

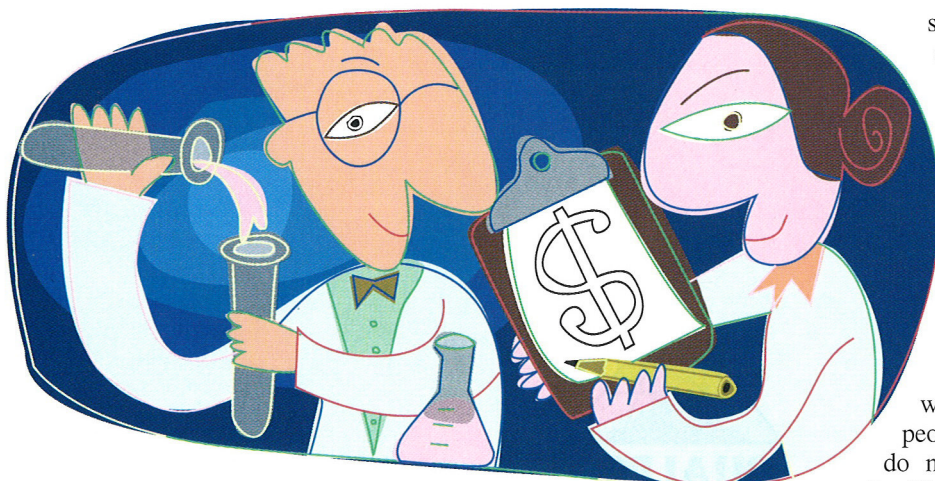
# Sales & Marketing MANAGEMENT

## BEST PRACTICES

STRATEGIES AND TOOLS TO INCREASE SALES ■ Edited by Sarah Lorge

## Turning Small Ideas into Big Results

A quality control initiative tests the effectiveness of sales and marketing campaigns



PACIFIC BELL TELEPHONE CORPORATION'S consumer markets division has a luxury that few companies enjoy: 30 million customers call it every month. The California company's agents answer calls from residential customers when they have questions about bills, want to set up service in a new residence, or report that a line isn't working. But Pacific Bell executives wanted to increase the revenues from those incoming calls by maximizing sales of additional services, like caller ID, call waiting, or three-way calling, when customers phone in.

So they decided to conduct a few experiments, with the help of QualPro, a process improvement consultancy based in Knoxville, Tennessee. QualPro touts multivariable testing, or MVT, a scientific method for testing several variables at once to determine their effect on any kind of business operation. Most people think quality improvement efforts only help with heavy-duty manufacturing processes, like the way cars are assembled in a plant. But QualPro has discovered in recent years that its process can also help its clients solve marketing and sales problems.

Pacific Bell wanted to determine what kind of dialogue would make consumers most likely to sign on for additional services. First, QualPro facilitators interviewed a number of customer service reps and frontline managers throughout the organization to get ideas for improving the script the call center agents use. "We gathered a lot of data from experts in the business at all levels," says Jewel Stoddard, a director in the consumer products group. "We asked them the words that they might use, how they might

say things," adding that the company generated more than 200 ideas that could impact sales. One idea was to relate caller ID to specific family members and say to consumers, "When your kids come home from school, they know they can answer the phone if Grandma calls."

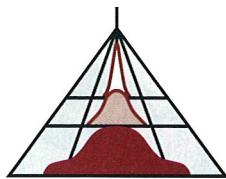
But QualPro knows that not every idea is a good idea. "Over the years of doing this we've found that half the ideas people have to help improve sales do nothing," says Art Hammer, a QualPro vice president. "One quarter

of those ideas actually harm sales. Only one quarter help sales." Moreover, Hammer says, some of those ideas that help only help when used in combination with something else. "For instance, you might change a spokesperson in an ad, and get a yawn," he says. "Then change the tag line and get a yawn. But if you change them both, the results are great." QualPro aims to eliminate the guesswork—and the politics—that usually factor into such decisions by conducting a series of tests. "We are able to experiment with small sample sizes a large number of variables that someone would want to change," he explains. "It's a combination of high-powered geometry and sampling theory."

In other words, unless you have a Ph.D. in math, you won't be able to replicate QualPro's methods. Its services aren't cheap—projects start around \$500,000—but the payoff is immediate. Most of Pacific Bell's 5,000 reps, for instance, were selling four extra features per day. Four months after testing various new scripts, they now average in the teens, according to Stoddard. "We know what to say about products, and the sequence of products," she says. "You talk about caller ID before you talk about call waiting." What's more, QualPro focuses on variables that can be changed easily. "We have found factors that don't cost the company any money at all," Hammer says. "It's better to improve [a process] with minor modifications and low cost to the business." —S.L.

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