

The company's saving grace

Service recovery is a necessary part of keeping a brand's reputation. Hence it should be an integral part of staff training. BY NEETA LACHMANDAS

SERVICE recovery is an essential part of everyday dealings with customers – when something goes wrong, customers would expect you to take immediate action to rectify the situation. Action can come in many forms – an acknowledgement, an explanation, or compensation. The question is, are your staff equipped to manage service recovery in a consistent and well thought out manner?

In November 2017, international shopping platform ezbuy failed to deliver the orders of many customers in time due to logistical issues. Many customers left negative comments on Facebook complaining about the inadequate customer service, with some waiting hours to talk to an administrator on ezbuy's live chat service, only to be redirected to the end of the queue. Eventually, the live chat went offline, stating it was "under maintenance".

This incident led to almost 10,000 customers giving up on ezbuy, and jumping over to their competitor 5GShop, which saw a spike in transactions since the issue began. In this example, the issue might have been a delivery failure. The more glaring issue, however, is the way the company chose to handle negative comments or complaints.

At times, the cause of a service failure may start off innocuously. When customer feedback is not handled well, it can spiral into something bigger. For example, being served a meal that is deemed to be over salted or under salted in a restaurant may not constitute a service failure by itself.

Would it be considered a service failure when you have brought this to the attention of a service staff only to be told that nothing can be done as the dish is meant to taste that way? Might the correct response have been for the staff to offer an apology and a replacement meal?

In the Customer Satisfaction Index of Singapore (CSISG) 2017 Q3 study of the food & beverage sector, we found that the "ability to accommodate to your needs" ranked high among attributes that are important in driving loyalty for restaurants.

To what extent would complaints affect a company's standing with its customers?

In the CSISG 2017 Q4 study of the Healthcare sector, we found that complaint handling can have a significant impact on a company's customer satisfaction score. Among customers who said that they had made a complaint within the healthcare sector, 79.6 per cent



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said that the complaint was "handled poorly" while 20.4 per cent said that it was "handled well".

Although the proportion of complaints was small at 1.5 per cent of all 3,540 healthcare customers surveyed, the difference in customer satisfaction scores given by customers whose complaints were considered well-handled or poorly handled was pronounced. Customers whose complaints were deemed to be "handled well" scored 73.4 points in customer satisfaction compared to only 28.6 points among those whose complaints were assessed to be "handled poorly".

In the case of public goods, service lapses can have a sizeable impact. To manage service lapses of this nature, one cannot underestimate the role of timely and accurate information. In the 2017 Q2 CSISG study of the transport sector, "handling of train disruptions", "sufficiency of train arrival information", and

"accuracy of information provided throughout the station" were identified as some of the top attributes with high impact on customers' perception of quality. Operators would do well to ensure that useful and accurate information is made available throughout the station, and that frontline staff are equipped to advise commuters on alternative travel routes.

It is advisable that companies do not leave it to chance when it comes to service failures. The best way to prepare for service failures is to make plans in advance and recognise that your staff can help to turn the situation around.

■ Pre-define a plan for your staff to help customers

When a service failure occurs, time is of the essence. Few customers would be willing to wait for a chain of commands to be effected before

their problem is addressed. To achieve speed, companies will need to plan ahead with a decentralised strategy for service recovery. Pre-defining what frontline service staff can offer to customers in the case of a service failure will enable the staff to offer immediate solutions when the situation calls for it. In Ritz Carlton, it is well known that every staff is given a set budget to make the customer's day or to recover a poor service experience.

This also helps foster a culture of empowerment and trust – the staff is now responsible for customising a solution to salvage a bad situation.

■ Communicate with empathy

When the scope of a problem goes beyond the ability of the frontline service staff to handle, it is important that the message is delivered sensitively and with clarity on what the customer can expect in terms of next steps. Given

that a lot of information is now available online and many services have also gone digital, customers who choose to contact a frontline service staff may be faced with complicated problems that cannot be solved on their own.

Training staff to deliver a message with empathy can go a long way in appeasing a frustrated customer. The 2017 Q4 study showed that empathy-related attributes were one of the key drivers that impact loyalty for the finance and insurance sectors. This was also the case for the info-communications sector, as shown in the CSISG 2017 Q1 study.

■ Monitor all feedback channels

The local F&B scene has seen its fair share of customer complaints over the years. A dispute in January this year between a customer and Fantasy Desserts, a dessert store at Orchard Gateway, went viral with over 844 Facebook shares, resulting in calls among netizens to boycott the eatery – a testament to the power of the customer's voice on social media.

Complaints are valuable and can be leveraged as an opportunity to engage with your customers. Actively monitoring all feedback channels and responding in a timely manner reflects that the company has internalised the feedback and is keen to continue the relationship with the customer. When companies identify and apply preventive measures to the root causes, it can help reduce or eliminate the issues.

■ Listen to your employees

Given that frontline staff are simultaneously ambassadors of the brand and first points of contact with customers, it is important to ensure that they are not excluded from the equation when service failure occurs. Companies should gather feedback from employees on areas of improvement, as they are the eyes and ears on the ground.

What's more, service failure leads to heightened stress levels for staff as customers direct their frustrations at them. Managers should support their employees by providing them with avenues to talk about difficult customer interactions and strategies to de-stress. In addition, employees who are empowered to be able to solve situations at hand on their end can feel more engaged and fulfilled in the roles that they play in the business.

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