

Analyzing Campaign Results

A key aspect of a marketing role, especially early in a career, is analyzing campaign results.

In this particular exercise, you are presented with the campaign results from a bank that has tested different promotional tactics. Your task here is to analyze which aspects of the campaign test have been effective.

About the Campaign and Its Test Cells

In this direct marketing campaign, a bank has promoted a new credit card product to their existing customers.

The bank has split their customer base into a number of segments and the table below highlights the results for their 'partnership' customers only (which are those with most of their business with the bank), but those who only generate a small level of profitability (therefore, lower net worth customers on average). (Therefore, the information on the campaign results below only highlights the responses from these 20,000 customers.)

From the results table, you will note that the bank has tested two separate promotional campaigns (one focusing on the interest rate, and the other focusing upon the simplicity/convenience of having all the customer's accounts at the one bank).

In addition, they have also tested various promotional methods (that is, one or two direct mail letters, some with a follow-up phone call).

Explanation Notes (for the table):

- No direct action = no direct marketing activities (just listed on bank's website)
- D/mail = direct mail letter
- f/up = follow up letter
- Telecall = follow up phone call
- rate = offer in letter was interest rate based
- simplicity = offer in letter was convenience based
- No. Cards = credit cards sold
- % conv. = % conversion rate

<u>Credit Card Campaign Results</u>			<u>Relationship Level</u>	
<u>Profitability</u>	<u>Number</u>	<u>%</u>	<u>Partnership</u>	<u>Growing</u>
High	15,000	10%	10,000	5,000
Low	40,000	27%	20,000	10,000
Break-even	50,000	33%	15,000	10,000
Loss	45,000	30%	5,000	5,000
Sub-total	150,000	100%	50,000	30,000

		<u>No. cards</u>	<u>% conv</u>
Total	20,000	1000	5%
No direct action	4,000	120	3%
1st Dmail (rate) only	4,000	200	5%
With f/up mail	3,000	240	8%
With telecall	1,000	150	15%
2nd Dmail (simplicity)	4,000	120	3%
With f/up mail	3,000	90	3%
With telecall	1,000	80	8%

Student Discussion Questions

1. Overall, how many credit cards sold (in the No. Cards column)?
2. Which was the most responsive campaign? (Rate or simplicity?)
3. Was a follow-up/reminder (f/up) letter effective?
4. Was a follow-up/reminder phone call (telecall) effective?
5. Why did the firm use a 'no direct action' testing cell?
6. Why do you think that the bank targeted this particular segment of their customer base?
7. Based on these results, how would you run the next campaign for this segment?
8. Do you think that it is worthwhile constructing these test cells or should the firm simply run the same campaign structure across all segments? Why?