



Last October the Institute of Customer Service held its annual conference at Heathrow and on the second morning the 400 delegates were treated to a wonderful talk by Fergal Quinn, founder of Superquinn and more latterly Chairman of An Post, author and independent Irish senator. Fergal's not one of those hyped-up conference speakers promoting his own flavour-of-the-month consultancy, he's quiet and modest despite the fact that he's been there and done it, and he's very amusing too. From his first shop with 8 employees in 1960, the company now has 21 supermarkets around Ireland and owns several shopping centres. But the story starts before Superquinn.



Fergal's dad, Eamonn Quinn owned Red Island Holiday Camp north of Dublin and that's where the teenage Fergal had his first taste of business, spending his school holidays working as waiter, page boy, bingo caller or photographer as required. But it was more than work experience and some pocket money; it was an indoctrination into a business philosophy. Red Island was very innovative at the time. It was a holiday camp where you didn't



have to pay for anything. Travel, accommodation, meals, entertainment were all included in the original booking fee. That was good for the customers when money was tight but it meant that the company couldn't judge its success by money rattling through the tills, so it used a different yardstick: customers coming back. If guests had a great time they paid a deposit for the next year's holiday on departure and this became the scorecard used by Red Island to judge its performance. So the young Feargal's education was all about the value of customer loyalty.

career in retailing. One of his lessons as a young trainee was that if the customer asked for 8oz of bacon (or whatever), you would always weigh it 'just over', 9oz or 10, on the grounds that "you have to get as much money as you can off customers because you might never see them again"! Not that this was at all unusual. It was how everybody operated at the time: except Feargal. When he opened his first store in 1960 he told his staff to weigh exactly the amount the customer asked for. Although you could almost always get more money on that sale by weighing 'just over', because most customers wouldn't like to appear penny pinching by asking for some to be taken off, it wouldn't be good business in the long run because the customer might not come back. Like his dad, Feargal built his business on customers coming back. He calls it the boomerang principle. Another example is

the 'playhouse' for customers' small children, that is found in every Superquinn. With the loss of valuable sales footage, the cost of qualified staff, equipment and insurance, there was no way that Feargal could convince his accountants that it would be anything but a profit reducer in the short term, but he knew it would encourage mothers to come back. As would removing sweets from the check-out aisles, which Superquinn did 30 years ago. Even more telling, is Superquinn's policy of employing more staff than most competitors based on Feargal's belief that customers want personal service and if you provide it they'll come back. Interestingly, the Customer Priorities study recently conducted by The Leadership Factor for the Institute of Customer Service's Breakthrough Research programme proved that he's right'. 'Helpfulness of staff' is the customers'



After graduating in commerce from University College Dublin, Feargal decided on a



second most important requirement, and retail is one of the worst sectors at providing it.

and gave customers what they wanted – fresh bread all day. In fact, their pledge is now that no loaf on display will have been baked longer than four hours ago.

In addition to common methods such as formal market research, customer comment cards and in-store customer service desks, Superquinn has always implemented policies to ensure that its managers stay close to customers – in many cases quite literally. For example, Feargal would often walk round a store whilst holding a meeting. A great way of making store managers stay close to customers was to give them an open office within the store itself! All managers must put themselves into the customer's shoes by doing their own shopping within the store – in particular, male managers cannot delegate the task to their partners, and they must work on the shop floor at least once a week. Superquinn also holds fortnightly customer panels with senior managers, including Feargal himself, regularly attending. Many of the best boomerang ideas were generated by panels including the playhouse and the removal of sweets from checkouts.



One of the acid tests of a food retailer is the quality of its fresh produce. Superquinn decided that it would make this challenging category its speciality. Soon after starting the company Feargal had noticed that, driven on by the trade union, Dublin bakers had abandoned the age-old industry practice of crack of dawn starts to provide customers with fresh bread in the mornings. The move to working conventional hours meant that customers could buy fresh bread in the afternoon or yesterday's bread in the morning. Superquinn pioneered in-store bakeries

By the same token the fresh vegetables are 'picked this morning' and carry a label to prove it, specifying where they were grown, the time they were picked and even the name of the farmer that picked them! Fresh meat gets the same tlc. Long before traceability and food miles were topical, Superquinn was telling customers exactly where their meat had come from. Consequently, it was the only supermarket to actually increase sales of beef during the BSE crisis!





Telling customers that you listen

One of the most under-exploited opportunities for improving customer satisfaction is to simply communicate with customers, tell them that you listen and explain what actions you have taken to act on customer feedback. Not an opportunity neglected by Superquinn! Following a trip to the USA, Feargal introduced a 'no more than 2 customers at the checkout' pledge communicated by huge in-store banners. The company has also gone one step further with its 'goofs' scheme, effectively penalising itself when it has failed to address customers' concerns. As shown in the picture, customers with a wobbly

renew his subscription which was soon to expire. Feargal said he would since he found it to be a very informative publication and he'd been very pleased to notice recently that there was a 55% discount. Unfortunately not, said the caller. That offer was for new customers only. As a life-long believer in rewarding the loyalty of existing customers rather than 'bribing new customers', Feargal didn't renew his subscription! He knows that rewarding non-customers is likely to offend existing ones as well as often attracting new customers that don't come back. Superquinn was first into loyalty cards, although Feargal sees them less as a technique to keep customers coming back but more as a mechanism to recognise and reward good customers' loyalty and as a valuable source of intelligence. One handy by-



trolley could claim an extra 200 loyalty points. The scheme has now changed to charity donations, but putting the company's money where its mouth is sends a very powerful message that it is listening to customers and is genuinely committed to acting on their feedback.

Rewarding loyalty

At the conference Feargal told a story about the Economist magazine calling him at home to ask him if he would like to

product of this intelligence is that at the tills, swiping the loyalty card flashes up the customer's name on the employees' display enabling them to address the customer personally! **S**

References

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