

## The Jury's Still Out... But Interactive Voice Response Looks Promising

More than ever, DRTV marketers need to find creative ways to reduce costs and increase margins. Telemarketing, being the cornerstone cost that it is, is one area that can significantly impact the profitability of a DRTV campaign, so we're always looking at how we can improve telemarketing results and decrease telemarketing costs. Interactive Voice Response (IVR) is quickly becoming a hotly debated technology for call center solutions. Consider some preliminary points laid out in the table below, and deduce what IVR might mean for conversion percentages, costs and overall campaign success.

IVR vs. Live Operator	
IVR	Live Operator
<b>CALL VOLUME</b>	
Every call is answered, almost without exception, which means the marketer sees the full response potential.	Occasional call blockage due to busy operators, and in some cases limited line capacity, which the marketer rarely knows about.
<b>PITCH</b>	
The voice is real, but it's a recording. It's the same pitch every time, with the same inflection and the same energy; everything is pronounced the same way, every time.	Since it's a real person, there is a natural inconsistency to the pitch from call to call, which can work for and against you. One call might have all the interpersonal warmth a customer might need, and on the next call, the customer could be met with stutters and disinterest.
<b>UPSELLS</b>	
Upsells are read every time, with the same pronunciation, inflection and energy each time.	Live agents may or may not read the upsells, and when they do you're dealing with all the possibilities that you're dealing with on the initial pitch (see above).
<b>RECORDS</b>	
Every call is recorded automatically, and every decision a customer makes is their own, thus records are very accurate.	Records are kept according to agent input, therefore are subject to natural inconsistencies.
<b>COST PER CALL/PER ORDER</b>	
Tends to be pennies per minute; you could estimate that IVR would be anywhere from three to seven times less expensive than live operator telemarketing per call.	Could be anywhere from \$.70 to \$1.20 per minute, without even considering commissions to agents, etc.
<b>CALL TIME</b>	
Might be a bit longer or a bit shorter than live ops, depending on your product and offer. If it is longer, it wouldn't be substantial and the benefits of the cost savings could more than make up for additional call time.	Depending on your product and your offer, live operator average order call time can range from 3 minutes as high as 12 minutes per order or more.

### Preliminary results from IVR look promising. Why?

- People are more and more accustomed to interfacing with computers over the phone. It's no longer an alienating experience to most consumers, as they change with technology.
- Do people expect as much from an IVR system as they do from a live operator? If they can't get a piece of information from a computer (such as a FAQ), are they as frustrated as they would be if

they couldn't get that info from a live operator? Perhaps consumers expect more from a live person than they do from a computer.

- IVR pitches are always pleasant, always clear and the presentation is always given the same way.
- The consumer knows they're dealing with a computer — every decision, every step the customer takes is by his or her own choosing. Are consumers more patient with computers, knowing this process?

For years, Adam MacDonald has given direct response marketers an edge by combining in-depth knowledge and "big picture" DR experience to provide uniquely creative and practical input in developing successful DR campaigns. We are now excited to announce our transition from TEST Marketing Group to Take 2 Direct, specializing in bringing your vision to screen with unparalleled creative production, taking your product to market and managing all the details in between. As 2004 unfolds, Take 2 Direct will continue to bring "From the Lab" to *Response* readers with as much expertise and curiosity as ever. For the latest trends in creative direct response marketing, contact Take 2 Direct at (714) 979-5555 and ask for Adam MacDonald at ext. 202, or Betsy Sanz at ext. 212.

