EVER COMMERCE

Leading Service Commerce Platform

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Introduction

The purpose of our analysis is to profile the prospective customers from the EverCommerce customer database and create a marketing strategy to acquire new customers for Customer Lobby SaaS by cross-selling.

Methodology

Logistic regression is a statistical analysis method to predict a binary outcome, such as yes or no, based on prior observations of a data set.
We used a logistic regression model to predict the likelihood of non-Customer Lobby customers to obtain the service.

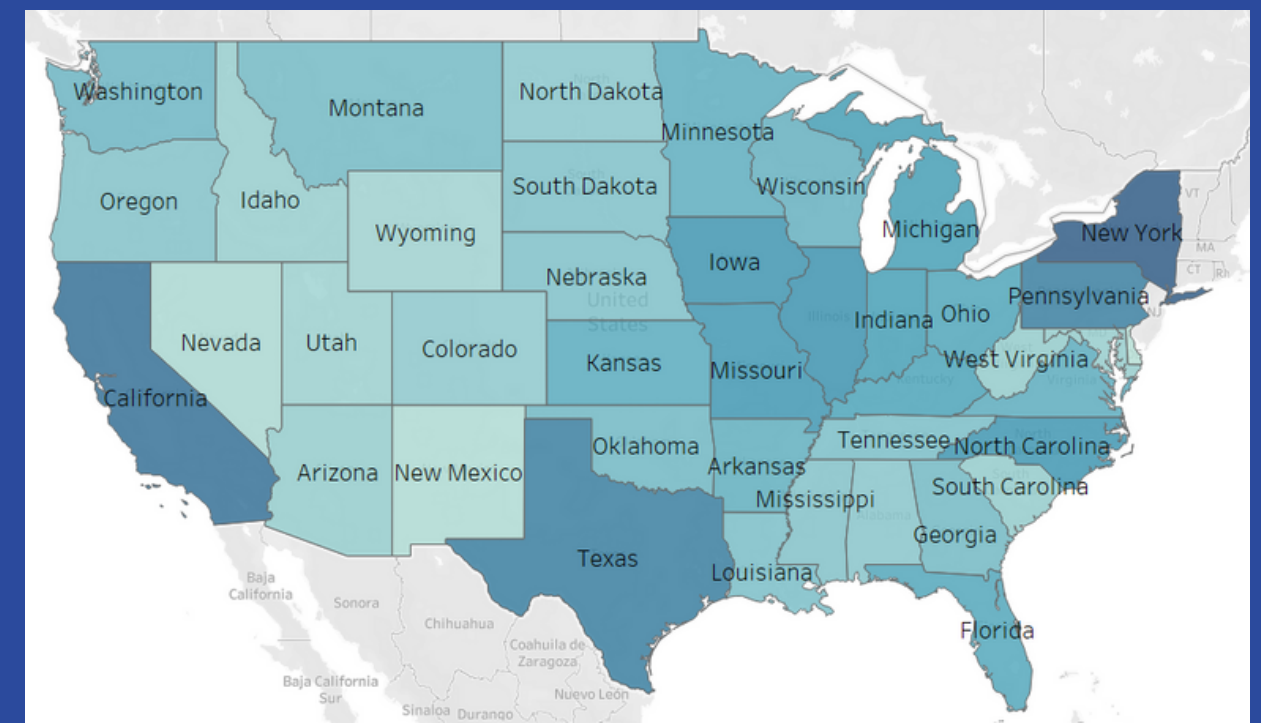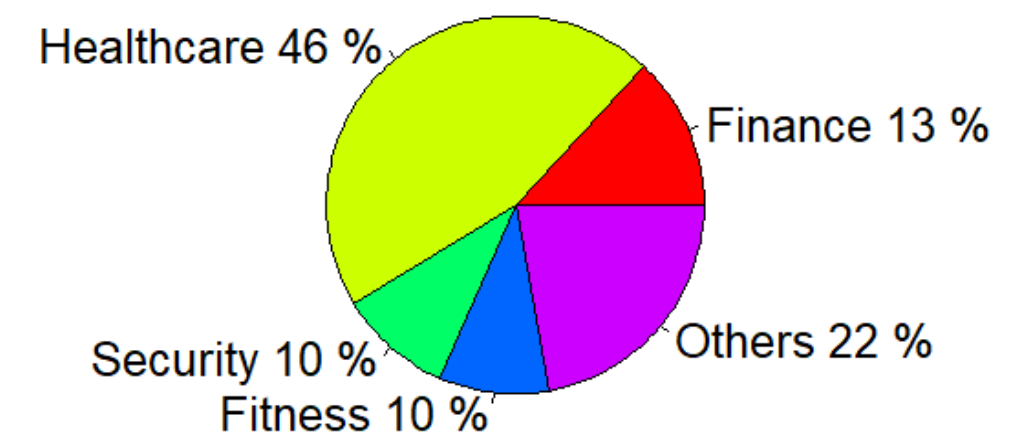# Profile of Top 1000 Prospective Customers

01

Industry

We identified the top four industries that are more likely to adopt the Customer Lobby service visualization healthcare, finance, fitness, and security in descending order. The <u>healthcare</u> and <u>finance</u> industries were found to be more statistically significant for channeling the marketing efforts.

02

Locations to Target

Most of the potential customers for Customer Lobby are located in Texas, New York, California, Pennsylvania and the eastern part of the Midwest.

These regions are to be mainly targeted in our marketing campaigns.

Customer Lobby - Target Industry Verticals

Healthcare 46 %
Finance 13 %
Others 22 %
Security 10 %
Fitness 10 %

# Profile of Top 1000 Prospective Customers

03

Size

We also observed that the size of organization contributed to the statistical significance in arriving at the companies of focus. The mid-sized organizations were found to be gravitating more towards obtaining the Customer Lobby Service.

04

Status

Based on our research, customers who are happier with the existing product will tend to stick with the company and use more of their other products (Accelity, 2022). This translates to a long tenure and positive referrals, for which the model confirms the importance.

Mid-sized organizations
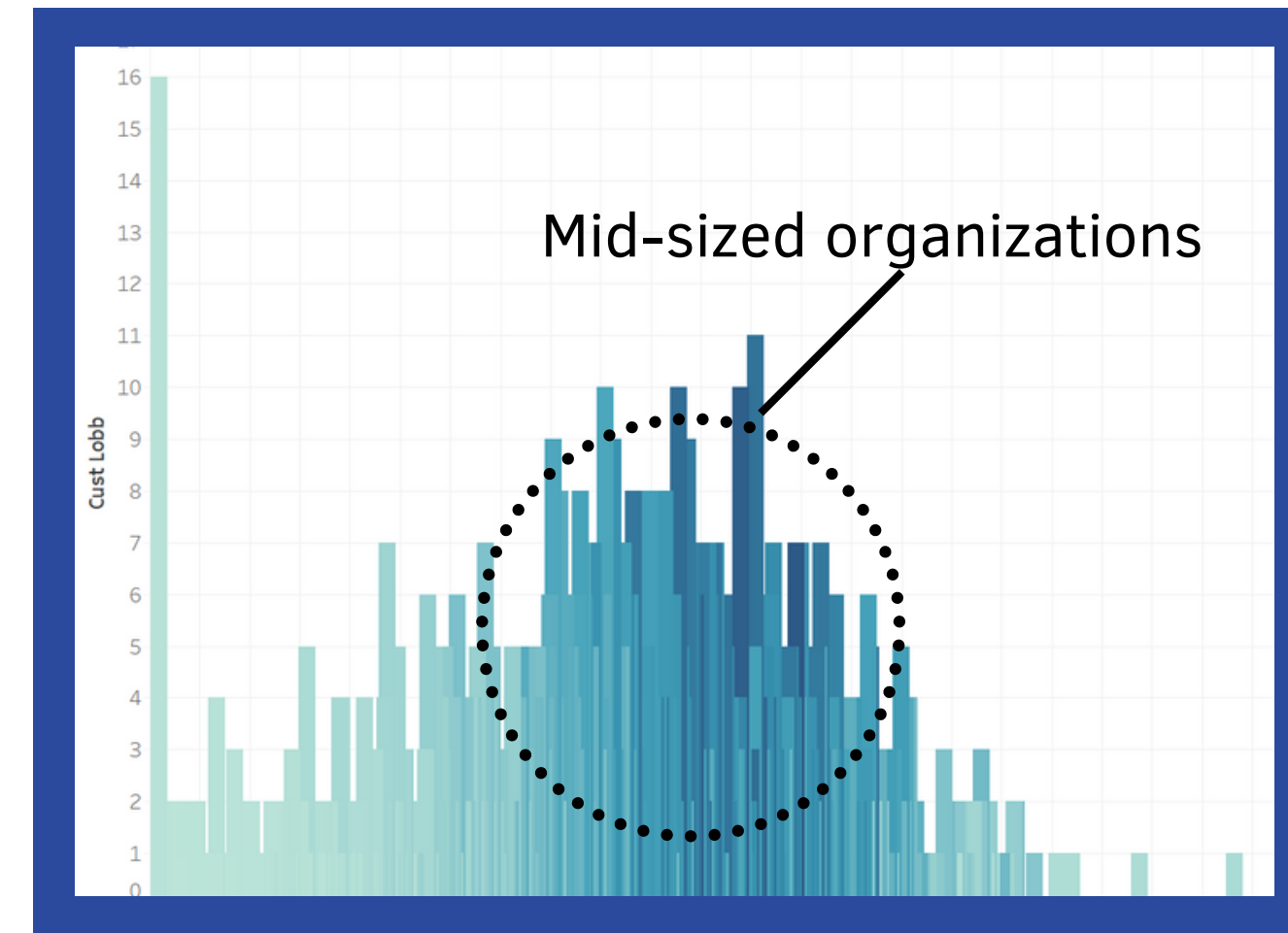
Key Basis for Recommendations

- We learned that in the future, EverCommerce should target marketing campaigns on customers falling along the following lines:
1. Mid-sized companies mainly in the healthcare and finance industries, followed by security and fitness.
2. Who have referred any of the products in the past.
3. Have not defaulted in payments.
4. Have a long-standing tenure.

- For location, most of our prospective customers for Customer Lobby are located in Texas, California, New York, and the eastern part of the Midwest.

- Knowing that the prospective customer base are mid-sized companies we should cater our language to these type of organizations. Additionally, understanding that a big portion of these potential customers are in the healthcare industry we could drill-down our campaigns to healthcare-oriented campaigns that could help them better understand how our service would help them in their particular industry.

Recommendation#1: Targeted Email Campaigns

EverCommerce should send customized (on industry and size) emails telling the target audience of the benefits they could obtain by using Customer Lobby and displaying examples of how this service has helped companies with the same firmographic characteristics. This could be done by:

1. **Segmenting** subscribers into categories which is created automatically based on their subscription activity, such as engagement rate, purchase history, etc.
2. **Opt-in Forms** for personalized product newsletters which contains testimonials of customer success and case studies highlighting the effectiveness of the product.
3. **Monitoring/tracking** open rates and frequent **A/B testing** of landing pages will help in improving the engagement, thereby helping in identifying customers that are easy to close.

Recommendation#2: Pricing Strategy

- The team should adopt the Tiered Pricing strategy (subscription billing model) that entails selling the product at different costs including different features for each plan.
- Lower cost will comprise fewer features in comparison to the higher cost package.
- Prospective customers have the option to choose a plan that fits their business which in turn helps to target customers of every standard.
- There can be a promotional offer that the customer can benefit from which gives them an additional month if they pay for the whole year at once.

Short Term strategy:
- Strategizing in giving more deals to loyal customers at the standard price can boost cross-selling of the product.

Long Term strategy:
- Can provide referral criteria to those customers who utilized the product for a whole year and helps in upselling as they scale.

Recommendation#3 : Customer Surveys

- Surveys shall be be distributed via email on Mondays (higher response rate) and between 1a.m and 4a.m (first emails to enter) as suggested by (Amaresan, 2019).

- An initial Customer Satisfaction (CSAT) Survey shall be sent within two weeks of the product acquisition with periodic follow-up surveys sent every 6 months, after a major update has been rolled out, or after a license renewal/cancel.

- To face low response rates or low click rates, EverCommerce shall put in place ways to diagnose the reason for this, designating their analytics experts to this task once idenified.
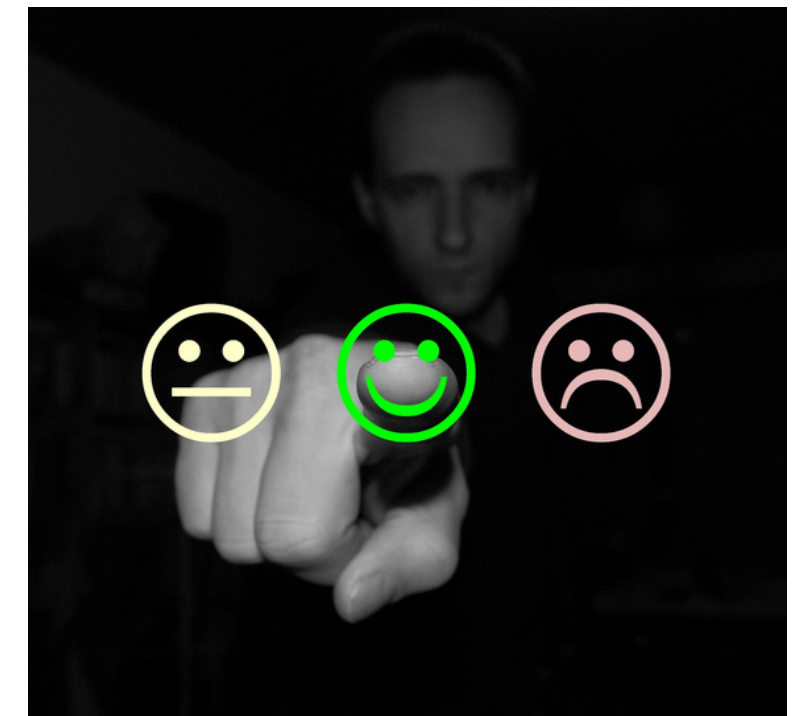
Recommendation#4: Workshop Deployment

- One of Customer Lobby's base is analyzing data from an invoicing system. For this, the company has to have a data base with their customer's information.

- Other EverCommerce services such as Listen360 already require a comprehensive customer database. EverCommerce would need to show to their prospective customers the ease of adoption.

- Workshops initially should in the short term, yield good results for EverCommerce as their Listen360 customer base seems to be already quite robust.

- Understanding that workshops are resource intense, they should only be provided to so-called "star customers".

- To maintain long-term loyalty, EverCommerce should show what differentiates them. Current customers should be made aware that all EverCommerce SaaS work harmonusly.

- These workshops shall be offered in groups in a general meeting point based on prospective customer's location clusters. If the expected yield is not achieved, EverCommerce should push by offering a few representatives to visit their clients and provide the workshops in-situ.

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1.1. Logistic regression with all variables

```
Call:
glm(formula = Cust_Lobb ~ ., family = "binomial", data = EC1_pred_1)

Deviance Residuals:
    Min       1Q    Median       3Q      Max
-1.9172  -0.8493  -0.6162   1.1151   2.4769

Coefficients: (1 not defined because of singularities)
              Estimate Std. Error z value Pr(>|z|)
(Intercept)   1.655e+00  4.524e-01   3.658 0.000254 ***
org_size     -3.617e-03  5.951e-04  -6.078 1.22e-09 ***
tenure       -2.516e-01  5.808e-02  -4.332 1.48e-05 ***
referral1     2.584e-01  9.205e-02   2.807 0.005005 **
latepay1     -6.304e-02  1.906e-01  -0.331 0.740843
Psim_vol      6.483e-04  5.122e-03   0.127 0.899291
Psim_CC      -1.627e-04  5.164e-03  -0.031 0.974872
Psim_mob     -7.786e-03  5.230e-03  -1.489 0.136521
Psim_ACH     -2.941e-02  5.652e-03  -5.203 1.96e-07 ***
Psim_dsf1    -3.593e-01  9.084e-02  -3.955 7.66e-05 ***
touches       2.403e-02  2.448e-02   0.982 0.326283
PsimRev07     4.122e-04  2.220e-04   1.857 0.063319 .
PsimRev08     1.491e-04  1.818e-04   0.820 0.412119
PsimRev09     2.620e-04  1.622e-04   1.615 0.106257
PsimRev10     1.350e-04  1.452e-04   0.929 0.352650
PsimRev11     4.512e-04  1.382e-04   3.265 0.001093 **
PsimRev12     5.979e-04  1.352e-04   4.420 9.85e-06 ***
PsimRev13     1.532e-04  1.344e-04   1.140 0.254440
PsimRev14     4.696e-06  1.253e-04   0.037 0.970108
PsimRev15     2.436e-04  1.210e-04   2.013 0.044136 *
PsimRev16     8.616e-06  1.383e-04   0.062 0.950308
NumberHH      1.526e-05  1.447e-05   1.055 0.291611
MedianIncome  2.727e-06  8.279e-06   0.329 0.741810
isFinance1    9.308e-01  2.665e-01   3.493 0.000478 ***
isFitness1    3.254e-01  2.157e-01   1.509 0.131421
isHealthC1    4.260e-01  1.584e-01   2.690 0.007148 **
isHomeImp1   -2.391e-01  1.770e-01  -1.350 0.176891
isLegal1     -1.749e-01  1.928e-01  -0.907 0.364250
isOnline1     4.870e-02  1.809e-01   0.269 0.787727
isRealEst1    1.604e-02  2.200e-01   0.073 0.941857
isSecurity1   8.475e-02  1.725e-01   0.491 0.623139
isTherapy1          NA         NA      NA       NA
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

1.2 Logistic regression (multicollinearity)

```
Call:
glm(formula = Cust_Lobb ~ . - isTherapy - latepay - Psim_vol -
    Psim_CC - Psim_mob - touches - PsimRev07 - PsimRev08 - PsimRev09 -
    PsimRev10 - PsimRev11 - PsimRev12 - PsimRev13 - PsimRev14 -
    PsimRev15 - PsimRev16, family = "binomial", data = EC1_pred_2)

Deviance Residuals:
    Min       1Q    Median       3Q      Max
-1.7438  -0.8645  -0.6583   1.1724   2.3171

Coefficients:
              Estimate Std. Error z value Pr(>|z|)
(Intercept)   6.877e-01  2.520e-01   2.728 0.006366 **
org_size     -4.040e-03  5.822e-04  -6.940 3.93e-12 ***
tenure        1.991e-03  1.526e-02   0.130 0.896208
referral      2.792e-01  8.511e-02   3.281 0.001036 **
Psim_ACH     -2.810e-02  2.330e-03 -12.060  < 2e-16 ***
Psim_dsf     -2.651e-01  8.775e-02  -3.021 0.002518 **
NumberHH      1.845e-05  1.422e-05   1.297 0.194592
MedianIncome  7.862e-07  8.091e-06   0.097 0.922594
isFinance     8.636e-01  2.610e-01   3.309 0.000936 ***
isFitness     3.252e-01  2.112e-01   1.540 0.123616
isHealthC     3.762e-01  1.549e-01   2.428 0.015166 *
isHomeImp    -2.619e-01  1.734e-01  -1.510 0.130920
isLegal      -2.000e-01  1.892e-01  -1.057 0.290572
isOnline      1.984e-02  1.760e-01   0.113 0.910245
isRealEst     4.444e-02  2.152e-01   0.207 0.836389
isSecurity    7.113e-02  1.694e-01   0.420 0.674589
--
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Dispersion parameter for binomial family taken to be 1)

    Null deviance: 3868.9  on 3108  degrees of freedom
Residual deviance: 3571.2  on 3093  degrees of freedom
AIC: 3603.2

Number of Fisher Scoring iterations: 4
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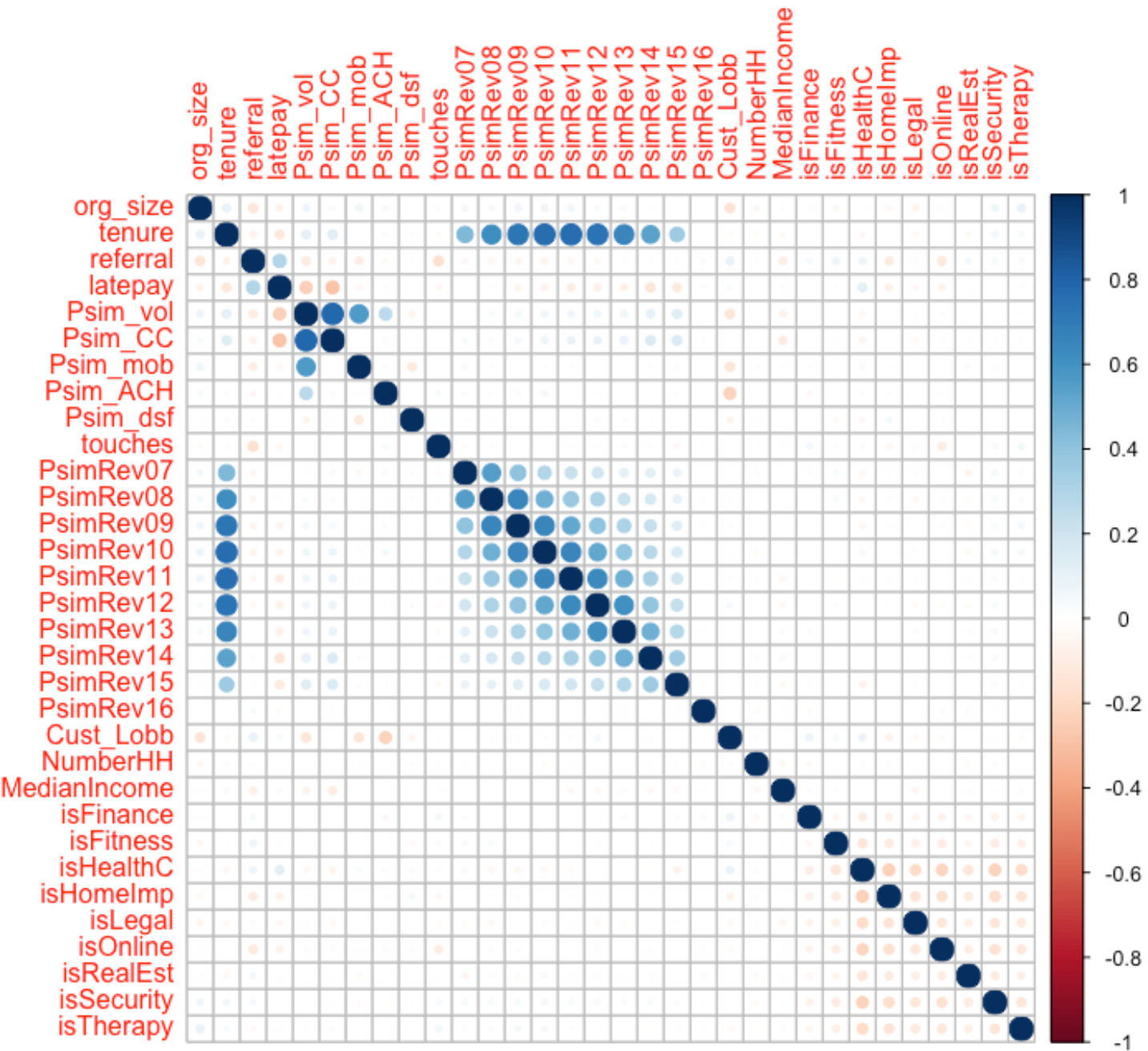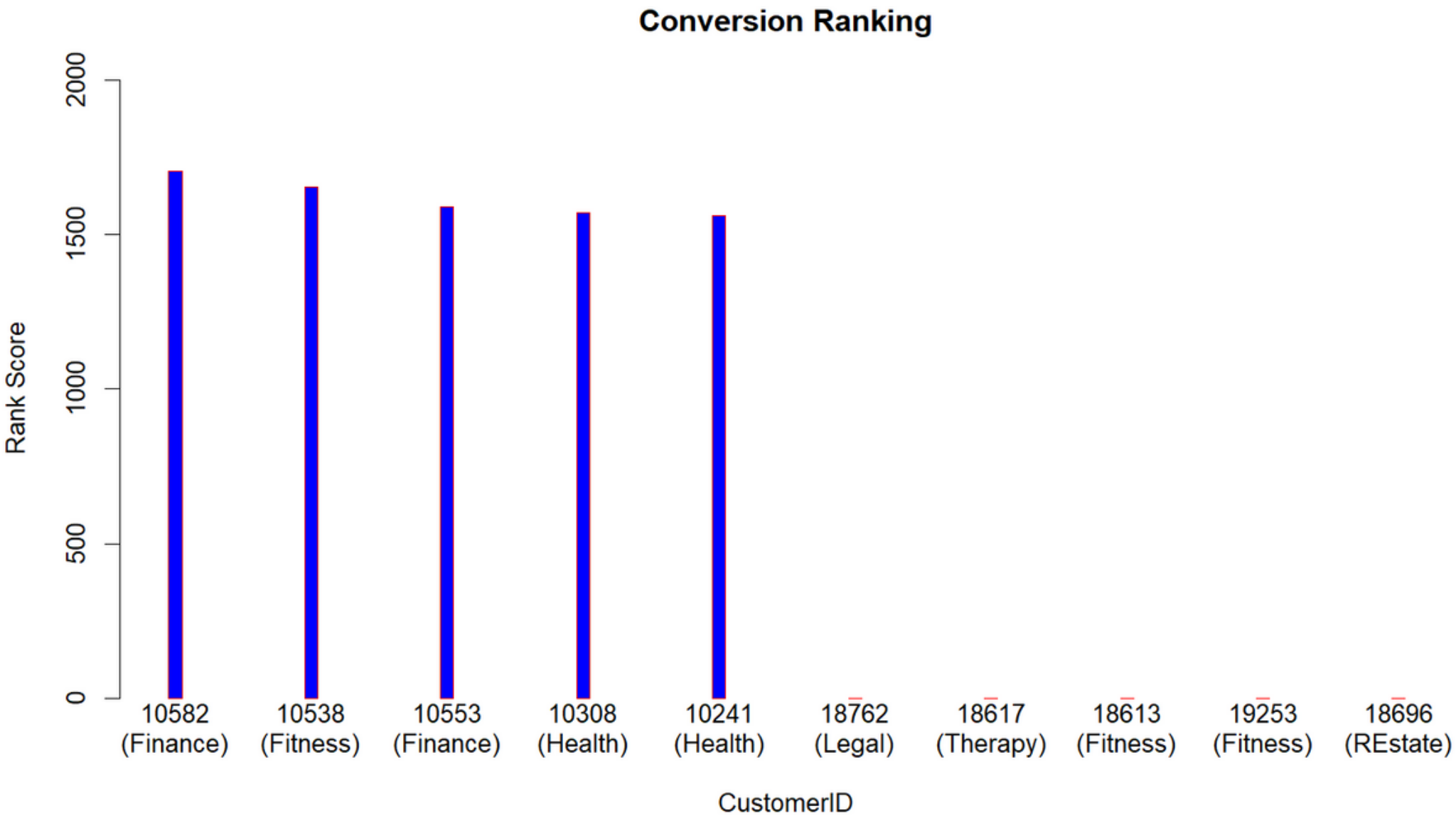
1.3 Correlation matrix

1.4. Likelihood of conversion of customers

Conversion Ranking

Sources

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