Telemarketing

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Contents

Telemarketing is a powerful, highly targeted way to communicate with business decision makers and influencers. This article provides an overview of outbound telemarketing and its role in the business-to-business sales and marketing process. As part of the comprehensive set of marketing tools offered by IBM PartnerWorld® for Software, it reflects IBM's strong commitment to helping you take advantage of the opportunities in this next generation of e-business.

What is telemarketing?

Telemarketing combines telecommunications and information systems with personal selling and servicing skills to help companies keep in close contact with existing and prospective customers, increase sales, and improve business productivity. It is often used in an integrated, "multi-touch" marketing campaign because it can dramatically increase the campaign's overall success rate. With an emphasis on personal selling using non-face-to-face contacts, telemarketing is an integral part of a well planned, organized, and managed marketing program.

There are two types of telemarketing:

- **Outbound.** Outbound telemarketing, the focus of this article, is outreach by a representative from your company, over the telephone, to a customer or prospect. The objective of most outbound business-to-business telemarketing calls is to generate qualified leads. There are other applications as well, which are listed below. A call to someone who has no prior relationship with your company is called a "cold call." Telemarketing cold calls can be an efficient and cost-effective way to generate leads and qualify prospective customers for a salesperson to follow up in person.
- **Inbound.** Inbound telemarketing occurs when customers or prospects call your company. They are usually already interested in your product or service, and may ask questions that will help them decide on a purchase, make an appointment with a sales representative, or place an order.

Most people think of selling when they think about the term "telemarketing." But telemarketing can be used effectively throughout every phase of the sales cycle (Figure 1), from building awareness and increasing preference for your offerings, to discovering and encouraging qualified prospects, right through to up-selling companies who are already your customers.

Telemarketing can aid every phase of the sales cycle

Prospect/Customer Mindset

Build Awareness & Shape Perceptions	**Not Ready to Buy**
Increase Consideration & Preference	**Distantly Considering Purchase**
Generate Leads	**Actively Seeking Solution (Researching)**
Nurture through to Sale	**Evaluating Vendors**
Up-sell & Keep Loyal	**Have Bought**

Figure 1

The goal of your telemarketing campaign can be as simple as confirming a name and title to add to your database. Or it can be as complex as qualifying a company for your solutions based on such factors as technology environment, business problems, IT budget and buying intentions. The typical goals of telemarketing include:

- Name discovery (e.g., determining who is responsible for IT purchasing decisions)
- Database maintenance
- Event support (e.g., drive seminar attendance)
- Lead generation
- Lead qualification
- Appointment setting

Telemarketing also can be a valuable tool for post-sales customer service. For example, calling to gauge a customer's satisfaction with a product/service they have just bought can yield information about potential add-on sales. If the customer is unhappy, this could trigger a follow-up visit by a salesperson to be sure the issue is resolved so the customer remains loyal. In addition, the intelligence gathered from follow-up telemarketing can be an extremely useful feedback channel for fine-tuning your entire selling process and even making modifications to your product/service.

Using telemarketing in a multi-touch campaign. Telemarketing is often used in one or more phases of an integrated, multi-touch marketing campaign to increase the campaign's overall effectiveness. For example, if you are planning an e-business seminar to promote your IBM-based software solutions, your telemarketing representative may call companies before the invitations are mailed to add new contacts to your mailing list and correct out-of-date information (i.e., name discovery and database maintenance). After the mailing is sent, he or she may contact recipients to secure attendance at your seminar, and then after the event, follow-up with attendees to further qualify them and set an appointment with your sales representative.

Benchmark response rates. Telemarketing is usually more time-consuming and expensive than direct mail or e-mail campaigns. However, when executed by skilled operators using a high-quality list, telemarketing can be extremely effective, with benchmark response rates as high as 10%.

Before you begin

Before you begin planning your telemarketing campaigns, make sure you have established the profile of the ideal contact in your target customer base. For example, is the primary decision maker a line of business executive? The CIO? An IT manager? The *Target Audience Planner* article, offered as part of the IBM PartnerWorld Co-Marketing Developing Skill Series, includes a useful worksheet to help you define and assemble this information.

To access this article and other marketing skills resources, visit PartnerWorld University at **ibm.com/**partnerworld.

Elements of a successful campaign

The key elements of a telemarketing campaign include:

- Objectives: Using the Addendum in the *How to Choose the Right Tactic* article, define your objectives for the campaign. The objective should be a result that is measurable, such as securing attendance at a seminar, establishing information about a company to qualify them for your offerings, or even disqualifying a company or contact and removing them from your database.
- List: One of the key contributors to the success of any telemarketing campaign is your list. Make sure you include current customers and

qualified prospects in the list you assemble. If you use a third-party list (e.g., members of the local Chamber of Commerce, or a list of mid-sized insurance companies that you rent from a list broker), you should anticipate that some of your telemarketing resources will be spent correcting contact information. As business professionals relocate, change positions or leave companies, it is virtually impossible to keep a list 100% accurate at any time. If you are using an in-house list, be vigilant about correcting data as you discover errors.

Consult the Target Audience Planner article for useful and detailed information on types of lists, how to obtain them, and a checklist of questions to consider.

- Telemarketing Script: Develop a detailed script for your telemarketing representatives to use. A well-designed script provides multiple paths that a call can take, depending on the contact's answers. For example, if your telemarketing representative establishes that a contact is interested in security and business recovery solutions but can't attend your upcoming seminar, the representative needs to quickly branch to a place in the script that lets him or her offer some other premium or next step to keep the sales dialog going. Another important point is to make sure the qualifying questions are at the beginning, so that the representative can quickly end the call – but not without asking if the contact can recommend another company or contact that would be a better fit for your offering.

  For good examples of telemarketing scripts that show branching, how to handle objections, and a list of leading questions, consult the IBM Start Now Solutions Business Partner Calling Guide. Its URL is listed in "How IBM Can Help You" section of this document.

- Training. Identify and provide any special product or sales training required to make your telemarketing representatives more effective. When you begin using a new script, gather feedback frequently from your telemarketing representatives on unanticipated questions or issues that arose during calls, and incorporate responses to these into the ongoing education of your representatives.

- Measurement. Tracking the cost and effectiveness of your telemarketing activities is important, especially since telemarketing can be fairly resource-intensive. (Although a skilled telemarketing representative may make 25-30 phone calls per hour, they may connect with only a few decision maker/influencers in that same timeframe.) The variation

in success rate is linked to many factors, including the length of the telemarketing script, the market awareness of your company, and the obstacle posed by a "gatekeeper" (such as "always-on" voicemail or an executive assistant).

See the *Measuring Your Return on Investment (ROI)* and *Closed Loop Campaign and Response Management* articles for a discussion of what to measure and how to measure it. The following is a list of things to consider when measuring the success of a telemarketing campaign:

- Lead generation percentage (percentage of decision makers/influencers contacted that resulted in a qualified sales lead)
- Lead source effectiveness (i.e., the list(s) that yield the best results)
- Average closing ratio (percentage of sales leads that result in a closed sale)
- Average revenue of sale
- Average time to close the sale
- Cost per call
- Cost per qualified lead
- Cost per sale
- Return on investment

Effective business-to-business telemarketing

Always begin calls with your name, the name of your business, and why you're calling. You may want to leverage the brand equity of IBM by describing yourself as an IBM Business Partner. Your reason for calling can either be a compelling benefit statement that convinces the contact they want to continue the conversation, or can be designed as the first in a series of brief questions that qualify the prospect's need.

Avoid the executive's gatekeepers (such as an administrative assistant) by calling very early in the morning, at lunchtime or after normal office hours. This technique often lets you get around voicemail, too.

Try to avoid calling business professionals on Mondays – when they are anxious to tackle the week's work —or on Fridays — when they are already in a weekend frame of mind.

If the person you are calling is abrupt or seems rushed, try asking when would be a good time to call back and set a specific date and time.

Referrals are powerful ways to get the attention of a caller who might be neutral or even hostile. If you are calling someone whose name was provided by a mutual colleague or someone else in the prospect's or customer's company, make sure you say so (e.g., "JOHN SMITH gave me your name and suggested I call").

If you send information after speaking to a qualified prospect, follow up with a call 7-10 days later. Do not wait for the prospect to call you.

Figure 2

How IBM Can Help You

"We have taken advantage of IBM's strategic relationship with direct marketer Harte-Hanks to provide us with value-added telesales services. By pre-qualifying our leads, we definitely have a much better target success rate."

- Cara McFarlane, Silicon Plains Technologies marketing manager

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When you are ready to begin planning your telemarketing campaigns, IBM's PartnerWorld for Software provides valuable resources to help you with program execution. Some of these include:

- Scripts and related sales and marketing tools. The IBM Software brands (DB2®, Lotus®, Tivoli® and WebSphere®) and many of the solution offerings, such as Start Now Solutions, provide a range of telemarketing resources to help you achieve even stronger communication with your customers, increase your sales opportunities and improve your campaign results. These resources range from scripts and audience profiles to training guides and presentations.

- IBM Campaign Designer Marketing Link is a new referral service which links IBM Business Partners to third party vendors who offer services designed to complement multi-touch, lead-generation activities. Some of the services include: Response Management, Teleservices, Event Audience Generation and Registration Services, Fulfillment Services, Marketing Analytics, Direct Mail/Printing Services, e-mail Marketing, and Webcast Services.

- If you decide to engage a third-party telemarketing firm rather than using in-house resources, your IBM Regional Manager may be able to offer you insight about telemarketing firms in your area.

For more information, visit the following Web sites:

Telemarketing
ibm.com/partnerworld/software/zone > Marketing resouces > Marketing materials

Co-marketing
ibm.com/partnerworld/software/zone > Marketing resources > Co-marketing funding

PartnerWorld University
http://www.ibmweblectureservices.ihost.com/pwu > Sign-on > Sales and marketing college > Marketing skills development series

Conclusion

Telemarketing provides a highly personalized and targeted way to communicate with business decision makers and influencers. Unlike consumer telemarketing, business-to-business telemarketing often succeeds because the contact being called is experiencing relevant business "pains" and is receptive to your solution. By showing how your offering can address their business needs and by leveraging the brand equity of IBM when you call, you can take advantage of telemarketing to accelerate the time it takes to move prospects through the sales cycle.

Key takeaways:

- *Set measurable objectives that move prospects along in your company's sales process. Avoid vague goals such as "introducing your company"*
- *Use a telemarketing script for every call. Make sure it offers a compelling benefit statement for your offering very early in the call*
- *Include telemarketing as part of an integrated multi-touch campaign to increase your return on investment*
- *Consult IBM marketing resources for existing scripts or other resources that can help you conduct your campaigns*

The examples below, excerpted from the *IBM Start Now Solutions Business Partner Call Guide*, illustrate some frequently asked questions and common

objections that your telemarketing representative might encounter when conducting a campaign for Start Now. Be sure to include a complete list of FAQs and objections in any telemarketing script that you develop.

FAQ	Response	Leading Question
What is Start Now?	Start Now Solutions are designed to help growing companies get off to a profitable start in e-business as well as enhance their current solutions.	Can you briefly describe how your company is currently using the Internet? And how you would like to use it in the future?
What do the solutions include?	Solutions include a combination of IBM software, hardware and services that directly meet the specific needs of growing companies like yours.	What e-business solutions have you already put in place?
How long does it take to implement?	As little as three weeks.	When were you looking to implement a new e-business solution and enhance what you have currently?

Objection	Rebuttal	Leading Question
IBM is too expensive.	Start Now was designed and priced specifically to give growing companies like yours the advantage of IBM solutions at an affordable price.	Did you know that many companies have seen a return on investment in under SIX MONTHS, after implementing Start Now Solutions?
Don't want to add more components.	Start Now solutions simplifiy management of your existing systems and provide a firm foundation for e-business.	Are your current infrastructure components delivering all that they promised?
Not on the Internet/no e-business.	Regardless of where your business is, Start Now makes building enabling and expanding your e-business as easy as filling in the blanks.	Did you know that last year alone, businesses just like yours lost millions because they had no Internet presence or lacked e-business capabilities?