

Topic:
Telemarketing

Telemarketing - What Can It Offer You?

It's a marketing conundrum that the telephone offers the most direct method of getting through to potential customers, but also has the greatest capacity to irritate them. And with the volume of telemarketing increasing year upon year, it stands to reason that your own telemarketing campaign must be highly targeted and professional to get results. Failure in one or both of these areas can result in wasted resources and damaged business reputations. So where and how can business to business telemarketing actually work for you?

What Is Telemarketing?

While telemarketing tends to be most strongly associated with thick skinned individuals hammering their way through a list in search of sales leads, it is actually a very broad term that applies to a multiplicity of both inbound and outbound telephone marketing. The oft quoted growth in telemarketing is due largely to the huge increase in the number of call centres handling high volume inbound and outbound business/consumer calls. This work includes for example, handling responses to an advertising campaign, or calling existing customers to offer additional services. Generally a differing set of skills are required for inbound and outbound telemarketing, but this article concentrates on the latter, which tends to involve a wider range of selling skills.

Business To Business Telemarketing: Where Can It Work?

Telemarketing can form an integral part of a sales and marketing campaign, either as a tool for gathering the data that will be the foundation for your direct marketing approaches, as a follow up to other forms of direct marketing, or as an up-front weapon for identifying your best sales prospects. The most common functions of business to business outbound telemarketing include:

Improving marketing data: at a basic level this may include gathering the contact details of decision makers and their usage of products and services relevant to your market, but further probing can deliver more in-depth information - perhaps on distribution channels for example.

Telecleaning your existing data: it's your data, but is it a valuable asset? Only if it's clean and accurate. A professional team of telemarketers can ensure that your data doesn't embarrass you or let you down.

Lead generation: using a team of dedicated telemarketers to do this tough, up-front work can make more cost-effective use of your often highly paid field sales or telesales executives by allowing them to focus on closing sales rather than chasing prospects.

Event planning: if you're investing money in marketing events - perhaps a seminar to introduce your company to likely sales prospects in your target market, or presenting a new product or service to potential customers - telemarketing is an effective way to ensure the right people turn up in the right numbers. This method is often used as a follow up to a targeted mailing.

Direct mail follow up: telephone follow up to mailings is proven to increase returns, by between three and seven times as much in some cases.

Point of sale promotion: for those distributing products through multiple channels, regular contact with distributors or resellers has numerous benefits. It can ensure that they are familiar with your products and have the right marketing materials to sell them successfully, but can also achieve the difficult goal of keeping your product/service at the forefront of their minds.

Company profiling: this offers the opportunity to go beyond the type of superficial prospect data held by most businesses and gain a full understanding of how potential customers operate. Information on aspects such as their decision making processes and who they currently purchase from enables much better tailoring of sales and marketing approaches.

Customer contact: while all of the above functions are relevant to existing and potential customers, there is scope for more creative uses of telemarketing that have particular relevance to previous/existing customers. For example: you've set up a new website - so call your customers to introduce them to this new way of doing business with them. Or if you change location or company name - as well as writing to your customers, call them - and perhaps take the opportunity to pass on new product information and/or a special offer.

But Does It Work?

Some people are sceptical of the cost effectiveness of certain types of telemarketing, and many marketers feel it is most appropriate to dealings with existing customers. But those who close their minds to wider opportunities risk missing out. Steve Massie, Marketing Manager of Desktop Engineering is clear about its overall value: *'Done properly, telemarketing will give you better quality market information than any other source. The whole point about telemarketing is that it allows you to talk to people on a one to one basis and gather information of a depth and accuracy you might not otherwise be able to get.'* But Steve feels too many squander these opportunities: *'The problem is that most people don't do it properly. They don't target enough and misuse the technique which only ends up annoying people.'*

Wijnand Mes, Marketing Manager for IBM Software Group UK, is also unimpressed by the overall standard of telemarketing calls he receives: *'Most are of poor quality by inexperienced individuals. I think telemarketing works best when supported by a personalised direct mailing as part of an integrated marketing communications process.'*

So what makes for a successful telemarketing campaign? Of course the pioneers of telemarketing operated in less sophisticated markets and were able to throw together programmes of pretty much any sort to catch people's attention; they did not need the highly developed skills that today's telemarketers must have to extract valuable information from call weary prospects.

Getting a good return from your telemarketing investment will require:

Planning: you need to consider your budget, your objectives for the volume/quality of data you want, and your in-house resources, in terms of manpower, skills and equipment, compared to the cost of using an outside agency. Telemarketing rarely stands on its own; you need to establish how it integrates with your other sales and marketing activities.

Accurate data: as with all direct marketing methods, accurate data is the essential foundation for success. Naturally, successful targeting rests on speaking to the right decision makers - getting data that includes this information may cost more but the outcomes are consistently more profitable.

A good script: an effective telemarketing script is actually not a script at all but a guide for the discussion that steers the listener in the direction you want him/her to go. It must be tailored to the target audience, must grab the attention of the listener within a few seconds of the conversation, and must be highly interactive; long presentations of information can be frustrating for the listener who is then less likely to focus on the issue being presented. The guide/script should be refined in the early stages of a campaign according to quality of responses received.

Skilled telemarketers: no matter how well targeted the call is, nor how well thought out the script, a wooden and inflexible caller will not deliver the goods. To achieve the desired outcomes the telemarketer must have a good knowledge of the company and product/service they represent, be able to talk intelligently around the structure of the script without getting side tracked, absorb all the negative responses, and talk persuasively to people at all levels.

Wijnand Mes identifies another factor: *'It's important during the planning of all stages of the process to involve the people - sales team, business development managers and so on - who will follow up on the end product of the telemarketing activity. They have the clearest view of the type of information required to produce positive outcomes.'*

Insource Or Outsource?

Increasingly larger companies are recognising the value of developing in-house telemarketing teams. However, most businesses lack the resources to conduct a reasonably sized project in a practical time scale, for example say, contacting a thousand companies on their purchasing intentions for a particular CAD software within two weeks. All too often telemarketing is carried out with stretched and sometimes inappropriate resources, such as using highly paid sales staff to gather leads, or a harassed secretary to cram in as many calls as possible in between other duties.

It can seem a big step to trust another company to act as your surrogate telemarketers. For David Silsby, Sales & Marketing Manager of Premier Computing Corporation, it's a step made easier if he's sure they really know his business: *'You have to build a close relationship with the company and be sure they have a good knowledge of your target market, and that they are able to devote sufficient resources to developing an in depth understanding of your products and services. I'd put the importance of a good relationship with the telemarketing company right up there with the key success factors for a telemarketing campaign'*.

If you are considering bringing in an external agency to conduct the work, here are three points to bear in mind:

- a) Find a company with experience of working in your industry and who shows an understanding of your target market as well your products and services. You'll have to be satisfied that they have staff with the right skills and knowledge and accurate data to ensure the credibility of your company is not undermined.
- b) Make sure you clarify the objectives of the campaign with them and that these are included in their full proposal of how they will conduct the work.

- c) Don't commit yourself to a full project to gather a specified number of leads or contact a certain number of companies; even for an agency that knows your market well it's very hard to predict a percentage of successful outcomes. Agree a pilot period to evaluate the project and refine - or shelve it - as necessary.

Case Study

IBM Software Group UK conducted a multi-stage telemarketing project with the Business Advantage Group Plc to improve their go-to-market strategy and increase their success in working with independent software developers as part of the IBM Software Investment Initiative (SII). Firstly in depth profiles of software developers were gathered to provide accurate information on potential partners. At the second stage the SII value proposition was discussed with the selected group of software developers and appointments made with the IBM Business Development Managers.

The project delivered the required number of qualified appointments (counted as those businesses with which IBM continued negotiations after the initial visit). Early signs are that Business Development Managers have been able to be more effective with their selling time, with the time taken to reach contract stage cut by at least a third in some cases.

The Legal Angle

Poor practice abounds in the telemarketing field, with the worst examples found in calls from businesses to the public. European regulations allow 'individuals' and 'Companies' to opt out from receiving direct sales or marketing calls by registering with the Corporate Telephone Preference Service. Business to business telemarketing is increasingly affected by this legislation. The term 'individuals' includes sole traders and (except in Scotland) partnerships as well as consumers.

A Future for Business To Business Telemarketing?

Can telemarketing continue to work if the volume of calls continues to rise? Wijnand Mes feels there are problems caused by a more general information overload: *'We are approaching market information saturation point. Individuals are receiving messages from so many different sources that it becomes impossible to digest the information. I think this is already having an impact on response rates'*. Steve Massie feels that telemarketers must move with the times: *'They may need to be more imaginative in future to get past the fatigue recipients feel at getting so many calls. Traditional techniques are wearing a bit thin'*.

It's not only a case of telemarketers having to develop new approaches. With the growth of Internet and e-commerce usage new types of telemarketing will start to grow. The biggest change will probably come in the handling of inbound requests for first-stage information on goods and services. Customers will expect to be able to receive such information at the push of a button on a keyboard or mobile phone. The more complex functions of outbound business to business telemarketing will still require a more personal touch, requiring telemarketers to have a detailed knowledge of the business, products and services they are representing. Growth areas will be linked to the new technologies, such as tours of company web sites - personal, responsive and tailored to the individual. Such 'high touch' services will become increasingly in demand; the emphasis will change from the quantity to the quality of staff. Businesses using external agencies will expect telemarketers to become surrogates for them.

Of course no matter how well planned and executed your telemarketing campaign, human nature plays its part; the effects of traffic jams and towering in-trays can block the most skilled approaches. But get the right people offering the right product in the right way - and the outcomes could surpass expectations

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