

Jupiter Shop Channel Case

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Background

Jupiter Network's "Shop Channel" started in 1996 when full digital broadcast first started in Japan. Today the company offers over 700 items a week in a live, 24 hours a day – seven days a week format. Committed to meet high standards of improving their viewers' lifestyles, Shop Channel reaches into the homes and wallets of over half the households in Japan (28.71 million people).

Products

Buyers source from across Japan and around the world to present items that cover many needs from apparel to shoes, sporting goods, and even food. Items are measured against the seven standards of Shop Channel: unique, rare, engaging stories, value, limited, reasonable and niche. Of the 700 items appearing on television each week, about half of the products are being shown for the first time. As a result, customers are motivated to purchase as items may not appear again. A variety of especially themed programming add entertainment to the show. There are special segments for first time shoppers, and special programs by product category (electronics day or jewelry day). In addition, the Shop Channel anniversary sales in November offers the best prices of the year on a variety of products.

Products are sold through unscripted conversations that a variety of hosts have in two different studios with different five sets in each studio. Hosts describe the products and demonstrate them live so customers can "experience" them. Sometimes guests come in for the conversation as well, offering insight into how the item can be used. Because items are demonstrated and sold in a live format callers' questions can be incorporated into the unscripted conversation. That way all the viewers can benefit from one viewers question.

Customer Profile - 2014

Shop Channel customers are primarily women (90%) and in their 50s or 60s. Thirty-nine percent are house wives, while 25% work full time and 19% work part time. Over 74% are married. According to the Ministry of Health Labour and Welfare the average income for a Japanese household is ¥ 5,700,000 (CAN \$70,000); 13% of Shop Channel customers report an income of ¥ 5-7 million (CAN \$70,000 - \$90,000), 24% report income to be less than ¥ 5 million (CAN \$70,000) and 17% report income of ¥ 7-10 million (CAN \$90,000 - \$1.25 million).

Call Centre

Shoppers are supported by a call centre equipped to seat 250 representatives in the Tokyo office and 110 representatives in the Osaka office. Staff are divided into two sections. One section answers calls

to take customers' orders and the second section answers customer questions. Staff who answer calls are generally junior in the company and many work part time. They are not responsible for selling products, the TV hosts do that, these call centre staff fill orders. Other staff in the centre are available to answer questions about products and handle complaints. Staff in this area are more senior and most work full time hours. Shop Channel is open 24 hours every day of the year so staffing is critical to their success. The two peak times for shopping are at noon and midnight. The midnight shopping is fueled by the program "Shop Star Square" which offers the "pick of the day" at a special price. It can be challenging to fill shifts that cover midnight, the busiest time for the call centre. Trains stop running at midnight, so staff working that shift have to stay downtown until they begin running again at 5:00 am.

In Japanese society age demands respect. This can cause discomfort when a young employee is put in a senior position over an older employee, but it is a regular occurrence a Shop Channel where they need staff 24 hours per day. Many students cannot work night shifts because of daytime classes. In addition, Japanese society is experiencing an increase in their older population, and a decrease in their younger population. These two factors lead to a demand for older, part-time workers at Shop Channel.

Customers can choose to purchase by phone or over the internet. The call centre logs over 71,000 calls per day. On a recent anniversary of the show, when there were many specials advertised, the centre took over 200,000 calls. Staff spend between 100-380 seconds to take a customer's order. Calls over 200 seconds get management attention in case they need to be escalated for any reason. When calling in, customers can choose a live agent or Interactive Voice Response (IVR) to give their order. IVR recognizes customer requests from key words and customers can use the keypad of their phone, as well as their voice to make selections and pay for their merchandise. IVR calls are very quick, averaging about 100 seconds. Sixty percent of callers choose IVR to place their orders at Shop Channel.

Questions

1. Currently midnight is the time of the highest volume of calls at Shop Channel. What are three ways Shop Channel can smooth demand for products?
2. Shop Channel sells products mainly via TV home shopping. Should this company continue to sell via TV in the future?
3. What role does the call centre play in getting and keeping Jupiter customers?

References

Jupitar Shop Channel Co. Ltd. (2016). Corporate Profile.

This case is officially approved by Jupitar Shop Channel Co. Ltd.