



Hollywood Video Reels In 25% More New Customers With National Mobile Coupon Campaign

The Client

[Hollywood Video](#) and parent company [Movie Gallery](#) are #2 in the rental video market. With increasing competition from online rentals, video on demand, and Internet downloads, they face unique challenges in acquiring new customers and re-attracting customers who have migrated to other “tech-forward” sources.

The Mobile Marketing Challenge

To combat increasing competition from new media choices, Hollywood Video decided to test mobile couponing to reach the younger, tech-friendly audiences who were becoming harder to reach -- cost effectively -- through traditional media.

“Most mobile campaigns we researched were limited to text messages,” said Jeff Dean, Director of Customer Marketing for Hollywood Video. “To extend Hollywood Video’s valuable brand to the cell phone, we knew we had to create a full-color graphic presence that our customers would positively associate with our brand.”

The CellFire Solution

In November 2005, Hollywood Video chose Cellfire as their mobile coupon distribution provider. An important element in the campaign was deploying cross-media integration, with coupons supported through Cellfire’s Website, a WAP site, email, and print advertising campaigns.

The advertisement features a green background. On the left is a print coupon for '1 FREE RENTAL' from Hollywood Video. In the center is a small white mobile phone. To the right is a large black mobile phone displaying the Cellfire mobile interface. Below the phones, the text reads: 'Download coupons directly to your Cingular mobile phone! Enjoy great discounts at T.G.I. Friday's, Hollywood Video and many other of your favorite national brands and local merchants.'

The screenshot shows the Cellfire mobile interface on a phone screen. At the top, it says 'Cellfire 94041'. Below that is the Hollywood Video logo. The main content area displays: '1 free rental Expires in 4 weeks' and '1 free used DVD Expires in 4 weeks'. Underneath, it says 'Locations In your area'. At the bottom, there are 'Back' and 'OK' buttons.

The Pilot Program

The client agreed to a pilot program beginning in December 2005 in its 342 California locations with four requirements for Cellfire:

1. A branded presentation
2. A double opt-in process
3. An easy, intuitive user experience across phone types
4. Strong security and privacy policies.

Knowing that branded mobile coupons were a new medium, and to minimize potential challenges of rolling out this new type of offer, the Cellfire and Hollywood Video teams collaborated on training materials, in-store signage, Website banner ad campaigns, and POS system integration to ensure a successful launch in California.

This pilot program was used to evaluate initial results, refine training techniques, and test different creative messages. Benefits for Hollywood Video included lower user acquisition costs, lower production costs, as well as higher reach against technical and youth demographics. Redemption rates of more than 20% (based on distribution) were significantly higher than those of traditional couponing.

The Nationwide Launch

Hollywood Video launched nationally in June 2006 in over 2,000 locations. To boost awareness of Cellfire and aid distribution of the coupons, Cellfire and Hollywood Video executed a cross-media strategy that included: 15-second video loops running in all of the stores, a link in Hollywood Video's Website and email newsletter, WAP site banner and text ad campaigns, as well as continued Website banner campaigns.

The Results

After an unprecedented boost in **redemption rates for the pilot program that were 200% higher than traditional couponing**, Hollywood Video's national campaign was a success unequalled in the company's couponing history. The results included:

- **Compared to the pilot program, customer acquisition and coupon usage increased over 600%, with per store redemptions rising over 40%.** Distribution of the mobile coupons also surpassed expectations, with a corresponding rise in coupon views.
- **New customer acquisitions through Cellfire showed a 25% increase** over traditional couponing, with significantly lower costs.

- **Cellfire coupon users skewed favorably to the younger, more “tech-forward” demographic** targeted by the client.
- **New insights to other quantitative aspects of coupon delivery and redemption**, previously unavailable through traditional couponing channels. Cellfire shared data with Hollywood Video for percentage of offers viewed and redeemed. This information is critical in optimizing campaign performance and evaluating different offers going forward.
- **Production Lead times measured in days instead of weeks.** This enabled Hollywood Video to quickly and easily perform A/B testing, run limited time specials, and promote new products.

“We were just amazed at how well the pilot program was received in the California stores,” added Mr. Dean. “After the national launch of our first coast-to-coast mobile marketing initiative, we were extremely impressed with the results. Now, we’re looking to even greater opportunities to build customer loyalty as the mobile market continues to grow.”