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Headline: Dealing with a fall in customer ratings

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Some companies believe that by lowering expectations, they are better able to satisfy their customers. However this strategy can have negative outcomes

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THE intuitive responses of some companies to less-than-desired customer ratings are often not the most ideal. But they spring from long-cherished myths about how to best please the customer, such as "Always Exceed Expectations".

So, in response to a drop in customer satisfaction, a company might decide that the ideal strategy is to try to depress customers' expectations in order to clear the lower expectations bar.

"A not uncommon reaction we have encountered is for some companies to want to actively lower the expectations of their customers in order to make it easier for them to exceed, and as a consequence, satisfy their customers," said Marcus Lee, academic director at the Institute of Service Excellence at the Singapore Management University (ISES), which has compiled the Customer Satisfaction Index of Singapore (CSISG) for seven years now.

He can see where it stems from: a belief that customer satisfaction is primarily shaped by the degree to which a company surpasses customers' expectations.

"This, however, is only half the story," he said. The sheer level of expectations matters too: if a customer does not think highly of a

restaurant to begin with, the chances that he will pick up on the negative while dining there are also higher.

"If expectations are too low, you will end up in a situation where anything the company does is wrong in the customers' eyes. This downward spiral can be very difficult to recover from," said Dr Lee.

ISES director Caroline Lim understands why companies sometimes fall for the line of thinking that often leads to a strategy of seeking to surprise and delight the customer, and outdo his expectations.

Unfortunately, she said, this often does not yield the desired outcomes and can even be punitive when customers' more basic expectations go unmet.

For instance, it could encourage unhealthy behaviour from front-line staff.

"By actively campaigning to lower customer expectations, the company is implicitly sending the message to their staff that the customers they serve have unreasonable demands. As a consequence, front-line staff may feel justified in not doing their jobs well when serving customers," said Dr Lee.

That is something that often escapes the notice of top managers – that their customer strategies have an impact on their employees that may be counter-productive.

Ms Lim said: "If we were to attribute rising expectations as a key reason for inability to

satisfy customers, we are indirectly conveying a sense of helplessness to our employees. Employees may give up trying to understand evolving customer needs and preferences."

Rather than knee-jerk attempts to push customers' expectations down, ISES proposes that companies look at things differently and get customers themselves to help with the push for higher satisfaction levels.

"Service is co-created. Customers themselves play a role in the service exchange and experience. Customers themselves affect their own customer satisfaction," said Ms Lim.

This is not always apparent to a culture that has been focused on training front-line staff to "serve with a smile", among other well-meaning taglines.

But it is obvious, once highlighted, that the way customers treat each other has a significant impact on their experience too, noted Dr Lee. "For example, I would prefer buying coffee at a store filled with friendly and polite customers, over buying coffee at a store filled with impatient and curt customers."

And that is not entirely out of the control of the service provider either. Altering the physical space of a cafe or a retail outlet, or a bank's branch, can encourage more positive behaviour among customers, said Dr Lee.

"Designing the layout with an eye for good queue management would do wonders to reduce the stress levels of customers in the store," he added.



FILE PHOTO

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– Ms Lim, director of the Institute of Service Excellence at Singapore Management University (ISES). She is with assistant professor Marcus Lee, academic director of ISES