

Datasquirt turns texting into an influential customer service tool

Business journalist Adam Gifford tracks the rise and rise of Kiwi contact centre software company Datasquirt, from its early beginning to its position today as New Zealand's 5th fastest growing company.

Read how Datasquirt's contact centre solution, CONTACT, is changing the face of customer relationship management.



Aaron Ridgway

"The strength of Datasquirt's Contact solution is that call centre operators can handle email, text messages and faxes alongside voice calls – giving them a single view of all customer communication. It's this integration capability, along with CRM functions and comprehensive reporting tools, that our customers really value."

Aaron Ridgway, Datasquirt

When Mark Loveys and Aaron Ridgway set up Datasquirt at the beginning of 2001, they went looking for "the new big thing" in business software.

Loveys had just sold his stake in new generation accounting software developer Exonet. Ridgway had established the first of New Zealand's First Mobile mobile phone sales franchises, and he'd had a decade of seeing what mobility was doing to his customers' businesses.

"We could see text messaging taking off, along with other mobile technologies, so we said 'Let's find a useful application of this technology for businesses,'" says Loveys.

Ridgway says the agreement by New Zealand's two mobile network operators, Telecom and Vodafone, to allow text messaging between their networks opened the door, but it wasn't going to be easy.

"We had to educate the market with a new concept of taking text messaging from the contact centre to the customer," Ridgway says.

FIRST CONTACT

Ridgway knocked on the doors of some of the country's largest companies and organisations, looking for problems that text messaging would solve. That meant developing a lot of one-off bespoke solutions, like a system for the Auckland Regional Council that allowed people to text for bus timetables.

"That's a Kiwi software development approach," Loveys says. "We try to be all things to all people, develop lot of things, and then after a year or two we start to see a common thread to these applications."

In 2004 Datasquirt redefined itself as a provider of non-voice enablement for call centres. It took three years of learning to turn it into a product, Contact, which sits alongside existing call centre management systems.

Loveys says the opportunity that Datasquirt had spotted was that businesses wanted to automate the way their systems dealt with non-voice messaging, including not just text but emails and faxes as well.

A text or email contains a lot of information that can be correlated with customer management systems, so database look-ups can be done and appropriate replies made or action taken.

But when automatic processes fall short, the message needs to get sent through to a human operator. That's when the risk creeps in. Once the communication switches to voice, costs can rapidly escalate, particularly with high mobile phone charges.

"Datasquirt's uniqueness is to be able to maintain communication in text, so the customer never has to call the contact centre," Ridgway says. "Text provides an appropriate alternative for a short call."

PLUG IN FOR INSTANT SERVICE

Thanks to his various software businesses Loveys has a keen appreciation of the evolution of software architecture, and he designed Contact as a web browser-based application to fit the emerging 'software as a service' model.

"The beauty of selling the product is we don't have to deal with the complexity of corporate IT departments installing the software on their servers. All we have to say is as long as they've got a browser on the internet they can run our product straight away," Loveys says.

In New Zealand Contact is hosted by Revera. Datasquirt is partnering with hosting firms in Australia, North America, the United Kingdom and continental Europe as part of its international expansion plan.



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FLEXIBLE TOOL THAT GETS RESULTS

Contact can sit alongside a contact centre's voice management systems. Gay Reed-Barrance, the manager of multi-level marketer Amway's Australia and New Zealand contact centre, says it's an ideal product for small and medium size contact centres, which are common in the region.

"Some of the major PABXs have similar solutions, but the investment to utilise that part of the solution can be very large," Reed-Barrance says.

Amway has been using Contact for four years to inform high achieving customers by text of their monthly bonus levels.

"We also use it for special sales offers to targeted audiences. When we launch new make-up items, we have done text contests to our younger customers with extraordinary success," she says.

Contact is also used as an email and fax management tool. "It reports on the number of emails, the type, it picks up key words and tells us what people are contacting us about," Reed-Barrance says.

Amway has experienced considerable growth in the Chinese and Korean communities. Reed-Barrance says it is working with Datasquirt to process messages in Mandarin and other languages.

Another company using Contact as a key component in its customer service centre is UK specialist business class airline Silverjet. The company integrated Contact with its hosted automatic call distribution software and its reservation system, allowing it to intelligently route calls to appropriate travel agents, alerting them to who the customer is that is calling before they pick up the phone. It also tells the agents when and where the customer is next flying with the airline and even who the customer spoke to on their last call, email or SMS.

George Henderson, IT Director for Silverjet says, "From the very first time I saw Contact I knew it was the answer for Silverjet. Even as a stand-alone solution I knew it could help differentiate us and drastically improve the way we handle all incoming and out going customer communication. Integrating it the way we have has multiplied the benefits of the solution many times over.

PROVEN AND MARKET READY

Security company ADT uses Contact for a range of applications, including guard welfare. Martyn Miller, the manager of welfare, dispatch, noise control, cash and manned services help desks, says every hour guards send a text message with a safety status code. If they're late or the code is abnormal, Contact passes it on to an operator.

"It has allowed us to operate more efficiently and taken pressure off the team," Miller says.

ADT also has contracts with Auckland councils to enforce noise control regulations. When councils log a noise complaint, an email is sent to Contact, which strips out information such as the address, the type of noise and any risk associated with the property.

"It then dispatches the job to a noise control officer. That speeds up delivery. We can close off 90 percent of jobs directly back to the council, so we don't need another staff member to be involved," Miller says.

Loveys says now Datasquirt has proved its software in New Zealand, it's ready to take on the world. Contact centres have become the portal for an estimated 80 per cent of all customer transactions with a business, and the market is growing strongly he says.

"While New Zealand has only 21,000 call centre seats, the US has 2.7 million, the UK around 500,000, Germany 250,000 and Australia 130,000. Datasquirt brings a very strong proposition to these markets," Loveys says.

Datasquirt's public offering will help fund purpose-built data centres in Australia, US, UK and Europe. These will host the Contact software, and by providing hosting close to customers in each market will enable faster and lower cost delivery of the applications to customers.

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