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A new law seeks to stop the onslaught of automated phone calls, or robocalls, in the United States. The <u>Telephone Robocall Abuse Criminal Enforcement and Deterrence Act</u>, also known as TRACED Act, gives the Federal Communications Commission (FCC) more power to stop businesses from relying on robocalls to market themselves to consumers. Only days after the TRACED Act became law, at CES 2020, a <u>startup launched an app</u> designed to help people stop robocalls, as part of a broader privacy theme that pervaded CES. If you rely on automated telemarketing services, it's essential that you understand the TRACED Act, as violations can incur heavy fines. Even if you do not employ robocall as a tactic, the TRACED Act matters because it underscores a shift in telemarketing from machine-based to people-based services.

#### What Is the TRACED Act?

The TRACED Act does not attack all robocalls. Rather, it seeks to more aggressively police illegal robocalls, such as:

- Using fake numbers on caller ID to defraud or to cause harm.
- Scamming people.
- Relying on automated calls without written permission from the consumer.

The above actions are already illegal under federal law, as the Associated Press notes. The Associated Press also reports that YouMail's robocall index says that half of all robocalls today are fraudulent – and Americans receive billions of robocalls each month. What's changed is that the TRACED Act more aggressively enforces violations of the law. For instance, violators are subject to \$10,000 fines for each offense.

But legal robocalls are not affected by the TRACED Act. For example, if you've given your pharmacy written consent to contact you to let you know a prescription is ready, you'll still continue to receive automated messages. The same holds true for automated phone calls you receive for marketing purposes so long as the caller has received a consumer's written consent.

#### The Evolution of Telemarketing

But let's take a step back a moment and look at the big picture: the TRACED Act is a reminder that people do not want to receive phone calls from machines. They prefer talking with people. If your business relies on automated messages, it's time to take a closer look at how to transition to people-based interactions.

The advent of the TRACED Act occurs in context of a broader evolution in telephone-based marketing and customer support. That evolution looks like this:

- Telemarketing 1.0: cold calling with humans.
- Telemarketing 2.0: adoption of automation, whose abuses have spurred the new TRACED ACT.
- Telemarketing 3:0: an evolution toward a user-centric, personalized telephone outreach. This evolution is based on better insight into consumer preferences, supported by the use of artificial intelligence to train telemarketers.
- Telemarketing 4.0: via machine learning, businesses anticipate what people want before they know it. Businesses sense and respond to unarticulated customer needs.

We are nowhere near Telemarketing 4.0, and Telemarketing 3.0 is still on the horizon. Why are we still mired in Telemarketing 2.0? The reason is simple: businesses don't want to spend money training people to manage telephone-based marketing and support. Telephone-based marketing and support positions typically incur high turnover rates, and it can be costly to train them to get better at their jobs. The costs of training people who are likely to leave their posts and move on to another company don't seem worth it to businesses.

### **Good News for Telemarketing: Al-Based Training**

But there is good news: All is making it possible to train human telemarketers more efficiently and at less cost. And even better: with Al, businesses can learn more about consumer preferences and train workers to manage more personalized interactions with customers. Instead of making the phone

calls, machines are in a position to improve how humans operate.

For instance, Centific offers a solution, PrepTalk, that uses AI to improve human-based telemarketing and support. Among other services, PrepTalk offers a simulation that helps phone agents learn how to handle various customer scenarios. The solution also assesses live calls and provides dashboard feedback to management based on audio analysis. This training is done through a simulated persona, "Jessica," who coaches people in a warm, approachable way.

For instance, after a human agent has finished their customer service training, Jessica:

- Assesses the agent's conversational and problem solving skills via multiple simulated live customer call scenarios.
- Provides feedback, ratings, and specific directions for knowledge improvement all without the human agent being on a "live" call.

Jessica is cloud based. Therefore Jessica can be accessed and used anytime, anywhere, and on multiple different types of devices, making training more efficient.

## **AI Delivers Results for Telemarketing**

PrepTalk is delivering results. Telesales agents that were trained with PrepTalk closed 60 percent more sales in the same "time window" versus the telesales agents who were not trained with PrepTalk. That's because agents are trained to offer more personalized service more accurately and professionally thanks to machine-based training.

The Corporate Training market, which is more than \$130 billion in size, is going to be disrupted and fundamentally changed because of the infusion of intelligent agents. This is good news for telephone-based marketing and sales. The TRACED Act is a nudge in the right direction to better human-based telemarketing and customer support. The advent of better Al-based training provides a strong push.

### **Managing Robocalls**

Not all businesses are ready to rush headlong into human-based telephony. For now, automated calling is part of many marketers' toolkits. It's essential that they manage their outbound calling with integrity – failing to do so is increasingly costly under the TRACED Act. To telemarketers manage their outbound calls effectively, Centific has fraud detection product and solution. One of our fraud management offerings helps telemarketer to self-assess their outbound calls with Al and remove high risk of potential violation calls, which lessens the chance of their running afoul of the TRACED Act.

#### Pact.Al Can Help

With <u>Pact.Al</u>, Centific provides a complete end-to-end portfolio of <u>data pipeline management</u>, advanced analytics with Machine Learning and Deep Learning, data science and data engineering services, Al application development, Al solution acceleration, and end-to-end delivery that will

enable your AI vision and turn AI as business driver. Centific is helping clients in high tech, banking/financial services/insurance, telecom, retail, consumer packaged goods, manufacturing, and healthcare solve various business challenges with AI. <u>Contact us</u> to learn more.

# **About the Author**

Yong Liang is Associate Vice President and Product Lead for AI related solutions at Centific. He works on several up and coming AI technologies that support enterprise business.

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