Promotions Analysis for Retention
(Multichannel Video Programming Distributor)

Evaluated **multiple customer retention strategies by analyzing the A/B test results from various marketing campaigns**, to provide insights into the effectiveness of the retention efforts

ANALYZE EFFECTIVENESS OF VARIOUS MARKETING CAMPAIGNS TO RETAIN CUSTOMERS

ABOUT THE CLIENT

Client is a **multi-channel video programming distributor** in the U.S., with a large subscriber base

SITUATION

- Client **lacked visibility into the early insights on customer retention strategies** employed by the Marketing team, thus limiting its ability to incorporate real-time learnings from the retention strategies

- Merilytics partnered with the client to **evaluate multiple customer retention strategies by analyzing the A/B test results** from various marketing campaigns (discounts), and provided insights into the effectiveness of the retention efforts

VALUE ADDITION

- **Set up the back-end infrastructure on Teradata** to consolidate the reporting tables containing details of offers and responses to the promotion offers from subscribers

- Analyzed the **retention KPIs** to understand the impact of the marketing strategies on retention on the 'same-day as contact' vs. within a specified duration, i.e., survivability (60 days, 90 days etc.)

- **Analyzed the results from the A/B tests on a real-time** basis to provide insights to the executive team through a visualization layer built on Tableau. The test results are also segmented based on customer characteristics (Credit score, Margin band, etc.) across multiple retention strategies.

- **Provided the functionality to track the churn rate** of different cohorts (based on call date and initial outcome), and also track any renewal-decision changes made by the subscriber during multiple touch points

IMPACT

- Reduced the FTE hours spent on creating the weekly and monthly reports by **~40 hours each month**

- **Improved visibility into the effectiveness of the customer retention strategies** across various verticals, allowing them to take more informed decisions on marketing strategies

EXHIBIT #1 – SAME DAY RETENTION RESULTS

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ILLUSTRATIVE

RETENTION RESULTS

	Test to Date			-01-01 to -01-31			-02-01 to -02-28		
	Test Group	Control Group	Variance	Test Group	Control Group	Variance	Test Group	Control Group	Variance
Base Tagged	1,299,933	1,320,627	20,694	1,205,019	1,229,107	24,087	1,236,691	1,262,248	25,556
Call Volume	242,773	250,912	8,139	32,876	34,309	1,433	34,997	36,548	1,551
Call Rate	18.68%	19.00%	0.32%	2.73%	2.79%	0.06%	2.83%	2.90%	0.07%
PDIS Rate	40.52%	40.92%	0.40%	39.85%	40.10%	0.25%	38.69%	39.06%	0.37%
Migration Rate	0.41%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Treatment Rate	38.49%	37.99%	-0.50%	36.97%	36.45%	-0.53%	40.75%	40.47%	-0.28%
Do Nothing Rate	20.99%	21.09%	0.10%	23.18%	23.45%	0.27%	20.56%	20.46%	-0.09%
PDIS Volume	98,373	102,665	4,292	13,101	13,759	658	13,542	14,277	735
Migration Volume	1,001	1,026	25	0	0	0	0	0	0
Treatment Volume	93,453	95,333	1,880	12,155	12,504	349	14,261	14,792	531
Do Nothing Volume	50,947	52,914	1,967	7,620	8,046	426	7,194	7,479	285
Avg. Caller Tag Value	$62.53	$50.00	-$12.53	$62.48	$50.00	-$12.48	$62.48	$50.00	-$12.48
Avg. Margin Pre Treatment (All Callers exc. ..	$102.21	$102.23	$0.03	$102.87	$102.64	-$0.23	$102.04	$102.27	$0.22
Avg. Margin Post Treatment (All Callers exc..	$66.49	$72.50	$6.02	$68.44	$74.21	$5.76	$64.94	$71.40	$6.46
Avg. Margin Pre Treatment (Treated Subs O..	$101.96	$102.00	$0.04	$102.68	$102.18	-$0.49	$101.16	$101.51	$0.35
Avg. Treatment Amount (Treated Subs Only)	$55.19	$46.23	-$8.96	$56.01	$46.73	-$9.28	$55.82	$46.48	-$9.34
Avg. Margin Post Treatment (Treated Subs ..	$46.77	$55.77	$9.00	$46.66	$55.45	$8.79	$45.34	$55.03	$9.69
Total Spend	$61,892,568	$52,888,020	-$9,004,548	$8,170,128	$7,012,200	-$1,157,928	$9,553,020	$8,250,960	-$1,302,060

Enables tracking of the **retention results from the A/B tests, along with the overall spend** for each strategy/test

EXHIBIT #2 – SURVIVABILITY RETENTION CURVE

Test Group : Margin>=90 ,Survivability Timeframe : 15

Promo Offering
- Max70 (green)
- Max60 (orange)
- Max50 (blue)
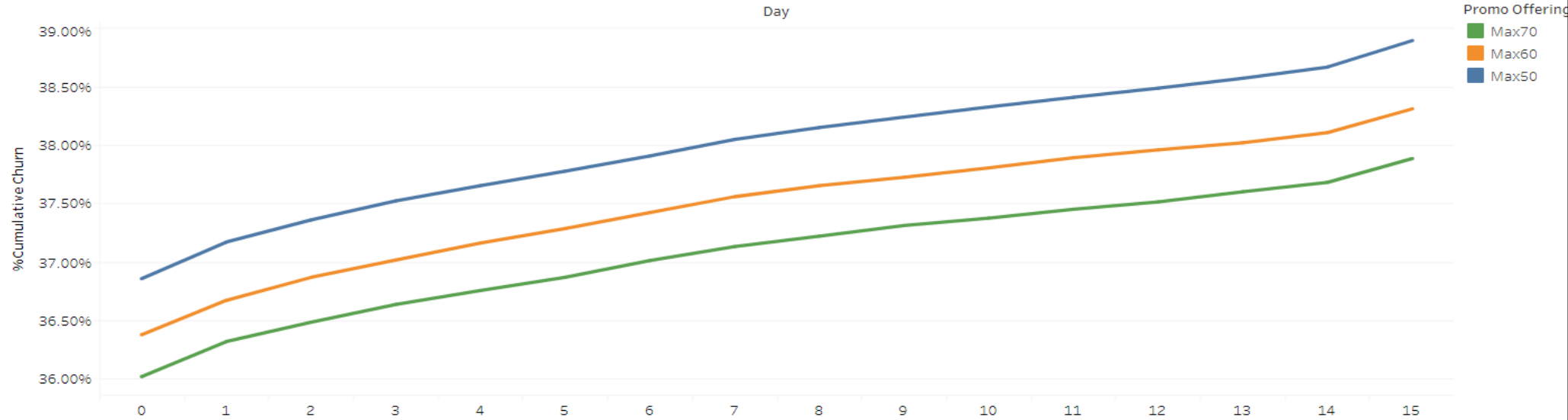
Enables tracking of the customer churn of selected cohorts

Test Group: Margin>=90, Reference Table

		Day 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group-1	Call Volume	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571	131,571
	PDIS Volume	47,391	47,786	48,004	48,204	48,359	48,508	48,698	48,854	48,972	49,092	49,175	49,274	49,358	49,472	49,578	49,845
	PDIS Increase		395	218	200	155	149	190	156	118	120	83	99	84	114	106	267
	%Cumulative Churn	36.02%	36.32%	36.49%	36.64%	36.76%	36.87%	37.01%	37.13%	37.22%	37.31%	37.38%	37.45%	37.51%	37.60%	37.68%	37.88%
	%Incremental Churn		0.83%	0.46%	0.42%	0.32%	0.31%	0.39%	0.32%	0.24%	0.25%	0.17%	0.20%	0.17%	0.23%	0.21%	0.54%
Group-2	Call Volume	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772	134,772
	PDIS Volume	49,027	49,423	49,688	49,888	50,084	50,252	50,436	50,618	50,745	50,843	50,951	51,068	51,159	51,241	51,357	51,631
	PDIS Increase		396	265	200	196	168	184	182	127	98	108	117	91	82	116	274
	%Cumulative Churn	36.38%	36.67%	36.87%	37.02%	37.16%	37.29%	37.42%	37.56%	37.65%	37.73%	37.81%	37.89%	37.96%	38.02%	38.11%	38.31%
	%Incremental Churn		0.81%	0.54%	0.40%	0.39%	0.34%	0.37%	0.36%	0.25%	0.19%	0.21%	0.23%	0.18%	0.16%	0.23%	0.53%
Group-3	Call Volume	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762	272,762
	PDIS Volume	100,533	101,386	101,902	102,347	102,703	103,041	103,394	103,780	104,057	104,303	104,538	104,765	104,974	105,208	105,470	106,088
	PDIS Increase		853	516	445	356	338	353	386	277	246	235	227	209	234	262	618
	%Cumulative Churn	36.86%	37.17%	37.36%	37.52%	37.65%	37.78%	37.91%	38.05%	38.15%	38.24%	38.33%	38.41%	38.49%	38.57%	38.67%	38.89%
	%Incremental Churn		0.85%	0.51%	0.44%	0.35%	0.33%	0.34%	0.37%	0.27%	0.24%	0.23%	0.22%	0.20%	0.22%	0.25%	0.59%

Tabular view to track churned subscribers of selected cohort