

INDUSTRY

Financial Services

SOLUTION

Customer Intelligence Analytics

PRODUCTS

Marketing Analytics

CLIENT STORY

Combining the art and science of marketing:

Marketing analytics drive customer acquisition costs down 60%

The insurance industry is highly competitive. Countless ads on television, in print, and online bombard consumers with enticements to sign up or switch providers. Cost-effective customer acquisition is a major challenge. We worked with one leading property and casualty insurer that wanted to increase new member acquisition to its emergency roadside services. Unfortunately, its in-house prospect file was suffering from fatigue and targeting models were losing their effectiveness. Complicating matters, the market for these services has changed substantially in recent years with the entrance of new competitors. The company wanted to work smarter, not harder, to acquire and keep customers.

The company specifically needed to expand and accelerate the speed of its test and learn marketing activities to find out how to reverse the decline in the performance of its acquisition program and lower the cost to acquire a new member. The company chose us for the breadth and depth of our analytics capabilities matched with our skill for uncovering hidden insights within data.

We helped the client deploy a radically new testing strategy based on full-factorial experimental design principles, which enabled the company to test more combinations of key marketing components (audience/offer/creative) more quickly and with less test volume and expense. In addition, we developed a multidimensional life-stage segmentation of

the prospect population to form a matrix of test audiences. We also evaluated growth opportunities associated with each segment, based on recent campaign performance data. Multiple messages, offers and channels replaced previous traditional A/B split tests.

This new approach allowed the insurance company to test and evaluate the effectiveness of its marketing programs monthly, instead of only three times a year. It also identified pockets of high-value prospects with high marketing responsiveness, and pointed out where marketing investments could be reallocated away from underperforming populations.

As a result, marketing expenses dropped by 60 percent and the speed and relevance of successful acquisition offerings markedly improved. By shifting its targeting and employing more relevant messages and offers, the company also lowered its acquisition costs by 10-20 percent.

RESULTS

Reduced marketing expenses by **60%**

Lowered the cost to acquire members by **10-20%**

Increased the **speed** and **relevance** of customer acquisition offerings