

RTG Newsletter

Published quarterly by The Retail Technology Group

November, 2002

FROM THE PRINCIPAL'S OFFICE

This month's article deals first hand with the place of applications support for that worn-out phrase: customer service. It is a real-life example and should be food for thought for us all.

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Principal

IT AND CUSTOMER SERVICE

A little background

About two months ago I purchased two consumer electronics items. One was a new Palm PDA from Palm and the other was a new cordless home telephone system from a small company, Panasonic. The two follow parallel tracks. Please follow along.

The situation that precipitated what I am about to relate is that we had a problem with both products, something that better quality assurance might have prevented.

The Panasonic story

After experiencing a problem with the new telephone, I contacted Panasonic, who prominently displays a customer service number on every page of the owner's manual. I asked if I could have the item replaced or repaired. I was informed that it could not be done locally, and that I would have to send the device to Texas.

"At whose expense?" I asked.

"At your expense." I was told.

"So you sold me a defective product and I have to pay to ship it back?"

"Afraid so."

"How long will it take for me to get a replacement unit?"

"Five days for us to receive your unit, 2-3 days for us to fix yours and 5 days for you to receive it." (That's two weeks.)

"Can you send me a unit now while I ship this unit back?"

"Unfortunately we are not able to do that."

"Why not?"

"We don't have a system in place by which to insure that you will ship your unit back."

"OK, but I want you to pay for the shipping."

"We can send you a UPS shipping label." (This had not been volunteered until I got exasperated.)

The process has so far taken more than the 14 days anticipated. And I still don't have my phone.

The Palm story

I contacted Palm by telephone and told them I had a problem with a recently purchased unit. They asked me for the serial number of the unit.

"You can ship us your unit and we will ship it back within two weeks."

"What other option do I have?"

"Our 'Advance Exchange' program, whereby for \$25 charged to your credit card we ship you a refurbished unit immediately with a return mailer, and you then ship us your defective unit."

Now here, the only decision the consumer has to make is whether this speed is worth the \$25 or not. The rest is a no-brainer. (I paid the \$25.)

Having had my less-than-exhilarating experience with the CE giant, I couldn't help but ask.

"How do you know I am going to send you back my unit?"

"We will already have your credit card number and, if we don't receive your unit within 15 days, we will charge your card."

By now I'm thinking, "let me give you guys the telephone number at Panasonic, I think they could use your expertise."

Once I had been assigned the SRO (Service Request Order) number, I was able to go to the Palm Web site and track the status of the order myself.

In addition, from then until I received the Palm replacement unit (with a free Airborne Express return mailer) and they received mine, Palm sent a series of timed e-mails to me advising me that they were *about to ship...*, that they *did ship...*, that there were so many days left *for me to ship...*, in a countdown fashion. I was impressed.

Back to Panasonic

Having learned how things *can* be done, I called my friends at Panasonic and asked to speak to a customer service manager. I told him of my experiences. He acknowledged that this was a bit of a void in their service, and that they were trying to correct it. Their problem had been: establishing an agreement with the credit card companies whereby Panasonic could actually charge the consumer for an outstanding unit without the consumer's authorization. Palm seemed to have accomplished this just fine.

Moral of the story

If your retail business is subject to this type of customer service issues (let's call them customer satisfaction issues), you need to be spending time and effort in

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developing the kind of solutions which make the customer's issue resolution experience YOUR PROBLEM and not the customer's. (Lexus, for example, lives by this motto.)

The Web and e-mail offer two great channels for keeping the customer informed. Internal tracking systems are required to do the rest. Willingness by the

retailer to offer the best issue resolution to its customers starts it all.

Research has been conducted and articles have been written about the cost of acquiring a new customer compared to the cost of keeping an existing [satisfied] customer. The decision to invest in 'doing the right thing' should not be a difficult one.

WHAT'S NEW

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Town Fair Tire Centers

This long-time client and very successful regional tire dealer engaged RTG to conduct a brief review of the relative state of the POS solutions in this niche market.

TFTC is evaluating those systems against its own in-house developed solution to determine if it's keeping up with the state of the art.

Tecnonexo

Tecnonexo is a new software development firm offering a variety of products and services, among them *multimedia development*, *e-commerce platforms*, and *e-learning*. This last one should be of particular interest to retailers.

It involves the development and implementation of:

- *distance education platforms,*
- *learning management systems,*
- *videoconference systems,*
- *virtual support systems for instructor-led courses,*
- *knowledge management systems and*
- *course management systems*

These are aimed at solving corporate training issues in dispersed locations (sound familiar?). The solutions involve a concept of establishing so-called "learning communities" and the design of courses.

One of the salient differentiating factors of Tecnonexo's solutions is the relatively low cost of acquisition. The software is developed in Argentina, where economic conditions have brought the price of development below that of India. Tecnonexo has offices in Washington, DC, for further information, contact Santiago Subotovsky at 202-756-4859 (ssubotovsky@tecnonexo.com) and visit their Web site at www.tecnonexo.com.

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