



George T K Quek

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Not good service but **right** service

Competition in the service sector has resulted in a “me too” syndrome. The banking sector is not much different. Can we honestly tell one bank’s service apart from another? Almost any bank that you turn to is aggressively pushing its customers into self-banking. Try to distinguish the financial products offered by your local banks. Talk to a bank teller and you get the feeling that they all went to the same service school with the same, almost rehearsed smile, greeting or reply.

I was talking to a senior executive from a major commercial bank in Thailand recently. He told me that his bank was moving strongly into retail banking. I asked why, since they had developed quite a brand in commercial banking. The answer was a common one: Diversify revenue streams and serve more customers. I welcomed his entry into the not-so-exclusive club of full-service banks, but quietly wondered how this decision would impact service levels at his bank.

There is no good service, only the right service. Budget airlines for example are targeted at travellers who are not after food, entertainment or pampering. All they care about is the most economical way to travel. Right service is offering the right solutions to the right customers. It is far from generic. If we offer too much of what customers do not need, our costs balloon. Conversely, offer too little, and we lose our customers. Insofar as service providers err on either side of the equation, they fail to maximise on the profit margin.

What banks need to do is to revisit Service 101: Focus. This means dismissing the maxim “all things to all men” that has so often been justified on the account of keeping costs down. We have to make the hard choice of the customer segments we want to serve.

Some of us might argue that a full-service organisation may provide a convenient one-stop shop to customers. This reasoning is sound if we enjoy buffets. High on variety but not so great on quality. Many of our customers are sophisticated enough or are becoming more so. They want only the best quality and they are prepared to proactively seek options.

As the Asian economy resurges, and there is money to be made everywhere, service generalisation is a likely side effect. In contrast, the developed economies of the West are more apt to follow the discipline of focus. Take a lesson from the conglomerates that grew, only to become more inefficient.

Too many banks in Asia today are imitating each other in trying to match ‘service standards’, only to lose sight of unique customer needs. It is easier said than done, but the challenge is to continue to focus and provide distinctive customer service to specific market segments, without losing sight of the need to maintain costs. Such an approach will still come at a certain cost, but the reputation acquired through providing the right service is what will distinguish the truly service-oriented organisation from the rest of the ‘me-toos’. **TABJ**

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