



# Telemarketing effectiveness survey **2005**

ACCUCOMS BV, which provides specialist sales and marketing services for scholarly and society publishers, made over 20,000 telemarketing calls on behalf of clients over the last 12 months. In this, the third of our annual surveys on telemarketing effectiveness, Pinar Erzin, Managing Director of ACCUCOMS reveals the results publishers can expect from their campaigns

This survey will help publishers by providing figures for their own planning scenarios. It reveals the results of almost 60,000 telemarketing calls (including the previous two campaigns run by Extenza Marketing Solutions, acquired by ACCUCOMS in February 2005. Around 60% of these calls were made to lapsed subscribers (see Figure 1), with the remainder to new prospects (see Figure 2).

	2004/5	2003/4	2002/3	Variance
<b>Subscriptions</b>				
Renewed	47%	35%	29%	+12%
Pending	7%	10%	11%	-3%
Cancelled	26%	24%	24%	+2%
Status unknown	20%	31%	36%	-11%
Total	100%	100%	100%	0%
<b>Subscribers</b>				
Acknowledged	75%	74%	62%	+1%
Not available	16%	18%	22%	-2%
No contact information	9%	8%	16%	+1%
Total	100%	100%	100%	0%
<b>Cancel reasons</b>				
Lack of budget	28%	33%	35%	-5%
Migration online	18%	12%	8%	+6%
Low usage	7%	0%	0%	+7%
Subject not relevant	5%	11%	10%	-6%
Subscriber left	4%	6%	4%	-2%
Price	4%	2%	5%	+2%
Other	34%	36%	38%	-2%
Total	100%	100%	100%	0%

Figure 1: Telemarketing renewal responses and comparison with previous year. 'Other' includes sales to consortia, the library closing or duplicate subscriptions.

## **Renewal rates revealed**

Analysing the results of calls to lapsed subscribers (i.e., subscribers undergoing the publishers' printed renewal process without renewing) we found that:

- 47% of lapsed subscriptions were intended or recaptured
- 7% had not yet made up their minds
- The main reason that subscribers cancel remains a lack of budget, but migration to online products is accounting for a greater proportion

### **Increased renewal rates**

A massive 47% of lapsed subscriptions that we contacted were renewed through our telemarketing campaigns. Much of this success was due to tracking down intended renewals that had gone astray during the existing renewal process. A further 7% had not reached a decision within the two to four weeks or so that a campaign normally lasts, but may renew further down the line.

### **Reasons for cancellation**

There is a wide range of reasons for why subscribers cancel. The most frequent of these is budget cuts, which accounts for 28% of all cancellations, although this figure has dropped in comparison with previous surveys. 18% have moved to some form of online subscription—a trend that is likely to continue given the proliferation of electronic delivery.

The rise in electronic subscriptions may also account for the 7% cancelling due to low usage (which may well reflect the risk inherent in the easy access of usage figures). 5% of subscribers have moved either position or assignment and find that the subject is no longer relevant. And 4% cancel due to the subscriber leaving the company. Surprisingly only 4% cancel due to price. When this information is fed back to the publisher in a systematic fashion it can be a goldmine for negotiation, chasing new prospects within the same company or developing new products.

## **Better than last year**

The most significant change from previous years is the increase in lapsed subscribers renewing (47% this year compared to 35% and 29% in previous years). This could be a result of publishers commissioning proactive telemarketing campaigns earlier in the renewal process, rather than waiting until the last minute to sort out possible problems.

Lack of budget remains the main reason for not renewing/subscribing but the other significant trend is the growth of electronic, something which will come as little surprise to publishers. During 2004/5, 18% of cancellations were due to a migration to online compared with 12% and 8% in previous years. Given the proliferation of electronic delivery this is expected to continue and publishers are urged to consider how they can best take advantage of the growth, with one obvious means being electronic conversion and activation campaigns via telemarketing.

## New sales opportunities

This year we were once again heavily involved in telemarketing for new sales opportunities, predominantly following up on promotional campaigns initiated by the publisher. There was a wide range of activities including print upselling and cross-selling, online sales such as site license agreements or online activation, market awareness and one-offs such as seminar invitations. Analysing the results of calls to prospects (see Figure 2) we found that:

- 17% of prospects wanted to purchase
- 47% wished to see further information or sought more time to make up their minds

	2004/5	2003/4	Variance
<b>Subscriptions</b>			
Interested	17%	18%	-1%
Need more information	47%	20%	+27%
Not interested	27%	46%	+19%
Status unknown	8%	16%	-8%
Total	100%	100%	0%
<b>Subscribers</b>			
Acknowledged	79%	81%	-2%
Not available	16%	16%	0%
No contact information	5%	3%	+2%
Total	100%	100%	0%
<b>No interest reasons</b>			
Lack of budget	45%	29%	+16%
Already have access	18%	9%	+9%
Subject not relevant	7%	6%	+1%
Consortia decision	5%	0%	+5%
Price	2%	5%	-3%
Subscriber left	0%	3%	-3%
Other	23%	48%	-25%
Total	100%	100%	0%

Figure 2: Telemarketing new sales responses and variance with last year.

### A desire to purchase

17% of the prospects that we contacted expressed a desire to purchase, often requesting quotes and invoices there and then. Most publishers would agree that these are tremendous results, particularly given the poor responses to other promotional activity that we have witnessed.

A further 47% of prospects requested greater time or more information and may purchase later. We believe this shows that publishers would be wise not to treat new sales campaigns as one-off projects: prospects often do not have the time or inclination to review promotional material when the publisher sends it, but will take time to review when they feel it necessary.

Reinforcing this view is the fact that only 37% of the prospects we spoke to confirmed receipt of the original information sent by the publisher. 27% had not received it and a further 36% could not recall it either way. Finally, of those requesting further information, by far the majority (68%) wished to receive it by email rather than fax or print.

## **The benefits of outsourcing**

With such seemingly obvious benefits it is surprising that more publishers do not incorporate greater telemarketing into their renewal and promotion series. However, many are too daunted by the increase in overheads to recruit, manage and incentivise a telemarketing team. The solution could be outsourcing.

Telemarketing of renewals is not something that most publishers need to focus on daily, although it is a year-round activity due to regional differences (northern Europe invariably pay on time, southern Europe and Asia well late due to financial constraints such as government budget approvals). And new sales drives invariably happen only in peak times such as April, September and January. Outsourcing allows the publisher to economically manage the obvious heavy periods and similarly the quiet periods such as July and August. Outsourcing also enables specialised sales staff to be used without the salary and training problems. And given that language and location are increasingly important in today's global environment the right outsourced partner allows you to reach the prospect in a friendly and convenient manner.

Interestingly many publishers use external agencies in conjunction with an in-house team. There are many generic telemarketing agencies to choose from but the best are specialist agencies with experience in the field of STM publishing who understand the nature of the market you serve and have language skills. Finding the right partner allows publishers to increase their subscriptions cost-effectively, providing a systematic means of recording invaluable customer feedback. An effective outsourced telemarketing programme could increase renewals by almost 1-in-2 and new sales by 1-in-5. Compared to other promotional activity, that is hard to beat.

## **The author**

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