

## Sample Report

### Laptops Direct Service Gap Report

Laptops Direct are an on-line retailer of laptop/notebook computers, netbooks and associated peripherals. The main vehicle for sales which is utilized by Laptops Direct is an e-commerce website: [www.laptopsdirect.co.uk](http://www.laptopsdirect.co.uk).

Laptops Direct are arguably the UK's largest on-line retailer of portable computers, and have been trading for more than seven years.

Laptops Direct differ from other on-line computer retailers in the fact that they only vend portable computers. Indeed, they market themselves as "The UK's Natural Choice for Laptops" (Laptops Direct 2011).

Laptops Direct overtly display a commitment to service excellence.

Primarily Laptops Direct attempts to attract consumers by exhibiting an extremely competitive price structure. In many cases it is difficult to find the same products for sale any cheaper elsewhere. However, it could be said that Laptops Direct reinforces the sales pitch by portraying itself as a very conscientious trading entity with regards to the level of after sales support it promises prospective customers. This promise helps them sell the products, forming a strong combination of keen price and excellent support to build trust.

Laptops Direct describe their commitment to customer support in full upon their website which includes several key statements which are extremely compelling.

The first section of the publically available service description for Laptops Direct prospective customers to review, states that the company operates transparently by saying that "We operate a fair and open after-sales service. We firmly believe that setting out our terms clearly rather than burying them in small print is what customers should be able to expect of any business" (Laptops Direct 2011).

This statement is further reinforced by the following section of the customer support page which states that "Over 99% of our orders are handled perfectly – goods are delivered on time and work without fault. However from time to time things do go wrong. Parcels can get misrouted by the couriers, traffic can prevent deliveries arriving on time, manufacturer's specifications can be inaccurate and items can develop a fault." (Laptops Direct 2011). Here we see Laptops Direct excusing themselves from any problems which occur due to circumstances outside of their control.

Finally, the visitor is assured by the company that “We aim to offer a service most other online retailers fail to deliver on: Product availability, value, reliable delivery and a clear and fair after-sales service.” (Laptops Direct 2011). The combination of these sections of the Laptops Direct customer service pledge combine to form a very positive view in the mind of the client.

At this point it becomes hard to establish whether Laptops Direct are selling products (laptops, notebooks and netbooks) or the after sales service they promise clients. In reality they are attempting to use the second as a vehicle to sell the first.

Whilst it is obvious that Laptops Direct seem to be entirely committed to provide an exceptional customer experience in every way, in many practical cases this proves to be untrue.

Laptops Direct have repeatedly been criticized by a significant number of customers for their lack of customer service and after sales support, and general lackluster approach to the way in which they treat customers. The types of complaints often voiced are:

- Payment based – Overcharging or multiple charging of credit cards, inflated delivery costs added after ordering and wrongly processed refunds.
- Delivery based – Extended lead times on items purchased as in stock, which were in fact out of stock, forcing the customer to wait for weeks or even months for delivery.
- Goods based – Faulty or wrong goods delivered.
- Customer service based – Gross dissatisfaction with the way in which customers reporting problems are handled.
- Technical service based – Inability of after sales technical support staff to solve problems.

A recurring theme found across most complaints leveled against Laptops Direct is that there seems to be a general inability for the company to handle simple issues in a unified manner. For example, a customer may have a genuine fault with the delivered goods, confirmed by the technical support department. However, when they return the goods for a refund or replacement, the returns department has no record of the situation and the customer is forced to go through the support loop once more, often with a completely different outcome. An extreme example of this saw one customer being charged a handling fee for the faulty returned goods, along with an additional delivery fee for returning the (faulty) goods back to them, all automatically debited from a credit card with no authorization from the customer. The customer then had to open two separate support issues, one to have the problem of faulty goods replaced (once again), and another to reclaim the erroneous charges.

It should be noted that many of the complaints against Laptops Direct were made through fairly informal channels such as internet discussion forums and customer reviews submitted to online review sites.

“The characteristics of service can be somewhat slippery and difficult to pin down, not least of all because any given service can only be seen through the eyes of its recipient.” (Boultar and Bendell 2010). We must also consider that many of the informal style of complaints made by Laptops Direct customers may be exaggerated or inflated as a form of venting, or simply customers expecting too much.

However, even if we discount a significant portion of the complaints against Laptops Direct simply due to the informal manner they have been presented, we are still left with a significant volume and we simply must conclude that the level of service they provide is not in parity with the level of service they purport to provide within the pages of their website.

Customer service as a marketing tool is a bad approach.

Laptops Direct operate a business model which is based upon low priced, volume sales, at minimal margin, this much is obvious. Yet they propose to offer a level of customer service above that of more expensive competitors. We need to ask how these lower margin sales can fund such a support department? Traditionally volume vendors in the market of computers and peripherals have offered very little in the way of customers support, their attraction is in the price.

The management team at Laptops Direct are clearly set upon using the promise of exceptional customer support as an additional marketing tool, yet the business is failing to provide this level of support to a range of customers. This disparity needs to be addressed.

Primarily, the enterprise needs to reduce its focus upon promising an exceptional customer experience quite so publically. Quite simply, making promises that cannot be fulfilled is bound to generate dissatisfaction.

To solve the problem in the short term, and begin to actually provide a level of service which lives up to the sweeping claims made on the company website, the business needs to work smarter.

We have already stated that as a volume trader, margins are slight, so this would mean the cost of any changes to the techniques utilized by support staff need to be as low as possible. One way this could be accomplished is to eliminate any redundancy in the support processes

and unify all involved parties into a well-defined, collaborative support system, thus reducing the support overhead.

“With the appropriate integration of tools, actions can be automated for impact analysis, task initiation, configuration, activation, orchestration and other activities.” (IBM Service Management 2008) A medium term investment would be needed in technology to establish such an integrated system. However, once operational, the business would be in a position to fully support its claim of being the premier supplier of portable computers in the UK, including exceptional customer service.

In to the long term, the business would need to invest in its staff. The computer equipment arena is a fast changing one, and it is vital that support staff remain current with regards to new developments in technology and specifically when this new technology begins to be sold by the company. This would mean that a staff training regime would need to be implemented, either in-house or externally, to ensure that the staff skill set remains fresh and relevant.

Additionally, Laptops Direct, as a web based company, could look at various techniques employed by other retail sites such as [www.amazon.co.uk](http://www.amazon.co.uk) and attempt to establish a community of loyal consumers. These days, the web is all about social networking and indeed several CRM providers have begun wheeling out social CRM solutions. By embracing the community which comprises of their client base, both happy and dissatisfied, and giving them voice within their own socially networked features upon the Laptops Direct website, much of the bad opinion which leaks out to other media would be kept localized and more importantly moderated. By allowing clients to submit comments and product reviews, Laptops Direct is able to monitor the opinion of their customers more closely, and also interact with them.

Overall, the business displays a recognizable footprint. That of a volume sales based business, which is looking to improve its image. Unfortunately, making bold claims without backing them up is simply detrimental. Promising customers an exceptional purchasing experience and not delivering it can only harm the company’s image further in the long run, and steps need to be taken to correct this course.

## Bibliography

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