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Conference calls not as good as they sound

Virtual discussions lose out to face-to-face meetings in building ties, say experts

JOANNA SEOW

VIRTUAL meetings between far-flung colleagues to cut travel expenses are all the rage now among cost-conscious firms.

But experts suggest that cementing business relationships still requires face-to-face discussions.

A check with local telcos showed strong interest in videoconference services in the past year.

StarHub spokesman Michael Sim said: "There has definitely been an uptrend in videoconferencing queries right now."

SingTel, too, has seen "an increase in customer demand for...audio and videoconferencing, as an effective and cost- saving alternative to business travel".

Said Ms Chan Yim Leng, SingTel's vice-president of business products: "Over the last six months, we have seen double the number of customer inquiries for videoconferencing services."

She also cited market research firm Gartner's prediction in February this year that "video telepresence will replace 2.1 million airline seats per year by 2012".

Frugal companies looking to save on travel and accommodation expenditure contribute to this rise in demand, especially in the recession.

Electronics giant Sony has been conducting more meetings via conference calls so far this year, as compared to the same period in previous years, "given the current economic downturn".

A spokesman for Sony Electronics Asia Pacific said: "We have been using more teleconferencing and videoconferencing in our communications with our various entities in the region. This is especially useful as we can involve more members in the meeting and reduce travelling expenses."

However, face-to-face meetings still have their place, for instance when "very interactive dialogues" are needed, said the spokesman.

Ms Koh Ching Ching, OCBC Bank's head of group corporate communications, agreed. While the bank uses videoconferencing technology in its operations, "in certain instances such as finalising the terms of a business agreement, we would prefer to have a face-to-face meeting as it is more effective in achieving an effective discussion", she said.

Several human resource companies that The Straits Times contacted said virtual meetings fall short in situations where the "personal touch" is needed.

Any type of communication is key in business relationships, but people should vary the way they communicate according to the purpose of the meeting, said GSI Executive Search's assistant director Ibrahim Boztepe.

"In the sales arena, the personal touch helps to build trust and credibility with clients," he said.

Mr Mark Melo, a consultant at recruitment firm Robert Walters Singapore's sales and marketing IT and telecommunications division, took a similar view.

Conference or videoconference calls "should not be used as a replacement for face-to-face meetings as these are very important to build and strengthen relationships, but rather to complement client meetings with follow-ups or even preludes to better prepare yourselves for meetings", he said.

Another plus point for virtual meetings is that they allow companies to reduce their carbon footprint, said Ms Laletha Nithiyandan, Kelly Outsourcing and Consulting Group's vice-president of consulting services in the Asia-Pacific region.

In general, however, conference calls are seen to be more impersonal and do not provide a chance for parties to build rapport or pick up on nuances in body language.

As Ms Joanne Chua, manager of Robert Walters Singapore's human resources specialist recruitment division, puts it, "it's difficult to form impressions over the phone. One is unable to put a face to the name".

To top it all off, conference calls may not be as effective as most people think.

In a Hilton Hotels-commissioned survey conducted in April in Sydney, Tokyo, Singapore and Shanghai, 35 per cent of senior executives admit to taking a bathroom break while on a conference call.

More than three quarters of the respondents sometimes or always send e-mail messages while on conference calls, and one in five admits to helping himself to an alcoholic drink while on the phone.

In fact, most survey respondents agreed face-to-face meetings can build stronger business relationships than phone or videoconferencing.

“A large majority of those surveyed felt that face-to-face meetings are where the real business gets done and where the biggest breakthroughs are made,” said Mr Andrew Flack, Hilton Hotels Asia Pacific’s vice-president of sales and marketing.

Some companies looking to capitalise on this sentiment have initiated products that may help reduce the financial impact of face-to-face meetings, while allowing companies to reap the benefits such meetings have on their business relationships.

For example, Hilton in Asia Pacific launched a “meetings for free” package in April. Guests are eligible to receive a complimentary meetings package including meeting room facilities and refreshments.

American Express is working with StarCite, which provides Web-based solutions for corporate meetings and events, to offer an online platform for end-to-end meetings management. This aims to help companies cut extra costs incurred through complex and lengthy arrangements with different parties.

Despite the difficulties associated with conference calls, Robert Walters’ Ms Chua believes the uptrend is “unavoidable” in a globalised world and the current cost-cutting environment. It just needs to be managed properly, she said.

joseow@sph.com.sg