

## **Working the Phone as a CRM Tool; 7 Rules for Prospect and Customer Relationship Management in a Call Center Environment**

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*Original version of an article that appeared in the January 2001 issue of  
"Target Marketing Magazine"*

Successful Prospect and Customer Relationship Management (P/CRM) requires the coordinated leveraging of multiple communications channels. With this in mind, the following are seven guidelines for taking maximum advantage of inbound and outbound call centers:

### **1. Even when prospecting, tailor the screen script to the target audience**

Generally, prospect universes are comprised of distinct subsets. In many vertical industries, one group will have a high propensity to respond but, having converted to customer status, will generate modest long-term value. Conversely, a second group will be less likely to respond but, once customers, will prove to be very valuable. Fortunately sophisticated data mining techniques are available to make such distinctions with reasonable accuracy, although they are outside the scope of this article.

The psychology of these two typical prospect subsets can be very different. The high responder/low-value group is often more price sensitive, less likely to display deep loyalty, and less heavily swayed by non-monetary issues such as quality and support.

For this deal-prone segment, the prospecting strategy generally should be brief and to-the-point. Such campaigns can be executed in a formulaic way, with the Telephone Service Representatives (TSR's) working almost entirely off standard screen scripts. Price advantages should be hammered hard, with the goal of closing the sale quickly and moving on to the next prospect. Time is money in a call center environment and, because of unremarkable long-term customer value, a prolonged conversational approach is simply not cost-effective.

This is the antithesis of the method that is often effective with the low-response/high-value prospect subset. Such individuals tend to be less swayed by modest price differentials and more focused on quality and support. Often, these people display significant loyalty to the incumbent company's products and services. A swift, highly promotional, price-focused prospecting message is not going to be effective.

Instead, a prolonged, conversational approach is more appropriate. With significant psychological barriers standing in the way of the sale, a human-to-human bond must be established. Because such efforts are time-consuming, they are also relatively expensive. However, the ultimate reward of high long-term value often makes them cost effective.

## **2. Match the skills, capabilities, cultures and “styles” of TSR’s to the target audience and “tone” of the screen script**

The two very different types of prospecting efforts described in the previous section have significant ramifications concerning the profiles of the TSR’s who will be executing the campaigns. The “dialing-for-dollars” method that is targeted to the deal-prone segment can be executed by less experienced TSR’s. Their mission is to closely follow a concise and focused script so that large numbers of prospects can be contacted as rapidly as possible.

The prolonged, conversational, interactive approach that is often so effective with high-value prospects requires a different type of TSR. Besides being more experienced, this individual must be able to “think on his or her feet.” After all, the script is merely the outline for a true dialogue, where the TSR must be able to quickly establish a psychological “connection” with a total stranger. This is something that is difficult to do face-to-face, much less over the phone. It is an art that many people cannot master, no matter how much practice they have had.

Likewise, it is important to match the cultures and styles of the TSR’s with their target audiences. Performance cannot be optimized if the tone of the presentation interferes with the content of the message. Some of this is obvious, such as matching Spanish-speaking TSR’s with Spanish-speaking prospects. However, this also carries over to regional differences. What is thought to be acceptably assertive in some parts of the country is considered downright rude in others. Also, be mindful of the cultural baggage that is inherent in strong accents.

## **3. Adjust auto-dialer and script screen speeds to reflect the desired tone of the presentation**

As with all aspects of P/CRM, success comes to those who attend to detail. The prolonged, conversational, interactive approach that is often so effective for low-response/high value prospects will be undermined if the auto-dialers and script screens remain on a rapid cycle. A relaxed ambience cannot be created unless the technical infrastructure is tuned accordingly.

## **4. Adjust compensation structures**

Consider a call center environment where compensation is based on the number of sales generated per hour. Under these circumstances, it is in the financial interest of the TSR’s to be assigned to the high-response/low-value group. Those who are not will quickly become disenchanted. Only by developing multiple compensation structures, each tailored to the specific objective, can such tensions be resolved.

## **5. Understand the respective roles of strategies that are reactive/rules-based versus anticipatory/predictive**

Sophisticated call center P/CRM requires statistics-based predictive models to drive contact strategies. However, it is important to recognize the limitations of such models. Despite the claims of some practitioners, they are not the solution to every problem.

Consider the challenge of predicting who is going to voluntarily cancel his or her participation in an ongoing service. This is called “attrition” in the financial services world and “churn” in the telecommunications realm. Much effort has been focused on identifying those customers who are on the verge of voluntary cancellation.

The unfortunate truth, however, is that many of these efforts have met with – at best – limited success. This is because, while behavior that is driven by interactions between customers and service providers generally is conducive to predictive methodologies, the same cannot be said for behavior that is the result of aggressive competitive thrusts. This is particularly true for commodity or near-commodity services.

Data mining techniques, for example, generally can identify and quantify a rise in cancellations in the wake of a decline in usage, or an increase in defection subsequent to the onset of service problems. However, they can be essentially useless in the face of sudden and bold competitive attacks. Often, such external influences are so strong that they create a tsunami of sorts that overwhelms all existing predictive models.

Residential long-distance telephone service provides an excellent example of the latter phenomenon; and one that – by the way – is likely to be repeated by the utility industry in the wake of deregulation. Much of the churn within the near-commodity long-distance business is generated by relentless competitive thrusts. These thrusts, in turn, require countermeasures that are reactive and rules-based, and that supplement existing statistics-based models that are anticipatory and predictive.

The call center, which is much better suited than direct mail for quick mobilization, is an effective way to implement countermeasures such as “winback” programs. This is where the P/CRM call center strategies discussed earlier come into play. It is critical for the TSR’s to have access to key customer information in an easy-to-digest format, and for the personalities, screen scripts and tone of the TSR presentations to be tailored to the characteristics of the human being on the other end of the phone.

## **6. Pursue ongoing, universal techniques for enhancing customer loyalty**

Although it can be difficult to predict the specific customers who will defect, this does not mean that preventive measures should not be attempted. Generally, for issues that are likely to erode loyalty, it is prudent to institute an ongoing program of detection and correction. Besides the obvious strategy of responding assertively and positively to the ill will that is engendered by specific service problems, it is important to constantly review individual usage patterns and determine if they are

appropriately matched to existing service plans. These efforts generally preserve the long-term value inherent in sustained loyalty, which – in turn – more than offsets any short-term revenue loss.

Direct mail and/or e-mail promotions can be targeted to customers with mismatched plans, with an invitation to call an inbound TSR for rectification. The TSR, supported by rules-driven, differentiating screen scripts, can work intelligently with the customer to identify a more appropriate service plan.

#### **7. Institute a two-way flow of information between the call center and data mining department**

And finally, call center statistics should be routed back to data mining professionals for incorporation into predictive models and rules-based segmentation. Although it is often difficult to anticipate which customers are about to cancel voluntarily, the best chance of doing so is to employ all available touch-point information.

#### **Conclusion**

Even when prospecting, tailor the screen script to the target audience. Likewise, match the skills, capabilities, cultures and styles of TSR's with the target audience and tone of the script.

Similarly, adjust auto-dialer and script screen speeds to reflect the desired ambience of the presentation. Also, alter compensation structures so that the incomes of TSR's are not be adversely affected by the prospect subsets to which they are assigned.

Be mindful of the respective roles of strategies that are reactive/rules-based versus anticipatory/predictive. Likewise, recognize that predictive models will be of limited assistance when behavior is influenced largely by aggressive competitive initiatives. Understand that, in such circumstances, approaches that are reactive and rules-based must be implemented to offset these initiatives.

And finally, institute an ongoing program of detection and correction of issues that are likely to erode loyalty, and implement a two-way flow of information between the call center and data mining professionals.

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