



TREASURY RESOURCES

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This presentation was originally
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The Web: Simplify Your Business By Empowering Your Customers

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Agenda

- The Rise of the Internet
- E-Business Proposition to Providers
- Evolution of Commerce and E-Business
- The Importance of Client Service
- Transforming Service using the Web

The Rise of the Internet

The Numbers:

- Between June, 1999 and March 2000, web usage in the U.S. increased:
 - From 105.4 million to 129.6 million users with internet access;
 - From 63.4 million to 81.7 million *active* users;
 - From 7 hours 38 minutes to 9 hours 42 minutes/week spent on-line

Total ad expenditures:

- 1998: \$1.92 Billion
- 1999: \$4.6 Billion

The Rise of the Internet

Years to Reach 50 Million Users:

Radio → **38**

TV → **13**

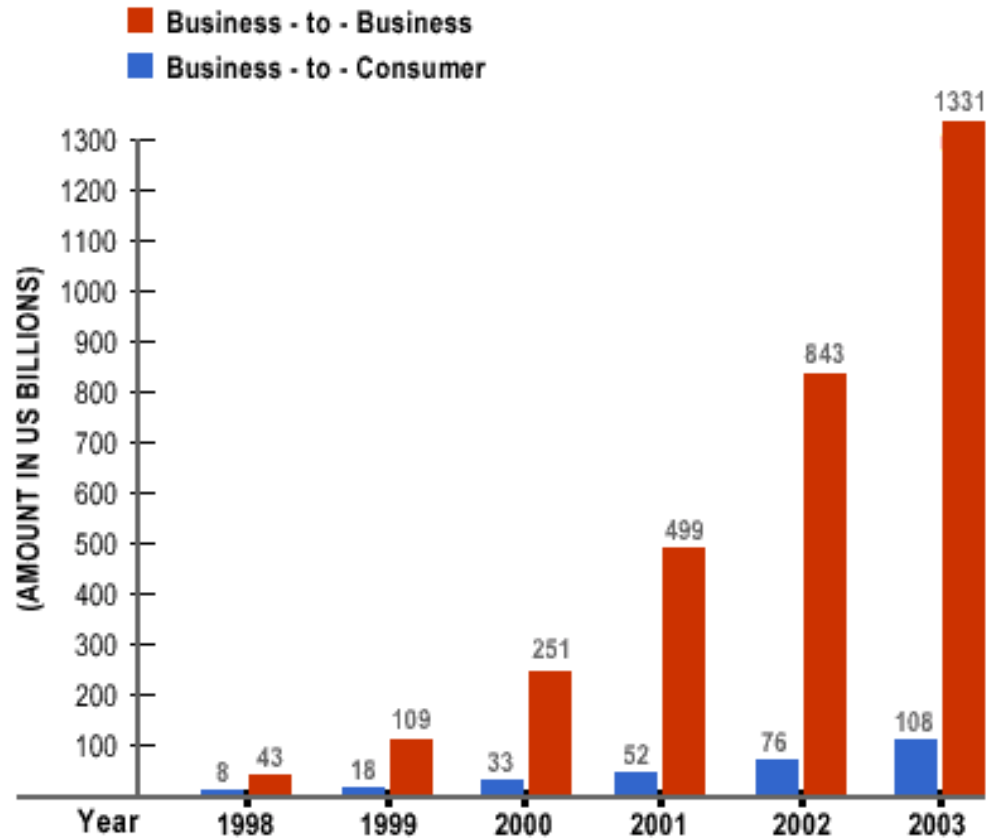
Cable → **10**

Web → **5**

Source: Morgan Stanley Technology Research

Growth of E-Commerce

US ECOMMERCE 1998 - 2003



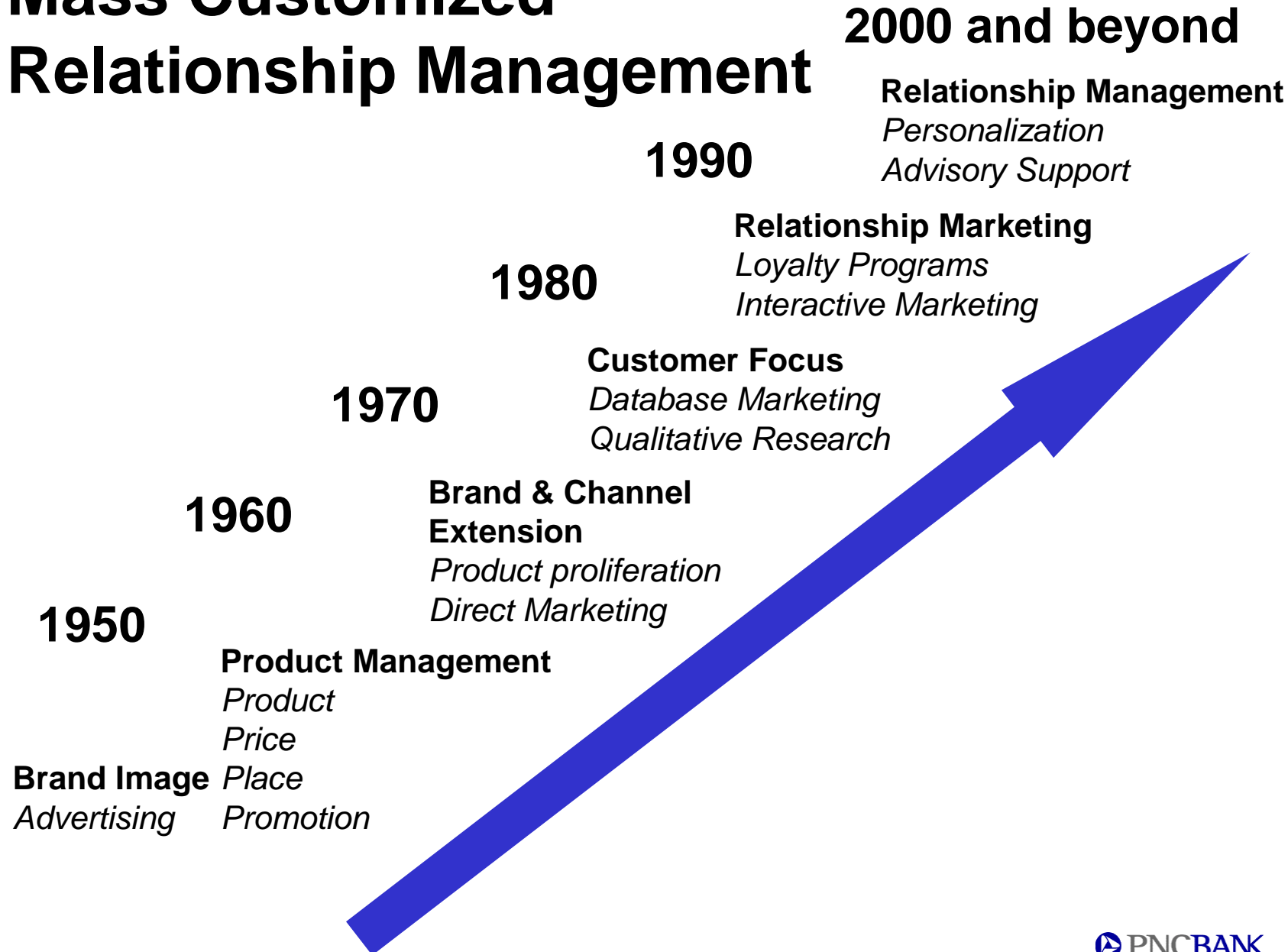
Source: Forrester Research

E-Business Proposition to Providers

What's Propelling Companies to Web-Enable?

- Necessary to compete...the Web isn't going away
- Expand selling opportunities...no geographical boundaries
- Cost reduction...improved productivity
- Opportunity to personalize experience for customer, increasing loyalty

Commerce Evolving Towards Mass Customized Relationship Management



Source: CheckFree Corporation

Phases of Web-Enabled E-Business

2000 - 2005

Transformation

1998 - 2003

Transaction

- New Features**
- E-Commerce
 - Business Integration
 - Advanced Search
 - *Customer Self-Service*

1997 - 2000

Interaction

- New Features**
- Content & Info.
 - Interactivity
 - Personalization
 - Basic Search
 - Linked Sites

1996- 1999

Presence

- Features**
- Marketing Info
 - Brochures

New Features

- *CRM Applications*
- Industry-specific application engines
- Supplier/Customer Integration
- Advanced Personalization

Cost
\$5k - \$500k

Cost
\$500k -
\$5 Million

Cost
\$5 Million -
\$50 Million

Cost
\$50 Million -
\$150 Million

Phases of Web-Enabled E-Business

Customer Managed Relationship...what *is* it?

- Customer has what they want, where they want it and when they want it

How does the Web Enable CMR?

- 24X7 Availability
- Mass Customization
- Direct Interaction with Systems
- Anticipate Needs
- Personalization

CMR is about Service

- The fact that a customer can engage in all aspects of the business process in one setting demands a new approach to customer service
- Customers expect service to be an integral part of e-commerce

Recognizing Value of Customers

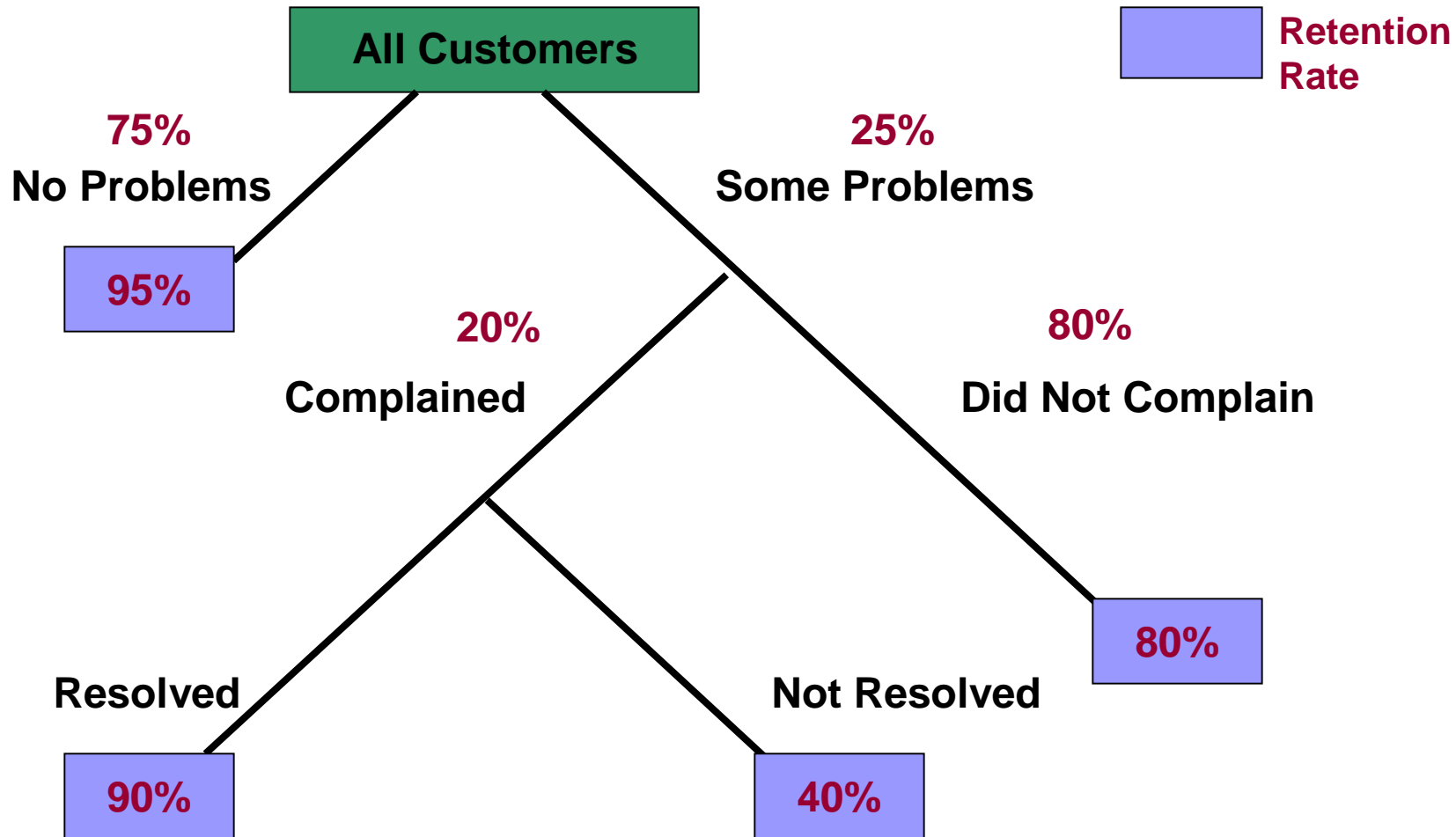
**A Business' Only True Irreplaceable Assets Are
Its Customers**

- Peppers and Rogers

- High cost of finding new customers
- Grow by expanding relationships with existing customers
- Compete based on better service, not just price
- Drive loyalty and retention through superior service

Recognizing Value of Customers

The Problem Impact Tree... *Encourage Customers to Complain; then Satisfy Them!*



Rethinking Customer Service

- On the Web, customer service is more than just reporting a problem
- Web allows customers to interface directly with systems to get answers, update information

Web-Based Customer Service is a Win-Win

Value to Customer

- 24x7 access to support
- Time savings...no phone tag, proactive notification
- Consistent, high quality information
- Faster response to inquiry

Web-Based Customer Service is a Win-Win

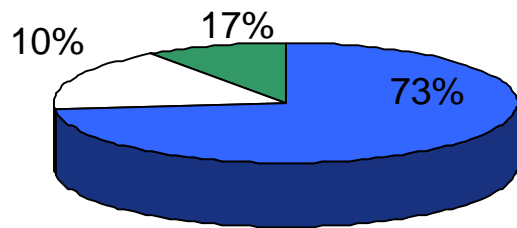
Benefits to Provider/Supplier

- Reduce cost of service
- Leverage best content across customers
- Educate customers
- Gain customer knowledge...market more effectively
- Differentiate from competitors...retain customers

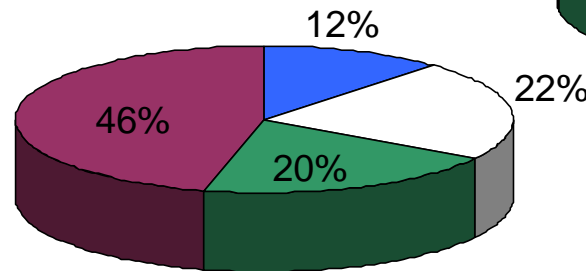
Web-Based Customer Service is a Win-Win

Putting Customers in Control...

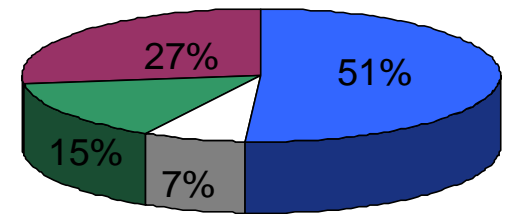
Potential Impact of Internet-Based Service...



Quality



Cost



Productivity

■ Higher □ Lower ■ No Effect ■ Don't Know

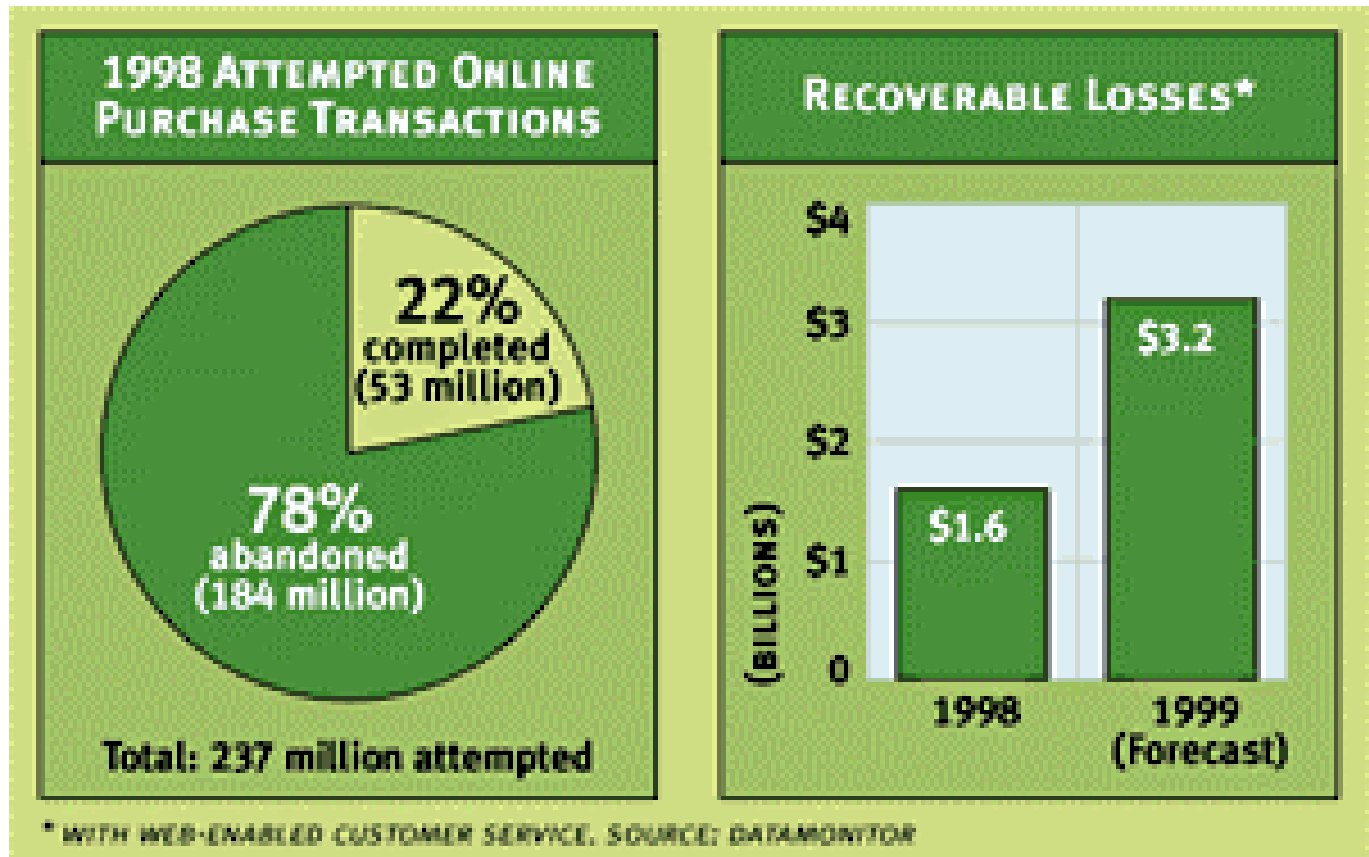
Transforming Customer Service

Realizing the Savings

- Encourage customers to prefer to use the Internet ...make it more compelling
- Provide services not available through other channels
- Create a one-stop essential environment

Transforming Customer Service

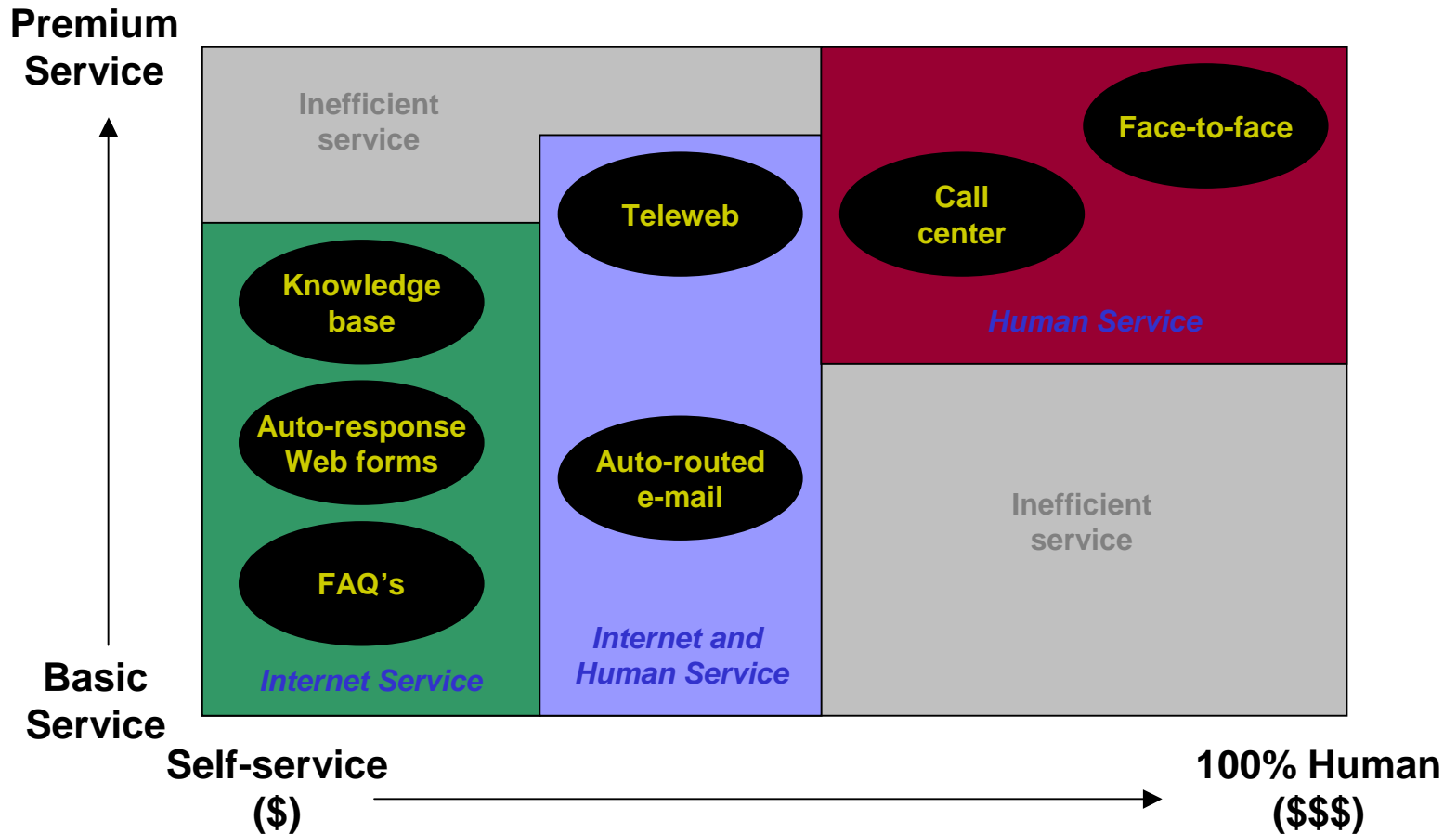
Realizing the Savings



Adapting Service to the Web

What Service is Right for the Internet?

...the Customer Service Landscape



Adapting Service to the Web

➤ E-mail

- Let customers contact you through your web site

➤ FAQ

- Opportunity to educate, eliminate future inquiries

➤ Auto-response Web forms

- Capture the right information to solve the problem

➤ Knowledge base

- Diagnosing the problem with “expert” system

➤ Direct access to systems

- Put customers in control of information - real time

Shifting Client Contact to Web

Ease of Finding Information

Speed of Resolution

<p>FAQ</p> <ul style="list-style-type: none"> • Frequency of Use 	<p>Increase usage and relevance</p> <ul style="list-style-type: none"> • Increase page hits • Fine-tune content to encourage use
<p>Knowledge-Base Queries</p> <ul style="list-style-type: none"> • Frequency of Use • Most common advice and fixes 	<p>Increase usage and speed to resolution</p> <ul style="list-style-type: none"> • Increase number of queries performed • Tighten path from problem to solution
<p>“Call Me Now” Button</p> <ul style="list-style-type: none"> • Frequency of use • Common self service sand traps 	<p>Reduce need to seek agent help</p> <ul style="list-style-type: none"> • Decrease call button hits • Understand obstacles and clear quickly
<p>Exit Polls</p> <ul style="list-style-type: none"> • Did you find what you were looking for 	<p>Increase satisfaction with Web service</p> <ul style="list-style-type: none"> • Increase “yes” responses, decrease “no’s”
<p>Exit Polls</p> <ul style="list-style-type: none"> • How long did it take to resolve the problem? 	<p>Measure expectations/fix bottlenecks</p> <ul style="list-style-type: none"> • Relative time: too long, acceptable, fast • Target “too longs”, tighten path to resolution

Avoiding Pitfalls

- **Customers may not use your language**
- **Customers don't care how you are organized**
- **Internal systems not built for customer use**
- **Plan to integrate channels...transparent to customer**
- **Don't wait until everything can be automated**

Avoiding Pitfalls

- **Don't be afraid to offer phone numbers**
- **Avoid sending a "Web or Nothing" message**
- **Ensure no "dead ends"**
- **If possible, include customers in design and testing**
- **Anticipate problems out of your control**

Questions