

Synchronizing Customer Satisfaction and the **Order Lifecycle** to Solve the Order Management Puzzle



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Take a minute to think about customer service and your business.

Do you provide a positive and transparent experience at every stage of the order lifecycle – from the point of purchase, to fulfillment and shipping, to returns?

The reality is, customer service plays an integral role in shaping brand identity, and it significantly impacts a company's bottom line. Let's dust off some old clichés:

- 1 Make customers happy
- 2 Build their brand loyalty
- 3 Keep them coming back

Consider these points the trinity of effective customer service and a sure-fire way to maintain profits.

It's simple:

***happy customers buy products, tell people they know,
and hopefully . . . buy more.***

So how do you keep this cycle in motion? **Before you achieve success on the frontline, you must go behind the scenes to perfect your order management process.**

Efficient order management is the foundation for quality customer service and leads to a positive and fulfilling brand experience. **There are several pieces to the order management puzzle, and it is critical that every piece works in sync with the others.**

This paper will explore the impact customer satisfaction has on your business and will dissect the pieces of the order management lifecycle.

1

Customer Satisfaction and Your Brand

Sally Spender's Fall from Retail Bliss:
A Cautionary Tale



When a new multimedia device hit the consumer electronics market, Sally Spender couldn't wait to have one.

After rushing home from a hard day's work, she logged into the cyberspace world of “retail heaven” to start her prepurchase research. Within minutes, Sally was browsing seemingly boundless Web stores, comparing prices, and soaking up product reviews (and buyer bewarees) from fellow cyber shoppers — all at her leisure. Finally, somewhere between polishing off a bag of chips and succumbing to a reality TV show, Sally had the retail equivalent of an epiphany: she found the device on a leading retailer's (Retailer X) Web store — complete with a promotional discount code and free shipping offer. Sally Spender couldn't have been more satisfied.

With credit card in hand and virtual shopping cart in tow, Sally proceeded to checkout.

But soon, Sally's retail bliss turned into frustration ...



Blow #1: Inaccurate Product Availability.

At the point of checkout, Sally learned that the device was backordered for three weeks. She wondered why this wasn't made clear sooner.

Blow #2: Expired Discount Code.

Although Sally was disappointed about the product availability, she wanted to proceed with the transaction. But when she entered the promotional discount code, she learned it had expired two days earlier.



Blow #3: Misleading Shipping Terms.

Sally really wanted the device, and she felt that Retailer X's Web store offered the best incentives. There was still free shipping, right? Sally proceeded with the transaction, only to be faced with more obstacles. First, Sally was leaving for an international vacation the next morning, and wanted the device shipped to her hotel. But she learned at checkout that Retailer X did not offer international shipping. Then, when Sally entered the free shipping code, she was notified that her purchase did not meet the minimum cost requirements for eligibility.

Blow #4: Poor Customer Service.

Sally wanted to get to the bottom of what was happening with her order, so she called the 24-hour customer support number listed on Retailer X's Web store. Unfortunately, after waiting on the line for 15 minutes, the customer service representative couldn't access Sally's order, was unaware of the promotional discount, and about the free shipping offer — well, "the details are in the fine print."

Sally was completely frustrated and wanted her retail nightmare to be over. She had already invested a lot of time with Retailer X, and she had to rest up for her vacation. The reluctant Sally completed the transaction, paying full price for the device and domestic shipping.



But her negative experience wasn't over ...

The Final Blow: No Return Policy.

After three long weeks, the device arrived at Sally's home. However, Retailer X shipped the wrong color. Sally wanted to return the device, but could not find a return policy on Retailer X's Web store. Sally felt defeated — she knew customer service was unable to help, and she refused to waste another second of her time.

In the end...

Sally kept the device, but she vowed never to shop with Retailer X again.

Customers Satisfaction = Cost Savings

Although Sally Spender is a fictional character, her story is very real. Sally's scenario followed her through the entire order process, but in most cases, when customers become frustrated while shopping at a retailer's Web store, they abandon the transaction. According to Forrester Research, **88 percent of online shoppers say that they have abandoned an online shopping cart without completing a transaction.**¹ Cart abandonment can be tied to a frustrating user experience caused by lack of transparency and poor customer service.

Traditionally, it costs less money for a company to retain customers than it does to acquire new ones, and customers are more willing to purchase products from a brand they trust. In order to attract new customers, retailers must offer financial incentives to purchase, such as rebates, promotional discounts and feature upgrades. Also, **when a loyal customer turns disgruntled, it costs the retailer money** – a dissatisfied customer is less likely to make future purchases, which results in lost revenues and brand erosion.

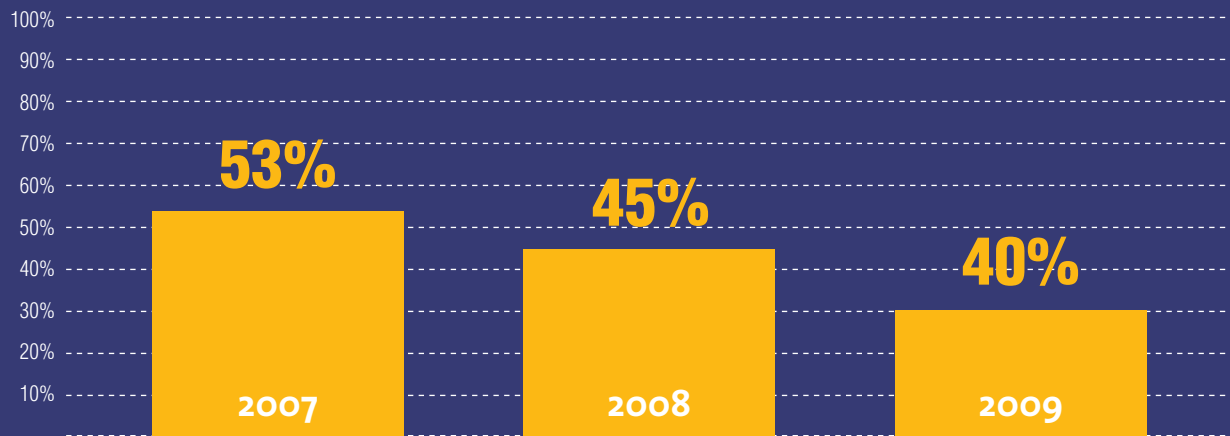
Benefits to keeping customers satisfied include:

- ✓ More frequent purchases
- ✓ Lower customer service costs
- ✓ Willingness to purchase higher-priced products



quick**fact**

The percentage of consumers whose expectations were frequently or always met has declined from 53 percent in 2007, to 45 percent in 2008, to just 40 percent in 2009, according to an Accenture report.²



The Angry Customer Shouts from Virtual Rooftops



Data from Nielsen reveals that 90 percent of consumers online trust recommendations from people that they know, with 70 percent trusting the opinions posted online by unknown users.³

In today's Web 2.0 environment, word-of-mouth has viral implications. Social media is in its prime, and with various networks and channels at the fingertips of millions, consumers can become marketers with a click of a mouse. **According to an Accenture survey, the vast majority of consumers (89 percent) share negative service experiences with others, and 25 percent use social media to alert others.⁴**

Let's go back to Sally Spender.



Motivated by her frustrating experience with Retailer X, Sally decided to share her ordeal. She didn't pick up the phone and call her mother, she didn't email friends – **she decided to go viral.**

1

Message boards

First, Sally went back to Retailer X's Web store where she left a blow-by-blow account of her shopping experience on the retailer's message board.

2

Personal blog

Then, Sally wrote about her experience on her personal blog.

3

Social networking sites

Finally, Sally ended her virtual rant by posting a comment on Facebook and tweeting on Twitter.

2

Building the Order Management Puzzle

The order management process is comprised of many pieces, and like a puzzle, it is critical that all the pieces are in sync. A complete and efficient order management cycle

can help your business run smoothly and impacts manufacturing, warehousing, inventory and distribution planning.



While the order management process can be managed in-house, there are advantages to working with a trusted outsource provider.

The key is to find a partner that offers a flexible and robust system that integrates seamlessly with every aspect of your business. This will equip you with the data, tools and manpower needed to build and maintain an effective system, but will afford you time to focus on other areas of your business.

The right outsource provider can help you build an order management puzzle that fits your business and can help you avoid common pitfalls.

PIECE #



A Dynamic Web Store



The first step to retaining customers – and attracting new ones – is to offer a dynamic Web store that is current, offers a combination of support services, and is mobile ready to accommodate the booming number of subscribers owning – and shopping from – smart phones.

Pitfall: Retailer X had an attractive Web store in place, but failed to provide accurate product and shipping information.

The solution: A Web store that keeps customers informed with up-to-date product information and shipping details while they shop. You can accomplish this by partnering with an outsource provider that can integrate your Web store with any Enterprise Resource Planning (ERP) system for total visibility into every stage of the order lifecycle. This will allow you to create a flexible and robust Web store with features, such as:

- ✓ A self-service portal for customers to access real-time inventory status and order availability at any point in the cycle
- ✓ Rate tables and shipping information
- ✓ Customer loyalty incentives, including promotional codes, private sales and coupons
- ✓ Mobile-ready functionality, such as clean navigation, search and direct links



quick**fact**

In 2015, shoppers around the world are expected to spend about \$119 billion on goods and services purchased via mobile phones, according to ABI Research.⁶

PIECE #



Empowered Contact Center Representatives



Contact center representatives can make or break a sale, so it is critical that they are in tune with every step of the order cycle.

Pitfall: The contact center representative working for Retailer X was unable to resolve critical customer inquiries.

The solution: Empower contact center representatives with visibility into the order management lifecycle. The right outsource provider can augment your self-service Web portal with the traditional human element piece by implementing a connected customer relationship management (CRM) system, which will help keep representatives informed at all times. This will give representatives the ability to:

- ✓ **provide accurate and timely order information to every customer;**
- ✓ **effectively manage inbound calls;**
- ✓ **help improve the overall Web store experience;**
- ✓ **be proactive by reaching out to customers when a problem with an order occurs; and**
- ✓ **generate new revenue opportunities through upgrade and renewal opportunities.**



quick**fact**

A majority of customers (92 percent of enterprise and 81 percent of consumers) who think the service and support experiences delivered by their vendors improved, said they are more likely to keep doing business with those companies, according to a recent Accenture survey.⁷

PIECE #



Global Reach

The ability to support customers globally can significantly increase sales and revenue potential, and give your business a competitive edge.

Pitfall: Retailer X could not facilitate international shipping, and did not disclose this information to the customer until checkout.

The solution: Expand your business into various global markets by featuring a Web store that supports:



- ✓ Multiple languages
- ✓ Payment and processing of any form of currency
- ✓ Tax regulations and government reporting
- ✓ International fulfillment and shipment of products

PIECE #



The Return Process

Always remember that the transaction doesn't end at the sale. In most cases, consumers look for a reliable return policy before they make the decision to buy online.

Pitfall: Retailer X failed to disclose an online return policy.

The solution: It is critical that your Web store feature a clearly stated, reliable return policy that is easy for shoppers to find. Your policy should be liberal and should list all the ways a customer can return a product. For example, state whether the product can be returned in-store or shipped back to the warehouse. Also, be sure to include relevant details about rebates, warranties and recalls. Being upfront about your return policy will help you establish trust with online shoppers, and in the long run, boost sales.

In addition, return management should be built into your self-service Web portal. This will give customers the ability to track their returns online and will reduce the amount of inbound calls to your support center.

Conclusion

Customer satisfaction and the order management process go hand-in-hand. Both impact the integrity of your brand, the willingness of consumers to make purchases, and ultimately, your bottom line.

The right outsource provider can help you establish an effective order management process — whether you need a single piece of the puzzle or a complete solution — from start to finish.

Sources

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 - 6 Lessons from the Recession: Where Customer Service and Support Investments Yield Superior Returns for Communications and High-Tech Companies; Accenture, May 2010.
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ModusLink Global Solutions, Inc. is a leader in executing value chain strategies for the world's largest technology and consumer goods companies. Our [e-Business Suite of Solutions](#) enables brand owners and retailers to enter new markets and increase revenue potential, while addressing key challenges, such as global fulfillment, regional payment processing, customer satisfaction and brand loyalty.

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About the Author. Christie Eykelkamp is the Vice President, Global e-Business Solutions for ModusLink where she has effectively spearheaded the company's e-Business initiative from development to execution. With 15 years of experience working with the world's leading technology companies to design their end-to-end supply chains, Eykelkamp understood that a truly integrated e-Business platform was a common challenge facing the industry. Under her stewardship, ModusLink embarked on a program to develop a full suite of e-Business Solutions that enable clients to seamlessly integrate the online channel with the complete range of supply chain services; all from a single provider.

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