# The customer is king, and a service culture is his queen

By André Mack                                                                 1 Jul 2019

The business environment has become a global village; travelling is easy and cheap, sharing of information happens instantly and is accessible by everybody, a new product in the US is on the market in Africa within days and vice versa, systems and procedures all look the same and innovation has become a necessity.



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The ubiquity of technology and the replicability of products means that service has become the key differentiator for companies in the secondary and tertiary sector. This is a trend that has been going on for years but is getting increasingly important with the rise of the commoditisation of technology and digitalisation.

New business models come into play allowing disruptors to conquer more and more market share. Traditional companies and industries have to reposition themselves, coming to the inevitable conclusion that service quality will help them achieve this.

The customer journey, touchpoints, emotion, experience, and storytelling have all become buzzwords. These are "just" other procedures to be defined and put in place but are they really understood and supported by the organisation or is it just a fad, a must have, implemented because one has to?

Who stands behind it and defends it when the value of service is being challenged?

Hundreds of companies outside the hospitality sector have been analysed by EHL in the past years. The main finding related to service is that the notion of service is often represented as a function or a task, which happens between two people; the front-end staff and the customer.

Although some companies mention "service excellence" as one of their values, they tend to solely focus on service delivery and rarely approach it as a way to reframe their business's culture, resulting in the loss of many underlying elements of good service that transcend simple procedures.

What a company really needs is a **service culture**, which will be oriented towards the end customer in everything it does and at any level... **always**. All employees – including the management and the board – defend small daily gestures, words, attitudes, interactions, which make-up a service driven company.

## Acting against the odds

Because service is often intangible and cannot be measured, excuses are found not to fight for it. Only a service culture can act against these odds and make sure that a solid web is created in the minds of the people in order to make the right move, use the right words and expressions, and act in the right way, whatever happens. Any small action can have extremely important consequences for the employee, the team and ultimately the company.

Although service is a soft target, not a number, not an easily quantifiable performance and is often perceived as common sense, there has been extensive research conducted on customer perception and expectations. Such research has helped highlight how truly important service can be for commercial success.

Before introducing a new IVR (interactive voice response) solution for your customer service, consider the fact that a staggering 98% of people only interact with it to try and skip it and get to an actual human agent. Before trying to save some money by not going the extra mile, remember that 92% of people will switch to another company after three (or fewer) disappointing experiences.

And when the realisation is made that achieving the highest levels of personalised service may delay delivery, that's also ok. It turns out about two-thirds of customers prefer personalisation over speed.

So how do we get there?

## Achieving a service culture

Any shift in culture needs to come from the top, perhaps by being defined as a new strategic objective and become a company value. It needs to become a key component of recruitment and the HR cycle, and become one of the branding attributes of the company. Measuring success in the culture shift will require the notion of KPIs to be redefined and measured beyond hard facts to include more subjective, qualitative elements such as attitude and mindset. This is an ongoing, iterative process for which an open feedback culture must be implemented.

Being open to criticism is already a predetermining indicator to an employee's willingness to embrace a Service Culture. One might develop mixed teams of internal ambassadors (those with the highest buy-in) and outside challengers to stimulate debate and improvement.

Finally, it will require constant effort, perseverance and patience, as shifting culture is one of the most challenging aspects

of management (hence, the importance of a good recruitment strategy). Great service means more work, yes. But it actually pays for itself, as a 2018 Gladly customer service expectation survey has shown, 68% of customers would pay more if a company had great service.

A service driven-company will not only be able to reposition itself on the market and improve its reputation, it will also have healthy and natural people interactions, a constructive and positive overall mindset, challenging the status quo and generating new ideas for the business. There is an entire cascade of positive, interconnected repercussions.

When colleagues feel confident enough to provide feedback to each other, understand their role, at any level, towards the improvement of the customer experience, then they will also constantly evaluate the quality of the work they deliver. Improvements will be requested and constructive criticism should be encouraged. The company's resilience towards external changes will be improved, since constant improvement requires constant questioning of how things could be done better, and will, therefore, generate the necessity to dynamically observe the market and look for innovation.

The bottom line is this: a well-anchored service culture will allow a company to create value, generate profits, grow organically and acquire the capacity to fend off the competition. Customer-centricity is at the heart of hospitality and always has been. Other industries are only just recently incorporating such principles, and they should look at transferring best practices from the hospitality industry. Companies in sectors such as retail, finance or luxury stand to gain enormously if they manage to differentiate themselves through a genuine service culture. Both on the delivery of their promise, and talent retention.

Creating a unique customer experience will allow brands not only to win the game, but it will allow them to change the rules of the game altogether, just as Apple did when it launched its now much-copied Apple Stores.

## ABOUT THE AUTHOR

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