

Client: YourAccounts.com

Project: WALD Case Study Article

## **E-BILLING: IN SEARCH OF CONSUMER ADOPTION**

It's true that electronic billing will save companies millions in postage, paper, and printing. It also makes sense that electronic bills will increase a company's ability to interact with its customers and foster greater loyalty. And there is little question that an electronic bill will provide remarkable opportunities to cross sell products and services to customers who are already proven buyers.

But there is one very big "if." All of the above is true if — and only if — customers start using the Internet to pay their bills.

"Adoption is the holy grail of e-billing," says Ken Taylor, vice president of sales for YourAccounts.Com, a pioneer in the electronic bill presentment and payment (EBPP) arena. "The current rate of adoption for consumers is only about 2 percent. Estimates are that by 2003 it will be somewhere between 6 and 10 percent. YourAccounts.Com and our customers are looking at ways to increase that number dramatically. One of our customers has already hit 10 percent of its targeted customer base, and we're using that company as a model that others can learn from."

That customer is Working Assets Long Distance (WALD), a provider of long distance, wireless, and Internet services that targets a percentage of its revenue to advocacy for political and social programs. Working Assets customers, who tend to be very conscious of social and environmental conditions, not only adopted e-billing faster, they clamored for it.

"As soon as the possibility of electronic billing became known in the late 1990s, our customers started asking for it," said Ted Volchok, vice president of operations for Working Assets. "They quickly recognized

that electronic bills made sense environmentally, and they saw e-billing as a way for us to save money so that we could channel more into the causes our customers support.”

### **A solid vision**

WALD worked with YourAccounts.Com on its third iteration of an e-billing solution. “We came into the process knowing exactly what we wanted,” said Volchok. “Two earlier solutions and several months of research helped us define the exact capabilities we felt would encourage adoption. For example, there is normally a lag between signing up for e-billing and being able to use it. We wanted to provide instant gratification to our customers, so we worked with YourAccounts.Com to create a system that would allow customers to view their current and last two bills the instant they signed up for the service.”

Like most companies, WALD is highly conscious of its image. The company values being seen as progressive by its clients, customers, and employees. And WALD wants its Web site to be a powerful presence that conveys who the company is and what it believes. The initial goals for the e-billing solution were viewed as three points of a triangle:

- **Retention** – The electronic bill would get people to come back to the Web site by giving them the opportunity to do more than just pay their bills. A consistent point of communication, the WALD site would provide a way to stay informed and involved.
- **Activism** -- Every bill would continue to be a call to action and contain citizen-action alerts. Online customers would be able to more easily respond to issues and make additional contributions to causes at the same time they paid their bill.
- **Up sell** -- Books and fee-based consumer-action memos would be products initially offered on the site.

### **Strong leadership**

Because WALD came into the process with a clear vision of what it wanted, YourAccounts.Com tailored the solution specifically to their desires. According to Taylor, “Beyond knowing what he wanted, Ted knew

how to get things done. He was incredibly active in cheerleading, persuading, pushing, shoving, and yelling. Whatever needed to be done to get that vision in place, he did it. It's critical that the organization have someone like him who can pull everyone together and get all participants to buy into the process.

"Getting everyone working together and wanting to move forward is always the cornerstone of e-billing success," added Taylor. "Because every e-billing solution crosses several departments — finance, operations, IT, and sales and marketing — it's critical to have a leader who can get all functions working together toward the common goal."

### **Guiding the process**

Crossing several departments creates a host of challenges. Beginning at the network environment, e-billing moves up to the back office and accounting, then on to service delivery, and finally to customer facing. The potential for technical problems in integrating all these systems to work together is massive. In WALD's case, matching the e-bill with the paper bill and adding dynamic messaging was a huge technical challenge. Other WALD requirements included:

- A highly functioning customer service component
- The ability to accept different kinds of payments
- The ability to deliver online the same content that appears on the paper bill
- Integration of different formats and technologies and allowing them to talk to each other

### **Moving from vision to reality**

To address the different technological issues, YourAccounts.Com presented the site visually as the head of the octopus. Identifying the tentacles, the company demonstrated how each reaches down and penetrates all the layers of the organization. Because Volchok had gained a consensus ahead of time within the layers of the company, the technological problem solving was much easier. And, because the original electronic vision didn't change, the consistency kept everyone going in the same direction during the design process.

### **Driving consumer adoption**

Even the most elegant e-billing system will falter unless customers use it. WALD had a built-in audience from its earlier e-billing solutions, which it expanded through a pilot program directed to those customers who had shared their e-mail addresses. The narrow audience allowed WALD to test the solution thoroughly before rolling it out to a larger audience. Adoption rates to this narrow audience were high, running at more than 10 percent. But Volchok cautions that this was a highly select audience known to be early adopters.

Still, WALD's out-of-the-ordinary adoption rates merit close examination. The company has found a key that others could emulate. Granted, WALD has the edge on other companies whose customers are not as environmentally concerned or interested in saving the company money. But Taylor argues that every company either has a natural hook, or can create one. "WALD may be lucky," said Taylor, "but other companies can create their own luck by providing incentives and educating customers on the benefits of making the shift to e-bills. Where WALD customers have an internal motivation that drives them to e-billing, other companies must provide an external incentive and create that internal motivation."

Taylor continued, "Now that our EBPP solutions are solidly in place, we're turning our focus toward helping companies create demand within their customer base. Each company has something unique that could be used to increase its success with e-billing conversion. Our goal is to help companies find that hook and create an end-to-end marketing program that takes advantage of that opportunity. We expect to see the same snowball effect with electronic billing as we once saw with ATM machines. Once people feel comfortable using e-billing, they won't want to go back to the old way. Our job right now is to get that snowball rolling."