

Shopping Dissatisfaction Is on the Rise But Savvy Complaints Get Attention

Retail Executives Share Tips for Getting Problems Solved

By Elizabeth Holmes, Dec. 18, 2013

The holidays can feel like a test of your mastery of the seasonal arts of shopping and—unfortunately—complaining.

It's crunch time for gift buyers, the week when stores and websites see a surge in sales, and with it comes more potential for problems and frustrations. The multitude of ways to do holiday shopping—in stores, online, from a



smartphone—poses new challenges for shoppers and stores. Whether it's faulty merchandise, the wrong price or shipping that is too slow, time-starved customers want a resolution and they want it fast.

Luxury and mid-price department stores increasingly see customer service as their main attraction and the best way to draw in shoppers from discount stores and online sellers. "We spend a lot of time, money and energy attracting new customers," says Richard Baker, chief executive of Hudson's Bay Co. HBC.T - 1.60% , owner of Saks Fifth Avenue and Lord & Taylor. "The last thing we want to do is, after all that work, lose a customer over a bad experience."

That is why Andrea Robins spent several hours on a recent weekday hunting for a handbag. Ms. Robins is Saks's senior director of customer service, who solves problems that escalate from any of the retailer's 113 full-price stores and outlets. A customer at a Saks Fifth Avenue store in Florida had bought a \$1,850 Gucci bag to be shipped to her daughter in Washington state. The store mistakenly sent it via ground, not air, and the bag wasn't going to make it in time for the daughter's birthday.

"It's not acceptable to say, 'We're human and a mistake was made,' " Ms. Robins says. "The commitment to service says, 'Now what are we going to do to fix it?' "

Ms. Robins and her team first tried to reroute the package to a faster shipping method—but that wouldn't be fast enough. They considered placing a new order for the handbag with quicker shipping, but it was out of stock. Finally, they called up a Gucci store in Seattle, bought the bag from the retailer and had it sent to the daughter—just in time.

A survey of 1,003 people conducted this fall at Arizona State University's W.P. Carey School of Business found consumer dissatisfaction with retailers is on the rise. Half the people surveyed had a problem with a product or service in the past 12 months, up from 45% in 2011, the last time the study was conducted.

And the public is frustrated, with 68% of respondents saying a problem made them "very" or "extremely" upset, up from just 60% in 2011.

"There were two things that increased the most—yelling and cursing," says Scott Broetzmann, chief executive of Customer Care Measurement & Consulting, the survey's principal designer.

Several executives at both Lord & Taylor and Saks said they always want to know about a problem, rather than have an upset customer leave the store in a huff. At the Saks Fifth Avenue flagship New York City store, a tourist destination that sees close to a million shoppers between Thanksgiving and Christmas, every receipt has the email address of John Cruz, the store's general manager, printed at the bottom.

The Internet is a popular place for shoppers to vent. The survey found 35% of people with a problem posted about it on a social-networking site, up from 19% in 2011. It's a way to "voice your dissatisfaction with the world," says Mary Jo Bitner, executive director of the ASU business school's Center for Services Leadership.

Stores often evaluate and take the conversation offline to resolve it. Earlier this month, a customer of Bergdorf Goodman, Neiman Marcus Group's high-end New York department store, lost a stud on a pair of Prada ankle boots and tweeted, "SO UPSETTING! What Can I Do??" Bergdorf's Twitter account, @Bergdorfs, responded with a name and phone number to call.

Most retail problems are still resolved over the phone. Hudson's Bay Co. typically gets about 50,000 inquiries a month at its Wilkes-Barre, Pa., facility, which handles calls for Lord & Taylor and the Canadian Hudson's Bay chain. That number triples in December, says Lisa Fuller, the call center's director.

New employees, including 140 seasonal hires go through a two-week training program focused on diffusing anger and empathy. "My grandmother used to say, 'It takes two people to argue,'" Ms. Fuller tells employees.

Last month, a man called about his effort to buy a hat on Lord & Taylor's website. Each time he tried, the system cancelled the transaction. (Lord & Taylor and Saks shared customer complaints with The Wall Street Journal with the agreement that no customer information would be disclosed.)

"I'm not getting off this phone, I'm telling you right now, until we get this settled," he said, audibly agitated.

"I'm trying, sir—" the employee said calmly. The man interrupted: "It should not take me from 10 o'clock until 6 in the evening to order a hat online." "I agree, sir," the employee said.

Eventually, the employee discovered his order was being cancelled automatically as a security measure, because he had put in an incorrect billing address. The man never realized he was at fault, nor should he, Ms. Fuller says. "The customer is always right, no matter what—even if they're wrong, they're right."

Call-center employees handle on average about 40 calls a day. Each inquiry is logged so the employee can see shoppers' purchase histories and whether they have had problems in the past. The company also

Defensive Shopping

Tips for avoiding trouble later:

- Spend your dollars carefully. When making significant purchases, choose stores known for good service because they will be more likely to respond if a problem arises.
- Relationships matter. Try to connect with the associate during the sale so that you have a person to come back to later, if necessary.

looks for trends, such as a jump in what it calls WISMO calls (short for "Where Is My Order?"), to help identify larger, systemic problems.

New types of problems arise as the industry adopts the "omnichannel" operating model, in which online orders may be fulfilled not only from a distribution center but also possibly from a local store that has the item in stock. This can lead to surprises. A customer ordering online usually expects to receive pristine merchandise that hasn't been handled.

Saks ran into this assumption over the summer, when a customer ordered a dress to wear to her daughter's wedding. Her complaint, lodged in an email to Saks's then-CEO, was that the dress arrived "smelly" and "used." The dress had been plucked off the selling floor and shipped from a nearby store, meaning other customers may have tried it on or it had been purchased and returned. Ms. Robins made sure a replacement was sent.

When a customer makes a difficult request for something far outside the store's policy, Ms. Robins is careful not to say no outright, but rather to look for an alternative. "On some level, it's parenting," she says. "If I can't say yes to this request, what can I say yes to that may be satisfying?"

A customer trying to buy a watch for his wife recently complained about a store associate giving him misinformation about a discount available online. Ms. Robins didn't honor the misquoted discount, but she did offer the shopper a gift card toward a future purchase.

As a general rule, Ms. Robins and her team research complaints to make sure they are plausible but don't argue with a customer about details. "Perception is reality," she said.



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