THE ROLE AND IMPLICATIONS OF TELEMARKETING IN MEDIA. CASE STUDY: TRANSILVANIA EXPRES DAILY PUBLICATION OF BRASOV

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ABSTRACT: During crisis, one of the first measures taken by the leadership management is the reduction, sometimes major, of marketing budgets. But, during this period, the promotion is essential and neglecting the communication actions may lead to significant losses on a long term basis. In the current economic context, the main purpose of any promotional campaign should be to obtain a direct answer from those exposed to message. A solution in this sense is to create the telemarketing which may reduce costs even by half (if it is integrated within the general marketing strategy) and may significantly increase the amount of sales, offering many benefits, unable to be obtained through other sales techniques.

KEY WORDS: media; telemarketing; sales; communication

JEL CLASSIFICATION: M31

1. INTRODUCTION

Telemarketing is the process of using phone as an appropriately managed part of the marketing mix together with sales and technical assistance. This differs from the phone sales whose purpose is to sell over the phone (Stone, et al., 2006, p.221). If phone sales rely on individual communication, on the operators’ own methods and the goal to sell a product/service, in telemarketing the message is controlled, it uses structured scenarios and the objectives vary. The use of telemarketing is not a recent thing, but, during the last years, it has recorded a major development with the increase in the number of call-centre platforms and other phone centres.

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2. CHARACTERISTICS OF TELEMARKETING

Telemarketing refers to the integrated and systematic use of telecommunications and information processing technologies, as well as certain management systems in order to improve the marketing communications mix used by an organisation to contact their customers. The phone marketing maintains a customized interaction with the customers while pursuing a better knowledge of their needs and enhancing the economic efficiency of the organisation’s business (Stone & Wyman, 1986, pp. 5). There are four categories of the main uses of telemarketing (Thomas, 1998, pp. 586):

1. Generating new transactions: searching for new customers; sales; taking the orders; prospect for contract reiteration; transforming demands into orders;
2. Customer services: ensuring good relations with the public; fast taking of calls; solving complaints and having a dialogue with unsatisfied customers; collecting payments falling due;
3. Communication: sending and receiving messages; sending and receiving telex and fax messages (by modem and appropriate equipment);
4. Research: collecting data; connecting with a data viewing system (via modem and a computer terminal).

An efficient telemarketing program should allow operators: to understand the expectations and needs of concerned consumers; to present the characteristics of products/services; to point out the advantages of purchasing products/services; to reply to objections or fears of concerned consumers. The telemarketing activity consists of two important categories: "outbound telemarketing" (active telemarketing campaigns) - the organisation takes the initiative to effectively start and achieve communication; "inbound telemarketing" (passive telemarketing campaigns) - the consumers take the initiative to effectively start and achieve communication.

The most frequently implemented active phone marketing campaigns include those whose purpose is (Veghes, 2003, p.241): to make certain sales preparations ("lead generation") and to qualify the organisation’s possible customers (identifying the individual or institutional customers of organisation by the highest predilection towards buying its products and services); to promote and sell over the phone certain organisation’s products and services (effective sales of certain products or services to individual or institutional customers of organisation, who have been "qualified" or not after performing certain preliminary activities); to carry out certain activities of market prospecting and recruitment of new customers or business partners of organisation (it is an activity highly similar to the one dedicated to sales preparations and it has many elements in common with the active phone sales programs).

The passive phone marketing campaigns consist of a series of activities which include: receiving the call; taking the orders placed by consumers; an analysis of the customer by recording the consumers’ reactions after conducting some direct marketing campaigns; removal of nonconforming data from the data basis/improvement of data basis; providing additional information requested by consumers concerning the products/services of organisation; customer post-sales support; complaint solution. Generally, the services necessary to make and implement an active or passive telemarketing campaign are offered by the so-called call-centres.
They bring the human factor and technology together which both converge towards the same goal, namely to satisfy the customers’ needs, which is one of the most efficient ways to maintain a relation with them.

These modern centres of call taking and making, equipped with different types of technologies, ranging from "Interactive Vocal Answer" (IVA) and "Automated Call Distribution" (ACD) to vocal recognition (VR) software, are based on the staff who has a critical role in this way of communicating a campaign. Whether "in-house” or outsourced, whether labelled as “inbound” or “outbound”, or if it incorporates computer solutions of resource management, management analysis, the Call-Centre has become an indispensable centre for large businesses or for social service providers, a supporter of their image and, last but not the least, an efficient communication channel with the external environment. Using the phone in direct marketing is a not as simple as it seems. When a market research is conducted to find new customers, it is necessary to answer a series of questions (Marin, 2006, p.136): "Who should be called?" "How to find names and phone numbers of possible customers?" "What are the preferences of possible customers?" "Which is the best moment of the day to make a call?" "What elements should be recorded?" "How frequently phone calls should be made?"

The advantages of telemarketing consist of (Zaiţ, et al., 2006, p.69): facilitating immediate dialogue; interactivity; selectivity (accurate segmentation); fastness; flexibility (changing action according to degree of answer); speeding up the sales process - cutting short the decision process; a much higher impact of message than in the case of other forms of direct promotion; creating opportunities to the organisation to expand its availability to customers’ requests, 24 hours a day, 7 days a week; possible quantitative, but also qualitative, assessment and control.

The main disadvantages of telemarketing refer to (Claeyssen, et al., 2009, p.270): high costs - the cost of a contact is much higher compared to other direct marketing supports (ex.: e-mail or mail); necessary training of provider - whether services are provided by an external provider or by the organisation’s staff within a dedicated call-centre, training is often necessary to instruct telephone operators; it is sometimes repulsive because the phone marketing, mainly the one addressed to physical persons, is sometimes perceived as a true advertising aggression.

The telemarketing suits the products/services where the decision to buy is based on subjective arguments, in which case rapid actions should be taken to make the buyer start the purchasing process.

3. CASE STUDY: THE TELEMARKETING CAMPAIGN FOR THE TRANSILVANIA EXPRES DAILY PUBLICATION OF BRASOV

The Transilvania Expres daily publication emerged on September 8th 1993, and the first number was dedicated to the 4th edition of the „Golden Deer International Festival” when the print circulation reached 20,000 copies and it was distributed free of charge. This daily publication is published by S.C. Tipotex S.A. of Brasov. Currently, Transilvania Expres is a market leader in paid daily publications of Brasov County, with an average number of 8,448.5 copies sold per issue in 2009, according to the Romanian Audit Bureau of Circulation (BRAT).
The telemarketing activity of Transylvania Express daily publication consists in: 1. **Active telemarketing campaigns.** The subscription campaign is conducted in the first and fourth quarter in order to increase the number of subscribers. The research among the subscribers from the database is focused on their degree of satisfaction regarding the distribution methods of the newspaper and its content. Applying a questionnaire with short questions to a representative number of subscribers, SC TIPOTEX S.A. had the possibility of improving its services. 2. **Passive telemarketing campaigns.** Through a specialized office (the TEXpert Public Relations Office), the newspaper’s readers may submit complaints to the Editorial Board of Transilvania Expres in order to solve them through surveys and articles published in the newspaper. The readers have at their disposal a phone number and an e-mail address to send the notifications. The SMS is one of the subscribing methods to Transilvania Express daily publication. The persons interested in subscribing has to send an SMS with the “SUBSCRIBER” text to 0740+ Subscriber (0740 226 628).

In 2008 *Transilvania Expres* starts using telemarketing to attract new subscribers and to keep existent ones. Thus, the purpose of using the phone is to sell subscription packages directly to physical persons as possible subscribers to the publication. The telemarketing agents have an important role in this activity. They must have pleasant voices and communication and negotiation skills.

The subscribing process to the *Transilvania Expres* daily publication through telemarketing consists of the following stages: **Stage 1.** Calling physical persons taken from the data basis by the telemarketing agent and presenting the subscription offer. The telemarketing campaigns address to physical persons because they have the power of decision and thus telemarketing agents can easily obtain a yes or no answer from them regarding the subscription offer presented. They do not address to legal persons because it is difficult to contact the persons who have power of decision within the organisation and in most of the cases the agents discuss with manager assistants who fail to present the subscription offer to their managers and give a negative answer to the offer, even if they do not have power of decision. The phone numbers of persons called are taken from the data basis of S.C. TIPOTEX S.A. or from Golden Pages.

The telemarketing activity is not made randomly, but is properly focused on the target group which consists of: **1. Former clients who have not subscribe anymore for various reasons.** Former clients are easily persuaded to subscribe again (Eastman, et al., 2004, p.142) compared to those who have never subscribed to the newspaper, because they know the publication and they benefited form subscription services at least a month. **2. Persons who never subscribed to the newspaper.** The potential subscribers to Transilvania Expres daily publication are people living in the city of Brasov and on the streets that are in the coverage area of the companies that distribute the newspaper.

The Tipotex company hasn’t the necessary resources for the acquisition of complex database of potential subscribers that can be selected according to several criteria of segmentation (age, gender, occupation etc..) and it uses the database consisting of Romtelecom subscribers who can be found in Yellow Pages publications. The working schedule of the Telemarketing Department staff is Monday to Friday, 4.00 P.M. to 8.00 P.M. because on business days and during these hours the possible
subscribers are willing to answer the phone and they show interest in the subscription offer to the newspaper. The telemarketing agents are paid according to the number of subscriptions completed, based on a commission chart, and each month they conclude subscriptions for the next month. The former clients who haven’t subscribe again to the Transilvania Express are called in the first half of the month and the reasons of not subscribing anymore are centralized in order to improve the delivery services and the content of the newspaper.

Stage II. If an affirmative answer is given, the subscription details are then discussed: day and time of meeting with a subscription agent, period of subscription, type of subscription, and confirmation of delivery address. Among the persons who say on the phone that they intend to subscribe to Transilvania Express, 10-15% of them change their mind before the meeting with the subscription agent. In order to limit this percentage in the physical persons changing their mind, the telemarketing agents set up a meeting on or the second day after the day of call.

Stage III. The telemarketing agent transmits to the subscription agreement agent the details on the subscriptions. The telemarketing agent and the subscription agreement agent should collaborate very well in order to avoid subscription refusal because of incorrect fixing of meeting dates and times.

Stage IV. The meeting between the subscription agent and the natural person interested in the Transilvania Express offer and the effective conclusion of subscription. At this stage, by the way of presenting the offer, the agreement agent may positively influence the possible subscribers in extending the subscription period, or negatively if he/she does not comply with the meeting date and time which leads to subscriptions being refused. The telemarketing campaigns begin at the end of year when launching subscription packages for the following year. Holidays and leave periods are avoided because during these periods of time the persons called are not willing to discuss with telemarketing agents and the weight of negative answers exceeds 70%.

The number of Transilvania Express subscribers attracted through telemarketing campaigns range between 1 and 10% of the total number of persons called. This low percentage is due to the population disbelief in the products and services sold over the phone, the discontent of the subscription delivery ways and of the subscription rate. In order to get positive answers from the persons called, subscriptions are offered on promotion rates to certain categories of people such as the retired, university students, school pupils, the unemployed, and CDs/DVDs are offered as gifts to those who subscribe for a period exceeding 6 months. The number of Transilvania Express subscriptions concluded through telemarketing has increased from 46 in September 2008 to 219 in December 2008 (Figure 1).

This increase in the number of subscriptions concluded through telemarketing is due to: an increase in the number of employees from 2 to 5 and intensive work (Figure 2.); accumulation of experience and decrease in the degree of fluctuation of telemarketing agents; favourable period the first half of December and the second half of January when the population is willing to subscribe to Transilvania Express daily publication for the next year.

Upon analyzing Figure 3 it can be noticed that 74.93% of the subscriptions concluded through telemarketing are valid for one month, because the new subscribers
monitor for one month the quality of the newspaper information and distribution (delivery hour, number of newspapers delivered in one month, behaviour of courier). Then, according to these criteria they will extend the subscription period or refuse the subscription.

![Number of subscriptions and total subscriptions](image1.png)

**Figure 1.** The number of subscriptions concluded through telemarketing and the total number of subscriptions to the Transilvania Expres daily publication, from October 2008 to January 2010

![Number of employees](image2.png)

**Figure 2.** Number of employees in the Telemarketing Department of the Transilvania Expres daily publication, September 2008 - December 2009
The weight of Transilvania Expres subscriptions concluded through telemarketing is 1-4% of the total number of subscriptions. To maintain an ascending trend and to ensure the profitability of the Telemarketing Department the following measures should be taken: increasing the number of agents, turning the telemarketing activity into a permanent activity, using telemarketing to make certain market researches over the phone and making offers on different products and services of Tipotex company. The technological development contributed in the last years to the enhancement of telemarketing campaigns of Tipotex company. The telemarketing was used to ensure a better informing of actual and potential customers regarding the services, to reduce the time required to sell advertising space and subscriptions, and to solve rapidly the complaints coming from newspaper readers and citizens of Brasov.

4. CONCLUSIONS

Two centuries ago, telemarketing was a simple way, both for large and small companies, to get high profits from sales. At that time the number of telemarketing professionals was rather low, and the low resistance of customers to this form of sales was not a problem. But today’s customers are assailed on the phone with different offers, and their resistance has increased significantly. Nevertheless, telemarketing may largely enhance profits, but only if the organisation’s management understands the fact that a telemarketing program means more than just renting a few telephone lines and hiring a small number of persons with a pleasant voice.

Most of the time, companies choose to outsource their telemarketing services to specialized companies. This is a sign an increasing penetration of global work force and the convergence of different cultures towards reaching the same business goal. The advantages of outsourcing to a professional telemarketing company are directly linked
to the benefits of outsourcing itself. Service outsourcing to a specialized company has the role to cover the distance from the company’s product to consumer. Taking into account today’s direct marketing tactics, some efficient, others too less used, the telemarketing represents in Romania a yet unexplored field which only a specialized company can control.

Truly professional companies, to which telemarketing activity is outsourced, should generate increased profits from sales for the employer. This is obviously a positive outcome. The outsourcing companies should be capable to attract new customers, to reach an increase in product sales and to improve the degree of retention of products by the customers. At the same time, an outsourcing company dealing with telemarketing should be also cost efficient. The ready-to-use outsourcing services are doing everything for the employer, including management of administration duties, recruitment, training and supervising of sales agents’ activity.

Outsourcing companies, to which telemarketing activity is outsourced, are also in the possession of complete information on the target market. For a small company, it is possible for an internal direct sales department to be efficient. But, if global development is taken into consideration, before the product looses its selling potential, the management group should get together all the necessary resources in order to establish the infrastructure only for entering a regional market. This is a complex and very risky move. This is why is possible to employ the services of a telemarketing company that has already the necessary resources and infrastructure to sell a product/service required.

REFERENCES:

[10]. Internal data of S.C. Tipotex S.A.