



## CASE STUDY 4

### CONSUMER MAIL



#### FOCUS:

Membership Renewal

#### SITUATION:

A major consumer marketer with a membership program does an annual member renewal program with a mandatory “opt-out” message.

#### GOAL:

Reduce customer cancellation rate.

#### TACTICS:

- Created a testing grid with a control panel and five different testing variables.
- Customer file was segmented by “high risk” and “low risk” members. Two panels of “high risk” and “low risk” members with e-mail address on file received emails instead of mail packages.
- DaVinci designed 3 different basic creative packages with five variable offers, including \$25 restaurant certificate, \$5 discount, free magazine subscription, and free back-end book offer.
- Variable offers were described with variable letter copy and special package inserts. Some panels also received a “teaser” post card.
- Each of the six basic test panels had an additional three copy variables, creating a total of 18 unique copy segments.
- In all panels except control, overall design and copy messaging were improved to enhance the value proposition.

#### RESULTS:

- DaVinci’s tests lowered overall cancellation rate by 33%.
- This generated over \$400,000 additional revenue for the client.
- Winning package had a 4.8% cancellation rate, an 87% improvement over the control.
- Smaller envelope package out-pulled more expensive 9 x 12 test.
- Messaging made a difference across all test cells.
- Low risk with email address members who received just emails actually out-performed low risk w/o email address panel who received postcards
- We actually saved significant production dollars by correctly identifying those customers who should be emailed.