



Cold Calling in the 21st Century

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It is not uncommon to see sales professionals struggle to generate new leads from their current clients and professional colleagues. When coupled with increasingly ineffective marketing campaigns, business executives must constantly look for new tactics to generate more leads, as this could be the difference between continued growth or a stagnant sales period for your company.

If your company's salespeople are not performing up to their full potential, then it is time that they reconsider what are likely two of their least-favorite words—cold calling. Cold calling is a proven way to generate new leads and can supplement the current marketing efforts of your business. A study conducted by the Wellesley Hills Group shows that the average company gets 13 percent of its business through cold-calling efforts.

Many salespeople steer away from cold calling because of their low success rates in the past. Oftentimes, this can be because of less-than-optimal cold-calling tactics. We recently conducted an in-depth study, which suggests that companies and sales organizations can increase their cold-calling effectiveness by implementing a few small changes into their procedures.

Sales Messages vs. Marketing Messages

When attempting to make contact with a potential client through cold calling, there are a number of different approaches that your sales professionals can take. Overall, efforts to generate new leads through cold calling can be broken down into two different categories: sales messages and marketing messages.

Sales Messages Are Active Ways to Promote Your Products

The intention of cold calling is to actually connect with prospective customers to determine if additional conversation is warranted or if a meeting is appropriate based on the initial dialogue. Frequently, salespeople will not reach their intended target and will eventually have to leave a message. By using sales messages while cold calling, salespeople are actively attempting to reach potential customers in order to open up a dialogue with the person and begin a consultative review process. These types of messages have the express purpose of getting the target to call you back. The messages do not reveal much information about your company or the products you are attempting to sell. They are generally direct and to-the-point with no intention of convincing the future client to choose your firm, just encouraging them to contact you.

Cold calling is a proven way to generate new leads and can supplement the current marketing efforts of your business.

Instead of attempting to win them over, the primary focus of sales messages should be to establish direct contact with the target. By actively pursuing meetings and dialogue with potential clients through cold-calling efforts, sales professionals are able to prioritize this proactive activity with the intention to actually engage the prospect.

An ideal sales message from a salesman promoting veterinary clinic management software could be, "Hey, this is Mike. Give me a call at xxx-xxx-xxxx when you get a free second." This message not only insinuates familiarity and promotes a sense of connection with the potential customer, but it also leaves him or her curious as to who you are and why you are trying to reach out to them. We have found that the tone of the message is incredibly important in terms of successfully returned calls. Under no circumstances can the salesperson sound like a telemarketer. They need to sound familiar and confident, as if the prospect already knows them.

Marketing Messages Passively Let Potential Clients Make Up Their Own Minds

The other category of cold-calling messages which your sales team may be using are marketing messages. This is a more passive approach towards generating new leads and customers. The opposite of sales messages, which actively attempt to engage the client, marketing messages provide at least basic information about your company and your product lines, giving potential customers the opportunity to make up their minds regarding your business before speaking with your salespeople.

An example of a marketing message from the same salesman promoting veterinary clinic management software could be, "Good afternoon, Dr. Smith. This is Mike Waters with MyXYZ Software Company, and I wanted to talk with you about a new software platform we have developed that can help manage your clinic's scheduling needs. Introductory packages are discounted to \$399 a month right now. Contact me at xxx-xxx-xxxx when you have the opportunity."

While that is a relatively short message, it already provides a few key points to your potential customer such as:

- Who your company is.
- What you're trying to sell them.
- How much your product or service will cost them.

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That may be a great introduction to your services when communicating directly with potential customers, but it opens up a number of issues as it pertains to cold-calling success.

- ➔ Perhaps the customer has never heard of your company before and prefers to stick with familiar businesses. This increases the chances that they probably won't call your salesperson back.
- ➔ Maybe they have heard of your company before and have received mixed reviews from a colleague. They probably won't call your salesperson back.
- ➔ If they're not actively looking for what you are trying to sell them, they probably won't call your salesperson back.
- ➔ If your pricing is near or above their target budget or if they don't currently have a budget for your products or services, they probably won't call your salesperson back.

While attempting to leave informative messages in order to attract attention from only the most qualified and active leads, salespeople who leave marketing messages during their cold-calling campaigns are putting the people they contact on the defensive, giving them numerous reasons for not contacting your team and are abdicating their role as consultant and educator to the prospect. According to Chet Holmes, author of the book *The Ultimate Sales Machine*, only 3 to 10 percent of the prospects you contact will have an immediate need for your products or services. By giving the other 90 to 97 percent of people you contact the opportunity to ignore your team's message, you are missing out on many potential sales down the road.

Only 3 to 10 percent of the prospects you contact will have an immediate need for your products or services.

How Your Salespeople Can Sharply Outperform Their Competition

While it seems obvious that sales messages are the optimal choice for cold-calling attempts, many sales professionals are still leaving marketing messages and then getting discouraged when their campaigns have little success. By encouraging your company's sales team to transition to sales messages, research shows that your business should see an increased response rate from your cold-calling efforts.

What Steps Should My Company Take to Increase Cold-Calling Effectiveness?

Recently, our firm conducted research to help determine the most effective ways for sales professionals to reach potential clients through cold calling. By taking advantage of the results of this study and applying them to your sales team's cold-calling strategies, you are likely to see a boost in the number of quality conversations your salespeople attain and ultimately in the number of sales they close.

Our Study Overview

Over a period of two months, our firm made 1,212 cold-calling attempts to business prospects. The call specifics were as follows:

-  All of the prospects were C-level executives who were unknown to the caller.
-  All prospects had received marketing emails from our company for a number of months prior to and during the cold-calling attempts.
-  One person made all of the calls in order to avoid differences in the delivery of the messages.
-  We were attempting to sell the prospects services which ranged in price from \$15,000 to \$100,000.

We find long and infrequent calls to be highly typical of most salespeople's actual calling efforts, because they don't want to appear pesky.

Four Different Types of Messages Tested

In order to determine the most effective type of message for getting potential clients to return our calls, we experimented with four different types of messages: short and daily, short and infrequent, long and daily, and long and infrequent.

-  **Short and Daily** – These messages provided prospects with no information about our company or the services we were attempting to sell. The message would state, “Hi, it's (caller's first name). Please give me a call back at (phone number).” After three consecutive days of calling and receiving no response from the potential client, we would record, “Boy, you are hard to reach. It might be easier if you called me back.” We would also simply leave the name and number of the caller. On each subsequent day, we would slightly alter the wording of the message while still providing no hint as to the reason for our calls.
-  **Short and Infrequent** – The procedure and recorded messages for this attempted method of reaching future customers was quite similar in script to the short and daily messages, except contact was attempted much less frequently. We would wait at least two days between each message and then as the sequence continued, increased the delay between calls. We find this to be highly typical of most salespeople's actual calling efforts in terms of frequency, because they don't want to appear pesky.
-  **Long and Daily** – We left the same message each day, which revealed who we were and what we were offering to the prospect. The message for this variation was, “Hi, this is (caller's first and last name), and I am calling from (our company) because we can help C-level executives like yourself solve (the problem our services would fix). Please give me a call back at (phone number).”
-  **Long and Infrequent** – Again, the messages left for the prospects in this test group were similar to the long and daily group, but attempted contact was spread much further apart. These are oftentimes the standard messages that a normal salesperson would leave during the course of his or her cold-calling campaign.

What We Found

Throughout the entire two-month period, we successfully spoke with 111 of the 1,212 attempts to reach potential clients for an overall success rate of 9.16 percent. This included both prospects which had contacted us back from our messages or had been reached directly during one of our calling attempts. By proactively calling and building familiarity with the clients through our messages, we were able to reach 111 of the prospects, and received 21 returned calls throughout the study.

The results for each of the different message types were:

- **Short and Daily** – We spoke with 10.81 percent of the test group.
- **Short and Infrequent** – We spoke with 8.00 percent of the test group.
- **Long and Daily** – We spoke with 7.78 percent of the test group.
- **Long and Infrequent** – We spoke with 3.45 percent of the test group, and zero of the prospects returned our calls.

While a few of the potential prospects called back upset about the frequent messages with no information, we were then able to open up a dialogue with them. During the test period, our cold-calling attempts were directly responsible for one sale of \$15,000. The long-term effects on our relationship with the potential clients are still being studied.

What This Can Mean for Your Company

It is simple to see that by far the most effective message type for getting in contact with cold-calling prospects is the short and daily message. These messages provide little information and can build the curiosity of potential clients over an extended period of time.

In order to maximize the success rates of your sales team, encourage a review of their cold-calling procedures. Many sales professionals attempt to avoid cold calling as much as possible, and when they do, the most common strategy involves long and infrequent messages. As the study showed, these were the least likely to engage the client, with only 3.45 percent of the test group being successfully contacted.

If you make enough calls, you will reach prospects. Develop a standard script and frequent call schedule for your sales team. By incorporating the short and daily strategy, our research suggests that salespeople will be able to reach nearly four times the potential customers that are commonly reached by cold calling. If even a fraction of the additionally contacted prospects are converted into customers, it can mean huge annual increases to your company's sales and bottom line—all from a small change in the way your cold-calling attempts are handled.

Many sales professionals attempt to avoid cold calling as much as possible.

The most common cold calling strategy involves long and infrequent messages, which was proven to be the least effective.

Other Important Research on the Topic

Another study completed by Leads360, one of the Internet's largest lead-generation websites, has shown similar and complementary results. Its systems recently analyzed over 15,000,000 different leads and looked at the likelihood of making contact with prospects based on the number of call attempts made.

In its study, it found that the first few attempts are the most likely to make direct contact with the potential client and that the results slowly plateau after that. Its findings averaged 39 percent of prospects being reached on the first call, with 72 percent being likely to be reached by the second attempt. By attempt number six, salespeople were able to contact 93 percent of the leads.

By making a second follow-up call to potential clients, salespeople increase their likelihood of making contact by 87 percent. While a single additional call can have such an impact on sales results, Leads360's study found that around 50 percent of leads were never contacted a second time. In addition, when analyzing the habits of the salespeople contacting the leads, the study found that nearly 60 percent of the leads were not contacted the suggested six times.

Using Social Media Such As LinkedIn to Complement Your Cold Calling Efforts

Over the past few years, social media has developed a strong foothold in the business world. Salespeople are finding it simpler than ever before to locate and reach out to potential clients all over the world. While there are countless social media sites which can be used to further your business, the largest and one of the most-efficient platforms for meeting C-level business contacts is LinkedIn.

Because constant contact online is often frowned upon, more so than cold calling on the telephone, social media sites are not ideal for repeated, daily attempts to make contact with the prospect unless you have previous knowledge of one another. However, by utilizing LinkedIn properly, your sales team can still add a powerful aid to the traditional cold-calling campaign.

If you make enough calls, you will reach prospects.

Develop a standard script and contact frequency metrics for your sales team.

Using LinkedIn to Research Your Team's Prospects

One of the most effective uses of LinkedIn is as a way for your salespeople to research potential clients before attempting to make initial contact. Thanks to the prevalence of LinkedIn in the business community, most C-level executives are active on the site. Linked Strategies reports that 7.8 percent of LinkedIn users hold various C-level positions. By looking up their online pages, your team is able to find many ways, such as hobbies, to relate to prospects. By doing this, they are creating a personal bond with potential clients and will be able to engage them on a deeper level. The 2012 Power Formula for LinkedIn Success User Survey shows that 76.9 percent of LinkedIn users often use the platform to research people and companies.

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Making Initial Contact Through LinkedIn

Another way LinkedIn can be leveraged to help your sales team is by forming the initial bridge between your business and the prospect. While they should not contact unknown prospects daily, attempting to solicit your company, there are a few creative ways to use the site to make initial contact:



Groups – Groups give sales professionals the opportunity to make initial contact with their prospects through a common interest or discussion on a web platform. Since standard messages can only be sent to other users which your team members already have a connection with, groups are a great way to get in touch with tougher-to-reach prospects. The 2012 Power Formula for LinkedIn Success User Survey also shows that Groups is LinkedIn's most popular section, with 79.6 percent of survey-takers participating in them.



InMail – LinkedIn offers a service called InMail which, for a fee, allows your team to send messages to any of the users on their site. While this is an approach which may be too costly to use in all situations, it is an even more effective way to contact the prospects that are proving the most difficult to reach.



Using Your Existing LinkedIn Connections – Viewing a prospect's LinkedIn profile can potentially provide much more information than just a user's interests. Salespeople are able to see any mutual connections that they have with the potential client and can then attempt to leverage those relationships.

This is an extremely powerful way to expand the social reach of your company, as using mutual connections to get referrals and introductions can be one of the most powerful contact methods your team can utilize through the online platform to aid their cold calling.

According to Mahan Khalsa, one of the authors of *Let's Get Real* or *Let's Not Play*, the initial cold-calling attempt generally has a one to three percent chance of setting up an initial meeting with a potential client. By getting a referral from inside of the target prospect's company, that likelihood jumps to over 40 percent. To easily seek referrals on LinkedIn simply ask your connections to introduce you or have a standing upfront approval from your connections that you can use their name when reaching out to one of their connections.

Simply send an InMail referencing what you do for your connection and that he has given you permission to use him as a reference. Ask if the target would be interested in talking about the same and you will be amazed at the positive responses you will receive. This can be even more time efficient than traditional phone cold-calling.

Using LinkedIn's Search Function to Track Down Potential Customers

If your team is looking to find new leads, LinkedIn can also be a great way to narrow down the search. The platform allows a number of different search options, including filtering your results by the potential prospects' locations and corporate positions.

These different options are quite expansive and can provide a number of criteria by which your salespeople are able to track down future customers. This gives your team the most flexibility when it comes to isolating leads from the most important demographics.

Nearly 50 percent of PowerFormula responders have used LinkedIn to build business relationships with customers who have the ability to influence future business deals.

Utilizing social media platforms such as LinkedIn provides additional ways for your sales team to reach and connect with prospects that have proved difficult to reach through traditional cold calling.

The Sooner You Improve Cold-Calling Procedures, the Faster Profits Will Rise

Cold calling is a sales strategy, which oftentimes does not pay off right away. It takes persistence and solid cold-calling procedures in order to see positive results. By using sales messages instead of marketing messages, your sales team will be able to take the proactive approach to making contact with prospects through brief, daily contact attempts. Utilizing social media platforms such as LinkedIn provides additional ways for your sales team to reach and connect with prospects that have proved difficult to reach through traditional cold calling.

Because of the time required to build fruitful relationships through cold calling, it is important to start implementing these procedures in your company today. The sooner you make positive changes, the quicker you will see increased conversions of sales leads, which will turn into growth, both for your company and for its bottom line.

While the topics covered in this paper can substantially increase your firm's bottom line, they are just a few of the ways you can enhance the success of your sales department.

Contact Gretchen Gordon at ggordon@braveheartsales.com or at **614-396-6544** for a **Free Consultation** to learn how to increase the effectiveness of your sales organization and begin generating more sales more quickly and efficiently than ever before.

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