Virgin mobile marketing metrics

Business, Marketing

Virgin Mobile's business model consists of several different strategies for success. On July 2002, Virgin launched its new cellular service company, mostly geared for individuals ages 15- 19. The UK-based company had plans to acquire new clientele by tapping the youth market with the following tactics: Text messaging bundles: Virgin believed text messaging was a key selling point for youth as kids would often communicate with friends orfamilythrough this medium as it was cheaper than daytime minutes and a more discrete form ofcommunicationwhile in class. Ring Tones: Virgin offered a large selection of favourite and popular tunes andmusicthat could be set as your cellular ringtone. Fun Clips: Are audio clippings of new gossip, sports information, jokes and other information that teens generally have interest in and have the time to review. Other features such as Music Messenger allowed cell phone users to share their favourite music with their friends and classmates.

These features appealed more to the youth market and generated additional cell phone usage (if not by using minutes) and customerloyalty. Virgin believed that these mediums would bond customers to their phones therefore creating more interest. Virgin signed contracts with several phone manufacturers such as: Kyocera, Nokia, LG and more to enable a variety of phones to choose from; each providing a different benefit that would appeal to the youth. By adding these features and targeting the 15-24 market, as well as being a contract-free cell phone provider, this generated more interest in the market because the ones under 18 would have had to use their parents to sign a contract for them in order to have a wireless device, this way, Virgin enables customers the freedom. Assuming the number of customers is 5 in year one, and retention rate is 75% the decline in customers yearly thereafter will be deducted by the same percentage. By taking the number of effective customers in 2001 and multiplying it by retention rates we acquire the pattern or deduction. (copy and pasting the formula along the years 2002, 2003, 2004, 2005 and 2006; the five-year wireless contract).

| | | | | | | Retention rate was calculated by assuming the number of total customers was 100. 25 customers left to another service provider. 100-25 = 75. (75/100) *100 = 75% Retention. Tab 1 of spreadsheet Tab 2 of spreadsheet