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DAILYFISH: REINVENTING CUSTOMER SERVICE MANAGEMENT

Srikandan Srinath S. and Amol S. Dhaigude wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In May 2019, Subramanian Sankaran, Head of Loyalties and the customer service management (CSM) team of DailyFish India Pvt. Ltd. (DailyFish), was analyzing a customer complaints report and service manager Anju Jose's notes. The number of missed calls in the customer care centre had risen, directly and negatively impacting sales. The average wait time per customer had also soared. The chief executive officer (CEO) of the firm, Alex K. Thomas, was highly disappointed with these issues and had openly expressed his concerns to Sankaran in April. He had instructed Sankaran and his team to curb the problem of missed calls quickly by optimizing CSM processes. Thus, Sankaran began focusing only on CSM processes, desperately wanting to solve the missed calls problem. He knew his CSM team and other vital resources were up to the task and that the problem was somewhere else. With over 12 years of experience in customer service operations and analytics, Sankaran wanted to apply statistical techniques to solve this problem. He wondered whether the famous Japanese "design of experiment" technique proposed by Taguchi would help in this situation. Sankaran instructed Jose to design an experiment using Taguchi's orthogonal arrays and eagerly awaited the results.

BABY MARINE VENTURES

Baby Marine Ventures, founded in 1969, was among the world's leading seafood producers from India. They prided themselves in their state-of-the-art factories, all of which were located near the country's coastline (see Exhibit 1). Beginning at their procurement of raw fish straight from the ocean until the fish reached the hands of customers, the company stringently adhered to the highest level of international quality standards. This had earned them numerous certifications from top global food health and safety organizations.

The company was the largest producer of frozen, heads-on shrimp in India, with over 8,000 tons of shrimp produced in 2013. Each factory had a production capacity of over 150 tons of heads-on shrimp per day. Baby Marine Ventures was also among the leading exporters of marine products from India to regions all over the world, including Europe, North America, South America, Southeast Asia, and the Gulf states, with customers in the United States, Japan, South Africa, and Australia, among others. The company offered a wide range of products that comprised shrimp, squid, cuttlefish, crab, fish, and value-added seafood.

DAILYFISH

The voyage of DailyFish, the new online seafood enterprise of Baby Marine Ventures, had been nothing short of exceptional. With the world as their market, the founding fathers of Baby Marine had often

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wondered why international-quality seafood should not be available to seafood connoisseurs in India. With the arrival of modern technology and the online world, that dream became a reality in the form of DailyFish, the online retail seafood store in India.

Founded by Thomas,[1] the chief executive officer (CEO), and his small team of five functional managers (see Exhibit 2) with a broad vision to become the household brand for seafood, DailyFish served ready-to-cook frozen seafood with all the goodness of fresh fish nutrition maintained. With its headquarters in Kochi, Kerala, the company began operations in February 2016 by launching in few select cities in Kerala and then slowly expanded to six cities in Kerala and two cities in Karnataka (see Exhibit 3). The company also planned to increase its reach by covering other metropolitan areas, such as Chennai, Kolkata, and Delhi.

DailyFish followed a time slot system for customers to place their orders (see Exhibit 4) and took pride in its uniquely designed supply chain known as the seven-step cold chain process (see Exhibit 5). Superior quality and taste led the company to qualify for many well-regarded national and international food quality certifications from organizations such as the US Food and Drug Administration, International Food Standard, British Retail Consortium Global Standard for Food Safety, European Union export certification, Food Safety and Standards Authority of India, and hazard analysis and critical control points, to name just a few. DailyFish was also the recipient of numerous awards, including the best e-retailer award for 2017.

CUSTOMER SERVICE MANAGEMENT

A customer could place orders through any of three methods—the company's website, a mobile app, or via a direct call to the customer care centre (see Exhibit 6). The website and mobile app together contributed 60 per cent to sales, whereas 40 per cent of orders were made through customer care. The CEO firmly believed that customers should feel extremely comfortable speaking with customer care. Hence, when a customer called, it was directly connected to an executive without the interference of automated voice assistance.

DailyFish employed only executives who were extremely patient and caring. On-the-job training was also given to these employees regularly to aid in boosting their performance. The primary role of these executives was to assist customers with the system, to place orders, and to address queries, requests, and feedback on incoming calls (see Exhibit 7). It was the responsibility of the executives to call customers back when their calls had been missed, and to do so at the earliest that time permitted. Executives were instructed to do their best to be proactive in connecting back to missed calls in a timely manner. In addition, they were charged with collecting surveys and sending out promotional offers to regular customers. The team operated from a central office in Kochi, Kerala, with 14 full-time customer service executives to manage all calls (see Exhibit 8).

THE MEETING

On April 13, 2019, Sankaran was waiting in the boardroom with Jose and other functional managers when Thomas entered the room with vice president Rajesh S. Nair at 10:00 AM. Thomas and Nair were deeply engrossed in a conversation, but upon entering the room, they greeted everyone and indicated that the meeting would start. As usual, the agenda began with the CSM team. The following are brief profiles of the attendees and a rundown of the conversation in the room:

[1] Thomas was also the chief strategy officer of Baby Marine Ventures.

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Thomas: CEO and managing director; early 40s, calm and compassionate, customer-centric

Nair: Vice President (Operations and Sales); early 50s, cool-headed and target-oriented, extremely good with numbers

Sankaran: Head of Loyalties (CSM); late 40s, trustworthy, approachable, collegial, vast experience in customer lifecycle management

Jose: Manager (CSM); late 20s, young, ambitious, dedicated, passionate

Nair: Hello, Sankaran! Can you give us a quick update on your team's performance?

Sankaran: Sure, sir. I think we have done quite well in the last financial year, despite the reduced sales call volume owing to the recent floods in August and September 2019. We managed to increase the call volume beginning in October. Through rigorous training and continuous monitoring, we ensured the average callback time was reduced to three minutes. Most of my employees have over one year of experience in CSM and have done phenomenally well in building rapport with our customers. And the overall expenses of our team accounted for just 3 per cent of the firm's net expenses.

Nair: That is good to hear. However, everyone in this room is aware that our significant expenses came from production and logistics and not from your team. I am more interested in our missed calls and callback volumes. During last month's meeting, I remember you had informed me that over 30 per cent of all incoming calls had failed to connect to an executive. Why are we missing so many calls? You do remember that every call we miss is the equivalent of losing a new customer or a sale. Not just that, but for every customer we make wait for more than a minute, we must invest around ₹3[2] for service recovery and marketing campaigns. I do not see this as progress; instead, I feel we have too many resources enjoying their free time in the office. I wish I could invoice them for wasting time.

Sankaran was distraught and signalled to his manager to reply. Jose mustered her confidence and answered:

Jose: As you might know, sir, incoming calls are hard to predict. Yes, I agree that the team has some free time when the volume is lower. Nevertheless, we cannot predict when a customer will call, can we? We are bombarded with calls once a new slot begins. Evenings become busy with taking orders for the next day. Moreover, there are days with special promotions, discounts, festivals, and other times when customers have queries, and the executive cannot disconnect the call until their queries are resolved. Despite all these factors, we have managed to keep the average wait time to one minute since November by capping the maximum wait time at two minutes.

The CEO, who had been listening up to that point, spoke in his usual gentle tone, masking his shock.

Thomas: One minute? Are we leaving our customers stranded listening to the dial tone for 60 seconds before they speak with an executive? A duration that long is not going to keep our customers happy. I am sure we have lost more business than we thought. Sankaran, I need you to cut that number by at least one-third before the end of July.

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[2] ₹ = INR = Indian rupee; 1 USD = ₹69 (https://currencies.zone/historic/us-dollar/indian-rupee/april-2019). All currencies are INR unless otherwise specified.

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