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Customer service? Where's the service?

By Bruce Horowitz USA TODAY

Ron Kaufman was the absolute wrong guy to put on hold.

All he wanted was to talk to a real person to get help making a major change to his business-class tickets to London. But Expedia put him on hold. That was just the beginning of his journey into phone hell. The kindly operator who finally tried to help was, in turn, put on hold by yet another employee. Kaufman suddenly found himself in a double holding pattern.

About a half-hour later, a frustrated Kaufman hung up. Then, the international customer service consultant — and author of *Up Your Service!* —took matters into his own hands. He signed off his laptop and marched to a travel agency down the street where a real person booked the \$9,000 trip.

His advice to folks who make online travel bookings with even a remote possibility of future changes: Forget it. "Book it with a human," he says.

But where to find that human?

There was a time when companies actually employed people whose jobs were to help customers. They were called operators. Or customer service agents. Or salespeople. But it's rarely people who help people anymore. It's machines. And computers. And automated recordings. Result: Customer service complaints are on the rise —even though many complaints never actually reach a human being.

Expedia executives say employees went the extra mile — though unsuccessfully — to help Kaufman. In fact, the company just earned the *Good Housekeeping* magazine seal of approval for its outstanding service. But Kaufman isn't impressed. Expedia later informed him of a special VIP phone number for its best customers. Kaufman phoned that number. After sitting on hold for too long, he hung up. Again.

"If it gets any uglier," says Bob Chatham, principal analyst at Forrester, a high-tech research specialist, "companies may be (legally) forced to disclose to consumers how to reach a human being."

Until then, many companies will continue to reduce workforce and invest in software that doesn't need a weekly paycheck, health insurance or paid vacation. American companies will spend a record \$8.5 billion on call center software this year, estimates Datamonitor, a corporate research and consulting firm.

With good reason. The typical service phone call — involving a real person — costs a company \$7. An Internet transaction, with a person responding, costs \$2.25. But a self-service phone call — with no human interaction — costs less than 50 cents, says Lance Fried, marketing director at TelephonyAtWork, a call center vendor.

How bad is it?

Just how badly has the nation's customer service degraded?

•**On the phone.** Some 80% of the nation's companies still haven't figured out how to do a decent job getting customers the assistance they need, says Jon Anton, who oversees Purdue University's Center for Customer-Driven Quality and is research director at the consulting firm BenchmarkPortal.

•**Online.** Some 35% of all e-mail inquiries to companies don't get a response within seven days, according to industry estimates. And about 25% never get a response at all, Forrester estimates.

•**In "IVR" hell.** To save on labor costs, many of America's largest companies have installed software that the industry calls Interactive Voice Response (IVR) systems. Yet more than 90% of financial service consumers say they don't like these systems, Forrester reports.

•**In a rage.** Nearly one in three customers say they have raised their voices at customer service reps and nearly one in 10 say they have cursed at them over the past year, according to a national phone survey by Customer Care Measurement & Consulting.

•**In response.** Two-thirds of the estimated 800,000 consumer complaints that have been passed along over the past three years to PlanetFeedback.com's troubleshooting Web site share the same theme: not getting a response from a company, says Sue MacDonald, marketing director.

The sad irony: This decline in service comes at a time when Federal Reserve Chairman Alan Greenspan has professed that the nation's economy has evolved into a true service economy.

Service matters. Services of all types — from getting new hairdos to fixing computer snafus — accounted for \$4.5 trillion of the \$10.7 trillion that consumers spent in just the second quarter of 2003.

But go ahead: Just try to get human-to-human service in this service economy.

Many large companies, particularly the financial service giants, have installed special software that tells them — in an instant — when a lucrative customer is on the phone. Such systems can immediately send that call ahead of dozens — even hundreds — of other callers who must cool their heels while the big spender gets special attention.

The key to receiving special attention: Rank among the company's top 25% biggest-spending customers, experts say.

This is the fastest-growing sector of customer service: select customer service. It can be antagonizing to the masses. "Stupid companies use technology as a wall instead of as a bridge to their customers," says Ramon Avila, a Ball State University professor who specializes in customer relations.

When customers do tasks themselves, companies save megadollars on labor. That's why many big companies are nudging consumers to do it themselves. But this new world of self-service everything — branded by American businesses as something consumers want — hasn't caught on with everyone.

How could it?

For 50 years, consumers have been taught that good service means someone picks up the phone within the first few rings. Now, companies are essentially saying, "Forget everything we taught you," says Chatham.

The three most consistent offenders: airlines, personal computer makers and cable TV companies. This according to the American Customer Satisfaction Index compiled by the University of Michigan. It measures 80,000 consumer opinions annually.

"Maybe we've hit bottom," says Claes Fornell, the business professor who oversees the index. "A company's basic asset is its relationship with its customers."

Calling India

Tell that to Edie Beck.

The 66-year-old court reporter from Port Angeles, Wash., had a 1-year-old Dell computer that started making a terrible rattle. She also had a three-year warranty for on-site labor response.

She spent hours on the phone with Dell operators, trying to get a real person to come to her home and fix it. Instead, an operator at a call center in India tried to persuade her to stick her hand inside her computer and fix it herself.

"I didn't feel I should have to take my own computer apart myself," she says. Ultimately, she gave up on Dell's help line and had a computer-savvy friend fix it.

Dell spokeswoman Jennifer Davis concedes the company should have sent out someone to fix her computer. But Dell responds to 50,000 consumer requests daily, "and some situations aren't handled the way they should be."

But at least Beck reached a human voice on the phone — albeit one in India. Randy Fielder never did.

The quality control manager from rural Tifton, Ga., made a three-hour drive to a Circuit City store in Atlanta to get his son a CD burner for his 18th birthday.

But when they got home, they found a cable missing from the box. Circuit City quickly offered a full replacement, but Fielder wasn't eager to make the long drive. Instead, he tried to reach the manufacturer, I/OMagic, and have them mail a cable.

No luck. He made four phone calls. Each about 20 minutes. Each time he was cut off by an apologetic recording that informed him the company doesn't permit longer wait times for callers.

"Even if I'd have reached a real person, I doubt if I'd have been able to keep my cool," he says.

Executives at I/OMagic say the firm moved that weekend and had phone service problems.

"New technology," says customer strategy guru Martha Rogers, "gives companies the ability to treat people the way they *don't* want to be treated faster and more effectively than ever."

Beth Heckel thinks Columbia House is the master at shutting out customers.

Heckel, a preschool aide from Loveland, Colo., received several threatening letters from Columbia House six years after her daughter's membership to the CD club had expired. She knew that she owed them nothing. But she was unable to get a response from the company — via phone or e-mail.

"I could not reach a living, breathing person there," she says.

She almost sent them the \$40, anyway, because she feared they could damage her credit rating. Instead, she sent a complaint about Columbia House to PlanetFeedback.com, which forwarded it to the company. Only then did she receive an e-mail from the company conceding its error.

But Terry Dwyer, chief operating officer at Columbia House, says the company is investing \$10 million to improve its call center. And customers who phone the company can now "opt out" to reach an operator at any point in their calls.

"Bane of our industry"

Perhaps no new technology is causing more problems than IVRs — sometimes referred to as VRUs (voice response units). While the automated systems are supposed to quickly route callers to whom — or what — they need, many don't. "They are the bane of our industry," says Anton. "They can anger people to no end."

But the best of them also can quickly route callers to where they want to go. The first, simple system was introduced in 1983 by Rockwell, says Anton. Since that time, they've gotten far more sophisticated. Many, today, specifically respond to voice commands.

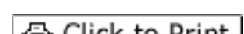
Some consumers prefer not to deal with a human. EBay says most of its customers are that way. "Our members are very comfortable on the Internet, and an e-mail option or chat are sometimes preferred," says Joyce Whalen, director of eBay Customer Experience.

Maybe so. But Kaufman, the customer service guru who was placed on hold by Expedia, is no longer a true believer in the self-help lane.

Just ask his new travel agent.

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