



Sell What Customers Want, Not What You Think They Want

Preference application gears companies' cross-channel sales messages to what customers would like to buy--today.

By Sue Garrison, Executive Editor – July 24, 2002

Have you ever called a mortgage company and received information that conflicted with what you saw on its Web site? Or have you ever wanted to change your address on all your bank accounts only to find out that you had to enter the new information for each account? And have you ever had the sense that call center agents are not terribly interested in selling you what you really want, that they're only pushing whatever product is most profitable for them to sell? Experiences such as these demonstrate how companies have largely done a poor job of integrating their customer channels--and that customers are disenchanted by the lack of integration and how out of touch businesses are with their needs and preferences.

In a recent report from Forrester Research titled, "Right-Channeling Financial Transactions," senior analyst Catherine Graeber notes that financial institutions recognize the importance of giving customers the opportunity to interact with them via multiple channels, such as their branches, call centers, ATMs and Web sites. Only 8 percent of survey respondents said developing a better cross-channel experience wasn't a priority for them. Forrester found that few financial institutions are actually integrating their various customer touchpoints, and the analyst firm says they need to do a better job of unifying their customer relationship management (CRM) and channel integration efforts.

But Graeber says that another breakdown in their technology initiatives that has equally important ramifications is how most CRM efforts fail to capture consumers' channel behavior or preferences.

Failing to capture that type of customer information from different touchpoints is one reason that Gregg Mahoney, CEO of Online Insight, says that CRM applications have not delivered the return on investment that companies expected. And those CRM applications and computer telephony solutions that do log customer preferences are most often doing so from a historical or transactional point of view, giving customer service representatives or sales agents a glimpse at what customers wanted or bought some time ago, he says.

Instead, Online Insight's Sales and Marketing Effectiveness Solutions Suite gathers information

from customers as they interact through companies' different touchpoints to gain a real-time view of what they currently want. That real-time information enables a company's agents to shift customer offerings, working from a conversational script that is automatically tailored to an individual customer's preferences, rather than simply pawn off whatever the company deems to be in its best interest.

Mahoney says that his company addresses only "a very small piece of the overall CRM portfolio, but we think it's the most crucial piece because it's the customer interface piece that allows not only the agent on the other end, but the customer to understand what the customer's personal preferences are at that point of contact, regardless of what happened in the past."

CRM vendors, Mahoney says, are just starting to wake up to how this differs from tracking what customers have ordered in the past or using demographic data that paints a generic picture of what people of different age groups or financial backgrounds would like to buy.

"People are starting to understand that to acquire and retain customers and market share, you have to truly understand why your customers make the decisions they make, and you have to help them through these very complex decisions real-time by understanding today what they really want," he says.

A study that Online Insight conducted with one of its major bank customers, Wachovia, found that 87 percent of its walk-in branch customers expressed being better satisfied with making decisions that were based on what the vendor calls its Customer Collaborative Conversation.

While Mahoney admits that his company's software is for now geared solely for service-oriented industries, he says that Online Insight is looking to link its system into real-time, just-in-time, constraint-based planning systems such as those from i2 Technologies or Manugistics. Manufacturers, he says, can benefit from relating customers' purchase motivations to the products they sell by pinpointing with a higher degree of accuracy the kinds of products they need to be developing moving forward.