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**BPA's Telerecording Initiative:
Protecting the Quality of Publishers'
Databases and the Advertisers' Investment**

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Summary

On January 1, 2008, BPA Worldwide made it mandatory to record any outbound telephone solicitations to receive free magazines.

The rule is the culmination of extensive discussions of all potential benefits and “downsides” among all of BPA’s global committees and advisory boards, comprising media owner, advertiser and advertising agency representatives, as well as the teleservices committee and input from our members.

Since the initial conversations about the rule, the driving force behind it has always been to ensure and enhance the integrity of personal requests that are obtained via telemarketing efforts. Currently, telerecording is, uncontestedly, the best method to ensure the quality of the telecommunications source request and data gathering.

Publishers agree that telephone solicitation is vital to maintaining and growing their subscriber base. “Telemarketing continues to be a primary source for re-verification and new name efforts,” reports Brenda Roode, Audience Marketing Manager at Penton Media. “Telemarketing is actually filling the gap this cycle for some other direct request re-verification sources that did not meet projections.”

Marketplace Realities

Upon examination of the b-to-b publishing marketplace, one can understand why the integrity of telecommunication sources is so vital to the industry.

- B-to-B publications are more reliant than ever on telemarketing for acquiring and renewing qualified individuals. Indeed, telemarketing has eclipsed written sources, to become the number-one source of

b-to-b publication personal direct request, non-paid subscriptions. According to the latest American Business Media Circulation Committee analysis of circulation statement data, for 2006, telemarketing as a source accounted for 30.7% of individuals across audited publications, versus written sources' 19.7%. In real numbers, telemarketing sources made up 20.9 million subscribers against written's 13.4 million

- Advertisers and media buyers are more focused than ever on accountability and demonstrating return on investment for their advertising dollars.
- Historically, the advertising community has not been receptive to publisher proposals to allow telemarketed subscriptions to be incorporated with "written direct request" for purposes of reporting on the circulation statement. Thus far, advertisers/media buyers have continued to affirm they want the disclosure assurance of having telemarketing broken out as a separate source. However, key advertiser and media buyer executives on BPA's Board and advisory committees have indicated that universal outbound recording will represent an important step in providing the quality control assurance they would require as a prerequisite to approving a revised reporting format in which written, telemarketing and, potentially, Internet/email are consolidated.
- Alarming increases in identity theft and concern about potential misuse of personal information are creating growing resistance to requests for such information, including the collection of "Personal Identifiers," or "PIs," in the absence of recording, to provide auditors with a method of verifying requests. (Under BPA rules already in effect, the PI question need not be asked if a call is recorded.)

Taken together, the media owner, advertiser and agency executives on the BPA Board concurred that these facts point to the need for action that will safeguard and enhance the viability and status of the telemarketing source for the years ahead, and that outbound recording represents the most effective and efficient means to this end.

The growing importance of telemarketing as a source is precisely the reason that media owners and media buyers on BPA’s Board ultimately voted to take the necessary steps to ensure that the value of the circulation generated by telemarketing is beyond question, as far as advertisers and media buyers are concerned. Recognizing advertisers’ greatly heightened emphasis on accountability, these executives — as well as the leading telemarketers who comprise BPA’s Teleservices Advisory Committee — determined that it is in the best interests of the industry to be able to demonstrate beyond any doubt that telemarketing is a source that deserves to stand head-to-head with written and Internet sources.

According to Diza Burnett, VP of Business Development at San Diego-based *American Pacesetters*, telemarketers also recognize that recording is essential to protecting the source. “Since the rule was first discussed, we began recording and have been utilizing recordings for well over two years,” Burnett explains. “Our b-to-b clients recognize the value of the telecom source and we ensure the integrity of that source through recording.

Operational Advantages

Looking at the full picture, the advantages that will be recognized via recording — including the ability to maximize the yield and efficiency of calls, as well as reduce some auditing cost factors — will over time counterbalance, and outweigh, any short-term additional costs.

Specifically, outbound recording enables the following operational advantages:

- **Gathering of multiple personal requests** — either directly from multiple recipients or from recipients’ assistants — for the same publication in a single call. This is true today: Existing BPA rules allow such multiple requests, as long as the calls are recorded.
- **Gathering of multiple title requests** — Publishers have also discovered that multi-title telemarketing can lead to significant reductions in costs.

“I have been using a multi-sub telemarketing campaign this year,” Roode explains. “The effort has netted measurable savings across the titles and I’ve been very pleased with the volume of orders.”

- **Foregoing the necessity to ask existing and prospective subscribers the “Personal Identifier” question.** Importantly, many leading telemarketers who already record calls report that, today, *asking the PI question is more likely to depress response* (i.e., cause business professionals to end a call, or “drop off”) than disclosing that the call is being recorded. These telemarketers point out that, whereas personal questions are viewed with increasing suspicion, people are increasingly accustomed to being informed that a call is being recorded for customer service or other reasons.

Publishers also understand that removing the PI question can aid in the recording process. “Not having to ask [the PI question] now is avoiding the bad will we used to generate when asking it,” notes Christina Vasiliadis, Circulation Director at *Institutional Investor*. “Subscribers never understood the concept of a PI question because it always makes them feel as though their identity is being compromised, so recording is going to help.”

Penton’s Roode concurs, “Removing the [personal identifier] makes the call less invasive which in turn, provides a more favorable telemarketing experience for our subscribers. We worked diligently this year to clean up our qualification forms to save time/money, and removing the PI question helped the process.”

- **Decreased auditing confirmations, resulting in lower costs for this component of the circulation audit.** In most cases, recording enables BPA to significantly reduce the number of calls made to subscribers by BPA staff for the purpose of verifying a subscription’s requested status and the accuracy of the demographic data collected. The number of verification calls is directly reflected in an individual publisher’s cost per audit.

- **Significantly enhanced potential for gaining the advertising community's approval for reporting telemarketing, along with written and Internet/email, in a consolidated format.** Again, the enhanced quality control assurance made possible by universal outbound recording is a critical step in this direction, in the minds of many in the b-to-b advertising/media buying community.

Additional important facts about outbound recording and the steps being taken to ensure that the industry can comply as seamlessly and cost-effectively as possible:

- **Recording software and equipment technology continues to become cheaper and faster.** Telemarketers and publishers who already record their outbound telemarketing campaigns have confirmed that this has been an important factor in enabling them to implement recording.
- **BPA will support outbound recording with a variety of member education, outreach, and customer service initiatives.** BPA is committed to providing all members with the educational and customer support services they will need to implement recording. In addition to [BPA's Guide to Outbound Telemarketing Recording](#), BPA has offered free Webinars and live educational programs. Members will be apprised on an ongoing basis of all recording rules/policy developments, and offered insights/advice from media owners and telemarketers regarding specific steps that can be taken to minimize costs and maximize results/efficiencies.

Cost Concerns

Concerns about the potential increase in telemarketing costs were a major point of discussion from the beginning. Media owners are more focused than ever on controlling and reducing operational costs wherever possible, and publishers' ROI is always a critical component in shaping BPA policies.

However, media owners also understand the need to safeguard their interests for the longer term—including their ability to compete effectively for advertising dollars in an increasingly challenging marketplace. This is why a number of the leading b-to-b media company members have for some time voluntarily required full recording capability as a prerequisite for using any telemarketing vendor.

American Pacesetters' Burnett adds that clients have seen no cost increases as a result of the telerecording initiative. "Recording has not increased the costs to any of our customers," she says. "In fact, since we do not get bogged down when asking and explaining the personal identifier question, we can make the calls more efficient and cost-effective. In addition, the recording allows us to maximize efficiencies by offering multiple publication requests on one call which saves clients significant time and money."

In those cases where media owners choose to conduct their recordings internally, initial set up costs can be very minimal. With very little online research, BPA staff was able to locate and test in-house telemarketing recording devices that managed the process and cost as little as \$200 to launch.

An Exemption to the Rule

Prior to its onset, at least one market — the government market — experienced challenges with the new recording rules. Government employees proved to be extremely sensitive to the recording of telephone conversations, leading to a declining rate on controlled circulation telecommunication-sourced subscribers and financial hardship for those magazines serving the government market. In short, publishers feared the loss of subscribers who, while otherwise qualified, refused to be recorded.

However, our advisory committees and boards agreed that one market should not be singled out. Instead, the rule should accommodate those individuals — regardless of market — who do not want to be recorded.

In response to this industry-wide feedback, BPA's Board voted to allow publishers to revert to the former methodology of offering a personal identification question for those qualified subscribers who refuse to be recorded. For refusals, the following conditions must be met:

- A question approximating the following must be asked and answered during the telephone interview: "Do you wish to receive (continue to receive) this publication? (Yes/No). A personal identifying question must be asked and answered. Some examples..."To permit future verification or your request, please give us your month and/or date of birth, mother's maiden name or high school graduated from." Once a particular question is used and the answer stored, a different question must be used for future request questions.

One question that has already been posed to BPA regarding this rule amendment is: "What if a publisher claims that half of their telemarketing file refused to be recorded?" In these cases, BPA will audit according to the PI standards in use up until this point. Over time, BPA will build trend data based upon the results, just as we currently have in place for our Confirmations Department. We will quickly determine what the normal refusal rate is overall and by market. For example, if three publications in a market have a 2% refusal rate and the fourth has a 59%, we will be able to draw some concrete conclusions.

Conclusion

BPA, a founding member of the International Federation of Audit Bureaux of Circulations (IFABC), will be advising all members of the IFABC of BPA's change and of the need for recording as a recommended best business practice to ensure quality databases of individuals for free b-to-b publications and to provide assurance for advertising investments. It is BPA's position that all free b-to-b publications — wherever they are in the world — using teleservices to solicit requests to receive publications should be recorded.

It is clear that the recording of outbound telemarketing campaigns is the only way to secure the integrity and accuracy of the source and the quality of the demographics. The ultimate question isn't: "Why require recording?" The real question is: "Why wouldn't you record?"

About BPA Worldwide

A not-for-profit organization since 1931, BPA Worldwide is governed by a tripartite board comprised of media owners, advertising agencies and advertisers. Headquartered in Shelton, Connecticut, USA, BPA has the largest membership of any media-auditing organization in the world, spanning more than 30 countries. Worldwide, BPA serves more than 2,500 media properties — including over 1,900 B-to-B publications, more than 400 consumer magazines and newspapers, 100+ Web sites, and events, email newsletters, databases, wireless and other advertiser-supported media — as well as more than 2,600 advertiser and agency members. Visit www.bpaww.com for the latest audit reports, membership information and publishing and advertising industry news.

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