Chapter 3

TELEMARKETING
Telemarketing describes the use of telephone operators to attract new customers, to contact existing customers to ascertain satisfaction levels or to take orders, in the case of routine orders; it is called telesales. Many customers routinely order goods and services by telephone. Telemarketing has become a major marketing tool. In 1998 telemarketers sold $428 billion worth of products and services to consumers and business.

Some telemarketing systems are fully automated. Automated dialing and recorded-message player (ADRMPs) can dial numbers, play a voice, activated advertising message, and take orders from interested customers on an answering machine device or by forwarding the call to an operator. Telemarketing is increasingly used in business as well as consumer marketing companies use telemarketing to reduce the amount of personal selling needed for contacting its dealers. Telemarketing, as it improves with the use of videophones will increasingly re-place though never eliminated, more expensive field sales calls. An increasingly number of sales people have made five and six figure sale without ever meeting the customers face to face. A sales people and buyers become more comfortable with e-commerce, sales travel cost will go down.

**Scope of Telemarketing**

With the changing market trend and increasing use of direct marketing as a tool of business the scope of telemarketing is getting vast day by day. Till some years ago telemarketing was simply considered as a pursuing phone call for a product or service but now it is much more than that. It takes more than just telephone to get good results. A telemarketing must have qualified telephone operators who have been well trained in the use of the telephone as a marketing tool; this includes training in proper voice inflection listening skills, persistence and patience.
The seven most significant areas where the telemarketing has a major role to play are following:

- Selling including inbound and outbound calls.
- Setting qualified appointments.
- Generation leads
- Surveying
- Providing customer service.
- Advertising (public relations).
- Pursuing collections.

**Selling**

There are two main types of telemarketing based on selling, they are inbound and Outbound.

**Inbound telemarketing**

Inbound telemarketing relies on calls from prospects already interested in a product or service. Such prospect is interested enough to place an order, ask question that will help them make a purchase or make an appointment with a sales representative. During the call the telephone sales representative may simply capture the information about the order or may try to increase the size of consumer's order by suggesting complimentary merchandise. The people who want to reach companies for a special 800 number. This possibility has grown up only since the introduction of toll free 800 numbers by AT and T in 1967, which make it practical to have call centers receiving calls from the entire country and globe. In brief toll free service lead to centralize nationwide call facilities which further lead to increase call volumes at single locations, which increased the incentive to maximize revenue and cut cost.
In fact, Americans dial AT&T 800 numbers over 6 billion times during 1988. Airlines, hotels and virtually every catalog company rely on inbound telemarketing to take reservations and merchandise orders. Inbound calls can also focus on customer service or consumer information.

Successfully in-bound telemarketing programs are created by paying careful attention to such factors as the type of telephone service chosen, the career picked to provide the service, the planning to meet to fluctuating call volumes and the design of the advertising that carries the phone number.

**Out-bound telemarketing**

The objective of most outbound telemarketing calls is to sell a product or a service to a new or existing customer. It is through telephone calls that lure customers to buy products or query the condition of customers using a product in order to improve selling and hold customers demand. This is usually a ‘cold call’. A call placed to someone who has no prior relationship to the firm.

Cold calls can generate lead to sell products. A good example of a lead generating call would be one place by an insurance agent to a new community resident about group insurance. The agent is trying to get his or her foot in the door and will not try to sell a policy until a subsequent face to face meeting takes place. By contrast, a Tele Sales Representative who calls a consumer to subscribe to a product will try to take an order before the call ends.

According to the Direct Marketing Association, large number of companies plays out-bound calls to sell products and services to their customers. They include: 31% of all consumer publications, 70% of all business publications, 5% of all consumer catalogs, 25% of business catalogs, 25% of all consumer product and service companies, 39% of all clubs and
continuity offers, 18% of all financial service organizations and 50% of all computer hardware and program software organizations.

Outbound telemarketing also can be used to notify existing customers of an unexpected delay in shipments or other problems in an order, or to qualify leads from prospective customers by determining their interest in a product before passing the name on to a field sales representative for a personal sales call.

**Setting Qualifying Appointments**

Telemarketing is no longer classified as the dead end job as it was said to be in the past. There are more industry opportunities available than ever before and the telemarketing hiring criteria is no longer just anyone who can speak read a script and get to work. It is more complex than that. The various telemarketing sales or service representatives’ position requirements are now much more stringent. Today’s Telemarketing sales or service representatives must also possess excellent communication and verbal skills such as professional language, customer servicing techniques, selling background and in certain companies they are required to be professionally qualified. This last requirement is especially necessary in the area of business to business marketing.

**Generating Leads**

Lead generating program provides a source of information about prospects who have expressed an interest in the product or service offered by a firm. As a result the prospect is contacted by a sales representative or is sent more information to stimulate a sale. To ensure the success of lead generating programs, the firm needs to manage a database of every lead. Sales representatives should fill out a contact form after each appointment and each follow up call. Data from these forms become part of the database. A firm can have the product or service
in the marketplace, but only a list of target market members who are good prospects to make a purchase, will make a campaign successful. Therefore it is very important that the names of those to telephone are selected carefully. This list may have the names of customers who are already having the relationship with the company or had relationship in the past or the list will contain the names of qualified prospects that have the ability and willingness to buy the company's products.

**Surveying**

Marketing surveys can be a very useful tool in determining demand for a product line some companies use telemarketing surveys to gather data about customers and prospects including information about the decision in the household or business. The basic objectives of these surveys are to know the customer needs and their buying behavior. This activity of surveying helps in generating the leads for future selling. The information collected through surveys is entered in database for future reference. Providing customer services – When telephone is used in connection with a customer service function, customers call e.g. to enquire about the status of their order or the complain regarding the delivery of wrong products etc. After solving the customer's problem, the customer service representative may take the opportunity to announce the new products or product modifications, along with price information this will not only enhance the sale, but will let that customer know that they are an important part of company's business.

**Advertising** This serves as a public relation function and involves calling companies or individuals that could provide benefits to company's products or services and describes an opportunity to them. Such calls are scripted in much the same way as general advertising copy. The caller communicates information about a new product or service or a modification to an
existing product or service. No sales attempt is made on this kind of call because it just informs the customer regarding his/her interest.

**Pursuing Collection**

Telemarketing is not simply used for selling the products but is also practiced by other departments of the company e.g. the credit department does telemarketing for the collection and recovery of credit amount. Now a day all the business activities are carried on credit. Recovery of credit amount is another full time job for the marketers. The direct selling companies are using telemarketing in a big way for this work and it has proved to be highly effective and successful.

Thus in the light of above we can say that the scope of direct selling is increasing day by day.

**Strategies of Telemarketing**

Effective telemarketing operations are based on four primary strategy elements –

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This study has covered all the major direct selling companies and has analyzed their telemarketing strategies in terms of customer satisfaction and value addition with special reference to Eureka Forbes Ltd, Amway India Ltd, Oriflame and also the financial institution ICICI Bank Ltd. The strategies are detailed here in below.

Telemarketing operators spend a great deal of time and resources for their telemarketing operations, they develop appropriate processes and select and implement various
system to support their telemarketing activities. Telemarketing if used properly can benefit the organization in a big way. In order to get the optimum benefit from the telemarketing the companies need to strategize their telemarketing operations, in this they need to guide and direct the telemarketing operators. As a part of the strategy the companies emphasize on management and motivation of telemarketing operators. The management of telemarketing operators includes the following –

- Determining the job responsibilities
- Establishing performance measurement and expected performance levels.
- Preparing the job description

Provide phone representatives with feedback based on the performance measurement. Determining what phone representatives should be doing while on the job includes spelling out everything from the scope of their overall responsibilities to the step by step procedures they must follow when taking or making the calls and recording information gathered during the phone call.

The performance measurement should be based on the most important aspects of the phone representative’s position. e.g. if the phone representative is making outbound calls to sell a product the performance measurement can be expressed in completed calls per hour and total sales volume per hour. The manager may also add rate of returned sales as performance measurement in case of low quality calls. Once the performance measurements are determined, the manager needs to establish the level of each measurement that a phone representative are expected to achieve. The performance expectations should be as objective as possible so that firm can impartially judge whether or not phone representative are performing at acceptable
levels. In addition to this company’s performance expectations must be consistent with the goals of the telemarketing group.

The job description should include an itemized listing of the major elements of phone representative’s duties and responsibilities as well as performance expectations. The entire job description and especially the performance expectations should be carefully explained to phone representatives so that they fully understand them. Managers need to provide the phone representatives with frequent performance feedback both formal and informal so that they can maintain a positive attitude on a continuing basis. Some phone representatives may need feedback more frequently than others either because their performance level needs to improve or because they tend to work better with more consistent reinforcement. Informal feedback both positive and negative should be provided for phone representatives at least weekly by their immediate supervisor or manager.

The second major component of telemarketing strategy is motivation. The two most proven motivators for phone representatives are recognition and compensation. These may be supplemented or combined with other types of motivation.

**Recognition**

This not only provides the phone representatives with the type of positive reinforcement that most of us seek but also motivates other phone representatives to perform well in order to receive that recognition. For newer and lower performing phone representatives recognition often provides them with the confidence they need to continue believing that attaining higher performance levels is possible.
**Compensation**

Most phone representatives are paid with a combination of a base wage and variable payment in the form of commission bonus or incentive. Generally wage rates should be based on the type of telemarketing work the phone representative is performing and on competitive wage rates available locally. Phone representatives who receive higher wages will tend to be more mature, experienced and stable. In the long run, paying higher wages to attract better phone representatives is usually more than justified by lower cost of hiring and training and avoiding high turnover helps to avoid a tendency towards diluting overall group productivity. Although recognition can and does provide an essential form of motivation seasoned phone representatives may still be profoundly motivated by the ability to earn additional compensation based on their performance.

In addition to these strategies, the companies nowadays have started working on following areas as a part of telemarketing strategies –

- List or target audience
- Offer being communicated
- Script or message to be communicated.
- Order taking
- Customer Services
- Sales Support
- Account Management

Out of these elements, the list is the most important. If a list is well targeted, the company will get a prompt and positive response, even in case of weak products the sale starts increasing. Now a list containing only the names of the customers is not sufficient but the marketers are interested in as much as possible information about the customers. The best list to call is the list of existing customers, as they are already having the idea of the product being
demonstrated before them. Companies can no longer succeed with prospect lists that are not a close match with customer profile lists. Modeling programs are developed; the result of this sophisticated approach is less calling with better results. Companies with a field sales force have discovered a unique application for outbound tele services. Generating sales leads. In any given mail responses some responses are very ‘hot’ leads while other are just looking for information. There is a big difference between a generated and a qualified lead. One phone call by a screener gets rid of the suspects and identifies the real. Most sales people do not like to prospect or spend time on the phone because they feel they are more effective when they can see the body language of their prospects. As telemarketing is the planned, professional and measured use of telecommunication in sales and marketing efforts. The three key words in this definition are planned, executed and measured. The evolution of the telemarketing process, from its simplest form order taking to its most complex form called account management. All this makes an unavoidable part of telemarketing strategies. It should be assumed that each level includes not only the steps in its definition but the functions preceding it as well –

**Order taking**

Long before sophisticated direct response programs were used to generate mass numbers of orders, a much more personalized method of communication was used to accept orders from customers through the telephone. Today, while volume and processes have changed, many companies still utilize telemarketing in this stage. Multimedia campaigns are used to generate incoming calls and the telemarketing centre is used to ‘accept the orders’

**Customer Services**

This step and level of telemarketing strategy accomplished two functions
- It addresses the 'complaint handling' through telecommunication. (Replacing the more costly personal form doing the same).
- It cross-sells and upgrades the current customers after the service problems have been solved. (The telephone application of 'selling on the services call').

**Sales Support**

While the two preceding levels are sales and service application of telemarketing, this level tends to act as support to the sales force. This can come through scheduling sales calls, maintaining supplies and vendors, follow-up on sales calls, credit management or handling and selling to marginal accounts.

**Account Management**

The highest form of telemarketing, account management, virtually replaces personal contacts with customers. Specifying with accounts should be handled by telephone and can be determined in many ways... by size of company, by sales volume, by location etc. Telephone account management requires a planned pre determined ongoing relationship by qualified telemarketing sales specialists. Telemarketing involves the use of the telephone and calls centers to attract prospects, sell to existing customers and provide service by taking orders and answering questions. Telemarketing helps companies increase revenues, reduce selling cost and improve customer satisfaction.

These days' outbound business to business tele service opportunities far exceed those of the consumer market. In the business sector, the telephone is an acceptable way to do business. Very often companies decide to use manual dialing as opposed to predictive or power dialing because businesses will answer the phone, thus eliminating the need for costly equipment. Some companies use an exciting customer list to call, while others may purchase
the list of businesses that match their requirements. In either case, it may be more difficult to reach the decision makers. Business calling tends to be more account management as opposed to direct sales. The typical outbound call to a consumer is an one time call that results in a decision to buy or not. In business calling it is more important to develop a rapport with decision maker and periodically make calls where no sale is happening. An outbound representative should be able to manage an appreciatively four hundred accounts on a monthly basis. In the course of study it was found that ICICI Bank Ltd lays lot of emphasis on account management and a daily record of calls is maintained and the same thing is done by other direct selling companies as well.

**Planning and Preparation**

Planning and preparation holds the key to success in telemarketing. The company needs to determine its objectives, and plan accordingly. Prepare it for some frequently asked questions. The best way is to make a draft of the details to be communicated. Rehearsal of these details is also important to achieve the desired objectives.

**Effective Communication**

To make the communication effective, use of appropriate words is very crucial. Certain words like, 'you' or the name of your client can be very effective in grabbing his attention. Use of gentle and polite language can also play an important role in making a strong impact.

Impolite language should not be used even if the client reacts harshly. You can come up with some attractive and unique features of the product you intend to sell, and communicate these to your client. This would make your product different from other similar products available in the market. The product features and benefits should be communicated from the point of view of the client. Try to refrain from explaining technical details to a non-technical
customer. Communicating unnecessary details should also be avoided. Try to make the conversation interesting to hold the attention of the client. Put forward some questions to your client like; whether he has used a similar product earlier, and faced any problem with that. If he has, then explain how your product can offer a better deal. Generating queries in the mind of the customer could be instrumental in arousing interest for your product.

**Do not Mislead and Harass a Customer**

If the client is not interested, then do not extend your conversation. Make sure that you do not disturb such indifferent clients by calling them in the future, as it would irritate them and ruin your reputation. Don't misguide your customers by creating imaginary or false stories about the product. You should also avoid forcing your product upon the client. It is not always necessary to sell your product to every person you are calling up. Try to create an interest for your product, as this is the most important step for its sale.

**Avoid Unnecessary Conversation**

One important step towards becoming a successful telemarketer is to build up a good rapport with the client. But, this does not mean that one should indulge in unnecessary conversation. Because, at the end of the day, the customer will purchase your product if it has the desired quality. So, while speaking to the client, focus on explaining the quality of your product and services.

**Quality Product and Customer Care Service**

The timely delivery of quality product or service is the ultimate achievement of telemarketing activity. The said research on direct selling companies, found that all the direct selling companies using telemarketing as a tool for business promotion are laying lot of emphasis on quality service and products and most importantly customer care. The direct selling giant
Amway India Ltd is strongly emphasizing on customer care and for this the company organizes regular seminars, customer get together and question answering sessions with the objective of satisfying their queries and further raising their satisfaction level. The other direct companies covered in this study including Eureka Forbes Ltd, Oriflame Ltd and also ICICI Bank Ltd stress on customer care. The ICICI Bank Ltd has a separate customer care cell which is fully responsible for taking care of customer issues with the purpose of raising their satisfaction level and adding value to the.

**Planning Pre-Call**

The telemarketers need to always set a goal before them at the beginning of the calls. This goal should be what you he is aiming for in the call. Ideally the telemarketers should try to set 2 goals before making the calls so that if they do not manage the first one they always have a backup.

A screener is in place. Getting to the big man quite a lot of people have secretaries or screeners that will take their calls for them. In a telemarketing call when the caller get to a screener he should speak to them as he is the main person. The telemarketers will need to do this as the screener is the person that is going to decide whether or not the telemarketing company has something of value to his boss and will decide whether the caller is wasting his time or not.

**Grab their attention on the Opening Statement**

The telemarketing opening statement is going to be one of the most important part of his call, the caller needs to ensure that at the very start of the conversation, the prospect is giving an attentive ear to him and this is possible only if the telecaller is in a position to talk something of value addition to the prospect.
Questioning

The questioning part of the telemarketing call is a very sensitive area, while throwing the questions to the customers; the telemarketers need to be very cautious regarding the nature of question, relevancy of question and the numbers of questions. Over questioning and under questioning both are taken as negative towards telemarketing activity. While surveying the customers during the course of study, it was revealed that over questioning by the telemarketers that too repeated questions make the customers irritated and in turn the companies do not get the expected outcome.

In the light of above mentioned points of strategies of telemarketing, the said study covered the following the direct selling companies and analyzed their below mentioned strategies-

**Eureka Forbes Ltd**

This company is heavily emphasizing on people component of strategy map. As the Eureka Forbes Ltd is one company which is known for its ‘Eurochamps’ (the sales force of the company), these people are given a dedicated and exclusive training on customer management and convincing. The company has got it’s training center located in Bangalore, Mumbai and also in some other big cities of the country and the company is imparting round the year training program to it’s Eurochamps. There are basically three types of training imparted by Eureka Forbes Ltd

- Orientation Training to its people.
- Behavioral Training to it’s people
- Updating training to its people.
The employees of the said company are exposed to these training programs with the objective of business generation in terms of sales volume and also customer satisfaction and value addition. The company believes in the philosophy that its manpower is only real asset available with it and if used and motivated properly, they can give a turnaround but at the same if they are not groomed properly, the company can crash despite of having excellent infrastructure, policies etc.

**Amway India Ltd**

The second direct selling company, covered in this study is Amway India Ltd. This company emphasizes on planning and process component of strategy chart. The company is doing business through network and all the customers directly interact with company people. Planning and process are the two major focus areas for this direct selling market player as the core foundation of this company is planning the business operations and advancements.

The planning and process component for Amway India Ltd includes the following –

- How to add more and more people in network.
- How to motivate them for generating the business
- How to create awareness about Amway products.
- What will be the process of profit sharing among the network partners?
- How to make new products acceptable to the customers
- What will be the process of supply chain management

While formulating the telemarketing strategies the company addresses the following questions and it also imparts the training to its marketing people regarding these planning and process areas.
Oriflame—

The third major direct selling company covered in this study is Oriflame Ltd dealing in cosmetics category. While working on the same during the course of study on its strategies, it was found that the said company has adopted the strategy of highlighting the process of its product manufacturing through eco friendly methods and also the policy of not testing the products or its ingredients on animals etc. The process part of the strategy is majorly highlighted and promoted by the company and the company has obtained the image of environmental friendly company which is not only meant for sole profit motive but for this company the overall societal as well as environmental welfare the first concern.

The company people remain in direct touch with the customers through telemarketing method and while communicating with the customers they give a special emphasis on product manufacturing and selling process.

ICICI Bank Ltd—Another big player in the financial sector, using telemarketing as a method of selling its products and services is ICICI Bank Ltd, this company has become the prominent player of its sector due to its strategic telemarketing. This financial player gives a very special thrust on its employee training on telemarketing. The training includes making a successful telemarketing call and generating a significant volume of business from the same.

Initially the organization went ahead with the strategy of outsourcing the telemarketing activities to external agencies or call centers but soon it realized that instead of customer satisfaction, the dissatisfaction of customer started increasing on a big level as told by company officials while the survey and they stated a huge rise in customers complains regarding the service quality and working procedures etc. The officials of the organization took no time in realizing and deciding that telemarketing is the most crucial activity out of the all
activities carried out by the organization and immediately this task was taken up by the company people on their own and it resulted in re stabilizing the condition of the organization.

During the telecalls the telemarketing staff of the organization is taking a very special care regarding customer satisfaction and value addition. Secondly the organization is also laying special emphasis on telemarketing account management as a part of telemarketing strategy. The telemarketing people are required to maintain a thorough account with appropriate updations in the same, the accounts also include the customer profile and while giving the repeated call to the customer, the telemarketing staff checks the account at a glance. The company wise focus on the telemarketing strategies is shown by way of below mentioned chart-

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Despite of such tested strategies, the mentioned direct selling companies do face some of below mentioned challenges in their business operations.
**Challenges of Telemarketing**

One of the greatest challenges for telemarketers is not letting the stress and frustration of difficult customers get to you. Difficult customers are often rude, unreasonable and direct their anger onto you. By learning how to allay a difficult customer's hostility, and by not taking the hostility personally, each workday becomes more pleasant, and three benefits will be quickly realized. First, your morale will improve and the stress that leads to turnover will be reduced. Second, your clients are better served, which leads to higher customer satisfaction and, ultimately, sales. Last, the personal satisfaction you will gain from helping an individual turn a problem into a positive solution is immeasurable. The benefits are easily realized by focusing on 10 key points.

1) Listen: Customers often get loud and overbearing in an effort to be heard they have.

2) Something to say and need to vent their dissatisfaction.

When you interrupt or impose your viewpoint, you are sending a message that tells the customer to become more forceful. This aggravates both sides. By patiently listening and not making a comment as soon as the customer pauses, he or she will remain calmer. If you approach your response from the customer's viewpoint, you will set the stage for an intelligent conversation where the customer feels he or she is number one. To get and keep the customer calm, talk about his or her needs and concerns. Address what was said as important, and don't negate what he or she said by addressing other issues you believe are more relevant.

2) Buffers: When addressing your client's concerns, he or she will believe you listened if you show empathy to his or her plight. Phrases such as, "I understand your concern," "I hear what you're saying" or "I can appreciate how you feel" position you as someone who has the
customer's interests at heart. A good first impression is crucial in getting an agitated customer to relax. It is also very important to follow your empathic statement with comments that show you are there to help the customer find solutions. Delete but and however from your vocabulary: The words but and however negate any positive comments you may make to help calm a difficult customer. For example: if someone told you, "That is a wonderful dress, but those shoes look awful," the only thing you hear is the negative. The compliment is completely overshadowed. The same is true in customer service. If you tell a customer, "I want to help, but the company policy does not allow adjustments after 30 days," the only thing the customer hears is that you will not help. Avoid fueling heated situations with the words but or however. They only make your client feel you are being confrontational. Even worse, they make the client think that you are saying he or she is wrong, and you won't help. But and however can often be replaced by the word and, or by a simple pause before making your second point.

4) Avoid wrong: Even if the adage "The customer is always right" is not always true, it is important to avoid making the client feel he or she is wrong. People will argue vehemently to avoid being wrong. One of the simplest ways to avoid a battle of who is right and wrong is to never place blame. Keeps a customer from becoming defensive by never actually using the words "you're wrong."

3) Name power: A difficult customer is often someone who is asserting himself or herself to feel important and in control. Making him or her feel important without becoming assertive keeps all parties calm and relaxed. When you ask a customer his or her name, he or she sees that you are taking an interest in him or her as an individual, and that makes the person feel special. The more you address the customer by name, the more he or she will feel important A person's name is the sweetest sound, and each time you use it, the person
will realize you are making an effort to work with him or her. Also, give your name to all callers. It accomplishes several things. First, your clients feel in control. They know who they are talking to, and they will treat you more like a person than a robot. The personal touch of a name gives substantially more credibility to your solution and importance. Best of all, when you use names, you are no longer a stranger, and that makes it a bit easier for everyone to stay even tempered.

4) Realize the good in your life: Some customers are unreasonably difficult because of issues that have nothing to do with you. Their lives are complicated by divorce, health problems, financial crisis, etc. They take out the stresses of their lives on any individual who crosses their path. When dealing with an unruly customer, step back and realize his or her behavior may be driven by extraordinary circumstances. Don't take the negative vibes customers direct toward you personally. Most important, count your blessings and realize all you have to be thankful for. Affirm understanding: By paraphrasing the customer's problem, he or she has tangible proof that you are trying to see his or her viewpoint. After restating a customer's problem, add, "Is that right?" or "Is that everything?" That gets the customer to say yes" and see that you really did hear everything said.

**Five Most Common Telemarketing Compliance Challenges**

1. **Knowledge of the Rules:**

With the tremendous rise in popularity and continuous upscale in the usage of telemarketing, the said method or tool of direct selling has now taken a form of a major recognized legal and authoritative body. The companies engaged in telemarketing activities are now required to take the approval from the regulatory bodies functional in telemarketing area, moreover they are also required to have a thorough knowledge of the rules and regulations prescribed these
bodies and secondly the telemarketing companies or agencies must have the compliance manual available with them. The details mentioned in the compliance have to be keenly followed and adhered to. Some of the recent developments in the telemarketing activities related to restriction of phone calls and taking the advance permission from the customers to call them for business activities and also honoring the ‘do not disturb phone numbers’ guidelines is must.

2. **Possessing Written Compliance Guidelines:**

   This is one of the most important documents the telemarketers need to have. The foundation of any viable compliance program is the corporate compliance guidelines document, yet few companies have invested the resources to create it. This document describes what rules the company must comply with and how compliance is achieved. It also assigns responsibility and includes training requirements as well as monitoring and enforcement methodology. If the compliance processes and procedures are not written, trained, monitored and enforced, it is taken as the company does not have a compliance program.

3. **Meeting Recordkeeping Requirements:**

   Just as important as having written compliance guidelines is the necessity to have records of compliance. Again, if the telemarketer cannot prove compliance, it may be found to be out of compliance. Many campaign related records are required to be maintained for at least 2 years, while Do Not Call records must be maintained for up to 10 years. But maintaining records for telemarketer own defense should go well beyond the minimal regulatory requirements. This is particularly important when sellers and call centers share the compliance burden. If the company is being investigated for alleged violations that occurred in the past, will it be able to
produce records of scrubbing activity, scripts, campaign management, calling records, call abandonment rates, required disclosures, etc?

4. **Possessing Mutually Supportive Due Diligence:**

Some major enforcement actions have highlighted the importance of this requirement. However, we still see far too many companies that lack sufficient due diligence, including monitoring and enforcement processes. Compliance must be mutually supportive. Sellers and call centers must understand the entire scope of the requirements, define which party is responsible for each element and then monitor and enforce compliance. Sellers must provide compliance documentation to call centers to include event triggers and dates for EBR campaigns. Call centers must ensure Do Not Call requests and Do Not call policy fulfillment activities are reported back to clients. Sellers should approve scripts before use. Both the seller and the call center should monitor and enforce script content and adherence. The call center should monitor call abandonment rates and report this to the seller on a regular basis.

5. **Having a Defendable Position:**

No one possesses unlimited resources for compliance. But, too often, we see companies that throw their resources at compliance with no overarching plan to achieve a defendable position. A defendable position means that you possess sufficient written guidelines, compliance processes and monitoring and enforcement procedures to reduce or even eliminate enforcement action liability. These procedures demonstrate due diligence and ongoing efforts in a convincing fashion. Attaining a defendable position should be the minimal first rung on the ladder to compliance best practices. Companies must determine their compliance gaps and the associated risks. Risk levels can be reasonably determined through an analysis of enforcement history, level of non-compliance and magnitude of the potential fine or public relations
damage. A defendable position ensures that the essential compliance processes, procedures, training and recordkeeping are in place. A defendable position is inclusive of DNC and Call Abandonment Safe Harbor. Finally, monitoring and enforcing all of the above challenges rounds out a solid and defendable position program.

**Value Addition and Customer Satisfaction**

In this era of customer relationship management, where in all the companies are trying very hard to come closer and closer to the customers in order to gain long term competitive advantage in the cut throat competition, the telemarketing as a significant tool of direct selling/marketing is gaining remarkable acceptance and recognition across the globe by all big and small market players.

In the past, telemarketing was simply considered as a medium of telephone promotions of the products and services and the people involved in the telemarketing activities were simply considered to be as telephone operators who are involved in dialing the phone numbers, repeating the pre fixed statements and dialogues and in turn either facing the customer queries or negative replies but now the time has totally changed and the telemarketers are being considered as one of the most important part of business organizations upon whom the organizations heavily bank upon.

With the increase in the usage of telemarketing activities towards business promotions the marketers of today have started using the telemarketing as a strong path to make the customers feel delighted and thus increase their value. Through this method of telemarketing the organizations are now capable of having an in-depth understanding of customer profile in terms of their actual needs and the satisfaction criteria. Each and every customer is given an absolute personal treatment by the telemarketers and they try to make the customers realize
that they are deeply involved with the customer concerns and are all the time ready to address them with full commitment and honesty.

This study on role of direct selling in value addition and customer satisfaction has deeply touched the area of telemarketing as it is a very strong tool of direct selling and has gained a prominent position in direct selling industry. While analyzing the business performance and success story of all the direct selling players, included for this study, it was found that the direct selling giants Eureka Forbes Ltd, Amway India Ltd and also the financial institution ICICI Bank Ltd are extensively using telemarketing in their business activities and the said tool has widely contributed in adding the value to not only customers but to the overall business processes and secondly the customers feel like associating themselves with these organizations due to their very personal touch and interaction being done by the company executives directly.

The graphical representation of the above mentioned direct selling companies using telemarketing as a tool for selling & its reflection on the said company’s financial health occurring due to its customer’s satisfaction & value addition is presented below—

**Amway India Ltd**

**Analysis:**

While working upon last three years asset analysis of Amway India Ltd a company taken for this research study, it was send that from the year 2007 to 2008 there was decline in asset value from Rs 19939 to Rs 19880 but the same trend was totally reversed in the year 2009 when this figure touched Rs 20153. While searching out the reason for this trend it was found that since the company was under expansion mode and it was going with the
Policy of huge investments in promotions, human resource and training programs and also event management, it ended up investing huge sum in the said areas. This expense was also
taken from the companies reserve as well as income thus resulting in downward trend of asset valuation but once the company started reaping the benefit of this expense the asset valuation again started increasing in the year 2009.

**Analysis:**

While analyzing the last three years liabilities status the Amway India Ltd a direct selling company, it is found that the company's current liabilities in the year 2007 were Rs 17791 and the same witnessed an uptrend and touched around Rs 18526 in the year 2008 and then the company decreased it’s liabilities from 18526 to Rs 14859 in the year 2009. After doing the detailed analysis of this and also interacting the company officials on this trend it was found that the company got very good response from the Indian market and in order to develop it’s market base and capture more and more market share the said direct selling company went for massive expenditure on business promotions it hired certain people for it’s business operations and also spend significant amount on event management. All this expenditure posed heavy burden on the company and couldn’t provide the immediate return so the financial condition in terms of liabilities increased but the same investment started yielding the return with interest and thus got reflected in the figure of the year 2009 which shows the downfall of around Rs 3500 thus signifying that the said investments which were standing as liability started getting converted into performing assets and signifying the strong position of company.
Analysis:

While analyzing the sales and other income trend of last three years of the direct selling market leader of consumer durables Eureka Forbes Ltd, it was found that the company is continuously progressing in terms of profitability and a major credit of this goes to telemarketing activity of the company, where the company's own staff is interacting with the prospective customers to sell its products and the statistics reveal that the response is very positive. The said company has shown the increase from Rs 633.5 to Rs 813.6 in just two years thus reflecting a great success from the market.
Analysis:

The profit before tax trend of the direct selling giant Eureka Forbes Ltd shows the upside down movement. The profit increased from 11.9 in the year 2007 to 38.9 in 2008 but again showed a downward trend in 2009, while analyzing the reason of the same by way of working upon company's books as well as asking the company officials it was found that the company's profit has decreased due to it's policy of mass expansion and huge investment on employees development, business promotions. The company is spending out of it's incomes as well as reserve in order to create its long term strong position in Indian market. The books of the company reveal that the company is fundamentally strong and is going recover this downfall in very short term. The company is using telemarketing as a method of selling it's products in a
big way and is getting very good response because it involves its own trained employees and they are successful in winning customer interest and confidence and the result of the same is reflected in company's financial health.

**ICICI Bank Ltd.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2005</td>
<td>0%</td>
</tr>
<tr>
<td>Apr 2006</td>
<td>0%</td>
</tr>
<tr>
<td>Apr 2007</td>
<td>0%</td>
</tr>
<tr>
<td>Apr 2008</td>
<td>0%</td>
</tr>
<tr>
<td>Apr 2009</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Analysis:**

The current study on direct selling also covered financial institution ICICI Bank Ltd due to its policy of using telemarketing as a tool of business promotion. While analyzing the books of the financial giant and also interviewing the officials with regard to telemarketing response it was found that the said institution is getting very good response from the market. Telemarketing has been able to do lot of value addition to the institution and the same has overall reflected on the institution's financial performance. The above mentioned dividend chart of the institution is showing the positive trend, the percentage of dividend paid to shareholders has continuously increased from the year 2006 to 2008 but has shown the minimal fall in 2009. The hike in
dividend reflects the sound position of the financial institution and a minimal fall was the reason of market recession and investment by the organization in expansion plans and market building. Telemarketing has significantly contributed to this encouraging trend as reported by the bank officials.

Thus based on this analysis we can say that telemarketing has been very instrumental in raising the customer satisfaction level as far as the above mentioned direct selling companies are concerned. While interviewing the company officials and also the customers of the said companies, during the course of survey and study, it was very clearly communicated by both the parties that if the company people know their customers personally and have their complete profile in their mind and at the same time if the customers feel delighted and very much the part of the company family, it could become possible largely due to telecalling and making and maintaining the relationships.

In this era of the modern competition where the companies have gone beyond the concept of segmentation, targeting and positioning. Now they are extensively creating and implementing the differentiation strategies to project the customer value. The foundation of creating and maintaining the value is based on many parameters like services, brand, packaging etc. The direct sellers cannot communicate these value concepts without using telemarketing and now even they create and project the overall augmented value before customers in order to gain long term competitive advantage.

While getting in touch with the direct selling companies like Eureka Forbes Ltd, Amway India Ltd, it was told by the company officials that their business is solely surviving and flourishing due to value creation concept and them fully emphasis on the same. These direct selling companies have started training their telecalling staff on how to delight the
customer and make him feel as a part of company set up, they have been trained to treat their
customers not as the customers but as business partners.

In order to create and add the value and satisfaction for the customers, the direct sellers
are now maintaining a strong and relevant database with them, specially the financial
institutions like ICICI Bank Ltd, HDFC Bank Ltd and also Eureka Forbes Ltd are using the
database technology and sophisticated analytical techniques combined with direct selling
methods specially telemarketing to elicit a measurable long term and sustainable result. Before
making a phone call, the telemarketing staff is required to thoroughly work upon the analysis
and segmentation of database and after that they have a databank ready for different segments
of customers. While calling the customers they need to keep in mind that the customer, whom
they are calling, pertains to which segment and what are his probable preferences and character-
tics and accordingly the telemarketers have to customize their conversation in order to please
the said customers. The changing paradigm of marketing concept, telemarketing is emerging as
one of the strongest tool and more importantly it is also being used widely because it involves
less cost when compared to personal selling where in the companies are required to send a
salesperson or marketing executive to the customers place.

Sending a company person to customers place that to not once but repeatedly to
materialize the sales call involve lot of monetary as well as non monetary cost whereas in
telemarketing the task is performed on telephone and on much less efforts. Thus overall it is
seen that the telemarketing is successful in adding value and satisfaction to the customers.