

SMEs feeling the squeeze; turn to customer service for a competitive edge

IN A WORLD where businesses are getting pulled in different directions that need urgent attention, they sometimes forget to focus on improving their customer experience. But for those that do, great customer service is driving loyalty and revenue to their businesses.

According to the 2017 Global Business & Spending Outlook by American Express and Institutional Investor, 87 per cent of Singapore companies acknowledge an increased pressure to compete on the quality of their customer service.

In addition, Singapore finance executives identify better meeting customer needs as their top business priority.

For Itacho Holdings, which owns the sushi chain Itacho Sushi, their efforts to improve their service levels are paying off.

Chris Hung, General Manager, Itacho Holdings, said: "Our customers are the ones who keep our business running. Especially in Singapore where it is very competitive in the F&B industry, delivering good customer service adds value to our customers' dining experience and ensures they return."

The company is also finding ways to ensure manpower shortages do not affect good customer service. Last year, Itacho Sushi introduced a mobile app that allows customers to pre-select their food before they arrive at the restaurant as well as be informed in real-time what is available and sold out. Once the customers are seated in the restaurant, they scan a QR code and their orders are sent to the kitchen.

Mr Hung observed: "Constant manpower shortages affect our ability to provide good customer service. With the app, customers can enjoy their food faster and our service staff can focus more on providing better customer service."

To further improve their customer experience, Itacho Holdings also hired a consultancy firm. For weeks, these consultants posed as mystery diners to understand customers' behaviour as well as how the company can meet their needs.

The result of the study was a customised service standard operating procedure, which included details on how staff greet customers at the door and the way the cashier hands the receipt to the customers.

Customer service is beyond good products

For Lance Tang, Business Development Director of Dancepointe Education Group, excellent customer service goes beyond providing great

dance classes. The dance school differentiates itself not by hard-selling their services, but by taking time to understand clients' needs and offering solutions that fit their requirements.

Mr Tang said: "We do not approach our customer service with a sales angle. As a school, we want to position ourselves as educators and do our best to help customers identify their needs and match their wants."

Sandeep Sharma, Vice President, Commercial Servicing Network for APAC and US OPEN, American Express, agrees. He said: "You may have a great product or service, but if that is not backed by consistent superior service, it is likely to lose its value in the long term."

Mr Sharma said that every customer interaction is an opportunity for businesses to build emotional connections with the customer to create brand advocates. In addition, every successful solution to a customer issue is a step towards building loyalty. "Brands are built on customer service. It is the single most important aspect that defines business success in the long run."

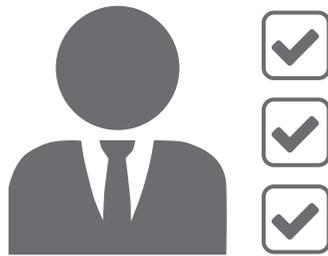
Happy employees equals happy customers

"Compelling customer service becomes one of the biggest differentiators from one business to another because it is not easily replicated,"

said Neeta Lachmandas, Executive Director, Institute of Service Excellence, Singapore Management University. "Companies need to find a way of balancing formal training with empowering staff to bring their own brand of authenticity to the service experience," she said.

One way to encourage staff to go the extra mile is to empower them. At Dancepointe Education Group, frontline customer service staff are given a "happy budget" to delight customers. "For example, a student who has forgotten to bring a pair of dance socks may feel down and cranky, but our staff is empowered to provide a complimentary pair and cheer the student up," Mr Tang said.

Singapore finance executives identify better meeting customer needs as their top business priority.



87%

of Singapore companies acknowledge an increased pressure to compete on the quality of their customer service.



It is also important to recognise and acknowledge staff so they feel motivated and appreciated. Staff at Itacho Holdings get incentives such as paid holidays to Taiwan, Hong Kong and Japan once in three years. Mr Hung said: "We believe when our staff are happy, they provide better customer service to our customers."

This is a philosophy Dancepointe Education Group embraces as well. "We cannot take our staff for granted as negative energy such as insecurity or resentment is easily passed on to our customers," said Mr Tang.

The company's quarterly bonus programme also incentivises staff to not only retain students, but to provide excellent customer service as well. For example, staff's bonus will be impacted if they get three negative customer feedback.

Little changes make a big difference – according to American Express

American Express' Mr Sharma said that providing customer service is not a complex task. For SMEs looking for ways to create a service culture, Mr Sharma said three simple shifts in mindset can help.

The first is thinking that service is a sunk cost when this can drive loyalty and business growth.

To change this mindset, business leaders need to set the right key performance indicators so all employees are clear on the company's focus areas. Companies should also invest in tools and capabilities that empower employees to resolve customer issues quickly instead of having to escalate problems to superiors.

Implementing the right incentives also motivates employees to deliver the best customer service they can.

The second is assuming that service is just about addressing complaints when those are just a small portion of customer needs. Customer service is also about making routine and everyday interactions extraordinary.

And finally, there is the myth that superior service is difficult to provide. To this, Mr Sharma said: "Ultimately, excellent service is about following the Golden Rule – treating people in the way you would like to be treated."



CHIEF FUTURE OFFICER

THIS SERIES IS BROUGHT TO YOU BY AMERICAN EXPRESS

