

Direct Response Teleservices — The 800 Order Entry Arena

A PROFILE ON THE TARGET TELESERVICES AFFILIATE OF ACI TELECOMMUNICATIONS CORPORATION

Across the bottom of a current Total Raisin Bran commercial reads 1-800-FREE-BOX, as a friendly voice over urges the viewer to call the number right away to receive a free trial-sized box in the mail. Once the number is dialed, the viewer is asked by an automated customer care operator whether he or she has ever sampled Total Raisin Bran and then asked to leave an address at the beep.

This procedure is called direct response teleservices, one of the newer arenas in advertising. It has branded its 800-number signature on virtually every facet of the market, particularly out-of-home billboards, television commercials, radio and print ads.

Salt Lake City-based *ACI Telecommunications Corporation* (ACI), known to most people as *ALERT Communications*, created a new division in 1991 focusing on direct response advertising campaigns. Founded in 1969 by Kaye Higgs and now guided by Rex Wilcox (who purchased the company in 1978), ACI has evolved into a complete telephone service bureau. In the beginning, the firm focused on providing professionals and businesses with personalized operator answering services (which came to be known as Telephone Secretary). With the advent of pagers, ACI began offering paging products and services to customers as a complement to the live answering service. Later, voice mail entered the telecommunications scene and ACI soon added a voice response system to its product menu. During the 1980s, ACI also

developed a niche in the cellular telephone business, becoming the largest agent affiliate of U.S. West Cellular in the Utah marketplace. More recently, ACI has been asked to represent American Mobile Satellite Corporation's new SKYCELLSM satellite telephone system.

ACI Executive Vice President Roger LeFevre explains that direct response teleservices are a natural extension of traditional live answering services; however, direct response calls tend to last much longer and are driven by a marketing approach or from the need to provide a higher level of customer service. LeFevre continues to explain that direct response teleservices generate billions of dollars in revenues for aggressive companies of all kinds and sizes — actually achieving higher profits at a lower cost. This is done by offering consumers free product samples or discount coupons, customer service and the convenience of at-home shopping.

Inbound 800 teleservices can be used effectively to generate and qualify sales leads. In particular, 800 numbers can serve as a media tracking device to facilitate effective media buys, or they can be used to test specific markets and marketplace conditions in order to conduct marketing research. Imagine this scenario — a company wishes to advertise its product in two comparable magazines, delivered to different market segments. Wishing to track the response each ad creates, the advertiser includes an 800 number in the ad's copy with some sort of call to action. Then, when a potential customer responds to the ad, a third-party teleservices bureau can record the ratio of responses received from each source, and in turn can determine which magazine produces more leads and/or sells for the advertiser.

In such a scenario, the telephone becomes an awesome tool for prospecting new customers, testing market ideas, analyzing market potential and serving customers' needs. LeFevre re-emphasizes that "you don't have to be IBM to benefit from direct response teleservices; yes, we help Fortune 500 companies, but we also work just as well for one-person operations." Recent projects for *Target TeleServices* include a baseball T-shirt offer for WGN Chicago which produced thousands of orders over a short time, product introduction campaigns for NBC and the Weider

Nutrition Group, the presidential exploratory bid announcement for candidate Steve Forbes, market tests for FreeCom Communications, and the pledge drives for public broadcasting affiliate KUED, among many others. *Target TeleServices* serves approximately 100 clients. "Target maintains a certain staff level for day-to-day operations. Yet, depending upon client media schedules and special projects, we can grow and shrink like an elastic band to accommodate the needs of our clients," elaborates LeFevre. The company's regular staff size hovers at around 100 employees, but *Target TeleServices* has developed a large network overflow system that can acquire up to 400 or more customer service agents for client campaigns on almost a demand basis.

Other customized inbound services that *Target* offers include fulfillment, on-going customer support, up-sells or research questions during the call, and personalized interactive voice response (IVR) answering. LeFevre explains, "Our inbound calls are routed by an Automatic Call Distributor, known as ACD. It reads the 800 number dialed as it rings through our system, and displays our client's name, or the project name, to our customer service representatives, allowing them to answer with a personalized response. We can then take ample time with a caller or the client may want us to minimize the cost of each call or order taken by quickly moving through the call. If different 800 numbers are used for specific media sources, media tracking will also be reported."

LeFevre and Company President Rex Wilcox hope to see *Target TeleServices* used as an integrated aspect of many local media campaigns. "We want to be considered as much as any other media," says LeFevre. "We see teleservices as a commissionable activity — for each client served by us, a percentage of the client's expenditures with *Target TeleServices* can be earned by the referring advertising agency that jointly develops the business with *Target*."

The 800 order entry arena is unique in that it specifically measures the type of calls received, the source of the call, and the success of the direct response ad. *Target TeleServices* personalizes this medium by tailoring direct response services to the needs of its clients, by staffing to fit project needs — which includes training specialized customer service representatives to handle dedicated clients — and, when asked, by fulfilling the orders and literature requests of customers. A principle component of *Target*'s core business is to provide direct response teleservices for dynamically changing advertising ideas. The company intends to grow and evolve in form with the advertising industry itself. Direct response has fully arrived. ☺

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INFORMATION UPDATE

Pictureline recently changed its web site address for its new interactive division, Eline, to: <http://www.pictureline.com>. Please update in your files.