
Mike Hayward

now working as an independent marketing consultant in the UK and Europe, was formerly direct marketing manager at Cornhill Direct. He has over 20 years' experience of the marketing of life and general insurance, including pioneering work in direct response TV in the early 1990s, and more recently led Cornhill's development of outbound telemarketing to sell home and motor insurance. He also has considerable knowledge of marketing to the over-50s and affinity relationship marketing.

Response: Telemarketing in the UK will die on St Valentine's Day 2007

Mike Hayward

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The author has no doubt that the doomsday scenario painted by Tim Beadle contains an element of truth; poor telemarketing is without doubt responsible for the exponential growth in TPS registrations. But does this really mean the death of an industry by 2007? What the author hopes it does mean is the death of untargeted mass dialling; but it by no means marks the end of outbound calling by those companies which focus on what the Henley Centre called in 1998 the 3Rs of outbound calling: relationship, relevance and respect.¹

What do the 3Rs mean in practice? Firstly, 'relationship' means only calling customers where you know you will be a familiar brand and preferably you have had some form of prior contact or interaction (eg a request for information or, even better, an existing customer). Secondly, 'relevance' means only calling when you have a positive benefit to sell and at the correct time in the buying cycle. Finally, 'respect' means using well-trained agents who have mastered the skill of going beyond just reading a script and actually listening to the customer. Crucially, they know just when to stop and take notice — when, for example, a customer says that he or she is not interested.

The author has seen successful outbound calling based around the 3Rs working time and time again. Let us take a real example: outbound calling to sell home insurance. Going through the phone book and calling every number will fail completely — there is no relationship, you have no idea when the renewal date is and you are showing disrespect to potential customers by wasting their time (unless they happen to be in the one in 12 with a renewal date in the next month). Supposing you already have a relationship with the customer: he or she has already enquired about or bought your product or service and has voluntarily supplied you with his/her home insurance renewal date. In these circumstances you know that both the relationship and relevance criteria have been met. Provided your agents then approach the call in the right way you have a very good chance of making a sale and keeping your customer happy.

You should, by now, be saying 'but there will not be anybody to call as most people will be on the TPS'. But you can quite legitimately avoid the need to use the TPS by altering your data protection wording to make it explicit that you may use outbound calling to contact your customer. Providing the customer does not opt out it is perfectly legitimate to call them even if he or she is on the TPS. Of course, this may seem a cynical practice, as we all know (but rarely admit) that few customers read the small print of the data protection wording. But having seen this approach work in practice on lists where 20–30 per cent of the customers are on the

Mike Hayward
Down Lodge
79 Church Road
Winterbourne Down
Bristol BS36 1BY
Tel: +44 (0) 1454 250729
Email: mikehdirect@aol.com

Consumers do not want mass untargeted calls

TPS, the author knows that the number who will complain are tiny compared to the numbers who have signed up to the preference service. Why is this? It goes back to the issue of relationship; the reason consumers sign up to the TPS is to avoid the mass untargeted calls already referred to. What they do not want to do is stop legitimate calls from companies where they are already customers which may be making them a good offer at the right time.

Even this approach, as indicated, might be considered cynical as it relies largely on small print to avoid the TPS. How do we move beyond this? Already many companies are seeking to offer customers the choice of contact method, be it mail, e-mail or telephone (or even SMS). Of course, you may ask how many customers will really opt to be contacted? Provided they trust you and you offer a good product or service, you will be surprised at the numbers that do opt in. After all, a key part of signing up for BT Privacy is that it gives BT an opportunity to ask you to opt in to sales calls from BT while blocking the competition from calling by registering you on the TPS. Would BT be doing this if it did not expect large numbers to opt in to calls from BT?

Respect the consumer

Beyond this the telemarketing industry really needs to look at the last of the 3Rs — respect — in more detail. Outbound telemarketing has traditionally been about volume; this has required large numbers of agents using predictive diallers. This has inevitably meant that recruitment standards and the quality of training have dropped as the need to fill empty seats has become the priority. The difficulty in doing this is one of the factors fuelling the exodus to India. The typical profile of the outbound agent is often an inexperienced 21-year-old; this may be fine if you are selling mobile phones to students, but is it right for selling life insurance to the over-50s or cosmetics to women over 40? Already some telemarketing agencies are recognising that truly effective outbound calling only comes when agents can empathise with the target market. So, for example, selling cosmetics to older women is going to be far more successful if the people making the call are in a similar age group and have experience of the product.

Empathise with the target market

So where does this leave us? In many respects the growth of the TPS does mean the death of the mass-volume outbound market, *and not before time*. Soon, the worst of the current volume outbound callers will be unable to operate (unless they act illegally). But for smaller, smarter operations which collect and use customer information cleverly and adhere to the 3Rs there is a real future. Moreover, this is more likely to be in the UK than overseas, where trying to match a foreign agent to the profile of a typical British resident is never going to be possible.

Reference

1. The Henley Centre (1998) 'Outbound Teleculture', London, UK.