

Integrated Marketing

The Challenge

Embarq was facing its first-ever direct market competition from cable providers like Time Warner and Cox Cable. To date, local telephone companies (ILECs) would experience early stage losses of up to 30% in the first year of competition with continuing customer defections each subsequent year.

The Solution

Competitive counter-marketing strategies were developed to minimize the anticipated market share (HH) losses. The model, or pilot, strategy was developed for the Las Vegas market. Tactics included:

- Market specific public relations and advertising campaigns
- Increased local presence and event marketing
- Web site with geo-centric content
- Plan assessments to at-risk customers to “right size” bundles
- New market-based pricing schema
- Channel training and incentive programs

Further, the program was launched approximately 6 months prior to competitive entry to maximize market goodwill.

The Result

Cox had a track record of taking 30% of the incumbent market share within the first 180 days of deployment. By the end of the first year, customer defections were less than 20%. This model was rolled out and adapted to the remaining local markets.

The Customer

Embarq was the local telephone spin-off resulting from the Sprint-Nextel merger in 2006. Embarq was “born” at a time of great consolidation within the century old traditional landline telephone business. Before its spinoff and subsequent purchase by CenturyLink, Embarq (better known as the Sprint local division) generated revenues in excess of 6 billion dollars.

