

# We Got Your E-Mail; Just Don't Expect a Reply

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Some dare call it electronic commerce.

A major consumer products company logged 264,000 telephone calls to its customer service center in a recent month and handled 225,000 in what it considered satisfactory fashion — a "close" rate of 85 percent.

And during the same period, the center's service representative received about 20,000 customer E-mail messages via the Internet. Just 2,000 — a measly 10 percent — received attentive replies, and some not for several weeks. (This data was shared on the condition that the company not be identified.)

Say hello to the Web as black hole. E-commerce? One-to-one communication? The promise of these buzzwords is belied by simple reality: many companies, even those with a seemingly sophisticated presence on the World Wide Web, continue to treat customer E-mail as second-class communication.

Anecdotal evidence and some limited market research confirm that unless a company is a Web-based business to start with, like the on-line bookseller Amazon.com, the organization is likely to lack the tools and policies to handle the inflow of messages from its Web site.

"When companies go on the Web they tend to immediately get overwhelmed by messages," said Donna Hoffman, an associate professor at the Owen Graduate School of Management at Vanderbilt University. "But some still don't see handling this E-mail as one of the most important customer service jobs. They haven't created the proper policies or allocated the funds."

Professor Hoffman, the director of an influential research program that studies the marketing implications of commercializing the Web, finds it disturbing that her own frequent messages to commercial sites almost never result in a response. Web users may lose trust in the medium if their experience is similar, she said.

According to a survey earlier this year by First Data Investor Services Group, which supplies transaction services to mutual fund companies, 82 percent of the mutual fund Web sites it tracks advertise themselves as offering customer service via E-mail. Yet when First Data tried to measure how long it took each site to respond to E-mail, it found that about 30 percent of customer messages

## They'll Get Back to You — Maybe

Many companies invite consumer queries by E-mail, but they are not equally diligent in answering. In an informal check, questions about services, products or corporate policies were sent to a random selection of consumer-oriented companies to gauge their responsiveness. Here is how long they took to reply.

3 hours	Anheuser Busch (WWW.ANHEUSER-BUSCH.COM)
4.5 hours	Bose (WWW.BOSE.COM)
5 hours	Lycos, but automated response was inaccurate (WWW.LYCOS.COM)
8 hours	Charles Schwab (WWW.SCHWAB.COM)
10 hours	Loews/Sony Theaters, first message returned undelivered, second answered in 10 hours (WWW.THEATRES.SRE.SONY.COM)
1 day	Fidelity Investments (WWW81.FIDELITY.COM:80) Kraft (WWW.KRAFTFOODS.COM); Mobil (WWW.MOBIL.COM)
1.5 days	Procter & Gamble (WWW.PG.COM)
2.5 days	Nike (WWW.NIKE.COM); Sega (WWW.SEGA.COM)
3 days	AT&T (WWW.ATT.COM)
4.5 days	Aetna (WWW.AETNA.COM)
5.5 days	3M (WWW.3M.COM)
7 days	Hilton, acknowledgment after 1 hour (WWW.HILTON.COM)
8 days	Hasbro (WWW.HASBRO.COM)
9 days	Levi's (WWW.LEVI.COM)
9.5 days	Coca-Cola: acknowledgment after 2.5 days and an answer 1 week later (WWW.COKE.COM/COKECARD)
15.5 days	Disney (WWW.DISNEY.COM)
No response	Ben & Jerry's (WWW.BENJERRY.COM) Goodyear (WWW.GOODYEAR.COM) Hewlett-Packard (WWW.HEWLETT-PACKARD.COM) Wal-Mart (WWW.WAL-MART.COM) Little Tikes (WWW.RUBBERMAID.COM/LITTLETIKES/SERVU1MAIN.HTM)

never got any response.

A reporter's unscientific spot check of the consumer-contact E-mail addresses on the Web sites of two dozen well-known, consumer-focused corporations did not fare much better: only seven of the sites responded in less than 24 hours, and five of the companies never replied.

One of the companies that did reply — though it took a couple of days — was Nike, a company known for its marketing prowess. Even though it is not a big on-line retailer, Nike sees sufficient value in the more than 2,000 E-mail messages its site receives daily that the company has devised extensive procedures for handling the volume.

"At some forward-looking companies there is a realization that you don't get to hear from customers often — that you should treasure it and find a way to deal with every E-mail," said Martha Rogers, a partner at Peppers & Rogers Group in

Stamford, Conn., a consulting firm that focuses on "one to one" marketing.

A recent report by Forrester Research was based on interviews with 37 companies that Forrester selected as especially intent on customer E-mail. Even among those companies, which average 500 incoming E-mails a day, dealing with the deluge can be confusing, with responsibility split among departments. And most of the companies sampled still manually route messages — despite being aware of automation tools that would speed the process.

One such technology for automating customer E-mail is Echomail from General Interactive Inc. in Cambridge, Mass. Echomail, uses natural-language and "discourse analysis" software to parse messages in an attempt to classify them as, say, a complaint, a sales lead or an investor inquiry. In some cases automated responses may be sent,

but most messages are typically routed to customer-service agents.

Echomail users include Nike, I.B.M., AT&T, Lycos, J. C. Penney and Allstate.

"Before someone puts in our system," said V. A. Shiva, president and chief executive of General Interactive, "we ask them, 'Do you value E-mail? Do you have policies and processes for handling this inflow? Whose responsibility is this mail, marketing or customer service or someone else? What happens to a message, for instance, if it hasn't been read in five days?'"

Mr. Shiva added that the slow adoption of systems to handle incoming E-mail had "a lot to do with technology but also with process and elevation of consciousness — even politics going on within companies."

Cost is probably a consideration, too, since such systems often sell for \$200,000 or more, according to Forrester.

Mr. Shiva and other industry executives say that companies could often create smarter customer-contact pages on their Web sites that would greatly simplify E-mail management. An increasing number of corporate sites ask — or even require — customers to complete a Web form rather than send a free-form message. Even though some might find the templates intimidating or off-putting, the consumers who do proceed will be providing information that makes it easier for the company to route and respond to the message.

At the leading edge of managing customer E-mail are companies that have trained their phone agents to handle E-mail, too, treating it as simply another type of customer

communication.

"A science has built up around handling 800-number calls after all these years, but on the Web we are only recently seeing those disciplines applied to handling customer E-mail," said Don Morrison, executive vice president of Chordiant Software Inc. in Palo Alto, Calif., a provider of customer-interaction technology.

Still, Mr. Morrison points out the some messages, like those involving order confirmations or complex instructions, are better handled by E-mail than phone calls.

In fact, the discount stockbroker Charles Schwab is actively trying to increase the percentage of customer queries handled by E-mail rather than by phone, said Paul Raskin, director of Schwab's electronic brokerage services unit. E-mail now accounts for one-third of customer inquiries to the unit, up from one-tenth two years ago.

As an example of a consumer-focused company that has increasingly moved its business on line, Schwab was quick to recognize the value of customer messages.

"We actively promote E-mail as a customer-service channel," and electronic brokerage services receives up to 15,000 electronic messages a week, Mr. Raskin said. About a quarter of the 300 service agents that Mr. Raskin has working at any one time are devoted to handling E-mail.

Schwab, like most companies that deal with consumer E-mail, is reluctant to send out automated responses.

With automated responses the human aspect is lost, Professor Hoffman said, "and that goes against the whole idea of trying to create the

appearance of a personal relationship" on line.

Even companies that do use boilerplate replies tend to reserve them for only the most common questions — as Nike, does, for example, with queries about the location of the nearest retailer.

One significant exception is Lycos, the Web-searching service. With only two customer-service representatives, Lycos uses Echomail's automated response capability to handle the majority of its incoming messages — most of which have to do with the listings and navigation on its site.

Lycos's experience with Echomail's parsing capabilities has been positive, with 80 percent or more of the responses being appropriate replies to the queries, said Adam Gross, a senior customer-service representative for the company. Among the 20 percent of inapplicable responses was one to a reporter's spot check. A question asking how to use Lycos to count the number of sites on the Web that are linked to a specific home page was answered with, "We appreciate your desire to place a link to Lycos," and instructions on how to link a home page to the service.

The timing of automated responses can be a sensitive issue. Although the system is able to reply automatically within five minutes, Mr. Gross has set it to respond at a more human pace — within 12 hours. Why?

"If the response comes right away, the customer may discount it as just a machine talking," Mr. Gross said. "Even if the answer is full and correct, they'll view it with disdain."



Peter DaSilva for The New York Times

Paul Raskin, left, heads a unit that oversees the flow of customer E-mail at Charles Schwab in San Francisco.