

Best in Class Telemarketing Practices

Survey & Analysis Results

*Including...Five NEW Recommendations to
Improve Your Strategy in 2009!*

Prepared By:

TeleNet Marketing Solutions
www.telenetmarketing.com
877-282-2345

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Overview

For the second consecutive year, TeleNet Marketing Solutions surveyed marketing professionals to more thoroughly understand how business-to-business companies – primarily in the high-tech industry - are utilizing telemarketing within their lead generation strategy. The marketers surveyed range from lead generation managers to vice presidents of marketing and represent some of the largest and most recognized brands in the high-tech industry. Most of these companies are dealing with a complex sales cycles lasting at least 6 months. The survey delved into usage of telemarketing, processes, measurement and areas of improvement.

We have analyzed the data and have pinpointed the marketers who represent the “best in class.”

For the purpose of this analysis, our definition of “best in class” (BIC) includes marketers who can accurately tie closed revenue to their telemarketing initiatives *and* who classify themselves as “satisfied” with their overall telemarketing programs and approach.

Throughout this document, we have analyzed the responses of those who meet our “best in class” criteria and contrast their responses with the rest of the marketers who responded to the survey. Additionally, we have compared the results of our 2009 survey to the results of our first “best in class” survey conducted in January 2008 in order to understand what has changed and identify potential emerging trends, as well as new recommendations.

Key Findings:

Emerging Trends:

- Telemarketing is expanding beyond cold-calling and responder qualification. In the last 12 months there has also been a significant increase in the use of telemarketing for appointment setting, contact discovery (data hygiene), and lead nurturing.
- Notably, nurturing via telemarketing has increased by 127 percent among our BIC marketers. This suggests that marketers are seeing a need for “human touch” elements in their nurturing strategy.

Three Things our Best in Class Marketers are *Still* Doing Better:

1. Accurately tracking key metrics through the sales process.
2. Engaging their sales teams by having a regular and formal communication and feedback mechanism.
3. Utilizing a *comprehensive* process to nurture prospects until they are deemed “sales-ready”

Two New Findings:

1. Our BIC marketers most often ranked “Agent Training & Skill Level” or “Alignment of Product & Market” as the No. 1 element for telemarketing success.
2. Multi-media integration is widely used (96 percent of all respondents). At first glance, the use of multi-media integration and types of media utilized were relatively even this year for our BIC and “other” marketers. However, when we isolated a subset of the “other” respondents who specifically stated they were *dissatisfied* with their telemarketing programs, we did find that among these respondents there was a significant decrease in the integration of online content, as well as the integration of direct mail (more than 50 percent lower in both), thus illustrating a link between multi-media integration and satisfaction of telemarketing results.

Recommendations:

Five NEW Recommendations to Improve Your Strategy in 2009:

Recommendation #1: Measurement is not “one size fits all”. One hundred percent of our BIC marketers can measure pipeline and revenue as a result of their telemarketing programs, and ninety percent can also accurately track sales acceptance rates. This is a clear key to success. However, the way in which companies track key metrics varies: 50 percent use their CRM, 20 percent use their CRM *as well as* a Lead Tracking System, while another 30 percent also use some manual processes to accurately capture key metrics. Our recommendation is to find a system and a process that works for your organization. No single way of tracking works for all of our BIC marketers. Also, understand that your solution may require some level of manual interaction. For instance, some organizations assign a lead administrator(s) who obtains closed loop data by proactively emailing and calling sales representatives and encouraging data to be entered into a CRM (or entering information on behalf of a sales representative in a lead tracking system).

Recommendation #2: Telemarketing activities must be RELEVANT. One of two areas that our BIC marketers most often ranked as the most important element for telemarketing success is **alignment of the target market and product**. This points to relevancy. You can have a perfect message, but if you’re not aligning it with the “right” market, your results will suffer greatly. Some of the most effective campaigns we see as a telemarketing agency are those with messaging tailored to specific criteria such as industry, installed environment or title (i.e. Line of business vs. IT). As you engage in your next telemarketing program, ask yourself if the message is relevant and aligned to your target audience and look for ways to improve relevancy by tailoring your approach.

Another signal that relevancy is top of mind with our BIC marketers is their focus on nurturing. Many of BIC marketers have classified their nurturing strategy as “comprehensive”. By definition, nurturing is a relationship-building approach utilizing multiple media to provide **relevant** information tailored to prospects while engaging in an ongoing dialog until qualified prospects are sales ready. (See recommendation #3 below).

Recommendation #3: Nurture, Nurture, Nurture! For the second year in a row, our BIC marketers have out-nurtured our “Other” marketers by 100 percent. Additionally, 60 percent of our BIC marketers plan to *increase* their focus on nurturing in 2009.

The largest increase in our BIC marketers’ telemarketing usage between this year’s survey and last year’s survey is in the area of nurturing, suggesting that more marketers are also seeing a need for “human touch” elements to their nurturing strategy. Based on this increase, we suggest examining your own nurturing strategies to ensure they have a “human touch” instead of being solely email or web-based. When developing a lasting business relationship, it is critical to engage in verbal communication to build trust. Legitimate relationships are critically important when selling a service or solution. If you rely solely on electronic-based communication to nurture prospects, you are missing a critical element.

Recommendation #4: Multi-media Integration: Four Strategies. As stated already, multi-media integration is widely used. However, when we isolated a subset of our “other” respondents who specifically stated they were *dissatisfied* with their telemarketing programs, we found that they also reported significant decreases in the integration of online content as well as direct mail (more than 50 percent lower in both). Conversely, the highest satisfaction

levels are from marketers who integrate all four major elements - email, webinars, online content and direct mail - into their telemarketing lead generation approach. Here are some tips for integration:

Webinars = While most marketers follow up with webinar attendees, we've found that calling those who registered, but did not attend, also yields significant results. They are typically prospects who are so busy putting out fires (which you may be able to solve!) that they just don't have time to attend. If you add these prospects to your telemarketing program, you'll develop more leads.

Direct Mail = Traditional direct mail campaigns with telemarketing follow-up can yield positive results. However, with the turmoil of the economy, businesses experience more turnover. Therefore, your direct mail dollars may be wasted on unconfirmed contacts. Since telemarketing can easily navigate through an organization and find the correct contacts, we recommend using a call-mail-call approach instead. With this approach, the initial call is used to identify and speak to the decision-makers. Then, a subset of the prospects – those who are qualified, but not immediate leads - are sent a slightly customized mailer. Lastly, these qualified prospects are contacted again via telemarketing in order to progress the sales process. (Interesting side note: contact discovery via telemarketing has increased 83 percent within our BIC marketers)

Email & Online Content = Directing your prospects to key online content helps to provide a "next step" to those who do not immediately require sales attention. We recommend a second touch email after each conversation in order to push prospects to relevant online assets based on their needs.

Recommendation #5: Be Involved with Agent Training & Development. Whether using an outside vendor or an internal team, marketers should be directly involved with the initial training and ongoing development of the agents who support their programs. Forty percent of our BIC marketers ranked Agent Training & Skill Level as the single most important element for success. Here are some steps to take:

- a. **Know that training is not a one-time event.** Engage quarterly training sessions with your telemarketing team to update them on new products, benefits, market changes, etc. Keep the team informed of your go-to-market strategy.
- b. **Utilize certification programs that you already have in place.** If you require your sales team and/or reseller channel to engage in training certification programs, extend the program to your strategic telemarketing agents (especially those supporting your nurturing activities)
- c. **Open lines of communications between sales & telemarketing.** One of the best ways to develop telemarketing agents is to provide feedback directly from the sales team. A way to achieve this is by having monthly conference calls with your sales managers and/or select sales reps or channel partners. Having a clear agenda for each meeting will ensure they are smooth and meaningful.

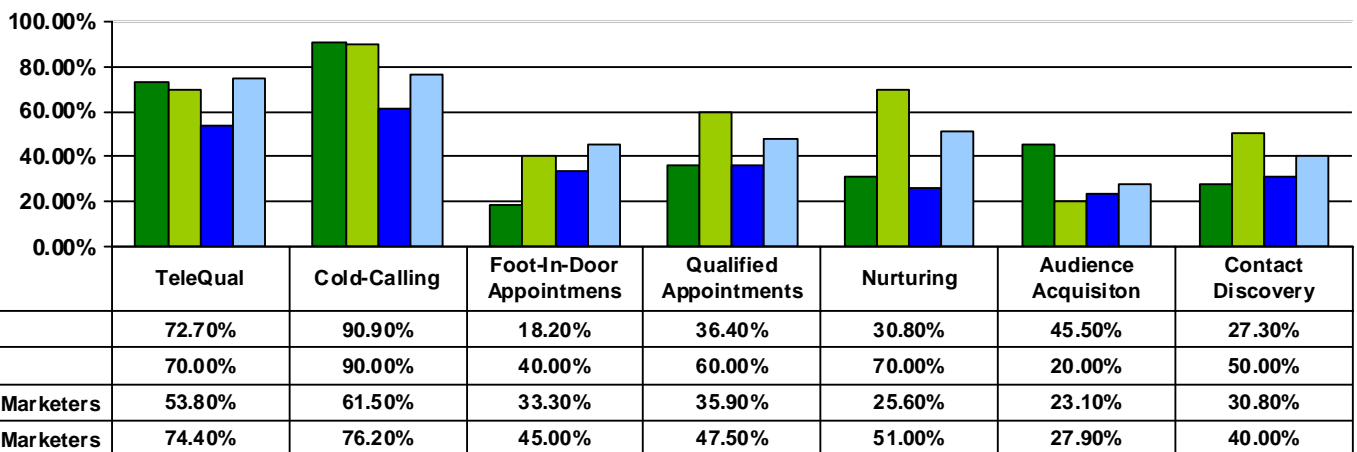
Details of the Survey & Analysis...

Utilization of Telemarketing: How are marketers using Telemarketing?

Key Observations:

- Our BIC marketers have continued a strong cold-calling (90 percent) and tele-qualification (70 percent) strategy. Also, our “other” marketers have closed the gap on both activities, illustrating a stronger focus for all participating marketers on cold calling and tele-qualification.
- Appointment Setting is becoming a more prominent piece of the telemarketing mix. Sixty percent of BIC marketers engaged in Qualified Appointment setting, as compared to only 36.4 percent last year.
- Our BIC marketers engaging in Contact Discovery activities via telemarketing has increased by 83 percent.
- By far, the largest increase in telemarketing usage is in the area of Nurturing. We see an increase of 127 percent in our BIC marketers using telemarketing for Nurturing, suggesting that more marketers are seeing a need for “human touch” elements to their nurturing strategy.
- Audience Acquisition is the only telemarketing area that has decreased among our BIC marketers, dropping by 50 percent.
- Our BIC marketers utilize telemarketing for more activities than our “other” marketers. On average, our BIC utilize telemarketing for five activities (examples of activities = cold-calling, appointment setting, etc), while our “other” marketers engage in 3.5 telemarketing activities on average.
 - While our “other” marketers have also increased nurturing, appointment setting and contact discovery, the percentage increase is not as significant as our BIC group.
 - If we look at our BIC marketers as our trendsetters, then we should anticipate a stronger focus on telemarketing used for Nurturing, Appointment Setting and Contact Discovery throughout 2009, while continuing to maintain a strong focus on cold-calling and tele-prospecting activities.

The following graph illustrates how our “best in class” marketers and “other” marketers utilized telemarketing within their lead generation strategy as reported in January 2008 and again in January 2009

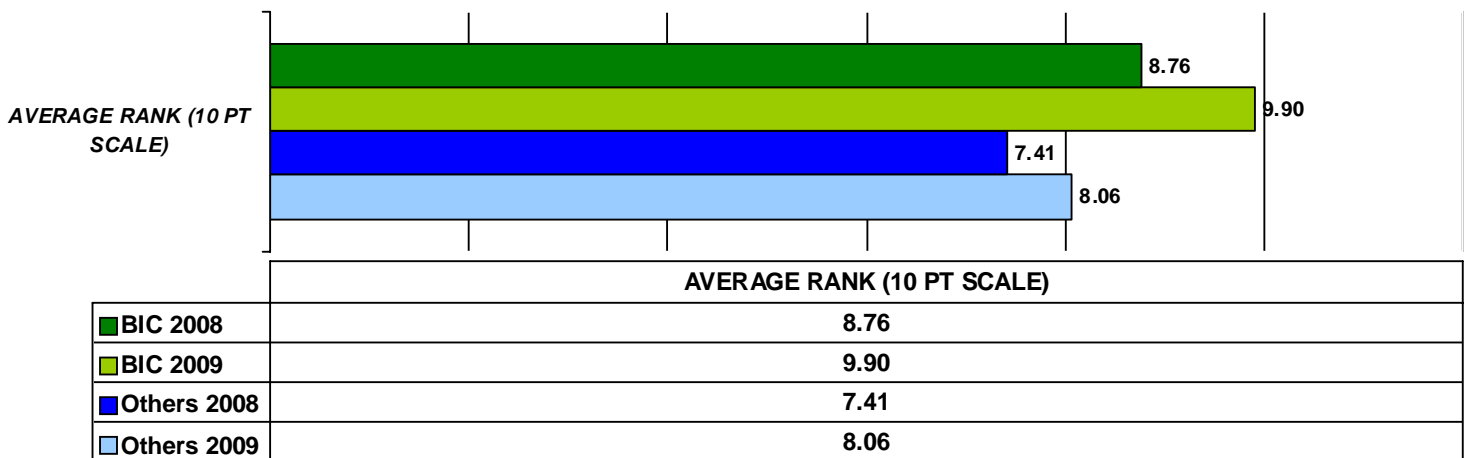


Importance of Telemarketing: How important is Telemarketing to our Marketer’s Lead Generation Strategy?

Key Observations:

- 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 a staggering 90 percent of our BIC ranked telemarketing a “10” - compared to 38.6 percent of our “other” marketers.
- Still, as we compare the average 2009 rankings to our last year’s survey results, both groups have increased the importance of telemarketing as part of a lead generation strategy – and both rank it quite high.

The following graph reflects the AVERAGE ranking as reported in January 2008 and again in January 2009

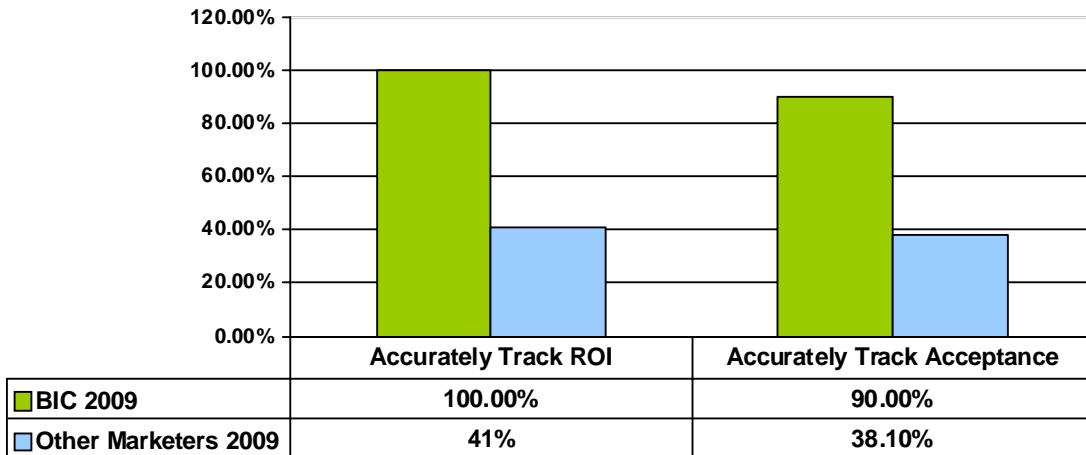


Telemarketing Measurement: How are our marketers measuring success?

Key Observations:

- While the vast majority (nearly 70 percent) of all our responding marketers rank ROI as the number one metric to determine the success of a telemarketing program, 23.5 percent rank the sales acceptance rating as number one, compared to only 7.8 percent that rank Cost per Lead as the top metric.
- Our BIC marketers continue to lead in the ability to track key metrics. One hundred percent can accurately track ROI and 90 percent also accurately track Sales Acceptance Rates, which is 62 percentage points and 59 percentage points higher than our “other” marketers respectively
- Interestingly, while 50 percent of our BIC marketers use their CRM to track ROI, thirty percent state that they need both their CRM as well as manual processes to accurately track their ROI. The remaining 20 percent utilize a lead distribution tracking system that is either integrated or separate from their CRM.

The following graph compares our BIC and “Other” Marketing responders in their ability to track Sales Acceptance and ROI



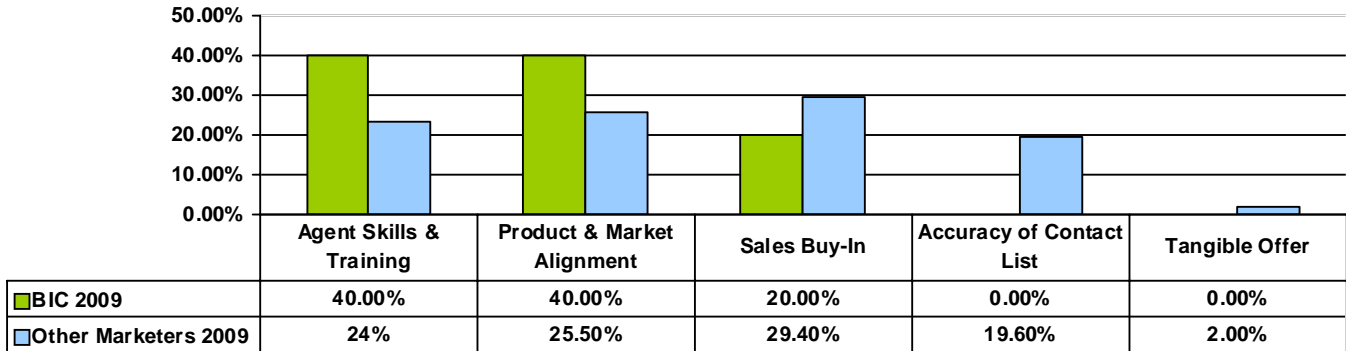
Elements of Success – What do our Marketers view as the MOST important element of a telemarketing program? (*A new question unique to the 2009 survey)

Key Observations

- Our “other” Marketers were nearly evenly split among four of the five categories, while our BIC Marketers honed in more prominently on two categories: Agent Skill Level & Training, as well as Alignment of Target Market & Product.
- Interestingly, of the respondents who documented “Sales Buy-In” as the **most** important element, two-thirds also stated that they could not classify their relationship with their sales organization as “close,” perhaps illustrating that when the sales/marketing relationship is not close, lack of a relationship with the sales organization is viewed as an obstacle to success.
- Accuracy of the Contact List was **not** ranked as the most important element among our Best in Class marketers. However, again - the *alignment* of the target market and the product was ranked as most important by 40 percent of our BIC. This seems to suggest that the product must align to the target market or “list” (i.e. appropriate verticals, relevant size/type organizations, required installed base, etc); however, if the contact level accuracy is not stellar, it is not a roadblock to success. This is not to say that our BIC do not find value in improving their contact lists. Later in this document, we find that [50 percent](#) of our BIC want to improve their list targeting and those same responders plan to increase telemarketing for data hygiene/contact discovery.

This was likely the most challenging question for marketers to answer, as the reality is that all elements are important. However, the responses give marketers reason to focus even more time and energy on Agent Training & Skills and Alignment of Market & Product since our BIC ranked them more often as No. 1.

The following graph compares our BIC and “Other” Marketers in terms of what they rank as the single **MOST IMPORTANT** element for telemarketing success:

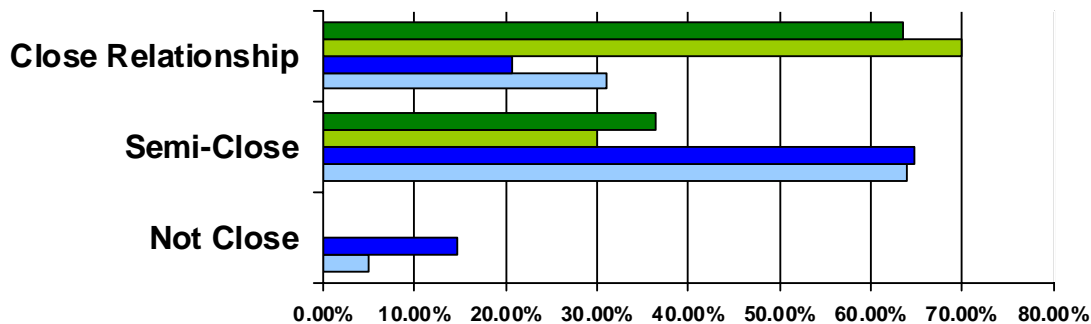


Relationship with Sales – How do our Marketers classify their relationship with Sales?

Key Observations:

- Consistent with 2008, the vast majority of our 2009 BIC marketers (70 %) state that their relationship with the sales team is close and includes a regular & formal feedback mechanism.
- While our “other” marketers have improved slightly in this category, sales relationship is clearly a significant difference between the two groups of marketers.

The following chart illustrates how our BIC and Others characterize their relationship with Sales:



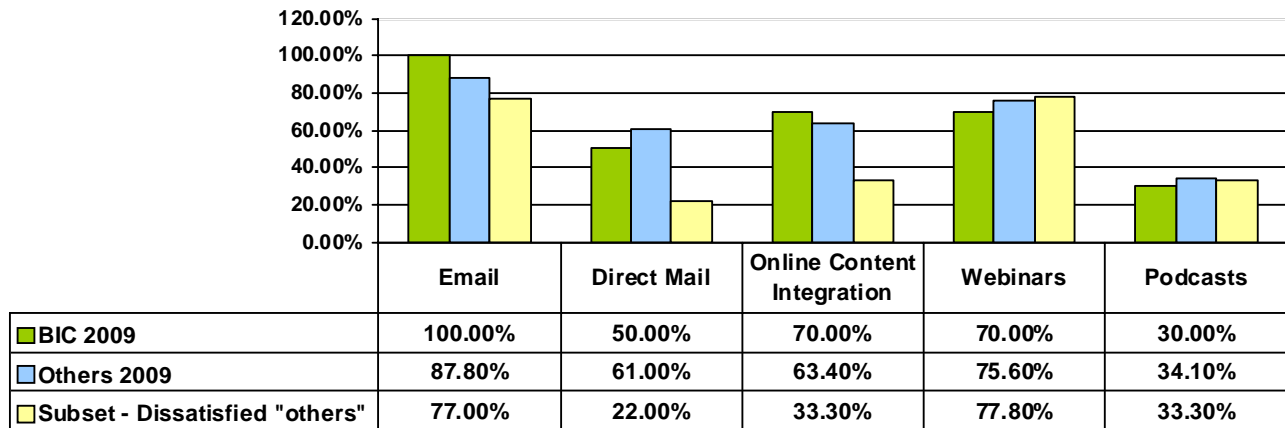
	Not Close	Semi-Close	Close Relationship
■ BIC 2008	0.00%	36.40%	63.60%
■ BIC 2009	0.00%	30.00%	70.00%
■ Others 2008	14.70%	64.70%	20.60%
■ Others 2009	5.00%	64.00%	31.00%

Multi-Media Integration: What types of media are our Marketers integrating and does it increase success?

Key Observations:

- In 2008, a significant difference was that the “best in class” marketers were integrating both email and mail into their telemarketing approach 25 percent more often (versus email alone).
- At first glance, the use of multi-media integration and types of media utilized were relatively even this year for our BIC and “Other:” marketers. However, when we isolated a subset of the “other” respondents who specifically stated they were dissatisfied with their telemarketing programs, we found that these respondents was also reported a significant decrease in the integration of online content (33 percent as compared to 70 percent of our BIC) and a significant decline in direct mail integration (22 percent as compared 50 percent of our BIC).

Following are the results of the 2009 survey regarding multi-media components.

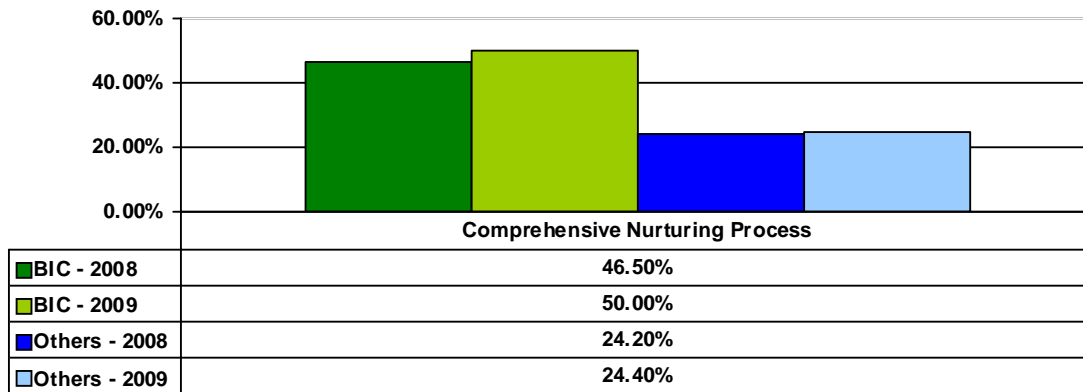


Nurturing – How well are our Marketers nurturing their leads/prospects?

Key Observations:

- Eighty percent of all respondents have some type of nurturing process in place for their long-term leads. However, twice as many BIC marketers classify their process as “comprehensive” in contrast to the “other” marketers.
- The 2009 results are quite consistent with the 2008 survey. Our BIC marketers using a comprehensive strategy have increased by 5 percent while our “other” marketers have remained level.

The following chart represents the percentage of those who classify their nurturing strategy as comprehensive:

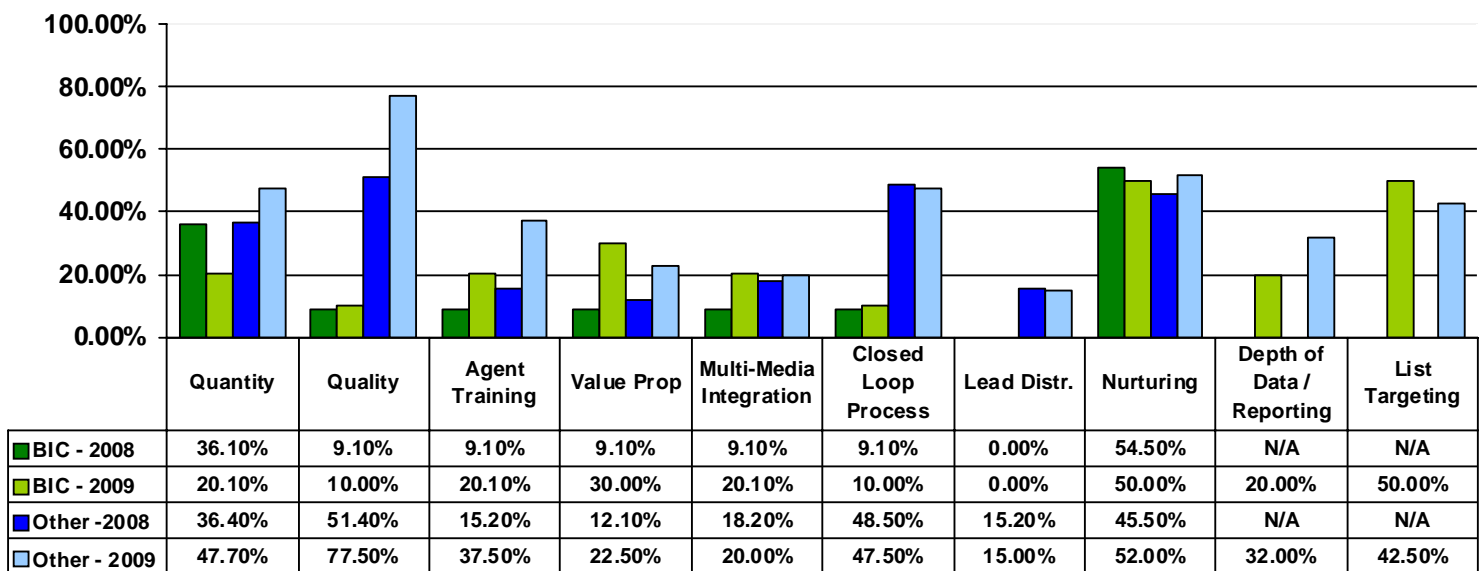


Areas for Improvement – Which areas do our marketers want to improve?

Key Observations:

- The top two areas of improvement for our BIC marketers in 2009 are Nurturing and List Targeting. In 2008, the top two areas were Quantity of Leads and Nurturing.
- While our “other” marketers are also interesting in improving Nurturing and List Targeting, by far their biggest desired area for improvement is in lead quality – with a staggering 77.5 percent of respondents wanting to improve quality.

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



Areas for Growth – What types of telemarketing will our marketers increase in 2009?

Key Observations:

- Analyzing the answers from our marketers in 2008 compared to 2009 on page 7, we saw three areas in which telemarketing was gaining momentum. Those areas are: Lead Nurturing, Appointment Setting and Contact Discovery. These are also three of the areas in which 40 percent or more of our BIC respondents also project increasing in 2009 (see graph below).
- Ninety percent of our BIC utilize cold-calling as part of their telemarketing strategy. We also see that 60 percent of our BIC plan to *increase* use of cold-calling in 2009. This is compared to 41 percent of our “other” marketers.
- The most significant difference between our two groups of marketers is in the area of contact discovery/data hygiene. More than double the number of our BIC marketers plan to increase telemarketing for this activity as compared to our “other” marketers. Interestingly, 42.5 percent of our “others” stated list targeting was an area of improvement, but only 20 percent plan to improve their contacts through telemarketing. Conversely, half of our BIC marketers cited list targeting as an area of improvement, and 100 percent of those same BIC marketers also plan to increase telemarketing in support of data hygiene. A notable difference is that BIC seem to more often view telemarketing as an actionable way to improve list quality and plan to increase activity as a result.

The following graph illustrates the areas that our marketers plan to INCREASE in 2009.

