

# 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."

## **Kiosk promises instant survey capability**

by Mark De Wolf

Toronto market research firm **SES Research** has developed a new interactive kiosk that collects customer opinions and profiles in real-time, then delivers collated data - including profiles - to marketers within hours, instead of weeks.

Called Automated Survey Kiosk (ASK), the wireless touch-screen device creates a real-time link between business and customer, delivering consumer opinions to the client's desktop PC in any language, on any topic as often as needed.

Does anew TV commercial fall flat? Are shoppers satisfied with customer service? Might they respond positively to certain kinds of incentives? SES says ASK can handle all of these kinds of standard customer feedback questions without the obtrusive necessity of place a research - clipboard in hand - in the paths of exiting customers.

"By relying on a touch-screen kiosk, we really reduce the amount of testing effect that comes with standard research practices," says Steve Irwin, direct marketing manager for Staples Business Depot, which has just concluded a one-year national pilot of the ASK service. "You're getting much more reliable information."

Staples has been using ASK to pose aided-recall questions related to the chain's flyer promotions and catalogue mailings.

A brief touch to the kiosk screen initiates a brief series of prompted questions, usually with accompanying graphics. Completed surveys, along with customer profiles are aggregated and forwarded by wireless link from the kiosk to SES, where the data is compiled, analyzed, then immediately forwarded to the client's desktop PC. Survey data can be tabulated and transferred directly to the client on an hourly, daily or weekly basis. Clients can received the data by direct up-link, via the Internet or by fax.

Data can be collected simultaneously from multiple kiosk sites. Changes to the survey questions or graphics can be make by remote at any time, allowing clients to be "in the field" immediately after an issue breaks, confident they'll have a first wave of results within hours. And the client gets to choose in what form the feedback is reported.

"One of the things that cheeses me off when we get an outsider to do our research is that the data belongs to them," says Irwin. "SES is able to deliver the raw data back via a wireless connection so we can do our own tabulations."

"It's one thing to look at the performance of a single store, but what do you compare it to? Its neighbours? Regional averages? We can manipulate the data right here, so we're only limited by the amount of labour we want to put into it."

Nik Nanos, founder and managing director of SES, says the kiosks are usually accompanied by a recruiter who "gently" attempts to guide customers to the kiosks as they walk by, while at the same time ensuring that employees or managers don't skew the numbers by completing surveys

themselves. Though SES occasionally offers coupons or incentives to boost usage, he says participation levels are generally high without them.

"I think a lot of it has to do with the novelty," he says. "We've provided coupons before, but we find that one of the key determinants to participation is the length of the survey. As long as we keep it to one or two minutes long, people don't necessarily need an incentive."

Nanos adds that SES addressed clients' increasingly multicultural customer bases by adding multilingual functionality to the ASK software. Unlike traditional clipboard questionnaires, ASK surveys can be posed in multiple languages, allowing customers to respond in whatever language is most comfortable to them.

The system's graphic capabilities allow clients to use static images such as newspaper ads as well as full motion video clips as part of the overall presentation. Survey questions can be changed, new languages added and new graphics uploaded while the kiosks are still in the field. No on-site visits by technicians are needed since changes to surveys can be made by remote via the wireless link.

Each ASK device can be programmed to include questions localized to a particular site or micro-market. Retailers, for example, may wish to gauge the local newspaper- and television-watching preferences of customers in a given market. Kiosk devices in that area could be programmed by remote to suggest specific newspaper and TV outlets in that market.

Nanos says the rollout will target one "marquee client" in each retail sector who will have category exclusivity.



## **Kiosks ASK shoppers for their views**

By Fawzia Sheikh

Raise your hand if you avoid those friendly sorts who clutch clipboard surveys on mall floors and promise people that "It will only take a few moments..."

It's likely that many of us decline to complete such questionnaires because, after all, we visit malls to shop, not be quizzed. But Markham, On. based Staples Business Depot Canada is betting that consumers will offer their opinions via kiosks installed last year in certain outlets and now being rolled out nationally.

Stephen Irwin, the retailer's direct marketing manager, chose SES Research's Automated Survey Kiosk (ASK) to gain a better and quicker handle on research data. Not only can survey results be downloaded within 24 hours, they can be made available in raw form or delivered in a report, he says. "It's a snap for me to manipulate data rather than pay extra costs for a research company to do it."

Staples Business Depot has measured customer satisfaction with pricing, selection, location and service. Irwin says the kiosk gather a sample size and are periodically moved to other locations. Although he won't provide specifics, Irwin reports better results using ASK than manual surveys. According to Nikita Nanos, managing director of Toronto-based SES Research, two out of three people take part in the short, unobtrusive surveys compared to one of every three who fill out the clipboard variety. He says the trick is to ensure questions can be answered in two minutes.

The appeal of ASK is based on several other factors. A SES recruiter approaches people to see if they'll participate, and guards against bias or inappropriate participation should employees or children fill out surveys. Marketers can target specific cultural groups within a city by programming ASK in any language. And ASK graphic capabilities allow consumers to respond in real time to both static images, namely newspaper ads, and full-motion video clips, such as TV spots.

Marketers, who receive category exclusivity, can also use the kiosk to demographically profile customers and ask about their future spending intentions. Nanos says that initial discussions with potential ASK clients indicate that retailers want to examine particularly whether distributing store flyers leads to customer purchases.

The cost of enlisting the services of ASK? Between \$75,000 to \$300,000, depending on the extensiveness of the kiosk roll-out. SES Research is in the midst of negotiations with a women's fashion retailer and an auto manufacturer, which can set up kiosks at trade shows. The company will launch a direct mail campaign this month, and potentially TV ads in March.