Kate Boothby

is a senior consultant for the IDM. Her roles have included managing the Education Department, advising a college about its marketing database and acting as a key architect for the IDM's online digital marketing course.

Case Studies

Vodafone Limited campaign: Welcome Call — The IDM Business Performance Awards 2006, Highly Commended

Kate Boothby

Received: 4 July 2007

Keywords: retention, integrated multi-channel communications, welcome experience, moment of truth, customer intelligence, e-survey, targeting strategy

Abstract

Vodafone enhanced the 'welcome' moment of truth for their customers, resulting in short and long term increases in revenue. Vodafone built up knowledge about their customers and applied it to create an optimum match between existing products and customers' requirements. Tailoring the welcome experience for each customer established a sound base on which to build a profitable ongoing relationship. Vodafone empowered front line telesales staff, ensuring their effectiveness by implementing an ongoing training programme and improving access to customer and product information. The welcome call campaign approach was flexible and continuously evolving, applying each new insight to improve the sophistication of Vodafone's customer relationship management.

Journal of Direct, Data and Digital Marketing Practice (2007) **9**, 168–178.
doi:10.1057/palgrave.dddmp.4350084

Introduction

'Our vision — to be the world's mobile communications leader, enriching customers' lives and helping individuals, businesses and communities to be more connected in a mobile world' (*Source:* http://online.vodafone.co.uk/dispatch/Portal/appmanager/vodafone/wrp?_nfpb=true&_pageLabel=template04&pageID=PAV_0001).

Vodafone and their agency, SBS Direct (headed by Rob Innes, F IDM), needed to find a way to retain customers in the increasingly competitive mobile communications market. The Welcome Call campaign was specifically designed to enhance the customer joining experience.

The campaign was not originally intended or expected to generate revenue, evolving as it did from a 'customer experience' call initiative that ran for several months.

Kate Boothby
Institute of Direct Marketing
The IDM, 1 Park Road
Teddington
Middlesex TW11 0AR, UK
E-mail: kateboothby@msn.com

The Welcome Call campaign proposal had to operate within internal guidelines concerning spend and profitability and was justified on the basis of anticipated improvements to revenue and customer experience. From setting the objectives to positive breakeven took only six months. This rapid financial success was the result of the application of customer intelligence derived from the data collected and analysed during the ongoing campaign process.

The Welcome Call campaign was designed to produce an enhanced service and communications experience for new and upgrading Vodafone customers. The Welcome Call programme personalised and targeted phone and email communications, making them more relevant to the customer.

Targeting and personalisation evolved over the course of the campaign, based on accumulated customer data transformed into knowledge via the alchemy of statistics. New ways to target and communicate with customers were continually developed and implemented.

It is a challenge to create a cost-efficient, multi-channel communication programme that successfully meets the needs of customers and delivers measurable commercial success. By using core direct marketing techniques to understand customers, to test different initiatives and roll-out successful models, the programme has remained relevant to customers while significantly increasing customers' levels of product entanglement.

New ways to target and communicate with customers were developed and implemented

Background

On 1 January 1985, Vodafone made the UK's first mobile call, marking the launch of the mobile industry and the beginning of a transformation of global communications. Today, Vodafone is the world's leading international mobile telecommunications group with equity interests in 27 countries spanning five continents, more than 180 million customers and 33 partner networks.

Mobile telephony is the cornerstone of Vodafone's business and the company remains at the forefront of mobile innovation, using 3G and 3G broadband to deliver innovative services and provide a total communications experience to customers. Internet protocol (IP) technology allows services that are currently available separately via mobile devices or PCs to be merged seamlessly. Personal mobile phones have the ability to behave like the internet, for example sending and receiving emails and featuring instant messaging buddy lists. PCs can offer services such as personalised content and security. Other services work seamlessly between the mobiles and PCs, such as messaging and address books, all with a consistent look and feel.

As in any competitive marketplace, an organisation operating in the mobile phone sector must ensure that customers are satisfied with the product, service and price. Retaining and developing customers is as or more important than recruiting new ones if Vodafone is to maintain market share and remain cost effective.

Mobile telephony is the cornerstone of Vodafone's business

Welcome Call campaign

Vodafone recognised the need to create a unique and satisfying welcome experience for new and renewing customers, as a prerequisite for improving overall customer loyalty and lifetime value. The Welcome Call campaign aimed to achieve this and to deliver improved sales through better service. Delivering better customer service required the creation of a highly personalised, market-leading customer welcome experience.

Objectives

The main campaign objective, and therefore the focus of all analysis and decision making, was that Welcome Call should ensure that customers received the highest quality introduction to the Vodafone network and to achieve positive ROI from the campaign without detrimentally affecting quality or the customer experience by:

- Introducing cross-selling and up-selling at the most relevant stage of the customer lifecycle.
- Migrating written sales confirmation and back-end fulfilment to email wherever possible (c46 per cent of current sales).
- Using multi-channel communication wherever possible including voice call, video call, email, SMS, WAP and direct marketing.
- Enhancing personalisation wherever possible across multiple areas in the calling system and email.
- To reduce inbound telephone activity into customer service centres by resolving queries at the first customer touch point after the original sale.

Marketing strategies

Targeting and data strategy

‘Virtuous circle’

The targeting strategy evolved over the course of the campaign. Vodafone used a wide variety of data collection and analysis techniques to extract as much customer intelligence as possible. The customer intelligence provided the basis for a ‘virtuous circle’ of data prioritisation, refinement and personalisation.

At the beginning of the campaign, whoever was first in the data file was contacted first. All customers experienced the same communications. As data became intelligence, customers could be divided according to different criteria. Customer data were divided into cells according to customer value and acquisition channel.

A control cell, comprised of customers who had not received an incentive to extend, was used to monitor the campaign’s progress. Ongoing analysis showed which cells returned the best conversion. The information was used to up- or down-weight the communication priorities for each cell.

Further analysis using the original customer data, such as price plan, age, source and Mosaic data (appended during the data import routine), and data gathered during the early part of the call were used to improve targeting.

Data received overnight from Vodafone, third-party retailers and web channels were segmented into preliminary customer types on receipt. Control groups were set up and maintained to allow a comparison of customer behaviour for segments that had and had not received the Welcome Call.

SPSS¹ was used for statistical analysis and a database query tool, called an OLAP² cube, was used to identify trends, define high-performing sub-cells and to make sense of more than 30 variables that form part of the customer record. Through testing and measurement, these techniques contributed to a deeper understanding of different customer sub-segments and allowed granular targeting of content and offers.

Advancements in IP dialing technology were combined with customer value analysis to create an automated value targeting system. Value scores are appended to each customer, depending on their characteristics.

The value scores, used in conjunction with robust statistical analysis tools, have allowed continual improvements in offer matching and customer engagement. Statistical analysis tools, such as OLAP cubes and heatmaps, and Mosaic profiling have been combined to enhance original data records and create an accurate and cost-efficient modelling and forecasting tool.

Improvement in conversion rates

The application of these tools has led to an improvement in conversion rates compared with the results from the control groups. In addition, the extra insight gained from data collection at each touch point enables a carefully targeted reinforcement of the communications' objectives. Messages can be interwoven across channels; for example, information collected in store is used to personalise calls, data gathered during a call are used to personalise email and data gained at the point of email clickthrough are used to personalise landing pages.

Communications strategy

The central idea behind the Welcome Call campaign was the provision of a unique experience for each customer without any change to the core products or offers. The customer experience could be personalised and enhanced using database-derived insights to inform segmentation and provide a more relevant and integrated series of communications.

Personalisation of customer experience

The ongoing data collection and analysis strategy allowed customer communications to be developed dynamically and intelligently, during the call and follow-up email. Lifestyle indicators and transactional decisions collected as the call progressed were simultaneously integrated and applied to further the call agent's understanding of the customer's unique situation.

Call centre agents underwent training sessions to develop rapport-building skills. For example, agents were taught how to use tone to maintain a recipient's interest during the call and how to emphasise the most relevant content areas, such as travel products for someone planning a holiday.

A major communications strategy challenge and objective was to ensure that customers were engaged by the call, initially and then

Follow-up communications

beyond the introductory section. A bespoke calling application was engineered to allow call centre agents to concentrate on engaging customers while relevant content was dynamically accessed and displayed on screen, as the agent progressed through the call guide.

Agents were given access to Vodafone.co.uk during calls, enabling them to view up-to-date information about Vodafone's mobile products. Customer data updates were carried out via an overnight batch process to produce more detailed product knowledge to support improved discussions with the customers concerning device functionality. Additional information about promotions or Vodafone added value services was also made available to agents. The customer could be given a wealth of relevant information immediately, allowing an informed discussion to take place focused on issues of specific interest to that customer.

As part of the drive to improve customers' experience of Vodafone, it was determined that queries should be resolved at the first touch point after the original sale. Detailed micro-profiling and segmentation was used to deliver a high degree of personalisation to ensure that every contacted customer received a unique, specific, tailored service.

To reinforce Welcome Call messages, follow-up communications were developed in the form of an innovative video callback targeted at customers with 3G devices, SMS and email. All communications were highly personalised. Personalisation was based on profiling using value, lifestyle indicators, transactional information from the original call and the device(s) purchased. For example, if a customer decided against phone insurance during the call, a follow-up email would remind them about the service. Customers who did select insurance during the call received a confirmation email containing a clickthrough to product information at vf.co.uk.

An e-survey was produced to provide invaluable, up-to-date customer research. The survey was emailed to new Welcome customers who had supplied an email address. The importance of hearing the voice of the customers was recognised as vital for the success of the campaign, to bolster the internal campaign analysis by revealing how useful customers found the call, how customers perceived the call agent, etc.

Campaign execution

Voice calls, video calls, direct mail, SMS, WAP-push and email were used to generate well-targeted, successful, integrated marketing communications. These communications were combined seamlessly to

Table 1: Classification of customers using value-based segmentation

Segment	Vodafone contract value	Offer
Core value	< £30 per month	£50 bill credit
High value	≤ £30 per month	10% discount per month for the length of their contract

create a Welcome experience that was sustainable, either as a long-term channel or for tactical, value-add promotions and campaigns.

Campaign communications developed as customer knowledge developed:

Development of campaign communications

Stage 1: The welcome call included offers, for example, a competitive insurance product and an extended term contract offered a £50 bill credit or 10 per cent discount on the monthly line rental as an incentive.

Stage 2: In the contact centre continual refresher training and role-playing took place to improve objection handling. Continual device and content training took place to keep advisors up to date and effective. Customers were classified using value-based segmentation (Table 1). During 2005, sales conversions increased from 5.5 to 36.3 per cent for contract extensions, and from 9.1 to 45.2 per cent for the insurance offer.

Stage 3: As performance improved throughout the year and various processes got bedded in, the team considered what should be tested next. It was decided to reduce the offer costs, hopefully without impacting the conversion rates.

The contract extension price drop to £30 for Core Value customers was quite significant, being 20 or 40 per cent lower than the original offer. Conversion levels, however, continued to increase, increasing to 36 per cent as the teams' overall skills, particularly with regard to engagement, continued to improve. A £25 offer was then tested and again, due to the targeting of the offer and strong sales techniques, the conversion did not drop but actually increased further to 38 per cent. Finally, a test of £20 was implemented, with the result that conversion levels held at 38 per cent. By the end of this test phase, the offer cost had decreased by 60 per cent.

Over the same period, improved targeting strengthened customer up-take of the insurance offer, with an average eligible record conversion rate of 42 per cent.

Stage 4: More advanced customer profiling was used to identify the most valuable customers and those with the highest propensity to take a welcome offer. These customers received the welcome call soon after connection.

Customer commitment

It is known that a customer's commitment to Vodafone increases, the more of Vodafone's products and services they purchase. Offering customers additional, relevant products and services during the welcome call increased the perceived and actual value of the call for both customers and Vodafone and overall customer satisfaction levels.

All customers who supplied an email address during the call received a personalised email shortly after the call end (Figure 1). With

Figure 1: The dynamic Welcome email

up to 15 dynamically personalised fields, generated by using original retail data and additional information captured during the call, emails were highly personalised and relevant.

Mosaic profiles were used to create new email subject lines for different customer types. Alternatives were tested, with the result that open rates improved by up to 100 per cent for some customers during rollout.

The welcome call and email made use of a combination of data including value, date of birth, gender, mosaic codes, contract length, geography and up to 25 other variables to deliver an accurately tailored service to customers. These highly effective, personalised

Going abroad section

Generated if the customer has confirmed they will be going on holiday, and that they will be taking the device with them.

Recommend a friend and eNewsletter sections

Generic text available to all customers who have supplied an email address.

Going abroad

Vodafone Passport
Sometimes calls from abroad should be more than a short conversation.

With Vodafone Passport, you pay a one off connection fee of 75p for every call you make. After that, you pay the same rate as you would at home. What's more, if you have any inclusive minutes you can use them too. So it's easy to work out how much it costs to call your friends or family back home. Add Vodafone Passport to your price plan for free by calling 5555 (free of charge) and talk from abroad for longer for less.

[More on Vodafone Passport](#)

If you're not traveling to one of the Vodafone Passport associated countries, Vodafone World provides you with full details of the costs of calling from each of the 6 world zones to ensure you know exactly how much your calls will be, from wherever you are in the world.

[Full Vodafone World charges listing](#)
[How to get current Vodafone World charges via text](#)

Special offers

Personalise your mobile
By visiting the Vodafone live! pages you can download ringtones, colour pictures or our range of the latest games.

[Browse our range of fun downloads](#)

Vodafone live!
News, sports, gossip, travel info, maps, lottery numbers – the choice is yours with the Vodafone live! menu.

[Your essential info with the Vodafone live! menu](#)

Recommend a friend

Recommend a friend to Vodafone
Recommend your friends or family to a pay monthly priceplan on Vodafone, and we'll give you £50 for each one that connects! There's no limit to the number of people you can recommend so what are you waiting for?

Your friends and family also get a great deal with one of the latest mobiles and a fantastic price plan.

All they need to do is call 0800 068 6503 quoting your name and mobile number. They'll get a great deal and 3 months after they connected you'll get £50 credited to your mobile account.

Recommend your friends now 0800 068 6503

[More about Recommend A Friend](#)

eNewsletter

Stay up to date with Vodafone's monthly eNewsletter
Sign up for our eNewsletter today and we'll keep you up to date with our newest phones, competitions, special offers, business services, games, ringtones and other exclusive services. We regularly release new special offers and always have the latest technology, so sign up and don't miss out!

[Sign me up now](#)

¹ Calls to 191 are free from your mobile 24 hours a day. If you are calling from a landline, please dial 08700 700 191. Calls will be charged at your telephone provider's standard national rates.

² All changes made to your account during your call will take effect within 72 hours.

³ Terms and conditions apply. Please see www.vodafone.co.uk for full details.

Calls may be monitored for training, security and other purposes permissible by law.

vodafone | [Go to Vodafone.co.uk](#) | [Privacy policy](#) | [Terms and conditions](#)

Special offers

Generated from data capture during the call, and if the customer has a suitable device.

Figure 1: Continued.

Personalised fields are generated from the customer data, value and priceplan.

vodafone

Hi Adrian,

Special Welcome Offer for new customers to the world's largest mobile community:

Extend your contract to 24 months today with Vodafone and we'll give you 10% off your monthly line rental. This means your line rental could be reduced from £20 to £18.00 every month.

This is a special offer only available to brand new customers as part of our Welcome Programme.

To extend your contract and receive your 10% discount, all you need to do is review our terms and conditions and then simply click the link below.

☐ I am the account holder and have read and understood the [terms and conditions](#)

☒ **Yes, please extend my contract to 24 months and give me 10% monthly line rental discount**

Alternatively you can call one of our contract extension advisers now on **0845 2411863**

or request a call back by clicking the link below:

☒ **Yes, please call me about extending my Vodafone contract**

3 channels are offered to the customer to allow a preferred channel to be used.

Figure 2: The welcome microsites: Contract extension offer

communications consistently and cost-effectively improved the level of product entanglement. Follow-up research revealed that the communications were highly valued by customers.

Microsites

Open rates and clickthroughs were tracked to define each customer group's areas of interest. People who did not take up the available offers but were using email to investigate the offers further could be

Figure 3: The welcome microsites: Insurance offer

Figure 4: E-survey, Q1 shows the message that is generated if an answer is not selected

Figure 5: 2005 sales conversion levels

Figure 6: Data volume versus sales per hour (SPH)

Figure 7: Sales volume, month on month

flagged during the call. Microsites (Figures 2 and 3) were then developed to sit between the welcome email and the Vodafone homepage to give these customers an additional chance to take up the welcome offer by choosing one of three options: an inbound call, an 'update now' and a call-back request option.

An e-survey was produced to act as a research tool. The survey is presented to Welcome Call customers who have completed an application and supplied an email address.

E-survey

The e-survey (Figure 4) provides customers with an incentivised, almost instantaneous, opportunity to provide feedback about their experience, without the intrusion of an advisor asking direct questions. Truthful responses can be fed back to the team, analysed, developed and implemented to enhance the experience for future customers.

Results

The Welcome Call campaign's return on investment moved from red to black over a 6-month period. Ongoing data analysis flowing from and to each customer touch point resulted in a continuously improving experience for customers and increasing financial rewards for Vodafone.

The more streamlined the campaign became, the greater the sales conversion level (Figure 5), while costs per sale reduced. Inbound telephone activity to customer services centres was also reduced.

Tactical and financial gains

Available data volumes dropped through 2005, but sales per hour increased due to improved targeting of offers and better use of customer data (Figure 6).

There has been an increase in sales per hour month on month, apart from a period when a core product (Stop The Clock) was not available on 24-month contracts. Although sales volumes dropped in December, this reflected a drop in total activity towards year-end rather than a drop in performance (Figure 7).

In addition to the tactical, financial gains resulting from the Welcome campaign, the increasingly sophisticated communications and statistical analysis provide a wonderful springboard and set the standard for the ongoing development of Vodafone's core products and customer service.

Moment of truth

Lessons learned

Vodafone recognised that the first telephone call a customer receives from an organisation is a critical moment of truth that can be used to build a positive foundation for an enduring, enriched customer relationship.

Exceptional management of the Welcome Call experience required a continuous flow of accurate data to and from the call agents and at other key touch points. Vodafone recognised the importance of improving their call agents' skills in order to fully exploit the telephone's potential for subtle personalisation.

Well-managed communications can benefit the company and the customer

The Welcome Call campaign reveals how well-managed communications can benefit both the company and the customer. As always in direct marketing, the key word is relevance. By expertly tailoring the customer's experience, Vodafone enhanced their financial results and customer satisfaction scores, without altering their core product or offers.

Notes

1. SPSS is a general statistics package that includes analytical tools that provide data management and in-depth statistics.
2. OnLine Analytical Processing Decision support software allows quick data analysis, summarising data into multidimensional views and hierarchies. OLAP tools are used to perform trend analysis on sales and financial information, enabling users to drill down into masses of sales statistics in order to isolate products.