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Customer Contact World

Asia's CRM and call centres magazine

**Consumerⁿ -
the Power of the
Networked Consumer**

Asian e-tailing

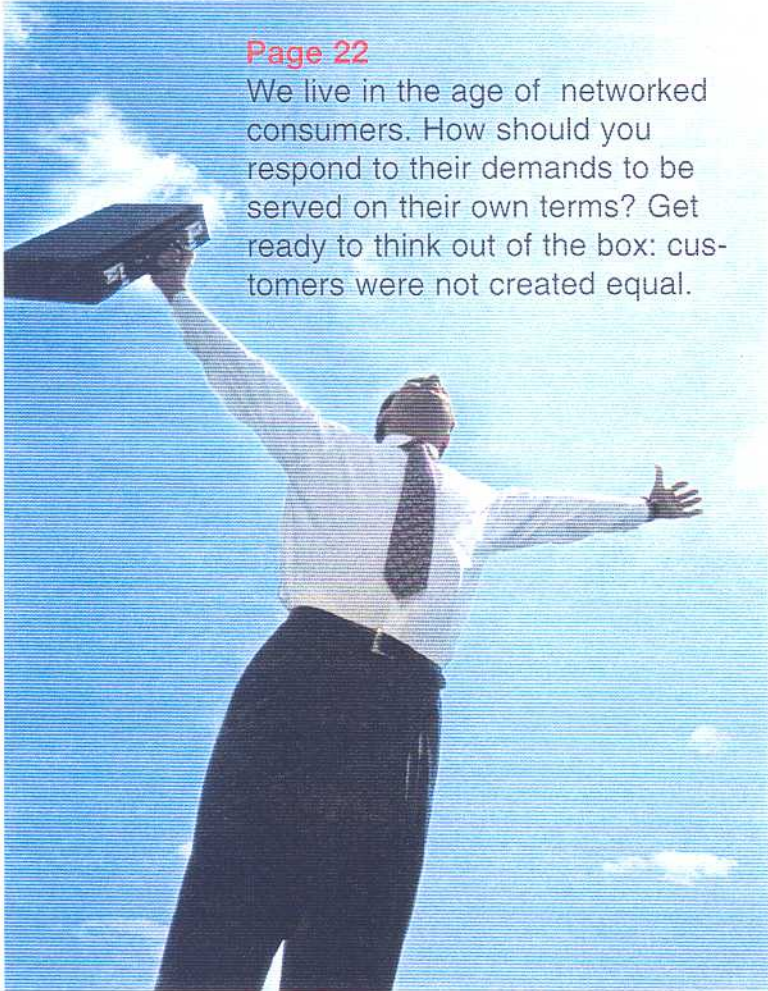
**Bryan Bergeron
talks e-CRM**

PRM for dummies

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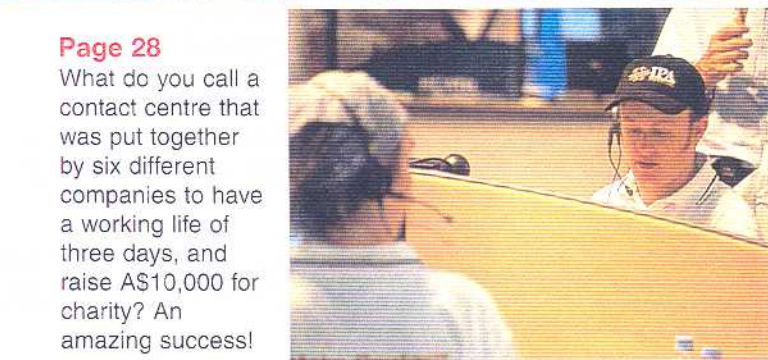


Australia \$9 • Brunei \$9 • Hong Kong \$41 • Malaysia R20 • The Philippines P220 • Singapore \$9



Page 22

We live in the age of networked consumers. How should you respond to their demands to be served on their own terms? Get ready to think out of the box: customers were not created equal.



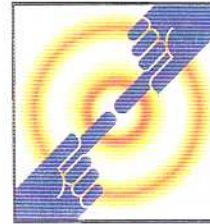
Page 28

What do you call a contact centre that was put together by six different companies to have a working life of three days, and raise A\$10,000 for charity? An amazing success!



Page 34

What do books, flowers, fruit and women's underwear have in common? Four Asian e-tailers tell their own story about setting up shop online.



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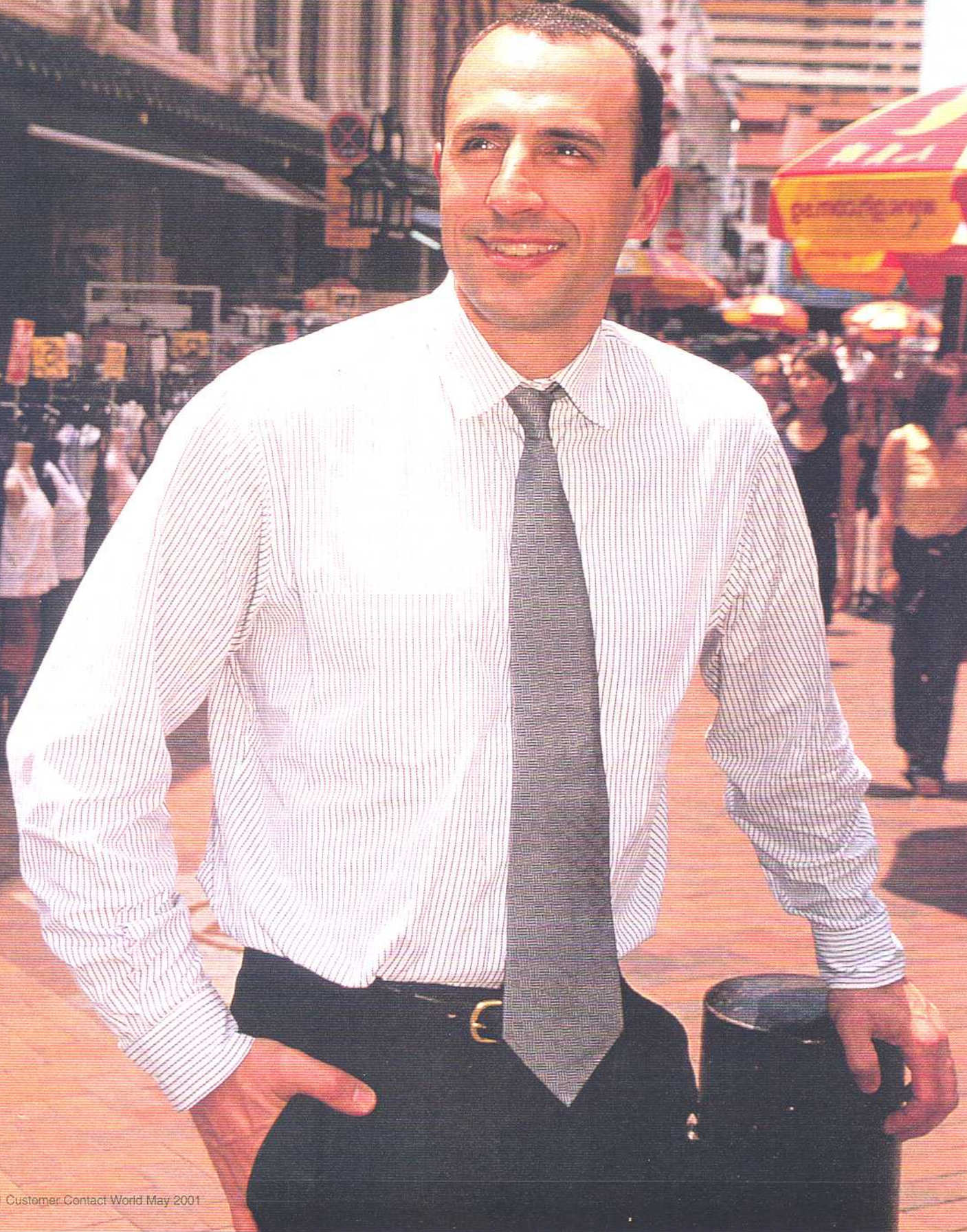
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Features

- 16 **PERSONALITY**
Bryan Bergeron talks e-CRM
- 22 **COVER STORY**
The power of the networked consumer
- 28 **ACTION**
3-day contact centre raises money for charity
- 34 **FORUM**
Asian e-tailing is alive and kicking
- 40 **OVERVIEW**
New Zealand, Asia Pacific's number one call centre location
- 46 **STRATEGY**
Partner Relationship Management for dummies
- 50 **PREVIEW**
Customer Contact World Philippines
- 60 **PROCESS**
CRM's secret recipe

Regulars

- 4 **COMMENTARY**
- 6 **NEWS**
- 14 **NEWS EXTRA**
- 52 **REVIEW**
- 58 **CALENDAR**



Creating automated interfaces that care

Move over women's intuition, the time has come to entrust our customer relationships to automated Emotionally Intelligent Interfaces or EIs, according to Dr Bryan Bergeron, the man behind the acronym as well as a host of research into the role of pervasive computing in relationship marketing. Academics are often regarded with a certain amount of suspicion in business circles. When they start throwing their weight around with the use of acronyms you've never heard of, you know it's time to take cover. Mike Mehaffey took the path less travelled and caught up with Bergeron in Hong Kong.

The worst excesses of the dot.com boom are behind us. The most cursory glance at NASDAQ or the Hang Seng shows that clearly. The hair-gelled parties are over and the battle for survival is on. The dot.coms that make it will be those who serve their customers best. Bergeron, who swung through Asia on a speaking tour recently, is here to help.

EIs – automated interfaces between customer and vendor, constructed to reflect past preferences – are the key to giving customers the personal attention they need. Bergeron cheerfully admits that his term is a bit of a mouthful, but argues that his message to enterprises everywhere is straightforward. "EIs are a set of tools that help companies keep their customers happy."

"Dot.coms, especially in the US, have been built with very little thought given to customer service," Bergeron fires off. "You can order something and they can sell you something, but they go nowhere from there!" Gulp.

Here's a man who feels passionately about customer service.

Dot.coms suffer because they are easy to scale up at the front-end to allow more orders and sales, but much more difficult to manage at the back-end, where increasing customer needs require more support. "Customer support desks soon get too large," he says, "and in the end, if a desk becomes too labour-intensive to maintain, the customer suffers."

It is a similar story for bricks and mortar companies that have established a web presence. For the most part they have created a false façade – a front which has all the bells and whistles, the multi-media showpieces, that advertise the company's wares, but rarely do they have the customer management competencies to back it up. What's worse, the customer service tools the web site might have usually don't integrate with the rest of the company's customer interfaces.

"In terms of EIs, what I'm really saying to new economy compa-

nies is that they need to view their points of contact as personal, personable and consistent," states Bergeron firmly. "Most dot.coms don't do this. They try to provide a web presence that's new and exciting but they lose sight of the need for a consistent brand image and they often forget their customer service responsibilities. They've been seduced by the propaganda that the internet (web and email) is completely different, when in fact it is just another form of communication, another touch point for their customers."

The man behind the acronym

So, what led him to EIs? Judging from Bergeron's CV, it wasn't the direct route. Talk about his background and you quickly get bogged down in detail about medicine, martial arts and marathon running – and there are still 25 other letters of the alphabet to plough through. His current activities range from teaching at Harvard and MIT to publishing an online magazine and heading his own company,

Archetype Technologies. Listing his past pursuits and accomplishments is a thankless task. His published works, for example, cover topics like morphing as a medical teaching aid and voice recognition, plus works like *The Hitchhiker's Guide to The Wireless Web* and of course his seminal book, *The Eternal E-Customer: How Emotionally Intelligent Interfaces Can Create Long-Lasting Customer Relationships*. He also wrote the first medical multi-media guide for the Apple computer. All of the above are a direct result of a boyhood hobby turned profession.

"I built my first computer as a kid and bought my first operating system from Bill Gates when it was still being produced on tape," Bergeron says. At university he started in electrical engineering, including radiological monitoring, before adapting his skills to the medical world, finishing with a Post-Doctoral Fellowship in Medical Informatics from Harvard. "Basically I was interested applying practical technology in the medical field." Originally he was helping non-users of technology, doctors, become more efficient. Then, he says, he became more and more interested in pervasive computing, where the computer is an inherent, but hidden part of the machine, an unnoticed part of everyday life.

"Studying things like human interfaces, voice recognition, simulation techniques, artificial intelligence and EIs is a natural extension of that interest." EIs describe how people can relate to machines as seamlessly as possible. "EIs might sound like academic jargon," Bergeron says,

"but essentially it means tools that allow people to interact with computers." EIs can operate on any level. Like computers in cars or microchips in handphones, EIs can be completely transparent for the user, or they can be a cutting-edge tool for customer relationship management.

Nothing new under the sun

What then, makes this message any different from the sort of thing that CRM vendors tout day in and day out? "Nothing," he says disarmingly. "It's just that most dot.coms, certainly in the US, simply don't get it." Then, more seri-

ously, he says most companies have little understanding of all the new technologies that can make web CRM especially dynamic, citing things like natural language processing, the mobile internet and voice recognition techniques. He also says there is little understanding of the all the new technologies that integrate customer services across the whole range of a company's touch points, including, of course, the internet.

Intimacy and loyalty

tools that companies need to keep the customer happy." This power, he says, is still largely being ignored. Bergeron demurs at the term cutting edge, but allows that EIs can definitely help companies develop intimacy with customers and command the loyal customers they want. "As they awaken from the trance induced by dot.com fever, many companies are beginning to realise that the web is simply another touch point, akin to a fax, telephone, email, or retail outlet," he says. "Customers don't think of

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"What's different today, and this has happened in the past 18 months, is that there are tools that can monitor all the processes in every touch point. Companies such as eGain and Oracle have products that work throughout the enterprise – horizontal integration for example – to ensure EI interactions actually work," he says. "These can set up and maintain the databases and data-mining

a brand as a dot.com, a catalogue, or a retail business. Rather, customers think of a company or brand as encompassing all of those touch points and more, and their expectations are identical for each touch point they choose to use."

The man is happy enough to repeat the mantra that business in the internet age is about creating customer loyalty, but emphasises that for web sites new tools need to be applied. "Today pervasive communications and computation enables customers to instantly gather information on products and prices," he says. "Loyalty then takes more than fitting the range of customer wants with the range of what the business is able to provide." It encompasses, he says, much more than simple mass customisation – whether applied widgets or information –



Bergeron on the search for touchpoint integration in Chinatown. Isn't it time we made the web as responsive as this market?

and it means employing EIs so that every touch point will support customers' goals.

Again it is a similar story for more traditional companies: new tools must be used if they are to develop and retain loyal customers and remain competitive. "If you concede that loyalty is a function of the value of the current business relationship, the time and resource invested in the relationship, the number of affordable alternatives, the frustration level, and the difficulty locating alternative relationships, then this suggests that many clicks-and-mortar companies suffer from touch point dissonance," he says.

The work ahead for these companies is touch point integration, which includes data-warehousing, user profiling, natural language processing, text to speech, the use of bots and other related technologies to create interfaces with the computer touch points. In *The Eternal E-Customer*



Bergeron, the consumer, about to participate in a sales relationship he may later regret.

Bergeron developed a theory which he coined 'the loyalty effect'. This is a way of qualifying the loyalty of a company, based on interactions with each touch point. "I focus on determining the 'personality' of each touch point, using an eight point model that can be applied equally to a salesperson, a web site, or an artificial intelligence programme running

a virtual customer representative," he says.

Asia values the relationship
Developing customer loyalty may be a foreign language to dot.coms in the US, but how was his message being received in Asia, where long-term relationships with customers are often considered sacrosanct. "I spoke



How much? Asia's tradition of relationship-building in action.

to lots of people here and found that, again unlike in the US, the first questions people want answered are about costs, at both the high and the low end of the market, return on investment and development time," he says. "They know the importance of their customers and they are genuinely concerned about how to continue to support them."

He also says that Asian companies have not been as easily duped by the dot.com hype. "Interestingly, companies in Europe and Asia, like many of the bricks and mortar companies of the US, have been spared most of the scourges of dot.com fever," he says. "They aren't suffering from the same touch-point dissonance that beset many click and mortar companies and dot.coms in the US."

He says in Asia he often feels like he's preaching to the converted when it comes to the 'care' side of things, but points out there is still

plenty that Asian companies need to do to make sure their traditional customer services remain solid. Again Bergeron points to the new interface tools that link the various component of a CRM solution and has some advice for anyone with internet ambitions.

"I would emphasise, especially for small to medium sized enterprises, if you're investing in a web presence, if you want to play in that space then there are few minimum requirements. One, you must support your customers. It's not acceptable to take orders in isolation. Two, if you can't afford a complete solution just use your web presence as a marketing tool." There are no half measures possible, he says, dialogue with customers on the web is as essential as it is in a normal store.

Privacy and security are other issues that particularly concern businesses in this part of the world. People here, more than anywhere, are reluctant to give



Sold! Asia has been receptive to Bergeron's brand of e-CRM.

out information over the web, which he said is part of the 'fear factor' with new technology. "It will take time for people to become comfortable and for them to develop confidence in security systems," he says. However as the dot.com crash shows, the market is maturing fast and in time dealing with systems that use EIs will seem as natural as making a phone call or sending a letter.