

MULTICHANNEL

## Cultivating relationships increases customer loyalty, transactions: Zappos exec

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By RACHEL LAMB

NEW YORK – Online retailer Zappos emphasizes that taking care of customers will build relationships and brand advocates in addition to the amount of transactions, according to an executive at Luxury Interactive.

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Zappos, now owned by Amazon.com Inc., has cultivated a community within its family that it has used to redefine customer service. By ensuring that its employees care about making the customers happy, Zappos has seen a rise in repeat transactions.

“The Zappos culture is important to customer service,” said Jane Judd, senior manager of customer loyalty at Zappos, Henderson, NV. “To have the right voice, we have to have the right people.”

Zappos is an online footwear, apparel and accessories retailer for luxury brands such as Michael Kors, Ralph Lauren, Marc Jacobs, Stuart Weitzman and Calvin Klein.

The 4 C’s

Zappos is well-known for its customer service and exemplifies this by carefully following

the four C's: culture, customer service, clothing and community.

The retailer cares about the culture that it has made for its employees, customer service for its customers, the quality of products that it sells and the community that it cultivates.

Similar to a high-end luxury retailer, consumers judge Zappos based on the experience that they have with its representatives.

Hypothetically, if a consumer walked into a Ralph Lauren store, she most likely would not spend premium prices on a bag if she was not treated well.

Ralph Lauren customers may shop on Zappos as another outlet for sales and will likely depend on having an experience similar to a branded ecommerce site.

Many luxury brands make a point to befriend loyalists.

It was a commodity a few years ago for a luxury brand to know everything about its customers. An employee would know a person's spouse's name and the kind of dog that he owned.

Zappos is proof that customer experience drives sales: on any given day, 75 percent of purchases are from returning customers.

Also, repeat customers order more than 2.5 times per year and have a higher average order size versus first-time customers, per Zappos.

Above and beyond

Telephone is one of the main ways that Zappos enhances the customer experience.

"There is no time limit on the phone," Ms. Judd said.

The longest phone call reportedly lasted eight hours and 28 minutes, per Zappos.

This is similar to American Express, which excessively trains its employees for their phone interactions with consumers ([see story](#)).

Indeed, American Express saw a 25 percent transaction increase after it started spending more time on providing an extraordinary customer experience.

Zappos has a 365-day return policy as well as an 800-number on every page to ensure that customers can reach a representative at any time.

Employees also monitor their customer interaction through personal cards, flowers and messages to customers that they helped.

The retailer encourages social media to help monitor customer concerns or those who have sales questions.

The most important thing is to engage the consumer in the conversation, per Ms. Judd.

"Customer service should be fast, accurate and fulfilling," Ms. Judd said. "The key is for personal, emotional connection and to engage the consumer."

“If you go beyond regular customer service, you will see that consumers react very strongly to the personal connection,” she said.

Final Take

*Rachel Lamb is associate reporter on Luxury Daily, New York*

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