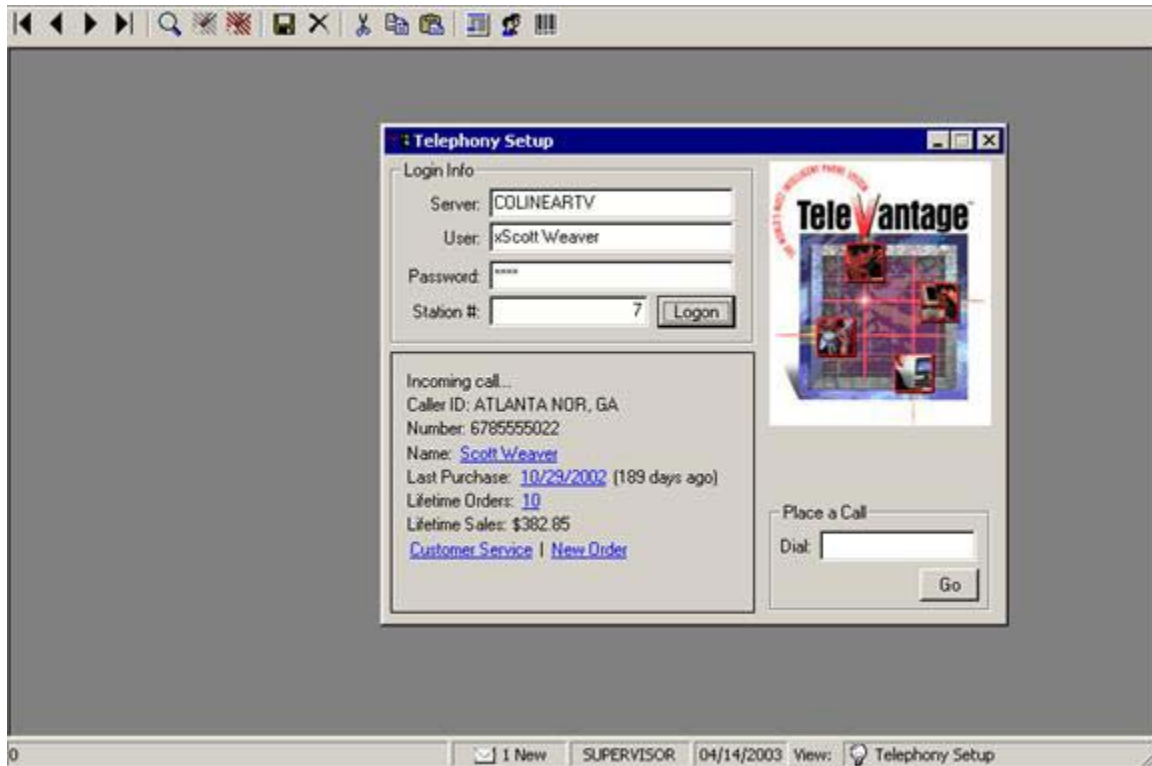


Health Resources, a \$5MM direct commerce company, uses some key technologies in RESPONSE to provide maximum operational efficiency, improved marketing analysis, exceptional customer service and dramatic cost savings. Their operation is sophisticated in ways usually seen in only the largest direct marketing companies. We'll examine four key technologies they're using and are available, and affordable, for even small businesses. They are:

1. **Telephony Integration** "pops" records to the screen when calls are routed to agents
2. **Real-time CASS addressing** perfects every address *as it's entered* into the system
3. **Media Matchback** automatically assigns the proper media/source code to every order
4. **Carrier Rate Shopping** saves more than \$8,000 weekly in shipping charges

Here's what RESPONSE enables Health Resources to do ...

- **Telephony Integration** - When calls are routed to CSR's, Response simultaneously pops up the customer's information on screen (using ANI/Caller ID) as shown below. [The technology isn't new. But, before now, it was prohibitively expensive for the vast majority of catalog and mail order companies.]



HOW IT WORKS

When an incoming call is routed to an agent, the database is scanned to see if a matching phone number can be found. If so, a screen-pop occurs showing the caller's info and instant links to key areas such as customer service and order entry are provided. The agent saves considerable time and effort by not having to manually find the customer. Rather, when the call arrives at their desk, the screen is simultaneously populated with the caller ID and associated order history when available. The entire process occurs almost instantaneously.

COST (for the Response telephony interface)

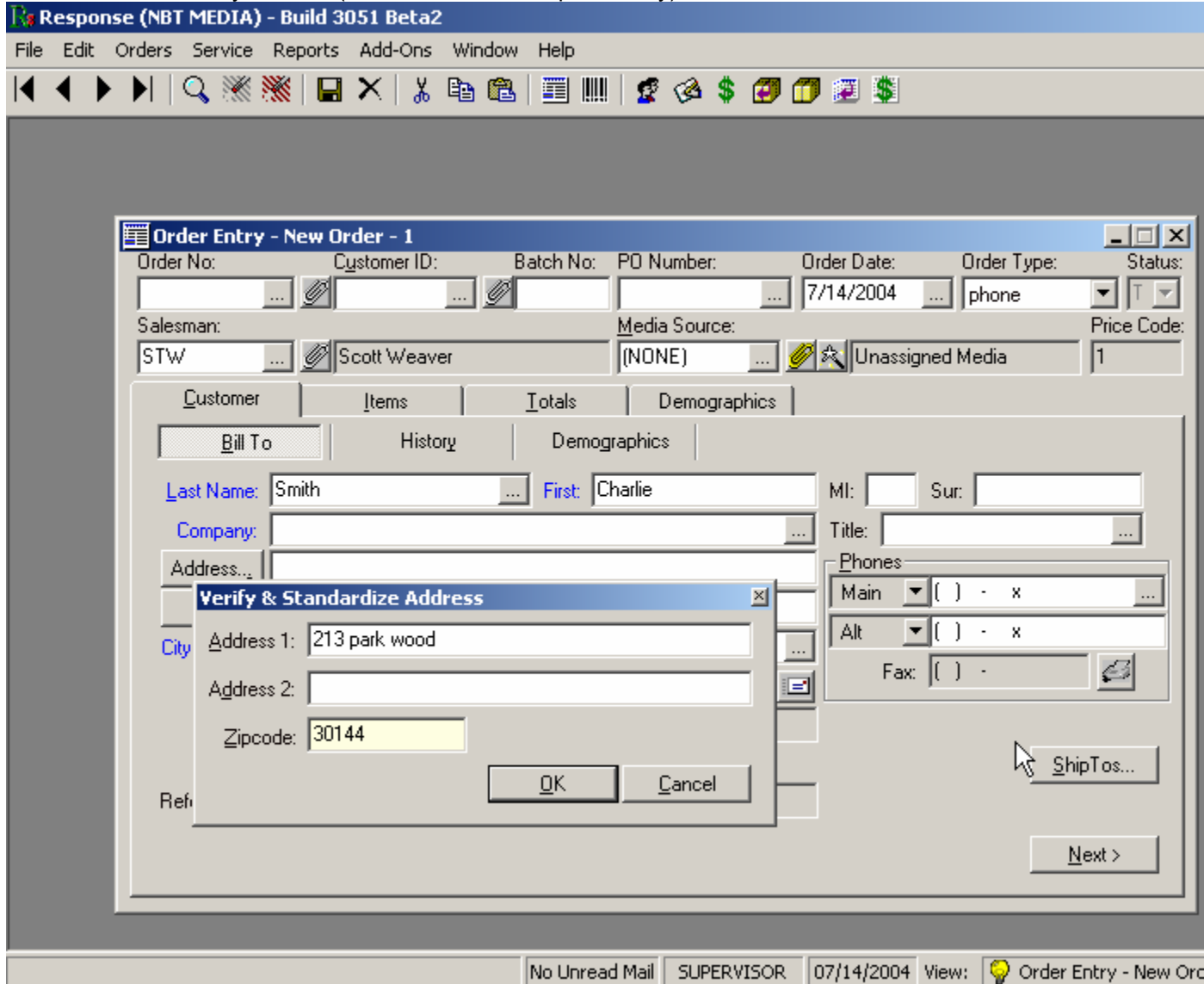
\$20/user*/month

*only those users who physically occupy a call center seat

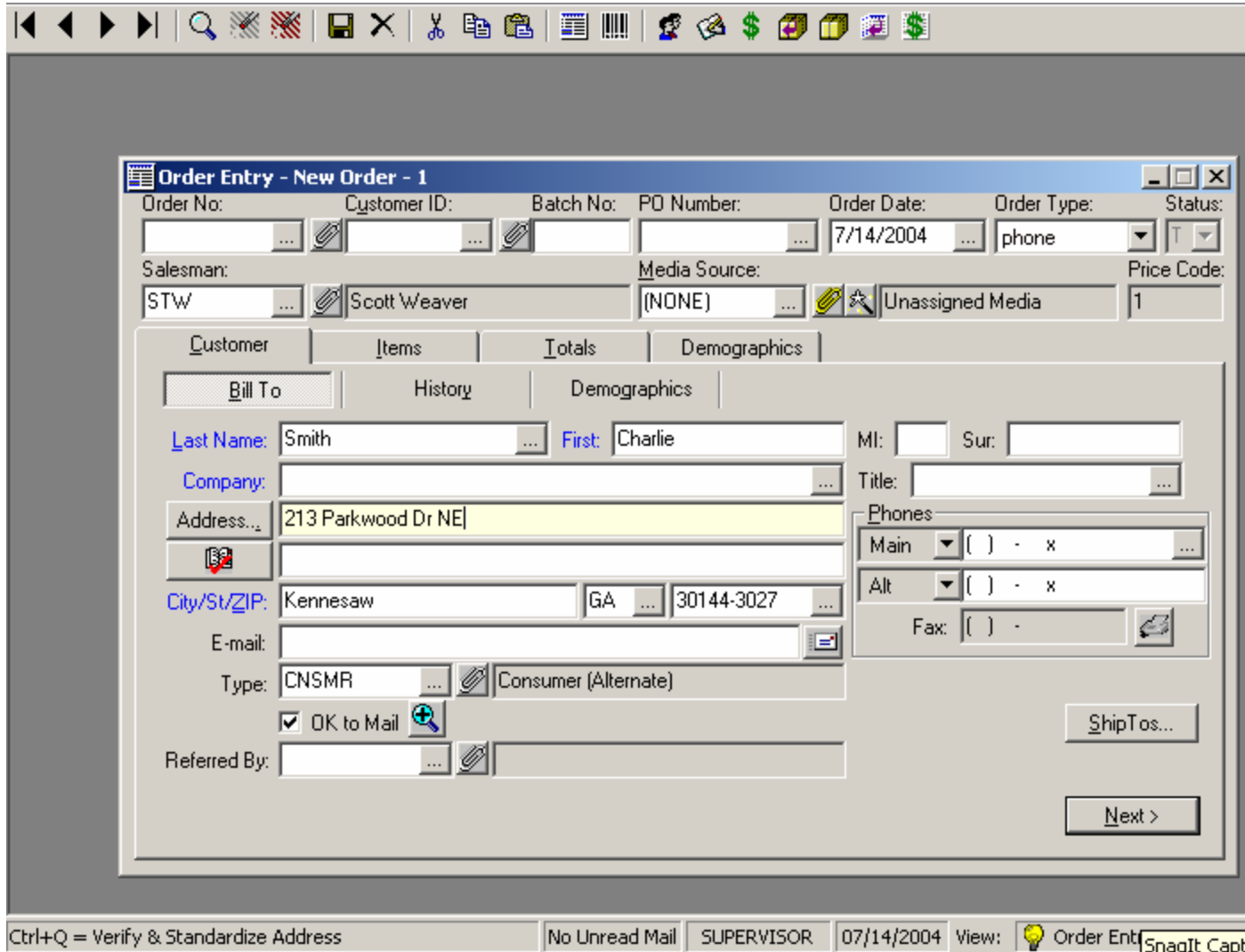
NOTE: We designed this specifically designed for the TeleVantage Windows-based PBX from Artisoft. Systems start at only \$3,995.00 for a basic 8-phone installation!

- Real-time CASS Addressing** - Names and addresses are the lifeblood of every direct marketing business. Yet, address quality and accuracy is often not considered until long after it's been created in the database. With our web/XML-based CASS module installed, *every* address -- whether imported or hand-keyed at order entry -- is perfected and standardized (incl. zip+4) before it's recorded. This real-time address correction is available for all touch points including order entry, order importing, plus customer, ship-to, prospect and vendor maintenance.

Screen #1 - Data Entry Window (street address and zipcode only)



Screen #2 - the standardized address (incl zip+4) is retrieved and auto-displayed



Notice above that "park wood" was correctly resolved to "parkwood" and both "Dr"ive and the directional "NE" were added. When additional information (such as apt. or suite #) is needed, but not provided, an appropriate warning is displayed.

COST

\$10/user*/month (\$150 max per month)**

*total # licensed Response users

**unlimited address corrections including a batch interface to process imported names and lists

- **Media Matchback** - One of challenges of multi-channel marketing is to effectively capture source code data. For example, catalog mailings often push great numbers of buyers to the website, the majority of whom aren't sourced (to the mailing) and, consequently, the true penetration and profitability of the catalog/list cannot be quantified. We've addressed this critical shortcoming with a "finder/matchback" tool.

HOW IT WORKS

Every name that's mailed (and the media code assigned to it) is imported into a master finder database. When external orders are imported into Response (from the website(s), outside call centers, whatever) the incoming address is CASS-certified and matched up against the finder file. A match is declared when the address and last name are identical. [It's important to note here that the CASS procedure is critical here because it standardizes the address. Without it, the finder and incoming addresses may not be identical, e.g. the customer could have entered Road or Rd for Rd.] When a match is found, the most recent media code is automatically assigned to the incoming order. Optionally, if multiple hits are detected, the order can be placed on hold for a CSR to determine which media code to assign to that order. This process greatly the statistical analysis of order and advertising data. When set up properly, an extremely high (>90%) accuracy rate on media code capture can be achieved.

NOTE: Media matchback is available -- and should be used -- in the call center (i.e. order entry) to facilitate source code tracking there as well. Another benefit of the finder file (and, in fact, the reason it was originally designed) is to auto-populate the buyer's name and address during order entry. The "ID #" printed on the mailing device is requested from the customer and keyed in. The resulting "auto-find" eliminates data entry thereby saving time and ensuring 100% accuracy.

COST

\$995.00

- **Carrier Rate Shopping (at the shipping scale)** - Basic rate shopping ensures that packages are delivered to customers at the lowest possible cost. Our enhanced process eliminates wasteful (and sometimes error-prone) human decision-making by having pre-determined the customer's desired level of service. The manifest (shipping) system is then able to automatically rate shop, in real-time at the shipping scale, from among all compatible carrier alternatives.

HOW IT WORKS

Most order management systems are designed to present the various shipping options (and perform rate shopping) during order entry. In Response, however, the CSR is primarily concerned with determining *how quickly* the customer wishes to receive their shipment. The options might be ground, 3-Day, 2-Day, Next Day AM and Next Day PM. Rather than specifying UPS Ground, Parcel Post, or FedEx Ground, the CSR will choose **GROUND**. Instead of UPS 3-Day, Priority Mail or FedEx Express-Saver they'll choose **3DAY**. When the package hits the scale, and is scanned, the manifest system [we recommend CPS Platinum, \$1,795.00 for this application] sees **GROUND**, for example, and selects the least expensive of the prescribed shipping options. It might be Parcel Post for one package, UPS Ground for another, and FedEx Ground for a third.

The problem with the typical approach is that rate shopping is always performed for ALL services. The operator must then *manually* choose which option to use. Since nothing exists to prevent choosing, say, UPS 3-Day when the customer wanted overnight delivery, errors are bound to occur. The **key**, therefore, is to have the manifest system to choose the carrier rather than a human. Because the rules are encoded (including exceptions like shipments to Alaska, Hawaii, PO Boxes, and so forth), and the destination and true weight of each package is known, the least-cost option -- while ensuring that the package will arrive in the required timeframe -- can be made

Streamlining the rate shopping process as described above saves time, minimizes shipping errors, and, consequently, saves money. The savings in the actual rate shopping process itself (i.e. choosing the least expensive of the multi-carrier options) can be huge. Layne can describe how he's saving roughly \$2,000 *per week* this way.

Besides the above, all of which have been in use for some time, we're always working on new things. Most noteworthy is a customer self-service returns module which will function much like at Amazon.com. We already have the customer self-service module in place (for order tracking and mailing preference assignment). What we're adding is the ability for the customer to initiate a product return over the web without every speaking with a human.

Many configuration options, including whether a particular customer or group of customers should be able to return at all, will be provided. If configured to do so, we'll even print a "prepaid" return shipping label on the customer's printer. The beauty of this approach -- besides giving the customer control while freeing up the vendor's customer service department -- is that the vendor can get an early-warning on incoming returns without having to initiate a formal RMA policy. This way, problems such as concealed product damage (inbound or outbound), apparel mis-sizing, poor quality, inadequate instructions, and so on, can be identified -- and remedied -- much sooner than if having to wait for the actual physical returns to show up and be recorded.

To sum it all up ... we constantly encounter smaller companies who don't realize that they don't have to be a \$50MM company to look and act like one. Cutting edge technologies, like the above, are not only perfectly viable but quite affordable as well.

RESPONSE delivers!