

Pro-Active Support Programs

Driving Customer Loyalty

**Discovering Innovative
Revenue Streams**



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Present Business Case

- Highly successful protection plans are sold at all levels of consumer electronics retailing and e'tailing.
- With gross margins of 50% or more, these sales add greatly to the retailer's gross profit and bottom line profit.
- The vast majority of plans are backed and underwritten by insurance contacts, administrated by Third Party Providers.
- These plans are primarily *PRODUCT BASED* and provide for a *REPAIR OR REPLACEMENT OF THE PRODUCT* should a confirmed failure occur. Additional elements over and above a product based failure are rarely funded.
- Many times these product protection plans are not recommended by consumer groups; they are not considered a good value due to very high product reliability and the disposable nature of many products.
- With the integration of CE and IT products, the consumers of today require additional support in areas not covered by product protection and break/fix solutions.
- Today's product entitlement and protection plans are *REACTIVE* in nature; they wait for the consumer to be dissatisfied and to look for help.
- A Gap exists between this traditional support process and present consumer needs and desires.

The Gap

- Consumers with high technology HDTV display, home theater, and home integration devices require additional support in areas other than product failure solutions.
- Complex installations, integrated home solutions, multiple source and formats of content, held together by the glue of data and signal connectivity create new demands from the consumer.
- Manufacturers of CE products and TPA's still focus on product based reactive support models and managing costs.
- The CE industry is beginning to recognize the GAP in present product support methodology as brand loyalty loses importance with the consumer.
- The solution requires a focus on the client and their experience, not the product or system.
- To date, few solutions to bridge the gap are being offered to the consumer.

Customer Loyalty and New Revenue can not be created by a reactive solution!

- The retailer experiences added costs in after sale consumer support, loss of customer loyalty, and return goods logistics.
- The CE Pro dealer, installer, integrator fails to manage their labor costs effectively in a reactionary mode to a customer request for support.
- Often, post install, add-on sales become hard to accomplish for the CE Pro dealer, installer or integrator, driving client revenue opportunities to traditional retail outlets.
- The TPA experiences additional costs in call center operations as well as bogus product failure claims.
- The manufacturer experiences additional costs in after sale technical support and bogus warranty claims.
- The consumers frustration with an ineffective support process for new technology slows the sales cycle for the entire industry.

Focus on Innovative Solutions

- ***Pro actively delivered managed services*** and/or ***Membership Services*** can provide not only product support; they can provide a variety of value added solutions to the customer.
- Solutions can be focused on and fine tuned to the requirements of the client.
- Solutions can add value with pro active elements that enhance the customer experience
- Solutions can include pre-scheduled maintenance and services via proactive customer contact.
- A dedicated client knowledge data base and communication channel will drive customer loyalty.
- A pro-active logistics system can aid the CE Pro dealer, installer and integrator to better manage their existing workforce.
- Solution providers are seen as the wellness folks and can take an objective view in recommendation of new products and services.
- Guessing on what the customer wants or needs is not an option with service contracts. "Discover, Don't Speculate"
- **Sell Service Solutions** provides solutions to the discovery of consumer needs and desires with our **CoPro** Customer Optimizer Pro survey tool.
- **Sell Service Solutions** also provides solutions to the sales organization by providing new sales tools - **SoPro**, our Sales Optimizer tool.

Service Programs developed by **Sell Service Solutions** will provide solutions to the existing gap in customer support. Providing the CE customer installer/integrator with a solid post install exit strategy, and the CE retail channel with innovative new support programs will create new revenue streams, add on sales opportunities, reduced costs, and enhanced customer loyalty.

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