Call Evaluations Help Lillian Vernon Get Its Upsell Program Down Pat

By Howard Lee

Call center agents at Lillian Vernon, a 54-year-old catalog and online retailer that markets gift, household, children's, and fashion accessory products, spend a portion of every phone call offering promotions or upsells to customers. Some of these offers are for Lillian Vernon products or services, but periodically the company partners with a third party and offers that company's product or service (e.g., magazine subscriptions) to Lillian Vernon customers.

While this seems like a good idea, Lillian Vernon management wanted solid evidence whether or not the arrangement was profitable. In addition, management wanted to gauge customer attitudes toward these offers, and subsequently address any customer dissatisfaction.

In order to assess the call center's investment in offers and promotions, managers wanted to track the portion of each call devoted to upsells and promotions. Lillian Vernon's existing call management system tracked the total time of each call, but it was unable to track the duration of specific portions of each call. Specifically, from a typical call that lasts, on average, from 7 to 10 minutes, Lillian Vernon wanted to track the duration of:

- Call Opening (the time needed to locate a customer's account/order)
- Main Presentation
- Promotions/Offers
- Order Confirmation (including the time needed to personalize a product, if necessary)
- Upsell Offers

Once the times were calculated, the time needed to make various offers and/or personalize an order was converted into labor costs and compared to the revenue generated from these efforts. The ultimate goal was to better understand the ROI, if any, from making additional offers. In addition, Lillian Vernon's managers wanted to get feedback on customers that seemed irritated by additional offers. While there is no tangible data to measure the irritation factor, Lillian Vernon felt that the feedback could be instrumental in making a judgment on the relative worth of the additional offers. Since the success of Lillian Vernon's business depends on return customers, the company felt it was important to ensure they were not annoying customers with third-party offers.

Lillian Vernon considered attempting to measure the duration of call portions internally, but it was quickly apparent that the company simply did not have the manpower or the technology to capture this information on a regular basis – not to mention the lack of objectivity. Consequently, Lillian Vernon contracted a contact center quality assurance firm to conduct agent evaluations in its call centers.

The firm's survey of Lillian Vernon phone calls revealed that for the in-house call center, 14% of each phone call's time was spent offering internal promotions and upsells, while 6% of each phone call's time was devoted to third party offers. This information proved valuable in determining the direction of future promotions,

"Based on the information we received, we implemented a variety of changes in our upsell programs, including reducing some of our upsell offers and eliminating our third party offers altogether," said Peg Porell, quality assurance manager of customer communications. "In addition, the company tightened up its scripting by revising the scripts for delivery times and call closings. These were sound business decisions that we could not have made without the data provided through the call evaluation program."

As an added bonus, these changes allowed Lillian Vernon to realize a savings of 30-45 seconds on average talk time. With 100-150 full and part-time phone agents year round – with a peak of 750-800 during the U.S. holiday season from before Halloween through the end of January – this translates to a significant bottom-line impact.

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