



Ubuntu Bethu: Our Journey to Customer Service

Our ALP Topic



*Creating a **service culture** within the South African context.*

Local challenges and lessons from abroad.

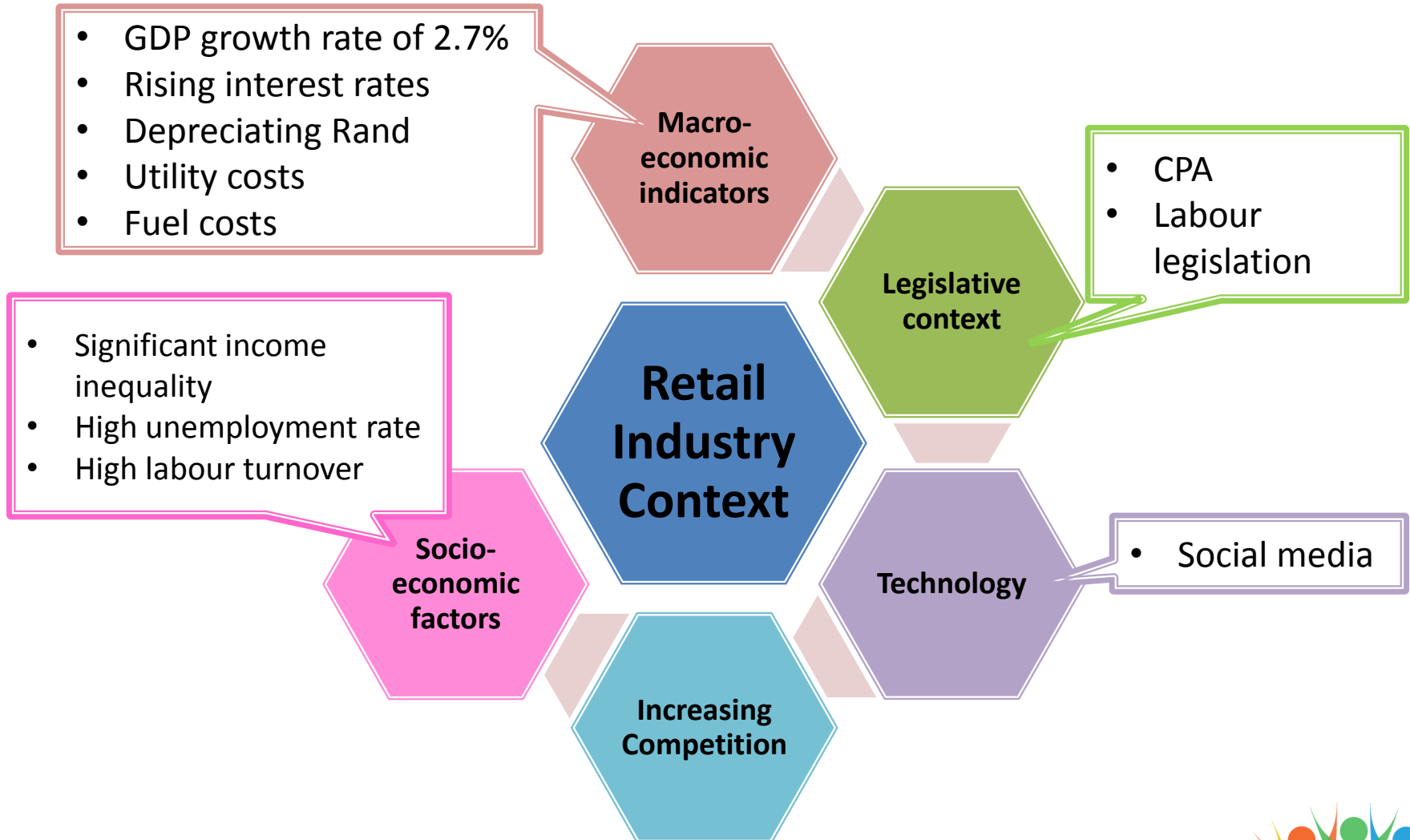
***Customer-centricity** – what does this really mean and how do retailers make this a reality?*

Customer Service Definition

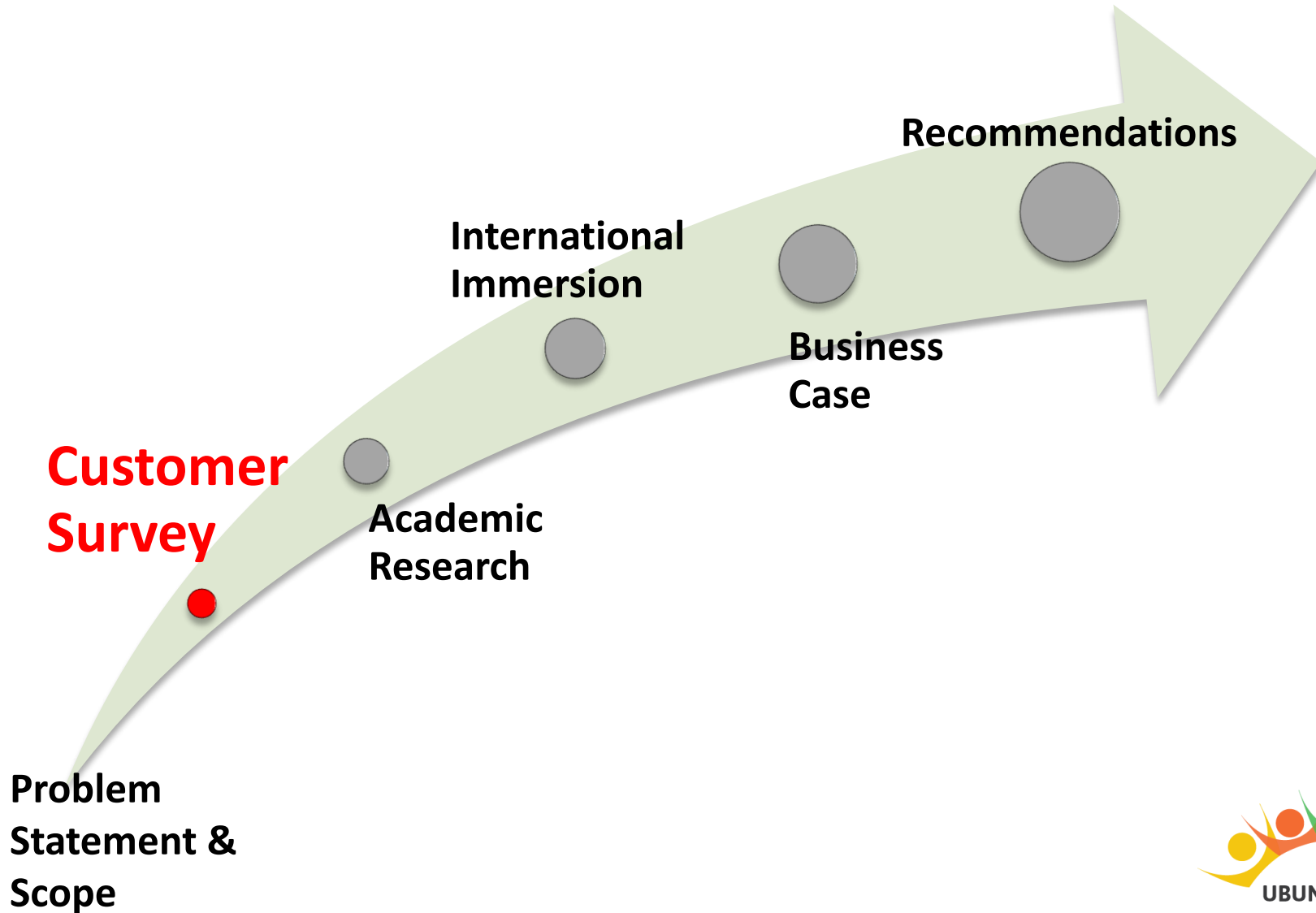
***Customer Service is defined as:
The assistance, advice and service offering by
employees of a retail store (brick and mortar
channel) to meet the requirements of existing and
potential external paying customers.***



Retail Industry Context

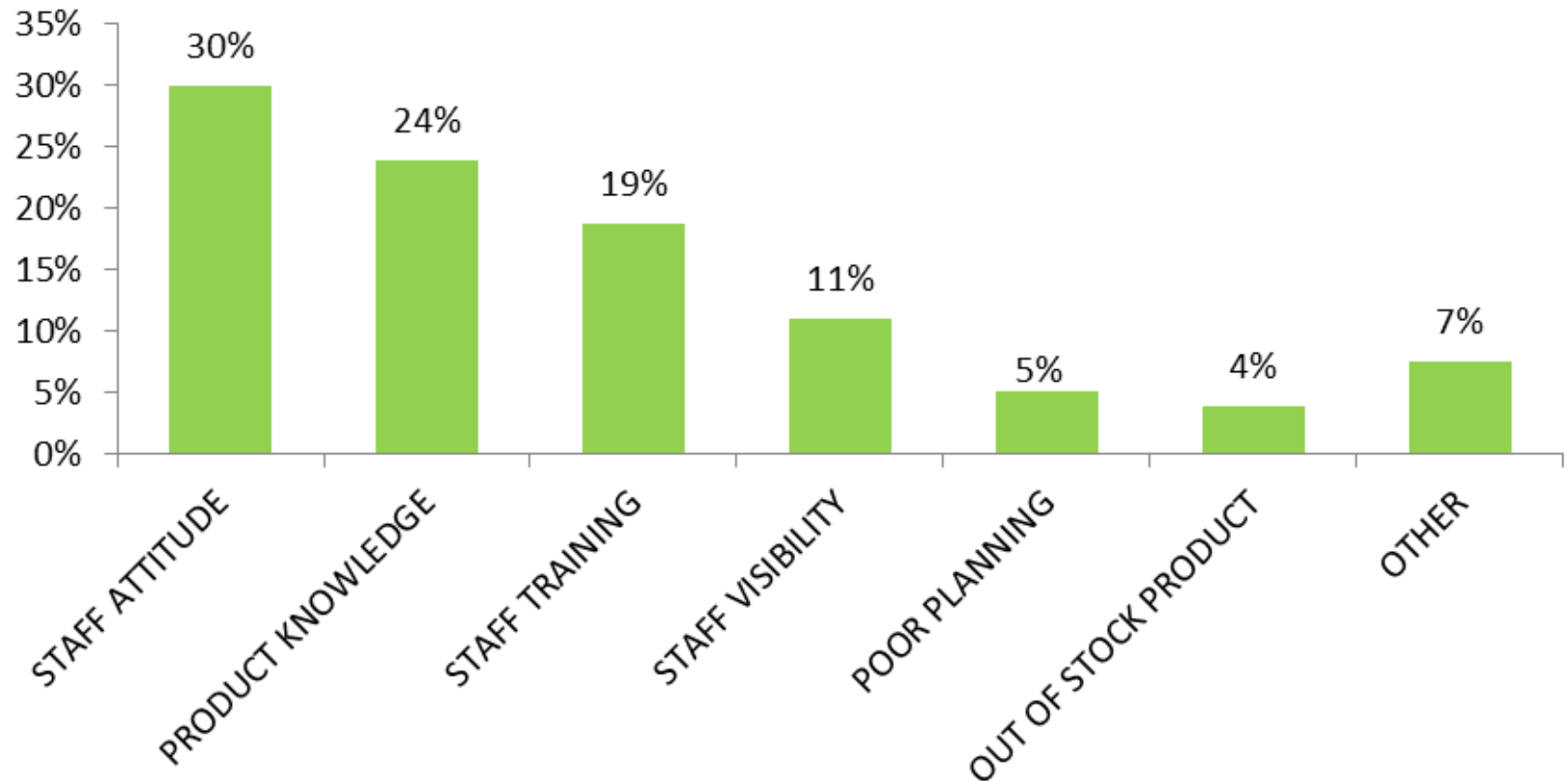


Our Journey



Customer Survey

What area would you improve to improve the customer service you receive at SA retailers?



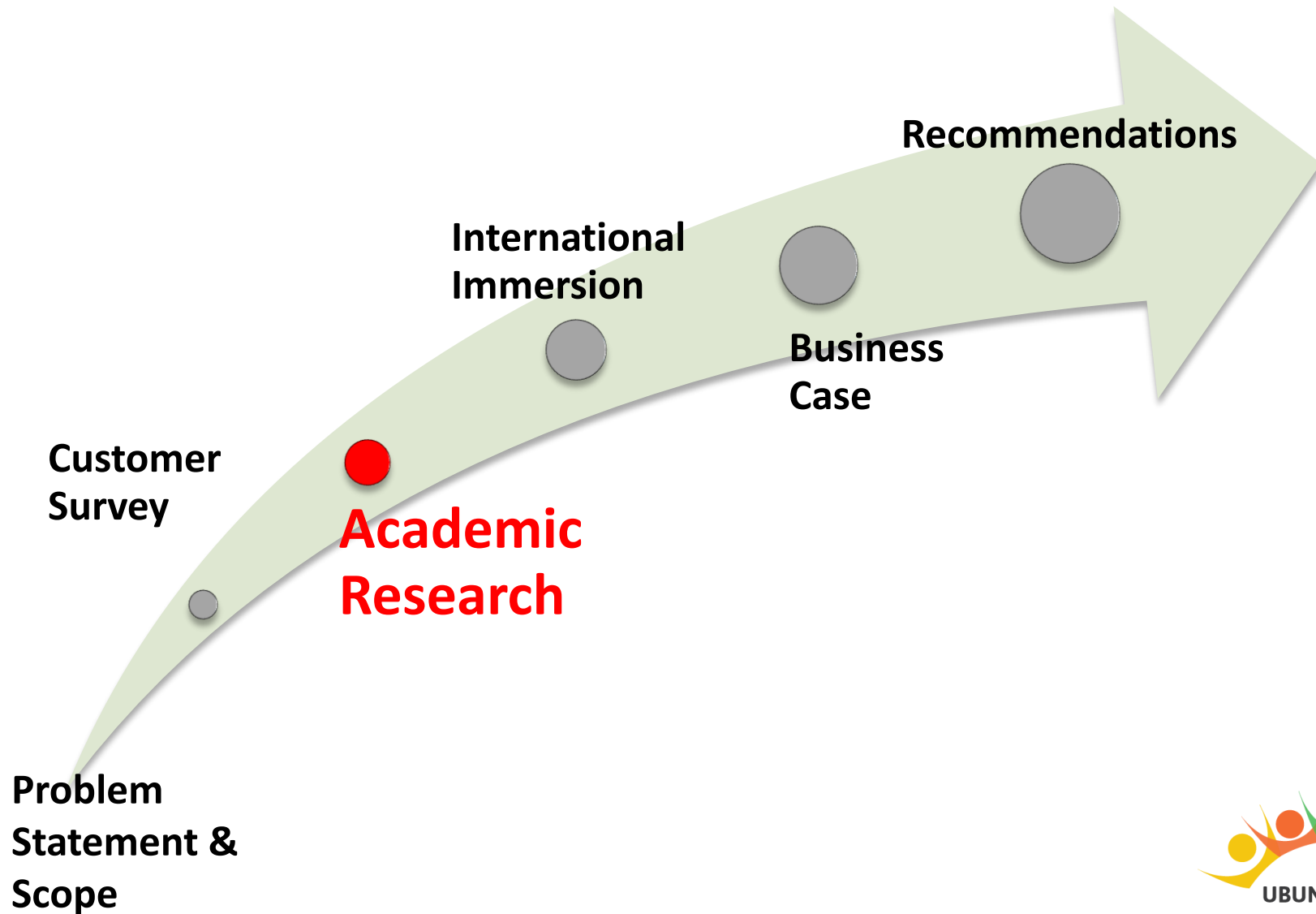
Research Focus

Is there a relationship between staff engagement and customer service?

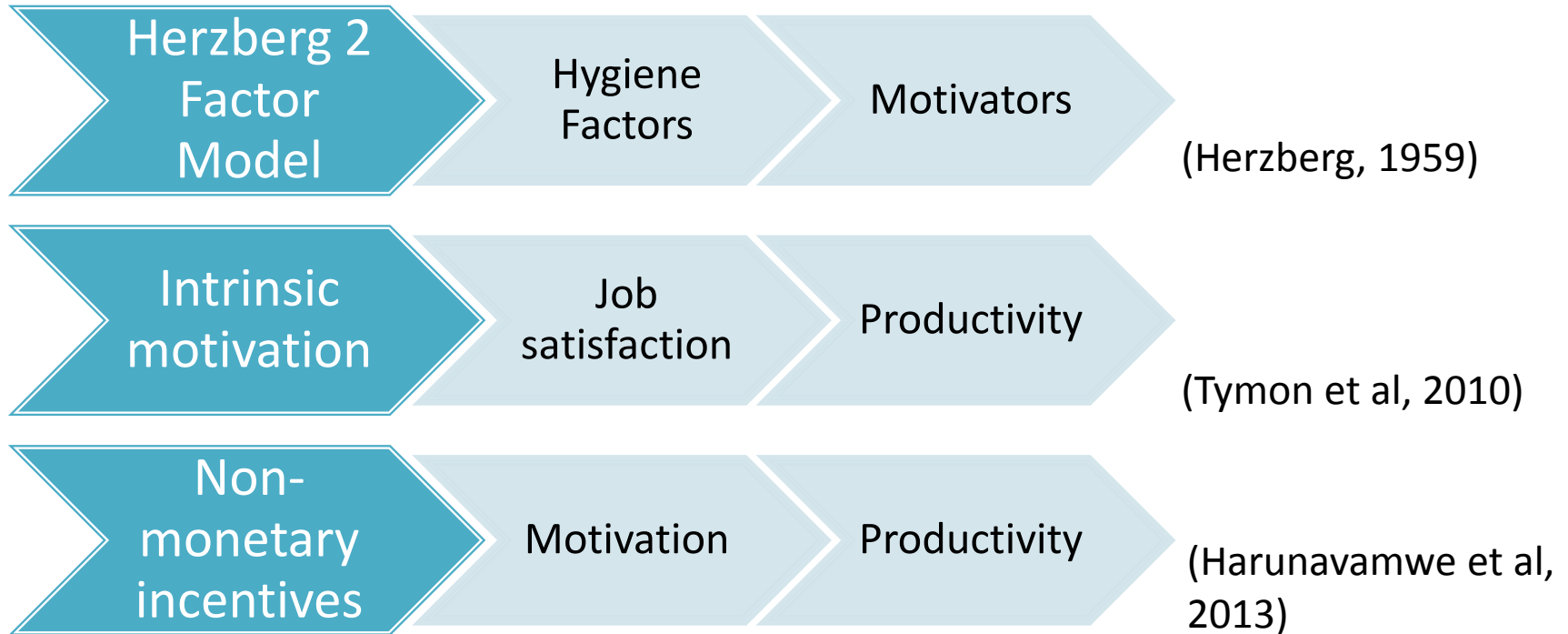
How do we improve staff engagement at stores?



Our Journey



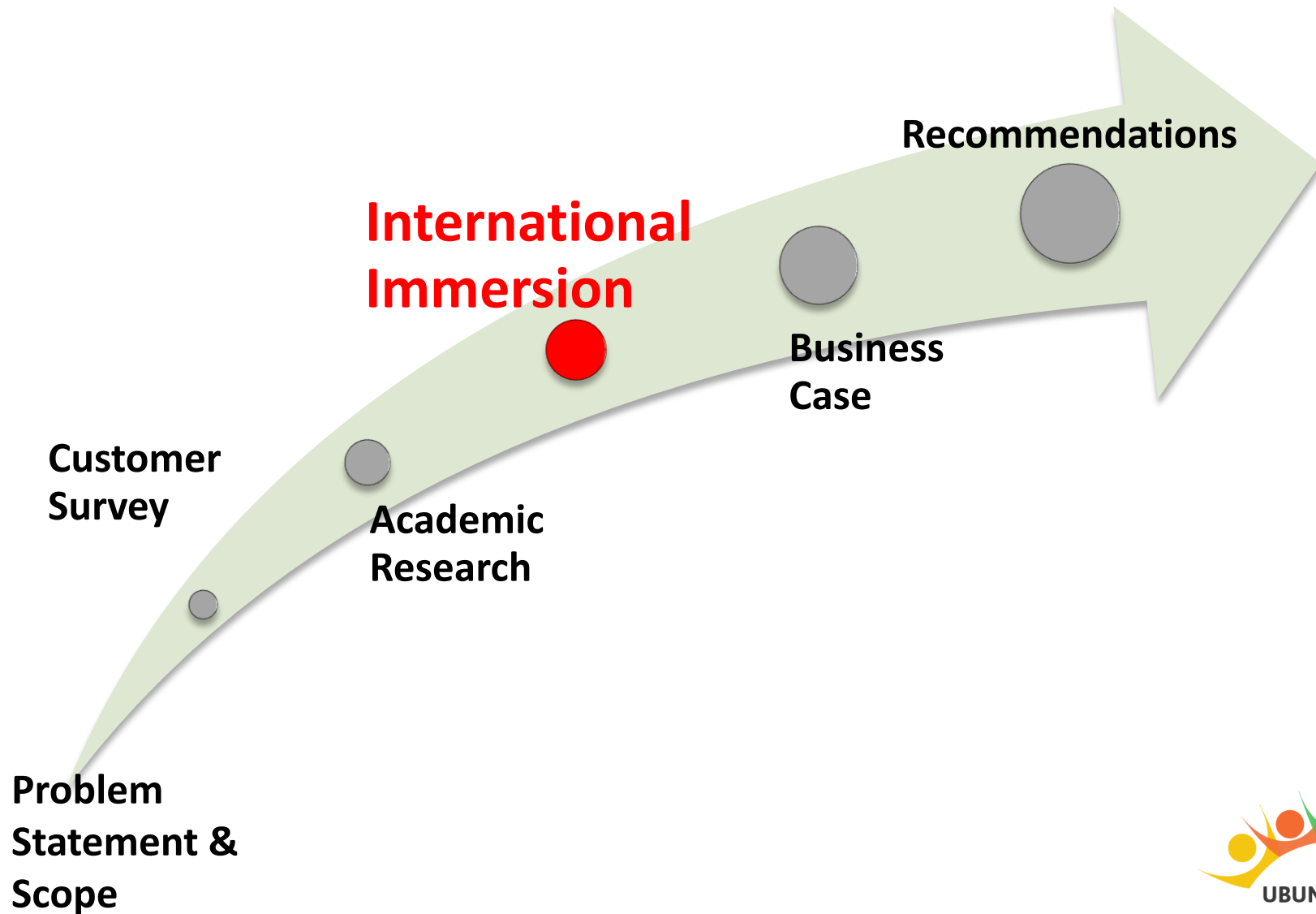
Academic Research on Motivation



Theory of Motivation (Pink, 2011)



Our Journey

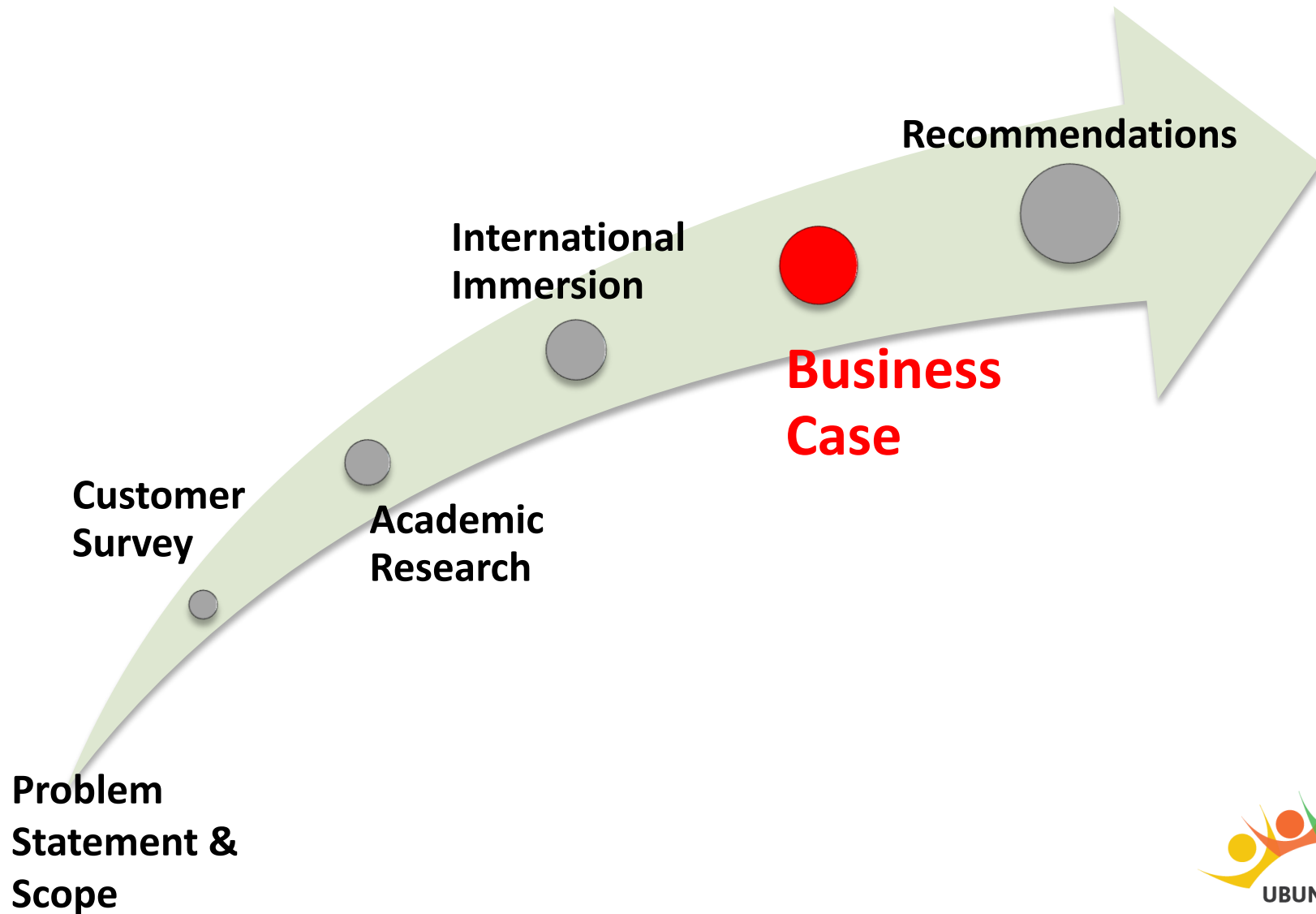


International Immersion

- Inconsistent customer service experienced in China
➔ Extrinsic motivational factors
- Superb customer service experienced in India
➔ Intrinsic motivational factors



Our Journey



Ultra Liquors – A tale of two stores



Comparable stores displaying divergent financial performance and customer service

Store performance metrics*	Store A	Store E
Revenue growth	10%	-4%
Foot traffic	18 939	18 553
Foot traffic growth	20%	6%
Number of customer complaints	2	77

*For the period under review 1 April 2013 to 28 February 2014

Leadership styles of the store managers

Store A's Manager (Adam)	Store E's Manager (Eddie)
<ul style="list-style-type: none">• Keenly interested in staff• Empowers staff to make decisions• Personally oversees training• Invests in cross-training staff• Non-monetary rewards• Monthly performance reviews undertaken consistently	<ul style="list-style-type: none">• Minimal interaction with staff• No decision-making by employees• No involvement in staff training• No cross-training• No reward programme• Monthly performance reviews not undertaken consistently

Correlation between leadership style and staff engagement

Employee engagement metrics*	Store A	Store E
Number of employees	20	28
Average attendance of training sessions	83%	29%
AWOL (days)	15	36
Sick days	92	304
Resignations	0	10

*For the period under review 1 April 2013 to 28 February 2014



Relationship between staff engagement and customer service

Customer service metrics	Store A	Store E
Customer complaints	2	77
Revenue growth	10%	-4%
Foot traffic growth	20%	6%

*For the period under review 1 April 2013 to 28 February 2014

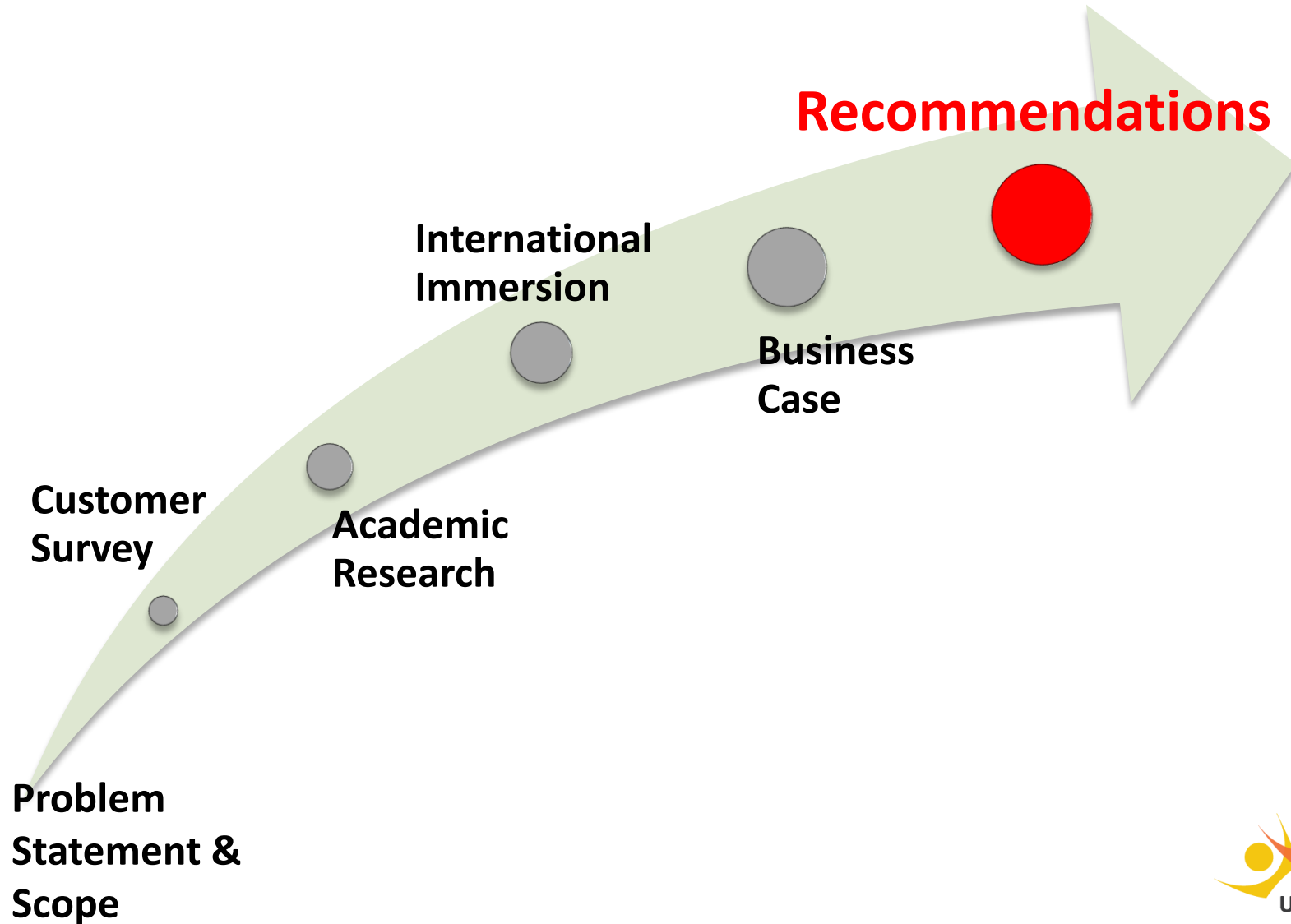


Testing our Hypothesis

- New manager instituted staff feedback sessions
- Staff suggested that a shift commence at 8am instead of 8:30am to count stock, so that when the store opens at 9am, 80% of the employees will be on the floor to assist customers
- 3 compliments from customers in 2 weeks
- Monthly Sales revenue has grown by **26%!**
- Monthly foot traffic has grown by **4%!**



Our Journey



Key Findings



Recommendations

Our recommendations are focused on:

- a. Empowering the store manager and nurturing a participative leadership style
- b. Increasing staff engagement with specific motivational interventions based on Pink's Theory of Motivation

Recommendations

#	<i>Store Manager Initiatives</i>	<i>Implementation</i>	<i>Autonomy</i>	<i>Mastery</i>	<i>Purpose</i>
1	Collaboration & Communication	Quick Win	✓		
2	Training - Self Mastery & EQ	Medium Term		✓	
3	Training - Intrinsic Motivation Techniques	Medium Term	✓	✓	✓

#	<i>Customer Initiatives</i>	<i>Implementation</i>	<i>Autonomy</i>	<i>Mastery</i>	<i>Purpose</i>
4	Customer Feedback - Instant Response	Medium Term		✓	

Recommendations

#	<i>Store Staff Initiatives</i>	<i>Implementation</i>	<i>Autonomy</i>	<i>Mastery</i>	<i>Purpose</i>
5	"High 5" Customer Service Daily Meeting	Quick Win	✓	✓	
6	Staff Involvement: Goal Setting & Planning	Quick Win	✓	✓	
7	Customer Service Star Award (Week/Year)	Quick Win		✓	
8	Align Customer Service Award & CSI Initiative	Quick Win	✓	✓	✓

Recommendations

#	Store Staff Initiatives	Implementation	Autonomy	Mastery	Purpose
9	Customer Service Ambassador Concept	Quick Win	✓	✓	
10	Job Rotation & Cross-Training	Quick Win	✓	✓	
11	Non-Monetary Rewards	Quick Win		✓	
12	Performance Contracts: Customer Service KPIs	Medium Term		✓	

Some implementation considerations

- Needs to be driven from the top of the organisation
- Sustainability of initiatives
- Job descriptions in employment contracts
- Change management process at stores may be required

ALP Objectives and Stakeholder Impact

1. Improve customer service at the retail store level (brick and mortar channel)



2. First step towards customer-centricity -
Raising the platform of the store manager
- customer-facing level flowing
information to the rest of the organisation