

The New Commandments for Successful eBusiness

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In the beginning was the Word, and the word was Demographics.

And companies everywhere saw the Word, and saw that it was good, and said to their marketing departments, "Go forth and create direct marketing pieces, and send them out across the land to multiply." And they did. And business grew. And they saw that it was good.

Then, not to push the metaphor too far, all *hell* broke loose. The Internet came along and all the old rules fell by the wayside, the war for the customer's time, attention and loyalty shifting to a whole new battlefield. It's not just a battle for business anymore; it's a battle for e-business. Anyone can buy anything, anytime—and the competitor's store is just a mouse click away.

With the advent of eBusiness, customers have changed in three fundamental ways. First of all, they are more *independent* than ever before, becoming active members in the net-generation, logging on and off whenever they want. As a result, control of the sales process has shifted to the customer, who is likely to evaluate and compare products without advice from a salesperson. This change represents a monumental shift in the way business is conducted.

Second, customers are more *intelligent*. They are more comfortable doing their own research on products and services, reaching their own conclusions, and making their own decisions. They rely less and less on the advice of others.

And finally, customers have become more *impatient*. They want to find what they're looking for quickly and easily, complete their transaction, and move on.

This new customer—the "Triple-I" customer—is the one defining the gospel these days, and the smart corporation will leverage these changes by providing each and every customer the type of interaction wanted and needed, *based on what the company already knows about each individual customer*.

Corporations have a huge amount of information about their customers, but most of it sits in back office systems, of little use to anyone. But the eBusiness world allows a company to transform that information into knowledge—knowledge about the customer, in the customer's context, and usable in real-time, while the customer is on your web site. In today's parlance, the goal is *personalization*, creating a targeted experience for each customer.

Personalization needs to impact every step in the eBusiness cycle, beginning with targeted marketing, continuing through the sales process and on into customer service. In other words, across the entire "customer interaction life cycle." Personalization of your customer's experience is the first new commandment.

Personalization functions simply. Data about customers is organized into a knowledge base and accessed automatically when a user hits your site. When an inquiry is made—and every mouse click is an inquiry of some kind—the system responds based on what is known about the customer: buying history, outstanding orders, location, credit rating, etc. For example, if Susan logs on to a clothing site, the system should already know that she lives in Vermont, that it's the middle of winter, and that she prefers blue items. Using that knowledge, the system can proactively suggest warm, snuggly blue sweaters—and perhaps even put them on sale. The buying experience has been personalized.



And there are lots of software systems that can do this. But there's still one big problem. Those systems are static. The second new commandment is providing personalization that *learns*.

In order to truly personalize the customer experience, the knowledge system needs dynamic capabilities—the ability to remember what has happened during previous encounters, and then to reflect those experiences in later encounters. The system needs to *learn and reorganize* automatically. What would happen if Susan chose not to buy that snuggly blue sweater? In a static knowledge base—nothing. The next time she came to the site, the system would have the same data, and would likely suggest the same item. But in a dynamic knowledge system the previous experience is stored and the system reorganizes its recommendations *based on the actual success or failure of previous interactions*. As a result, eBusiness takes on a form that more closely resembles the traditional—and successful—model, one that includes a “sales advisor” who interacts directly with a customer.

It is this dynamic personalization that will enable the successful transition to an eBusiness model. And make no mistake: eBusiness is the new corporate religion, and it's here to stay, with new rules, new commandments. Your customers can come at you from anywhere, and if you choose to service them personally—by proactively designing and deploying intelligent eBusiness systems now—you can become one of the ultimate winners in the eBusiness world.

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