

Monday 15 February 1999

# SES Research turns to high-tech future

**Rick Blanchard**

The Ottawa Citizen

SES Canada Research Inc., a company specializing in telephone marketing surveys, has launched an Automated Survey Kiosk (ASK) with potential applications from the voting booth to international airport lounges.

What sets ASK apart from other electronic kiosk systems is its ability to handle open-ended questions and multiple languages, and provide usable market information in real time, says Nikita Nanos, Ottawa-based managing director and founder of SES.

SES is initially targeting its kiosks towards large retailers, and has signed its first customer, Staples Business Depot.

The goal of the kiosks is to gather and process customer input in real time. To that end, before a kiosk goes into a store, SES identifies the type of market research and intelligence the client is hoping to access, and programs appropriate survey questions into the kiosk computer, using customized software.

The kiosks themselves are shaped like pinball machines with interactive touch screens. A live "recruiter" may be used to invite customers to take the survey. Typically, the ASK system is able to process about 14 surveys per hour.

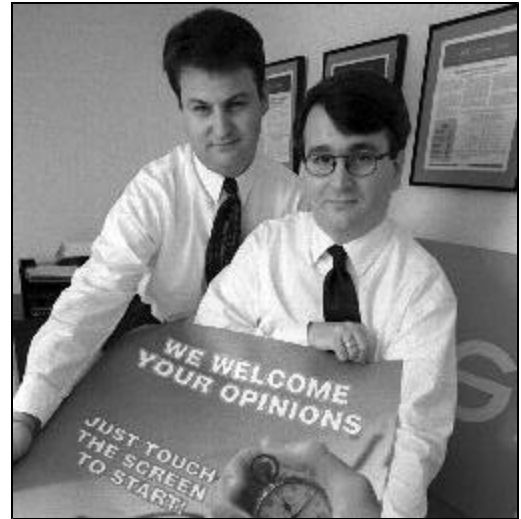
Once a survey is complete, the data is zapped by wireless modem and cellular carrier to a data warehouse. Tabulation of results and analysis is conducted automated. The wireless link to the kiosk also enables clients to add survey questions, graphics, and new languages at will.

Clients who use the ASK system are charged a flat \$100,000. Such an investment locks in client commitment and reduces churn, says Mr. Nanos. SES provides initial setup of the kiosks, as well as technical support and regular strategic advice.

The client benefits by being able to conduct an unlimited number of surveys, ultimately reducing the per-survey cost to a fraction of the cost of traditional methods.

"The ASK system could become the ultimate leverage of our time for return on investment," Mr. Nanos says in an interview at his home office in Ottawa South. "I expect it to represent 40 per cent of our total billables in a year, and realistically 60 per cent of our profits, because our traditional methods are very labour intensive."

SES Research, meanwhile, continues to expand its telephone survey capabilities, growing from 50 people a year ago to about 200 today. The company will conduct about 350 surveys this year, up from



**Rod MacIvor, The Ottawa Citizen / SES Research owners John and Nikita Nanos display one of their company's posters.**

100 a few years ago. Mr. Nanos says he expects sales of about \$2.5 million in 1999, and believes sales of \$60 million are achievable in five to 10 years.

Nikita Nanos, 34, and brother John Nanos, 29, took the unusual step of filing for Canadian and U.S. patents for the ASK real-time research process, as well as under the Patent Co-operation Treaty as a notice of intent to file for international patents.

Mr. Nanos says that while individual components for the ASK system were purchased, they couldn't find a complete functional package off the shelf.

"We didn't want a technology solution; we wanted a market research solution that just uses technology where it can meet the requirements for valid research," says Mr. Nanos, who began with political polling and strategy while a student at Queen's University in 1987.

His patent applications describe two key innovations: one, the capability of a real-time system to handle open-ended questions; and two, the efficiency with which it can handle a multitude of languages.

To validate responses, the ASK process runs special algorithms. Each question is assigned a numeric value and response times are checked against the average answer time. Response times that vary dramatically from the average are disqualified.

As a further check, the system cross-references the time the survey was taken to the store's business hours for that day.

"People are making some pretty big business decisions on this data. We have to give out bullet-proof numbers," Mr. Nanos says. "A survey is either 100-per-cent valid, or it is not valid and is thrown out."

The lead customer for the ASK process, Staples Business Depot Canada, says it is satisfied with results from the ASK process during the past three months.

Staples' handful of ASK kiosks are currently orchestrating preference surveys of between 50 and 100 customers per day per store as they rotate through the retailer's 130-140 stores across Canada, says Stephen Irwin, Staples' direct marketing manager.

"SES is providing some very good tabulations. It allows me to put data in front of people who can then make decisions very, very fast," Mr. Irwin says, adding "I have yet to just take the tab reports and submit them. I'll do a summary of what the actionable points are then send it on."

He says the kiosk is more economic than in-person interviews and reduces biased answers.

And he likes the kiosk's mobility and the ease with which he can change survey questions to suit micro markets.

Survey findings may trigger a change in the merchandise mix or spur head office to send in a sales team, he says.

In the future, he says he would like to measure effectiveness of ads using the kiosk's video capability, for both aided recall of older ads and testing of national TV commercials before they are broadcast.

SES, meanwhile, hopes to sell its kiosks into offshore markets, where ASK's multilingual capabilities

can shine. Yet SES is hardly alone in the automated kiosk market.

Ottawa's In-Touch Survey Systems Inc., for instance, introduced its first interactive kiosk in 1992, and has expanded aggressively with more reporting software and, recently, Web-based surveys.

In-touch, cited as one of Canada's fastest-growing high-tech companies in a Deloitte and Touche survey last year, is looking for venture capital or a strategic partner, says company president Peter Andrews. Unlike SES, Mr. Andrews says In-Touch does very few telephone surveys.

For their part, the Nanos brothers say they want to keep control of SES, and aren't looking for capital.

"We never spend anything we don't have," Mr. Nanos says. We're risk averse."