

broad shark

MARKETING PENETRATION PROBLEM

A regional multiple system operator serving primarily non-Metro communities, was struggling to grow its newly launched broadband service. Once launched, broadband penetration to basic customers would stall at between 5% - 10%. To grow revenue and profitability, penetration of customers with broadband had to increase significantly.

SOLUTION

A comprehensive analysis was conducted to identify the underlying reason behind the stalled adoption of the service. This analysis categorized Systems by operational dimensions such as:

- MHz deployed in the System
- Trouble call percentage
- Signal to noise ratios
- Consumer demographics
- Competitive pressures
- Household income (HHI),
- Education
- Age

Through this effort, it was revealed that the lowest penetrated Systems had the lowest HHI and the Systems with the highest HHI had the highest penetrations. There was little meaningful correlation between service levels and adoption across the dozens of analyzed Systems.

To address this, a second broadband tier, that meet the needs of consumers who wanted to trade up from dial-up but could not afford price of broadband was created and promoted.

RESULT

The roll out of the new tier generated 39% more new weekly sales for the broadband service and pulled through 20% more sales for the video service. Also, importantly, there was virtually no cannibalization of existing customers down grading to the lower priced/lower speed service.

Broadband Sales +39%



Video Sales +20%

