

Perception and Response of Salaried Professionals towards Telemarketing of Financial Products

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Abstract

Marketers adopt many channels to reach out to their potential customers. Out of these various channels, Telemarketing is one of the most common channels used for marketing of products and services. Telemarketing in a traditional set up is usually done with the help of telemarketers; the modern telemarketing involves use of automated telephone calls, which is also referred to as interactive voice recorders. Telemarketing is an effective strategy to connect with existing customers and can also be used to target and attract potential customers. Telemarketing as a tool can also be helpful in collecting information about customer preference and disseminating valuable information related to products and services. Telemarketing is a popular marketing channel for financial products, but it can be difficult to generate leads and convert them into customers. This is especially true for salaried professionals in Bengaluru, who are often bombarded with telemarketing calls. This study investigates the perception and response towards telemarketing of financial products in Bengaluru. The study focuses on 110 salaried professionals, as they represent a large and important target market for financial institutions. The respondents have expressed discomfort as they receive telemarketing calls during working hours. They do not feel that telemarketing can help in building strong customer relationships. However, the respondents have responded positively to telemarketing calls and invested in financial products.

Keywords: Telemarketing, Financial Products, Response, Perception, Financial Institutions, Salaried Professionals

Contribution/Originality: The study recommends certain measures that can be taken by financial institutions to improve the response and conversion rate of telemarketing of financial products.

Introduction

Telemarketing is an important tool in the hands of modern marketers. With the advent of social media, it has become extremely easy to reach out to a huge number of customers in minimal time. Traditional Telemarketing refers to contacting future probable customers over the telephone. This could take place through a call centre centrally located or could also be outsourced to agencies. The main idea behind telemarketing is to reach out to those customers who cannot be physically contacted. There is a lot of time and cost saving when telemarketing is adopted. Hence, it has become exceedingly popular among modern companies.

In the financial services sector, telemarketing is particularly prevalent and popular. Given the wide range of financial products available, including insurance, investment plans, loans, and credit cards, telemarketing serves as a crucial marketing channel for banks, financial institutions, and other financial service providers. Telemarketing financial products is advantageous due to its direct and personalized approach, which helps in building customer relationships and driving sales. Understanding the opinion of customers helps in improvising the strategy and help in enhancing perception and response and towards Telemarketing of financial products.

Theoretical Background

Telemarketing is a method used by vendors and marketers in which they contact potential buyers or customers to pitch the sale of a product or service. Telemarketing is also known as "tele calling". Telemarketing originated in the 1960s when housewives started calling people in their local communities to sell cookies. The term "Telemarketing" was coined in the 1970s when Bell Telephone Company (now AT&T) began using the technique. Initially, telemarketers worked through telephone directories without much strategy, recording, or continuity.

Today, telemarketing remains a widely used method for sales, charitable organizations, fundraisers, and political campaigns. Salespeople contact potential customers over the phone

using targeted phone number lists from specific areas, regions, or demographics. Cold calling is a common technique used in telemarketing, involving reaching out to individuals who have not previously shown interest in the products or services being offered. Successful cold calling requires persistence and the ability to handle rejection, as most prospective customers do not have an initial interest in the offering. Cold calling typically yields a low success rate, around 2% for highly skilled professionals.

According to Market Business News, telemarketing is effective for setting up appointments, remote product sales, lead generation, sales generation, and building customer relationships. Telemarketing helps in reaching out to large number of customers in a short time and at a low cost. A successful telemarketing campaign typically involves multiple calls. The initial calls focus on identifying customer needs, while the final calls aim to motivate the customer to make a purchase. Key skills for telemarketers include product knowledge, motivation, empathy, and persuasion.

The term financial products refer to the products that offer investment options to an individual. These products could be shares, debentures, loans, bonds, credit and debit cards, deposits etc. Financial Products could be purchased with the objective of making money or saving money. Financial Institutions have to adopt techniques and strategies to attract customers and ensure they invest in financial products. Financial products are complex in nature and require persistence and expertise in making a sale. Most of the financial institutions are adopting telemarketing as an important tool to reach out to customers. Telemarketers provide valuable information about the various financial products, their benefits and mode of investment. Lead Conversion in marketing of financial products requires longer time as compared to other products.

The banking and financial services sector over the years has moved from a direct and personal marketing to a more impersonal approach. Telemarketing is seen as an effective and cheaper way of carrying out the marketing campaigns through telecommunication. Research suggests that data mining solution can be used to assess the response of customers to a telemarketing campaign that is launched by a company. This prediction can be done by using Machine Learning models. (Saad, Mustafa, & Abdulla, 2022)

Literature Review

Telemarketing has become a direct tool for reaching out to large number of customers with minimal cost. Due to the intrusive nature of telemarketing, Government of India has put certain restrictions on banks and financial service institutions regarding its use. Targeting the right customer, equipping the telemarketers with right skill and knowledge determines the success of telemarketing. The researcher has studied the perception of female customers towards telemarketing and concludes that the education and awareness level of female customers impacts the effectiveness of telemarketing (Suresh & Prashant, 2018). Telemarketing has the potential to be an effective approach, but it has also garnered criticism due to the presence of both engaging and unethical practices. This makes telemarketing a controversial strategy in modern marketing.

Negative perceptions of telemarketing often arise from the use of pre-recorded messages delivered through automated systems, which can reach a significant number of individuals on a daily basis. However, telemarketing also offers positive aspects such as providing interactive browsing experiences to customers on websites and other platforms. (Begam, 2020)

Banks are using Telemarketing as a strategy to reach out to customers and convince them to open Term Deposits. The study focused on understanding the response of customers towards the telemarketing calls made by executives of a Portuguese Bank in Malaysia. The Cluster Analysis revealed that the time spent on calls was a major determinant in conversion rate. The longer the time spent on call, the better chance of customer subscribing for the term deposit. The study also concluded that the educational qualification of customers impacted their level of understanding and likelihood of investing in Term Deposits. (Asare & Manoj, 2017)

The study conducted at a Portuguese bank in Thailand brings to light the importance of accurate prediction of prospective customers which proves beneficial to both customers and business. The researchers applied weighting method of random forest algorithm to identify prospective customers for telemarketing. Ineffective telemarketing results in high operational cost for the companies pursuing telemarketing. If the products and services do not match the needs and interests of the customers, they feel uncomfortable, which in turn will result in failure of the telemarketing efforts. (Kattareeya & Theera, 2021)

Telemarketing continues to be utilized in various contexts, although its popularity as a source for advertising products and services has diminished over time. Research is being conducted to understand the impact of telemarketing on the market and its long-term effects on both the company implementing it and the company selling the product or service. Industrial sales organizations have witnessed a steady increase in the use of telemarketing. Banks and Financial Institutions are also using Telemarketing extensively to reach out to customers. However, implementing this tool successfully poses a challenge for management, requiring careful consideration and planning. (Roongta & Vishnu, 2017)

Research Gaps

Considerable literature is available on the concept and relevance of Telemarketing as an important marketing tool and its applicability across sectors. However, there is limited literature available on the response and the conversion rate of Telemarketing efforts of banks and financial institutions in the sale of financial products.

Research Objectives

- ✓ To understand the awareness and preference of salaried professionals towards Telemarketing of financial products carried out by financial institutions.
- ✓ To analyse the response of salaried professionals towards telemarketing of financial products
- ✓ To suggest strategies to enhance consumer response towards telemarketing of financial products.

Research Methodology

This research undertakes a Descriptive technique of understanding the response of salaried professionals towards Telemarketing activities performed by financial institutions. The study has been conducted in Bengaluru on salaried professionals. 110 respondents were identified using Convenience Sampling. The study uses primary data collected through a well-structured questionnaire administered through Google forms. Journal articles, newspaper articles, and blogs have been

used to gather secondary sources of information. The responses were tabulated, presented in a tabular form, analysed, and interpreted.

In order to identify the relationship between awareness level of respondents and their satisfaction level towards services provided by telemarketers about financial products, One-way ANOVA was used. The limitation to the study can be seen in terms of number of respondents being only 110 and only limited to salaried professionals working in Bengaluru. There may also be biases in the data collection process, such as self-selection bias or response bias.

Results and Discussion

The table below presents the demographic profile of the respondents in a tabular form.

Sl. No.	Details	No. of Respondents	Percentage (%)
1	Age		
a	20 – 25 Years	57	52%
b	26 – 30 Years	32	29%
c	31 – 35 Years	13	12%
d	36 – 40 Years	02	2%
e	40 & above	06	5%
	Total	110	100%
2	Gender		
a	Female	63	57%
b	Male	47	43%
	Total	110	100%
3	Educational Qualification		
a	Pre-University	03	3%
b	Graduate	33	30%
c	Post-Graduate	67	61%
d	Engineering	05	4%

e	Others	02	2%
	Total	110	100%

Table 1: Demographic Profile of Respondents

The table above presents the demographic composition of the employees involved in the study. The sample has dominance of females (63%) as compared to men. Majority of the respondents taken for study are under 30 years of age. 67% of respondents chosen for study are postgraduates and well qualified.

Sl. No.	Details	No. of Respondents	Percentage (%)
1	Employment Status		
a	Full time Permanent	67	61%
b	Full time Temporary	15	14%
c	Part time	12	11%
d	Contract	04	4%
e	Free Lancer	12	10%
	Total	110	100%
2	Work Experience		
a	Less than 2 Years	49	45%
b	2 – 4 Years	23	21%
c	5 – 7 Years	23	21%
d	8 – 10 Years	04	4%
e	Above 10 Years	11	10%
	Total	110	100%
3	Income (In Lakhs)		
a	0 up to 3	46	42%
b	3 up to 5	31	28%
c	5 up to 10	23	21%

d	10 up to 15	04	4%
e	More than 15	06	5%
	Total	110	100%

Table 2: Work Profile of Respondents

Looking at the data presented in the table above, the study had a good representation of all types of employees, 67% of the respondents were working on a full-time basis. Employees within 2 years of work experience formed majority in the respondents. The average income of respondents is between 3 – 5 lakhs bracket.

Sl. No.	Details	No. of Respondents	Percentage (%)
1	Awareness about financial products		
a	Extremely aware	12	11%
b	Aware	65	59%
c	Neutral	26	24%
d	Unaware	04	4%
e	Extremely unaware	03	3%
	Total	110	100%
2	Frequency of Receiving Calls		
a	Daily	15	14%
b	Weekly	36	33%
c	Less frequently	50	45%
d	Never	09	8%
e	Total	110	100%
3	Time of Receiving Calls		
a	Morning	20	18%
b	Afternoon	71	65%
c	Evening	14	13%
d	Night	05	5%

e	Total	110	100%
4	Preferred Medium for Receiving Information		
a	Phone calls	34	31%
b	WhatsApp	35	32%
c	Telegram	04	4%
d	SMS	11	10%
e	E-mails	26	24%
	Total	110	100%

Table 3: Respondent's Preference and Awareness about Telemarketing

The table above shows that over 77% of the respondents had a good level of awareness of financial products. When asked about the frequency of calls received from telemarketers, 51% shared that the calls were frequent. Most of the respondents received telemarketing calls during the afternoon, which is during working hours. Phone calls and WhatsApp messages appeared to be most favoured medium for receiving information from telemarketers about financial products.

Sl. No.	Details	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Telemarketing is time-efficient for a busy working professional	9%	45%	35%	9%	2%
2	The conversation rate in telemarketing of financial products is very high.	10%	35%	37%	15%	3%
3	Most of the customers respond positively to telemarketing calls related to financial products	10%	30%	40%	14%	6%

4	Telemarketers have very good convincing ability in marketing financial products	9%	45%	35%	8%	3%
5	Telemarketers misguide you while giving information about financial products	15%	36%	35%	11%	3%
6	Telemarketing helps in creating strong relationship with customers	9%	35%	36%	13%	7%
7	Telemarketing is an effective way of selling financial products	6%	44%	37%	10%	3%

Table 4: Respondent's Opinion about Effectiveness of Telemarketing

The respondents who participated in the study were posed with lot of questions to find out their opinion about Telemarketing of Financial products. Majority of the target respondents agreed that Telemarketing was a time efficient and effective way of contacting salaried professionals for selling financial products. There was solidarity in the opinion that the telemarketers have good knowledge and convincing ability. However, at times the respondents felt that they were misguided by the telemarketers. There was mixed feedback about the conversion rate in telemarketing of financial products. The respondents chose to be neutral about the positive response towards telemarketing calls related to financial products.

Sl. No.	Details	Extremely High	High	Neutral	Low	Extremely Low
1	Satisfaction Level towards the information provided by a telemarketer about	6%	34%	48%	9%	3%

	financial products					
2	Satisfaction level towards the financial product purchased through telemarketing	7%	30%	50%	6%	6%
3	Level of irritation when you receive a call from telemarketers	22%	31%	34%	10%	3%
4	Chances of referring a friend to buy financial products through telemarketing	4%	35%	37%	15%	9%
5	Chances of Blocking the numbers of Telemarketers	15%	25%	29%	16%	15%
6	Satisfaction level towards services provided by telemarketers of financial products	6%	43%	36%	10%	5%

Table 5: Response towards Telemarketing Activities

The data above presents the response of the target respondents towards the telemarketing of financial products. The respondents were neutral regarding the satisfaction levels towards the information provided by telemarketers and the satisfaction derived from the purchase of financial products through telemarketing. When asked whether the telemarketing calls were causing irritation, most respondents looked to agree. They also showed high chances of blocking the numbers of telemarketers. This indicates that telemarketing can be an irritant at times especially in case where the respondent has no need for purchasing financial products. The overall satisfaction level of respondents towards the services provided by telemarketers looked high.

Hypothesis

H0: There is no significant relationship between the awareness level of respondents and their satisfaction level towards services provided by telemarketers about financial products.

H1: There is a significant relationship between the awareness level of respondents and the satisfaction level towards services provided by telemarketers about financial products.

ANOVA: Single Factor						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Column 1	110	409	3.718182	0.662969		
Column 2	110	370	3.363636	0.839033		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	6.913636	1	6.913636	9.205897	0.002705	3.884469
Within Groups	163.7182	218	0.751001			
Total	170.6318	219				

The resulting P-value is 0.0002, which is less than 0.05. This result rejects the Null Hypothesis. It indicates that there is a significant relationship between the awareness level of respondents and the satisfaction level towards services provided by telemarketers about financial products.

The study has helped in understanding the awareness level of employees towards telemarketing and finding out how they perceive telemarketing as a source of purchasing financial products. The research paper brings into light the opinion and response of targeted customers towards the telemarketing activities carried out by financial institutions. There is a dire need to understand and identify the customer's interest and needs before carrying out telemarketing.

In order to derive optimum benefits from Telemarketing, an organization must carve out a well-planned strategy. The first step would be to answer the question, "Is Telemarketing needed to

sell financial products?” If the answer is in affirmative, the second step would be to set up a team of telemarketers for specific product line. Each team would be headed by an experienced team leader, who will be responsible for the smooth execution of telemarketing plans. A team of well-spoken and pleasant tele-callers must be brought in and trained to make effective cold calls. The tele-callers must be well versed with all the financial jargons and possess in-depth knowledge about the financial products offered by the institution.

The third step would be to set up a robust call monitoring and feedback mechanism. This will help in understanding the customer satisfaction level and bridge the gap in case the caller has been ineffective in matching customer expectation. The telemarketing team must follow the ‘Do not Disturb’ cases and not bombard such people with calls. Targeting the right customer at the right time is a key to effective conversion in telemarketing. The fourth step is to create a Follow up plan and ensure the interested customers are contacted regularly until the sale is closed.

While following this strategy, the team leaders must ensure that the tele-callers are not over worked and over stressed, as this will affect the quality of calls. The tele-callers must keep in mind the 10:10:80 principle. When cold calls are made, there would be 10% of the people who will say no to everything. Then there will be a 10% group who find it difficult to say ‘No’, hence they may simply say ‘Yes’. The remaining 80% are prospective customers, who require the agent to present the product or service correctly. This is where the tele-caller must focus his / her effort. The conversion rate can be very high if the team leader stays focussed and guides his team to target the 80% bracket. Using Social Media handles can be very effective in lead generation. The success of telemarketing rests on the setting of SMART goals and a planned approach to achieving these goals.

Conclusion

Telemarketing is a cost-effective way to reach out to a huge number of customers. It has the potential to be the most effective mode of selling financial products. To enhance customer satisfaction and conversion rate, telemarketers need to be knowledgeable and offer attractive incentives such as cashback offers, rewards etc. Organization must look at combining Online

marketing and Inbound marketing through websites, blogs, and chats. The tele-callers must refrain from making false promises for the sake of conversion. Conducting telemarketing without a well carved out strategy can lead to excessive cost with no returns. The effectiveness of telemarketing depends on the quality of product and the way the customer is approached.

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