

## COMMENTARY

# Creating an experience for customers

If you are a small SME in the retail sector, here are some valuable tips to kick-start your service strategy

By REGINA CHUA

**T**HINK of good service and you imagine staff who smile and greet customers at the entrance of the shop. Customers take their time to browse, and once they are ready to buy, the staff process their orders and say thank you as they leave.

A recent survey showed Singapore's standards lag those of neighbouring countries. The score on the latest Customer Satisfaction Index of Singapore was 67.8 out of 100 points in 2008, down from 68.7 in 2007. This has prompted the government to pump \$100 million more into the second phase of the Go the Extra Mile for Service campaign, launched in 2005.

### The gap in customer service

What are the reasons for Singapore's relatively poor performance amid a national drive to invest in frontline training and skills upgrading?

One perspective is the high attrition rate in the service industry, causing a lapse in delivery each time someone resigns. The benefit of training is short-lived as the root problem of staff retention erases the opportunity to create a consistent service standard.

As such, employers resort to hiring foreign labour to compensate for the lack of local manpower, and this approach adds on another layer of complexity, with different culture and language. Lack of awareness of cultural and contextual differences may cause communication breakdown.

Another aspect is that Singapore has had an influx of foreigners over the past three years. Service staff unfamiliar with different nationalities may find it a chore to have to explain or assure a green card customer about an issue that is the norm.

An isolated approach to customer service devalues the role of the service staff. For many SMEs, customer service may be perceived as an operational process to complete a trans-



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action. The lack of a strategic approach means that customer care is the responsibility of the service staff, who are at the bottom of the food chain. Customer service becomes a transaction, not an experience.

A good lesson from business-to-business (B2B) companies is the practice of key account management. As customer intimacy is an enduring competitive differentiation, corporations define the rules of proactive engagement with customers and spell out standards relative to the different categories of customers they have.

An intentional approach to customer engagement, once defined for different customer types, enables the sales force to nurture and develop the account, allocating and optimis-

ing resources. Similarly, in the retail sector, service strategy must begin with the customer, not the product or service you are offering. The customer service strategy for retailers needs to be based on engagement so customers can experience dialogue with staff.

Unfortunately, many staff are guilty of one-way communication and fail to engage customers in a meaningful way, often viewing them as troublesome or even difficult.

What can you do to build a sustainable service experience amid rising customer demands?

Start with the customer's journey. And contrary to popular belief, the best time to develop your service strategy is when you are small and nimble.

So if you are a small SME in the retail sector, here are some valuable tips to kick-start your service strategy:

- ◆ Develop your company's value proposition and resonate that with the customer experience. What can you deliver during the service experience to create memorable touch points? Explain to staff how the right customer service approach can create a competitive edge for your store.
- ◆ Prioritise your customer care initiative alongside your business initiatives. Demonstrate to your staff how strategic the customer experience is, and define how they can make or break the customer relationship permanently with just one wrong move.
- ◆ Focus on customers' profiles and

buying behaviour, as this will allow you to prepare for special quirks or exceptional situations. By being prepared, you anticipate the customer's actions and deliver a service that is seamless for the customer and easier for the staff.

- ◆ Develop a measurement process to keep your staff on their toes. Mystery shopping campaigns, when designed and customised to address the expectations of customers, help you to identify service lapses before a customer sends a complaint letter.
- ◆ Develop a coaching culture in your organisation. For retailers with a network of branches, train your branch managers to become coaches and hold daily briefings where services issues can be tabled and corrected on the spot.

- ◆ Reward your staff for achieving positive service experiences with your customers. A realistic measure would be to have a compliment to complaint ratio per X number of transactions to moderate the score.
- ◆ Finally, beyond training and skills upgrading, develop an articulate service team that can engage customers by building rapport and maintaining tact and diplomacy when handling objections. The customer experience is not a series of events but a two-way dialogue to ensure the customer's needs are met.

### Success stories

Several market leaders have demonstrated how the customer service experience can create a competitive edge.

SingTel Hello shops go the extra mile to create world class multimedia experiences with their award winning retail concept stores. Integrating the new ambience, all staff are put through rigorous training to ensure customers enjoy both the new retail experience and high standard of service engagement.

Miele, a market leader in household appliances, never forgets to focus on the customer's lifestyle needs. It demonstrates a professional yet passionate belief in its offerings. Customers coming out of the showroom are mesmerised not by the product but by how it can enhance their lifestyle.

Wellness company Beyond Beauty is an up-and-coming brand in Singapore. Realising how important it is to create a consistent customer experience at any of its spa salons, it invested in ISO certification to ensure it maintains the highest standards of personalised services. Retailers should not find it daunting to start a customer service strategy.

Creating memorable service experiences is the ultimate competitive edge that is priceless to any store. Once you begin with the first step, the rest becomes intuitive and obvious to those focused on the customer's journey.

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