

Strategically designed campaigns to acquire and retain customers

Customer Lifecycle Management



Alltel Wireless drives “My Circle” success with sophisticated direct marketing



CUSTOMER:

Alltel Wireless

The opportunity:

Alltel wanted to increase customer acquisitions, improve retention and grow customer revenue with more targeted, relevant communications.

The solution:

Acxiom’s marketing database solution assisted in driving two top objectives: new customer growth and reduction in customer churn.

The results:

- 265% increase in incremental customer postpaid additions tied to direct marketing efforts.
- “My Circle” gross take rates exceeded 6% from existing customers.
- Direct customer communications have increased 285%.

In April 2006, Alltel Wireless, America’s largest network, changed the wireless industry. With the launch of its innovative “My Circle” product, for the first time customers could enjoy unlimited calling to any 10 numbers — on any network — for free.

In effect, Alltel Wireless brought a whole new level of choice and control to the customer’s wireless experience.

The market has responded enthusiastically, with “My Circle” popularity contributing to consistent year-over-year revenue growth.

The success of the “My Circle” product lies not just in its appeal, but also in the direct marketing approach Alltel Wireless takes in its communications efforts. Alltel automates its customer lifecycle management (CLM) communications to deliver the right messages to the right customers at the right time.

The opportunity

More efficient, relevant campaigns

With wireless penetration rates continuing to climb, Alltel Wireless needed a robust, centralized, data-focused marketing solution to drive increased adoption of new customers as well as enhance existing customer relationships.

“Our siloed sources of customer data and limited prospecting data were restricting our abilities to engage with customers and potential customers,” said Tara Llewellyn, director of direct marketing at Alltel Wireless.



Direct Mail

Text Message

Email

“My Circle” Campaign

Each qualifying customer receives a customized “My Circle” message with name and account personalization. This campaign touch strategy of direct mail, email and text message has continued to perform above typical take rates.

“We have been pleased by the contribution of direct marketing that drove incremental adoption of ‘My Circle,’ which is a great value to our customers and central to the Alltel brand.”

— Tara Llewellyn, director of direct marketing

The team engaged with Acxiom, the global leader in interactive marketing services, to improve the precision, relevance and sophistication of its direct communications with customers and prospects.

Acxiom worked closely with the Alltel team to deliver a set of solutions that impacted the complete campaign process:

- Acxiom combined certain data products from its world-class database of customer intelligence with Alltel’s customer data and prospect lists for targeted segmentation based on actual customer behavior.
- A daily customer lifecycle management engine automated communications with customers and delivered relevant direct marketing messages at precise times in the customer lifecycle.
- Acxiom also enabled advanced analytics, which helped Alltel gain a deeper understanding of its customers and prospects, as well as made possible detailed reporting on campaign effectiveness to drive continuous improvement.

Now Alltel’s Direct Marketing team efficiently manages more than 300 direct marketing initiatives yearly, many of which leverage automated CLM campaigns, using direct mail, email, outbound voice and text messaging. Campaigns are strategically designed to increase new subscribers, retain current customers and expand the customer’s product and service portfolio, ultimately resulting in improved customer lifetime value.

The solution

Automated customer lifecycle communications

The customer lifecycle management engine automates many of Alltel’s customer campaigns. On a daily basis, Alltel runs approximately 15 automated campaign versions that deliver timely, relevant communications, enhancing the customer experience.

For example, customers are sent a welcome text message within a few days after activation. After 30 days, customers are sent a text message encouraging them to activate their “My Circle” numbers or to register online with the self-care My Account website. Lifecycle messaging continues throughout their lifecycle to remind customers how to take advantage of services such as “My Circle” or how they are enabled to change their “My Circle” numbers online.

Other automated campaigns include customer rate plan change confirmations that highlight the features and benefits of the requested rate plan, as well as a shopalltel.com specific customer education series of email communications for those customers choosing to purchase online. Overall, Alltel’s outreach to customers and prospects has increased significantly.



Day 30
Text Message



Day 45 Email and
Text Message



Customer Lifecycle Management

The selected “My Circle” automated campaigns above deliver relevant, timely customer communications, giving customers choice, control and convenience during their lifecycle.



Direct Mail

Text Message

Email

Multi-Touch Campaign

The centralized data available from Acxiom allowed for a robust and continuously successful multi-touch Add-A-Line campaign including direct mail, email, text messaging and outbound voice. Seasonal overlays generated more interest, while increased use of low-cost channels enhanced an already strong ROI.

“We now communicate with customers 285% more than before the Acxiom solution implementation,” Llewellyn said. “Our automated ‘My Circle’ direct marketing campaigns have been very successful in driving increased adoption of ‘My Circle,’ at a fraction of the cost of traditional direct mail campaigns.”

Gross additions

Alltel’s sophisticated wireless acquisition initiatives drive gross additions of new subscribers and new lines on existing accounts. The solution begins by consolidating and centralizing data from across the organization into a consistent, clean format. Acxiom then enriches Alltel’s customer and prospect data with demographic insights from its own database based on actual consumer actions — from buying behavior to life events. This results in the development of an exceptionally accurate composite of a household.

“With the enhanced data quality and consolidated customer insight available in the Acxiom solution, we were able to expand the frequency and reach of our Add-A-Line campaign, which encourages current customers to add additional lines to their account,” Llewellyn added. “A multi-touch approach using low-cost communication channels has been key to increasing campaign return on investment by 133% in our quest to capture the household.”

Alltel Wireless tested and subsequently launched a pre-approved acquisition campaign, which has become a successful recurring initiative to generate new customers. Acxiom provided the framework and interfaced with the credit agency to target prospects based on Alltel’s credit worthiness guidelines. This campaign was enhanced by utilizing Acxiom PersoniX® in order to target prospects with a greater likelihood to activate at lower cost web and call center channels and matching relevant exclusive new customer offers. PersoniX is Acxiom’s household-level segmentation system that clusters U.S. households into one of 70 segments within 21 life-stage groups based on specific consumer behavior and demographic characteristics.

Acxiom data additionally informs creative development for Alltel Wireless campaigns. Target segment portraits and demographic variables enable the team to design communications that speak specifically to certain customer groups, while integrating creative elements and messaging consistent with the Alltel brand. With cleansed contact information and centralized customer data, Alltel can personalize communications with relevant information such as the customer’s first name and account details. With this rich trove of data about every customer, Alltel’s direct marketing campaigns are highly relevant to specific customers, many times at specific points in their lifecycle.

Enhancing the customer experience

Alltel's Direct Marketing team drives increased customer revenue through highly targeted, low-cost proactive campaigns. Primarily through email and text messaging communications, Alltel advises specific customer segments about opportunities to enhance their wireless experience with additional Alltel Wireless products and services, such as text messaging bundles or ringtones.

The Acxiom solution for Alltel also centralizes campaigns into a single system that carefully tracks customer opt-outs for each communication channel. This feature enables Alltel to comply effectively — in an automated way — with marketing privacy guidelines.

"It's very much a complete solution," said Chuck Toomer, vice president of direct marketing at Alltel Wireless. "We impact customers throughout the entire lifecycle, and those campaigns are executed at a level that is pretty incredible. There's a lot of attention given by our team and Acxiom on targeting, testing, evaluating results and improving the next campaign."

The benefits

Acxiom solutions help drive Alltel's two top objectives: new customer growth and reduction in customer churn.

With more timely and relevant direct marketing initiatives, Alltel has seen a 265% increase in incremental customer postpaid additions tied to direct marketing efforts.

"My Circle," an integral part of the Alltel Wireless brand and customer experience, directly affects churn rates very positively, sometimes resulting in meaningful reduction of voluntary churn. For existing customers, "My Circle" direct marketing efforts to date consistently exceed 6% take rate and have conservatively created ongoing business value of over \$30 million.

"Our number one brand differentiator is 'My Circle,'" Toomer added. "We use Acxiom's solutions to enable better communications with customers about the product, which is the cornerstone of their relationship with us."

