



# CASE STUDY: Telecom Company Connects with 23% More Customers

## THE CHALLENGE

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

Sales increased 23%.

## THE BOTTOM LINE

High-credit-rating customers were discontinuing their contracts for the client's services at an alarming rate. Fixing that problem, and doing it 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 of their 35 retail centers.

## OUR APPROACH

Money Mailer profiled high-credit and mid-credit customers in the client's customer database to create a targetable audience definition and to provide direction for creative messaging for the direct and mass marketing programs. Coordinating the multimedia campaign required intense cooperation between Money Mailer and the client's advertising agency.

## OUR SOLUTION

The client provided Money Mailer 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 excellent transactional information, and we enhanced the

database with a multitude of demographic, lifestyle, and psychographic information.

Upon profiling the database, Money Mailer found subtle product usage differences between the two credit groups and within them. The high-credit customers tended to want more family plan programs – less focus on features and more on conservative rate plans with an emphasis on strong coverage areas. 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

Money Mailer 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. MMDM 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.

In only 3 months, the client replaced nearly all of the customers lost in the previous year.

## THE REAL BOTTOM LINE

The success of the integrated marketing campaign program came in several forms. First, the cost per activation (CPA - cost per subscriber) fell to \$39 versus a previous benchmark of \$53 CPA. Second, sales increased 23% in areas where FSI 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.