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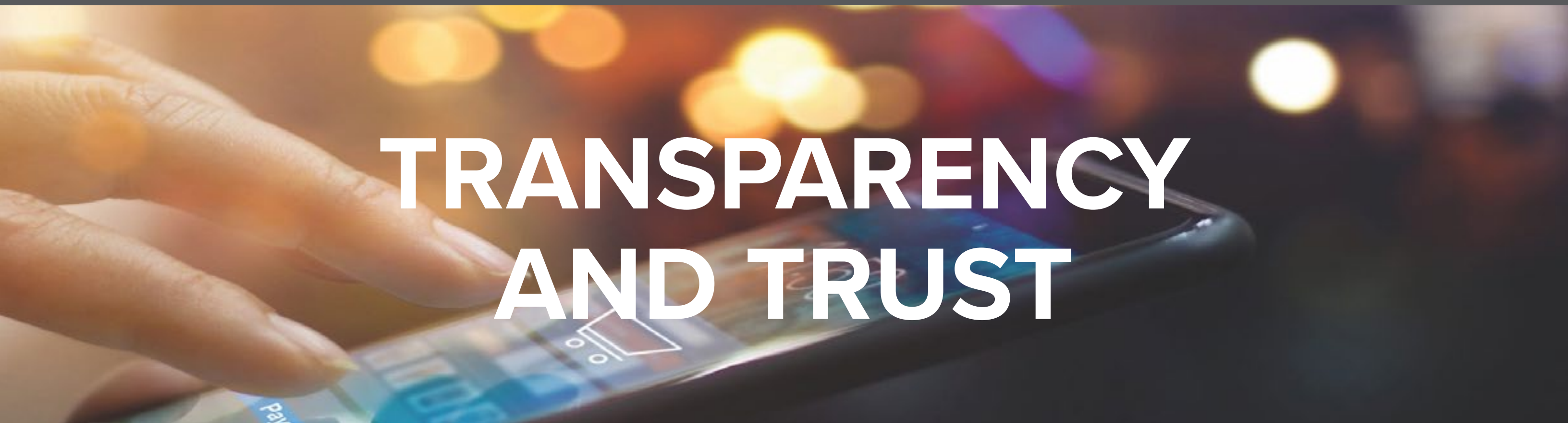

TRANSPARENCY AND TRUST

Growing Revenue Through Simplification.

Written by Mark Mihalevich, Founder and CEO, ATLAS Digital Group

As competition heats up in the market for high-speed Internet services and consumers increasingly turn to digital commerce, it's time to rethink strategies for growing revenue. It's easy to get lost in the promise of future technologies like machine learning and artificial intelligence (AI) as a way to optimize offer strategy and revenue growth, but there is a much simpler way: simplification itself.

Traditional thinking indicates the way to drive more revenue from product offers is to maintain a low "starting" price point and add fees, surcharges, and required equipment after the selection is made by a customer. This is known as "cart stuffing" and is counterproductive in several ways. It confuses customers, destroys trust and customer satisfaction, and works against revenue goals.

To understand the negative effects of cart stuffing, let's break down what drives offer performance. Revenue generated by a product offer is based on two factors: (1) the revenue per sale, and (2) the likelihood that a customer will purchase the offer when it's presented, known as "offer conversion rate." Focusing on revenue per sale will lead to strategies that ignore offer conversion rate, like cart stuffing.

A better way to think about offer performance is to answer the question "how much revenue is created when I present this offer to a customer?" This means measuring performance based on revenue per presentation, or view, rather than revenue per sale – and this is where simplification makes a difference. Offer conversion rate is far more important than revenue per sale when measuring performance based on revenue per view.

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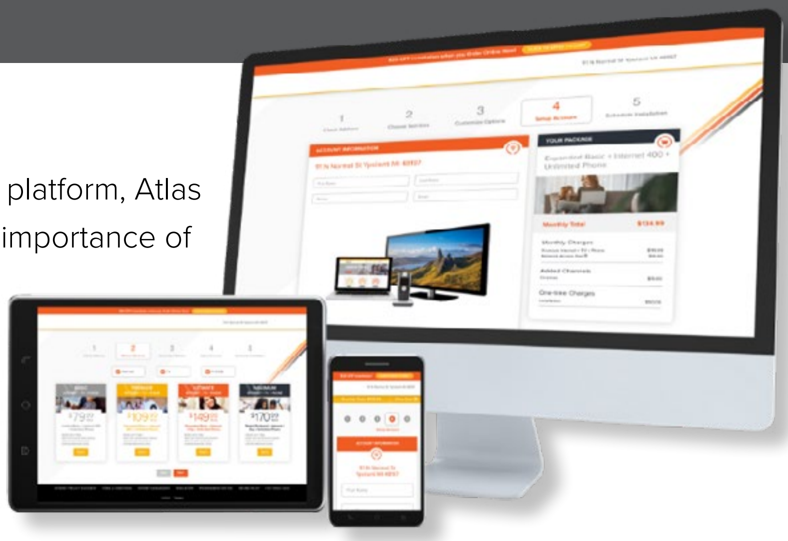

Data gathered from our digital commerce platform, Atlas CORE, provides a clear case study of the importance of offer conversion and the advantage of simplification. Let's say two high-speed Internet providers are similar in size and pursuing a similar market strategy. Both offer up to 1 gigabit per second (Gbps) Internet speeds. Let's call them "Provider A" and "Provider B." Provider A offers 1 Gbps at 70 dollars per month, however several additional charges and fees are added at the time of purchase. Provider B offers their 1 Gbps product at 90 dollars per month with no additional fees or charges.

43% MORE REVENUE

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Without the benefit of data it's easy to imagine that Provider A's lower starting price offer will perform better – but that's not the case. In fact, even though both offers end up with a similar average revenue per sale, Provider B's 1 Gbps 90 dollar offer generates an average of 43 percent more revenue each time it's presented to a customer. How can this be?

The answer is offer conversion. Provider B's simpler, no-strings attached offer converts more sales when presented to customers, resulting in more revenue per view.

Simplification works. Rather than competing in a price race to the bottom, simplification allows providers to build value based on transparency and trust, growing revenue and customer satisfaction that will continue paying dividends for years to come.

NO STRINGS • MORE CONVERSIONS

—MORE REVENUE—

To apply these kinds of proven sales generating insights and solutions to your cable or fiber company, contact the digital commerce experts who can make it possible at

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