

TOWARDS A BETTER CUSTOMER EXPERIENCE

Fusing data analytics, operational processes and emotive brand experience to prompt tailored, timely customer interactions will deepen brand advocacy, and thus customer loyalty

BY JONATHAN HO

CLOSSER and further" is what Anthony Poh, managing director of Chee Fatt Co Pte Ltd, wants to achieve with his clients. This may sound contradictory, but the idea has helped the family-owned company which started out humbly 52 years ago grow into a leading distributor of industrial equipment and tools in South-east Asia.

Chee Fatt's tagline of "closer and further" highlights the company's commitment to further relationships with its clients through closer connectivity. The company believes that understanding customers' needs will result in closer working relationships, benefiting both parties.

Being a small to medium-sized enterprise (SME) in today's complex and disruptive business environment is not easy – especially in Singapore where competition is keen. Consumer purchasing tends to be more risk-adverse, and more established brands are preferred.

Customer experience, or CX, is increasingly rising to the top of the priority list of many SMEs. According to KPMG's *Top of Mind* survey of 500 consumer and retail executives from some of the world's largest brands, 34 per cent of respondents aim to attract new customers by creating more personalised customer experiences, and 31 per cent plan to increase advertising online and on mobile.

The other tactics to foster customer loyalty vary from an increased focus on social media; creating experiences that

would resonate with millennials and Generation Z consumers; and adding more authentic brands to the product mix.

TRANSFORMING YOUR COMPANY

Technology today is now more advanced and affordable; and due to their smaller scale, SMEs can implement customer experience solutions more easily and faster than larger companies. A right mix of new technologies, processes and strategies can help SMEs address the changing marketplace of consumer demands and needs.

Ranjay Gulati, professor of business administration at Harvard Business School, has identified four stages in the journey to customer centricity. Initially, companies are product-driven, focused on the excellence of their technology, with a diffuse understanding of their customers. Once they start investing in market research, they acquire a basic understanding of their customers and can begin to target them in a much more segmented way – but the research that they have is not used to influence product development or to inform strategy.

This is the stage at which many companies become complacent, thinking they are customer centric because they know more about their customers. Companies only begin to become customer centric when they turn insight into action, and shift their focus from selling products to solving customer problems.

To do this successfully, they need to ensure that the concept of customer centricity infuses the entire operation – from their supply chains and logistic departments to sales and marketing.

New technologies such as cloud computing and data analytics can help translate

customer insight into better experience. Understanding how your customers are changing and how your brand can serve them goes back to the power of data – listening to customers, talking to and observing them.

The same survey also found that companies are saying that they will continue to analyse historical sales data to predict what is going to happen in the future. That can be useful, but companies need to build on that. Having the right technology and platforms to be able to capture information is only part of the equation for companies – they also need to be willing to pay attention, spend time to understand what is being said, then figure out how to act on it.

CX also does not manifest solely in the realm of physical retail. In this digital era, it is equally important to ensure that the company's brand resonates with the public online. Digital marketing is often the beginning of the brand exposure, it can go on to drive in-store footfall.

KEEP YOUR EMPLOYEES HAPPY

For Chee Fatt, the company also understands that a good customer experience is not just about technology but also about hiring and training the right people. It has a team of 30 employees, well equipped with industry knowledge and experience, whose sole purpose is to provide quality customer service and satisfaction. They provide customers with relevant and valuable advice. When you have such employees, your customers stay loyal to you, and the retention rates go up naturally.

Customer retention as a topic is widely discussed but perhaps more attention should be paid to employee retention. In short, companies need to be customer-centric today but must also remember that employees are the backbone of any business model. The type of experience that a business delivers has to be totally shaped by these people.

PUTTING THE CUSTOMER AT THE HEART OF YOUR BUSINESS

Products and services are no longer enough to win over or keep customers in the digital era. The digital space is notorious for how fast it commoditises products and services.

It will be foolish to argue otherwise, but some things remain fundamental – and that is human interaction will continue to play a crucial role in customer retention. There is no one-size-fits-all approach to embark on a customer experience strategy nor a catch-all system to transform customers' attitudes.

Companies such as Popular Rent A Car and Jumbo Seafood understand that customer centricity must be ingrained in a company's operating model. This involves understanding customers more fully, engaging them in ways that matter to them, and delivering the brand promise faster and more efficiently than the competition.

This means that companies must adopt bold approaches – fusing data analytics, operational processes and emotive brand experience to prompt tailored, timely customer interactions that deepen brand advocacy, and thus loyalty.

Ultimately, value is attributed to the experience of engaging with customers in ways that fit into their modern connected and social lives. It is human qualities – such as empathy – that we must turn to; and the will to change is, in my opinion, at the heart of the solution. ■

The writer is the new head of enterprise at KPMG in Singapore

