



# Towards the User Managed Relationship

SYNOPSIS

*Visibly Better Relationships*

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### **Creating Emotional Relationships**

What organizations want to accomplish is important, but what their users need from them is more important. Being able both to understand the needs of users, and continuously evolve organizations to meet those needs, is the single most important factor in integrating Internet strategy with overall business strategy.

Because relationships are dynamic, what users need today may be different tomorrow. By continuously monitoring and responding to what users like and don't like about an organization and/or its e-Commerce media, a strong emotional relationship is created that turns users into repeat customers, and repeat customers into loyal advocates—in effect, these users become the visionaries for the organization.

### **Discovering Profitable Connections**

The key to building such loyalty is not only discovering these previously invisible connectors, but also knowing how to use them to increase the emotional bond between the organization and the user. The deeper the bond, the greater the value each brings to the relationship.

When organizations regard users as long-term assets, they maximize this exchange of value. By listening to users, responding to them and collaborating on what the relationship means from their point of view, an organization not only increases profits and gains other valuable benefits, such as user advocacy—but an organization also creates a User Managed Relationship.

### **Arriving at the User Managed Relationship**

UMR begins when users gain increasing control over their relationship with the organization. Central to this process is the on-going collection and evaluation of user feedback about both the content and nature of their issues. Managers use this information to design strategies to deliver user satisfaction. As this interactivity becomes more and more collaborative, the user becomes a loyal advocate of the site delivering new business and profits to the organization.

### **Intellectual Foundations**

iPerceptions' approach to enhancing online user relationships is *webValidator*, an evaluation methodology differentiated from competitors by its intellectual foundations. It draws on the seminal work on spontaneous order by Nobel Prize winner Frederick Hayek, and C S Peirce's semiotic theory of triads. The iPerceptions' methodology combines abductive reasoning, psychometric theory and data mining to evaluate user feedback.

The iPerceptions methodology evolved from the HALO organizational relationship model created by industrial psychologist Dr Max Garfinkle. The HALO model, which stands for *High performance, Agile, Learning Organization*, is implemented by Capability Snapshot Inc. First used in 1997 for evaluating the effectiveness of a web site (which is seen as the virtual extension of the traditional organization), HALO's

substantial body of empirical research and field experience has been extended by iPerceptions to meet the challenge of evaluating user feedback on interactive interfaces such as web sites.

To help organizations create autonomous systems such as *eBay* and *Amazon.com*, iPerceptions builds on Hayek's spontaneous order theory as expressed by Adam Smith's insight into commercial markets—"of human action, but not of human design." But capitalizing on the benefits of aligning web site dynamics with user behavior also requires sophisticated enquiry and classification techniques. With these tools, iPerceptions is able to arrive at general rules for establishing future Internet norms.

### **UMR Enhances the Value of CRM**

For many large retail organizations, the most common response to user needs is Customer Relationship Management (CRM). CRM's data-driven / product-driven model is effective in understanding and even predicting customer actions. By adding UMR 's motivational feedback (who? why? how?) the emotional connection between the customer and the organization can be greatly enhanced.

### **The *webValidator* Model**

The iPerceptions relationship model uses a universally applicable process that maps the relationship of an actual user in the context of their actual purpose and experience. By capturing and interpreting real-user experiences on a web site, for example, the *webValidator*, as an application of the iPerceptions model, provides site managers with previously invisible knowledge about user needs. This information enables them to implement programs and best practices from two strategic perspectives: Time and Orientation.

On the Time axis, *webValidator* measures both immediate and long-term value; on the Orientation axis, it measures the value of the site experience to the user in terms of

### **Benefits of the *iPerceptions webValidator* Approach**

The *webValidator* approach provides site managers with specific benefits in the following areas:

#### **Business Strategy**

- Provides a universal framework to gather user-feedback
- Provides a powerful tool to manage the complete web-user experience
- Generates cross-organizational / multi-departmental strategic value

#### **Web site and e-Commerce**

- Generates competitive intelligence
- Generates strategic insights for management and content development
- Identifies most valuable users
- Suggests ways to maximize relationships with site-users

#### **Financial**

- Delivers fast and cost-efficient analysis
- Increases user acquisition, retention and conversion rates
- Benchmarks for evaluating the effectiveness of development initiatives

#### **Site-Users**

- Provides ability to interact with, and be heard by, site-managers
- Key participation in site's evolution and enhancement = sense of ownership
- Provides highly responsive processes for needs-satisfaction
- Continuously improves long-term overall site-experience

#### **Measurement**

- Captures actual user data / real site experiences
- Determines key site strengths and weaknesses
- Delivers in-depth user profiling
- Provides baselines for measuring site evolution

#### ***iPerception's webValidator* process technology provides:**

- Hosted data capture
- Real-time monitoring
- Proven conceptual model
- Database of user/site relationship questions
- Scalability
- Best Practices

#### ***iPerceptions* offers specialized application versions for:**

- e-Commerce
- Human Resources
- Hospitality
- Investor Relations
- Probing and Comparatives



## Synopsis — *Towards the User Managed Relationship*

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iPerceptions Inc.  
575 Madison Ave. – Suite #1006  
New York, NY  
USA 10022 – 2511  
Tel: 1 – 877 – 796 - 3600

[www.iperceptions.com](http://www.iperceptions.com)

