

## CASE D-7

### Expressions International: Enhancing Competitiveness through Staff

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#### Case Objectives

- To understand the concept of service marketing.
- To understand the unique characteristics and challenges of service.
- To explore the different service properties and their marketing implications.

#### Case Synopsis

- Expressions International was founded in 1989 by Dr Theresa Chew and partner. This leading provider of health, beauty and wellness services in Singapore and the region also provides weight control and skin care products in addition to its services. It operates in 12 outlets in Singapore, Myanmar, Malaysia and Pakistan. Today, the company has become Singapore's household brand name.
- As one of the players in service industry, aesthetic appearance of its business and employees becomes an integral part of the business strategies for customer's service evaluation. Expressions has put much effort in developing its staff through programs such as People Developer (PD), Buddy-and-Mentor system, company's internal training and promotion.
- PD Program has benefitted the company through improved staff performances, contributions and sales, despite its initial struggle to convince them to engage in this development program. To sustain its position as a market leader, Dr Chew aims to participate in more seminars and conferences organized by Asia Spa Institute to keep abreast of the latest trend and improvements in the spa industry.

#### Case Questions and Answers

##### *Question 1*

*What unique characteristics of service marketing does Expressions International encounter in its business? What unique challenges is the company confronted with due to*

*the unique characteristics? What steps can the company take to deal with these challenges and to improve customer satisfaction?*

- Service marketing is marketing offerings based on relationship and value. It is usually practiced by service-based businesses yet in some cases it can also be used for marketing a bundle of product and service offering.
- Four unique characteristics that service-based companies like Expressions International encounter are related to the unique characteristics of services, such as intangibility, inconsistency, inseparability, and inventory.
- Expressions provides health, beauty and wellness services for its customers. Such services are not physical or tangible as they cannot be touched or seen and thus making it difficult for marketers to communicate the benefits to customers.
- Inconsistency in Expressions refers to the variability of its staff performances in delivering services to customers. Different staff provide different levels of service quality also a staff's day-to-day performance may differ, and thus creating inconsistency in services offered.
- Inseparability refers to the difficulty of separating the deliverer of the service from receiver and the service itself. In the case of Expressions, inseparability means that both beautician and customer have to present while the facial treatment is being performed.
- Inventory or perishability refers to the need to have service production capacity when and where there is a service demand. Expressions has to manage its supply (staff) well as to provide uncertain customer's demand. Poor management of staff capacity and capability will lead to loss of customers and sales.
- For Expressions, the intangibility of service posed difficulty for its service marketers to communicate the benefits of its service offerings such as its facial or skin treatment to customers. This results in higher level of uncertainty as customers are not able to evaluate the service quality or benefits they can gain by just looking at its company's brochure or website.
- To deal with such challenges, Expressions has to effectively communicate the service process and/or benefits by making them tangible to customers. For instance by getting satisfied customers to share their successful stories about their experiences with Expressions, using pictures of the customers' before and after treatment to show results of its services, or by promoting the technology Expressions uses to provide skin or body treatment for its customers. This helps to build customer's confidence in the company and make it easier for them to evaluate and compare services.

- One challenge in service inconsistency is reflected in the variability of staff performances on a day-to-day performance or across different staff in the company. In Expressions, the services provided by different staff on different occasions vary by time of the day and by different service provider. Hence, it is important for the company to reduce such performance variability by ensuring that every staff are equipped with the required skills to provide quality services as promised to customers. Expressions' effort to participate in People Developer (PD) program in 2006 is one way to improve at the same time to reduce inconsistency in staff performances.
- As services are inseparable, service provider and customers have to around as services are being performed. Hence, Expressions outlets have to be conveniently located near its targeted market. Besides the higher involvement of customers in the service performed, evaluation of service quality and value is also immediate and service corrections become harder to perform compared to product manufacturing. Therefore, the company has to ensure there's active and good interactions between its staff and customers to ensure the wanted services are provided.
- One most important challenge in perishability of service is the management of its supply capacity and demand. Unlike goods, services cannot be inventoried and therefore it is important to ensure that the right amount of supply (room capacity, staff or manpower) is available to meet the service demanded.
- In the case of Expressions, the company has to assign the right number of staff at different timing of the day, month or year to meet the fluctuating demand of customers. For instance, a month or two before festive season such as Christmas, there are more services demanded as compared to other times during the year. Hence, the company has to engage more staff and ensure there is enough service rooms to facilitate the larger group of customers. Good management of its supply and demand results in reduced staff idle time during non-peak and loss of customers or sales during peak period.
- Customer satisfaction is derived when the company is able to control or overcome the above unique characteristics and challenges of services.

### *Question 2*

*How do internal marketing, external marketing and interactive marketing apply to Expressions International? How much of these does the company practice?*

- Internal marketing refers to the notion that a service company must focus on its employees or internal market before successful programs can be directed at customers. The focus is placed on building up or ensuring that employees have

the right attitude, skills and commitment to meet customer expectations and sustain customer loyalty.

- External marketing refers to the company's positioning in the industry based on its marketing communication tools. In the service industry, it generally focuses on the communication of service benefits that is reflected in company's advertising messages, logo and brand identity. Management of customers' expectations and word of mouth is also crucial as they both influence customer's confidence and buying decisions.
- Interactive marketing refers to company's management of capacity to match with the service demanded. Reservations, differential pricing and enlarging service responsibility are some examples of capacity management efforts. Interactive marketing promotes the evolvement of transaction-based marketing to conversational marketing.
- Expressions put much attention and effort on internal marketing as one of its co-founder, Dr Theresa Chew, understood the importance of developing and retaining its staff to promote service quality and stay competitive in the spa and wellness industry. To promote internal marketing, the company engages in four different types of activities such as its participation in People Developer (PD) program organized by SPRING Singapore, company staff training, internal promotion and lastly the Buddy-and-Mentor System.
- The PD program has pushed Expressions to dedicate a good amount of time, energy and resources to improve its most essential assets – its staff and personnel. Staff performances are reviewed regularly and relevant training is provided to bridge any learning gaps. The program has also promoted better career planning for staff as they take ownership of their new skills and are motivated to progress in their career.
- Expressions has also benefitted from its internal marketing effort. For example, they have seen improvements in staff productivity, sales and idea contributions by staff and also reduction in customer complaints and staff absenteeism rate. In short, today Expressions' staff take pride in their work and company's identity to meet and satisfy customer expectations.
- With the increasing competition and customer's demand in the spa and wellness industry, Expression has to find new ways to differentiate itself among other players. Previously, the company depended on its strong branding and innate expertise, and positioned itself as market leader in Singapore. Today, it sees the need to constantly train its staff with essential skills to meet expectations of customers and promote good word of mouth to retain and attract new customers. Other external marketing efforts include product (service) endorsement by local and international celebrities, advertisements with customer's testimonials attached

and also sales promotions such as the \$38\* 1-for-1 Intensive Express Facial Special promotion.<sup>1</sup>

- To better manage its capacity planning, Expressions allow customers to make reservations through its website. It does not only give customers the flexibility to choose their preferred timing and place to visit but also their preferred beauticians. By doing so, the company tries to provide a more personalized service for its customers. Expressions' investment in time and resources to upgrade its staff with new skills has also ensured that they are equipped with similar skills thus enlarging service responsibility. This will come handy when there is limited staff during peak period.

### *Question 3*

*What kinds of properties – search, experience or credence – do Expressions' customer encounter? What marketing implications can you draw and what strategies can be applied as a result?*

- Search properties usually involved tangible products such as clothing, jewelry and furniture where information such as colors, size and style can easily be determined before purchase.
- Experience properties usually involved services such as restaurants, laundry service, and child care centre where level of service quality can be accessed right after or during consumption of that service.
- Credence properties usually involved services provided by specialized professionals such as medical diagnoses and legal services where characteristics of services are still hard for customers to evaluate even after purchase or consumption. To reduce their uncertainty, customers usually depend on word of mouth or references from other users to aid their buying decisions.
- Expressions' customers are encountered with experience properties. Attributes of services provided by Expressions can be determined by customers after their skin or body treatment or during the treatment itself. For instance, during their 8 weeks of body treatment program, a customer is able to determine the quality of Expressions services after the third week of treatment – for instance, she has lost 4 kg by then. And that by the end of her 8-week program, she has reached her targeted weight loss of 15 kg.
- Unlike the products or services with high search properties, those with high experience and credence properties like Expressions services will require

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<sup>1</sup> Source: <http://www.expressions.com.sg/> Retrieved on 5 June 2009.

customers to make assumptions and personal judgment before purchase. Therefore, it is important for the company to provide a complete set of information about services and also to have strong brand name to build customer's confidence. On top of that, service pricing may also influence customer's buying decisions as premium price reflects better quality.

- Therefore for service-based companies such as Expressions, besides building up its strong brand name in the related industry, it is important that it provides detailed information about the type of services and products it offers in order to reduce customer's perceived risk. Maintaining a suitable price range and good word of mouth can also contribute to customer's perception and expectation of the company.