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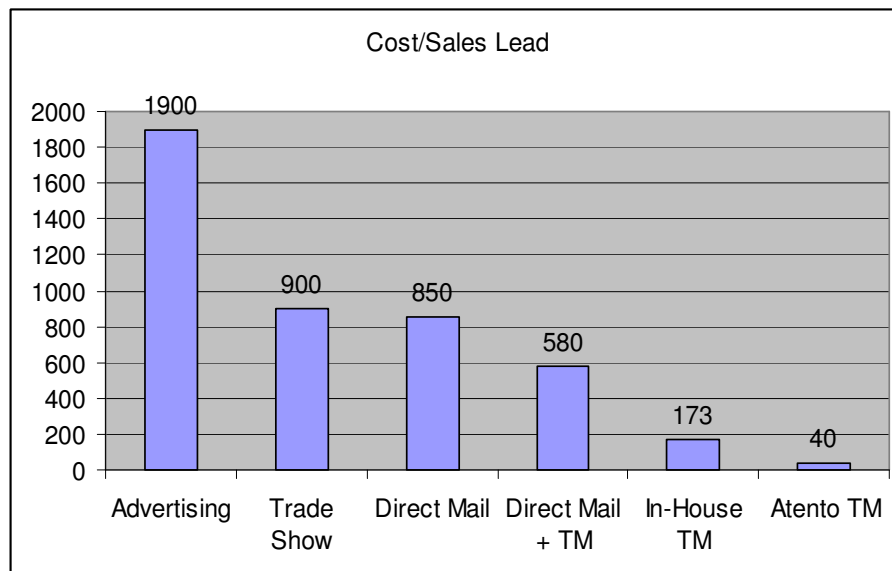
TELEMARKETING OUTSOURCING MARKETING COST COMPARISON

Introduction

Atento Services offers a variety of traditional call-center outsourcing services to the English and Spanish speaking North American market. This document provides a cost comparison of marketing alternatives used traditionally by companies to grow their client base, versus the dramatic cost savings of using Atento's offshore telemarketing services. Atento Services is located in Nicaragua and was established in 2004.

Cost - Lead versus Hour

It's not your marketing **cost per hour** that matters, but rather your marketing **cost per lead or appointment**. That is, how much does it cost your company to take the first tangible step to generating a new customer – a sales lead or appointment? As we will demonstrate below, Atento Services outsourcing telemarketing services offers a company the lowest cost per new sales opportunity. Using representative real-world data, we compare various traditional marketing alternatives, to calculate the cost of generating a sales lead. These marketing alternatives include: advertising, trade show, direct mail, direct mail with telemarketing follow up, company in-house telemarketing and using Atento telemarketing outsourcing services. The cost savings are dramatic.



Magazine Advertising

Traditional print advertisement is a popular and convenient way to generate leads. However advertising is expensive, requires consistent frequency and often has its message blurred by competing advertisement. Also, many of the leads from advertisements are "for information only" researchers. These are not short-term potential customers. Listed below is a model to calculate your cost per lead from your advertising program.

| MAGAZINE ADVERTISEMENT | | |
|-------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Ad Development | \$2,000 | An ad requires photography, copywriting, design and film. The initial costs will typically be around \$8,000, which are spread over the useful life of the ad -- in this case four. |
| Advertising Management | \$2,500 | A manager must take the time to decide what to advertise and work with the agency. Assume two weeks of effort. |
| Insertion Cost | \$2,500 | Assuming a trade magazine, a quarter page ad will run anywhere from \$1,250 to \$9,000 depending on circulation and frequency. |
| Gross Cost | \$7,000 | Estimate you own costs. |
| Results | Measure | Comments |
| Responses and inquiries | 100 | Trade advertising is usually effective in generating inquiries and responses. Response rates can vary, but 100 is typical for our clients. |
| Information Only | 95 | 95% of all responses are for information-only. Note also the wasted time and cost of brochures you're sending to people who are not likely to buy in the next six months. |
| Sales Leads | 5 | 5% with an interest and need for purchasing your product within the next six months. |
| Appointments | 3 | 60% of sales leads will result in an appointment after talking to you on the telephone, assuming that you follow-up. |
| Internal Follow Up | \$2,500 | Marketing materials, personnel time to send and follow up calls. |
| Cost per Lead | \$1,900 | Advertisement is very expensive per sales lead ($\$1,900 = (\$7,000 + \$2,500) / 5$), and even higher per sales appointment ($\$3,166 = (7,000 + \$2,500) / 3$) |

Trade Shows

Trade shows require planning, investment, time, administration and follow up. When fully allocating costs, they are relatively expensive per sales lead. And, depending upon your company's follow up of unqualified leads, the resulting costs will vary significantly. Ultimately you can evaluate this based on how many appointments you get with decision-makers who have a real need, and a willingness to consider buying from you.

| TRADE SHOW | | |
|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Booth | \$2,000 | A 10x10 booth (\$5,000). Two shows per year. Cost of materials, graphics, shipment, storage, insurance. Cost per show is typically around \$4,000 for the booth. |
| Management | \$3,500 | Personnel planning the show, managing the booth, air-fare, hotels, entertainment. And the fewer shows you do, the more each one costs, your less efficient. |
| Show Cost | \$2,000 | 10x10 booth, twice a year. |
| Show Follow Up | \$1,500 | Most companies don't follow-up their trade show leads. If you do - Personnel at \$20/hr, 15 min/lead, \$3 in materials, \$4 per telephone call. If you don't - reduce your appointment rate. |
| Gross Cost | \$9,000 | Estimate your costs. |
| Results | Measure | Comments |
| Leads (Unqualified) | 250 | These trade show responses are unqualified leads - many are responses to your show giveaway or other exhibitors looking to sell you something. |
| Leads (Qualified) | 10 | These are decision-makers with an identified need. If you get 10 qualified leads, your show may be a success. |
| Appointments | 5 | Most trade show leads, even the good ones, are never followed up. Assume they are followed up and you close 50%. |
| Cost per Lead | \$900 | Trade shows are somewhat less expensive per sales lead, but still expensive. |

Direct Mail

The cost of direct mail varies widely, with the example below being fairly common. Many factors will influence costs including; direct mail piece, mailing, list, follow up, timing, etc.

| DIRECT MAIL ADVERTISEMENT | | |
|----------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Material Development | \$6,000 | Material costs vary. Include the cost of design, copy, photography, printing, mailing lists, waste, etc. A typical commercial mailing of 1,000 pieces will cost \$6,000 |
| Management | \$1,500 | Coordinating with vendors, follow up, database clean up, etc. |
| Mailing Cost | \$1,000 | Fulfillment costs include postage, optional return postage, delivery. We estimate \$1/piece. |
| Gross Cost | \$8,500 | Estimate you own costs. |
| Results | Measure | Comments |
| Responses and inquiries | 20 | Responses include: telephone inquiries, BRCs, hits on you Web site, or even orders. If you had a good mailing piece and a targeted database, assume a response rate of 2%. |
| Information Only | 10 | 50% with NO real interest and need for purchasing your product within the next six months. |
| Sales Leads | 10 | 50% with an interest and need for purchasing your product within the next six months. |
| Appointments | 5 | 50% of sales leads will result in an appointment after talking to you on the telephone, assuming that you follow-up. THIS IS WHERE YOU MAKE YOUR MONEY. |
| Cost per Lead | \$850 | Direct mail can also be very expensive per sales lead ($\$850 = (\$8,500)/10$), and even higher per sales appointment ($\$1,700 = (\$8,500) / 5$). |

Direct Mail and Telemarketing

To make direct mail most effective is to follow it up with a telephone call. It adds to the cost (sales person's time and opportunity costs) but as the analysis indicates, it is a good investment.

| DIRECT MAIL ADVERTISEMENT + TELEMARKETING | | |
|--------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Material Development | \$6,000 | Material costs vary. Include the cost of design, copy, photography, printing, mailing lists, waste, etc. A typical commercial mailing of 1,000 pieces will cost \$6,000 |
| Management | \$1,500 | Coordinating with vendors, follow up, database clean up, etc. |
| Mailing Cost | \$1,000 | Fulfillment costs include postage, optional return postage, delivery. We estimate \$1/piece. |
| Telemarketing Cost | \$5,000 | Your salesperson (\$40K/year) make their own telephone calls. A 1,000 piece mailing will require 250 hours. This does not include: negative affect on existing customer accounts, telephone costs, employee frustration and lost productivity |
| Gross Cost | \$14,500 | Estimate you own costs. |
| Results | Measure | Comments |
| Responses and inquiries | 50 | Responses include: telephone inquiries, BRCs, hits on you Web site, or even orders. With telemarketing your response rate will go up, assume a response rate of 5%. |
| Information Only | 25 | 50% with NO real interest and need for purchasing your product within the next six months. |
| Sales Leads | 25 | 50% with an interest and need for purchasing your product within the next six months. |
| Appointments | 12 | 50% of sales leads will result in an appointment after talking to you on the telephone. THIS IS WHERE YOU MAKE YOUR MONEY. |
| Cost per Lead | \$580 | Direct mail, complemented with telemarketing is reducing your cost per sales lead ($\$580 = (\$14,500)/25$), and corresponding per sales appointment ($\$1,160 = (14,500) / 12$). |

In-House Telemarketing

In-house telemarketing can be a great tool to initiate the sales process: find sales prospects, qualify them and schedule appointments. If your company doesn't have prior experience, you will need to take that into consideration. Also you will need recognize an effective business-to-business (B2B) telemarketer representative requires time to develop, to become productive and with a high failure rate (i.e., personnel rotation and hidden costs).

| IN-HOUSE TELEMARKETING | | |
|-------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Recruiting Costs | \$11,000 | A good TM takes several months re recruit and train. A recruiter will cost 25% of the TM year salary of \$20K, or \$5,000. Your ads will be \$400/wk for 8 weeks, to find enough good candidates. |
| Management | \$10,000 | A manager (\$40K/year) will invest 25% of her time managing a TM, plus the additional time in sales training. |
| Salary | \$20,000 | A TM, with few additional benefits will eary \$20K/year. If with a university degree and bilingual, more |
| Telefono & Other | \$10,750 | Telephone and system expenses average \$4/hour. Add CRM system (\$1,000) and telemarketing/ mailing database (\$0.35 per record) with 5,000 names. |
| Gross Cost | \$51,750 | Estimate you own costs. YOU WILL UNDERESTIMATE. |
| Results | Measure | Comments |
| Sales Leads | 300 | 50% with an interest and need for purchasing your product within the next six months. |
| Appointments | 150 | 50% of sales leads will result in an appointment. THIS IS WHERE YOU MAKE YOUR MONEY. |
| Cost per Lead | \$173 | Telemarketing is reducing your cost per sales lead ($\$172.4 = \$51,750 / 300$), and corresponding per sales appointment ($\$345 = 51,750 / 150$). |

Atento Services Telemarketing

Atento generates sales leads and appointments for many different types of companies. Depending upon the company's particular market, sales lead criteria and the quality of the marketing database, our results and fees will vary. Notwithstanding, we can guarantee that outsourcing your telemarketing activities to Atento will result in significant cost savings and higher return on your marketing investment.

| ATENTO SERVICES OUTSOURCED TELEMARKETING | | |
|-------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | US \$ | Comments |
| Recruiting Costs | \$0 | Atento has already made these investments. Costs are distributed over multiple clients and projects. |
| Management | \$4,000 | A manager (\$40K/year) will invest 10% of her time managing an outsourced Atento project. |
| Salary | \$0 | Atento assumes personnel costs. |
| Telefono & Other | \$1,750 | Atento assumes systems costs. You assume TM database of 5000 records (\$0.35/name). |
| Atento Outsourcing Cost | \$18,000 | An annual project of 2,000 TM hours, including all charges (\$9.00/hr). |
| Gross Cost | \$23,750 | These costs are not estimates. |
| Results | Measure | Comments |
| Sales Leads | 600 | Atento will be at LEAST 100% more productive than an In-House TM. 50% with an interest and need for purchasing your product within the next six months. |
| Appointments | 300 | 50% of sales leads will result in an appointment. THIS IS WHERE YOU MAKE YOUR MONEY. |
| Cost per Lead | \$40 | Using Atento telemarketing outsourcing reduces your cost per sales lead (\$40 = \$23,750 / 600), and corresponding per sales appointment (\$80 = \$23,750 / 300). |

Atento Services average cost-per-sales lead is \$40.

That means:

- \$1,850 less per sales lead than your magazine advertisement
- \$860 less per sales lead than your trade show
- \$810 less per sales lead than your direct mail

- \$540 less per sales lead than your direct mail with telemarketing
- \$133 less per sales lead than your in-house telemarketing

Atento Services telemarketing outsourcing is one of the most cost-effective means for your company to increase its sales and customers.

For additional information please visit our Internet site at: <http://www.atentoservices.com> or contact us at 1-888-337-8418 or electronic mail: info@atentoservices.com.