

## Case Study

# Pandora Powers Subscriber Growth and Retention Through a Scalable CDP

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### Summary

- Pandora sought to grow its subscribers and premium products and services
- The company invested in strategic customer data infrastructure and capabilities, using a CDP as the foundation for growth
- Partnering with ActionIQ, Pandora delivered on its core goals within 90 days of go-live, and is now implementing innovative, real-time personalization use cases

## BACKGROUND

Pandora, a subsidiary of SiriusXM, is the most popular music streaming app in the U.S. The service provides a unique personalized audio entertainment experience to more than 100 million listeners each month.

Pandora competes against a multitude of traditional, digital and emerging media platforms. To chart a course for accelerated growth, Pandora's focus was on growing and retaining their existing users through personalized experiences on and off their platform.

Their first-party listening data would be their most valuable asset in achieving their ambitious goals. With this data, Pandora would be able to understand its users more deeply and utilize those insights to more effectively grow and retain their paid subscribers.

## THE OPPORTUNITY

[Access and leverage the billions of signals within the data to better understand and interact with every user.](#)

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Pandora's rich data assets included years of detailed digital consumption data spanning more than 100 million users—down to “when, what, where, and for how long” each user engaged with specific content. The billions of granular user events contained in the data could provide incredible intelligence to better understand and interact with every user. The company sought to leverage this data to:

- Convert more trial users to paid subscriptions
- Grow user engagement with the platform
- Retain high-value paid subscribers

All while reducing the cost and complexity of their marketing operations.

## THE CHALLENGE

To position itself to leverage its data assets, the company had a series of challenges it needed to overcome:

1. **Large, dispersed and disparate customer data** preventing a unified view of the customer
2. **Inefficient tools and processes** for managing audiences standing in the way of new user experiences
3. **Complex, rigid data structures** slowing speed to market and squashing innovation
4. **Legacy data foundation** upon which the company was reliant, but wouldn't support modern applications and business process

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...anytime marketers wanted to leverage the data or run a campaign, they had to put in a request for technical specialists that kicked off a series of tasks that not-so-affectionately became known as “the SQL crazy train”.

Pandora was already deeply invested in Adobe Marketing Cloud, with the promise that it would allow business teams to get hands-on with detailed customer data and leverage the resulting insights across all of Pandora's channels. But in short order, Pandora's data proved too big and too complex for Adobe to handle, limiting its usefulness in even a single channel - email. Additionally, Adobe Marketing Cloud wasn't able to support the orchestration of cross-channel journeys over the entire customer lifecycle—which would be critical to retaining and growing the loyalty of the subscriber base.

Instead, anytime marketers wanted to leverage the data or run a campaign, they had to put in a request for technical specialists that kicked off a series of tasks that not-so-affectionately became known as “the SQL crazy train”. This process made it nearly impossible for marketers to get to the intelligence they needed, stunting their ability to quickly test new ideas. Marketing campaigns were rudimentary at best, and limited to a single channel—falling short of the experiences Pandora sought to create.

## THE SOLUTION

Pandora realized it needed a new solution to help deliver on its transformation goals. They began by identifying four key areas of requirements:

### KEY GOALS FOR PANDORA'S CDP SOLUTION

#### Centralization

House all Pandora audience data in a single, centralized location

#### Enablement

Empower marketing teams to build, measure and activate audiences using modern applications

#### Efficiency

Decrease the time it takes to move from ideation to iteration and execution (going from weeks to hours) by implementing agile, nimble data structures

#### Modernization

Refreshing foundational technology and legacy martech to most effectively meet contemporary marketing requirements

The company determined they needed a customer data platform (CDP) to achieve their goals. After evaluating several CDPs, they selected ActionIQ for its ability to deliver on all requirements at Pandora's scale of 100+ million users. Additionally, ActionIQ had a track record of helping similar brands make the transition to new business models and ways of thinking about their users. The ActionIQ team presented a clear and efficient plan—covering everything from technical considerations to change management—for migrating from the legacy Adobe applications to ActionIQ.



*Pandora harnesses the power of listener preference through ActionIQ's Infinite Compute, which uses AWS EC2 to provide enterprise scale needed to personalize millions of experiences daily and drive free listeners to become paying subscribers.*

ActionIQ worked with Pandora to create a phased delivery approach. Phase 1 focused on data access and business self-service, allowing marketers to directly explore and analyze the billions of user interactions across the brand. With direct access to data, marketers are empowered to create, orchestrate and measure audiences on their own.

Phase 2 automated high-volume channel integrations as well as strategic suppressions—so that once a prospect became a subscriber, they wouldn't continue to receive new acquisition-oriented offers. This use case alone presented the opportunity to save millions in advertising dollars and countless hours for the organization.

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## RESULTS

Within 90 days of go-live, the ActionIQ solution was already deeply ingrained in the organization's processes, and delivering results aligned with Pandora's key goals. These included:

25+

Pandora team members onboarded to the platform

-50%

reduction in CAC in key segments

1.5B+

customer activations per day

15+

channels / endpoints integrated into the platform

80+

automated daily and weekly suppression lists and holdouts to paid media channels

30B+

rows of customer data ingested daily

## WHAT'S NEXT

With its CDP-centric data foundation in place, and its initial core use cases supported, Pandora has set its sights on an ambitious next set of use cases requiring real-time personalization and analytics. These use cases include:

- **Real-time subscription (cart) abandonment process**  
When a user is signaling (but not completing) the transition from free to paid, the system instantly sends personalized push or email messages with exclusive offers based on actual prior free tier usage
- **Real-time personalized subscription welcome journey**  
When a new user signs up, they receive a personalized onboarding journey guiding them through the features of their tier, as well as station recommendations based on actual prior free tier usage
- **Real-time subscription cancel / churn prevention**  
After a subscription cancellation, the user receives a real-time personalized message reminding them of the value of the services and presenting exclusive tiered offers to convince them to return.

With the state-of-the-art personalization enabled by these real-time use cases, Pandora expects its marketing technology to be in a strong position to help meet its ambitious goals for growing the company's subscription and premium services lines of business.

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## GET STARTED TODAY

The ActionIQ team is ready to help you achieve new marketing efficiencies quickly, while accelerating your customer-centric transformation. To learn more, [contact ActionIQ now.](#)

## About ActionIQ

ActionIQ empowers the world's leading brands to win in today's experience economy by building deeper, more valuable relationships with their customers. Our real-time orchestration and intelligence hub, powered by the fastest and most scalable customer data platform, enables marketers to quickly turn disconnected customer data into personalized experiences, orchestrated across all channels in real-time. The New York Times, Pandora, Gap Inc., WW, and more, trust ActionIQ to differentiate their brands, drive lasting customer loyalty, and significantly improve business performance — achieving up to a 20% increase in revenue in just a few months.

ActionIQ is an Amazon ISV Accelerate Partner and is available within the AWS Marketplace. To learn more, visit [actioniq.com](http://actioniq.com)

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