks receptions. Shop and restaurant staff are known for their warmth, hospitality, expertise and calm efficiency during busy periods, allowing the brand to deliver on its promises and impress customers during their brief visits.

Tomorrow's customer will be more invested in what they eat, expecting the highest possible quality combined with ever-greater convenience, such as

one-click immediate delivery options through their smartphones. Oberweis believes that modern production and value chain management, product excellence and skilled, sought-after staff will allow them to meet their future customers' expectations, delivering the finest food at the right place and the right time.

The Customer Perspective



I was impressed by the service and selection of cakes in-branch. Overall, a great service delivering high-quality products.

LUX 2018 CEE respondent

The Oberweis Perspective



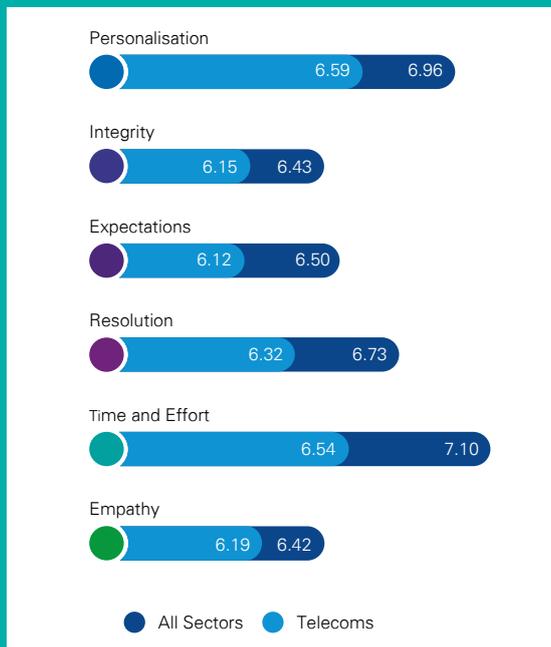
Come and judge for yourself; let your senses guide you to your ideal flavour combination.

Jeff Oberweis, Oberweis owner

LUX Sectoral Review

2018 LUX CEE sector ranking: 9th

The Six Pillars: how the sector measures up



Brands captured: Telecommunications players and operators.

Overall result: As in other countries, Luxembourg's Telecoms industry offers unfortunately more opportunities to frustrate than impress customers. Failures to meet basic needs, like a fast and secure internet connection, result in a poor customer experience with limited Resolution routes. It is therefore unsurprising that the Telecoms sector is performing 6% below study average.

The Six Pillar Performance: Telecoms performs below average across The Six Pillars. Of these, it scores best on Personalisation.

9. Telecoms

Telecoms, like Utilities, is a high-investment, legacy infrastructure-laden industry. As such, the customer has not always come first. Quite the opposite: in the past, telecoms operators have tended to invest much more heavily in improving internal efficiency than in enhancing the customer experience. Outsourcing customer services to low-cost countries, penning consumers in with restrictive packages, and maintaining a defensive rather than an open customer-supplier dialogue with a focus on driving down costs have been the Telecoms sector's watchwords.

Operators are now shifting their focus to a more customer-centric model to increase share of wallet in a severely disrupted environment. Their position as the suppliers of what are arguably consumers' most treasured and closely-held possessions may be a challenge, but it also offers telecoms providers enhanced opportunities to interact and build relationships with their customers. Providers in this sector leverage their extensive customer databases and employ advanced data analytics to personalise their offerings and meet customers' individual needs.

The Telecoms industry can be challenging for customers to navigate, offering a bewilderingly complex and ever-changing array of products and services. Providers that take the trouble to guide their customers through this complexity, facilitate their purchase journeys and provide accessible after-sales services are winning customer trust.

Top 3 customer challenges in this sector



Getting the fundamentals right

- Beyond fast download times, telecoms providers continue to focus on meeting basic coverage expectations and delivering optimal call quality. Having previously prioritised internal efficiencies through automation and the offshoring of certain services to low-cost labour markets, providers now need to refocus on processes that create customer value, reinstating these at the heart of their business model in an effort to re-establish customer closeness.



Rebuilding customer trust

- Telecoms providers need to further improve their complaints handling and incident resolution procedures. Simply breaking with the restrictive norm to offer a flexible, free-to-go contract model and customisable packages can be a good start to meet current customer expectations. Significant customer trust can be re-built by moving away from the image of a traditional Telecoms company that overcharges its customers while failing to meet basic needs.



Diversifying customer propositions

- Empathy is key in the Telecoms sector, and operators need to understand the emotional connection consumers have with their devices and the services they deliver. Telecoms companies may therefore diversify away from network provision to become, for instance, content development providers, creating a customer community platform driven by emotional connections. These communities can be central to customer service delivery and even serve as user-led customer service platforms, allowing community members to ask and answer questions amongst themselves. This is an example of how disruptive technology can act as a catalyst for an improved customer experience.



Telcos often view themselves as being at a disadvantage when it comes to customer experience due to the frequency and complexity of their customer journeys. The key is to view this as a potential advantage – many other organisations would welcome the opportunity to continuously engage their customers around a product which has real emotional significance in their lives.

Michael Crow, KPMG Nunwood



Case Study

2018 LUX CEE brand ranking: 22nd

The Six Pillars:
Scores vs Industry Average



POST Luxembourg

Always delivering on its promises

POST Telecom is the leading Telecoms brand in this year's analysis, with study respondents awarding above-average Six Pillar scores for this industry. It is part of the POST Luxembourg Group, which was founded as a public service in 1842 and has been entirely state-owned since 1992. POST Luxembourg is the country's largest provider of postal and telecommunications services, and also offers financial services. Moreover, it is Luxembourg's largest employer, with over 4,300 employees across the company and its subsidiaries.

POST Telecom is pursuing its vision to "facilitate communication and ease the transfer of information, data and content between individuals and companies in Luxembourg." Its telecommunications services are wide-ranging, covering landline and mobile phone products through to internet and television packages for home customers, alongside a number of targeted business-specific solutions. As the owner of its fixed-line and mobile infrastructure, it is able to offer secure, superfast broadband connectivity solutions as well as voice and data management services to both private individuals and businesses. POST Telecom aims to consolidate its telecommunications industry leadership and become a key player nationally and internationally in the field of information and communication technology, while continuing to deliver guaranteed network quality, service, and transparency for both the customer and the regulator.

"The fundamentals of our customer-centricity and resulting customer satisfaction date back to 2013, when the Group underwent a comprehensive re-brand and a meticulously applied strategic re-design," explains Claude Strasser, POST Luxembourg's CEO. "This generated a lot of excitement both internally and externally. A highly symbolic move, this restructure created a shared sense of purpose for all our employees and had a real impact on our customer interaction dynamics. Based on the very positive market feedback we received, this new strategy really seems to have resonated with our customer base." The POST Luxembourg Group also used this re-design to roll out its new visual identity and bring all of its service lines under one umbrella. Prior to the introduction of unified POST branding, the Telecoms division was marketed separately under the now-defunct LUXGSM brand name; telecoms products are now sold under the POST Luxembourg brand name, building on the company's joint marketing approach. This approach is clearly illustrated by its internal slogan, "Déi nei POST" ("Your new POST"), symbolising the group's focus on

quality, stability, sustainability, and deep market knowledge.

To satisfy its leadership aspirations and deliver ever-greater customer satisfaction, POST Telecom focuses on providing modern, high-quality, transparent, and simple products and services. In addition to its active contributions to improving Luxembourgers' quality of life and promoting Luxembourg's standing as a centre of ICT excellence, the following components are part of POST Luxembourg's values:

- Modernity: solutions that go hand in glove with technological advances and offer greater customer comfort and satisfaction. POST also wants to constantly adapt and evolve as a company.
- Openness: the organisation's approach to future challenges; its closeness to the market and its ability to proactively listen, understand and better serve the needs of customers and employees; its support for and promotion of creativity and new initiatives.
- Commitment: the dedication and rigour with which POST respects its commitments to its services and partners; the brand's sense of social responsibility, its sustainable development efforts, and its employment and training contributions.
- Simplicity: the warmth and authenticity of its customer welcome and services, coupled with its straightforward contact options, whether face-to-face, by phone or online; the ease of becoming a POST customer, with consistently clear and accessible interactions.

This focus on simplicity is also reflected in the brand's product strategy. It offers just two core telecoms products, which can be tailored to each customer's specific needs and expectations: BAMBOO, the television, internet, and landline package; and SCUBIDO, the mobile service for Luxembourg and Europe which exists in seven variations that allow customers to create individually personalised mobile plans. In addition, customers can monitor and control their mobile usage via the MYPOST web application, placing power in the customer's hands.

The needs and expectations of POST Telecom customers have changed over time. "In the past, our customers would seek advice and guidance when choosing their mobile devices," observes Luc Welter, Head of Marketing & Communications. "But by observing how today's customers interact with our teams, we realised that customers now arrive in store knowing exactly which smartphone they want. They are more concerned about being able to connect anytime, anywhere, and this is where

we at POST Luxembourg need to focus our efforts: positioning ourselves as a stable and reliable partner, able to provide reassurance and satisfy these emotional needs."

The Customer Perspective



Not the cheapest provider, but POST Luxembourg is always reliable, and I have never had any issues with them. A top-quality service.

LUX 2018 CEE respondent

The POST Luxembourg Perspective



When we re-branded POST Luxembourg in 2013, we made our customers a promise: to deliver quality, stability, sustainability and a deep knowledge of our markets. We try to keep that promise every day, to the benefit of our customers.

**Claude Strasser,
CEO of POST Luxembourg**

LUX Sectoral Review

2018 LUX CEE sector ranking: 10th

The Six Pillars: how the sector measures up



Brands captured: Delivery services.

Overall result: The Logistics industry is performing 7% below study average. As in the Telecoms sector, there are unfortunately more opportunities for error in the delivery sector than there is to surprise and delight.

The Six Pillar Performance: Logistics performs below average across The Six Pillars. Of these, it scores best on Time and Effort.

10. Logistics

Delivery is the final step in the product purchase journey, and a key moment that really matters to customers. Customer expectations for product delivery are fairly well-defined: they expect parcels to be delivered where they want, when they want, and in one piece. That the nature of the delivery industry means more opportunity to get things wrong than to delight and impress may explain why Logistics has come in last in our analysis.

Customer-centric retailers choose their logistics suppliers with caution, as these third-party service providers create the customer's final impression of the retail brand at the point of product delivery. These retailers want a high-quality, service-focused logistics supplier to deliver a positive experience for their customers and end the transaction on a high note.

Customers are used to smooth shopping experiences in store and online, and expect their delivery experience to match. They are becoming more demanding and less tolerant of any failure to meet their ever-growing expectations. With these expectations including ease and flexibility in every aspect of their consumer lives, inflexible delivery services appear increasingly archaic.

The logistics industry relies heavily on behind-the-scenes technology and accurate IT systems to coordinate the movement of goods around the world and against the clock. The industry has made continuous forward progress in this area, with a focus on large-scale goods movement and B2B services. These innovations have yet to spur a dramatic improvement in the end-customer experience, however, even if some leaders are revolutionising the industry with new delivery options, such as drones.

On the whole, logistics companies successfully transport vast quantities of packages, parcels, and goods all over the globe - but the customer only cares about one parcel: theirs. The logistics industry will need to recognise the value of the end-customer if it is to consistently deliver a positive experience.

Top 3 customer challenges in this sector



Turning pain points into gain points

- Product delivery can often create frustration for customers: products may be damaged, left in the wrong location, or delivered to the wrong address. Delivery providers may deliver outside of the given time slot, causing customers to be inconvenienced. A key challenge for the logistics industry is therefore to eliminate these failings and improve the resolution process. Turning negative experiences into positive ones, i.e. through an enhanced complaints handling process, offers real opportunities for improvement.



Improving expectation management

- There has been a great deal of innovation in the coordination of goods shipping and transfer worldwide. Logistics companies should continue to invest in personalising delivery settings, with the use of tracking solutions and RFID (radio-frequency identification) tags instead of traditional barcodes allowing an enhanced offering in terms of delivery time and location choice.



Innovate and partner up

- Digitalisation is one way for logistics companies to seize new opportunities to provide better customer service, i.e. by transforming manual processes into a coherent, digital, customer-centric business model. Expanding on relevant innovative solutions such as self-driving delivery vehicles or direct-to-car delivery by building partnerships with established players or start-ups could be a first step towards acquiring the necessary knowledge and know-how to take these digital solutions forward.



Today's customers demand convenience in the delivery process. Technology may be the enabler, but it is customers and their rising expectations that are the real stimulus behind innovation in the Logistics sector.

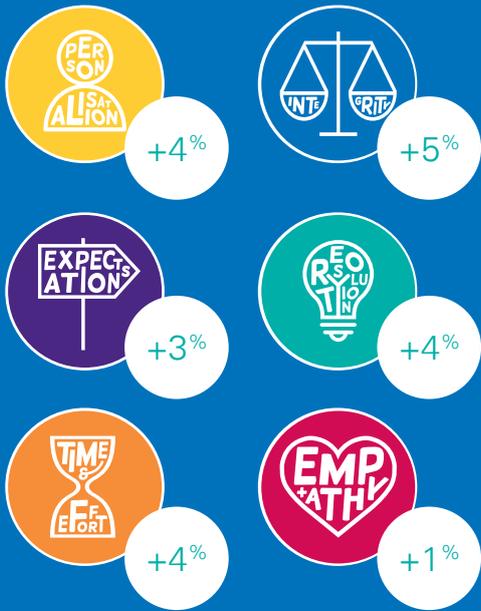
Steffi Schenkewitz,
KPMG Luxembourg



Case Study

**2018 LUX CEE
brand ranking: 49th**

The Six Pillars:
Scores vs Industry Average



POST Courier

Supplying innovative self-service and personalised delivery solutions

POST Courier, part of the POST Luxembourg Group, is the leading Logistics brand in this year's analysis, with above-average Six Pillars scores for this industry. Established in 1842, the postal service delivers letters - some 580,000 a day on average - alongside parcels and express items, manages a large sales outlet network, and distributes Luxembourg's daily newspapers nationwide before 6:30am. These postal services are also available online at www.eservices.lu and www.mypost.lu. These websites were specifically designed to facilitate access to POST Luxembourg's postal services, including mass mailing and online postage purchases.

Despite the privatisation of Luxembourg's postal market, POST Courier remains the leader in the correspondence and direct mail segments. In its efforts to remain the country's leading postal operator, POST Courier strives to offer its customers a high-quality service, developing innovative products and solutions while continuing to play a social role by meeting citizens' needs. Its aim - to provide customers with a range of user-friendly, high-quality, efficient, and market-leading products and services - is strengthened by its history, its knowledge of the Luxembourg market and its customer closeness. "Our customers are short on time and don't want to have to wait in long queues. We have implemented as many changes to our postal service in the past years than we have to our telecommunications services, to meet our customers' expectations for fast, personalised, and convenient parcel delivery," emphasises Claude Strasser, POST Luxembourg's CEO.

Traditional post offices are disappearing, giving way to enhanced solutions that better meet the needs of the modern customer. With 24/7 access to over 80 PackUp collection stations nationwide or easy sign-up to the PackUp Home delivery solution, customers can now have their post delivered whenever and wherever they choose. "We have around 63,000 PackUp station users, of which 10,000 customers using our PackUp Home service," explains Luc Welter, Head of Marketing & Communications, illustrating the success of these innovative services.

POST Courier is also introducing modern and convenient one-stop-shops for all POST services, intended to operate alongside its PackUp services. The Espace POST, or Post Store, located near Luxembourg's Central Station, is the first of its kind in the country and offers customers a unique shopping experience. It is split into three zones: Express, Self-Service, and Connect. In the Express zone, customers can quickly complete their postal and financial transactions, or open a bank account in a cosy customer lounge. In the Self-Service zone, customers can purchase stamps, parcels, POST envelopes or telephone accessories with ease, while in the Connect zone, friendly POST Luxembourg employees are on hand to offer customers a warm welcome and provide tailored advice on telecoms services.

These enhanced customer experiences are the result of ongoing innovation efforts by POST Courier. These efforts include constant observation of customer behaviours which are fundamental to the company's reinvention process. Customer complaints are managed and resolved by a dedicated Customer Care team, which feeds back complaints to the group's product management division in order to constantly improve its customer service and meet customers' rising service expectations. "Tomorrow's customer wants more than just a trustworthy and reliable delivery service. They expect simplicity, convenience, and speed from their logistics partner, whether from digital self-service touchpoints or when seeking personalised advice from POST Luxembourg," Claude Strasser concludes.

The Customer Perspective



I have had no problems so far and often use their PackUp Home service. When I get home, my parcels are waiting for me in the agreed drop-off location. It's a really great service.

LUX 2018 CEE respondent

The POST Courier Perspective



Innovations start with the customer and our direct touchpoints with them. We then work backwards through the value chain and align our middle and back offices accordingly.

Claude Strasser,
CEO of POST Luxembourg