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Qwest Tweaks a Channel at a Time

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BY RAY SCHULTZ

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“We’re only starting,” said director of corporate marketing and databases Mitch Plum.

Qwest is a Denver telecommunications firm with 4.6 million long-distance customers and 743,000 wireless users. It serves consumers, businesses, governments and wholesalers.

But it faced a marketing challenge a few years ago: How can campaign performance be optimized across multiple channels? The firm’s performance in so-called silo channel marketing was decreasing for various reasons, according to Plum.

That meant Qwest needed to track its leads more effectively, determine the real contribution of each channel and increase the speed and accuracy of its reporting. It also had to determine “the best offer for this customer at this time,” said Plum, speaking last month at the National Center for Database Marketing Summer 2005 conference in Chicago.

To accomplish all that, Qwest chose Prevalence, a lead-management system from The Allant Group. For starters, the system enabled the firm to know “where the lead is at any point in time,” said Allant’s Kurt Janvrin, vice president for business development strategic consulting.

It also allowed Qwest to make “apples-to-apples comparisons of vendor performance,” while monitoring action on leads. Qwest expects its teleservices vendors to work a lead or return it as unworkable, with full

disposition every day.

“It’s not OK for the vendor to say, ‘We’ve got the leads, we’ll call you in two weeks,’” Janvrin said. “They will get called or hounded every day until the leads come back.”

Also critical is flagging of do-not-call requests and other customer preferences (no small thing for a firm that makes 2 million outbound calls a month). Qwest must contend with federal, state and local laws, each of which can vary according to the type of product, Janvrin added.

“Before the leads go into active call or mail status, we scrub off the ones that should be scrubbed off, and look at our business rules.”

Those rules govern the frequency of customer contact. “One of the things we learned is that more isn’t always better,” Plum said. “Every lead that comes through has a single use at a point in time.”

Key to enforcing those rules is Solo, a module within Prevalence.

The system also allows better reporting and ROI analysis. For Qwest, the key metrics are:

- Sales per hour per telemarketing vendor.
- Average sales amount and lifetime value of a sale.
- Conversion rates.
- Incremental sales rates from redistributing leads.
- Annualized record volume.
- Lift in sales/reduced risk from using compliance data.

And is Qwest getting a holistic view of the customer?

“People talk about getting a single view of the customer,” Plum said. “But where I am in my company, it’s more important to get a single view of our marketing activities.”

So where does the firm stand one year out? Here’s a rundown:

- Qwest generated more sales from selected leads during each campaign.

- Vendors are more productive and make fewer calls to bad leads.
- The marketing staff can now focus on analyzing campaign performance.
- Qwest is making more sales per calling hour, with reduced do-not-call exposure.

And the best part is this: For every dollar spent with Allant, the estimated pretax return is \$4 for consumer campaigns. Of that sum, \$3 is attributable to optimizing campaign performance, 44 cents to improving vendor effectiveness, 32 cents to reducing operational costs and 24 cents to ensuring privacy compliance.

What does Plum advise newcomers to this process to do?

He said firms have to create a “realistic road map” based on their technical and organizational aspects. He also cautioned that “you may not be able to get all the attribution data you need in a complex multichannel environment. You may need to extrapolate. And even if your data is still mired in silos, “you can show value through reporting. Reporting can always precede operations.”

What’s next? Plum hopes to achieve better overall channel integration “so if something happens online, it will drive offline activity. We do try to drive people to the Web, but it’s not trigger-based activity. We want to see more triggering.”

The next channels to get the Prevalence treatment will most likely be e-mail and door to door.

Door to door? Yes, Qwest sells door to door. It works well in a multichannel effort. “You have someone arrive at the door after a media campaign, and the consumer has the awareness that something is going in,” Janvrin says.

Finally, measure everything. “What you don’t measure won’t get any better,” Plum says. “That’s my first theorem.”

