

Welcome to IF Consulting's weekly e-mail newsletter

November 28, 2003

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Callers prompt marketing channel recall

Dell's announcement that it would stop routing some customer-support requests to call centers in India after receiving customer complaints may indicate a dampening of the tech sector's enthusiasm for low-cost outsourcing. Dell has received complaints about the technical support offered by its overseas support sector, with one executive proposing that customers weren't happy with the way Dell had changed how it handled those calls.

Papers local to Dell's Texan headquarters report that the complaints centred on receiving scripted responses to their questions rather than one-on-one support. Dell's own online user forum is filled with complaints about Dell's delivery of technical and non-technical customer support.

Dell is one of the many companies that engage offshore call centers to reduce the cost of customer support. This trend, along with that of outsourcing technical jobs has been widely criticized by some U.S. workers' groups.

IF Comment

Dell's recall of its tech support from India demonstrates the challenges of developing new marketing channels. Companies are constantly searching for ways to improve their routes to market. However, choosing new channels is extremely risky when those choices are not accompanied by clearly defined exit strategies should problems arise. Many companies including GE, Dell and American Express, have call centre operations in India. While Indian call centres may have the technical know-how to support the companies they represent, cultural differences between call centre personnel in the western world and India often make communication exceedingly difficult. The comment about scripted responses is particularly valid. When asked a question that departs from the script, many Indian call centre employees are at a total loss.

Bearing in mind that call centre staff anywhere in the world, including the USA, are usually among the lowest paid employees and that in India they are even lower paid, it's not surprising that Dell (and from our experience other companies with Indian call centres) receive many customer complaints. When American xenophobia is considered, it is not enough for Indian call centres to function as well as call centres in the US; they need to outperform them to satisfy Americans that the use of foreign call centres is sound.

The comment in the above article that economics will make the use of offshore call centres something companies will have to do to compete is flawed. Cost cutting at the expense of satisfied customers and repeat business is not good business.



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Snippets

New Zealand's Department of Internal Affairs is investigating a case where a New Zealander has paid \$NZ 25,000 for a casino franchise which appears to be illegal. Organising, promoting, managing or conducting online casinos in New Zealand is illegal. Even if the technical infrastructure is based offshore, any companies or franchise-holders active in New Zealand were subject to New Zealand law and could be investigated.

<http://www.nzherald.co.nz/business/businessstorydisplay.cfm?storyID=3535958&thesection=business&thesubsection=technology&thesecondsubsection=general&thetickercode=>

In the first of its kind, McDonald's has launched a skate-through restaurant in Singapore. Like drive-through customers, the skate-through consumers have a designated lane which has a special surface to make skating easier. McDonald's expects to increase revenue at the restaurant by 40%.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/58202/1.html>

Electronics giant Canon has developed a new guide for its marketing channel partners on how to do business. Although it targets those with print operations it also covers most aspects of printer sales and solutions. Drawing on his background in running a print shop, the guide has been initiated by Canon marketing operations manager, Geoff Hobbin.

<http://www.channelbusiness.com/articles/newsroom.asp?node=1+&ArticleID=12152>

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