

Increasing App Engagement and Revenue for Streaming Services

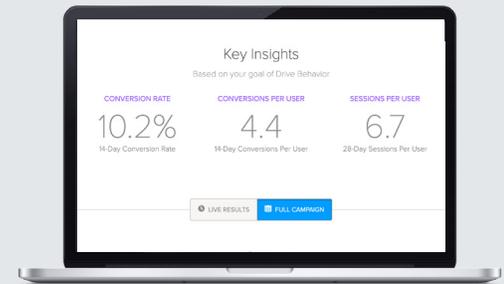
The Challenge

Streaming services operate in a highly saturated market, whether it's a mainstay like Netflix, or a relatively new incumbent like Sling TV, it's a crowded market with little customer loyalty. The big players are fighting to keep market share, cable service providers are diversifying to compete, and major TV networks are starting their own services. It's complicated out there, and between cord cutters, digital native custom-ers, and a huge influx of video content, the streaming market is facing rapidly evolving challenges from all angles.

Our client offers a streaming service as part of their TV and telecommunications service offering, and it's streaming capabilities are offered as a value-add that accompanies their traditional TV subscription model. Like all streaming services, our client offers a mobile app to make streaming even easier and more convenient. However unlike other streaming services, their users can marry their in-home TV experience with their mobile experience, accessing shows and movies they have recorded on their DVR, watch movies and shows they have purchased or rented, and watch live events from their full channel line-up.

To round out the impressive benefits and features of their streaming app, our client wanted to make sure that they were also providing their customers with tailored, personalized app experiences, and as a result this would encourage engagement and increase retention. The client is all about the experience, and they wanted to make sure their brand promise was holding true for their app users as well. However when they first began their mobile engagement strategy, they were broadcasting the same push messages to all their users in order to increase streaming activity. This was leading to lower than desired

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Key Results:

- + Used deep audience segmentation to serve relevant, targeted content suggestions and increase conversions
- + Incorporated rich media to add more impact and interest to their push notifications
- + Increased incremental revenue through increasing videos played
- + As the client progressed from stage 1 to stage 3, they realized a **225% year-over-year increase** in videos played through their streaming app

conversions as measured by videos played. Our client wanted to bring captivating experiences to all their users, and they wanted to generate more revenue while also reducing churn. They knew that to achieve this they would have to step up their mobile customer engagement to provide exciting, personalized communications that would bring their customers into the app to watch video content time and time again.

The Strategy

Our client knew that they wanted to personalize their customer engagement strategy, but they were not sure where to start. By working closely with the Customer Success team at Upland Localytics, they mapped out a three-stage approach to help them successfully reach high-levels of personalization through improved message content. Their ultimate goal was to increase videos viewed, and get the associated results of higher customer engagement, reduced churn, and increased revenue. However they knew they needed to start small, get familiar with their mobile customers, their behaviors, preferences and motivations, and then continue to build out a more strategic and customer-centric approach to their mobile marketing.

Our client was already in the first stage of their customer engagement strategy with their broadcast push messages. They knew they wanted to promote new video content, from show premiers to movie releases, and their first step was to send the same push notifications on recent and popular content to everyone. At this stage they were seeing about a 17% conversion rate in videos played, and knew that they needed an increase.

Next was stage two. At this point our client was ready to start segmenting their audiences to send more personalized communications based on a customer's viewing history. By adding behavioral segmentation they were able to identify what users were watching, thus determining their preferences in content type, genre, topics etc. This enabled the creation of push notifications that were targeted at those preferences in order to improve the personalization and relevancy of each message, and increase the likelihood that the recipient would act on the push, open the app, and watch. For example, users that have watched a Marvel film recently would be sent a push promoting the availability of the new Spider-Man movie, or someone who

watches crime shows frequently would be sent a push promoting the new season of Law & Order: Special Victims Unit.

In addition to using behavioral segmentation to deliver more relevant messages tailored to customer actions, the client also wanted to begin adding rich creative content to their messages. In-line with their three-stage plan, they began adding emojis to their push messages. Emojis are a small but mighty addition, they are a quick and easy way to add interest and personality to a message. By enacting this new personalization strategy using behavioral segmentation, and adding a rich creative touch with emojis, our client was able to skyrocket their conversion metric of videos played from 17% to 47%.

Our client saw the impact that behavioral segmentation and a bit of rich creative content was having on their customer engagement campaigns and was now ready to move to the third stage of their mobile marketing strategy. At this stage they began adding profile segmentation to the behavioral segmentation achieved in stage two to create even more personalized content recommendations in their push messages. They began incorporating profile data such as subscription level, access to premium channels such as HBO, as well as customer-selected genre preferences. For example, users who reported they are sports enthusiasts (profile) but haven't watched any content within the last month (behavioral) were sent a push message about the start of the NFL season and the big games coming up, thus helping to re-engage those customers by promoting content that resonates directly with their interests.

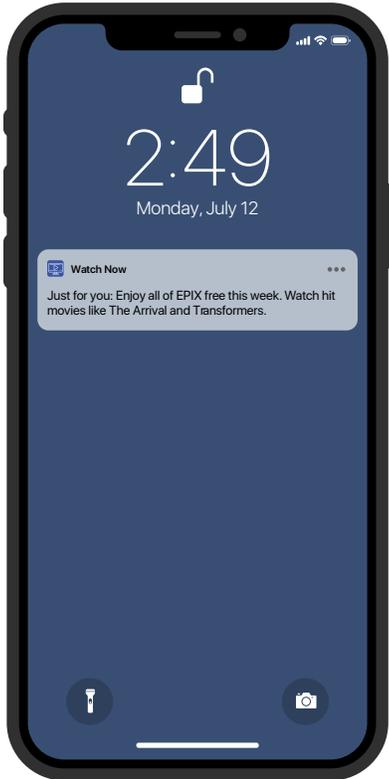
To further enhance their targeted segmentation efforts in the third stage of their strategy, our client expanded on their use of rich content by adding images to their push notifications. Now a push message reminding customers of the upcoming Game of Thrones premiere is accompanied by a dramatic and suspenseful teaser image from the show, instilling excitement and anticipation in their fans. Incorporating rich image content, and adding profile and behavioral segmentation together

brought the client's customer engagement campaigns to their peak performance, and their conversion metric of videos played increased to 55%.

The Results

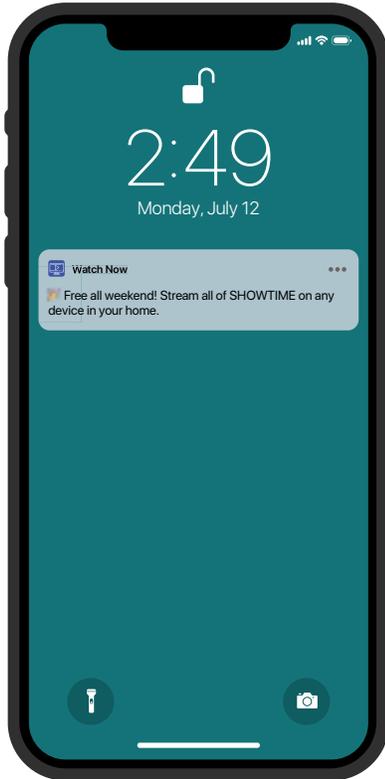
STAGE 1:

Broadcast Messages: **17% videos played**



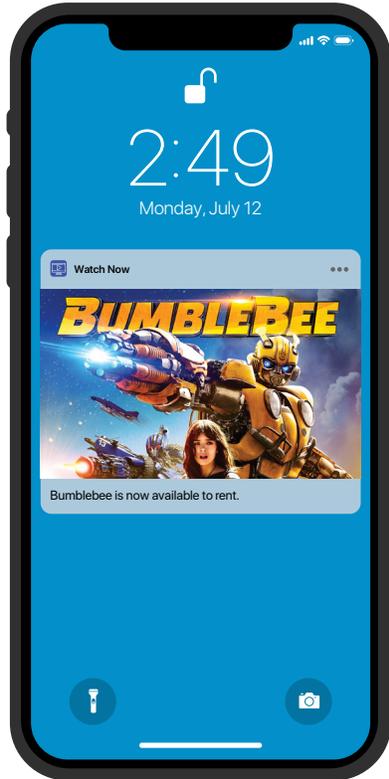
STAGE 2:

Behavioral Segmentation & Simple Rich Content: **47% videos played**



STAGE 3:

Behavioral & Profile Segmentation, Rich Image Content: **55%+ videos played**



Through our client's three-stage strategy, they were able to realize a year-over-year increase in videos played by 225%. To add icing on the cake, their videos played rate outperformed industry benchmarks by over 250%!

The impressive increase in videos played has an impact on more than just app engagement and customer experience. In the streaming industry, videos played have a direct revenue impact. The industry averages revenue per video played of between \$0.45 and \$0.55 cents. Considering that there are millions of videos streamed every day across the industry - the revenue generated from videos played is astounding. Even a small increase in videos played has significant revenue impact, let alone the impact driven by the 55% increase in our client's case.

In addition to the revenue impact, increasing customer engagement within the app also has an impact on customer retention. Telecommunications companies like the client's are faced with the very big problem of cord cutters- those who end their subscriptions with cable television service providers and/or landline phones. With so many options for customers to stream shows, movies and other video content, retaining customers and reducing churn is hugely important. After further analyzing

their data and results, our client found that increasing the amount of videos a customer streams positively impacts retention and reduces the likelihood that the customer will switch services or cut the cord completely. This again has a revenue impact from keeping those customers on board, and it is also much less expensive to keep a customer than it is to acquire a new one, especially in such a saturated market.

The Summary

Incorporating deep audience segmentation based on a combination of profile and behavioral data, and rich media are powerful ways to improve a customer engagement strategy. Customers expect more tailored experiences, in fact, 57% of customers are willing to share their personal information to get a more personalized experience², and 66% say that customer experience is more important to them than purchase price³. Yet only 22% are satisfied with the level of personalization they receive⁴.

Our client knew what their customers wanted, and they delivered, creating exciting and personalized app experiences tailored to their customers preferences and actions. Through their multi-step strategy they started simple, and progressed into highly-personalized and visually captivating messages that improved their customer experience, increased streaming activity within the app, and ultimately increased revenue and customer retention.

¹ Source: Localytics Industry Benchmark Data, 2018

^{2,4} Source: Salesforce, State of the Customer, 2018

³ Source: iPerceptions, March 2019

For more information, please visit:
<https://uplandsoftware.com/localytics/>



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