

# Achieving insurance sales acceleration

By [Sean O'Keeffe](#)

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Competition for new customer acquisition in the insurance sector has intensified, and with so much product parity, great service and seamless interactions are now the only differentiating factors.



Sean O'Keeffe

Targeted telesales is a costly and intensive exercise, but done correctly, one of the most effective sales tools. Undertaken by insurers and brokerages alike to reach new client prospects, telesales is increasingly opening up new markets in South Africa's emerging and newly financially-active market segments. Effective telesales all comes down to great technology, well trained agents, regulatory compliance and a commitment to best practice methodologies. In this regard, dialing automation has played a significant role in upping efficiencies...

When Predictive Dialing (PD), a form of dialing automation, launched in the 80s, it was seen as a breakthrough in the outbound call centre environment. Prior to PD, agents were spending too much time in every hour dialing and dealing with bad numbers, engaged signals, and not spending enough time talking to actual customers. This changed radically with PD, with the reverse scenario taking place. Dialing was done automatically, leaving agents to focus on their sales pitch and targets. Many outbound call centres invested in a PD platform, believing it was the panacea to dramatically ramp up agent efficiency and make record telesales numbers.

Essentially, a predictive dialer launches outbound calls at a rate such that the system connects to 'live' callers as soon as an agent completes the previous transaction. The dialing rate for each campaign is controlled by a pacing algorithm, which automatically monitors activity, and calculates when the next contact should be dialed and dropped onto a free agent's desktop. In theory, the dialing rate is automatically adjusted to maintain a contact rate that is synchronised with operator availability.

But theory and practicality are often misaligned. Agent and prospect behavior and the varying interaction times between

them all combine to make this an incredibly intricate process and well...all rather unpredictable. Set too slowly, agents will be left idle without a client to talk to, set too quickly - usually the most common error - the result is over-dialing or what the call centre industry calls 'abandoned calls'. In such instances, a customer may receive a call when no agents are actually available, resulting in a 'silent' call, or 'dead air'.

So while PD solutions are pretty much vanilla today and easily bought off the shelf, effective deployment is another ball game. Without exceptionally good management, analysis of the analytics, redirection by human intervention when required and ongoing enhancements, poorly managed predictive dialing with high call abandon rates can do an enormous amount of damage to the telemarketing industry and its clients. Unfortunately, many predictive dialers are set up in call centres in the belief that they will magically solve any and all performance issues. This is usually without the focused management and monitoring that allows for necessary enhancements to optimise agent and sales performance.

## **So why is management of predictive dialing so important?**

For list owners, it can mean the difference between having a database that is optimised to derive the best possible sales results, or simply burned through and hard-earned data opportunities wasted. When you consider that your client or prospect database is your single most important and expensive asset in direct marketing, it's inconceivable that many list owners are still entrusting their data to underperforming call centre operators who have no inclination or clue on how to manage their PD solutions to an optimal level. In fact, many have abandoned call rates of anywhere between 40%-50%.

Over-dialing issues were inevitably going to be part and parcel of predictive dialing in the absence of proper regulation, ethical practices and a commitment to quality over quantity. Call Centre operators, in their zeal to make as many calls per day, set their dialers to run at maximum output of calls made, without any regard for the outcome in terms of actual sales and quality. Prospects soon started to recognise the 'dead air' or pauses before hearing a voice on the other end, if at all, especially when they were victims of repeated dialing attempts in a short frame of time. Voice mail and answering machines only exasperated these problems.

Granted, it is recognised that predictive dialing will result in a certain percentage of over-dialing due to the challenges in trying to coordinate between the predictability of a computer algorithm and the unpredictability of human behavior. However, with some over-dialing rates of around 50% of an entire database, the implications for consumer resistance to telesales, and the wasted opportunities in data assets are onerous. List owners may receive feedback reports from an underperforming telesales provider that point to the data quality provided being off the mark and hence the poor sales results, when in fact the real reason could lie in the call centre's poor dialing practices.

## **What is an acceptable standard?**

The greatest challenge is to manage the predictive dialing process as tightly as possible to reduce over-dialing and abandoned calls to the lowest possible denominator. In the UK, one of the most stringent regulatory environments in terms of telesales, over-dialing standards are pegged at a very lean 3%. It's a big ask that requires exceptional management and analytical skills on the part of the call centre management. But achieving and maintaining these standards is imperative for the protection of the industry, consumers, as well as list owners who obviously look to derive the very best sales penetration performance from their database assets.

O'Keeffe & Swartz's bespoke predictive dialing technology constantly out performed UK call centres when we benchmarked it against the top performers in the UK. It also performed exceptionally well from a regulatory compliance perspective, an aspect that we are absolutely obsessive about, exceeding European and UK regulatory requirements. This same performance model was deployed in South Africa and has remained our mainstay despite a less rigorous regulatory environment. But then again, committing to these standards, no matter how onerous from a compliance perspective, is a key contributing factor to our sales performance on behalf of clients.

## **Why should list owners care what technology their telesales provider uses?**

With its huge emerging middle class, South Africa is still one of the top markets for selling of products via telesales, most notably seen in sectors such as insurance and other financial services. This form of direct marketing is pivotal in enhancing client relationships and capturing further incremental revenue through the use of affinity databases where there is already an existing client relationship. But, if your contact center is using badly managed outbound dialing technology that result in hang-ups, annoyed and irritated customers, you can be sure that you're doing a lot of damage to your brand and its client relationships.

Agents will constantly be starting their conversations on the defensive which means their chances of closing a sale are rapidly diminished. Many customers will immediately ask to be removed from any future communications. Prospects will confront and be agitated with the agent and the brand will suffer credibility damage.

You're simply hurting your chances of deriving any value out of one of your hardest earned and most expensive assets - a prospect database. Even worse, if you're marketing added-value products to existing clients via an affinity database, you could damage those relationships to the point that customers may consider switching to another provider. This certainly does not lead to optimum efficiency which was always the original intention of dialing automation!

So, in planning your telesales strategy in such a fast changing and competitive business environment - whether in-house or outsourced - the most important question to ask yourself is do you really want to be entrusting your data asset to a provider with dated and underperforming technology platforms that cannot effectively compete, or worse, could damage your relationships with your clients?

## ABOUT THE AUTHOR

Sean O'Keeffe is Chairman of O'Keeffe & Swartz, an outbound call centre specialising in the sale of simple insurance solutions

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