

ISES INDUSTRY FORUM

Getting to the root of the problem

One of the keys to improving customer satisfaction is knowing what issues customers face and solving them

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SINGAPORE – New hires at taxi-booking app company GrabTaxi Singapore spend their first week on the job answering phone calls. It's not a form of hazing, but an important way for new employees to become familiar with common customer complaints, fast.

In business, the customer is king, and getting to know what customers need can make or break a new product, service or app.

Said Mr Lim Kell Jay, general manager of GrabTaxi Singapore: "We believe that this is the best way for all our staff to understand the problems that customers face and really appreciate the pain that they are going through, so that we can serve them better."

The approach seems to be paying off. The GrabTaxi app is increasingly gaining traction in Singapore.

Mr Lim was speaking at the Institute of Service Excellence (ISES) industry forum and Customer Satisfaction Index of Singapore 2014 Q2 results announcement earlier this month.

The event included a panel discussion addressing the challenges of maintaining and increasing customer satisfaction, as well as the importance of innovation in meeting rising customer expectations.

FIND THE PROBLEM, SOLVE THE PROBLEM

One of the keys to this, said GrabTaxi's Mr Lim, is to "solve a real consumer problem".

Mr Lim recalls the early days of his career in a consulting firm. He spent three years in a 700-seat call centre, listening to customer calls and analysing complaints. "It was a unique experience," he said. "I learnt so much about the business just from what the customers were telling us."

GrabTaxi now has a presence in six countries apart from Singapore, including Malaysia, Thailand and the Philippines.

The company's policy is to gain a thorough local understanding of the cities they are based in by spending a lot of time speaking to their customers, which include not just commuters but also taxi drivers.

For instance, the company found that some taxi drivers do not pick up bookings because they are frustrated by passengers who board another passing taxi before their booking arrives.

The development team decided to try and solve both customers' and



From left: ISES director Caroline Lim; Mr Lim Kell Jay, general manager of GrabTaxi Singapore; Assoc Prof Lim Yun Fong, Associate Professor of operations management, Singapore Management University; and ISES academic director Marcus Lee at the forum. PHOTO: KOH MUI FONG

taxi drivers' grouses by letting the app track the vehicle via global positioning system. This way, passengers could track the taxi's location and the rate of passenger no-shows was also reduced.

AN 'AHA!' MOMENT

Another common issue was passengers often being unable to book a taxi during peak hours or when it rains. GrabTaxi's analysis realised that most call bookings were going to one taxi company.

GrabTaxi shifted its focus to working with smaller taxi providers. "Right away, customers could get taxis with us even when they could not through other channels. That was an 'aha' moment and what really helped us take off in Singapore," said Mr Lim.

DATA IS KING

Mr Lim revealed that the company was obsessed with analysing data because "when it comes to customer satisfaction, science trumps art".

One metric GrabTaxi focuses on is the allocation rate. Essentially, this measures how well the users of the app are able to get a taxi from its network.

The allocation rate decreases when the number of passengers trying to make bookings outstrips the number

of taxis available, or when the number of taxis within the GrabTaxi network grows so quickly that drivers do not get enough bookings.

"It's a fine balance, something we continue to optimise and enhance," said Mr Lim. "But because we're so focused on the allocation rate, it helps us ensure that all our activities are aligned to impact this one metric."

INFORMATION SATISFACTION

According to Dr Marcus Lee, academic professor of marketing (Practice) and academic director of ISES, data may be important but it's more crucial to harness the right kind and to be able to use it in an innovative manner to improve customer satisfaction.

Providers could, he suggested, use data to predict demand, especially since people are creatures of habit.

For instance, a taxi company's records could indicate that a passenger tries to book a taxi at a particular location almost every Friday night. The taxi company could send a notification to the passenger asking him if he wants to make an advanced booking for a nominal fee. The passenger may just decide to take up the offer to save himself the inconvenience of trying to book a taxi during the Friday night peak period.

Dr Lee also felt that it was useful to equip consumers with the right kind of



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Lim Kell Jay
GENERAL MANAGER OF GRABTAXI SINGAPORE, ON WHY NEW EMPLOYEES SPEND THEIR FIRST WEEK ON THE JOB ANSWERING PHONE CALLS

MATCHING SUPPLY TO DEMAND FOR TAXIS

● According to GrabTaxi's Mr Lim, there are some 28,000 taxis on Singapore roads handling about 900,000 rides a day.

In comparison, there are 18,000 taxis in Hong Kong doing more than 1 million rides a day. This illustrates that simply increasing taxi fleet size is not the solution, as there are numerous other factors that need to be addressed. When optimising its app for Singapore, speedy bookings were a priority, Mr Lim said GrabTaxi tweaked its software algorithms to ensure that passengers were assigned taxi drivers that were nearest to them.

The firm is studying different ways of addressing the demand and supply mismatch. Some of the ideas mentioned include ride-sharing or the introduction of new modes of transport.

data so that they can make informed choices.

MRT commuters, he said, would not merely want to know that the next train is coming in three minutes, they would also want to know if they can board the train.

If it turns out the train would be too full to board, then at least passengers would have the option of trying to preempt any delays by finding an alternative route to their destination.

This report is a collaborative project between TODAY and the Institute of Service Excellence at Singapore Management University.