



Customer Complaint Review 2014

By JJ&S Consumer Consultants



What Can Brown Do For You

Dear Mr. Scott Davis and UPS® Stockholders,

Thank you for selecting JJ & S Consumer Consultants for the UPS® annual consumer complaint review. We enjoyed working with your company, and the additional information we received from each department was helpful in completing our review.

UPS® is falling behind. According to CMS Wire, consumers have become “serial switchers”, customers who switch between brands. They cost corporations \$41 billion a year. At the center of consumers brand loyalty is the art of customer service and meeting consumer expectations.

The main problem stems from combative customer service agents and failed deliveries. We propose new training systems, implementing policies and rewards for the driver and revolutionizing the tracking system. These solutions will initially require increased costs, however, in time, revenue will increase. Giving consumers what they want, when they want it from a business they trust will help UPS® fight the “serial switchers” and increase brand loyalty. Creating brand loyalty can give UPS® the edge and increase customer retention.

We look forward to working with UPS® on future projects.

Thank you and good luck.

JJ&S Consumer Consultants



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Executive Summary

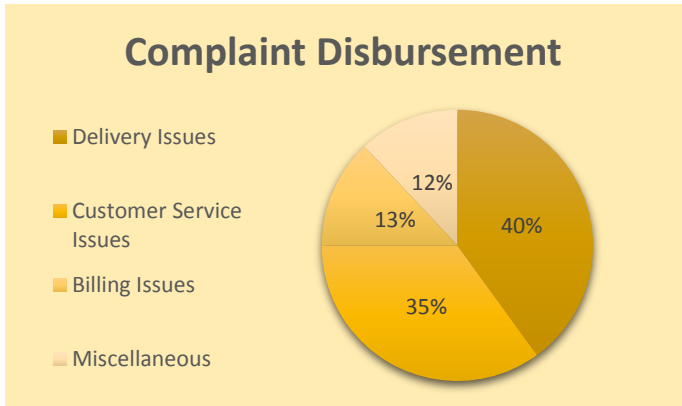
We surveyed the websites of Better Business Bureau, Consumer Affairs, Pissed Consumer and other social media for complaints against UPS®. We took a current random sample from each website. We found three main trends associating with the consumer complaints; delivery, customer service and billing issues. Delivery issues accounted for 52% of the complaints. The next largest percentage was

customer service which accounted for 35% of complaints. The 12% miscellaneous is also tied to customer service. These case by case issues could be handled appropriately through proper customer service, resulting in an understanding consumer who will still use UPS®. Lastly, 13% were billing issues, they again can be served with proper customer service.

Overall, UPS® complaints match other complaints within the industry. From FedEx to USPS, consumers are unhappy with services received. This creates an opportunity for UPS® to distinguish themselves from the competition in an unhappy market. These solutions will build a larger UPS® customer base and trend the curve of customers switching services often.

- Revolutionize Tracking System
- Verify Address and Addresses
- Empower Personnel and Train in Customer Service
- Monitor Online Complaints and Social Media

Implement these solutions and total revenue will increase. These solutions are intertwined with each other. UPS® cannot focus on fixing one area. By implementing all of these solutions each one will help each other. Less complaints will be received if packages are delivered properly, resulting in consumers not having to call UPS® in order to verify where the packages are located. Additionally, the random billing and delivery issues can be handled through proper customer service. Our consultation is not for UPS® to be perfect; it is for UPS® to distinguish themselves from their competition and improve a positive consumer experience when complaints and issues do arise.



Introduction

UPS® is one of the oldest shipping companies in the U.S. The expertise serves 9.4 million customers with 4800 UPS Stores, 1500 customer centers, and 1990 operating facilities worldwide. Customers connect with UPS® on several levels from in-person at local stores and delivery to online with tracking and shipping. While the business of UPS® is shipping, the customer loyalty will make the difference. Therefore, there is a need to refocus on the customer and how their experience is affected. A three-fold approach will secure a foothold in the future edge of the shipping industry. After careful analysis of the industry complaints, our solution works by changing the focus and embracing the customer.

METHODOLOGY

The study was derived from complaints taken from three websites, Pissed Consumer, Better Business Bureau, and Consumer Affairs. We randomly selected complaints from the year 2014. This ensured that our company addressed the most current problems UPS® is facing. We gathered enough complaints until, statistically, it was clear what the growing trends were within the organization. After the complaints were gathered and compared we reviewed the UPS® Mission.

THE UPS® MISSION

We fulfill our promise to our constituents throughout the world in the following ways:

We serve the evolving distribution, logistics and commerce needs of our customer's worldwide, offering excellence and value in all we do.

We sustain a financially strong company, with broad employee ownership that provides a long-term competitive return to our shareowners.

We strive to be a responsible and well-regarded employer by providing our people with an impartial, rewarding, and cooperative environment with the opportunity for advancement.

We build our legacy as a caring and responsible corporate citizen through the conduct of our people and company in the conduct of our people and company in the communities we serve.

THE DIFFERENCES

Consumers of UPS® do not believe that UPS® is a caring corporation. Through the negative perception of customer service interaction, most consumers felt UPS® did not care about the services the consumer wanted. UPS® had additionally left its mission by failing to evolve logistically. The UPS® consumer is living in a digital era. UPS® needs to address this growth and embrace it. In order to achieve the strong financial company, UPS® must adapt. The competition is also failing in the same areas as UPS®. This opens up the market for UPS® to adapt and grow.

RETURN THE FOCUS

Returning the mindset of UPS® to focus on this idea will lead the market. Our solutions are interlinked. Brown cannot just fix one area, as all these areas must be addressed. We have outlined an easy format to help UPS® understand why these changes need to take place and the implications they have. These changes affect all areas of the business and are interlinked with each other; fixing one helps fix another. These recommendations to implement all of these changes will ultimately be the success of UPS® and become the industry leader.



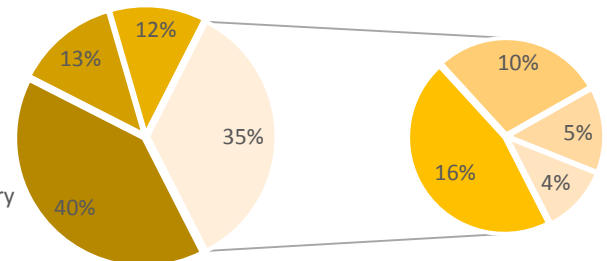
Customer Service Issues

Customer Service is critical to the retention of customers. UPS® can differentiate themselves by maximizing the customer experience every time they are in contact with the customer. The top two problems are failed delivery phone calls and multiple requests to resolve issues. The Billing, Delivery and the

Customer Care Center are failing at interdepartmental customer communication. The largest failures represented are 35% of the total complaints. Almost half of the complaints were angry customer agents with a “problem attitude”, as perceived by the customer. One third of the customers experienced no solution at all. Remaining miscellaneous issue complaints spanned divisions from the local UPS Store® to UPS Freight®. Many

- Delivery Issues
- Billing Issues
- Miscellaneous
- CSR Attitude
- CSR Calls about Delivery
- Multiple Requests
- CSR Misc

Customer Relations



What customers are saying...

[... the first agent was not helpful at all, repeating the same notes in the tracking system, so I asked to speak to a Supervisor.]

[... UPS's customer service is terribly hard to deal with – phone, email, and live chat across the board.]

[...I am disappointed that this was the service I received or something that I didn't even do.]

[...So I call the 800 number to file my complaint and they transfer me back to the location supervisor, the very lady I have who became combative. UPS gets an "F".]

of the calls failed follow up, a want to resolve the issue, and lack of communication.

Solutions

Customer service is perception and attitude. The perception by the customer of someone caring about their issue they are experiencing and the attitude of Customer Service Representative (CSR). The customer may not always be right, however, it is all about them. The majority of complaints are like dominoes. If one part goes wrong, like delivery or billing, the rest falls down. It's up to the CSR to care enough to satisfy the customer and repair the bad experience, regardless of who is at fault.

SHARE THE POWER

Hire carefully, train effectively and then empower your employees to do whatever is necessary to execute their job responsibilities in a customer-friendly manner. Empower the CSR to resolve issues by providing links to all departments. Breakdown the barrier of information between departments so the CSR can initiate an investigation, understand the issue, and have the resources to solve the issue and follow up with the customer. This alone would instill customer confidence within UPS®.

WORD OF MOUTH IS THE BEST MARKETING

With an average 47.5 million tracking requests daily, online is clearly a path used to communicate and receive information. They also communicate with the rest of the world and inform them of their experience at UPS®.

Encourage your customers to share their experiences with your products on social media. Maintain a view on what social media is saying about you. Assign a department to review and manage complaints online. Reach out to the customer for follow up and offer a solution after the fact, if applicable. This continues to repair customer relations to ensure happy customers in the end who will share their experience with everyone. Sharing their positive experiences will, in turn, convince others to finally switch to UPS®.



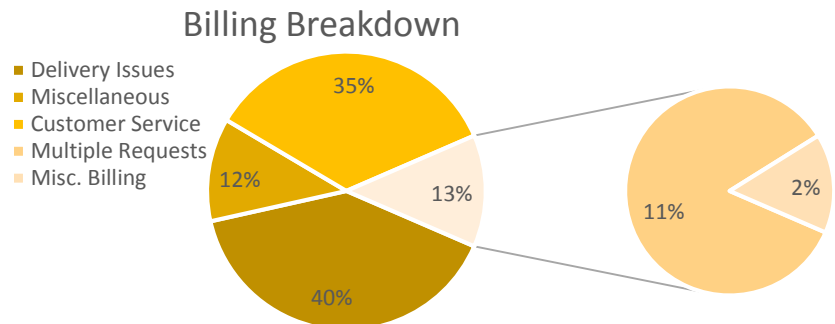
SERVICE IS STILL THE MOST DIFFICULT INGREDIENT

Every customer is a person first, customer second, and they all have varying emotions and experiences. Creating a relationship with the customer does not guarantee customer retention, but strong relationships are not between a company or brand and a customer. They are built between ONE company associate and a specific customer. Technology and the effects of globalization are forcing us to change the way we do business. Don't allow technology to interfere with hiring the right people or for a distorted view of what UPS® is about. Train employees properly and focus the employees on building relationships with customers.

Billing Issues

Money is a sensitive issue. Whether it is that of UPS® or the customer, finances and billing should always be handled with care. While billing issues may not be as all-encompassing as those of customer service, it is an important issue that makes up 13% of the total complaints and is often overlooked. The main

complaint for billing, which accounts for 85% of the total billing issues, was multiple requests being investigated with no resolution. This is directly correlated with the customer service issues that were previously laid out. The remaining 15% of billing issues were small case-by-case issues that could be corrected with extra care and attentive customer service representatives.



What customers are saying...

[... Three months ...UPS continues to send me bills for this erroneous transaction!]

[...This isn't a large sum of money for company like UPS if it would make for good customer relations.]

[...I've been fighting with UPS since March (3 months). They too were charging us more than was stated on our software. ...My rep came to our business, agreed it was their mistake and told me he'd take care of it. He never did.]

[...I shipped 3 bags to NJ for \$240. I had them shipped back at a cost \$492.56] UPS main office state he can charge anything he wants as he is an independent contractor.

Solutions

Billing systems can be antiquated and unable to connect to a Customer Relations Management software to manage information, like customer service. The communication gap exists between CSR and the Billing department.

TRAIN IN CUSTOMER SERVICE

Most accountants are good with numbers. Accountants and bookkeepers require more training in customer service in order to understand the importance of the customer relationships and their part in helping to cultivate it.

REVOLUTIONIZE TRACKING

In creating a better tracking system, more accurate billing will be possible. Computers can correctly provide data but only if two things happen. Data is only as good as the data put in. If it

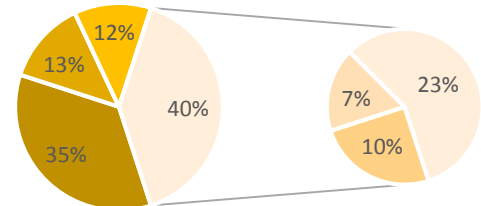
is entered incorrectly then it will be impossible for anyone else to report accurately, therefore, portraying your CSR and the driver in an unfriendly light.

Delivery Issues

At the center of UPS® business foundations is delivering of packages. After years of being ahead of the competition, UPS® is falling behind and losing the market edge. Of the total, 52% of complaints surveyed were unhappy with delivery. From that, 40% can be fixed with easily implemented solutions. The remaining 12%, however, are individual complaints on a case by case basis that should be handled with proper customer service. These complaints range from missing items in packages to dogs preventing delivery. We understand that UPS® cannot correct every situation, so we focused on correcting the larger 40% in order to keep the most customers satisfied and returning to UPS®.

Delivery Issues

- Customer Service Issues
- Billing Issues
- Miscellaneous
- Misc. Driver Issues
- Driver Issues
- Tracking System



What customers are saying...

[... tracking info hasn't been updated for days until today, package is four days late.]

[... I tracked my shipment. Informed me of early deliver on Saturday. Waited the whole day. No delivery.]

[...My package still has not been found; UPS delivered it to the wrong address.]

[...UPS claims to have delivered my package, however the driver won't admit he gave it to my neighbors. We don't get along and they won't give my package up.]

Solutions

Of the 40% that are solvable, 23% of those included complaints summarized by the following central issues. The complaints logged are that the packages are not delivered on time, and the delivery person not knocking on the door or not waiting on customers to answer. Drivers are asked to deliver packages in 3 minutes per customer. This time crunch for time only creates more issues. By rushing to deliver packages, drivers do not wait long enough at a home or business. Thus, the drivers are busier the next day when they attempt to redeliver packages. Upgrading a tracking system will educate the customer and be prepared for drivers arrival. A more knowledgeable customer will lead to saving UPS® time and money by not re delivering to the same address multiple times.

The remaining 17% of solvable complaints range from packages being delivered to neighbors, to packages not being delivered to the right address. GPS won't be required, however, the driver should not choose to leave the package with anyone other than the addressee. In order to rebuild UPS® as a trustworthy company, the packages should be verified with the person receiving it for name and address. This extra minute of carefulness will ensure customer satisfaction is maintained and UPS® continued reliance in shipping sensitive items.

REVOLUTIONIZE TRACKING SYSTEM

UPS® drivers are already equipped with internet enabled devices. We propose modifying those devices to work with new software that provides GPS. We understand this to be crucial in success because it allows drivers who know the areas better to choose the best possible delivery routes. What we propose is listing all deliveries in a screen. The driver at the start of his shifts selects they first two deliveries he will be making. An automatic email is generated and customers are notified that the driver is in route to their location. Once the driver reaches that location, they check which delivery will be after the next and send a notification to the customer. This will allow customers to be home and also prepared for UPS® arrival. By having informed customers, drivers will have more delivery success resulting in less repeated deliveries and increased revenue. This system can be easily adapted to send text messages to customers who opt in. This will put UPS® ahead of all competitors. They will be the first to have an active delivery system.

VERIFY ADDRESS AND ADDRESSEE

Revolutionizing the tracking system will also contribute to the solution for the remaining 17% of the issues. By having an informed customer, drivers will be less likely to contact a CSR for alternate delivery options.



Customers were greatly offended and worried when UPS® would not leave items at their home. Unfortunately, times are changing and not everyone can be trusted. Economic hardships are everywhere. Past practices should be forgotten and new security measures need to be put in place. Drivers need to verify the address of where they leave the packages. While not all packages require a signature, if a driver

leaves it at the wrong house, no one would know. For packages requiring signatures, the driver should ask to see some form of identification.

This will ensure proper delivery to the right individual. Also, managers should implement a tally system, where the driver should be rewarded for the quantity of successful deliveries. If they fail to deliver, they receive a tally and that is tracked on the reviews. This reward system gives drivers something to work for because even just a simple gift card will improve driver morale. While this may seem like an additional expense, a decreased employee turnover will have a positive impact on revenue.

Summary

In summary, we would like to remind you to return to UPS®'s foundation, return to striving to exceed the UPS's mission and motto. Going forward from this point will set UPS® above from its competitors. The market is stagnant and consumers want something different. Embrace the slogan *"What Can Brown Do For You?"*. As UPS® goes forward they need to answer this question again and again. Our consumer review enables UPS® to answer this question with relevancy to current consumers. Implement our plan of action to increase pressure on competition. Be the leader that revolutionized the shipping industry by taking this opportunity.

Appendix

Better Business Bureau

<http://www.bbb.org/atlanta/business-reviews/delivery-service/united-parcel-service-in-atlanta-ga-8866/complaints>

Consumer Affairs

http://www.consumeraffairs.com/delivery/united_parcel_service.htm

CMS WIRE <http://www.cmswire.com/cms/customer-experience/businesses-lose-41b-from-bad-customer-service-heres-what-to-do-024104.php>

FedEx Fact Sheet

http://news.van.fedex.com/sites/default/files/pressmaterials_file/June%202013%20FedEx%20Express%20Worldwide%20Fact%20Sheet.pdf

Measured Up

<http://united-parcel-service-reviews.measuredup.com/1657/Reviews/Consumer-Complaint-1>

Pissed Consumer

<http://UPS®.pissedconsumer.com/>

UPS® Executive Charter Mission Statement

<http://www.investors.UPS®.com/phoenix.zhtml?c=62900&p=irol-govCommittee&Committee=8740>

UPS Fact Sheet <http://www.pressroom.ups.com/Fact+Sheets/UPS+Fact+Sheet>