

Predictive Dialing - Rules That Matter

Introduction

Who can tell us what the main benefit of predictive dialing is? A sea of hands goes up. No problem there.

Let's try another one. Hands up those of you who know what predictive dialing is, and how it really works? A few hands boldly up, but a striking number are at half mast, and there are quite a few no shows.

Does it matter? It certainly does. An industry/product starts to realize its true potential when vendors, users and other interested parties have figured out what is going on; not just what the benefits are, but how things work, and what the standards are.

By standards we simply mean the measures and practices which allow all interested parties to be presented with a level playing field, for purposes of making effective comparisons and assessments of performance.

Take a related technology. Imagine that you are buying a database to manage your calling lists. A key question is whether the software/hardware configurations being proposed are up to the job. One way of doing this is get vendors to benchmark their solutions against a common standard. Here's a quote taken from www.tpc.com, the home page of the Transactions Processing Performance Council

"The TPC is a non-profit corporation founded to define transaction processing and database benchmarks. TPC benchmarks can be run by any company based on published standards. The benchmarks are audited and reviewed by the TPC."

Of course all database vendors will go for differentiation, or even look to alter the shape of the playing field occasionally to suit their offerings, rather than just be tried by a brute ranking of numbers. But there is little doubt that this kind of standard has been effective in helping the database market to grow in size.

So what standards, if any, apply in the case of predictive dialers?

There is a wealth of legislation and codes of practice governing issues such as agent behavior, who can be called, and cooling off periods. In the US much of this is covered by The Telephone Consumer Protection Act, and there are similar rules in Europe, in those countries where outbound dialing is allowed. Some would even argue that the legislators have been too busy protecting consumer's rights.

Rules Governing Dialer Behavior

One area, surprisingly, which has been almost totally neglected by the legislators and rulemakers is the rules governing how outbound dialers behave.

Research in a number of leading outbound countries including the UK, the USA, Canada and Australia shows that in only one are there any explicit rules at a national level. That country is the UK, and even there confusion reigns as to how the rules should be interpreted.

So What Do These Rules Concern?

Essentially they are to do with dialer behavior when numbers are ringing, or when people answer and there are no agents available to take a call. This is a feature primarily of power and predictive dialing. If you are not sure why this is, see the highlight on abandoned calls.

Abandoned Calls

Predictive and power dialers typically dial more numbers than there are agents to take calls, on the basis that not all numbers dialed will get a live answer. In the case of a predictive dialer, the extent of overdialing will depend on the factors assessed by it, in its algorithms. The higher the level of overdialing, the lower the wait times for agents between calls. And because dialers are dealing in probabilities and not certainties, sometimes live calls will be made when no agents are waiting, leading to calls being abandoned (sometimes known as a nuisance calls) by the dialer.

These rules are as follows:-

1. Abandoned call limits:

This is the maximum percentage of calls that may be abandoned. Good practice in all major markets is now within the range of 1% to 5%. Policy among serious users is to set targets at the lower end of this range, but see next rule below.

2. Measurement of abandoned call rate:

There's little guidance for users on this, and it's not uncommon to find major users in the same market using quite different measures. Yet the way in which abandoned calls are measured can be just as important as call limits themselves. For example, an abandoned target of 1% that is expressed as a percentage of all call outcomes, may actually generate more abandoned calls than a target of 4%, that is based on live calls only.

3. Abandoned call delay:

This is the time taken before a connect is abandoned by the dialer, when no agent is available to take the call. The UK Direct Marketing Association code of practice sets a maximum hangup time of one second. Apart from this, there are no recognized standards anywhere.

Ever been rung up by a dialer that kept you waiting on the line for say 15 seconds, while it waited to see if another agent would become free? If so, your blood temperature probably rose a few degrees, and you'll have some sympathy with the limit set by the UK DMA.

4. Dialer hangups:

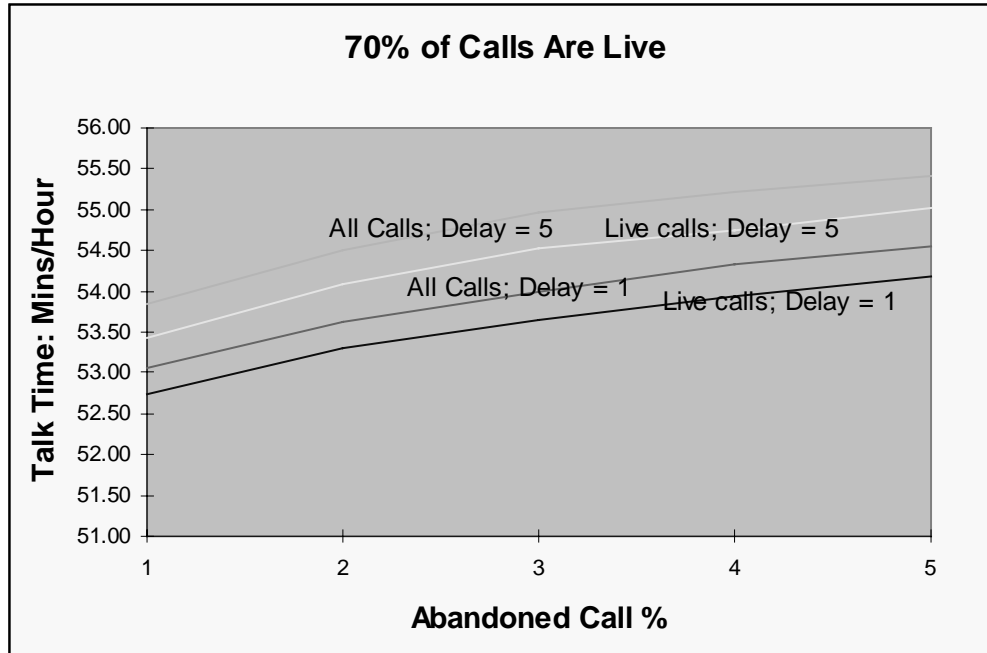
Some dialers will dial lots of numbers, allocate connects to waiting agents, then when no more agents are either available or imminently available, will hang up on any incomplete calls. Sometimes known as "predictive hang-ups". This is an inefficient way of dialing, and is usually confined to dialers whose

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algorithms are unsatisfactory. It's got little to do with true predictive dialing, and any dialer doing it should classify such calls as abandoned.

The Rules in Context

If these rules are left to the user to interpret as he sees fit, let's look at what the performance implications might be in respect of the first three of these rules. In all cases the measure of performance being looked at is the agent talk time per hour on a campaign.



Graph 1. 7 out of 10 call attempts result in a live call

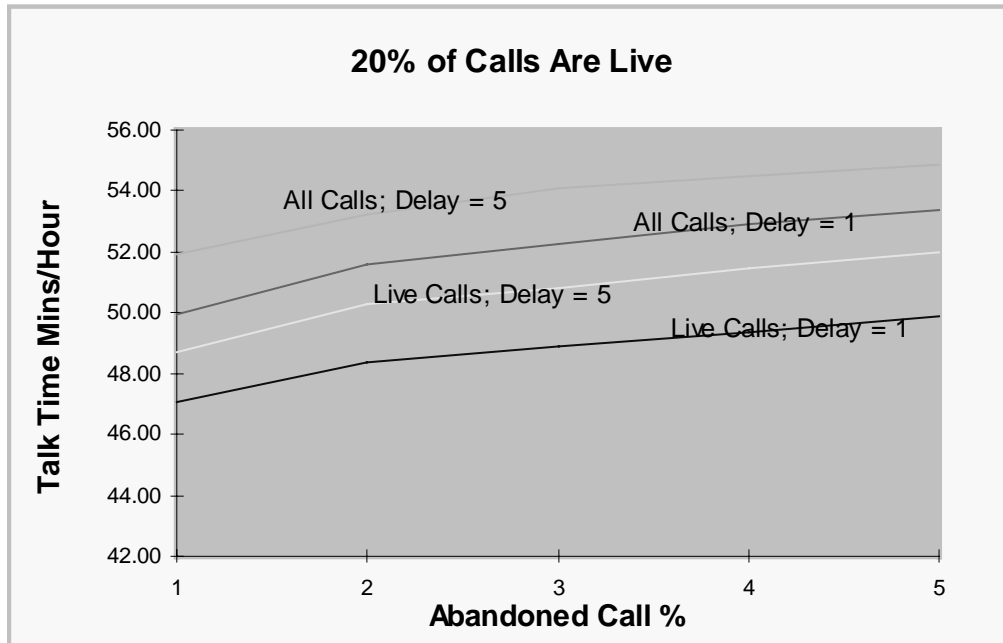
Graph Definitions

70% of Calls Are Live means that 70% of all call attempts result in a person answering the call

All calls and Live Calls refer to the calculation basis for abandoned calls. Thus in Live Calls, the Abandoned Call % is measured as a % of (Live Calls plus abandoned calls).

Talk Time in Minutes per Hour is the average number of minutes in each hour that agents are talking to someone.

Depending on which measure of call abandonment, and which call delay you go for, the spread in the range of talk times per agent hour achievable, is $2\frac{3}{4}$ minutes per agent hour. What about at lower rates of live calls?



Graph 2. 2 out of 10 call attempts result in a live call

The spread now in agent talk times achievable now is almost eight minutes.

Wider Still!

Some dialers may allow longer call delays than those shown above. Added to that are the impact of any dialer hangups. If this practice is also considered, and hangups are **not** treated as abandoned calls, then in both of our calling scenarios, the same dialer, by virtue of the dialing rules being applied, can easily display variations in average agent talk time, in excess of ten minutes in the hour.

So How Does a User Decide..?

If performance is an issue when it comes to choosing your predictive dialer, then how many users have been able to draw up a level playing field for these rules, that enabled them to make like for like comparisons? I'll hazard a guess, and say that they are in a definite minority.

There's an equally important issue. Having acquired a dialer, how should these dialing rules be applied? Is it really fair to leave this issue to call centers to decide for themselves? The average call center manager doesn't want to be bothered with the fine nuances of dialing rules, he just wants to know what's permissible, and then to get the best performance from that situation, subject to the wishes of his client(s).

What About The People Being Dialed?

Sure they matter - most of all. If dialing rules are too zealously interpreted (or ignored) in the search for competitive advantage, then we alienate the very people upon whom the success of the outbound industry depends.

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So Whither Dialing Rules?

A telemarketeer flying in from Mars would be pretty impressed with the size of outbound telemarketing, especially in the US, and he would be encouraged by all the interest in it in Europe. But he'd probably look in wonder at the differing ways dialing rules are being interpreted in the market. If we asked his advice on whether dialing rules matter, here's a guess as to what he might say.

Sensible dialing rules do matter -

- to call center managers, so they know what to expect from their dialers and can get on with the business of managing their calling lists
- to the owners of calling lists so that they know how their client base is being marketed to
- to consumers so that they are receptive to not just business today, but business tomorrow

And last but not least they matter to vendors selling predictive solutions as well, who should be competing on real differentiators such as product quality, CTI capability and so on, rather than on their own individual interpretation of dialing rules.

Appendix

The results in the graphs were simulated using Oceanic®, Sytel's workforce management product for outbound. See the Products section of our website, www.sytelco.com, for more information. Key assumptions in the simulations include: 20 agents on a five hour campaign, with breaks assumed to be outside this time; 35% of all live calls averaged 15 seconds only, and the other 65% averaged 2½ minutes; and calls other than live calls were split equally between answering machines and no answers.

Note:

This paper is based on an article that was published in the following call center magazines in the first half of 1997.

Voice +; TeleProfessional; TeleProfessional International

Readers who want to explore how difference in dialing rules impact their own campaigns are advised to make use of Oceanic®. See the Products section of our website, www.sytelco.com, for more information.

Further Study:

1. Other papers in this series