

Theory Becomes Reality

Every so often, *From the Lab* takes a look at the latest trends in telemarketing. After all, your telemarketing strategy could make or break your campaign. This month, industry expert and seasoned telemarketing veteran George Smith from West Corp. discusses the pros and cons of using automated interactive voice response (IVR) technology vs. live agent operators.

When asked why IVR seems to work now after many failed attempts in the past, Smith says, "When we originally tried to utilize IVR technology, frankly it failed miserably as the consumer was reluctant to leave even the simplest of information in the system, such as a name and address." Smith believes that IVR now works for several reasons:

- "Forced education" of the consumer. In order for a consumer to reach almost any major business entity by telephone, IVR answers the call and then "forces" the consumer to go through a prompt menu by either using a touch-tone keypad or by speaking.
- Every year, the consumer who responds to a direct response offer grows more computer literate. This type of person is not fearful of technology. As a consequence, the number of people willing to use IVR will increase each year.
- IVR technology has improved dramatically during the past couple years. Not only can touch-tone be used, but also sophisticated speech recognition is now available. This makes the experience for the consumer much more comfortable.

So, does the general acceptance of IVR technology announce the death knell of live agents handling calls? According to Smith, "Absolutely not!

Not every caller is willing to use IVR.

In addition, IVR cannot do everything a live agent can accomplish when in a "total" selling situation — like a soft offer where everything has to be explained in detail and the telemarketer has to be prepared to instantly answer any question."

The latest trends are proving that a combination of live agent and IVR may be the way to go — and the best way to maximize cost effectiveness, call handling and conversion. The potential cost savings brought on by IVR is among the first considerations when deciding how to inte-



grate an IVR system. Although there are many variables that will determine the actual savings, IVR should reduce the average order cost by at least 60 percent in most cases.

Assuming the IVR provider has significant "port capacity" (i.e., the number of incoming lines that can handle a call), the issue of busies is minimized. This can only add to the number of completed calls and orders taken for the client. There is also little or no derogation in initial order conversion; consumers are still converting their base orders. Over time, order conversion rates should increase as scripts are modified to address the "non-order" concerns of the callers.

Also, an increase in upsells (more of the same) and cross-sells (a synergistic offer to the initial item ordered) is another bonus many IVR users have discovered. IVR systems consistently present additional offers to the consumer exactly the same every time. There is no derivation in how the offer is presented and, of course, the script can be modified to fine tune the presentation.

So why use both IVR and live agents? As exciting a tool as IVR technology has become, there is still the need to utilize live agents. Not every consumer is willing to use IVR.

A properly implemented system allows the consumer to go to a live agent either before the call commences or during the call. This, of course, maximizes the benefit of the media expenditure. Most importantly, a campaign should initiate with a live agent only with a service that provides voice recordings of both order calls and even more importantly, non-order calls. Only when calls are listened to (especially non-order calls) can one determine how to construct the IVR script.

Although this slightly delays IVR implementation, the script is much more productive. It also can save time and money by not having to add significant modifications to the IVR scripts.

There are campaigns where the actual order may need to be completed by a live agent. However, IVR can often be employed at the front end of the call to educate the consumer as to details of an offer in a cost-efficient, consistent manner. Also, some consumers are becoming increasingly (and sometimes validly) concerned about divulging personal information to a telemarketing agent (e.g., credit card numbers, Social Security numbers, etc.). A properly implemented system will allow the consumer to be diverted from a live agent at the end of a call to an IVR to provide the information.

Take 2 Direct specializes in providing uniquely creative and highly responsive commercials and campaign management. If you want to sell your product and need a company that has the creative vision to drive the call, as well as the practical experience to manage the intricate back-end process, contact Take 2 Direct at (714) 979-5555 and ask for Adam MacDonald at x202 or Kelly Burke at x203.



Response Magazine

Direct Response Marketing's Leading Publication for 14 Years!

Our Mission
To educate,
advocate for and
lead the direct
response market.

The only independent source for direct response marketers