

Richard Gee

From: John Tschohl Newsletter [newsletter@servicequality.com]

Sent: 30 September 2006 20:55

To: Richard Gee

Subject: [Norton AntiSpam] # 162 THE CUSTOMER SERVICE STRATEGY Sept 29, 2006



The Customer Service Strategy

September 29, 2006 #162
Service Quality Institute
www.customer-service.com

The Fundamentals Of Customer Service

September 29, 2006 #161
Service Quality Institute
<http://www.customer-service.com>

Online Usage in Western Europe - Growing Your Business with Technology

Are you using the Internet to grow your business? Do you respond to emails in 5 minutes? an active web site where customers can buy your products and services 24 hours a day?

Online buying is a big business. You can use the Internet to grow your business. Are you le this technology to sell your product and services? Amazon started in 1995 with \$511,000 in year it will exceed \$10 billion in sales. Amazon grew its business on speed, technology and around service. Are you copying the fundamentals of Amazon? In 2000 many dot-com comp disappeared because they did not understand the power of service. Keep in mind e-Comme service, it is technology. Firms like eBay and NetFlix will not survive in the long run because failed to grasp the power of customer service. When problems occur customers can not con these companies by phone. NetFlix doesn't even respond to emails.

Key eMarketer Numbers: Europe Retail E-Commerce	
\$234 billion	Total retail e-commerce sales in Western Europe in 2010, up from \$97 billion in 2006
\$2,171	Average annual spend per online buyer in the UK in 2006, compared with \$1,831 in the US
25.3 million	Number of online buyers in Germany in 2006, compared with 22.1 million in the UK
Source: eMarketer, July 2006	

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www.eMarketer.com

Amazon started with 2 people. It built a business around service. What are you doing to level the playing field on the Internet? The statistics provided above show how much money is being spent in Western Europe. How do you not do the same thing with your firm?

I wanted to rent a sports utility car in Denver so I tried all the travel web sites. I also tried Priceline. In 2005 Priceline had revenue of \$537 million, but it is another technology firm with NO SERVICE. When I tried to rent online a sports utility car it would not allow me to select this type of car and they rejected my first bid. I sent them an email but they do NOT accept emails. The good news is I was able to rent a sports utility vehicle from a different company. I suspect Priceline is managed by a bunch of people who love to spend money on TV advertising.

On Priceline.com's web site this is how they describe the firm. Priceline.com is an Internet-based travel service that offers leisure airline tickets, hotel rooms, rental cars, vacation packages and cruises. In addition, Priceline offers a personal finance service that markets home mortgages, refinancing and home equity loans through an independent licensee. In addition to its U.S. operations, Priceline also owns Priceline.co.uk, a London-based online travel service and is an investor in an Asian travel service also called Priceline.com that operates in Hong Kong and Singapore.

What they should say is this is an Internet firm with NO SERVICE. I am glad I do not own it.

Computer Giant DELL Lost Its Focus on Customers

In the September 18, 2006 issue of Fortune Magazine Michael Dell admitted to past moves being "stupid," "non-sense," and "just plain wrong." It had revenues of \$56 billion in 2005 and was ranked this year's FORTUNE 500. Its sales soared from \$546 million in fiscal 1991 to \$32 billion in 2005.

The stock fell significantly recently because it cut prices too much and the profits significantly. What is worse Dell lost its focus on service over the last few years. They have many unhappy customers because they shifted a large portion of its call centers to India, the Philippines, and elsewhere, and began using scads of temporary workers according to Fortune. Their score on the annual University of Michigan American Customer Satisfaction Index dropped sharply in 2006. Internal "likely-to-repurchase" scores also showed a decline.

"The team was managing cost instead of managing service and quality." Michael Dell confessed. Managers were evaluating call-center employees primarily on how long they stayed on each call. In India and the Philippines this would fit them perfectly. They in my opinion are not employees. They have low self worth and very little self confidence. They would be delighted to get off the call. Dell guaranteed customers would be unhappy and, with their problems unresolved, would be even angrier still. This year the centers started measuring how well the problem is solved the first time. I personally think they have a long ways to improve.

Michael Dell, founder and chairman in an interview with Fortune said, "We were doing some were just plain wrong. Last year we had parts of our company where we would say, "Hey, le the calls faster." The problem is that if you handle the call faster, you solve 90% of the probl of 100%. So the guy calls back. And you just pissed him off more, and you haven't accompli damn thing.

This year we're not going to measure how long we're on the phone, we're going to measure did solving the problem. The team was managing cost instead of managing service and qua totally the wrong answer. Stop managing for cost. Manage for a great experience."

When firms like Dell, Home Depot and Walmart forget about service it comes around and bi stock values and repeat business. Whenever top management in any firm takes its eyes off quality within 6 months it will start paying a huge price with reduce stock values, brand and i business.

Seminars & Certification

John Tschohl - Public Seminars

San Jose, Costa Rica
Thursday October 26, 2006
Loyal for Life, Customer Retention One Day Seminar
Hotel Real Escazu
Dynamic Marketing and Consulting Group
Email: cwauthion2003@yahoo.com

Jakarta Indonesia
Wednesday November 8 -Loyal For Life
Thursday November 9 -Ca\$hing In
Center For Customer Satisfaction & Loyalty
Tel: 6221-526-6077
Email:yulianna@csl-customerscompany.com
Website:www.customerscompany.com

Moscow, Russia
November 23, 2006
Svetlana Avrutskaya
Tel: 7 (495) 797 8222
Website: www.csl.customer-service.ru
Email: info@customer-service.ru

San Salvador, El Salvador
"Customer Retention" Seminar
Friday December 1, 2006
9:00 a.m.- 6:00 p.m.
Hotel Princess San Salvador
Phone: (503)2531-4629 y 25314630

Email:SQI@tunegocioenlinea.com
Website:www.tuservicioesprimero.com

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Certification Seminars

January 29-31, 2007 & May 14-16, 2007

•**Certified Customer Service Leader (CCSL) (\$998)**

Leading Empowered Teams (2 days)
Feelings (1 day)

January 29-February 1, 2007 & May 14-17, 2007

•**Certified Customer Service Trainer (CCST) (\$1997)**

Leading Empowered Teams
Feelings
Train The Trainer

(Includes \$1,500 in facilitator material and license to buy participant materials at significant discounts)

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