



The DMA Contact Centres and Telemarketing Council

A Client's Guide to Outsourcing

The Direct Marketing Association (UK) Ltd

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2.0 Foreword

“This guide provides priceless background information to help any client (whether they have experience in this area or not) ensure that they get best value from engaging with an outsourced contact centre. Moreover, clients will be able to use this guide to ensure that best practice is maintained and that their company is protected against potential malpractice.”

David Metcalfe
Head of Wholesale Banking Development
Lloyds TSB Scotland

3.0 Introduction

In recent years, the UK's telemarketing industry has been asking whether it has a future. Industry telemarketing practice has been variable and many issues have arisen - silent calls, outbound calls being seen as intrusive and irrelevant by consumers - prompting consumer rejection and tougher legislation. The DMA believes there is a future for outbound telemarketing, particularly to existing customers. The DMA's Contact Centres and Telemarketing Council intends to lead the way in helping its members ensure that future campaigns are conducted not only in accordance with legislation but also with best practice guidelines.

This document outlines how client companies should work with outsourced contact centres to ensure telemarketing activity complies with best practice guidelines. It aims to help client companies refocus their calling activity and offers suggestions on how to ensure their chosen outsourced contact centre is adhering to best practice.

The requirements set out in this *Client's Guide* go beyond the DMA's *Direct Marketing Code of Practice* as they advise how to ensure the business is proactively working to develop and protect its relationship with its customers by encouraging transparency and honesty. This document is not, however, a statement of DMA policy.

It is important to note that these guidelines apply to clients and outsourced contact centres calling UK customers irrespective of whether the contact centre is based in the UK or abroad.

4.0 A Client's Guide to Outsourcing

When working with an outsourced contact centre, the client remains ultimately responsible for verifying the telemarketing activity is compliant with all legal and self-regulatory requirements. These guidelines have been developed to help ensure outbound campaigns are conducted with integrity in order that it remains a viable and attractive channel to market.

Clients must remember that they cannot simply pass responsibility or accountability to their outsourced contact centre. The relationship with an outsourced contact centre should be seen as a partnership in which both parties work together to ensure that compliance and best practice are achieved.

5.0 Using outbound-calling to its best effect

In essence this is about getting the right message, to the right person, through the right communication channel at the right time. You should bear in mind the following points:

1. Make sure you have a valid reason to call – this needs to be clear to both the customer and the agent.
2. Ensure the reason for the call is relevant to the person being contacted – don't call your entire database! Ensure you apply the same robust selection criteria to generate the list of names to be called that you would apply to any direct marketing activity. It makes sense to contact only prospects / customers who are likely to respond positively. This makes financial sense for your business and reduces the number of customers / prospects you may alienate with an irrelevant or untimely offer. Application of careful selection criteria will also protect the future of the UK's telemarketing industry.
3. Before committing to a new campaign, test a sample of your data set to ensure that the campaign's objectives can be achieved and benefit both your customers and yourselves.
4. Ensure that your contact is considered timely by the customer. For example, if you're calling to offer car insurance, it is vital to call before the customer's renewal date, not just after they have renewed!
5. Before the campaign starts, ensure you have identified service led measures for quality and consistency across all calls.
6. Be honest with your chosen outsourced contact centre – share previous results and agree your expectations before the campaign commences.

6.0 Selecting an outsourced contact centre

When a business considers outsourcing its outbound telemarketing activity, it should ensure it chooses a partner which can provide this service as part of its core

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competencies. Whilst there are many contact centres and telemarketing agencies that will be able to provide such a service, each will differ in its approach to the solution. There are a number of considerations, which are quite separate from the cost, that you should review when deciding who to work with. Here is a quick checklist.

1. **Experience of the contact centre** Does the contact centre have relevant experience of the type of calls you wish to outsource? Does the contact centre have any clients who you consider to be a direct competitor? Would this be an asset or liability to your own activity? Does the contact centre have directly comparable experience of the kind of work you are outsourcing? Can the contact centre provide examples of successful campaigns working within your industry sector?
2. **Culture of the call centre** – Does the contact centre *feel* like it can promote your brand products and/or services to your customers in line with your brand strategy? Does it understand your company ethos? Is the contact centre environment one in which you would be happy for your own staff to work?
3. **Location** - Where is the contact centre located? Best practice suggests that you, or perhaps a third party acting on your behalf if the contact centre is overseas, should make regular visits (or virtual visits using supporting technology) to the contact centre for training, monitoring and development of the agents handling your calls. You need to work with the contact centre's account management team to ensure best practice is strictly applied and to review the campaign results. If the contact centre is difficult to reach at regular intervals this could compromise the effectiveness of your campaign. Regular visits allow you to build a rapport with your calling team and often facilitate a better communication flow and relationship. However, this does not mean that you should choose a contact centre based solely on its close proximity to your offices!
4. **Consider the size and importance of your campaign to the contact centre** – Will you be a big fish in a small pond or a small fish in a huge ocean? You need to be comfortable with the relationship.
5. **Compliance** - How does the contact centre propose to manage your campaign? For example, will they use automated dialling equipment to make calls? If so, can they demonstrate compliance with the relevant regulations / legislation? Is the proposed solution appropriate for your business?

6. **Cost** – The lowest cost may not be synonymous with the best quality. If the quote you receive from one contact centre is considerably lower than the quotes you receive from others, you need to consider why this is the case. The calculation below may help you to assess whether costs are *reasonable*:

Average cost per order = (sales per hour x average value of sale) – (average hourly rate / contact per hour)

If a prospective contact centre provides a quote that doesn't appear to cover its costs, it is unlikely that it will be able to deliver good results and a service on your behalf, which is reliable and compliant with all the regulations. Some DMA client members have raised complaints that 'rogue' contact centre suppliers are providing very low cost quotations but when awarded a contract, simply do not complete the agreed work to an acceptable level.

It is our view that having an open and honest relationship with a contact centre or agency that has a good infrastructure and the right cultural fit with your own organisation is worth far more than a relationship based primarily on low costs. And it is much more likely to ensure there is no risk of damage to your brand.

At the start of any relationship, or even where a relationship is already in place, it is recommended you agree the following operational details:

1. *Information to be provided to customers*
2. *Management of contacts and their data – including how this will be processed*
3. *Management of any automated dialling equipment used in your campaign and the reporting of performance achieved against tolerance levels. In the B2B environment campaigns with a calling list of less than 10,000 records should not require the use of automated dialling equipment.*
4. *General operating guidelines, including calling hours*
5. *Monitoring and recording of calls*

All of these areas, which are elaborated below, should be included in the contract or service level agreement which you draw up with your chosen contact centre. Or, if more appropriate, they can be included in each individual campaign brief.

7.0 Information to be provided to customers

It is important to be clear and open about your telephone activity. All the following are legal requirements and not preferred options. Your chosen contact centre must be aware of these and must be applying them as a matter of course. Where applicable, ensure these items are covered in your script and briefing materials.

- Your organisation's name as the advertiser/marketer must be stated at the beginning of any call and repeated if requested at any time during the call.
- Your organisation's full contact details, if requested
- Identity address and telephone number of the outsourced agency - if requested.
- State the purpose at the beginning of the call and restrict content to matters directly relevant to this purpose – do not disguise a sales call as a customer service or market research call.
- If a visit is arranged to the recipient's home, a telephone number and address must be provided in advance of the visit to enable the recipient to change or cancel the appointment.

Although not legal requirements, you should consider the following best practice points.

- At the beginning of the call, the agent should enquire whether it is a convenient time for the caller to talk – if it is not, the agent should seek to arrange a more convenient time to call back and promptly end the call.
- It is also best practice to verify on each and every contact made by telephone that recipients/customers still wish to be contacted by telephone for future campaigns. Whilst many client companies may be afraid of losing contacts from their database for future campaigns, you should consider the economics of retaining customers on your call list who continue to refuse offers by telephone.

Remember being honest with customers will help to develop a relationship with them based on trust, which will in turn add value to the lifetime relationship.

8.0 Restriction of contacts and management of data

There are specific legal rules to which you must adhere concerning data. Compliance with these rules also helps to ensure that you target customers effectively and minimises the likelihood of your company's causing a nuisance. The rules to which you will need to adhere will be dependent on whether your call is in the B2C or B2B arena.

- Call lists may not be generated by random number or sequential dialling, manually or by computer. (B2B & B2C)
- You may not knowingly make calls to minors. (B2C)
- You may not call unlisted, ex-directory numbers unless the recipient has provided that number to you as a contact number and they are aware that it may be used for marketing / service calls. (B2C & B2B)
- You may not call workplace numbers unless the consumer has specifically provided that number to you as a contact number and they are aware that it may be used for marketing/service calls. (B2C)
- You must maintain an in-house suppression file listing customers who have indicated that they do not wish to be contacted by telephone. (B2C & B2B)
- You must screen your list against the Telephone Preference Service (TPS) file at least every 28 days to ensure you do not make unsolicited marketing calls to TPS registered numbers. However, you may make calls to numbers registered on TPS if you have an existing relationship with the subscriber and they have provided the number direct and have given you permission to make unsolicited marketing calls to that number. (B2C)
- Business to business calling lists must be screened against the TPS register to ensure that numbers registered by sole traders and partnerships are removed and against the Corporate Telephone Service (CTPS) register to ensure that numbers registered by public limited companies and limited companies are removed. Screening must be carried out at least every 28 days for both TPS and CTPS. The existing customer exemption also applies to CTPS. (B2B)
- After generating calling your list, the numbers must be screened against your company's in-house suppression file. Additionally, your outsourced contact centre may possess its own suppression file against which you may choose to suppress. (B2C & B2B).

- Please note that when requesting permission from a customer to include them in future direct marketing activity (be that by positive opt-in or providing the opportunity for the customer to opt-out), large corporations with multiple companies under one umbrella brand should note that there is no automatic right of transferral of data from one company to another under that corporate umbrella. For example, if company X owns companies Y and Z, customers who have agreed to receiving future marketing contacts from company Y are not automatically accessible to marketing efforts from companies X or Z. Permission to transfer the data between the wider group can be gained by transparent scripting. This point is particularly pertinent for companies who have changed / or are changing ownership. (B2B & B2C)

As a best practice point, it is recommended that you do not aim to target above 80 – 85% penetration of a calling list, dependent on the quality of the data. Circumstances will vary from campaign to campaign, however, but aiming for a higher level of penetration will be difficult to achieve whilst adhering to best practice on the frequency of call attempts, as detailed below.

9.0 Management of automated dialling equipment

If you or your contact centre decides to use automated dialling equipment, there are specific legal guidelines on how this must be managed:

- Dialling equipment must give a minimum ring time of 15 seconds before the call is aborted.
- At the beginning of a call consumers should not be subjected to long periods of silence (dead air) - no more than 2 seconds. In effect, if a "live" operator is unavailable to take a call generated by automated dialling equipment, the equipment must immediately abandon the call and play a pre-recorded information message within 2 seconds. The pre-recorded information message must include the name of the client company and details of a Freephone number the subscriber may call to opt-out of future unsolicited telemarketing activity from that organisation. The message must not contain any marketing information. Ideally, this number should be unique to you as a client of the contact centre and not a generic number for all clients of the call centre.
- The contact centre must provide caller line identification (CLI) on calls made via automated dialling equipment. When the number provided through CLI is dialled, the following information must be provided:
 - a) The name of the company/brand on whose behalf the call was made
 - b) Relevant information to allay fears as to the purpose of the call, unless providing such information would lead to disclosure of personal information to third parties.
 - c) Relevant information to allow the recipient to indicate that they do not wish to receive further unsolicited direct marketing calls.

d) Calls to the number provided on CLI must not be charged at a rate exceeding the National call rate.

NB: This information may be contained within a pre-recorded message.

- Your contact centre must adjust dialling equipment to ensure that the rate of calls abandoned is no more than 3% of live calls on each individual campaign over any given 24 hour period.
- Where a subscriber receives an abandoned call, the contact centre must ensure that any further calls to that subscriber's number within the following 72-hour period will be handled by a dedicated operator i.e. an agent **must** be available to handle the call.
- For each campaign your contact centre must maintain an up-to-date archive of dialler statistics. This includes a summary of the number of calls attempted, answered, connected, passed to a live operator and abandoned by the automated dialling equipment. You, or your contact centre, must retain these statistics for a minimum of 24 months.

10.0 Using multiple sites

If you decide that the optimal solution for your telemarketing campaign is to use more than one contact centre and / or more than one calling site you will need to ensure that consistency of service to your customers is achieved across all sites. You must ensure that:

- Call scripts are identical to ensure consistency of message to all customers.
- Robust procedures are in place to update your customer file – for example, if a customer asks to be removed from your calling list, you must ensure notification of this request is passed to all contact centres / sites working on the campaign.
- All contact centres / sites working on your campaign meet the regulatory requirements.

11.0 Quality assurance

Quality is among the most important elements of Best Practice and at the same time, arguably, the least tangible. What does a great quality call sound and feel like?

Whilst it is ultimately the responsibility of the contact centre to deliver the quality that you require it is critical that the client makes very clear what criteria are expected.

It is absolutely the responsibility of the industry as a whole to deliver Best Practice in terms of quality. If a short term view is taken, either in terms of timing or cost, then the outbound industry will surely die.

Think about the last great outbound call that you received as a consumer. What was great about it? How did it make you feel? Now think about the last poor call that you received. What was poor about it? And how did this make you feel? The quality of the dialogue, even on a poorly targeted call (prospect not interested), will influence that particular brand relationship, either positively or negatively.

Through your relationship with the contact centre, it is possible to exercise some control over the quality of rapport / dialogue and ensure that campaigns with a poor response rate help to build a positive brand relationship.

It is worth asking the following questions when working with an outsourced contact centre:

1. What quality process is in place?
2. Can my company, or a third party, subject it to a transparent audit?
3. How many calls are quality scored per agent per month?
4. What does this quality matrix look like?
5. Does the matrix cover the areas of quality that you think are important?
6. If you were to independently quality check the same call as your outsourced contact centre, would you both give it the same score?
7. Can my company listen to random calls - not just those selected by the outsourced contact centre?
8. What techniques are used to build rapport quickly between the agent and the recipient and to encourage the agent to listen actively?

It is recommended that the calibration of the quality process is undertaken jointly with your outsourced contact centre at the outset of any new campaign. Listening to call recordings together while checking against the pre-agreed matrix is a great way to do this.

A further recommendation is to develop a library of recordings of great calls that the outsourced contact centre can listen to as a training and motivational tool. This is an excellent way to improve quality and performance and leaves absolutely no ambiguity about what everyone is striving for. The calls do not all need to be successful sales calls. Even calls where the recipient declines the offer can be great training aids.

It is recommended that if automated dialling equipment is used for your campaign that you should meet regularly with the contact centre to review the operation and the reports associated with your campaign. This will be a technical and detailed discussion but one that should not be overlooked. Liability to comply with regulation and legislation is the client's responsibility – it cannot be outsourced.

The DMA also recommends that contact names and numbers within your organisation should be 'seeded' within the calling files sent to your chosen contact centre/s so that seeds can verify that a CLI is being presented to the recipient.

This will also enable client companies to verify that calls are handled according to the campaign strategy and best practice guidelines. Ideally, call seeds should be provided with a mechanism to report back to the campaign manager with structured feedback on the calls received in order to monitor effectiveness and regulatory compliance.

12.0 General operating guidelines

The following general guidelines should enable client companies to achieve the most beneficial outcome from their telemarketing activity. They should require their chosen contact centre:

- To act with honesty and courtesy towards recipients/customers at all times.
- Not to make sales calls under the guise of market research or survey calls.
- To work together to develop the call script and avoid the use of high-pressure tactics that could be construed as harassment.
- To recognise the right of the recipient/customer to end the telephone conversation at any stage. The client company should also recognise the contact centre's right to terminate a call politely at any time where early termination may avoid confrontation.
- Not make calls during hours that are considered unreasonable; recognising that what is regarded as reasonable can vary. In general, calls should not be made between the hours of 9pm and 8am Monday to Friday and 9pm and 9am at weekends, unless an express invitation to do so is received.
- Many recipients/consumers might consider it unreasonable to be called on a Sunday or on national/religious holidays, so it is best not to contact customers unless there is an express invitation to do so. It may be appropriate for you to consider the target demographics when determining call times for your campaign – for example, calling an elderly customer after 8pm may cause unnecessary concerns for that customer.

13.0 Monitoring & recording

Effective monitoring and occasional recording are commonplace with all types of calling activity. There are three reasons why you and your contact centre would want to listening in on and/or record calls:

- Ensure quality control standards
- Training purposes
- Crime detection

The recording and monitoring of calls is covered by a number of regulations:

- The Regulation of Investigatory Powers Act 2000
- Telecommunications (Lawful Business Practice)(Interception of Communications) Regulations 2000 ("LBP Regulations")
- Data Protection Act 1998
- Privacy & Electronic Communications (EC Directive) Regulations 2003
- Human Rights Act 1998

If your chosen contact centre intends to share the call recordings with any third party, for example, with other agents as part of a good call library, then it is essential to disclose that the recording or monitoring may occur to the consumer. For inbound calls, this is typically handled using a pre-recorded message played at the beginning of the call. For outbound calling, it is important to determine, in conjunction with the contact centre, at what point in the script the disclosure should be made on a case by case basis, considering the impact of the disclosure on the flow of the call and its likely outcome. If necessary, guidance should be sought from the client's legal advisers or the relevant legal authority. For this reason, it may be considered that the benefits of sharing the recording of the call with a third party may be outweighed by the negative impact on the flow of the call and the likely reduction in successful call outcomes.

14.0 Data protection and data security

At all times, the client company remains ultimately responsible for the personal data relating to customers under the provisions of the Data Protection Act 1998 (DPA), as the data controller.

The outsourced contact centre should only be acting under your instructions, as the data processor under the terms of the DPA.

Even if the outsourced contact centre is based outside the UK, if it is calling UK consumers on behalf of a UK-registered company, then it must comply with the DPA

1998 and the Ofcom statement on abandoned calls. It is helpful to state in the outsourcing agreement that both parties will comply with the DPA as it applies to you as a data controller and to the outsourced contact centre as a data processor.

You must comply with the security principle (Seventh Principle) of the DPA which requires you to take appropriate technical and organisational measures to prevent unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

Technical measures include having comprehensive disaster recovery and contingency procedures and ensuring that there is an appropriate IT security policy to prevent viruses and hacking.

Organisational measures would include ensuring that appropriate checks are carried out on staff and that staff are adequately trained in data protection issues.

Where you outsource the processing of personal data to a contact centre you must ensure the following in order to comply with the security principle of the DPA:

1) You must choose a contact centre which provides sufficient guarantees in respect of the technical and organisational security measures governing the personal data which you provide to the contact centre so they can make calls on your behalf

This means that you, as part of the contact centre selection process, should ask prospective contact centres to provide details of their disaster recovery/contingency procedures, IT security policy, recruitment and training policy.

2) You must take reasonable steps to ensure that the contact centre complies with its policies

In practice this means that you should obtain audit rights for you or a third party acting on your behalf to visit the contact centre to check that the policies are being followed.

3) The contact centre carries out the processing under a contract

i) which is made or evidenced in writing

ii) under which the contact centre is to act only on your instructions and

iii) the contract requires the contact centre to comply with obligations equivalent to those imposed on you as the data controller by the Seventh Principle of the DPA.

In practice this requirement is normally dealt with in the outsourcing agreement. There is no need to have a separate agreement just to deal with the data protection aspects. If a separate agreement is required, the DMA produces a template agreement with guidance notes, which is available from the DMA Legal Department.

You may also find it useful to consult the Good Practice Note [Outsourcing – a guide for small and medium-sized business](#) available from the website of the Information Commissioner's Office (ICO).

[http://www.ico.gov.uk/upload/documents/library/data_protection/detailed_specialist_guides/outsourcing - a guide for small and medium businesses.pdf](http://www.ico.gov.uk/upload/documents/library/data_protection/detailed_specialist_guides/outsourcing_-_a_guide_for_small_and_medium_businesses.pdf)

(Website link correct as at April 2007)

The comments above are for guidance only and readers are strongly advised to consult their legal advisers.

15.0 Corporate social responsibility

Corporate social responsibility (CSR) is now part of the general business landscape and it's not hard to see why. For some businesses, it is accepted that their commercial imperative is now more complex than just simply making a profit. For these organisations, corporate social responsibility is the combination of their social and environmental impacts, which importantly need to be managed as proficiently as their economic or commercial performance. For these 'enlightened' organisations corporate social responsibility is seen as an opportunity to create enhanced brand and balance sheet values. 'Narrative reporting' is their vehicle for clearly and intelligently detailing the non-financial aspects of their business.

Regardless of which group the organisation falls into, the need for greater narrative reporting is likely to be an omnipresent feature of business communication. The drivers behind this increased focus on non financial matters, comes from many quarters including, for example, lenders and investors. These vital supporters of commerce can look to a well constructed and proficiently executed corporate social responsibility programme as a key indicator of the quality of an organisation's management. Some 86% of European institutional investors believe that social & environmental risk management will have a positive impact on an organisation's long term market value. (Source: Taylor Nelson, The European Survey on SRI and the Financial Community 2001) Clearly, many investors see a link between good corporate governance, quality of management and high expectations of improved financial performance.

No organisation can now afford to ignore the 'ethical' component of a customer's purchasing decision. Research has started to map a clear change in consumer attitude to ethical marketing. In 1998, 28% of UK consumers considered good Corporate Social Responsibility to be an important purchasing decision factor. By 2002 this figure had risen to 44% (Source: MORI, 1998/2002, Annual CSR Study) Perhaps worryingly, 58% of the European public feel that commerce does not currently pay enough attention to their social and environmental responsibilities (Source: MORI, 2002, European Study on CSR).

A well thought out corporate social responsibility plan has other opportunities to address key industry issues. For example, the UK marketing community has for sometime noted the problematic issue of attracting and keeping a skilled workforce. There is growing evidence that an ever increasing proportion of people want to work for ethically sound organisations.

Three in five people want to work in organisations that match their own values (Source: Environics, 2003, Global Campus Monitor). Some 81% of young people have a strong belief in the need for business to be socially responsible (Source: Fast-Forward Research, 2003, Business in the Community).

Given the above, a cogent corporate social responsibility plan could be a key factor in keeping as well as attracting a skilled and committed workforce in the future.

Some elements of a corporate social responsibility plan aren't always obvious in terms of their direct economic benefit to an organisation and investing in a CSR plan is not an easy decision to make when justifying the allocation of budgets. However, organisations that wish to attract investment, foster sustainable customer relationships, entice and retain a high quality workforce as well as focus on the future strategic health of their business may want to develop a well planned and proficiently delivered CSR programme which may also provide an element of vital future proofing.

16.0 Conclusion

By following the guidelines in this document, you will be ensuring your contact centre and the calling activity they undertake on your behalf are fully compliant with all legislative and DMA requirements.

When client companies decide which contact centre to use for their telemarketing activity, there are many factors to consider – cost alone should not be the measure of the best solution provider.

One of the DMA's Contact Centres and Telemarketing Council's goals is to ensure telemarketing continues to be a viable and attractive medium for direct marketers. Only through the effective implementation of best practice guidelines such as these can we, together, ensure we protect the future of telemarketing.

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