Concept Study Topline Report
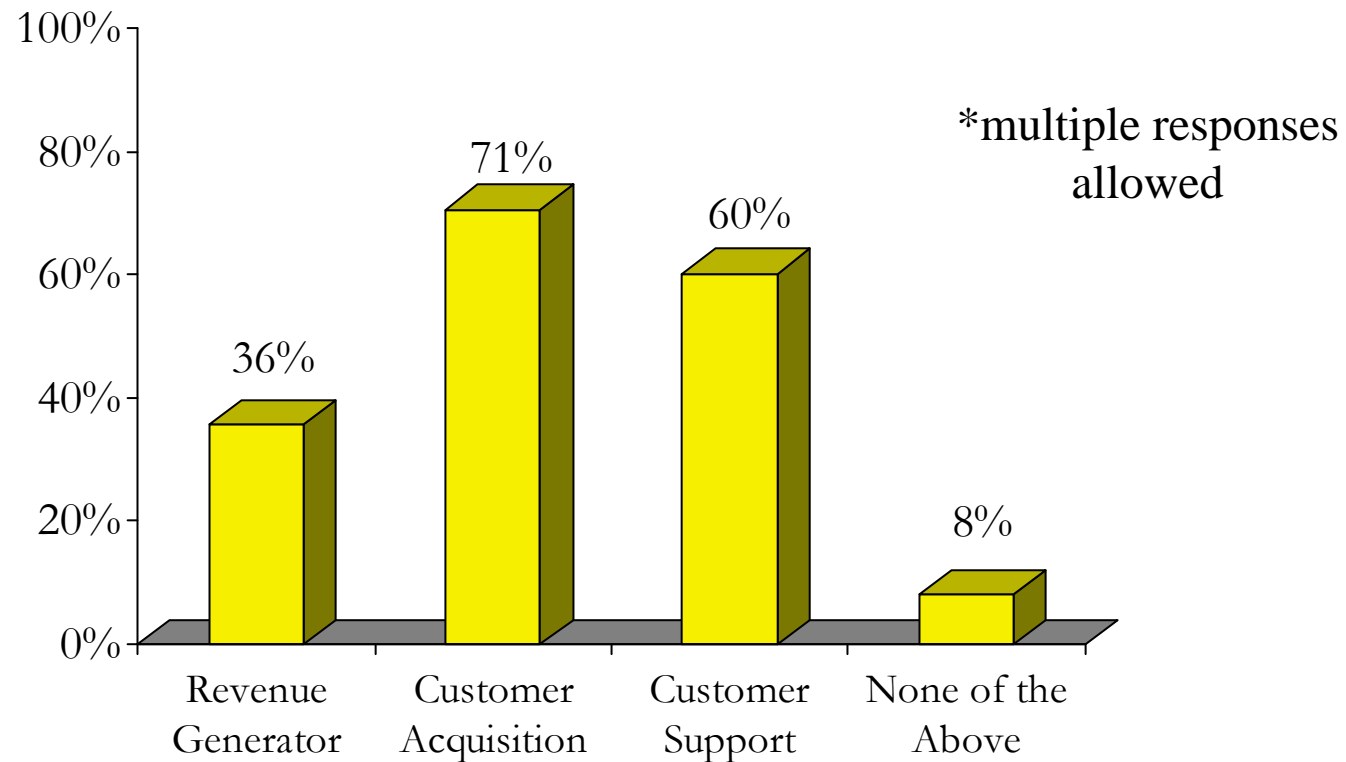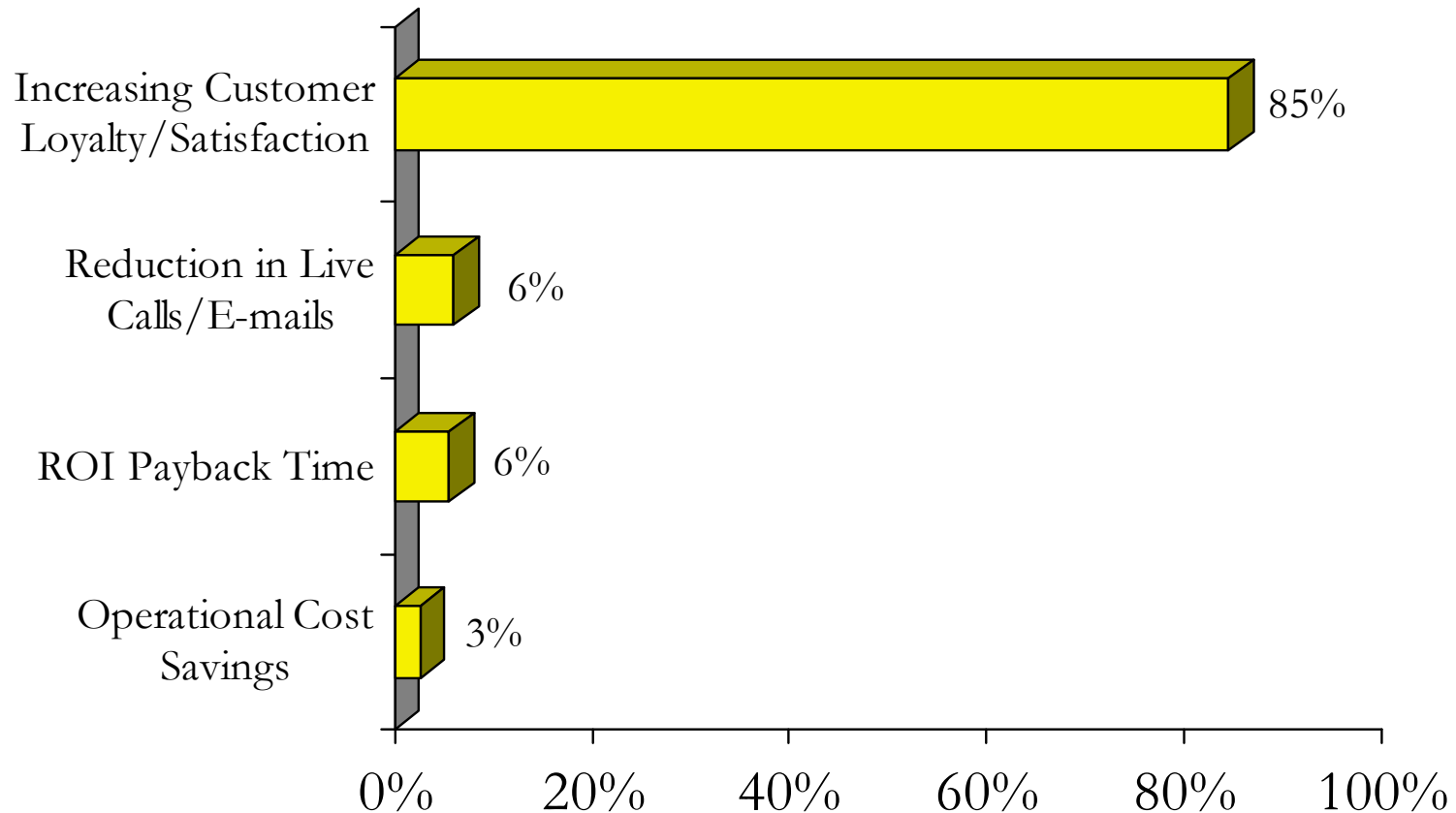
AnswerLogic

August 18, 2000

DRC GROUP
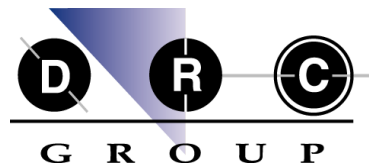
Summary Notes

- Most of the companies surveyed use both a website and an e-mail response system for customer care

- Very few companies have implemented either online chat support systems, or answer engine technology

- Over half of the companies surveyed don't know the customer satisfaction level of their e-mail response system

- Over 70% are at least somewhat interested in answer engine technology

- For these customer care systems, many of the companies are using in-house solutions, or expect to develop in-house solutions, rather than buy from a 3rd party vendor

Roles of the Company Website

Most Important Business Driver for Customer Care Strategy

Increasing Customer Loyalty/Satisfaction — 85%
Reduction in Live Calls/E-mails — 6%
ROI Payback Time — 6%
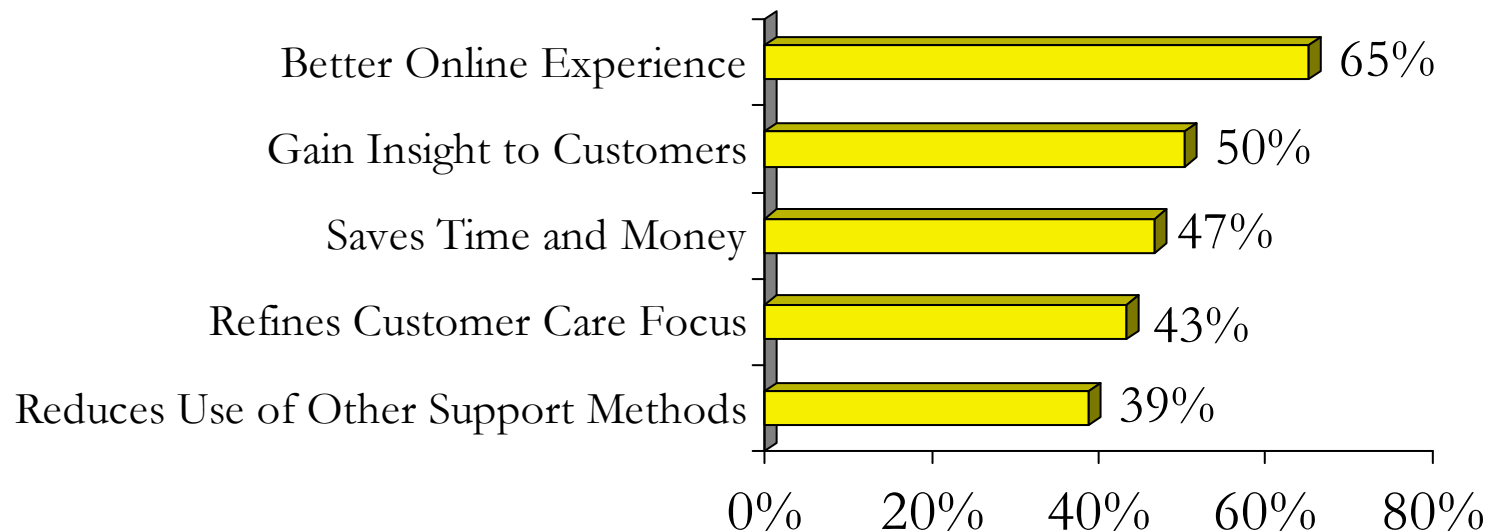Operational Cost Savings — 3%

Tested Benefit Statements

- Respondents were asked to rate five benefit statements according to the degree which they agreed with each statement
  - *"Automation of customer support saves time and money"*
  - *"Providing customers with direct answers is a better online experience than requiring them to navigate through multiple pages of content to find answers"*
  - *"Gain insight into customers' needs and expectations by capturing and analyzing their questions"*
  - *"Answering customer questions automatically allows customer care personnel to focus on more complex, high-touch customer issues"*
  - *"Empowering customers to find information and solve support issues online reduces the frustration and escalation to other methods of support such as e-mail, online chat, and call centers"*

Rank of Effectiveness of Tested Benefit Statements

- While "better online experience" comes out on top, others are equally effective, leading to a need for a cohesive messaging strategy, not one with singular focus.
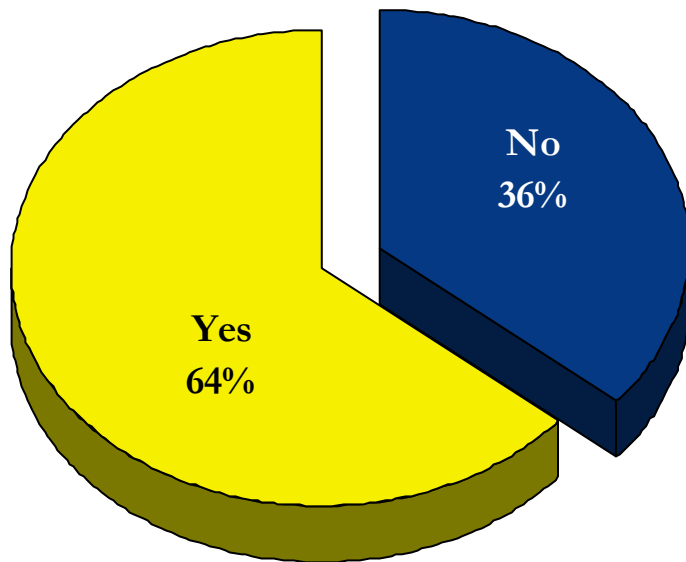 - e.g. "AnswerLogic solves your 5 biggest CRM headaches with one reliable solution…

Better Online Experience — 65%
Gain Insight to Customers — 50%
Saves Time and Money — 47%
Refines Customer Care Focus — 43%
Reduces Use of Other Support Methods — 39%

0% 20% 40% 60% 80%

Support Systems Summary

Implementation Status

If no, estimated implementation time frame

	Yes	No
Website support	64%	36%
E-mail support	82%	18%
Online chat	4%	96%
Answer Engine	4%	96%

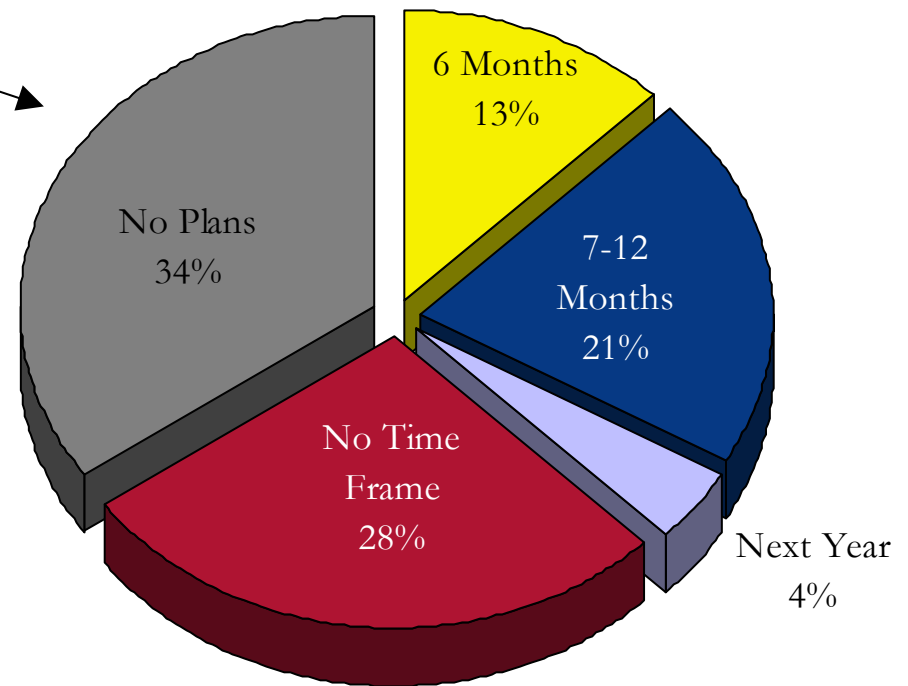| 6 months	7-12 months*	No time frame	No plans
13%	25%	28%	35%
14%	19%	22%	44%
3%	8%	18%	72%
1%	9%	27%	63%

*includes "7-12 months" & "sometime next year"

Website Customer Support

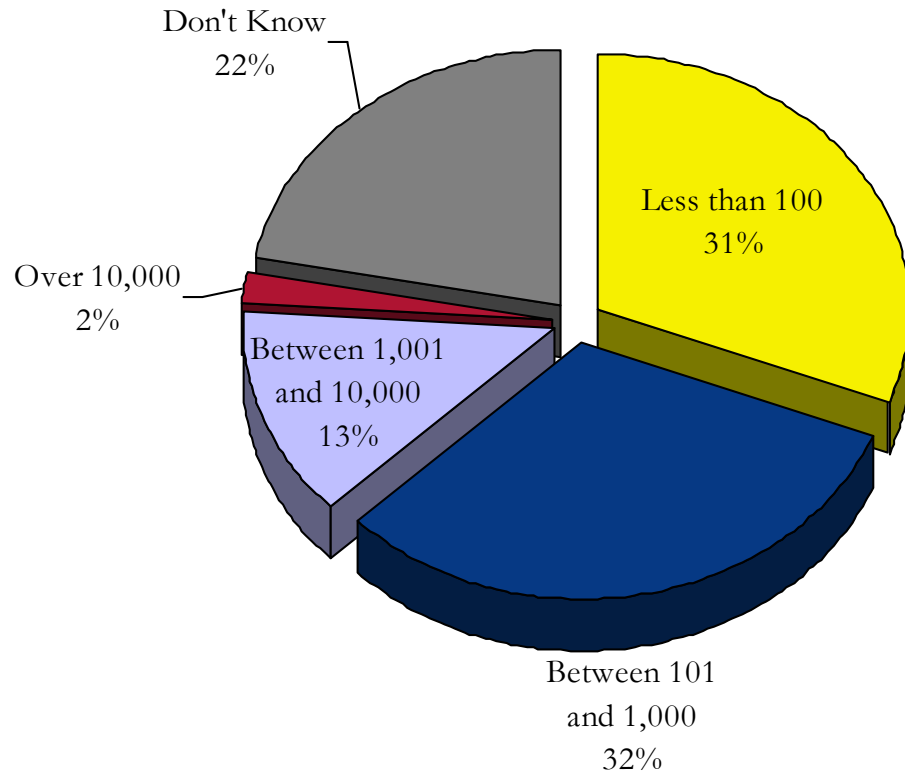Percentage Using a **Website** for Customer Support

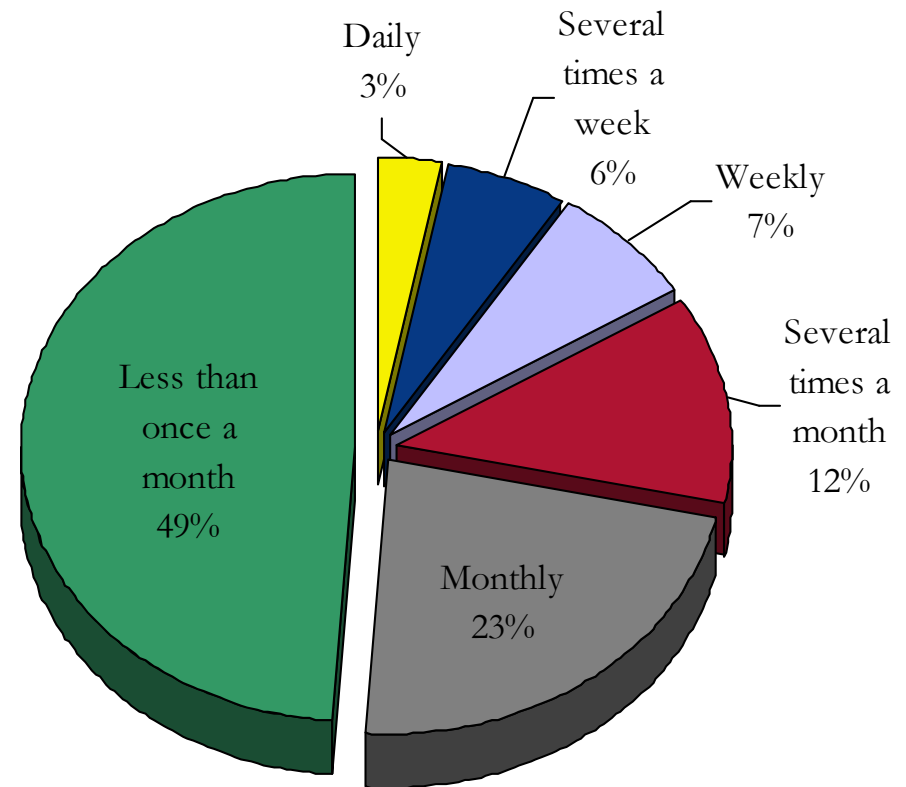Implementation Projections for Those Not Using a **Website** for Customer Support

No
36%

Yes
64%

6 Months
13%

7-12 Months
21%

Next Year
4%

No Time Frame
28%

No Plans
34%

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Website Statistics

Number of Hits on Website

- Don't Know 22%
- Over 10,000 2%
- Between 1,001 and 10,000 13%
- Less than 100 31%
- Between 101 and 1,000 32%

How Often Website is Updated

- Daily 3%
- Several times a week 6%
- Weekly 7%
- Several times a month 12%
- Monthly 23%
- Less than once a month 49%

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Website Customer Support

```
┌─────────────────────────────────────────────────────────────┐
│                     Total Sample                              │
│                        100%                                   │
└─────────────────────────────────────────────────────────────┘
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Don't offer search capability on website 46%	Offer search capability on website 54%

Customers satisfied with search solution

| Yes 41%	No 6%		Capture search logs 49%

Don't know 54%

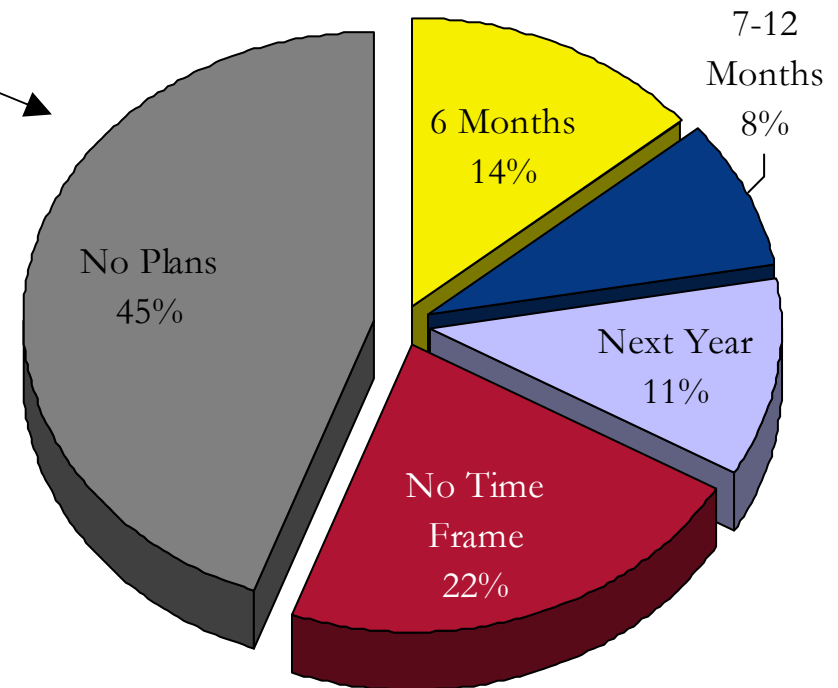Analyze search logs 85%
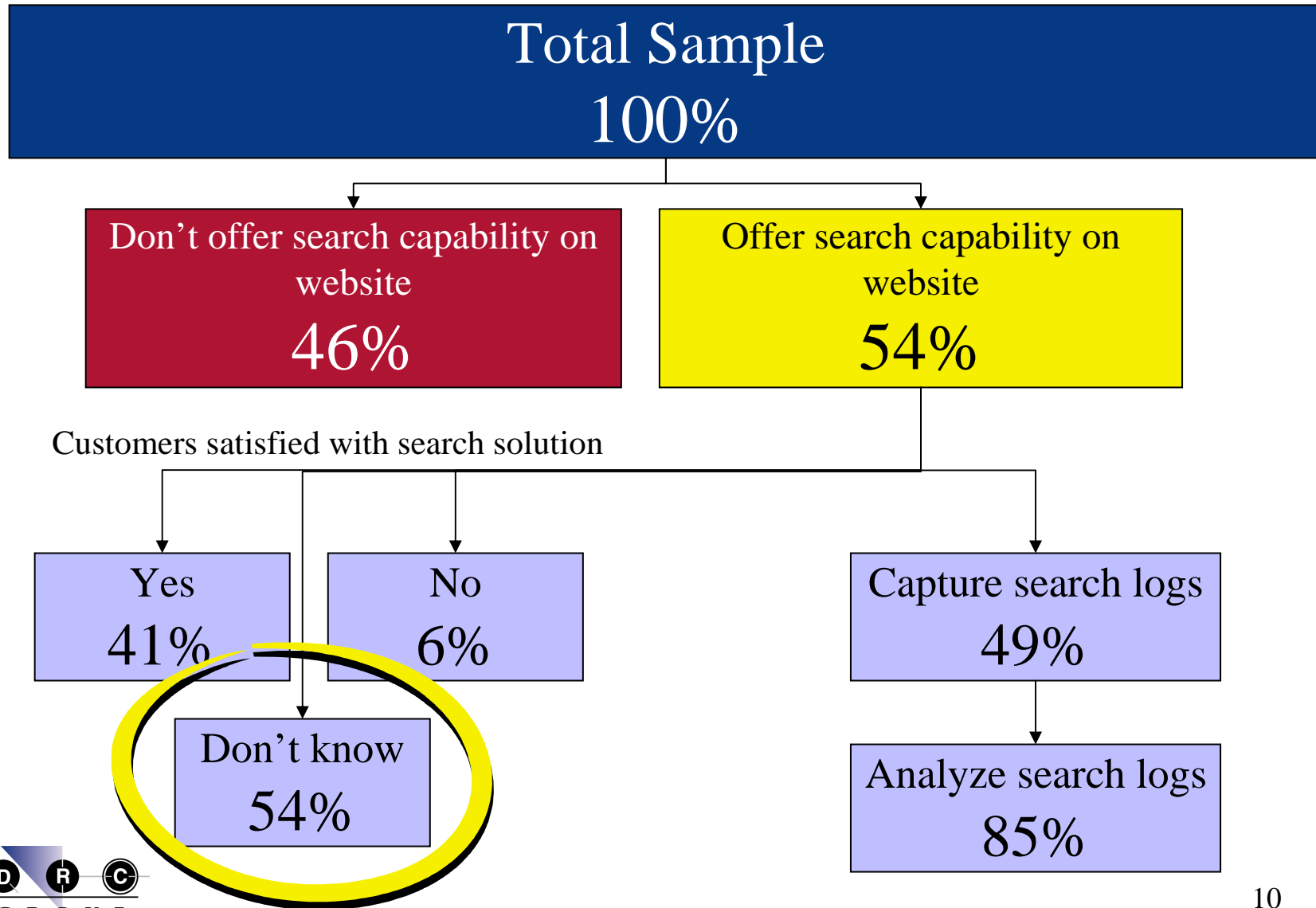
Top 3rd Party Search Engine Vendors

- Microsoft was used by 39% of the respondents
- AltaVista was used by 23%
- Some of the names mentioned once in the "Other" category include:
  - BigBankingBook.com
  - Excite
  - HotBot
  - Infoseek
  - iWon
  - Lycos
  - Profusion
  - Right Now Technologies
  - Triad
  - Xavatoria Search Engine
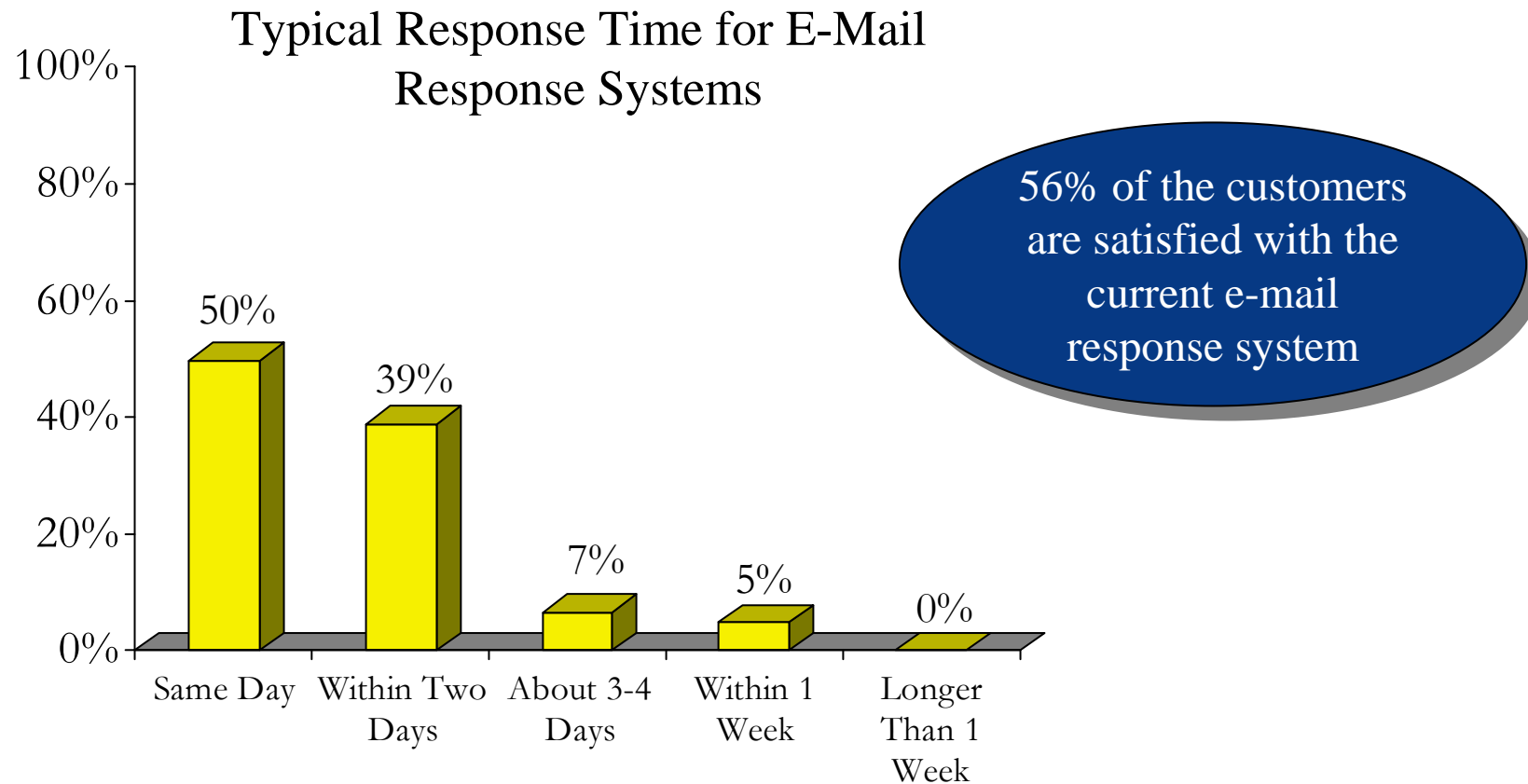 - Yahoo

E-Mail Response Systems

Percentage Using an **E-Mail Response System** for Customer Support

No
18%

Yes
82%
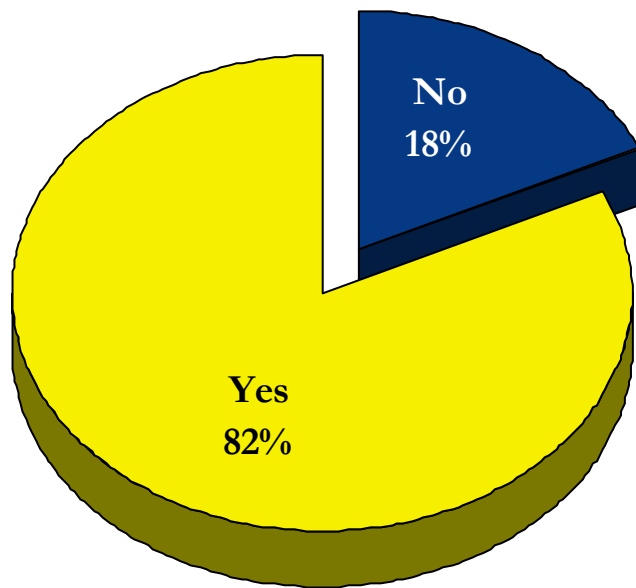
Implementation Projections for Those Not Using an **E-Mail Response System** for Customer Support

7-12 Months
8%

6 Months
14%

No Plans
45%

Next Year
11%

No Time Frame
22%

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E-Mail Response Systems

Typical Response Time for E-Mail Response Systems

56% of the customers are satisfied with the current e-mail response system

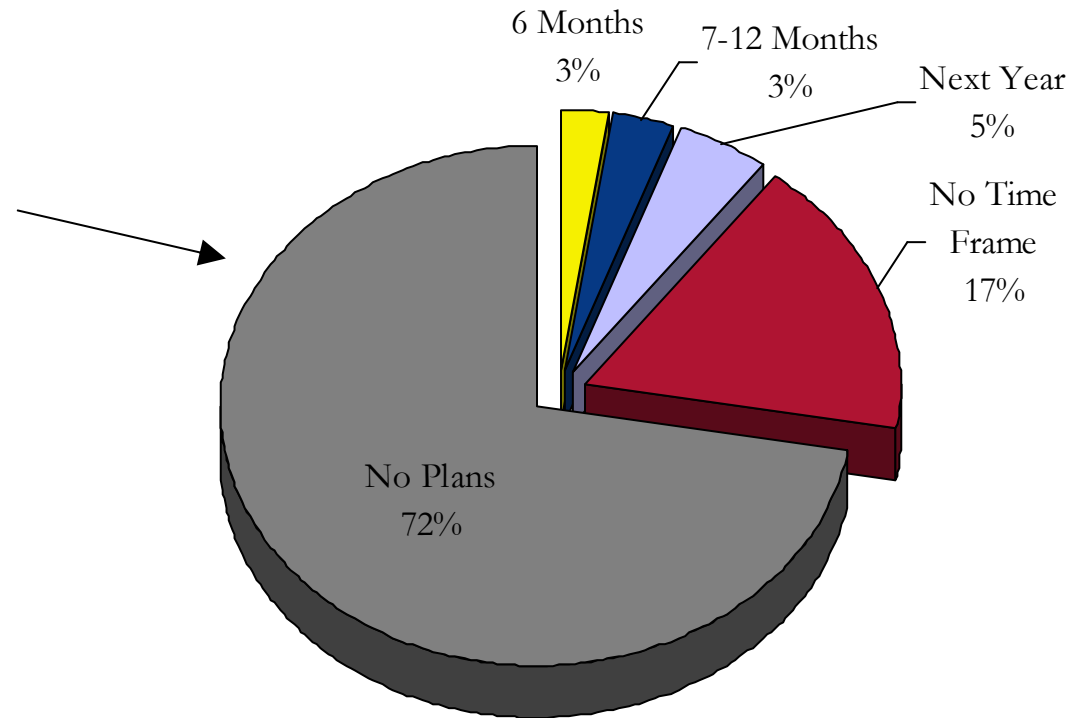# Top 3rd Party E-Mail Response System Vendors

- 67% of those using e-mail for customer support were using manual response systems

- None of the prelisted vendors captured more than 3% of the responses – Brightware had 5 users (3%)

- Names of vendors mentioned once or twice include:

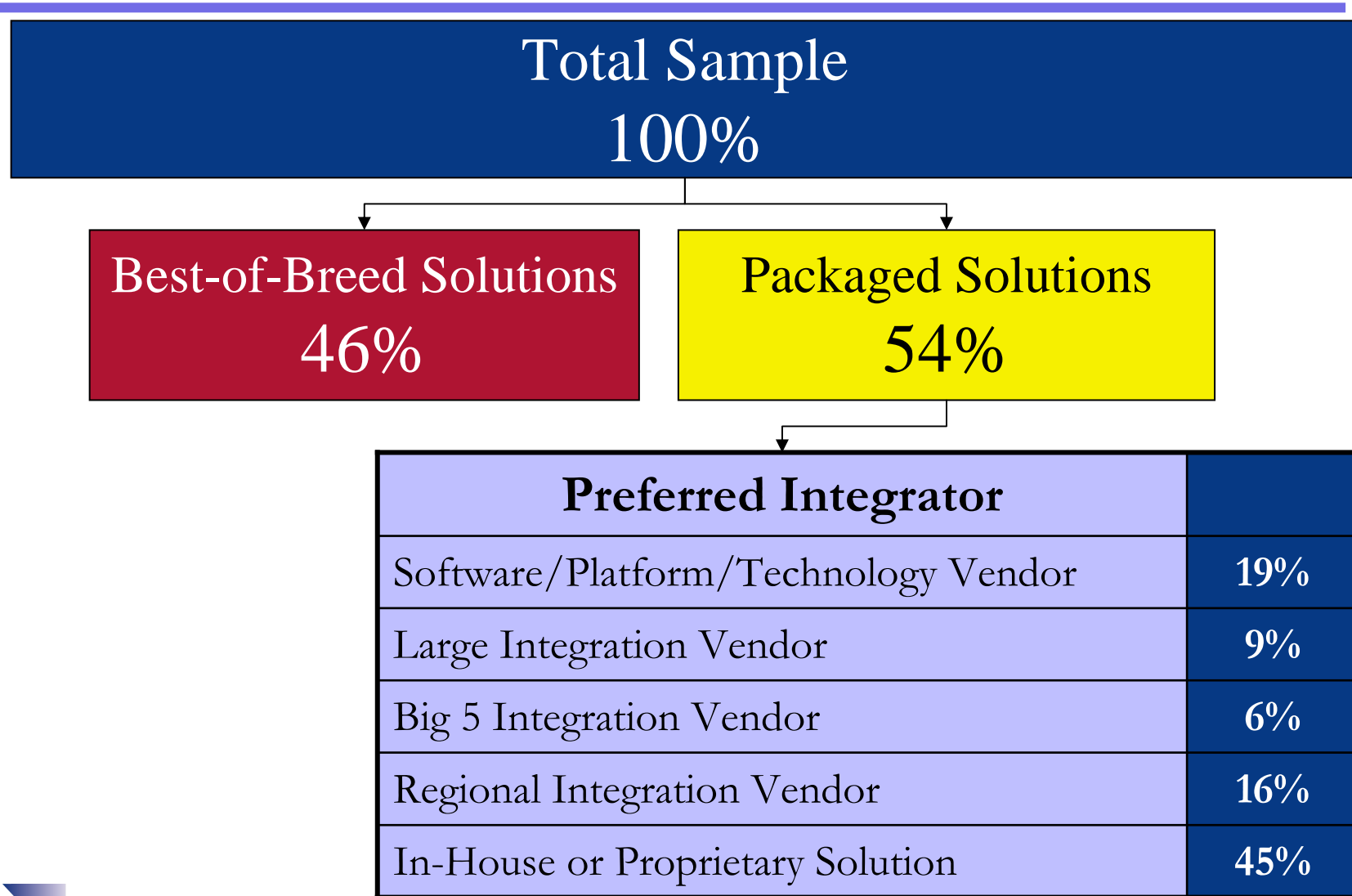 - AOL

  - FastPoint

  - Louts Notes

Online Chat System

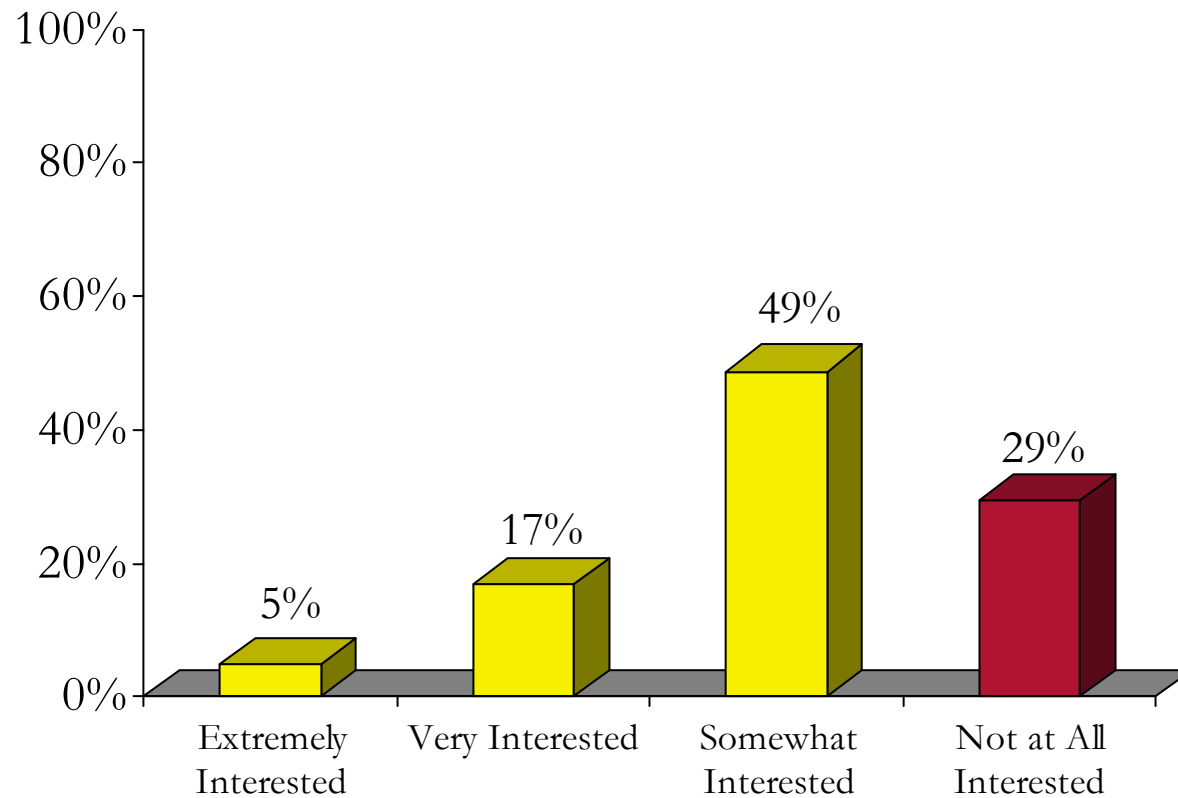Percentage Using an **Online Chat System** for Customer Support

Yes
4%

No
96%
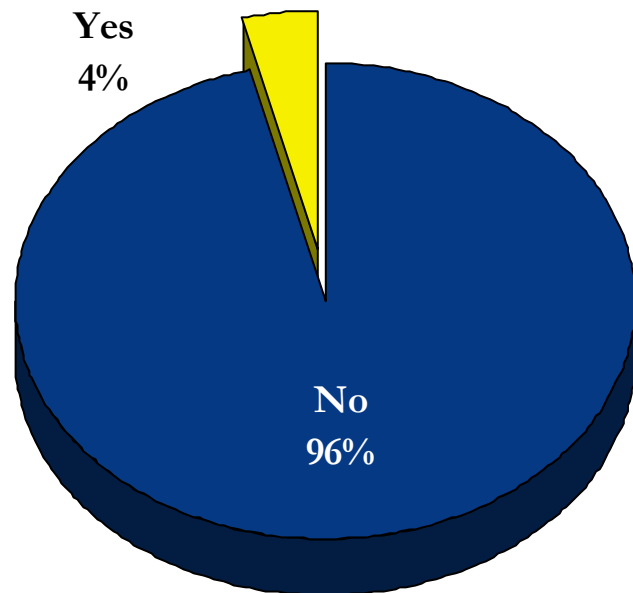
Implementation Projections for Those Not Using an **Online Chat System** for Customer Support

6 Months
3%

7-12 Months
3%

Next Year
5%

No Time Frame
17%

No Plans
72%

Best-of-Breed vs. Packaged Solutions

Total Sample 100%

Best-of-Breed Solutions 46%	Packaged Solutions 54%

Preferred Integrator	
Software/Platform/Technology Vendor	19%
Large Integration Vendor	9%
Big 5 Integration Vendor	6%
Regional Integration Vendor	16%
In-House or Proprietary Solution	45%

Interest in Answer Engine Technology

Familiarity With…

Answer Engines

Answer Engines chart:
- Extremely Familiar: 3%
- Somewhat Familiar: 32%
- Have Heard Name: 40%
- Not Familiar: 25%
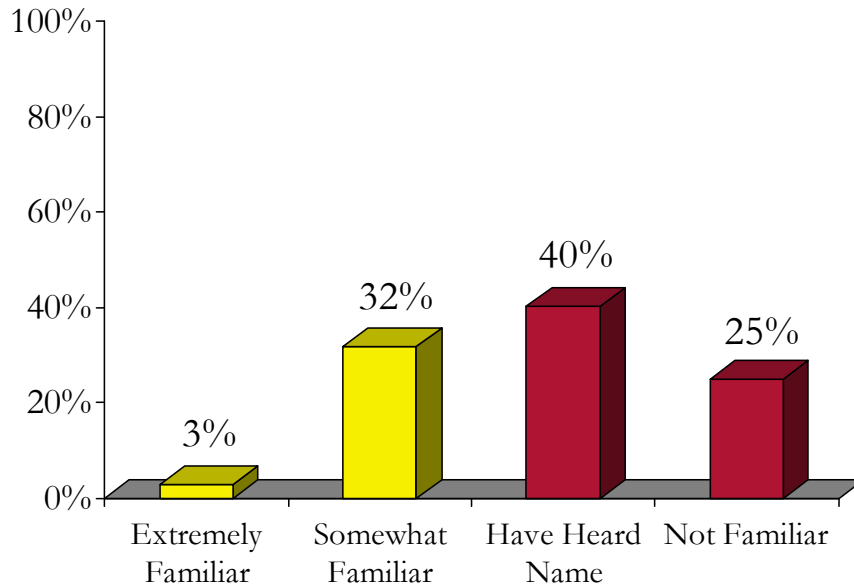
Aided awareness: "How familiar are you with AnswerLogic?"

AnswerLogic chart:
- Extremely Familiar: (0%)
- Somewhat Familiar: 4%
- Have Heard Name: 18%
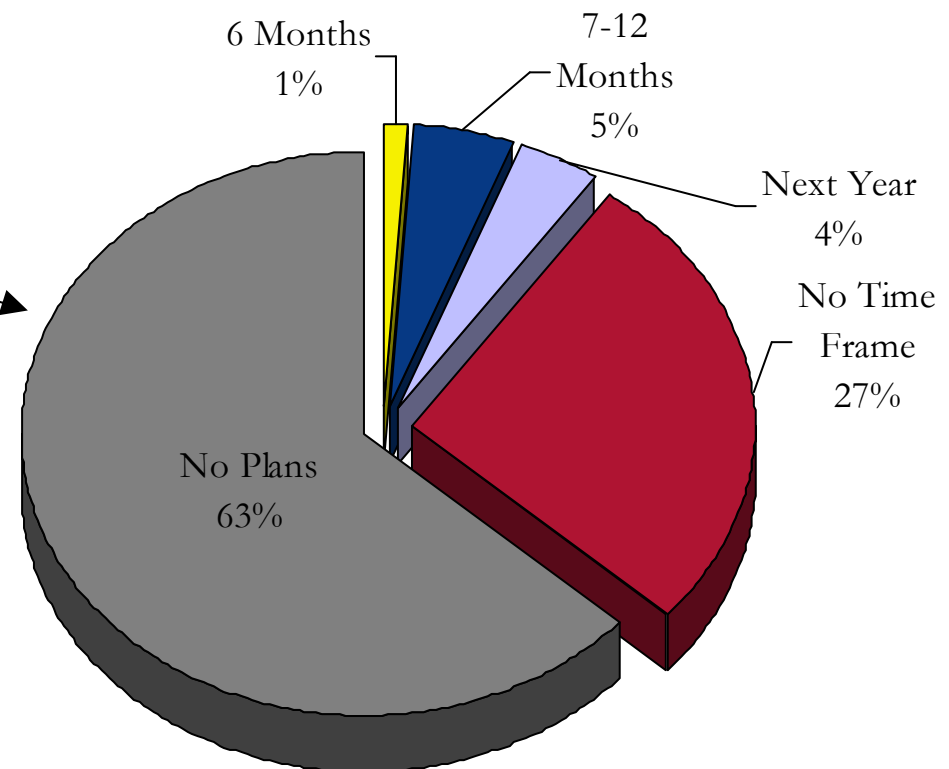- Not Familiar: 78%
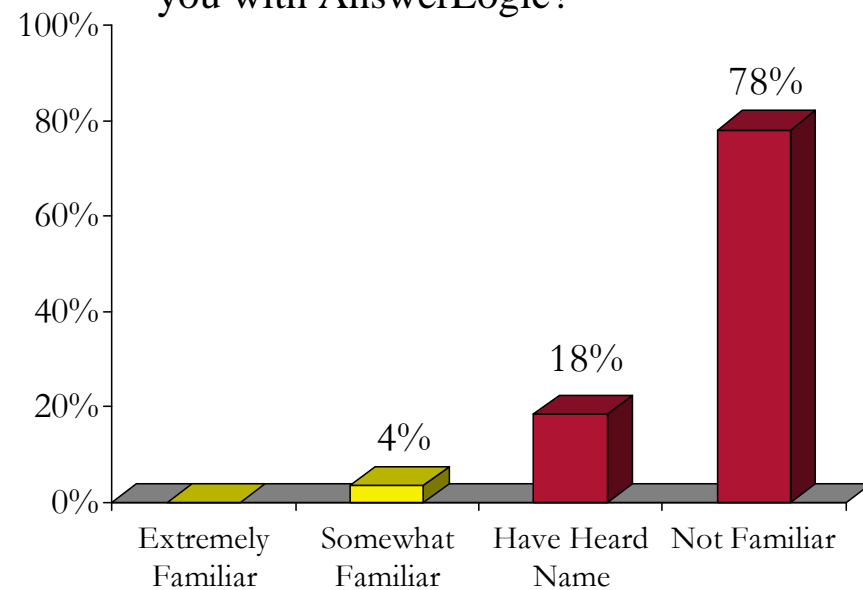
Answer Engine Technology

Percentage Using **Answer Engine Technology** for Customer Support

Yes
4%

No
96%
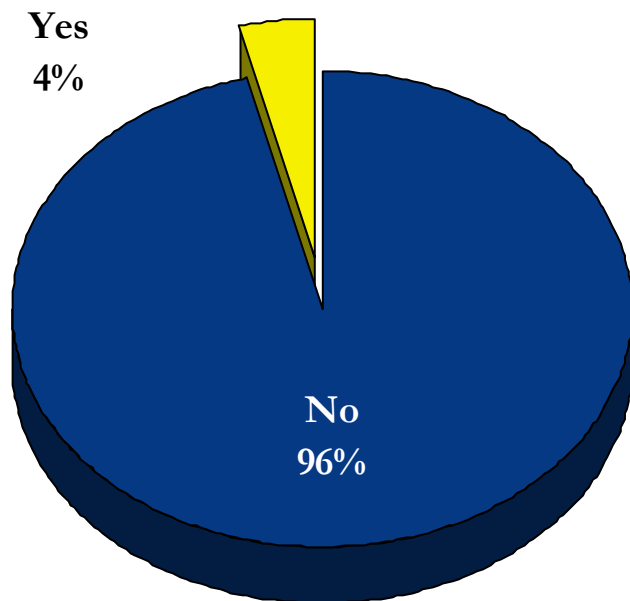
Implementation Projections for Those Not Using **Answer Engine Technology** for Customer Support

6 Months
1%

7-12 Months
5%

Next Year
4%

No Time Frame
27%

No Plans
63%

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3rd Party Vendors Respondents Would Consider for Answer Engine Technology

- Microsoft (2 respondents)
- AnswerLogic
- Pioneer
- Alpha
- Lightyear
- TCG
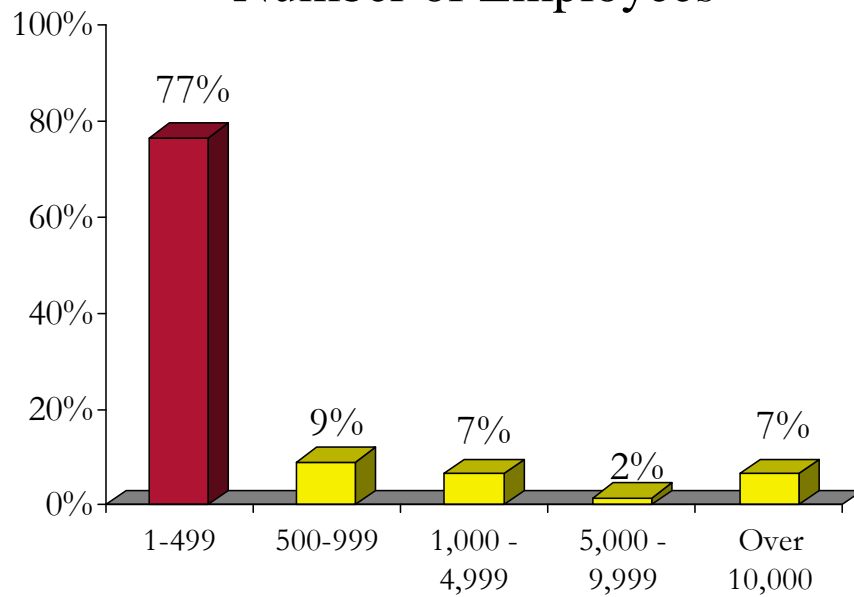- Alltel

Firmagraphic Information
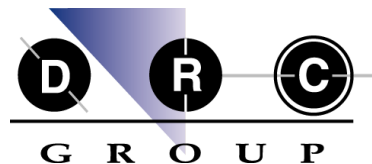
Industry Breakdown

Industry	Percentage
Manufacturing	36%
Other miscellaneous Services	30%
Technology	21%
Telecommunications	8%
Travel/Transportation	3%
Real Estate	1%
Legal Services	0.5%
Commercial Financial Institution/financial services	0.5%
Insurance	0%

Company Statistics

Number of Employees

77%	1-499
9%	500-999
7%	1,000 - 4,999
2%	5,000 - 9,999
7%	Over 10,000

Revenues

(in millions)

55%	Under $10
19%	$10 - $49
8%	$50 - $99
10%	$100 - $499
3%	$500 - $1,000
3%	$1,000 - $10,000
4%	Over $10,000

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