

Q&A: Alex Gaschard

Founder EDA



Alex Gaschard, Founder EDA

First of all, how did you get involved in DA?

My previous employer called Infobel, which is an electronic Yellow Pages provider, since they had the databases of several countries not only did they have the electronic Yellow Pages they also had an electronic access to directory databases by which DA providers across Europe could get access to French, Belgium, Dutch and so on directory data. Through working with them I presented at several conferences discussing issues like XML or E115. From there I became involved in other conferences and in May 2002 I attended one where the preparation of the British liberalisation was discussed. I thought to myself this seems to be such an attractive market and since there is currently no competition in Belgium what about setting up a service to compete with Belgacom and that is why at the end of 2003 I set up EDA, European Directory Assistance.

What have been the highlights of your career so far?

Two things really, the first of which has nothing to do with DA. My previous employer before Infobel was Phillips. I was involved as a Strategic Product Manager within the Phillips audio division in Vienna, Austria, and during that time even though the assignment was quite short, a year and a half, that is probably where I learned the fastest and the most I have ever learned in the area of product management, product planning, product development etc. Though I am not an engineer myself that's where I learned how to foresee future products, or even design specification documents, and something which I think is really important when you design a new product is that you have to follow a certain process in order to have the products respond with consumer needs and to find the right pricing and the right features etc. All of this I found very interesting.

The second is my period with Infobel because of course, had I not have worked for Infobel I would never have thought about going into the DA arena.

What do you do in your spare time?

Well, I am a music (mainly britpop) and movie lover, and I often go to the movies, some people would probably say I am a bit of a freak when it comes to the movies. I also enjoy cycling and snowboarding.

Tell us a little about the services that you offer?

Belgium has several national languages and Belgacom runs a service under the number 1207 – Flemish speakers, and under the number 1307 for French speakers and they also have another service in German. The numbering scheme in Belgium even though it is a so called "118 scheme", in the sense that it is same length and same types of calls, starting with the same digits, it is not the very numbers 118, its 12xy for the Flemish numbers and 13xy for the French speaking numbers.

Currently we have our services up and running in Belgium and have 12-12 for the Flemish part and 13-13 for the French speaking part. Under those two numbers we offer national directory enquiries namely white pages and also business searches - business finders, we have an agreement with Belgium's most well known reference internet site Resto.be this agreement allows us to use the database and access a brand name on our numbers meaning someone can find a restaurant using quite a number of parameters. We do have international DA on the same numbers 12-12 & 13-13 and we do have reverse look ups which are allowed in Belgium and which account for roughly 10% of the searches.



Where we go a bit further is that, after having listened to the number the person is searching, we also give out the complete address through a text to speech solutions and we propose an SMS and of course, call completion.

For SMS to my knowledge we are one of the only ones to propose an SMS even though callers might call from a landline and we will extend the service offering in the future but for now we already have a quite a complete service.

Next to Belgium where we have our numbers operational we also have short codes in other countries, for instance Holland where we have the number 1810, and we also have the number 11881 in Ireland but we haven't started anything there as yet. We do not have currently any internet or mobile based service so we are purely accessible through voice.

You recently launched the SMS to a landline service, are there any more developments in the near future?

Yes but for competitive reasons I can't really extend on that, there will be in the year 2007 and probably early 2008.

The "SMS to landline" service is obviously not the main reason why people would call us but it is an attractive service in the sense that first of all it's free, unlike regular SMS that a mobile user has which is charged 25 cents, and second it allows someone, who for instance searches from the office a reference, gets the number then he or she can have that number sent for future use.

There will however be further developments in the coming months.

You chose to move the telephone DA services that you provide offshore – why is this?

Let me give you an analogy using Phillips, my previous employer. Many people see Phillips as a manufacturer, but more and more Phillips are "just" designing products which they think they are good at, but they do not manufacture the products themselves, the products are manufactured by people who are specialists in manufacturing.

In our case we have a good understanding of the processes involved in the value chain, the first one being of course the call centre operation, but we do not have firstly the finances to set up from scratch a call centre and secondly even if we did have the finances we probably will never reach the level of professionalism and proficiency that a call centre already has so why reinvent the wheel and why not simply reuse the skills of all the call centres that are widely available and offer good services?

Given that your DA service is offshore, how are the issues of different accents and geographical knowledge addressed and overcome?

What we have done is we have 3 types of training modules, the first one a cultural training, the second is language training and the third a Directory enquiries training.

Obviously the third one is done where ever the call centre whether it is Belgium, France or offshore.

The two first courses are designed for people who are already knowledgeable in directory enquiries and the call centre business but who are not knowledgeable about Belgium, this is very important that when a caller calls that he or she doesn't have the immediate impression that their call is not handled very very far away. So the cultural training is designed to

teach the ins and outs, the basics of what Belgium is, the geography, the highways, the cities, the very well know people, kings, and monarchy etc. Personally I sometimes I think it goes into too much detail. I remember at your conference in Manchester last year, where you had an Indian company who claimed that they went too much into detail and the agents were never confronted with situations where those details needed to be used.

The second training is about the language, and I make an analogy with the differences between British English and American English, you do understand in both countries the difference, and you can spot immediately a British accent and an US accent. Even within Britain you can spot a Scottish accent and a Cockney accent.

The people in Mauritius, Morocco or Tunisia are very good at French because it is a second language to them; they sometimes have been to university in those countries and those universities often teach in French. However this French is different from the French in Belgium. Not only in terms of accent but also a few words, much like Americans say "truck" and in Britain you say "lorry". You have the same between French-French and Belgium-French, so the linguistic training is about teaching them about things that Belgians will say or will never say.

Was there any reaction from consumers when you moved your services offshore?

To our knowledge no, we saw a couple of press articles, but the thing is, contrary to France where offshore call centres have become a well known fact and to the extent where it is becoming a social issue, this is not yet the case in Belgium. You do have companies who indeed handle their calls in offshore but the proportion of calls is lower than in France. In France I think there was a call centre magazine where they quoted something like 20% of all French calls are handled outside France but in Belgium it is far from that. Partly for the reasons I mentioned about the cultural and linguistic differences.

What are the main pros of having your service offshore?

First of all only a percentage of the calls that we have are handled offshore, through our IVR we control which call is going to which call centre and much more calls are currently handled in Belgium than offshore. We still have calls handled in France but at the very French-Belgian border and actually the people, even though the call centre is owned by a French company, are mostly Belgians. So we do calls in France, Belgium and offshore.

Coming back to your question of why; it's for reasons of pricing, in order to make the business case more attractive by doing a percentage of calls in a country where the costs are half of Belgium then we can increase naturally the margin and reinvest that in marketing or public enhancement.

And the cons?

The cultural training is one of the drawbacks, and even though we don't have much of a time difference between where we are and our call centres, the fact that it is very far away, sometimes for the nitty gritty, it's a bit more difficult than being a few blocks away.

For quality control or when we need to yell a bit because something is not well done, when you only see people once a year and then get them mostly on the phone it is not as good as if you can regularly go to the call centre and say this or that is good and this or that is not good, that is the drawback.

Also, the fact that it is not your own company, meaning that even though you are a client sometimes you do not control everything and sometimes they do it their own way even though it's not your way and if it was your own company then if it's not done your way, then you fire the person, there it is not so simple.

Do you have any advice for other DA services who may be considering moving their services offshore?

Yes! Pay attention to details. There's always a difference between the theory and the practice in the off shore world.

How do you see the overall DA market developing throughout Europe during 2007?

Well it's very different across Europe and I would like to point out that in Belgium the market is increasing: there were a couple of articles recently about that pointed out that the market has seriously increased in 2006 and again in the first 6 months of 2007 so that's quite funny because if you go back to the UK or the French experience where the calls have completely plummeted then it's interesting to know that here or in countries like Ireland or Norway the number of calls has increased and I'm very happy about that because it has always been my hope and theory.

Sometimes people are saying the mobile usage of DA is going to takeover voice-based DA and I have always said it is not true. The more you have mobile users actually the more you will have people simply calling DA instead of using internet because they are maybe in the car and in the car there is no way you can drive and type an SMS or browse through mobile internet so that's the first thing that is interesting.

The second is after the French market collapse or the UK market collapse it maybe was some kind of a done deal that DA markets decrease, but they only decrease in situations where the regulator has made gigantic mistakes or where the number of players is so important that it creates confusion in the mind of the user, but in a healthy market like it is in Belgium, and I know this one by heart, we have 3 competitors including ourselves the market is increasing and this is beautiful!!

What impact do you think 'Free DA' could have on the more traditional markets?

It's a question I've been thinking about very often. I think there's a huge difference between the US and Europe in mentality and second in the fact in the US there are no short-codes, in Europe there is a big craze about getting the best number.

Even if someone launches 118-whatever and claims they are free it still doesn't make them well known to their potential users. So I think I come to this point from experience when they launched 118888 and claimed "we're half price" people didn't care because first of all half price isn't free and secondly when you're annual consumption is 20 times 1 (ok

its 20) but it's still nothing compared to what you daily spend in London trying to find a parking space. I don't think free DA will pick up in Europe or not to the same extent as it did in the US.

In the case of Belgium, it's a bit of a "paradise" since we are not forced to quote in our DA advertising the pricing, so we don't. We do not say "hey, be careful do not call us because DA is very expensive". Secondly we do not any have pre-call announcements quoting the pricing: I think that's a killer, when you pick up a 118 service in the UK it says "this calls is going to cost you whatever...". So that's 2 factors which also make the UK market more potentially attractive to free DA than others.

But still I don't think it will pick up in Europe. If you remember the French situation you had this company Iliad which is quite a big company, not one of the 4 major players, and they launched a service which was free so they got great attention from the press when they launched. That maybe lasted for a couple of weeks but then after that it still didn't make their number of calls go up because people just knew 118218 or 118000 and they just don't know the number of this company.

I think the key things are if you get a great number and you're free maybe it's better than if you only get a great number but the number auction thing has been done so whoever comes into the UK market or French market whatever they do they will never have a great number, they might be free but it still doesn't make them more attractive or more calls than others.

Finally, would you do it all again?

Oh yes definitely. Our call volume has gone through the roof since 2006 so yes. It was tough in the beginning of course and when someone sets up a venture you are always more optimistic than reality but still now it stays out and we are very happy.