Recommendations to Improve Customer-Service Training at Amazon, Inc.

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Amazon, Inc., commonly referred to as Amazon, incorporated in 1996 and currently trades under the AMZN symbol on the NASDAQ exchange. As of 2016, Amazon operates three distinct segments: North America, Amazon Web Services, and International. The North America segment uses sites such as amazon.com, amazon.com.mx, and amazon.ca to sell products directly to consumers; this segment also delivers subscription services—such as Amazon Prime and Amazon Kindle Unlimited—to customers. Amazon Web Services offers cloud-computing services to businesses, academic institutions, and government agencies; available products and services include developer tools, enterprise applications, database-migration services, and file storage. The International segment sells products directly to consumers and allows buyers in North America to import products from other continents (Reuters, 2008). Headquartered in Seattle, Washington, Amazon has locations throughout North America, Europe, Asia, Latin America, and the Middle East, making it easier to deliver products to consumers in a timely manner. The company sources millions of products from vendors, but it also has a program that allows business owners to create product listings and have customer orders fulfilled by Amazon's distribution-center employees. Sellers who participate in this program pay Amazon a fee that includes picking, packing, and shipping; Amazon also handles customer service and returns, leaving sellers with more time to create new products or source products from wholesalers (Amazon Services, 2013).

Gibson (2011, p. 4) refers to customer service as "essential to staying profitable in business," as business owners cannot survive without loyal customers who are willing to spend their money on products and services. Broadly defined, customer service is a set of activities that support the customer before, during, and after the sale. This area of operations is important to

Amazon because it affects customer loyalty and profitability; if Amazon does not provide adequate service, the company risks losing customers to other retailers. It is also more expensive to acquire new customers than it is to continue serving existing customers, as retailers have an average customer-acquisition cost of $10 (Safko, 2013). Gillani, Lodhi, Irfan, and Mehmood (2016, p. 3983) argue that excellent customer service is also a competitive advantage, as customers are likely to buy from companies that treat them well and do everything in their power to "delight" customers instead of merely satisfying them. By implementing best practices in customer service, Amazon has the opportunity to reduce customer-acquisition costs, inspire loyalty among existing customers, and increase market share in the retail industry.

Integrating Customer Focus in All Departments

Amazon is known for providing excellent customer service, but there is room for improvement, particularly in departments where employees do not always have direct contact with consumers. Kucerova, Mlkva, and Paulova (2010, p. 695) claim that customer focus is one of the "fundamental principles of quality management," making it one of the most important operational areas for a business. They also argue that companies must strive to understand the needs of customers and then work to exceed customer expectations at every opportunity. Kucerova et al. (2010) recommend that corporations apply the principle of customer focus by participating in the following activities: examining the needs of customers, aligning the goals of the company with customer requirements, measuring customer satisfaction and making policy changes based on the results, managing customer relationships in a systematic manner, and ensuring balanced relationships among all stakeholders (Kucerova, Mlkva, & Paulova, 2010, p. 695). This strategy is appropriate for Amazon because the company has several departments that never have direct contact with customers; however, departmental activities still affect Amazon's

ability to meet customer needs and ensure high levels of customer satisfaction. For example, marketing staff do not answer support calls or chat with consumers via Amazon's chat system; however, their decisions affect every aspect of the customer experience. By participating in the five activities recommended by Kucerova, et al., Amazon has the opportunity to improve its customer-service training initiatives, increase customer satisfaction, and ensure that customers have the information they need to make the right buying decisions.

To implement this suggestion, Amazon should start by creating a policy that all departments are to focus on the customer at all times. Even if a department has no direct contact with customers, every completed task should improve the customer experience in some way. After implementing the policy, Amazon should engage in the activities recommended by Kucerova et al (2010). Identifying customer needs is the first step in the process, as Amazon cannot engage in the other activities if employees do not know what customers want. The company already collects demographic data from customers, so each department should use that data to determine the brand preferences, social needs, financial means, and family needs of customers in different demographic groups. Staff members should use that data to perform their duties in a way that aligns with customer expectations. If the marketing department reviews the data, for example, they may find that customers want a quick and easy way to compare several products; the department would meet that need by offering side-by-side comparisons of the most popular products in a given category. By eliminating the need for customers to identify several brands in a particular category, the marketing department would be doing a better job of meeting the needs of Amazon shoppers. The picking and packing departments can also benefit from a renewed focus on the customer, as employees in these departments play an important role in meeting customer needs even though they never communicate with customers directly. To

integrate the focus on the customer into these departments, trainers should remind pickers and packers that their actions affect the safety and performance of the products shipped to Amazon customers. By focusing on the customer, the picking and packing departments have the opportunity to reduce the number of damaged items shipped from Amazon warehouses, improving customer satisfaction and reducing the number of complaints Amazon receives.

Amazon should also make adjustments to its customer survey program. The company allows third-party sellers to send surveys to buyers, distributes Amazon surveys to frequent shoppers, and allows buyers to post product reviews to indicate their satisfaction or dissatisfaction with each purchase. However, sending surveys to frequent buyers is not the best way to measure customer satisfaction, as frequent buyers are more likely to be happy with Amazon's products and services; otherwise, they would not make multiple purchases. Staff members should target customers who made an initial purchase more than three months ago and have not made any additional purchases. Following these parameters gives Amazon a better chance of determining why customers are dissatisfied and what can be done to improve service for those customers. Once staff members measure customer satisfaction among several groups of buyers, Amazon should implement policies to address any service deficiencies uncovered by the surveys.

Improving Customer-Service Scripts

Hsu and Chiang (2011, p. 19) describe customer service as a type of theater, with customers and customer-service agents playing specific roles in the "performance." The use of scripts is a best practice in service-based businesses because scripts make it easier to deliver consistent service and standardize the tasks performed by service agents. Hsu and Chiang claim that scripts are especially helpful in industries that must complete service-related tasks in a quick

and efficient manner. Although their research focused on the fast-food industry, the results are still applicable to Amazon's e-commerce business, as Amazon's telephone and chat agents handle hundreds of daily calls related to previous orders, assistance with new orders, Amazon digital services, troubleshooting for the Kindle and Kindle Fire, Amazon's Prime program, and dozens of other topics. By improving the speed and efficiency of its customer-service agents, Amazon has the opportunity to increase sales, inspire loyalty, and reduce the cost of each service-related telephone call or chat conversation.

According to Hsu and Chiang, each service script includes procedural knowledge as well as a cognitive component that helps customers and service agents understand the potential outcomes of predetermined scenarios. To apply the results of Hsu and Chiang's research, Amazon managers should start by reviewing recordings or transcripts of past telephone calls and chat conversations to determine the top 50 most common scenarios handled by customer-service agents. Greeting customers, helping customers place orders, handling billing issues, and checking on the status of an existing order are likely to be among the most common scenarios for Amazon. Once managers identify the most common scenarios, they should develop a script to help service agents perform the correct "role" in each situation. Although service scripts have several benefits, Amazon managers must review each script carefully before using it to re-train customer-service agents. Scripts are beneficial when used correctly, but low-quality scripts tend to frustrate customers and may even cause Amazon to lose out on some sales due to reduced customer satisfaction.

Before using the new scripts, Amazon should provide an adequate amount of training for customer-service agents. Handing an agent a new script an hour before she goes on duty is not a good way to satisfy customers; in fact, most customers will find it obvious that the agent is

reading from a script, leading to reduced satisfaction and increased frustration for both the agent

and the customer. Because Amazon has on-site service agents and service agents who work

remotely, the company must use several types of training to ensure each group is adequately

prepared to use the new scripts. For on-site employees, role-play sessions are an excellent way to

become familiar with the new scripts; remote employees should be given the opportunity to train

on-site or to watch a webinar that contains information about the new scripts. Employees who

participate in web-based training should also be required to complete a post-training assessment

to demonstrate that they have mastered the content of the training program.

Creating new scripts has several potential benefits for Amazon, one of which is that

standardizing service interactions makes it easier to deliver excellent customer service. Scripts

also help to ensure that service agents treat every customer with the same level of respect,

represent Amazon in a positive light, and reflect Amazon's values as a company. Once Amazon

switches from the old scripts to the new scripts, managers should test the effectiveness of the

new scripts by listening in on customer calls or observing chat agents as they attempt to assist

customers. To ensure the new scripts are a success, managers should also keep track of several

key metrics; comparing performance with the old scripts to performance with the new scripts is a

good way to determine if the new scripts are helpful or harmful to the company.

Make Employees Part of the Solution

Prewitt (2009, p. 52) claims that employers have a bad habit of calling employees "part

of the problem" when it comes to bad customer service. She states that customer-service training

programs are usually built on the premise that trainers have to convince employees that excellent

customer service is important; however, most employees already know about the importance of

providing good service. Prewitt suggests that managers and trainers should be asking a different

question: "Why don't employees consistently deliver excellent service?" Her work raises some

interesting questions, especially with regard to why employees are not willing to go the extra

mile for customers even when they know customer service is essential for staying in business.

After defining the problem, Prewitt decided to investigate why employees are not as concerned

about customer service as they should be.

Prewitt spoke with employees from several organizations, many of whom stated that they

felt they did not have enough time to do their jobs and offer excellent service at the same time

(Ibid.). Employees consistently expressed a desire to provide excellent service, and Prewitt found

that their definitions of customer service were well-aligned with employer expectations. The

problem, she found, is that employees often feel pressured to reduce the amount of time they

spend addressing customer needs. Some employees also identified another problem: they did not

have the authority to address customer concerns in a meaningful way, resulting in a high level of

frustration for service agents and customers alike. A few employees even broke the rules by

answering questions they were not supposed to answer; as a result, they provided incorrect

information, angering customers and subjecting their colleagues to angry telephone calls at a

later date. Prewitt determined that it is possible to avoid these problems, but only if businesses

make their employees part of the solution (Ibid.).

Amazon has several opportunities to engage service agents as part of the solution, but the

company must provide adequate training before allowing new agents to deal directly with

customers. Prewitt (2009, p. 52) found that misperceptions, misplaced priorities, and

misunderstandings are some of the most common barriers to service excellence; fortunately,

Amazon has the opportunity to address all three of these barriers by tweaking its existing training

program. To follow the best practices identified by Prewitt, training and development staff

members must identify some of the most common misperceptions held by Amazon service agents. Employees may be hesitant to provide honest feedback if they are questioned directly, so the training department should create an anonymous survey. If trainers use a pen-and paper survey, they should use questions that employees can answer by circling a response or filling in a bubble; this way, employees do not have to be concerned that they will be identified by their handwriting. If the training department decides to use a web-based survey, trainers should reassure employees that the company is not tracking login information for each person who takes the survey. Once employees understand that the survey is completely anonymous, they will be more likely to give honest answers that will help Amazon develop a better training program.

After identifying some of the most common misperceptions of customer-service agents, Amazon's training department should address the misperceptions in three ways: meetings with on-site employees, webinars for remote service agents, and updates to the existing training manual. When meeting with employees, trainers should introduce each misconception, explain why it is a misconception, and provide the correct information. For example, if one of the common misconceptions is that service agents can never deviate from their scripts, the trainer can explain that there are some exceptions, explain those exceptions in detail, and give service agents guidance for applying these exceptions to everyday service encounters. The webinar should contain the same information, but because remote employees will not be able to ask questions in real time, Amazon's training and development department should write down all of the questions asked by on-site employees and use them to create an FAQ. Remote workers will have the opportunity to read the FAQ at the end of the webinar, eliminating confusion for service agents, supervisors, and customers.

Because misplaced priorities are such a concern, Amazon's trainers should also teach employees how to prioritize service-related tasks. The company should provide several types of training to ensure that employees of all learning styles are able to master the material. For visual learners, a flowchart may be helpful for indicating which tasks are high-priority and which tasks are low-priority; verbal learners may prefer a written guide to task prioritization (Berry & Settle, 2011, p. 1). During on-site training sessions, trainers should make use of lecture, role playing, and other forms of training to help employees understand that different tasks have different priority levels. For employees who feel that they are obligated to cut service interactions short, trainers should consider explaining that average call time is an important metric, but it is not as important as an agent's customer-satisfaction scores. If trainers give service agents permission to prioritize satisfaction over short call times, employees may do a better job of prioritizing their responsibilities.

Amazon has many opportunities to improve customer service, but three of the most important are integrating customer focus in all departments, improving customer-service scripts, and getting employees involved in the process of improving customer service throughout the organization. Integrating customer focus in all departments has the potential to improve Amazon's ability to meet customer needs, attract new customers, and inspire loyalty among existing customers; improving customer-service scripts gives Amazon an opportunity to standardize service interactions; and getting employees involved creates the potential for Amazon to identify some of the most common misperceptions in the customer-service department. Although implementing these solutions is likely to cost a significant amount of money, the potential benefits greatly outweigh the costs. By improving the company training

program, Amazon stands to increase customer satisfaction, reduce customer-acquisition costs,

build loyal relationships with customers, and improve profitability.

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