

# Meeting greater expectations of service standards

## Customers must no longer be viewed as individuals, but as communities: don

CUSTOMERS of today are more demanding than ever before. Firms must know when to stand their ground even as they strive to meet these needs.

The modern customers have been spoiled by digital conveniences and are increasingly demanding instant service from providers.

Yuen Kuan Moon, chief executive officer of the Consumer Singapore Group at SingTel, keenly felt the challenge during the football World Cup season.

The day before the matches started, the company received close to 16,000 calls, requesting that paid subscription to the World Cup games be activated immediately.

There is now much higher expectations of service standards in Singapore, and companies are finding it much harder to meet these goals, said Mr Yuen.

He said that the service providers are partly to blame.

"We have conditioned our customers to expect more and more. We are part of the ecosystem. We have to accept it and live with it. We just have to step up and hit for the next peak."

Lim Swee Say, Minister in the Prime Minister's Office, agrees. Proper man-

agement of customer expectations has been crucial to the success of Singapore's manufacturing industry and this is a key learning point for the service industry, he noted.

The problem of an expectations gap is exacerbated by social media. As a small number of disgruntled customers take to Facebook and Twitter, they easily create the impression that a company offers terrible service. The result is that the experience of the minority ends up colouring the perception of the majority.

"It's so fast that you can't defend yourself. You can't go in and say: 'No, it's not true!' because they see it, tweet and re-tweet about it, and then it becomes (taken as) a fact," pointed out Mr Yuen.

Indeed, a single customer can destroy a company's image.

When small-time singer Dave Carroll had his guitar broken by United Airlines in 2008, he wrote a song about the incident which quickly went viral. Uploaded onto YouTube and drawing millions of views, it turned into a significant public relations disaster for the airline.

"I see (social media) as part of the power battle between consumers and service providers and manufacturers. Consumers have much more power today than they used to have 30 years ago and they enjoy every minute of it," said Barak Libai, professor of



marketing at the Interdisciplinary Center in Herzliya, Israel.

Some certainly have no qualms about abusing this new power. Justin Quek, principal chef at Sky on 57, finds that of his customers, many who complain are simply out for a free meal.

Identifying and dealing with unreasonable customers will only become more of an uphill task.

Chef Quek believes that he is able to do so by taking time to chat with his customers. Seeking compre-

hensive feedback allows him to ensure that the extortionate minority does not end up hogging a disproportionate amount of the restaurant's attention.

Mr Yuen agrees: "We need to learn how to differentiate whether it is noise – that just 2 or 3 per cent of the people are complaining – or ... whether we have a major service problem, where the majority of the customers are upset with us."

Marc Dardenne, chief executive officer at Patina Ho-

tels and Resorts, related an encounter he had with a pair of abusive customers while he was still an assistant manager. Staff error was involved in the incident, but the two had been so unreasonable that the general manager finally made the decision to throw the guests out.

Looking back at the incident, Mr Dardenne sees an important lesson for employers. "I really respect (the general manager) a 100 per cent, because he stood up for me. I would do that for my employees."

More generally, Prof Libai believes that customers must no longer be viewed as individuals, but as communities. This, he said, is the second revolution in

**The way forward:**  
*Chef Quek (left) and Prof Libai in a panel discussion on 'The Future of Hospitality'*

customer management. The first is the idea that customers could be aggregated and managed on a large scale. The movement brought concepts such as retention rate into the vocabulary of modern management.

Beyond that, though, firms now need to realise that a population of customers cannot be treated as independent units, given the strong influence that they have on one another.

This will be a challenge. "Managing communities is really tough. It's much more complicated than managing individuals. It's hard to predict. It's hard to control. And it's non-linear," added Prof Libai.

But the rise of social media communities is not without benefits for firms. Prof Libai suggests that these communities can enhance or replace existing business functions. For instance, fo-

cus groups become unnecessary when firms can simply monitor customers' conversations with one another online.

"I get a daily report of all the feedback on Singtel. If you tweet about us today, I'll see it tomorrow ... With technology, you get a lot more precise. There is no more guesswork," said Mr Yuen.

Similarly, a new era of customer support places its emphasis on providing the online infrastructure, so that customers can help one another.

Apple, for instance, maintains the Apple Support Communities, a forum where customers answer one another's questions. Participants are awarded points for quality posts. These points, in turn, unlock special privileges, such as access to an exclusive virtual lounge. In doing so, Apple effectively outsources customer support to its customers.

Customer communities have been strengthened by digital networks. Service providers must now harness this power for constructive use, lest it turns against them.

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