Home Security Brand Exceeds Customer Acquisition Targets by
3 Times

Problem

A regional home security and automation solutions company was experiencing consistent but lackluster results from its monthly direct mail customer acquisition campaigns.

The company, which was limited by an in-house prospecting database compiled from a hodgepodge of data files, wanted to expand their prospect audience and increase overall customer acquisition. They were also interested in testing email as an acquisition channel, while achieving a target return on marketing spend and cost per acquisition (CPA).

Solution

The company chose to work with Speedeon over an incumbent data services provider because Speedeon offered more holistic, end-to-end audience development, campaign management, and communications deployment capabilities that were able to be delivered on time and within budget. Additionally, Speedeon had better quality data sources and strong data modeling expertise.

Speedeon built a cloning model based on an audience of current customers who had responded to previous direct mail campaigns. After training the model, Speedeon was able to identify the top features associated with the company's "best" performing customers from an initial group of several hundred potential attributes.

The model identified high scoring prospects based on various features associated with:

- ✓ Home value
- ✓ Home-to-income ratio
- ✓ Home affordability
- ✓ Home equity level
- ✓ Age of homeowner
- ✓ Strength of local economy
- ✓ Recency of home refinance

Speedeon used the model to score a prospect population of approximately 10.7 million consumers located in the company's regional trade areas. The company selected the top 20% or top two deciles resulting in a target audience of 2.3 million consumers. Speedeon then developed and deployed an end-to-end email acquisition campaign to the target audience. Speedeon also used the cloning model to improve performance among the company's in-house prospect database.

Result

The email campaign supported by the cloning model enabled the company to increase its levels of customer acquisition significantly, while at the same time exceeding their ROI and cost per acquisition targets by more than three times.

Speedeon has created additional, market-specific cloning models that continue to optimize program results. In the near future, Speedeon and the company plan to expand customer acquisition into direct mail.