

## *Predictive Dialer*

### Introduction

Ever thought how a call center functions? How it handles so many outbound calls and incoming calls? Call centers of business companies, like mail order catalogue firms, customer support for hardware and software, usually answer a lot of incoming telephone calls of customers or makes outgoing calls to customers.

In such situations and many others where the individual identity of the caller is not relevant and in situations where time translates to money, the **Predictive Dialer** is used.

A **Dialer** provides the connection between the internet or a network of computers and an analog telephone. In this era of telemarketing, many business problems have increased, yet there is the urgent and unavoidable need

- to improve customer care
- to sell to customers with automated systems
- to increase personal productivity
- and most important of all to control costs( one way to do this is to employ fewer live agents to handle routine calls)

And from the public, there is forever the demand for information. This offers a lot of scope for generating revenue, by offering and charging for this valuable information. All this is achieved through the use of dialers.

In case of call centers too, the dialer generates outbound calls and connects them to the agents of the call center. There are five basic types of dialers:

1. Preview Dialer-(the other names are screen dialing, cursor dialing, power dialing) Prior to placing the call, the called party's account information and/or phone number appears on the PC screen. The agent previews this and then manually initiates the dialing.
2. Power Dialer-This is a typical bulk dialer consisting of a list of numbers to be called, outgoing phone lines and agents. This displays the busy, unanswered calls, and connects live hello to the agent. If no agent is available then it abandons the call or plays a pre-recorded message.
3. Progressive Dialer-the system makes sure that at least one agent is free to take the call hence comparatively less productive
4. Anticipatory Dialer-using the statistics generated by an agent, the system anticipates when the agent will be free for the next call. One abnormally long call by the agent will cause a chain of abandoned calls.
5. Predictive Dialer

It is the **time factor** which gives one technology an edge over the other. With ordinary manual dialing the average productive time per hour is just 15 to 20 minutes, while power dialing gives an average of 23 to 30 minutes. The real breakthrough has come with Predictive Dialing which gives the agents an extraordinary 40 to 57 minutes per hour.

## What is Predictive Dialing

A Predictive Dialer is a computerized system that has been programmed to dial numerous telephone numbers simultaneously. It is the most automated and sophisticated outbound calling method.

Open telephony devices or servers have computer hardware or software installed that are programmed to dial calls to numbers loaded from a database. It is programmed to hook the agent to the called party only if there is a **live hello** from a **human!** It is an advanced version of Auto Dialer.

In the Predictive System of dialing, telephone numbers are **automatically dialed** without a representative agent on the line. The system then **listens** for the response. Two types of situations can develop after this:

- When a **live hello** is detected, the system automatically transfers call to an available agent.
- When the telephone number dialed is **busy**, or there is **no answer**, or **not working**, the system discards or reschedules the call.

Thus when the program senses answer from people, the call gets through to a free agent. All other calls like unanswered calls, engaged numbers, disconnected lines, answers from automated machines get discarded.

A Predictive Dialer system has hardware and/or software installed that can recognize no answers, busy signals, disconnected numbers, operator intercepts, fax machines, modems, and responses from answering machines. It keeps track and reports on everything. This saves a lot of precious time and increases the productivity as the agent is no longer held up to search and wait for a free line.

## How Predictive Dialer Works

A Predictive Dialer is designed to **predict** or rather anticipate when the next representative or agent will be free and when the next hello will be detected.

It is an intelligent outbound call processing system using complex mathematical algorithms to predict when to dial next. The following sequence of events take place:

- In call centers and other applications where predictive dialer is employed, information pertaining to telephone numbers of people and businesses to be called are stored in a network server. All agents are linked to the server.
- The network is also linked to the predictive dialer, which can be either a hard dialer or a soft dialer.
- With agents at work, the server and/or the dialer starts dialing the numbers. The calls are then managed by the dialer.
- In case of silence at other end, the dialer will hang up. From the other calls, the dialer will screen out busy, unanswered, and answering machine calls. Only the live calls are put through to the agents.



- The instant agent gets connected to a call, all information pertaining to the call gets displayed on the agent's screen.
- It automatically and continuously adjusts its calling patterns depending on the following factors:
  - average number of rings before a customer picks up the phone
  - percentage of dialed phone calls that are answered
  - average length of talk time on each phone call-if the system detects that the calls are short, the predictive dialing program adjusts to dial more numbers
  - number of agents using the system-if fewer agents are available predictive dialing program adjusts to dial less frequently
  - desired abandonment rate-(a call is said to be abandoned if the person hangs up before the dialer switches the call to a free agent)this percentage of people will not have a live telemarketer available to talk to and will have to hang up

Based on the above factors, sophisticated mathematical equations dynamically calculate the pace at which to dial out, to keep all agents talking. The pace should be such that it minimizes the waiting period of the agents at the same time keep abandoned calls down to acceptable levels.

Predictive dialing works on the principle of **dialing ahead** . After assessing the number of agents it has, it will dial approximately double the telephone numbers. This prevents agents from sitting idle.

But too many calls are also difficult to handle if there aren't enough agents to engage them. As a result some of the excess calls get dropped. The person dialed gets disconnected almost instantaneously.

The predictive dialing program doesn't give the agent any choice as to which customer is to be dialed. It dials on its own and hands the called party to the agent. So the dialer owner makes more money per hour as the agent makes more productive calls per hour.

The principle of predictive dialing requires that **lists be shared** and not that a caller can call only his or her leads. The call can be transferred to any available agent. The agent does not need a personal approach with the customer and desires only to present a sales pitch.

## Features

In most telemarketing companies the predictive dialer is interfaced to **Customer Relationship Management** (CRM) software. This generates the call lists and the report call attempts.

It also analyses the unsuccessful calls to determine the number called needs to be called back later, or be manually called, or auto-dialed by an agent to respond to an answering machine message.

So when complains come in about telemarketers it is not always the dialers to be blamed. The CRM is responsible for badly targeted lists, poor scripting, inefficient agents, flouting of laws thus defaming the telemarketing industry.



In earlier days there was a clear distinction between **outbound** and **inbound** calls. Outbound calls were aggressive, to the point, and call first ask questions later types. While inbound calls were very sweetly answered.

Today where every outbound call is a precious contact and every inbound call a potential customer, CRM is **merging both call types** . Agents are trained not to be aggressive except, of course, for collections, surveys etc. This **call blending feature** offered by CRM permits agents to move between inbound, outbound and web-bound calls. This eliminates the idle time for agents, increases outbound traffic, when inbound call volume is low, thus maximizing productivity.

Another interesting feature offered by most dialers is **same-agent and scheduled callbacks** . This permits an inbound calling customer to be called back by the same agent. The outbound calls of the agent are tagged for this and each agent can own a list or a subset of numbers.

Yet another one is the **Multi-Number Calling** . These days most customers have many numbers: one at home, one at work, cellphones, pagers. With this feature it is easy for the agent to reach this customer for business such as collections.

Many provide the **Do-Not-Call list** facility.

The **documentation facility** is provided to record database for reporting and analysis.

## Types of Predictive Dialers

There are two types of Predictive Dialers: **Soft Dialers** and **Hard Dialers**.

**Soft Dialers** have all dialing algorithms soft, the vendor supplies the software.

The algorithms interface via a Computer Telephony Integration (CTI) port on a switch that does the dialing. Integrated Service Digital Network (ISDN) messaging or a CTI link is used for call progress analysis. ISDN can provide digital code indicating the type of non-connect.

It allows a switch to filter out all calls which are non-connects. One doesn't have to listen to special tones to detect whether call is busy or un-obtainable. Thus all non-connects are eliminated and the right reason codes are passed to the software application, and the future course of action on the call can be taken.

But the advantages are few and are still preferred because they are cheaper, do not require expensive telephony components, and are flexible enough to work in multisite and distributed environments.

The major disadvantage being it relies on Answering Machine Detection (AMD) and call progress detection capabilities of the underlying PBX/switch platform.

**Hard Dialers** use dedicated telephony switches to detect answering machines and carry out call progress analysis. The dialer vendor provides the dialer server too.

In the **agent audio type of connection** of the switch, as soon as the agent logs in for his session, the dialer places a call to the agents desk. This connection is then left open for the rest of his or her session.



The **external audio type of connection** is used to make outbound phone calls. As soon as the outbound call is made and answered, it is immediately joined to an already open agent audio connection of the agent selected to take the call.

The advantages are many when compared with soft dialers. In hard dialers the audio connections can go directly to the PSTN while in soft dialers these are connected to PBX. Hard Dialers do not need upgrading and are unaffected by software changes. The AMD and call progress detecting abilities are far superior. The major disadvantage being more expensive and suitable for large call centres.

## Other Considerations

Nothing is perfect, so is predictive dialer!

A Predictive Dialer is programmed to maintain the fine balance between keeping the agents busy and getting live prospects. Often situations crop up when there is a live hello on line but no agents to engage it. The called party picks up the receiver only to hear a click at the other end! This is an **abandoned call**.

If the call is at some inconvenient moment or the called party receives such calls too frequently, then it will be the turn of the called party to make outbound calls to complain against the telemarketing company!

Today this happens quite frequently and fresh laws are being enforced by government for such telemarketing companies. It is often assumed that abandoned call to anonymous customers is harmless to the business but the reverse is true. With caller-id facility available in every phone, it will not be long before such calls are tracked down. This is one reason why Predictive Dialer is not used to call business customers.

Federal Communications Commission (FCC) rules require that companies identify themselves to consumers and also that telemarketers maintain **do-not-call lists** for people who do not wish to receive telemarketing calls from certain company.

*"Currently the Federal Trade Commission (FTC) mandates a 3% abandonment rate meaning that for each 97 live people you connect a live telemarketer to you can hang up on or abandon only 3. You are also required to leave each potential customer you abandon a pre-recorded message ."* [ [Predictive Dialer Software](#) ]

## Benefits of Predictive Dialers

Predictive Dialers help in **doubling the sales** per hour per agent. A 50% increase in sales could give a 100% increase in profits.

The system predicts when agents will finish the current call, and the system will dial out another phone line while agents are still talking to customers. The phone call is passed to an agent instantly after a customer picks up the phone. It takes 30 seconds to manually dial a phone number and let it ring four times. If the customer doesn't answer the agent has to remember this and call the customer later.

But with a dialer, detection of disconnected phone numbers, or fax machines and passing only live calls **saves a lot of agents time**. The system allows the agent to talk to at least two people

in the same time it takes to manually dial and reach one person and agent productivity increases by 150% to 400%.

Predictive Dialers help in **saving management time** too. The program maintains do not call lists, organizes data like sales, leads, call-backs etc. This can help agents to decide which times of day work best to call, finding the best lead etc.

Predictive Dialers help **control leads** . Once a number has been called by the system, it will remember what time the call was placed, outcome of the call, and will not call the customer again until asked to.

If the customer asks not to be called again, the agent can select the disposition code of do not call and the dialer will add it to the do-not-call list so that it can't be called again. If the customer asks to be called back later, the agent selects the time for the call back to be made. At the preselected time, the system will display the customer's information as well as any notes taken for reference during the conversation.

Predictive Dialers give a **real-time feedback** and the manager can monitor and maintain optimum performance and productivity.

The real-time displays give information about inbound queues, current status and statistics, dialer statistics, and list performance. It helps to identify agents who have exceeded preset goals, monitor and train an agent for immediate corrective action and feedback.

Predictive dialing removes the remedial tasks of manual dialing and frustration on not achieving the target calls and figures. It **boosts the agent morale** .

Most companies experience **return of investment** within six to twelve months.

Industry Applications of Predictive Dialers include:

1. Enterprises who make lot of continuous outbound calls.
2. Telemarketers (business to consumer and business to business sales, lead generation, appointment scheduling)
3. Charities
4. Market research
5. Public Relations and collections
6. Surveys
7. Polling
8. Customer service calls
9. Reminders
10. Mass notifications

As with almost every technology, predictive dialers too are changing and developing. New hybrid systems are emerging. These combine inbound ACD, outbound predictive dialer, and even voice response functions in a single integrated, low priced system.