

Bridgeway to Success™

November 2011

ESTABLISH A PERSONAL EMOTIONAL CONNECTION.

Zapping the Competition

Over the previous decade, Tony Hsieh grew the iconic online retailer Zappos from under \$1.6M in revenues to over \$1,100M. He did it through a relentless commitment to a strategy that many companies have retreated from: excellent customer service.

Now why would an online retailer care so much about customer service? Because while only 5% of their sales are by phone, on average each customer will call at some point about something that's important to them. In Hsieh's words, "If we handle the call well, we have an opportunity to create an emotional impact and a lasting memory." Hsieh wanted to make the Zappos brand synonymous with excellent customer service. And from a cost perspective he reasoned they would save money on advertising because their customers would do the marketing through word-of-mouth.

It's one thing to trumpet excellent service and another thing to live it. So what did Zappos do? They offered two-way free shipping. They repeatedly extended the window for returns from the original 30 days to 365 days because they found that customers became more loyal the more they extended it. (And returns represent 37% of their revenues!)

Unlike many retailers who make it difficult to call by burying their phone number in their website, Zappos prominently displays their number at the bottom of every page "because we actually want to talk to our customers," says Hsieh.

They moved the entire company from San Francisco to Las Vegas. Why? So they could find the *right employees* to staff their call center. Their call center staff (referred to as the Customer Loyalty Team) don't follow mindless scripts, aren't held accountable for average call times and don't insult customers with transparent efforts to upsell. What *is* expected of them is that they establish a PEC or personal emotional connection with each customer.

So what's your strategy? What does your brand truly stand for? And how deep is your commitment to it?

Michael Canic