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 **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

RETENTION RESULTS

	Test to Date			-08-01 to -08-31			-09-01 to -09-30		
	Test Group	Control Group	Variance	Test Group	Control Group	Variance	Test Group	Control Group	Variance
Base Tagged	1,326,344	1,332,380	6,036	1,420,788	1,418,312	-2,476	1,382,008	1,379,714	-2,294
Call Volume	794,555	804,263	9,708	51,172	51,022	-150	49,869	49,616	-253
Call Rate	59.91%	60.36%	0.46%	3.60%	3.60%	0.00%	3.61%	3.60%	-0.01%
PDIS Rate(excl.Migration)	35.95%	36.58%	0.63%	35.86%	36.24%	0.38%	29.65%	30.50%	0.85%
Migration Rate	0.68%	0.72%	0.04%	0.33%	0.46%	0.12%	0.47%	0.58%	0.10%
Treatment Rate	40.35%	39.58%	-0.77%	34.71%	33.84%	-0.87%	37.72%	36.07%	-1.64%
Do Nothing Rate	23.01%	23.12%	0.11%	29.10%	29.46%	0.36%	32.16%	32.85%	0.69%
PDIS Volume(excl.Migration)	285,680	294,205	8,525	18,350	18,491	141	14,784	15,133	349
Migration Volume	5,431	5,813	382	171	234	63	236	286	50
Treatment Volume	320,617	318,306	-2,311	17,762	17,266	-496	18,809	17,898	-911
Do Nothing Volume	182,827	185,939	3,112	14,889	15,031	142	16,040	16,299	259
Avg. Model Score (Callers)	$62.69	$50.00	-$12.69	$62.70	$50.00	-$12.70	$62.80	$50.00	-$12.80
Avg. Model Score (Treated)	$62.80	$50.00	-$12.80	$62.83	$50.00	-$12.83	$62.78	$50.00	-$12.78
Avg. Margin Pre Treatment (Callers)	$102.16	$102.15	-$0.01	$100.05	$99.78	-$0.27	$101.63	$101.64	$0.00
Avg. Margin Pre Treatment (PDIS)	$98.94	$98.97	$0.03	$96.51	$96.28	-$0.23	$97.20	$97.24	$0.04
Avg. Margin Pre Treatment (Migrators)	$105.57	$105.94	$0.37	$102.31	$102.84	$0.53	$103.71	$102.92	-$0.79
Avg. Margin Pre Treatment (Do Nothing)	$103.56	$103.63	$0.07	$102.44	$101.62	-$0.82	$104.51	$104.84	$0.33
Avg. Margin Pre Treatment (Treated)	$104.17	$104.15	-$0.02	$101.68	$101.89	$0.21	$102.63	$102.41	-$0.22
Avg. Treatment Amount (Treated)	$51.33	$43.47	-$7.87	$56.17	$47.08	-$9.09	$55.93	$46.49	-$9.44
Avg. Margin Post Treatment (Callers)	$45.15	$47.98	$2.83	$45.60	$48.48	$2.88	$51.23	$54.62	$3.38
Avg. Margin Post Treatment (Treated)	$52.84	$60.69	$7.85	$45.51	$54.80	$9.30	$46.71	$55.93	$9.22
Annual Spend Est.	$197,497,105	$166,025,497	-$31,471,608	$11,972,160	$9,755,040	-$2,217,120	$12,623,160	$9,984,588	-$2,638,572
Annual Spend Per Caller	$248.56	$206.43	-$42.13	$233.96	$191.19	-$42.77	$253.13	$201.24	-$51.89
Annual Loss Per Caller	$684.10	$650.06	-$34.04	$653.36	$615.57	-$37.79	$604.80	$564.25	-$40.55

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

%Cumulative Churn Rate

Promo Offering
- Group -1
- Group -2
- Group -3
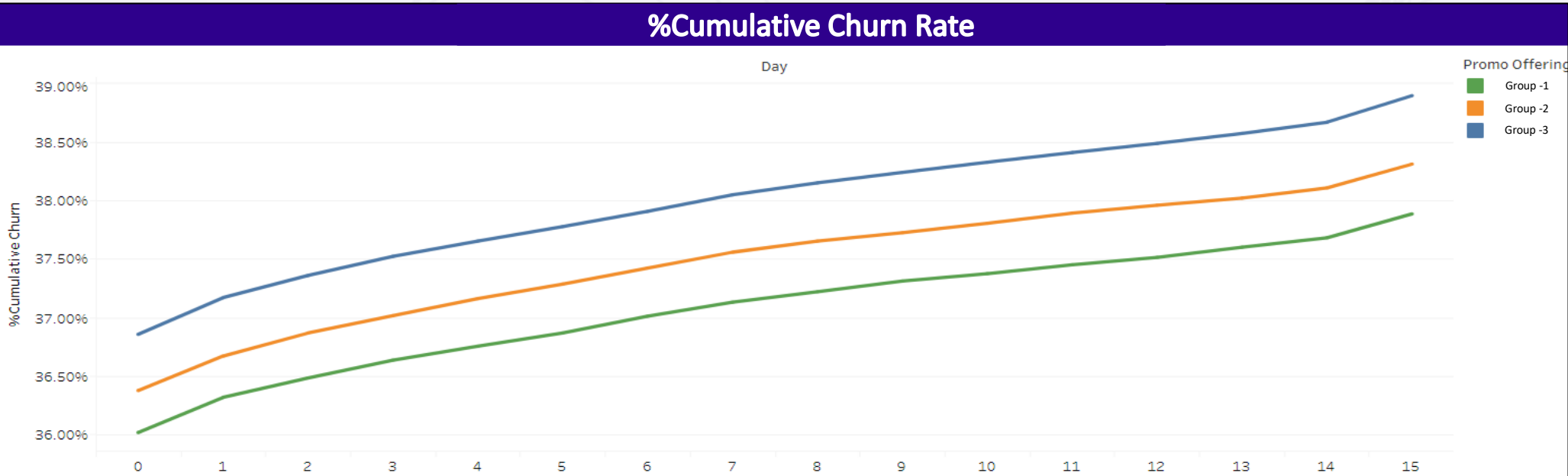
Enables tracking of the customer churn of selected cohorts

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

EXHIBIT #3 – PROGRAM TO DATE VIEW

ILLUSTRATIVE

Test Name	Call Volume (Test)	Control	PDIS Rate (Test)	Variance	Treatment Rate (Test)	Variance	Avg. Monthly Treatment Amt (Test)	Variance
Campaign 1	122,445	43,939	19.75%	2.08%	55.73%	-2.22%	$33.97	-$9.53
Campaign 2	31,061	3,139	32.39%	-5.01%	29.21%	26.34%	$10.47	-$5.81
Campaign 3	66,351	14,463	24.62%	-0.30%	32.34%	14.31%	$33.11	$8.47
Camapign 4	23,812	2,533	17.23%	-0.86%	46.37%	40.73%	$14.75	-$0.70
Campaign 5	257,242	61,310	28.90%	-4.57%	36.43%	32.24%	$18.84	-$2.00
Campaign 6	777,483	767,776	36.52%	0.82%	39.50%	-0.76%	$43.50	-$7.89
Campaign 7	274,443	229,713	31.84%	-0.41%	48.90%	1.42%	$40.67	$0.66
Campaign 8	104,285	240,723	22.87%	3.67%	3.58%	-35.93%	$21.06	-$6.69
Campaign 9	462,690	115,399	40.99%	-1.37%	37.22%	1.75%	$38.67	$6.13
Campaign 10	296,380	34,323	43.17%	3.83%	30.10%	-4.47%	$20.30	-$18.19
Campaign 11	89,461	86,953	29.01%	2.46%	52.18%	-3.31%	$34.53	-$10.98
Campaign 12	527,634	247,026	12.23%	0.47%	74.87%	-1.04%	$41.30	-$4.54
Campaign 13	287,944	29,550	16.54%	4.83%	60.82%	-6.46%	$23.28	-$12.61

Enables tracking of the important metrics for entire campaign lifetime