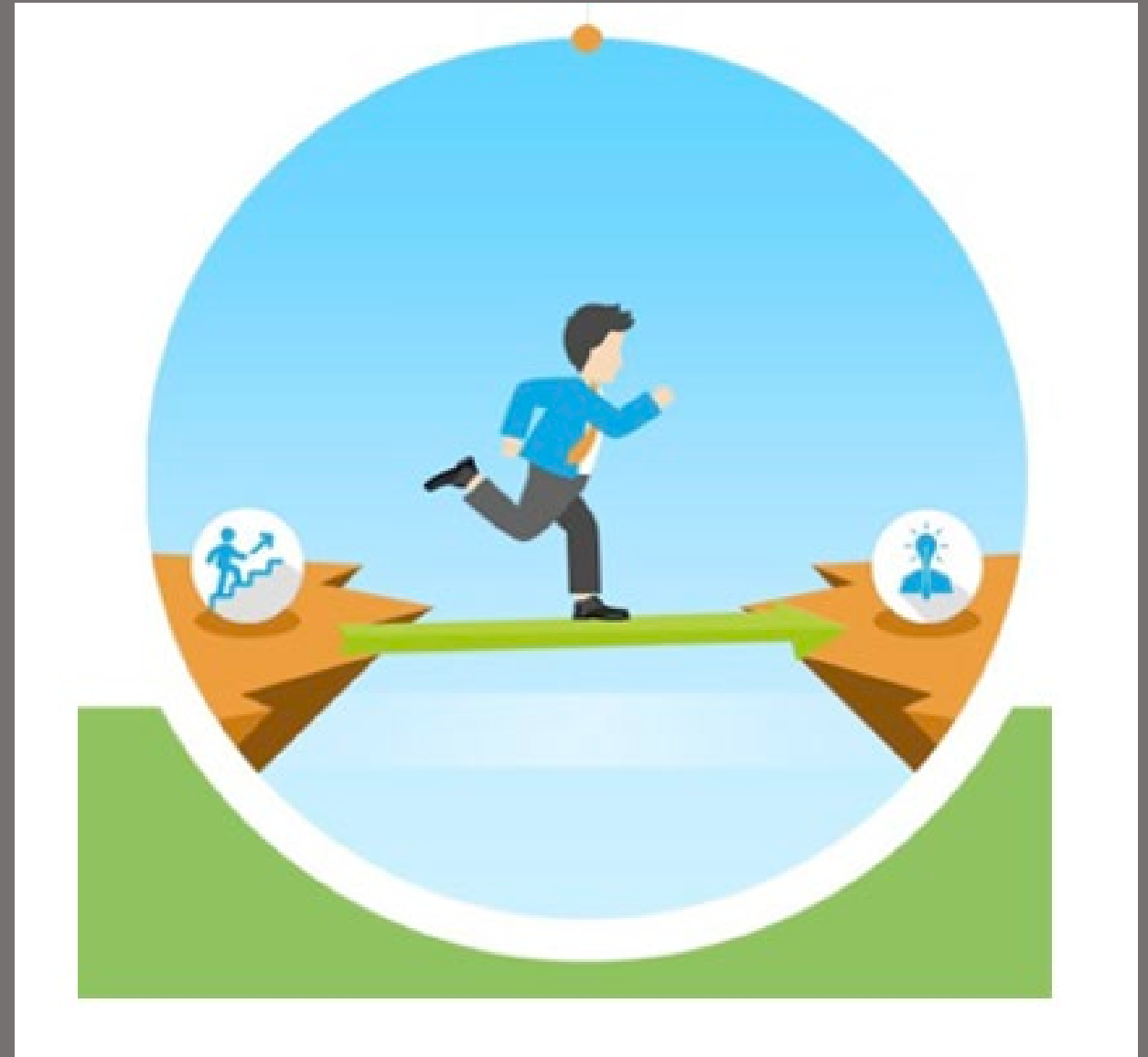


WAYS TO INCREASE
LTV AND CREATE
RECURRING
REVENUE STREAMS



CURRENT STATE

- Rising Inflation
- Competition is higher than ever
- Skyrocketing CAC
- Tracking attribution
- Higher supply chain costs



THE IMPORTANCE OF CUSTOMER RETENTION

It's **7x** more expensive to acquire a new customer than to retain an existing one.

Loyal customers spend an average of **31%** more than first-time customers.

Satisfied Customers are **30%** more likely to repurchase from a company.

Referred Customers are **13x** more likely to convert than those who are not.

CUSTOMER LIFETIME VALUE (LTV OR CLV)

Measures the average revenue a customer will generate throughout their lifespan as a customer.



For ecommerce businesses:



$LTV = (\text{Average Order Value} \times \text{Expected Purchase} \times \text{Customer Lifespan})$



For subscription businesses:



$LTV = \text{Monthly Recurring Revenue} / \text{Churn Rate}$

* Adjust for discount/retention rates

TOP PRINCIPLES FOR INCREASING LTV


PRINCIPLE 1: KNOW WHO YOUR CUSTOMERS ARE

- What touchpoints and interactions do they have with your brand?
- Personalization is key
 - 80% of customers are more likely to make a purchase when given a personalized experience
 - Prioritize important 1st party data
 - Encourage account registration, newsletter sign ups according to customer preferences, purchase history, website tracking and SM integration and surveys and feedback
- Segment and then target the audience with specific messaging



PRINCIPLE 2: CREATE AN INCREDIBLE CUSTOMER EXPERIENCE

- You should focus on having the highest customer service from the beginning of the relationship
- Customers will tell you if they are upset, the same is true for happy ones
- Customer experience is more than just the customer service piece
 - Make communicators (all touchpoints are knowledgeable and empathetic)
 - Agents, live chat, bots – which one?
 - Read reviews and attempt to remove any friction
 - Cumbersome ordering process, fix a product feature that is annoying



PRINCIPLE 3:
CREATE
RELEVANT,
MEANINGFUL
CONTENT

- Engagement and customer retention go hand in hand
 - Customers who engage have a 40% higher renewal rates and a third are more likely to be upsold
 - Content is not just for acquisition but provides an opportunity to educate existing customers
 - Create a YouTube channel with how to videos
 - Build a community where customers can share their experiences
 - Ask your customers what they would love to learn about you
 - Create onboarding engagement tactics during your GTM strategy

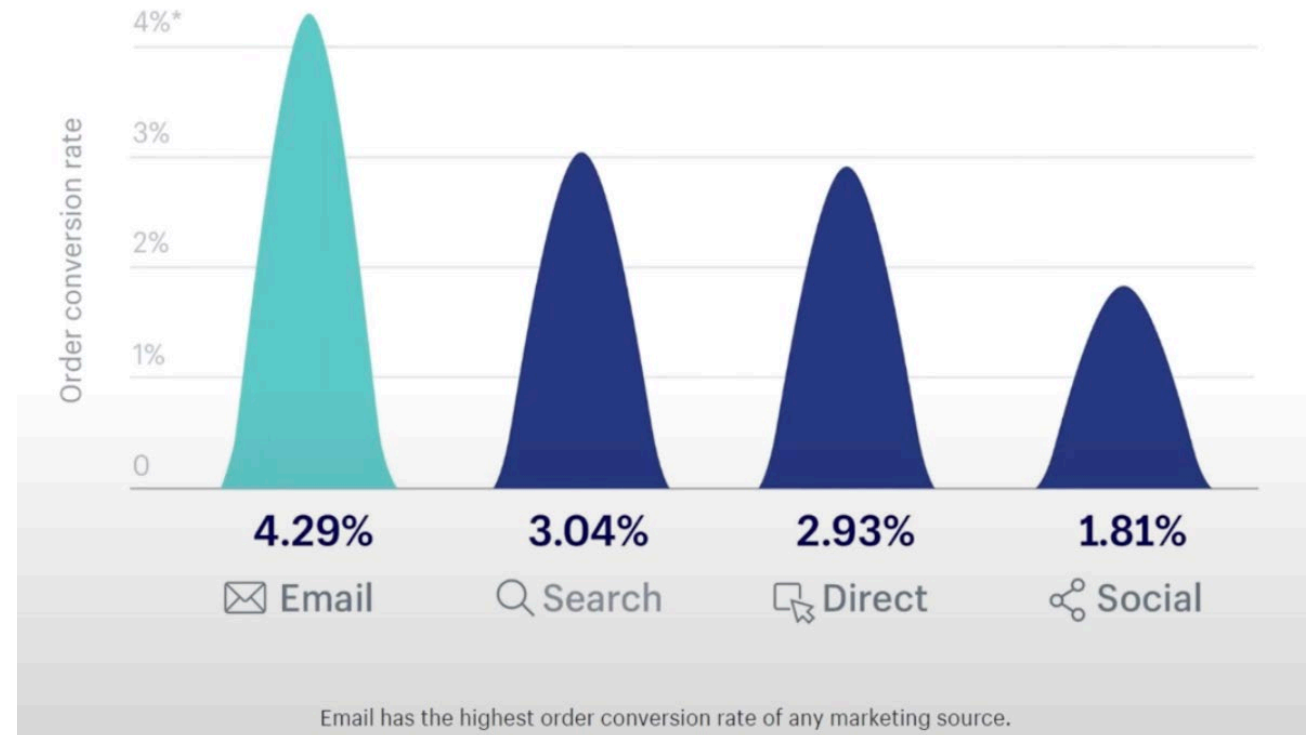
PRINCIPLE 4: FOCUS ON EMAILS

- Email converts more than other marketing channel
- The key is personalization – not just names
 - Look at what they purchased from you and create an email that would be a complimentary cross sell
 - But don't always sell something – other relevant information based on their preferences
- Cost – effective communication

Shopify data from Black Friday Cyber Monday also shows that, relative to other sources, email has the highest [conversion rate](#), at 4.29%, followed by search in second. It's clear email is a channel that converts.

Referrers by Conversion Rate

Average order conversion rate by source



BUILDING RECURRING REVENUE STREAMS



CRITERIA FOR BUILDING A SUBSCRIPTION-BASED BUSINESS

- Strong value proposition
 - Clearly communicate the benefits and that you can offer verses a one-time purchase. What problem are you solving?
- Product suitability
 - Not all products/services are suitable however nowadays there is a subscription for almost everything
- Pricing Strategy
 - Subscription tiers or options, pricing frequency and levels that align with perceived value
- Subscription Management and Billing
 - Churn (Voluntary and Involuntary)
- Technology has made it easier

SUBSCRIPTIONS: THE OPTIMAL APPROACH FOR ENHANCING RETENTION AND LOYALTY



Meets evolving consumer demand and fosters engagement

It's a mind set change from a one-time transaction to a relationship with recurring revenues



Delivers value

Incentive to continually improve your offering to ensure retention which builds trust and loyalty



Customer Centric Approach

Structured around meeting the needs and preferences of their TA
Provide convenience, flexibility and personalized experiences



Enhanced Customer Experience

Vested interest in providing a stellar experience to maintain the long-term relationship



Incentives and rewards

Must make their members feel valued & appreciated by providing loyalty perks, such as exclusive content, early access to new features, discounts, or special offers.

IN CONCLUSION



In today's rapidly evolving business landscape, placing utmost importance on (LTV) has become the driving force behind sustainable growth.



By placing a strong emphasis on comprehending and optimizing the long-term value derived from each customer, companies equip themselves with the necessary tools to navigate dynamic environments and adapt to shifting consumer behaviours.



This strategic approach lays a solid foundation for achieving success and fostering profitability in the long run.

passionfruit 

Thank you!

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