Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: Tackling abandoned and silent calls

To (Ofcom contact): Matthew Chapman

Name of respondent: David Nicholls

Representing (self or organisation/s): DJN Solutions Ltd

Address (if not received by email):

CONFIDENTIALITY

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Nothing	X	Name/contact details/job title	
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Name David Nicholls Signed (if hard copy)

Company Information

DJN Solutions is a Contact Centre consultancy practice specialising in helping organisations optimise their outbound calling campaigns.

Services for predictive dialler users cover best practice and regulatory compliance.

Other services include Project Management, Training, and Supportability Assessments that help ensure that Contact Centre projects deliver the expected business benefits.

DJN Solutions Ltd is Member of the UK Direct Marketing Association. David Nicholls is a member of the DMA Telemarketing and Call Centre Council.

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Overview

DJN Solutions welcomes the opportunity to respond to this consultation. We are particularly pleased that Ofcom is clarifying the abandonment calculations; many of our clients have been concerned about this.

The views expressed in this response are those of DJN Solutions Ltd and do not necessarily reflect those of business associates, clients, or the Direct Marketing Association.

DJN Solutions Ltd is happy to provide further clarification of the points made in this response if required. We are also happy to engage in further discussions should they be thought necessary.

General Comments

While we agree that reducing the number of silent calls received by consumers is important we feel that some factors may have been missed. Specifically the measures suggested in this consultation are aimed at reducing repeated silent calls caused by AMD False Positives on the assumption that these represent the majority of those calls.

While this may be the case there does not appear to be enough evidence to be sure. Taking the Mott McDonald report as an example we can see that people receive multiple silent calls, often from the same number but, despite having access to some of those numbers, no attempt was made to check with the company that called to see how the calls were classified by their dialler, assuming that they were using one.

Furthermore, the current evidence is that a small proportion of the population receives a very large proportion of the calls. Some investigation as to why this is the case would be extremely valuable. It is possible that the industry could take steps to deal with these extreme cases if the common factors could be determined, which in itself could greatly reduce the overall issue. As it stands, this investigation would have to fall to Ofcom because only they have access to the necessary information.

While it is undeniable that AMD False Positives will result in silent calls there are a number of other possibilities:

1) People may not be playing an Information Message – it is our experience that major dialler users are playing the messages correctly, however it is entirely possible that some operators, whether by ignorance or design, are failing to do so. If a company is ignoring this rule then it is likely that they are ignoring others, including the 3% limit and 72 hour rule. If these rules are ignored a relatively small operation could generate a significant number of silent calls in a very short time.

2) There is some anecdotal evidence that companies calling with ‘you have won a holiday’ type messages may be generating silent calls. From personal experience, and from talking to others, sequences of silent calls are often followed by a recorded message being left the next time the phone isn’t answered. It is possible that these companies are using AMD in reverse to always hang up on live individuals but leave messages on machines. From a business point of view it isn’t entirely clear why this would be advantageous but, given that most people simply hang up when the message starts, it is possible that the companies feel that the message is more likely to be listened to if it is left on a machine. This may indeed be the case simply because people may not know how to skip messages quickly so they listen by default.

3) A side effect of the changes to the rules on AMD may have inadvertently opened the door to more silent calls. As a result of the new rules many companies have chosen to switch of their AMD and pass all calls to agents. This has led to an increase in a practice that non-AMD users have relied on for some time, which is to reduce the time that calls are allowed to ring before they are answered. Under the rules this

cannot be less than 15 seconds. If the ring time is set to 15 or 16 seconds then the dialler remains compliant but hangs up before many answering machines answer the call. As an example BT's 1571 service takes around 20 seconds to answer. This reduces the number of answering machines passed to agents. Unfortunately it is also the case that many people answer the phone in the 15-18 second period. If a person answers the phone just as the dialler decides to hang up the call will be silent and will be recorded as an unanswered call. With the ISDN network there is quite a short time period where this becomes an issue, but with large numbers of calls being dialled it will inevitably happen. No published research on this effect could be found so we undertook a investigation to try to quantify the problem. Several thousand calls were recorded and matched up with the results from the dialler. Calls of this type were found in the sample set; they represented 0.8% of the live calls encountered. In a large operation this could represent a significant number of silent calls.

Our concern is that Ofcom have indicated that, if the present measures do not give the desired reduction in silent calls further measures including possibly banning AMD may be taken. Such action would be unfair if it turns out that the factors given above, or possibly others, are major contributors to the number of silent calls.

We would therefore ask that Ofcom takes action to confirm the sources of silent calls as soon as possible so that any measures taken will be appropriate.

It is also important that Ofcom and the industry continue to educate consumers. Since calls of the third type listed above will happen in any calling environment, whether predictively dialled or not, the total elimination of silent calls is impossible.

Question 1: Do you agree that Ofcom should limit the number of times a company can call an answer machine without guaranteeing the presence of a live operator to once every 24 hours?

As discussed above we have some concerns that the attribution of repeated silent calls to AMD may not be clear cut. It is certainly possible to think of ways in which AMD could fail repeated for the same person, but this is not the same as knowing that this is actually happening in the real world. If a person answers the phone in a way which is misinterpreted then it is quite possible that repeated mistakes will be made, but some other factors such as background noise, mobile reception, etc. are unlikely to remain constant. Better understanding of the overall environment is a key requirement here and we hope that Ofcom undertakes the investigations we suggested earlier.

Notwithstanding our concerns about the overall approach, we have some issues with a specific one call per 24 hour limit. In practice any good call centre will be trying to contact customers at different times of day on different days of the week. Adhering strictly to the 24 hour policy would result in a further call to the customer at the same time the following day, which is unlikely to be successful. This means that the call centre will need to wait longer to call in a different time period. For example, if I call in the morning and get a machine I would generally try again late in the afternoon or in the evening. With a 24 hour restriction that would actually mean calling tomorrow afternoon or evening unless I can call without AMD in the interim. This complicates the management of the calling data and means that more data will be required in order not to run out.

We would therefore suggest that the restriction is changed to a maximum of two calls in a 24 hour period, possibly with some minimum time restriction between them. This provides a better balance between the call centre's need to contact the individual and the risk of too many silent calls.

Question 2: Do you agree with Ofcom that a two month implementation period (from publication of Ofcom's revised statement) would be an appropriate length of time for industry stakeholders to adopt any changes to comply with the proposed 24 hour policy?

Our opinion is that changes relating to dialler recall rules will be standard functionality for most systems and therefore two months should be enough time to put the relevant processes in place.

However, we are concerned that where this is not the case and some action is required from the dialler vendor, the dialler user has no way of ensuring that the deadline is met. For these cases we would suggest the Ofcom's previous policy of taking the dialler users actions into account is used. If a dialler user has worked with the manufacturer to put a plan in place and is waiting for the revised software to be delivered this should be taken into account. Clearly some time limit needs to be imposed; given the uncertain nature of software development cycles we would suggest a maximum of 6 months be set for these circumstances.

Question 3: Has Ofcom provided sufficient clarity on how the abandoned call rate is to be calculated?

As shown the calculation is clear, however the formula given does not work well in a real world environment where the reasoned estimate of false positives must be applied for AMD users and the estimate of abandoned calls to answering machines must be applied for non-AMD users.

Question 4: Do you agree with the factors set out by Ofcom for determining a reasoned estimate of AMD false positives in an ACS user's abandoned call rate?

Yes, we agree with the factors and Ofcom's analysis of the value of the various testing methods. Our own experience is that trunk side live sampling works well and is not complicated to implement.

Question 5: Has Ofcom provided sufficient clarity on how AMD users should calculate an abandoned call rate that includes a reasoned estimate of AMD false positives?

No, we believe that any false positive rate (FPR) should be calculated in relation to the number of live calls, not the number of answering machines detected.

By definition a false positive must result from a live call that is misinterpreted as an answering machine. Therefore the FPR is, effectively, the probability that any given live call will become a false positive. As such the FPR is independent of the number of answering machines that the system calls. Adding more answering machines cannot increase the number of false positives since none of the extra calls can become false positives.

Mathematically it is possible to calculate the FPR based on the number of answering machines, but the resulting figure will only be valid if the relative proportion of live calls and answering machines remains constant. Something that is unlikely to happen in live calling environments.

The Direct Marketing Association has produced a document explaining the mathematically correct way to calculate and apply a false positive rate. A copy of the document, of which David Nicholls of DJN Solutions Ltd is a co-author, is attached to this response. Further copies can be downloaded from the following web address:

http://dma.org.uk/sectors/cct-faq.asp

Question 6: Has Ofcom provided sufficient clarity on how non-AMD users should calculate an abandoned call rate that includes an estimate of abandoned calls picked up by answer machines?

No, as shown the method given wrongly calculates the estimate of calls abandoned to answering machines.

In the example the estimate is calculated based on the fact that 40% of dialled calls were live calls put through to a live operator. In calculating this percentage the unconnected calls are included. In practice the unconnected calls are irrelevant to the calculation as they are

neither live calls nor answering machines and the estimate should be based only on the proportions of these two.

The Direct Marketing Association document mentioned above also includes the mathematical background for the non-AMD calculation along with how to apply it in practice.

Ofcom indicated in the consultation document that it did not want to be prescriptive about the calculations because it adds complication to the policy, and several reasonable calculations have been proposed.

It is our belief that not having an Ofcom sanctioned calculation is harmful to the industry. It leaves dialler users unclear as to whether their particular calculation will be accepted until such time as Ofcom chooses to investigate them. As a result each user will have to expend effort in order to generate the evidence Ofcom would require to show that their estimate is 'reasonable'. Some users may choose to operate in sub-optimal ways simply to provide extra protection against the uncertainty.

We also believe that, while it is possible to come up with alternative approaches, the clear definition of what is and is not an abandoned call or false positive means that only one mathematically robust solution is valid. These are the formulae shown in the DMA document and we ask that Ofcom validates and sanctions these calculations.

Question 7: Do you agree that Ofcom should not amend the existing two second policy as set out in the 2009 Amendment from 'start of salutation' to 'end of salutation'?

There has been much debate around where the two seconds should start from. We believe that there are still some misconceptions around this and there are reasons for change.

Firstly, it is often said that extending the time period makes AMD more accurate. This is partially true, but what it does do is make AMD more effective in screening machines, without affecting live recipients.

As mentioned in the consultation one of the main factors in determining whether the system reached a person or a machine is the length of the greeting. Clearly, in order to know the length of the greeting the system has to wait until it has finished. Most answering machine greetings are significantly longer than two seconds, therefore with the two second limit from start of salutation any system has to make a determination at that point based on whatever information it has collated. In practice this often means that the machine is put through to an agent by default as the least risky option. From this is can be seen that the effectiveness of AMD as a time saver will be reduced.

From the other side, will a longer limit affect live recipients? In short, no. Their greetings are typically much shorter (in our experience well over 80% of calls are answered with a simple 'hello') and the system can make its determination as soon as they stop speaking.

Essentially the system is trying to identify live voice and will pass the call to an agent as soon as it determines that live voice has been found. For answering machines the process takes longer, but since they aren't live users this doesn't matter.

For people who give a longer greeting, there is a possibility that they will be misclassified, but this is a tuneable setting. Most greetings are still shorter than answering machine

messages so it should be possible to set a high enough 'live person greeting' time to ensure that live calls go through while still screening most answering machines.

While it is true that some call recipients may repeat the 'hello' or other greeting if they do not get a response, it is not in the interests of a dialler user to try to exploit this. As was mentioned in section 3.31 of the consultation, if there is too much of a delay people will hang up resulting in lower contact rates.

When answering the phone most people will speak their greeting and await a response. As long as that response is timely they are happy. If their greeting is longer this does not change the period they are prepared to wait. We do not expect to be interrupted during the greeting, so allowing the two seconds to start at the end of the salutation makes little difference to the person being called.

From a recipients point of view it is also easier to measure the response if it is taken from the end of the salutation. If I answer the phone and say 'hello' I expect to get a response within two seconds of when I stop speaking. If I choose to answer the phone as 'Hello, this is Dave' I don't have to think about whether I should only wait 1.5 seconds.

Overall the risk of changing the timing to two seconds from end of salutation is low because any company that tries to exploit the timing for live calls will quickly see reduced contact rates due to hang-ups. On the other hand the effectiveness of answering machine detection is greatly improved with no effect on live calls.

It is our opinion that the two second should be changed to end of salutation. In order to make it clear to consumers the wording should be changed to something like:

"When a call recipient has finished their salutation they should not be subjected to more than two seconds of silence before being connected to an agent or played an information message"

This allows consumers to easily work out if the rule is being broken so they can take appropriate action.

In some situations turning off AMD seems to give better sales results but this effect is typically not seen in debt recovery. We believe that the decision as to whether to use AMD, subject to False Positive limits being met, should be made by each business. It is their job to balance dialler performance against sales and brand concerns.

Question 8: Do you agree with Ofcom's policy proposal that companies provide a geographic contact number (01, 02 or 03) in addition to a freephone (080) number in the information message provided in the event of an abandoned call?

We have no strong feelings on this. Our experience is that most people hang up without listening to the whole of the Information Message so are unlikely to hear the extra phone number if it is provided. For those people who are concerned and do want to respond the cost implication of only having 0800 numbers available is likely to be small, particularly since 0800 numbers can be called from payphones if required.

Question 9: Has Ofcom provided sufficient clarity on what constitutes a ‘campaign’?

Many companies, particularly in debt recovery, do not use formal call scripts. Many may not consider the call to be a ‘proposition’, for example calls to check on delivery times. We would suggest the following, more generic, wording:

“For the purposes of calculating the abandoned call rate, an individual ‘campaign’ is defined as calls made for a specific purpose to a single target audience. A campaign can be run from more than one call centre over a 24 hour period. If calls are made for specific purposes to a single target audience, then Ofcom will continue to regard this as a ‘campaign’. In the event of an investigation, Ofcom will consider the facts of each case on its own particular merits.”