

A total shopping experience

By **TEH SHI NING**

FURNITURE retailers here got a glowing report from shoppers in a recent survey: better service, better products and, in general, closer to consumers' ideals than before.

The furniture segment's score on the annual Customer Satisfaction Index of Singapore (CSISG) surged 7.2 points to a record high of 74.9, beating the wider retail sector's score of 72.2.

Analysis conducted by the Institute of Service Excellence at Singapore Management University (ISES), which compiles the annual index for eight sectors – two in a quarter – shows that all drivers of customer satisfaction improved strongly.

"We do note that perceptions of service quality improved by a larger margin than product quality though," said ISES academic director Marcus Lee.

Staff, store policies and ambience all contribute to customers' perception of service quality, while product quality captures the range and variety of furniture brands, stock availability and quality of the furniture.

ISES director Caroline Lim believes that furniture retailers' service quality is now catching up with product quality, thanks to earlier investments to boost service levels.

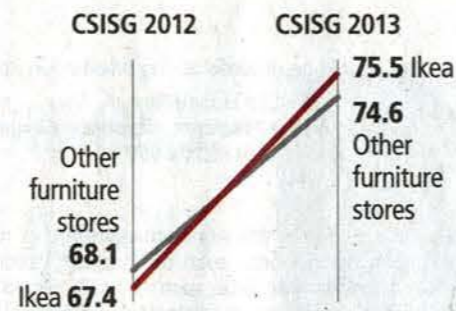
"Also significant is that year-on-year, as a sub-sector, furniture stores' ability to meet customers' expectations, and their similarity to customers' imagined ideal improved by a larger margin than overall satisfaction," said Ms Lim.

One reason why this may have happened is a more balanced emphasis on the "total experience" of furniture shopping from the customer's point of view, she added.

Take Ikea for instance. With its two stores in Singapore, Ikea staged an even larger 8.1-point jump to

Big improvement

Furniture segment score



Source: ISES (Institute of Service Excellence at Singapore Management University)

score 75.5, surpassing the overall furniture sector's score.

"Ikea has completely transformed the way we shop for furniture," said Ms Lim. "Shopping at Ikea is akin to a family outing – from being immersed in mock-up apartment units of desirable living spaces to numerous family projects of furniture assembling. Customers of Ikea design their own experiences from identifying their needs, retrieving individual furniture components to assembly," she added.

This enhances the total customer experience, and hence their satisfaction with Ikea considerably.

But the lesson is not necessarily for furniture stores to mimic Ikea's "ready to assemble" model of furniture retailing.

"While Ikea's model does not apply to all businesses, an idea would be to interpret customer needs and behaviours and to transform them into service offerings," Ms Lim said.

Kenny Koh, vice-president of the Singapore Furniture Industries Council (SFIC), thinks that apart from sales and after-sales service, product quality and overall value, external develop-

ments such as the introduction of legislation also can help improve customer satisfaction.

"The introduction of the Lemon Law has also got a part to play in making consumers feel more secure about their purchase decisions," said Mr Koh, who is also the managing director of Star Furniture.

Furniture retailers have played their part, too, by being more cautious and selecting better suppliers, thus reducing product defects and quality issues.

"Over recent months, the SFIC Institute has conducted training programmes on service excellence and works closely with the industry to provide consultancy in various areas like business, design, leadership development, manufacturing technology, consultancy and others," Mr Koh added.

The council, which represents more than 300 furniture companies here, offers courses tailored for retail employees with different job scopes, from operational to supervisory and managerial ones. These include Workforce Skills Qualifications (WSQ) courses on after-sales service, interacting with customers and working effectively in a retail environment. Such training courses have helped to raise the service level of Star Furniture's staff, said Mr Koh.

SFIC also offers an e-learning platform for more flexible training, so that classes can be conducted at a more convenient time and location for the furniture retailer.

However, furniture players, as with many other retailers, are bracing themselves for a deterioration in service standards and customer satisfaction, due to a shortage of employees.

"Right now, the impact of labour shortage on customer service is not felt as much because of gains from other areas such as training and cus-



Mr Koh: The Lemon Law gives consumers more confidence about their purchase decisions

tomers protection laws," said Neo Sia Meng, another vice-president of the SFIC.

Effective training requires a "willing and able workforce" too, he said. "Retail service standards may fall if there isn't adequate training provided to new hires, or if there aren't enough sales staff to accommodate demand. Also, customer satisfaction can be affected by other factors like product quality, which may suffer if there aren't enough skilled craftsmen," said Mr Neo.

There is also the issue of rising costs. "Paying more for labour and investing more in training may alleviate some of these issues, but this increases the cost of doing business," said Mr Neo. This often has to be passed on to consumers by hiking prices, which could lead them to perceive a drop in value and hence dampen satisfaction, he added.

"The SFIC works actively with the industry to address these complex issues, but we also require the continued support from the government as well as consumers to achieve our goal of improving satisfaction," said Mr Neo.



Enhancing customer satisfaction: Ikea customers design their own experiences from identifying their needs to retrieving items and assembly