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Sheila Fitzgerald, marketing consultant, and Jim Mathis, director of sales, help run On-Hold Marketing & Communications.

Working Out Hangups

Firm sells phone systems to keep callers on hold

By Laura Koss-Feder

BEING PUT ON hold is not pretty. You're either subjected to the loud hum of silence or the droning of seemingly endless elevator music. You wait and wait for a response and finally, unable to take it anymore, you hang up and seek refuge from the phone. You're now agitated. And the company on the other end has just lost your business.

This is the kind of problem that brings On-Hold Marketing & Communications of Valley Stream, a 3½-year-old player in an ever-growing niche market, annual sales of \$3.5 million, a nationwide client list of 4,000 and more than 500 metropolitan-area clients.

The company provides customized "on-hold" recorded messages for businesses. The company's clients include gourmet restaurants, hospitals and major sports teams, such as the New York Islanders. About 80 percent of On-Hold's clients are single-location companies.

"A service like this used to be a cute idea, sort of a novelty. But as it starts to penetrate more markets, it becomes more of a necessity for businesses," said Jim Mathis, director of sales.

Here's how On-Hold operates: A client and On-Hold's staff decide what kind of information the client wants to let the public know in a prerecorded message that is played to callers. On-Hold's 12 voice personalities perform accents and impersonations that can be used in the messages. Music and other sounds can also be used.

The company's 14 writers create the scripts, which are then edited with the clients. Scripts usually take three to five days to put together and the recordings are done in On-Hold's studios in Des Moines, and Tampa, Fla.

Generally, clients' messages change monthly or quarterly. Messages are four minutes in length, typically featuring a 20-second message on one fact of the business and then a 15- to 20-second musical interlude. The pattern would be repeated to utilize the full four minutes.

This format can be changed based on a client's needs. The cost ranges from \$45 to \$112 a month per location, depending on how often the client wants a message changed, Mathis said.

"We encourage clients to have their messages include the type of information that they would put in a newsletter — the kind of information that is less-than-obvious," Mathis said. "This way, you're promoting something that could potentially become a profit center to the business."

For instance, On-Hold provides messages for three Borders Books and Music stores on Long Island, in Bohemia,

Levittown, and Westbury. The messages promote upcoming special events, like jazz nights and author appearances, Mathis said.

"When you put people on hold, you have the chance to solicit your services to a captive audience," said Alan Coopersmith, owner of Regional Color Graphics, a printing and design business in Freeport. Coopersmith said some of his customers have told him that the messages were useful because they provided information about the services his company offers.

Since starting with On-Hold about six months ago, Coopersmith said that he has noticed an improvement in sales and has received comments from his customers about how much new information they have received through the recorded messages.

On-Hold's messages are particularly useful for small companies that have less than \$5 million in annual revenues, Mathis said. The average small business receives about 100 calls a day, and 67 percent of all these calls are put on hold for less than a minute.

While 70 percent of average first-time callers to a business will hang up in less than one minute if they hear nothing when put on hold, those same callers hold for an average of four minutes and 10 seconds if they're being entertained, according to Mathis. The service works best for a business that has at least 15 minutes a day in which customers are placed on hold.

"You can use this time to talk directly to your clients, and create a large marketing vehicle for your business," Mathis said. However, if a business doesn't have the opportunity to cross-promote products, then an on-hold message is less productive.

"If you own a hair salon and do nothing but cut hair, then this doesn't pay," said On-Hold marketing consultant Sheila Fitzgerald. "But if your shop also does facials and hair coloring and other beauty treatments, then it makes a lot of sense."

Nationwide, there are about 200 companies like On-Hold. Fewer than 50 provide customized service for clients that want to change their messages on a regular basis, Fitzgerald said. Ultimately, as competition forces some smaller players out of the market, about six or seven major players will emerge and prices will remain steady.

"This kind of customized service can help make a small, local company sound like they're operating out of Trump Tower, and a large, Fortune 500 company seem like they provide the most personal touch," she said.

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