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## **Missing service in services economy**

Almost 58 per cent of India's GDP in 2010 is already accounted for by the services sector. With a growth rate higher than that of the manufacturing and the agriculture sector, the share of the services sector will only increase. In the services economy, retail accounts for the largest share. Information technology and telecommunication, financial services, health care, travel, hospitality and tourism, and food services are some of the other large constituents of the services sector. Almost 35 per cent of India's employment is in the services industry.

Unfortunately, while each of these constituents has grown spectacularly for many years, and continues to grow very strongly, the quality of the service offered seems to be on a steady decline. Ironically, when these constituents were much less developed, they were able to deliver noticeably higher levels of service. A relative was seriously unwell recently, and was advised to get a set of X Rays done immediately. Unfortunately, she chose to go to one of the very highly "branded" hospital chain facilities in Delhi for these tests and was told to return in the evening to collect the results. When someone went to collect the much-awaited results in the evening, the hospital very callously said that the results will be given next day since one of their senior consultants was not in the hospital that afternoon to study and sign off on the results. Finally, only on raising a hue and cry to make the hospital realise the gravity of the situation, that the patient was seriously unwell and the reports were urgently needed for further action, did that relative get her test results that evening. An airline that started with a promise of good-time to its customers (and delivered it very admirably in its initial years) now has run-down planes with broken seats, understaffed check-in counters and poorly trained check-in staff, and a visible lack of "ownership" of the customer by its customer-facing staff across all levels. An iconic Naturecure resort on the outskirts of Bangalore which delivered extraordinarily efficient and effective service to its patients for more than three decades now finds its systems unable to handle the doubled capacity of intake and the first signs of patchiness of service are already visible to many but its visionary founder. Sales associates at some of India's oldest and largest modern retail businesses are increasingly unable to provide any worthwhile assistance or information to their shoppers notwithstanding claims of significantly enhanced expenditure by such businesses on deployment of technology to measure customer loyalty and on recruitment and training of the floor sales staff. Telecom service providers, even with the intense competition eroding their margins, continue to believe that expensive rebranding exercises and creative advertising ideas will help in acquisition or retention of customers, even as the hapless consumer continues to get bombarded by junk messages and phone calls, and worsening call-drop statistics.

There are many reasons behind the precipitous decline in the quality of service across most consumer-facing businesses. First, since these businesses continue to grow steadily, their promoters and top leadership continue to believe that "all is well" and an isolated customer complaint now and then can be attributed to the unreasonableness of that complainant himself. Second, in the quest to best competition in terms of scaling up, most of these businesses have not invested or are not investing enough to hire and train the foot soldiers, and instead, are diverting every available rupee to add more physical capacity to acquire more customers. Thirdly, the country is already very deficient in vocational training to start with. Whatever vocational training capacity exists in the country is largely oriented either towards manufacturing jobs or towards IT sector opportunities. Hence, there are large masses of young adults ready to get into jobs, most of which are being created in the services sector, and yet they have no training whatsoever other than a (mediocre) school-leaving mark sheet or a college degree that is something not much to speak about. A few days or a couple of weeks of "training-on-the-job" cannot substitute formal vocational training.

It would, therefore, be wise for most of the services businesses to contemplate taking a pause and

use that to sharpen the focus on customer service. She may be forced to bear with bad service today but at the first opportunity, will strike back with vengeance.

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