

Increasing Revenue & Customer Base Through Telemarketing:

The Benefits of Outsourced Appointment Setting, Lead Generation & Market Research

Sales appointments and new business leads are the lifeblood of every company. Everyone has heard about businesses suffering from the recession and the effects this is having on the economy. Most companies feel by 'tightening their belts' they can ride out the effects of the current economic climate but is this really the right approach? At a time when businesses are teetering on the edge of bankruptcy, making redundancies, and losing key clients it is imperative for companies to continue marketing their business and services to build a stable and consistent client base. Devising an effective marketing strategy is the only way to ensure this happens.

Telemarketing is a method of direct marketing in which a salesperson solicits to prospective customers to buy products or services, either over the phone or through a subsequent face to face or Web conferencing appointment scheduled during the call. Telemarketing can also include recorded sales pitches programmed to be played over the phone via automatic dialing. This type of telemarketing has come under fire in recent years as it removes the personal touch that is the foundation of successful telemarketing.

Every company participates on some form of telemarketing but few realise the benefits of using telemarketing to increase business and revenue.

Telemarketing is a great way of building prospect lists, increasing customer loyalty and winning sales and can be used successfully whether the business is a large scale organisation or a small business with limited resources. When this activity is handled properly it can deliver sales conversion rates much higher than the response rates typically achieved by direct mail or email marketing. Telemarketing offers significant advantages over other forms of direct marketing but ensuring this activity is right for a particular business is imperative to its success. Fortunately, most professional telemarketing agencies will advise companies as to whether this activity would be suitable for their business. If a company is working with a marketing strategist they may also advise whether this activity is suitable for that company's industry and strategy.

This white paper will address the benefits of using telemarketing, issues companies have encountered with this activity, as well as the advantages and disadvantages associated with outbound telemarketing.

The Benefits of Using Telemarketing

Telemarketing can offer companies a number of benefits over other forms of direct marketing. Telemarketing is the only direct way to reach a prospective customer or client and immediately gauge that individual's interest in a particular product or service. By speaking directly with prospects a company is able to assess that individual's needs and ask the appropriate questions to ensure their product or service would be relevant. This type of communication also allows a company to effectively explain any technical or complex messages to the prospect and answer any questions directly that individual may have.

There are two audiences telemarketing will engage, businesses and consumers, and the approach should be tailored to suit each. Certain areas must be considered when contacting both consumers and businesses. Contacting consumers by telephone offer numerous benefits to companies if handled correctly. Companies can quickly ascertain whether a particular product or service would be relevant for a consumer. Depending on the product or service on offer, various factors may prohibit a company working with a consumer such as household income, age, lifestyle, or sex. By phoning consumers directly a company can easily eliminate anyone falling outside of their target audience and engage consumers directly about their product or service. Whereas with other forms of direct marketing, such as inserts, direct mailers, or newspaper advertisements there is a limited amount a company can do to ensure they are being seen by the right people.

In business, telemarketing plays a wider role as professionals are more accustomed to receiving business calls as part of their working day. Most businesses use some form of telemarketing already as it would be highly unusual for a sale to be made without some form of telephone contact with a prospect. Businesses will use telemarketing for a variety of reasons.

Telemarketing can be used for a variety reasons for both B2C and B2B marketing

Whether a company deals in business-to-consumer (B2C) marketing or business-to-business (B2B) marketing, telemarketing is used for a variety of reasons including:



Professional telemarketers provide companies with numerous benefits and can successfully help companies to effectively market their products and services

Building a highly-targeted database

This is the key to any successful direct marketing campaign. Telemarketing enables companies to qualify their prospective database by ensuring the companies or individuals they are targeting have the appropriate household income or turnover, employee size, geographical location and decision maker contacts.

Generating Sales Leads and Appointments

This is the fastest way to generate sales leads and secure new business appointments. Companies may choose to outsource this activity meaning professional and experienced individuals will generate leads and meetings so the sales team can focus their energies on bringing in new business. Many sales people dislike cold calling and may not be skilled at this form of communication.

Conduct Follow-up Calls to Direct-Mail Campaigns

Direct Mail campaigns tend to have a fairly low response rate of between 1%-2%. By using telemarketing to follow-up those mailers companies can increase this rate dramatically as it does rely wholly on prospects taking action. The response rate can increase drastically when followed up with telemarketing – sometimes up to 25% if done correctly.

Renew Relationships with Lapsed Clients or Customers

Companies often have a significant number of lapsed clients or customers that could potentially bring in additional business. By focusing solely on contacting new customers these lapsed clients and customers may be neglected. Telemarketing is an effective means of keeping an open line of communication with these individuals.

Conducting Market Research to Find Out How a Company is Viewed in the Market Place and the Activities of Competitors

Telemarketing can be a powerful tool to learn how a company is perceived in the market place as well as find out what competitors are doing. This will allow a company to change areas of their business that may be viewed negatively and ensure they are offering services or rates that are viewed to be competitive.



Outsourced telemarketing enables sales people to focus more on closing business and less on generating sales leads and appointments

The above types of telemarketing can be carried out internally but it is essential to have a well trained and professional telemarketing team for it to be successful. Often companies will outsource telemarketing activity to eliminate the time and resources needed to manage this internally. The benefits of outsourcing this activity are as follows:

No Need to Use Internal Resources

Implementing an internal telemarketing strategy spends company time and money on recruiting, training, and managing telemarketers. Often a company will need to employ a telemarketing manager to ensure the telemarketing team are conducting calls properly

Professional and Experienced Telemarketers

Most telemarketing agencies employ experienced and professional telemarketers to conduct cold calling. This will ensure a company's message is clear and concise and objections are handled in the appropriate way. The way a prospect is approached and the company is represented is of utmost importance when attempting to engage a prospect and professional agencies are seasoned in this practice.

Cost Effective in Both Time and Money

Outsourcing this service means sales people are focused on speaking and meeting with genuinely interested prospects and less time is spent generating this interest themselves. Sales people will often find they spend several weeks generating sales leads and appointments then the following few weeks are spent attending meetings. When the last of the meetings has been attended the sales person must start this cycle all over again

There are positive aspects to bringing telemarketing activity internally as well. Whether a company outsources telemarketing or chooses to handle this in-house depends on where they view the real benefits to be. Some benefits of bringing this in-house are:

More Control Over Activity

Companies may prefer to have telemarketers work internally to ensure their company is represented in the way they like. Outsourcing means a loss of control as the companies will have to trust the agents calling for their company are properly managed by the agency they have employed.

Further Qualified Meetings and Leads

Companies may prefer to have sales people conduct their own cold calls to ensure they properly qualify anyone they are meeting with. Telemarketing agencies may struggle to fully understand the criteria prospects must meet to ensure their business proposition is viable.

Information Updated to Company Systems

Companies using bespoke systems internally may prefer sales leads and appointments to be updated through directly into those systems. Unless a system is web based telemarketing agencies will be unable to update their clients with information in the preferred method.

Issues Involved with Telemarketing

Telemarketing can be a fantastic business tool if used properly as highlighted above but there can be some disadvantages. Consumers often find marketing calls an unwelcome interruption, particularly in the evenings when they have just returned from a long day at work.

Telemarketing companies will have different approaches and often consumers will view an organisation negatively if the caller is too pushy or the message is too scripted. It is important to establish whether telemarketing is right for the business as companies will risk alienating customers and wasting time and money if it is not handled properly.

Businesses do not view telemarketing quite so negatively but it is important to understand that a marketing call still interrupts a business person's day. The caller must respect that the individual may be in the midst of preparing for a meeting, writing a report or dealing with something important. Business people tend to become very frustrated if a telemarketer has limited knowledge regarding the subject matter they are calling about. This tends to happen when companies outsource their telemarketing to agencies that have a limited understanding of their business or alternatively an inexperienced telemarketer has been employed internally to conduct their sales calls.



Internal telemarketing teams can offer some benefits but the costs and management time involved typically leads companies to outsource this activity

Offshore telemarketing agencies based in low-cost areas of the world have also begun giving UK and US telemarketing agencies a bad name. With a poor grasp of the English language these calls tend to be difficult for the prospect to understand and the message may be unclear. The operators handling the calls typically read verbatim from a script and have a difficult time displaying any knowledge on the subject at hand. This becomes very apparent when a prospect asks a question that the operator does not have the answer to.

Although these agencies may charge less than their UK or US counterparts the old adage of 'you get what you pay for' quickly becomes apparent. The company being represented is viewed negatively by the prospect and the chances of that prospect becoming a paying customer become less and less. Many companies having tested the offshore waters are now bringing the business back to the UK or US after having experienced dismal results.

Companies wishing to outsource their telemarketing activity may struggle when trying to find a reliable and trustworthy supplier. It is well known that many 'cowboys' operate in the telemarketing industry and it is becoming increasingly difficult to ensure your business is with a professional agency. There are various factors to consider when choosing a supplier and important questions that anyone looking to outsource this activity should ask.

Important Questions to Ask:

Do you use home-workers?

This is an important question to ask as the quality of meetings of leads may be low as there will be no one to monitor the calls the telemarketers are making. If the rate quoted seems much lower than the other agencies there will be a reason and often times this is it. Agencies that outsource their telemarketing campaigns to home-based telemarketers may not be forthcoming with this information unless directly asked.

Will I have a dedicated team of telemarketers?

This will give a good understanding to the way in which a company works. For larger campaigns an agency should certainly have a dedicated team to work on that campaign as it will allow the

telemarketers to gain a full understanding about the client's business, the objections they can expect to encounter and the best way to overcome those objections. If an agency has different telemarketers working on a specific campaign that knowledge will not be gained making it more difficult to generate high-quality meetings and leads.

Will I have a dedicated account manager?

Any reputable agency should have a team of account managers and dedicate one of those managers to each campaign. Clients should always have a point of contact at an agency to update them on the calling, review the objections, devise strategies to get around those objections and give general feedback as to the daily outcome of calling. If an agency has several different people managing a campaign the level of service tends to be lower than desired resulting in a poor customer experience.



Companies wishing to outsource telemarketing activity should ask questions to ensure they have chosen the right provider

Can I meet the team and listen to calling?

Agencies may not necessarily invite every client to their call centres to listen to calling and meet the telemarketers working on their campaign but if a client specifically asks, this opportunity should be made available to them. Any potential client should be wary if the agency hesitates to allow them into their offices. This may mean they operate from home or outsource the calling to low-cost areas around the world such as India.

Do you have any case studies I can see?

Agencies that claim to specialise in a particular industry should have case studies available for potential clients to view. This allows the prospect to gain an understanding of the leads and appointments generated for previous clients that also worked in their industry. If an agency refuses to allow clients to see case studies this may be that they don't actually specialise in the industry they claim to or alternatively the results have been sub-standard and they do not want to share those results with potential clients.

Do you operate on an 'appointment-sharing' basis?

Appointment-sharing means that the agency distributes the same lead to several different clients working in the same industry. For example, an agency may be working for several accountancy firms at once. If they arrange a meeting with a prospect who is looking for a new accountant they will distribute that lead to all of their accountancy clients rather than turning that lead over to one specific accountancy client. Though this is an unethical way of working many agencies will do this to keep costs down as they can charge each client separately for that one lead.

The Ways Telemarketing Agencies Operate

Telemarketing agencies all work in different ways. Some may have in-house telemarketing teams that work from their offices whereas others may use home-based telemarketers to undertake calling. The way clients are charged and telemarketers are paid can also vary greatly. It is important to understand the way a telemarketing agency works before committing to doing business with them as it can have an impact on the amount of meetings or leads generated, the quality of those leads or meetings and the amount of money paid.



Understanding the way in which an agency operates will help manage the expectations of a telemarketing campaign

The main ways outbound telemarketing agencies work are as follows:

Office Based Telemarketing Teams

These agencies will have their own internal telemarketing teams that are based at the agencies offices and managed by the agency directly. These agencies tend to have a larger client base and may be more expensive but the breadth of experience their telemarketing teams have is significantly more than their competitors.

Home-based Telemarketers Managed by Agency

These agencies will typically have very few full-time staff; often these are one-man bands, which will hire home-based telemarketers to undertake a client's campaign. There tends to be a lack of control over this type of telemarketing as neither the client nor the agency will physically hear or oversee any telemarketing that is completed. Agencies of this nature may not be forthcoming in the fact that they use home-based telemarketers because of this.

Off-shore Telemarketing Agencies

This type of agency will normally undercut any agencies based in first-world countries as they operate in low-cost areas around the world such as India or Sri Lanka. Although they are a cheaper alternative beware of the quality with these agencies. With a poor grasp of the English language, the quality of meetings can be shockingly bad and the way a company is represented by these agencies is abysmal. Most companies having tried these agencies in the past will often bring the business back to their home country.

In-House Telemarketing Teams Based at Client Site

This type of telemarketing agency typically offers to send in-house telemarketers to the client's site with a team leader present to manage the team. Companies may prefer to have the callers at their site to listen to the calls being made but this can be significantly more expensive way of undertaking this activity.



Agencies will charge for their services in different ways and understanding why an agency charges in a particular way can help avoid certain pitfalls

The fees an agency charges can vary greatly from a 'pay-by-appointment' basis to a day rate of calling and various alternatives in between. Choosing the right agency should be based on the quality of the agency selected but also the budget available to undertake a telemarketing campaign. Below is an outline of the main ways telemarketing agencies charge for their services:

Pay-by-Appointment

This is a popular method used by agencies and is sometimes referred to as 'risk and reward'. This ensures companies only pay for meetings that have been arranged and do not pay should the telemarketing agency not secure any leads or meetings. Initially this way of working is appealing but companies will often find the meetings arranged are of a very poor quality as it's in the best interest of

the agency to work on a quantity over quality basis. Appointments can cost anywhere from £60 - £500 depending on the difficulty of the campaign and the professionalism of the agency.

Pay-on-Commission

This method may be used by agencies working with companies that have large order values. Often an agency will not be paid for any work undertaken unless the client closes business from a lead or meeting the agency generated. The quality of appointments will be of a higher calibre but the agency will normally request to see the sales figures for the company and the average 'closing' rate they work on to ensure it is viable. Rates can vary from 5% - 20% depending on the order value and rate of closing.

Day Rate

This method is the preferred method for most professional telemarketing agencies. Clients should expect a higher calibre of meetings and leads but to also gain market intelligence throughout the calling. There is no limit to the number of meetings an agency will arrange and the utmost care is normally taken to ensure they are fully qualified. Day rates can range anywhere from £200 - £400 per day depending on the amount of calling being done.



The Phone Intelligence Telemarketing Methodology

Phone Intelligence means using telemarketing intelligently to help clients grow their businesses through increased sales leads and high-calibre new business meetings whilst gaining market intelligence along the way. Founded in 2003, Phone Intelligence provide professional telemarketing services across a broad range of industries and have successfully assisted companies with their business growth plans of building an extensive client base and increasing revenue. By using a unique methodology that was created by the founder and author of best-selling business book, Sales Therapy, Phone Intelligence are able to generate highly qualified sales leads and secure the new business meetings necessary to ensure a client's success.

Phone Intelligence provides the following tailored services:

Appointment Setting and Lead Generation: Phone Intelligence will work closely with a client to fully understand their business, identify their target market; the issues they can help companies solve and incorporate this into our own unique methodology ensuring only qualified appointments and leads are generated.

Advertising: Watching for buying signals takes skills and intelligence and Phone Intelligence understand a client's need to make a healthy margin on their publication, attract and retain new advertisers, and ultimately build long-term relationships.

Market Research: Phone Intelligence are experts in uncovering and tracking the trends that affect satisfaction, loyalty, retention, awareness, perception and various customer behaviours. Our staff has a vast experience in performing market researches and we are dedicated in providing personalised project management.

E-Marketing: Phone Intelligence will work with your business to create a highly-effective direct marketing strategy by combining both e-marketing and telemarketing together resulting in an impressively high response rate. We have helped our clients to grow their customer base through maximising the potential of their existing database through using these services in a joint effort. Because business activity exists both online and offline it is crucial to use both methods to effectively target your potential customers.

Event and Exhibition Prospect Follow-up: Phone Intelligence has a vast experience targeting leads generated from an event or exhibition on behalf of clients. We understand the time and money companies spend to create brand awareness and generate leads from these events and the importance of following-up with these prospects in a timely manner. Phone Intelligence knows that what may have been a 'hot lead' one week can quickly go cold if those all important post-event calls aren't made.

Seminar Delegate Sourcing and Booking: Phone Intelligence has helped many companies to 'get bums on seats' to their seminars and conferences resulting in new leads and prospective clients. Whether the event is a seminar, conference or black tie event Phone Intelligence will successfully secure delegates for your company.

Business List Sourcing and Cleansing: Phone Intelligence has years of experience in cleansing and populating client's internal databases with our team of experienced telemarketers. We understand that without an accurate list or database to market to the money spent on direct mail or e-marketing is wasted. Alternatively, Phone Intelligence can also source new lists or databases for companies that do not currently hold existing marketing data.

To begin the first steps toward growing your business through outsourced telemarketing, please call us on +44 208 958 5695 or email info@phoneintelligence.com