

Issue in customer relationship management



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This is the issue at hand in a class action lawsuit against Toys “ R” Us for allegedly failing to provide customers with full refunds on items purchased with promotional gift cards or discounts. Allegedly, Toys “ R” Us customers who purchased items from the store that offered free gift cards, buy-one-get-one-50-percent-off discounts or other benefits received less money than the full purchase price when they went to return the items. Laura Maybaum, the lead plaintiff in the case, purchased \$75 worth of Toys “ R” Us products and received a \$10 gift card. When she later returned one of the toys, the toy company allegedly refused to pay the full purchase price.

Under California law, retailers must give no less than full cash or credit refunds unless a more restrictive policy has been announced. A California judge has recently approved a \$1. 1 million settlement in the case. Under the settlement, Class Members will receive a voucher for \$10 off a purchase of \$50 or more. The toy company has also agreed to provide more disclosure of its return policy for merchandise bought as part of a promotion.

One of the ways they intend to do this is by putting the disclosure on point-of-sale displays. Class Members include all California consumers who purchased toys from Toys “ R” Us since January 1, 2008 that qualified for a promotion and then returned one or more items. Yum China CEO apologizes for KFC chicken issuesThe CEO of the fast-food giant KFC’s parent company Yum Brands Inc. apologized to Chinese customers on Thursday over a series of recent “ disturbing” issues regarding the chicken supplies on its biggest market.

“ I, on behalf of Yum China, sincerely apologize to you, ” Su Jingshi, chairman and chief executive of Yum China, wrote in a statement, “ We regret the shortcomings in our enterprise’s self-checking process, our lack of internal communication, the slow adjustment of suppliers, our failure to notify the government about the test results as well as the inappropriate comments from several employees and the relatively slow and non-transparent external communication.” Su added they draw lessons from this controversy and make their customers 4 promises: “ First, maintain the self-checking campaign we’ve had since 2005. Besides government supervision, we will keep on demanding suppliers be tested and improving the sample-reexamination approach, in order to avoid any problematic production going into Yum’s logistics system,” Su wrote. “ Second, strengthen the communication with the authorities and report problems in time when we discover them during the self-checking process,” he continued, “ Third, raise the standard for suppliers who should receive tighter control and supervision of food safety, and strictly apply their qualifications. Finally, we will help chicken suppliers adopt advanced breeding measures and administration models.” Su Jingshi said Yum China still considers food safety its top priority.

He asked Yum’s staff to continue their hard work, listen to the voices coming in from all directions, and try their best to earn back the customer’s trust.

The scandal broke out when China Central Television (CCTV) reported in late December that several poultry farmers in Shandong Province had given their chickens excessive amounts of antibiotics, including amantadine and ribavirin, in order to help them accelerate growth and survive the overcrowded chicken houses. The report triggered nationwide concern about

food safety. Some of the chickens were supplied to KFC and McDonald's. The Shanghai Food and Drug Administration said that tests conducted by a third-party agency between 2010 and 2011 had found that eight batches of chicken meat supplied to the company by Liuhe Group Co.

, contained excessive levels of antibiotics. Yum also stated it had stopped all supplies from Liuhe in August of 2012. Shares of Yum Brands Inc. fell Tuesday after it said issues of suppliers had hurt its China sales more than expected. Its China same-store sales fell by 6 percent year-on-year over the fourth quarter, compared to the previous estimate of a 4 percent decline. Lululemon blames customer sizing issues for see-through pants Retailer Lululemon Athletica Inc.

says customers could still be sporting see-through Luon yoga pants because they're buying sizes that are too small for them. The Vancouver-based company said Wednesday there are still "a few negative comments" circulating on the Internet from shoppers who it believes are buying the wrong size. The problem may be that "guests don't have the benefit of doing an in-store fit session with one of our educators to make sure the fit is right for them," the company said in a Frequently Asked Questions section of its website." The majority of feedback about the return of our black luon bottoms has been positive," it noted. Lululemon says it has made "big changes" to its product development process since the see-through pants first grabbed attention in March.

But the troubles persist, and that might begin to cause problems for Lululemon's reputation, said Macquarie Capital analyst Liz Dunn who is a

self-proclaimed “ heavy user” of the company’s products. “ We see a narrow window of opportunity for Lululemon to really fix quality,” she said in a note. “ Otherwise, customers may jump ship to competing brands.” Dunn said she’s concerned with Lululemon’s decision to tell customers to buy bigger sizes or that certain clothes aren’t made for sweating in while others aren’t made for running. She said not only does that create confusion but it also makes it inconvenient for customers who hurry from one exercise class to the next in the same pants. “ We believe consumers expect to be able to both bend and sweat in Lululemon’s premium-priced athletic product,” she said.

Dunn also pointed out that clothes once manufactured in Canada have now been outsourced to Asia to boost product margins. She acknowledged that customers may be paying more attention to product quality after hearing about the recall earlier this year. Reviews on Lululemon’s website have pointed out some of the flaws with the company’s relaunch of its Luon pants. “ I was told by a sales associate that after the fabric was changed, most people had to go up a size for the sheerness to go away,” wrote DCRunner16.

“ Confused that just one size smaller would cause so much trouble with the fabric, I tried an eight. The eight was not only too big, but still sheer when I bent over!” Numerous other reviews on the website outlined similar experiences with the pants. “ Did some bend-over tests and you could see my underwear and the tag on the pants,” wrote a user called ILoveSun. However not all of the recent reviews were negative and some customers

questioned why so many others were still claiming their pants were see-through.

The quality of the Luon fabric has become a significant problem in recent months, resulting in several lawsuits accusing the company of disclosure shortcomings that artificially inflated the stock price of the company.

Lululemon pulled its black Luon pants from stores mid-March, which meant removing 17 per cent of its woman's pants inventory. Since then, the company has said that the fabric used in the pants did not meet their standards. In April, chief product officer Sheree Waterson left the company. The company then said it began testing and assessing all Luon products to ensure they meet " revised specifications for modulus (stretch), weight and tolerances.

" It has also stationed employees at factories to ensure that the new standards were being met. Last month, Lululemon chief executive Christine Day announced her plans to leave the company once a successor was found. The company also recently delisted from the Toronto Stock Exchange. Shares of the company were 15 cents lower at \$65. 54 in after-hours trading on the New York Stock Exchange, as of 5: 53 p.

m. ET. The company's stock ended 24 cents higher to \$65. 69 in the regular trading session. US AirwaysRegular complaints include inaccurate billing, failing to notify passengers of flight delays and terrible service.

One customer says he saw a crew member on a Charlotte to Toronto flight bullying a disabled elderly woman for asking to get her belongings out of a carry-on bag. In November 2011, the airline was at the center of a PR

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nightmare after forcing a passenger to stand for seven hours because of an overweight man seated next to him. In the same month, the company was attacked for initially denying a ticket refund to a terminally ill cancer patient. Meanwhile, the Arizona-based carrier is pushing for a merger with American Airlines, which experts note could result in fewer flights for some cities and higher airfares.

Wal-Mart Could Be In Big Trouble If It Doesn't Fix Customer Service

FastWalmart customers across the country are complaining that they can't find the products they want, and that could lead to dangerous consequences for the retailer. "Walmart shelves are empty because it cut back on its workforce and the employees can't keep up," customer service expert and best-selling author Grant Cardone told us. "It doesn't work to be everywhere if you're not offering an experience." The retailer's empty shelves problem was first reported by Renee Dudley at Bloomberg News, who notes that company's workforce has fallen by 120, 000 since 2008. In the same time the company has added several hundred locations.

In all, it employs 2.2 million people. Dudley said she received thousands of emails from disgruntled customers who complained of Walmart's poor selection, long check-out lines, and bad customer service. Cardone said that if Wal-Mart doesn't amend the problem, it could go the same route as cable TV, which shows that "the size of the organization doesn't matter." "We've seen 5 million people abandon cable in the past 18 months because there are better alternatives out there," Cardone said. "Wal-Mart's threat is the internet, and consumers won't hesitate to leave.

“ Victor Ireland, a former Wal-Mart customer, told us that he actively avoids the retailer because of its “ understaffed” stores. “ Checkout is a nightmare with long lines and few cashiers, and I actively avoid Walmart stores for this very reason,” Ireland told us. “ The hassle isn’t worth the potential savings.” Cardone said that Walmart needs to hire more associates, and fast. “ A negative experience can leave a bad taste in a customer’s mouth for a long time,” Cardone said.

“ If you’re not making life easier for them, they’re not going to come.”

McDonald’s Created A New Position To Deal With Customer Service Problems

In Stores McDonald’s is trying to reach dissatisfied customers by adding people to fetch sauce packets and Happy Meal toys, according to a report by Julie Jargon at The Wall Street Journal. The restaurant chain found that one in five customer complaints were related to customer service, and that number is increasing all the time, according to a leaked presentation distributed to franchise owners. To help deal with the problem, the company created a new position of “ runner.

“ That person will “ hand out cups and sauce packets, and fetch juice boxes for Happy Meals,” Jargon writes. Having the “ runner” on hand will help clear up confusion and free up time for the cashiers, who are supposed to tell every customer “ thank you” when they’re done. The company is also implementing a “ dual-point” ordering system around the U. S.

, which involves the customer ordering at one end of the counter and taking a receipt with a number. When the number appears on a screen, his order will be ready at the other end. But Jargon points out that one of the chain’s

biggest problems is high employee turnover. Because most employees make a low hourly wage, they are less likely to be loyal to the company or think twice about leaving. “ Let’s say I’m in front at the register and the grill’s not pushing out food quickly enough.

So you have to wait on food, and the customer is getting aggravated at you because you’re not giving them the food quick enough, and the grill gets aggravated with the cashier because we’re asking where the food is,” a McDonald’s employee told Jargon.