Trust and quality in electronic communication: Getting to know your customers bit by bit.

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Abstract: A client was experiencing trust and information quality problems in his structured Internet communication with potential and existing customers. Customer information entered online was typically of very poor quality and a lot of effort had to be exerted to cleanse the data before it incurred costs (such as printing and sending physical mail, etc.). Additionally, the interaction with clients, both on the portal and through the newsletter, was such that there was a high risk to the trust in the client's brand. We were asked to redesign the whole Internet-based interaction processes with his prospective and existing customers. This paper is a case study of how we changed the way this client communicated and thereby achieved better information quality, less irrelevant information and higher levels of trust.

1 Introduction

Our client, an insurance company, was reconsidering its Internet communication strategy with its prospective and existing customers. Several issues had been identified which prompted the start of a project to improve its internet presence and the integration of the internet into the back-office systems.

1. The Internet-based customer interaction was not tailored or personalized to the different types of prospects and customers – in contrast to a very sophisticated interaction via the call center.

2. The e-mail newsletter was handled in conjunction with an external provider and the process was not seamless. I.e. e-mail addresses were not necessarily fed back to the client's prospect or customer database.

3. The data captured from prospective customers online had severe quality problems – fake names and addresses led to a high percentage of addresses that had to be filtered out by a quality gate before passing to the letter-shop and causing real costs.

In addition to an extended team of subject matter experts on the side of the client and on the part of IBM, a cross-functional core project team was set up which consisted of 5 members an insurance industry expert, a CRM consultant, a portal/Internet consultant, a workflow expert and a project manager/lead facilitator.

2 Problem Assessment

We started the assessment with interviews and anecdotal evidence sessions to get insight into the symptoms and sources of the problems and an idea of the reactions of the prospective and existing customers to the Internet-based interaction.

2.1 Untailored Portal

The existing portal did not offer tailored information to visitors and also did not provide a user-centric navigation concept, i.e. the visitor needed to know pretty well what kind of product he was interested in, as the portal did not provide him with a demand-focused path on the site. This can also be viewed as the result of a missing strategy for the integration of the Internet into the existing business model.[1]

2.2 E-Mail Newsletter

The e-mail newsletter for (prospective) customers was hosted by an external provider. When we are asked to redesign a company's communication flows, we routinely perform a so called *channel check*, making several veiled contacts through the client's main communications channels, including call center, portal and e-mail, in order to see the client through the eyes of a prospective customer. As part of this exercise, we also subscribed to the offered e-mail newsletter. On the registration page, the client reassured us and everyone else interested in the newsletter, that the captured data would not be shared with any third party. So we were rather surprised when we received a confirmation welcoming us to the newsletter and a whole online community – not from our client, but from the service provider they used for sending out the newsletter. In this communication, this third party also informed us that we were now bound by the service provider's own terms and conditions, although we had never seen them before.

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[1] For a good discussion of the importance of using the internet as a complement to, not a cannibal of, traditional ways of competing can be found in [Po01].

Following up with the channel check, we replied to the provider like a surprised customer and asked why we were suddenly part of their community. The reply made things worse: We were informed that some companies were perhaps not capable (!) of hosting a newsletter themselves, and therefore they hosted with this company. This is not exactly a statement any company would want one of its service providers to make towards a potential customer. It became obvious that our client had – inadvertently – lost control over its newsletter communication and was not aware of the message that was being transmitted about him.

2.3 Information Quality problems

Perhaps one of the most serious issues with regard to the existing communication workflow through the portal turned out to be problems with the quality of information captured online.[2] We had heard numerous reports of the low quality of an alarmingly high percentage of useless data records. There were also a large number of visitors who abandoned the interaction process on the web form asking for data.[3] The *channel checker* analysis revealed that the existing interaction process required a visitor interested in obtaining any quote to fill out a form that was the superset of all information necessary in any of a large number of tariff calculators. Information like name, address and age were requested even from those visitors only looking for an anonymous quote on a simple calculation which did not need any of this information.

3 Solution Concept

After the initial assessment, we started redesigning the customer interaction processes in order to address the identified issues. The overriding goal was to stabilize and regain control of the Internet communication channel and provide a trustworthy and reliable interaction. Additionally, there was a stretch goal of providing a more tailored or personalized interaction online, in parallel with the highly customer focused interaction being offered through the call center, based on the available information.[4] As a quick intervention, the newsletter provider was informed about the mismatch in communication and the newsletter was moved to a proper *white-label* service, ensuring that those interested in signing up for the newsletter no longer received surprising welcome information from a third party. We then designed a new process for the newsletter, including basic personalization, which was based on an in-house solution drawing on existing and additionally captured prospect and customer information.

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[2] For a comprehensive overview of Information Quality definitions and concepts, see [Ep01].
[3] For a surprising discussion on the relevance of data gathering and in particular with a particular focus on gathering customer loyalty related information see [Re03].
[4] This also exemplifies the move from a product-centric to a customer-centric philosophy and organization of customer relations. See also [SM99] for an in depth discussion.

Regarding the information quality problems, the main issue was the existing process, which commenced by demanding the entry of name and address information – even if a visitor is only interested in receiving an online quote. Thereby, visitors reluctant to leave their real name and address – i.e. because they want to avoid receiving marketing mails – could only avoid revealing this information by entering fake information in order to be able to proceed with the tariff calculation. A large number of people who are forced to fill out online forms, requesting more information than they would like to divulge, can be expected to enter fake information.[5] As a result, the database built from the online forms was full of fake names and addresses, which had to be identified by a quality gate in order to remove these fake records before costs were incurred at the letter-shop by attempting to send offers based on the tariff calculations.

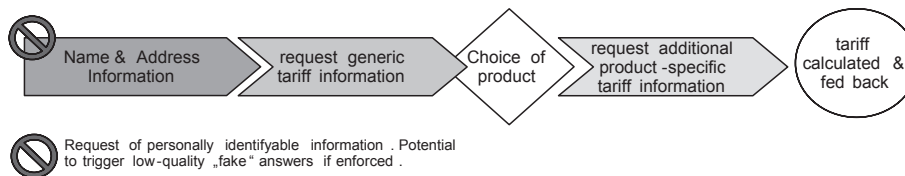## 4 The Interaction Process Change

Figure 1: Old information collection and interaction process

The problem with the existing process (Figure 1) was that without offering any reason or value in return, the name and address information is demanded right at the beginning of the interaction process. Subsequently, additional data commonly required to calculate tariff information is requested. Only then does the visitor get to choose the product to be calculated. Then, additional information specific to this product is requested. The tariff is then calculated. If a visitor had entered fake contact information at the beginning of this process, there was no way to enter correct information if a written offer was desired.
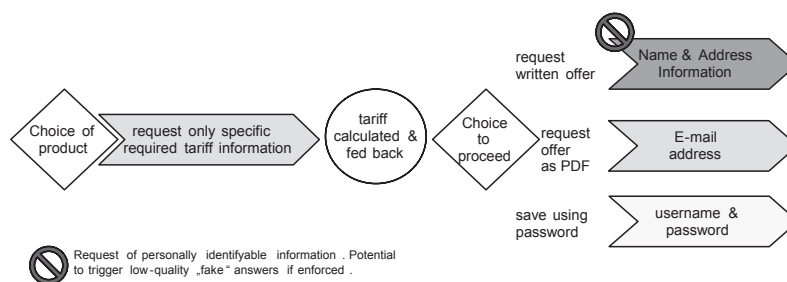

Figure 2: New information collection and interaction process

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[5] See [Ne01] for a more information on user-strategies to avoid revealing personal information online.

After redesigning the process to be less demanding of user's personally identifiable information, the visitor gets to choose the product first (Figure 2). Then only the information required for this specific product is requested, without asking for name or address. After this the tariff is calculated. Then, the visitor is given a choice of three options to continue with the process: If there is an interest in a written offer, the name and address are requested (a necessary and reasonable request to be able to send the written offer). If there is only an interest in an electronic PDF version, only an e-mail address is requested. A third option is to enter a username and password to save the information on the portal. Now only one option – and only if chosen by the visitor (!) – demands the highly sensitive name and address information as input. Using this approach, anecdotal evidence suggests that the quality of information in the name and address fields of the online registration records has skyrocketed, as only those visitors who feel comfortable leaving their name and address do so and there is no longer any incentive to enter fake information.

5 Lessons Learned

We firmly believe it is good business practice to get to know your customers *bit by bit* instead of effectively forcing them to lie as the result of a poor interaction process. One always has to bear in mind the ineluctable trade-off between desirable information on the one hand and appropriateness of asking the prospect or customer to provide that information in a given context. For many applications, having a valid e-mail address is much more valuable than having a name and street address of questionable quality. After all, an e-mail address allows the direct, low-cost communication and interaction with a (potential) customer. Once there is more trust in the customer relationship, or when there is an obvious need to do so, the real name and physical address can be captured later – at a time when the customer is comfortable with revealing it – thereby ensuring the quality of the data at the source.

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