

How Do You Compare?

Best in Class Telemarketing Practices

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“Best in Class”

Comparing and contrasting your telemarketing approach and processes with more than 50 of your peers can be interesting. But what does it really tell you? Perhaps that it’s “OK” not to have formal and regular communication with your sales team because 70 percent of your peers don’t either? It may make you feel better, but it’s not very helpful if you are trying to improve – or if you want to achieve “best in class” status.

In order to more thoroughly understand how high-tech companies are utilizing telemarketing within their lead generation strategy—as well as the practices they follow—TeleNet Marketing Solutions surveyed more than 50 marketing professionals, ranging from lead generation managers to vice presidents of marketing. Respondents of the survey represent some of the largest and most recognized brands in the industry, the majority of which are dealing with a complex and lengthy sales cycle of at least 6 months. The survey delved into usage of telemarketing, processes, measurement and areas of improvement.

Rather than simply showing you what all of the surveyed companies are doing, we have taken time to thoroughly review the results from the respondent companies that others aspire to emulate--particularly those marketers who represent the “best in class.

So, what is “best in class” as it relates to telemarketing lead generation?

Our experience in the industry has led us to believe that most marketing executives desire two things when it comes to telemarketing. First, they want to be **satisfied** that their overall telemarketing process/approach is working. Secondly, they want to be able to accurately tie **closed revenue** to each campaign. This second point is critically important, as it’s a tangible factor that allows marketing departments to **report ROI** and be viewed as a revenue generator. Thus, it allows marketers to get *and keep* funding!

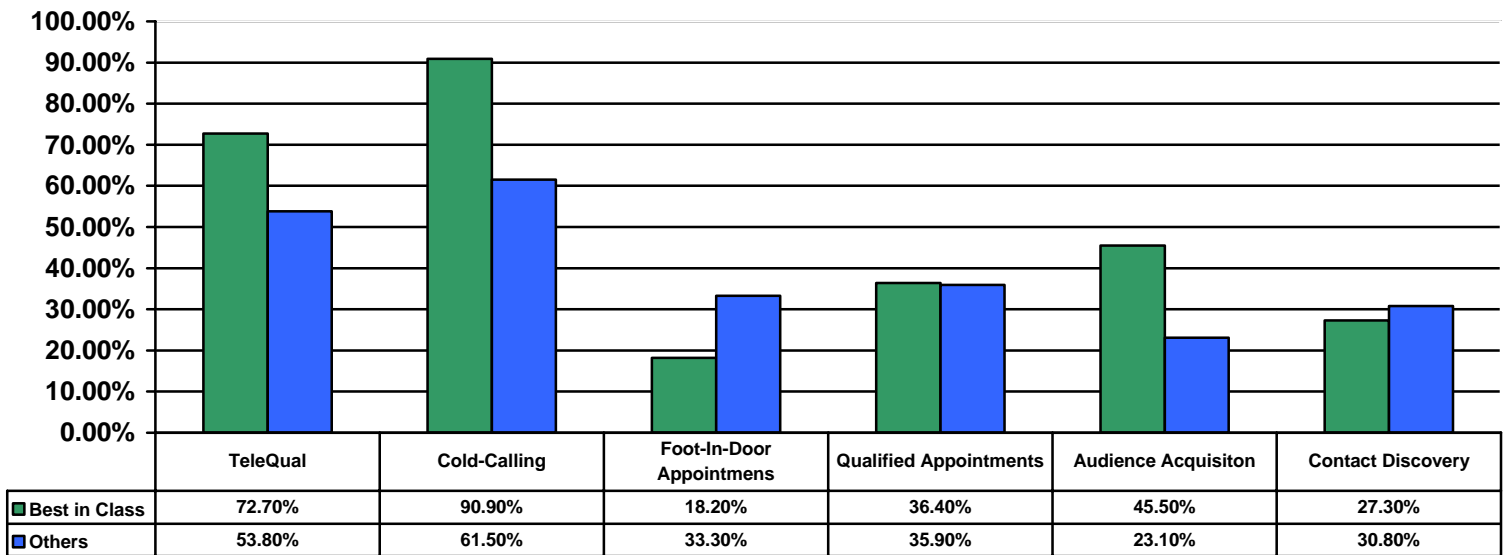
The majority of all marketers who took part in the survey agree that ROI is the most important measurement of the success of a telemarketing program.

In the next few pages, we analyze the responses of those who meet our “best in class” criteria (those who can both accurately report revenue/ROI for each telemarketing campaign AND who classify themselves as “satisfied” with their overall telemarketing approach and processes) and contrast their responses with the rest of the high-tech marketers who responded to the survey.

Analysis and Comparison

Utilization of Telemarketing

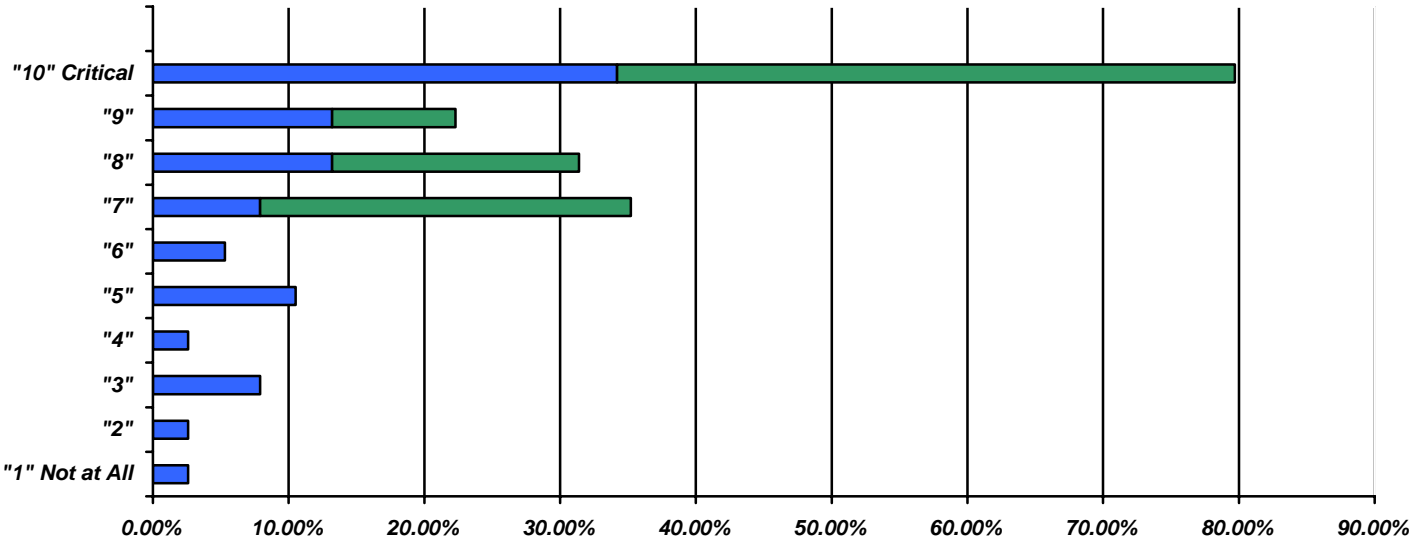
The following graph illustrates how “best in class” marketers and “other” marketers utilized telemarketing within their lead generation strategy during 2007.



Observations: An overwhelming 90 percent of the “best in class” marketers utilize cold calling or “tele-prospecting” within their telemarketing lead generation strategy – nearly 30 percent higher than the “others.” Additionally, almost $\frac{3}{4}$ of “best in class” marketers tele-qualify their responders, compared to just over $\frac{1}{2}$ of the rest of the marketers.

Importance of Telemarketing

When asked how important telemarketing is to their lead generation strategy on a scale from 1 to 10 – with 10 being “critical” and 1 being “not at all,” we found that to be a “best in class” marketer, you *really* have to believe in what you do. Check out these results...



	"1" Not at All	"2"	"3"	"4"	"5"	"6"	"7"	"8"	"9"	"10" Critical
■ Best in Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.30%	18.20%	9.10%	45.50%
■ Others	2.60%	2.60%	7.90%	2.60%	10.50%	5.30%	7.90%	13.20%	13.20%	34.20%

Observations: While there is no disputing that the majority of *all marketers* surveyed view telemarketing as important, the “best in class” marketers consistently ranked telemarketing on the high end of the scale. A full 100 percent of the “best in class” marketers view telemarketing as a “7” or higher on the 10-point scale, compared to 68.5 percent of the “other” marketers surveyed.

Who Performs Telemarketing?

Interestingly, there’s not a significant difference between “best in class” marketers and everyone else in terms of who performs the telemarketing. Approximately half of each group utilizes a combination of in-house & outsourcing for their telemarketing. A slightly higher percentage of “best in class” marketers (36.4 percent vs. 28.9 percent) exclusively use an outside vendor, when compared to the other marketers surveyed. This leaves a small percentage of each group (less than 21 percent), exclusively utilizing an in-house team.

Also, there’s no correlation to being “best in class” and the number of outside vendors that used. Forty-four percent of “best in class” marketers who outsource utilize **one** vendor, compared to 46.9 percent of the other marketers surveyed.

The number of vendors used is more closely tied to the size of the organization. Nearly 70 percent of the companies over \$2 billion in annual revenue utilize two or more telemarketing vendors.

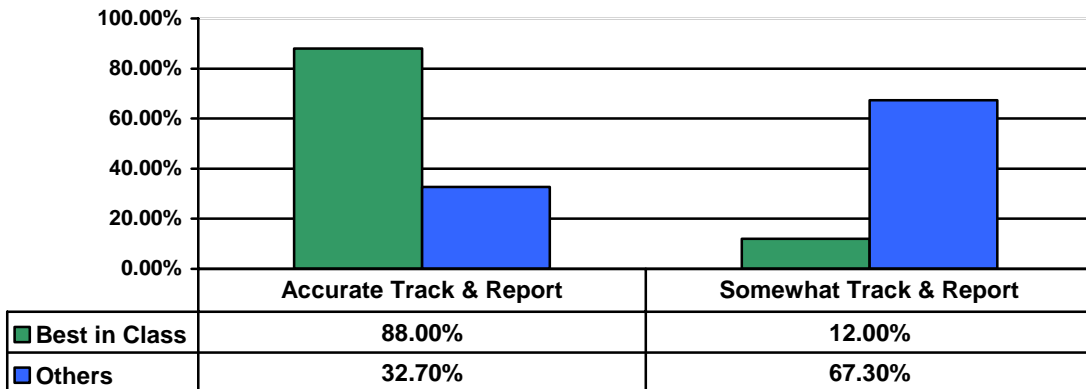
When examining all marketers surveyed who report that they can successfully tie revenue and ROI to their campaigns, 26.3 percent exclusively use an in-house telemarketing team, 36.8 percent exclusively use an outsourced partner and 36.9 percent use a combination of an in-house team and outsource partner for telemarketing.

These findings seem to dispel any notion that companies must rely solely on a closely-controlled and integrated in-house telemarketing team in order to accurately tie revenue and ROI to telemarketing campaigns.

Additional Note: Marketers who outsource were asked to rank the level of difficulty in finding a consistent quality vendor. The majority of marketers (52.7 percent) ranked this as a moderately difficult task (ranging from “5” to “7” on a 10 point scale). These findings illustrate the need for careful evaluation and due diligence when selecting an outsource partner.

Measurement

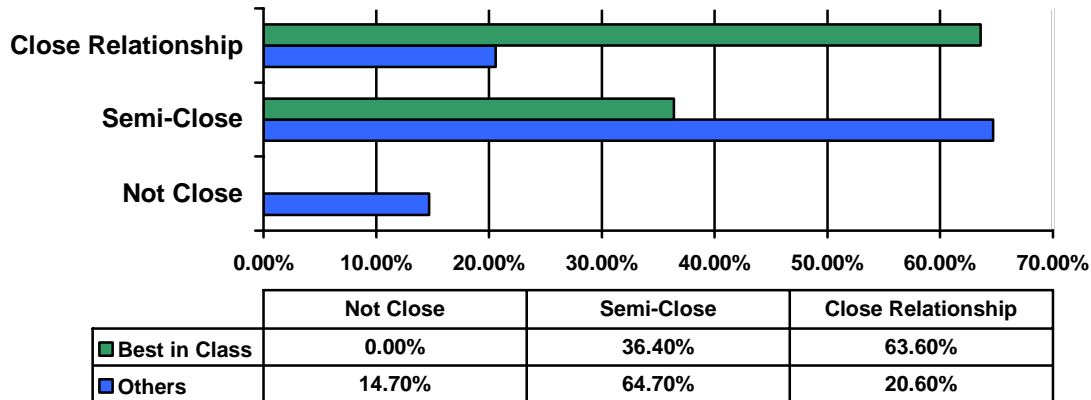
When asked if they have a process to **accurately** track how many leads are “accepted” by their sales team, our “best in class” marketers answered “yes” nearly three times more often when compared to other marketers. The good news is that 100 percent of all respondents are attempting to track this data. “Best in class” marketers have nearly perfected it. Following are the results...



Additional Note: While the largest majority of all respondents state that they view ROI as the most significant measurement, 26.7 percent ranked sales acceptance rate as most critical. Whether it’s ranked #1 or #2 in your opinion, sales acceptance data is very important in troubleshooting when and where leads fall into a “black hole.” Additionally, if your sales acceptance rating is high (a high percentage of leads are accepted as “real” opportunities by your sales team), but your ROI is low, there may be an issue with your sales team’s ability to close opportunities. Although this is a tough issue for marketing to directly impact, having this data will allow you to more easily escalate and communicate the issue within sales management.

Relationship with Sales

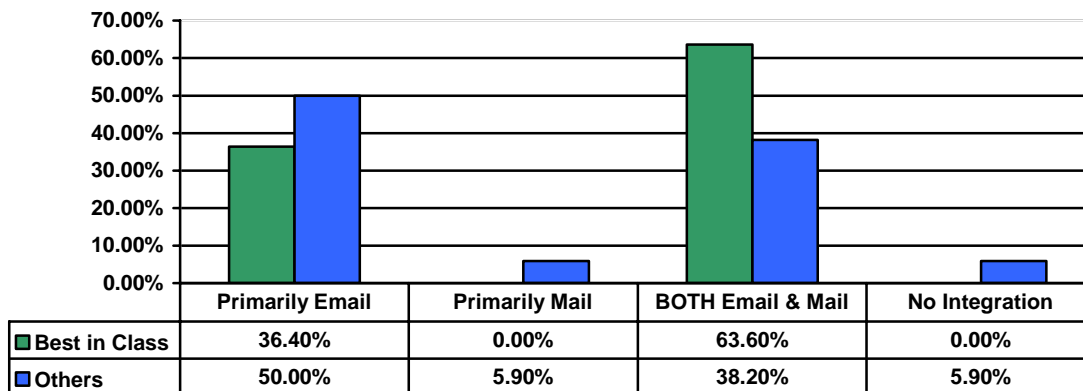
Another significant factor in being classified as a “best in class” marketer is the relationship with the sales organization. Our “best in class” marketers have indicated that they have a close relationship with the sales organization – including a regular and formal communication and feedback mechanism. In fact, **three times more** of our “best in class” marketers classify their sales relationship in this manner. Here are the results of the survey:



Note: Semi-close relationship is defined as **sporadic** communication and feedback with the sales team concerning lead generation programs.

Multi-Media Integration

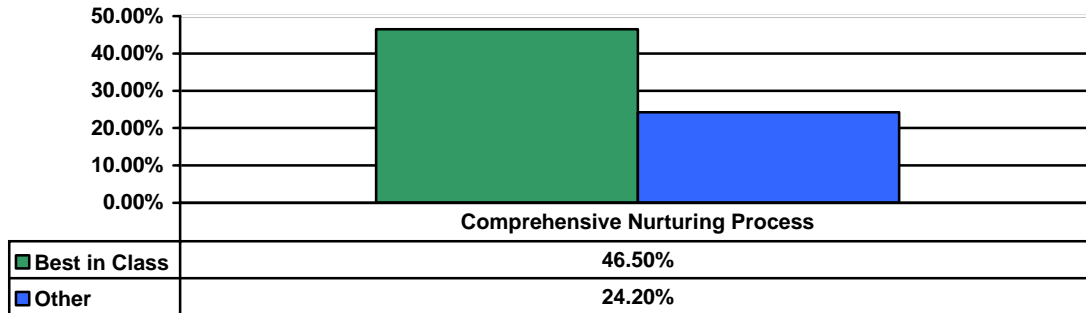
One of the most interesting findings is the difference in the integrated marketing mix. When asked about integrating email and/or mail into their telemarketing approach, respondents answered in the following way:



Observations: While nearly everyone is integrating email, the “best in class” marketers are integrating **both** email and mail into their telemarketing approach **25 percent more often.**

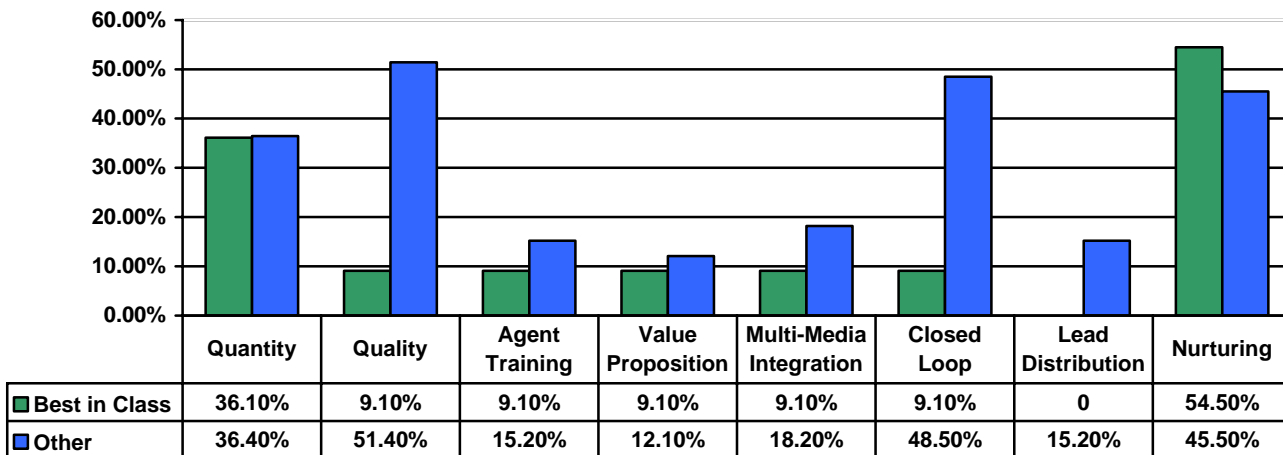
Nurturing

Eighty-two percent of all respondents have some type of nurturing process in place for their long-term leads. However, twice as many “best in class” marketers classify their process as “comprehensive” in contrast to other marketers.



Areas for Improvement

Refreshingly, none of the responding marketers classified their telemarketing process as “perfect.” Both groups indicated multiple areas for improvement, as illustrated in the following chart:



Observations: “Best in class” marketers are most concerned with improving quantity of leads, as well as improving their nurturing processes during 2008. In fact, 100 percent of the “best in class” marketers who did NOT classify their current nurturing process as “comprehensive” indicated it as an area to focus on improving.

Our “other” marketers most often indicated quality as an area for improvement in 2008 (compared to less than 10 percent of our “best in class”). Perhaps dissatisfaction with telemarketing quality is one of the primary reasons our “other” marketers are only somewhat satisfied – or even unsatisfied - with their overall telemarketing approach.

Conclusions & Advice

If you are unable to classify yourself as a “best in class” marketer, or if you are not satisfied that your telemarketing process is working and/or are unable to accurately attach revenue / ROI to your telemarketing campaigns, then you should consider the following enhancements:

Examine your Telemarketing Mix: Because an overwhelming 90 percent of our “best in class” marketers use proactive tele-prospecting or “cold-calling” as part of their lead generation telemarketing strategy, it’s advisable to examine if this proactive telemarketing tactic can help you achieve your goals.

Establish a Formal Communication process with Sales. “Best in class” marketers have a formal and regular communication and feedback process established with their sales team three times more often. It’s advisable to initiate this process at the management level – marketing managers and sales managers need to establish an open communication process with regularly scheduled conference calls to review lead generation initiatives, discuss overall lead quality/feedback, etc. *(Also, consider using a closed-loop lead administrator as described below).*

Take Control of Measurement: Measuring ROI and sales acceptance ratings are critical to determining the success of each telemarketing program, spotting issues and keeping/increasing lead generation funding. One hundred percent of our “best in class” marketers are able to accurately report their revenue and ROI, while 88 percent of them can also report sales acceptance ratings. If this is an area that you are struggling with due to CRM limitations or sporadic sales input, then consider employing a **closed-loop lead administrator**. A closed-loop lead administrator will monitor the CRM system and follow up with sales representatives via phone and email to gather key information such as pipeline, forecast and closure data, as well as qualitative feedback on the quality and type of leads provided. Although this is a manual process, it is highly effective in receiving and documenting ROI stats. **Bottom line--don’t let system limitations stop you from receiving the data that you need to achieve your objectives.**

Keep Email, and Add Direct Mail: Nearly 90 percent of all surveyed marketers are integrating email into their telemarketing programs. However, based on the results of our survey, a majority (63.4 percent) of our “best in class” marketers also integrate direct mail with their telemarketing. Look into expanding your media mix to include direct mail—either in advance of your calling effort or as a print-on-demand (customized) mailer based on the results of your telemarketing call.

Develop and/or Improve your Nurturing Strategy: Nearly twice as many of the “best in class” marketers have classified their nurturing strategy as “comprehensive.” “Best in class” marketers who cannot classify their strategy as “comprehensive” have all indicated a desire to improve their nurturing process. Keeping long-term leads from falling into a “black hole” is very important in maximizing marketing lead generation investments. **Take the time to improve or invest in a nurturing strategy during 2008.**

Keep in mind that NONE of our surveyed marketers have classified their telemarketing process as “perfect”. There is always room for improvement when you are striving to become or remain a “best in class” marketer!