

**Campaign Title:** Cox Early Life Program

**Brand:** Cox Communications

**Company(s) Involved:** Cox Communications, FCB Chicago

**Category:** Appliances, Electronics & Techonolgy

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## Summary

Think about your last interaction with your cable/internet provider. If it was an experience filled with frustration and confusion, you are not alone (see “call with Comcast Service Provider from hell” with over 100,000 views). In many ways, Cox was perceived to be just like its peers. As the third largest cable company with over 5 million customers, Cox needed a way to break out of the perception and to encourage its customers to stay.

Introducing the Early Life Program, a customized experience designed to educate customers in a revolutionary way, with humanity. Implemented during the first 120 days of new and upgrading customers, Early Life was designed to work around our customers’ needs, not ours. Everything our customers received was highly personalized, including direct mail, emails and phone calls, all driving to a unique webpage with information ONLY relevant to them. Thousands of pieces of unique content were developed for 20 touch points so that each customer could have their own experience.

Early Life differentiated Cox from other providers as shown by email engagement rates significantly higher than industry benchmarks. Customers were listening, engaging and staying. We reduced customer churn and upped our revenue per customer during the process. In the end, we learned that customers are much more likely to stay with a company that treats them with care and personalization.

## Marketing Challenge

The cable and internet industry has historically lacked customer experience worthy of recommendation. Suffering from the negative perceptions of cable companies, Cox was experiencing customer churn within the first 120 days. Specifically, customers were experiencing:

- lack of clarity in what to expect with their new services
- an inability to get new services up and running at home
- anger and frustration about the amount of their first bill

To make matters worse, the industry, by nature, has large numbers of “switchers”. These consumers typically had been Cox customers in the past and not all of them had had good experiences. They were skeptical that “this time would be different.” Given their previous grievances, if they had a negative experience within the first 30 days, data showed that they were more likely to make the switch back to their previous service provider.

Cox needed an onboarding strategy to reaffirm purchase at the beginning of the customer relationship and lay the foundation for loyalty to maximize lifetime value.

## Methodology?

The solution was the Early Life Program, a custom and personalized communication plan imbued with humanity for each new customer during their first 120 days that would dramatically improve their experience.

The strategy was simple: engage customers early and often to mitigate early churn, increase revenue and lay the foundation for customer loyalty. The program is deeply rooted in data analytics—from strategy development to creative execution and tactic delivery to impact measurement.

First and foremost, to understand the drivers of early churn, there were surveys and studies on recently onboarded customers who had left Cox. The main takeaways from these studies were:

- Transparency – customers wanted to know exactly what they were paying for;
- Ease and convenience– customers wanted to minimize the effort to figure out how to use their services;
- Relevancy – customers cared only about information that mattered to them.

All these led to the big idea of customer-centric communication with an element of humanity and personalization.

To determine tactics that could address these concerns, we first performed research on the previous Cox onboarding program, which had tactics including direct mail, email and welcome calls. We saw outcomes such as customer aided recall, customer satisfaction or loyalty, and brand perception. Through this exercise, we identified the optimized number of communications in the first 30 days and filtered out underperforming tactics. (For example, we learned not to include a mailer that included a free movie). For the new and improved Early Life program, we combined these learnings and infused humanity throughout the tactics. We also implemented new, customizable tactics such as smart videos and personalized web pages.

Furthermore, in order to provide the onboarding customers with offers that were only relevant to their needs, we utilized Cox's predictive modeling and extensive customer databases. For example, one factor that decided offer eligibility was the customer's propensity to buy score for a specific service. This score measured a customer's likelihood to buy a product and was generated by a predictive model using customer variables such as which products and tiers the customer has, customer tenure and campaign discounts along with third party data (Nielsen segments, Competiscore). Customers, whose scores were high enough, were then served the right offer based on a set of business rules.

Finally, to accurately measure the program impact, a random subgroup of onboarding customers were chosen and set aside as control. This allowed us to make apples-to-apples comparison over the same time window between customers who went through Early Life experience and those who did not against multiple KPIs, including tactic engagement, churn rate and revenue per customer.

## **Creative Execution**

Everything our new customers received was highly personalized, including direct mail and email, all driving to a unique webpage with information ONLY relevant to them. Thousands of pieces of unique content were developed for 20 touch point engagements paced throughout the first 120 days so that each customer would have their own experience.

Within 24 hours of purchasing a Cox service, a customer would receive a pending connect smart video. These videos addressed the customer by name, confirmed the services they purchased, and set expectations about the upcoming installation.

The following week, customers also received a welcome direct mail package and email addressing the customer by name and personalized according to their services. The following week, a telephone call was made to the customer, thanking them for their purchase and welcoming them to the Cox experience. In an effort to be fully transparent, a smart video was also sent to educate the customer on how to read their first bill, featuring the customer's actual bill in the video!

Throughout these touch points, a personalized webpage (also called a PURL) unique to each and every customer was generated based on the customer's profile and level of subscription. It contained information on the customer's products. This PURL became the personal welcome hub for the customer throughout the program as all tactics drove customers to it. Starting in month two, the customer would receive emails and direct mail that guided them to the PURL to provide them with their highly relevant choice of offers. Offers were presented in a "good-better-best" format and were determined by the propensity to buy scores and detailed business rules and logic.

Education on a customer's service was supported through email, direct mail and smart videos to ensure coverage of all customer preferences. Since the majority of customers have multiple services, months two, three and four contained separate smart videos on each of the individual services, explaining everything they needed to know about the benefits and features.

## **Impact on Business**

To measure impact, a control group was created to compare the key KPIs:

- Reduction in new customer and new product churn
- Increase in revenue

Cox experienced a positive business impact in just 6 months, exceeding KPI expectations:

- 0.7% increase in revenue, representing millions of dollars in this category
- 2% reduction in customer relationship churn rate<sup>1</sup>, representing hundreds of thousands of saved customers

### **ENGAGEMENT**

- Welcome email: 39% open rate; 12% click through rate (70% & 60% better than industry standards)
- Behavior-driven email: 43% open rate (87% better than industry standards)
- Offer email: 27% open rate; 2% click through (108% & 506% better than existing Cox email offer campaigns)<sup>1</sup>

The client's approved business case included a projected return on investment with a customized, personalized and targeted CRM program for new customers. This business case secured more funding for 2014 marketing budget.

No other factors could have contributed to the results for the current customer target. We explicitly held out the new customer base from all marketing efforts during the 120-day period to ensure accurate results and benchmarks against our control group.

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<sup>i</sup> Cox internal research data