



## Sharp Electronics Corporation: Differentiated service and support program builds consumer retention and share

| Overview  |
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| <p><b>Sharp Electronics Corporation</b><br/>Mahwah, New Jersey, USA<br/>www.sharpsusa.com</p>   |
| <p><b>Industry</b></p> <ul style="list-style-type: none"> <li>• Electronics</li> </ul>  |
| <p><b>Services</b></p> <ul style="list-style-type: none"> <li>• IBM Global Services</li> <li>• IBM Global Business Services</li> </ul>  |
| <p><b>Why it matters</b></p> <p>In the consumer electronics industry, where brand loyalty and advocacy among customers are the manufacturer's ultimate goals, service satisfaction has a greater impact on repeat purchase intent than product satisfaction. To that end, Sharp Electronics knew that by moving the needle even slightly on service performance, it could significantly increase consumer loyalty and drive repeat sales of its products. Targeting its high-end AQUOS plasma television customers, Sharp engaged IBM Global Business Services to research consumer expectations of service and support, and to help it implement its brand loyalty plan, AQUOS Advantage. Going beyond competitors' post-sales service and support, this innovative, comprehensive plan offers a unique VIP customer experience, providing extensive support and service through the channels demanded by consumers: call center, Web self-service and authorized servicers. The program will provide an enhanced consumer experience that will build brand loyalty, improve Sharp's market position, and establish it as a customer experience leader in the competitive consumer electronics industry.</p> |

**Sharp Electronics Corporation (SEC) is the U.S. sales and marketing subsidiary of Japan's Sharp Corporation. SEC was established in the U.S. marketplace in 1962 and today the company's 500,000 sq. ft. headquarters is located in Mahwah, New Jersey.**

### Challenge

The consumer electronics industry has become increasingly competitive, with products becoming more and more commoditized. Companies in the industry constantly strive to differentiate themselves from their competitors, and to gain customer loyalty to their products.

Since it has become more difficult to differentiate by product feature or technology, companies are turning to customer service after the sale as a way to attract and keep customers. For example, Panasonic has introduced its Panasonic Concierge program that offers specialized plasma TV support services (for example, set-up, operation, troubleshooting and so on), in a post-sale customer loyalty program. By not taking similar action, Sharp risked being relegated by retailers to a component supplier for the overall experience, or allowing its competitors to establish themselves as the brands identified with a consistent, desirable experience.

Sharp decided that it could improve on and exceed the service provided by its competitor's program by providing support targeted to individual customer segments across its AQUOS product line, and delivering the desired experience to the customer by multiple channels. To do this, Sharp knew it needed to understand its customers better, in order to provide the right service and support at the right time, with the ultimate goal of building brand loyalty and advocacy among AQUOS buyers.

While Sharp's call center is already rated highly with consumers, and could provide a starting point for its consumer experience transformation, Sharp knew that it also needed to improve and grow its Web self-help channel and enhance its support options. Sharp sought a partner experienced with the consumer electronics industry that could help it shape the "Service Enabled Consumer Experience" (SECE) that it envisioned.

### Solution

IBM Global Services had been engaged by Sharp to help it implement an overall program to transform its business. As a focus of that program Sharp also engaged IBM Global Business Services to help it develop its SECE, which it has named the AQUOS Advantage program.



IBM conducted a series of consumer research studies using both focus groups and quantitative research to determine what services consumers were seeking and how much they would be willing to pay for them. The research focused on why consumers bought the products they did, what support they expected and what channels they would use to seek that support. Based on the research, Sharp and IBM then developed an innovative, comprehensive service and support program – the AQUOS Advantage program – that focuses on providing consumer support and building consumer loyalty through extensive, easily obtained services.

The AQUOS Advantage program combines Sharp's "best in class" (as rated by consumers) call center service with an expanded Web self-service option and enhanced service options. By registering their AQUOS product either online, by mail or by telephone, consumers have access to the AQUOS Advantage program. The program provides:

- Comprehensive product setup support
- Information about product features
- Extensive technical support for more complex issues, including through live Web chat
- Warranty service support, including two-day turnaround in home repair and a loaner product
- The ability to purchase extended warranties at a reduced price, directly through Sharp.

Members also can receive reduced prices on installation services for premium and surround-sound packages. All of these services are available both through the call center and through Web self-service. The program also provides owner support through outbound e-mail, informing customers about product features, as well as promotions on other Sharp products.

## Benefits

- Improves customer loyalty, retention and advocacy: 69% of customers would be more likely to recommend the AQUOS brand, and 67% would be more likely to repurchase an AQUOS because of the program.
- Increases customer satisfaction and raises Sharp's brand value among consumers.
- Improving the customer experience will help Sharp to improve customer loyalty & retention, increase customer satisfaction and raise Sharp's brand value among consumers.
- SECE will help accelerate Sharp's growth and transformation program and objectives by providing more self-service options, and by enabling cross-sale and up-sale opportunities to sell accessories, service contracts, installations and loyalty program memberships.
- By identifying and introducing new service offerings, such as extended warranty support, replacement and accident coverage, Sharp can partially fund the SECE program.
- Supports Sharp's overall transformation initiatives by infusing consumer insight into planning and implementation.

*“AQUOS Advantage will build consumer loyalty, improve Sharp's market position, and establish it as a customer experience leader in the competitive consumer electronics industry.”*

—Mr. Charles T. Schaefer, Sr. Vice President, Services and Solution Group,  
Sharp Electronics Corporation



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Armonk, NY 10504  
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