College of Business Book Review by Kyuho Lee, Ph.D.

Title: *Delivering Happiness: A Path to Profits, Passion, and Purpose*

Author: Tony Hsieh

Publisher: Business Plus

Length: 253 pages

Price: $23.99 (paperback)

Reading time: 6 hours

Reading rating: 10 (1 = very difficult; 10 = very easy)

Overall rating: 4 (1 = average; 4 = outstanding)

This book is the story of Tony Hsieh, the CEO of Zappos.com, one of the largest online shoe retailers. Zappos.com’s success has been enormous. For example, Zappo’s 2009 revenue was more than $1 billion. In addition, the firm has been named one of the best places to work by *Forbes* magazine. In the book, Tony Hsieh uses his personal stories and experience to discuss how he, the son of immigrant parents from Taiwan, was able to develop such a successful company.

According to Hsieh, the major factors that contributed to Zappos’ success include a unique organizational culture and a focus on customer service that resulted in dynamic brand power, as well as strong relationships with the company’s stakeholders.

Hsieh describes an organizational culture that is friendly, fun, exciting, and transparent. He developed a number of tactics while creating the firm’s unique organizational culture. For example, each Zappos employee is required to describe the company’s culture by writing two or three paragraphs in a culture book that both firm employees and outside people who are interested in the firm can access. Interestingly, the firm has involved the firm’s customers in writing the culture book so that Zappos’ consumers can express their support for the firm through the culture book. In addition, the firm has developed Ask Anything, a monthly newsletter that answers employee questions on any aspect of the firm. In addition, the company established ten core values, which underpin Zappos’ value and culture. Some of the core values include “create fun,” “be creative,” “be passionate,” and “be humble.” The firm communicates the core values to its employees using email, newsletters, and social events. The firm’s clear and strong core values have created a strong sense of social identity among its employees, which has led them to be proud to identify themselves as members of Zappos’ organization and to work at Zappos.

Hsieh also asserts that the firm’s outstanding customer service is a major value driver that has allowed the firm to build a strong brand identity. For example, the firm has a 365-day return rule, and the firm’s service representatives are available 24 hours a day/7 days a week, which means customers can talk with a service representative anytime. Furthermore, the firm has not outsourced the customer service department since Hsieh believes that outsourcing would dilute the firm’s strong organizational culture and value on customer service. In addition, Zappos does not charge shipping costs. Hsieh contends that free shipping is a token that shows the firm’s commitment to customer service. Hsieh views a series of investments in excellent customer service as the costs of marketing. According to Hsieh, the sturdy emotional attachment between the firm and its customers based on its excellent service experience helps the firm develop sustainable relationships with its customers, which directly impacts the firm’s bottom line.

In conclusion, the book illuminates well how the online shoe company has been able to formulate a constellation of successful strategies in an effort to create a competitive and sustainable customer service experience along with the firm’s distinct organizational culture.

Kyuho Lee is an assistant professor of hospitality management in the College of Business at Western Carolina University. His interests include international services marketing and restaurant franchising. For previously reviewed books, visit us at our website at www.wcu.edu/cob/.