



CASE STUDY: Broadband ISP Narrows Reach to Save over \$100,000

THE CHALLENGE

The client had relied on mass media advertising—radio, outdoor, TV and newspaper inserts to grow its subscriber base for several years but had begun experiencing increased disconnects. Most of the lost customers were those with high credit ratings. They were losing customers so quickly that they had to evaluate whether they could afford to offer equipment discounts to promote their next generation phones (camera / video / web) in an upcoming campaign.

The client saved over \$100,000 in list costs the first year.

THE BOTTOM LINE

High-credit-rating customers were discontinuing their contracts for the client's services at an alarming rate. Fixing that problem and quickly, was the primary marketing objective. The solution would need to be a multi-media (direct and mass) customer acquisition program designed to drive traffic to all 35 retail centers.

OUR APPROACH

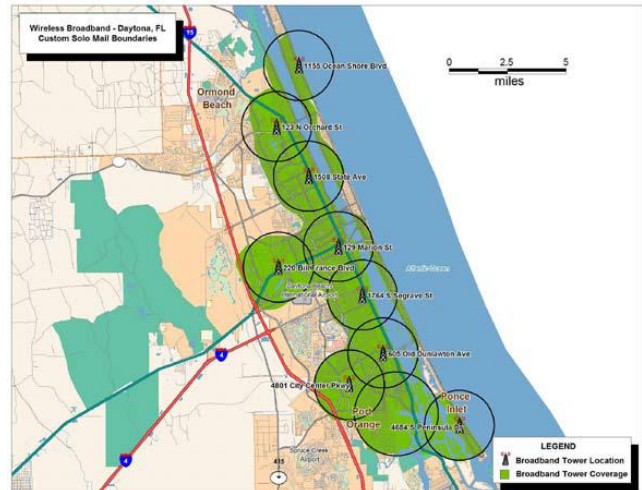
We profiled high-credit and mid-credit customers in the client's customer database to create a targetable audience and to provide direction for creative messaging for the direct and mass marketing programs. Coordinating the multimedia campaign required collaboration with the client's ad agency.

OUR SOLUTION

The client provided us with the names and addresses of over 173,000 high-credit and mid-credit customers who had signed up in the prior year with their service. 65% were high-credit customers and the remaining 35% were in the mid-credit group. The database included transactional information, and we enhanced the database with a multitude of demographic, lifestyle, and psychographic information.

After profiling the database, we found product usage differences between the two credit groups and within them. The high-credit customers wanted more family

plan programs – less focus on features and more on conservative rate plans. The mid-credit group tended to buy into larger rate plans with a rich mix of features like web access, ring tones and camera phones.



INTEGRATED MARKETING CAMPAIGN

We produced 450,000 high and mid-credit prospect households with the client's combined trade area. The list was divided into 3 groups of 150,000 households each so the effects of frequency, media mix, audience, and ad communication could be accurately measured. We worked with the ad agency to select mass media advertising that would likely produce strong results and would also enable measurement of incremental sales lift and acquisition costs associated with all media combinations.

Cut their customer acquisition costs by 50%.

THE REAL BOTTOM LINE

The success of the integrated marketing campaign program started with the cost per activation which fell to \$39 versus a previous benchmark of \$53 CPA. Second, sales increased 23% in areas where newspaper advertising was conducted on top of direct mail and broadcast media advertising. Third, in 3 months the client had replaced nearly all of the customers lost in the previous year.