# BIA-672  Everlane Marketing Analysis

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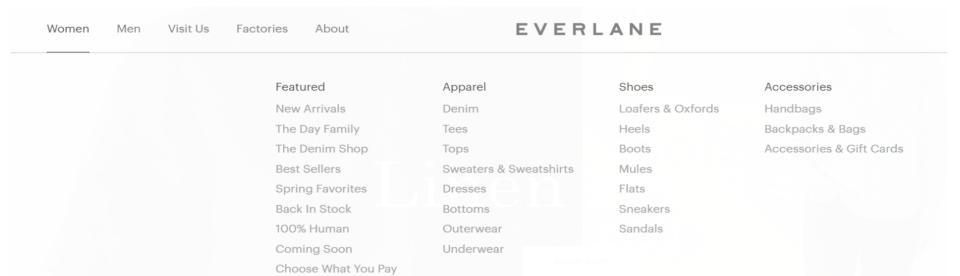Conclusion & Discussion

# NO.1

**Company Introduction**

# EVERLANE

Everlane founded in 2010 by 25-year-old Michael Preysman with $1.1 million in seed funding, is an online clothing retailer. The organization is headquartered in San Francisco, California and has a small team in New York City. It is a leader in sustainable apparel and pricing transparency.

# NO.2

**4P & Data Source**

# Place & Product

Place : San Francisco(Headquarter),  New York City( Pop-up shop for 2 week during the 2014 holidays). Provides same-day delivery to consumers in both cities.
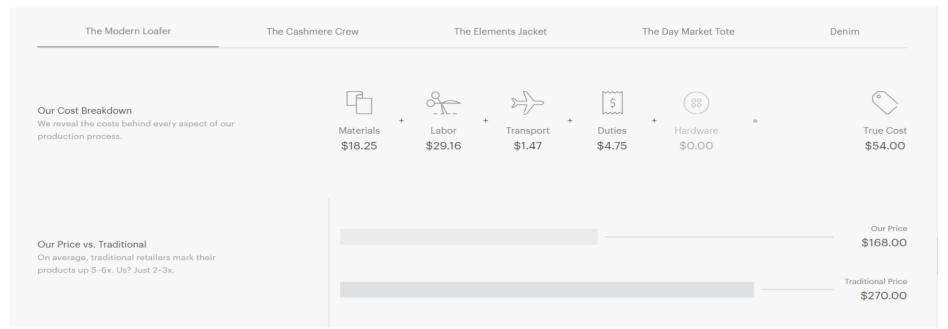
Product:  Apparel( including denim, tees, polos, sweaters, etc.), Women Shoes and Accessories.

Women      Men      Visit Us      Factories      About                    E V E R L A N E

| Featured | Apparel | Shoes | Accessories |
|---|---|---|---|
| New Arrivals | Denim | Loafers & Oxfords | Handbags |
| The Day Family | Tees | Heels | Backpacks & Bags |
| The Denim Shop | Tops | Boots | Accessories & Gift Cards |
| Best Sellers | Sweaters & Sweatshirts | Mules | |
| Spring Favorites | Dresses | Flats | |
| Back In Stock | Bottoms | Sneakers | |
| 100% Human | Outerwear | Sandals | |
| Coming Soon | Underwear | | |
| Choose What You Pay | | | |

# Promotion & Price

Promotion: Google AdWords and Facebook

Price: Everlane focus on pricing transparency. According to the web page, price of their product is much lower than the traditional counterpart.

| The Modern Loafer | The Cashmere Crew | The Elements Jacket | The Day Market Tote | Denim |
|---|---|---|---|---|

**Our Cost Breakdown**
We reveal the costs behind every aspect of our production process.

| Materials | | Labor | | Transport | | Duties | | Hardware | | True Cost |
|---|---|---|---|---|---|---|---|---|---|---|
| $18.25 | + | $29.16 | + | $1.47 | + | $4.75 | + | $0.00 | = | $54.00 |

**Our Price vs. Traditional**
On average, traditional retailers mark their products up 5–6x. Us? Just 2–3x.

Our Price
$168.00

Traditional Price
$270.00

# Dataset

Data includes Social Media PPC Campaign Data on Google AdWords and Facebook, Lead-to-Customer Data, Post-Course Completion Survey Data, and Ad Channel Data from 4/1/17 to 6/30/17

# NO.3

**Customer Analysis**

# Lead to Customer Data

B²

| Name | Lead Source | Sign-up Date | Watched Webinar | Purch <30d post-web | Sent e-book email | Purch <30d post-ema | Sent 20% email | Purch <15d post-ema | Became Customer | Date of 1st Purchase | Transaction Time (days) | Total 1yr Purch, net | # Touch Pts to Purch |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Case, Devin | Facebook | 2017/5/7 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/5/30 | 23 | $425.00 | 1 |
| West, Kimberly | Facebook | 2017/5/4 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/5/11 | 7 | $424.00 | 1 |
| Scott, Demetrius | Facebook | 2017/6/10 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/7/3 | 23 | $423.00 | 1 |
| Cabrera, Charity | AdWords | 2017/6/15 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/6/18 | 3 | $422.00 | 1 |
| Tran, Landen | Facebook | 2017/5/20 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/6/7 | 18 | $421.00 | 1 |
| Flowers, Franco | AdWords | 2017/4/17 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/5/11 | 24 | $420.00 | 1 |
| Buchanan, Simone | Facebook | 2017/6/5 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/6/27 | 22 | $418.00 | 1 |
| Fitzgerald, Tripp | AdWords | 2017/4/29 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/5/23 | 24 | $418.00 | 1 |
| Mack, Ishaan | Facebook | 2017/6/9 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/7/2 | 23 | $417.00 | 1 |
| Perry, Dominik | Facebook | 2017/5/25 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2017/5/31 | 6 | $417.00 | 1 |

Facebook
AdWords

# Survey Data

B²

## Net Promotion Score

Weather customer will

recommend the products to others

➢ 0-6: Detractors
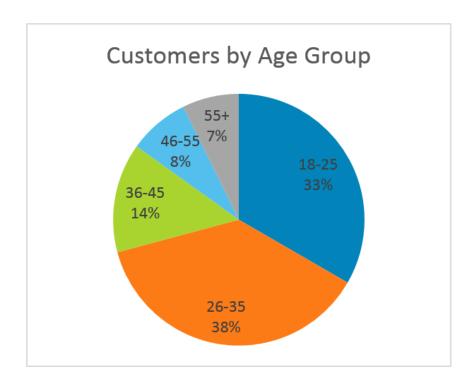
➢ 9-10: Promotors

| Lead Source | Age | Age Group | How likely is it that you would recommend this company to a friend or colleague? | How did you first hear about this product? | How likely are you to buy another product from us? | If you are not likely to buy another product, what's the main reason? |
|---|---|---|---|---|---|---|
| AdWords | 22 | 18-25 | 10 | Article | Likely | |
| AdWords | 22 | 18-25 | 9 | Article | Likely | |
| AdWords | 21 | 18-25 | 6 | Article | Not likely | Too expensive |
| AdWords | 25 | 18-25 | 5 | Article | Not likely | Don't need any more |
| AdWords | 22 | 18-25 | 10 | Article | Not sure | |
| AdWords | 24 | 18-25 | 6 | Article | Very likely | |
| AdWords | 23 | 18-25 | 9 | Conference | Not likely | Don't need any more |
| AdWords | 24 | 18-25 | 6 | Conference | Not likely | Didn't meet expectations |
| AdWords | 25 | 18-25 | 6 | Conference | Not sure | |
| AdWords | 21 | 18-25 | 10 | Friend, family, or co | Likely | |
| AdWords | 23 | 18-25 | 10 | Friend, family, or co | Likely | |
| AdWords | 21 | 18-25 | 9 | Friend, family, or co | Likely | |
| AdWords | 21 | 18-25 | 9 | Web search | Very likely | |

# Customer Analysis

**Overall Stats**

|  | Overall | AdWords | Facebook |
|---|---|---|---|
| # Customers | 252 | 123 | 129 |
| Avg Age | 33 | 36 | 30 |
| Days to purch | 26 days | 29 days | 23 days |
| Cust Acq $ | $67 | $79 | $55 |
| Avg 1yr purch | $333 | $329 | $338 |
| # Touch Pts | 1.4 | 1.6 | 1.3 |
| Lead CVR % | 32.5% | 30.5% | 34.6% |

## Customers by Age Group



- 18-25 33%
- 26-35 38%
- 36-45 14%
- 46-55 8%
- 55+ 7%

# Comparison Between Adwords & Facebook

B²

Adwords

Facebook

## Customers by Age Group

18-25 22%

26-35 37%

36-45 18%

46-55 12%

55+ 11%

## Customers by Age Group

18-25 43%

26-35 38%

36-45 11%

46-55 4%

55+ 4%

18-35: **59%**      36-55: **30%**

18-35: **81%**      36-55: **15%**

# Customer Analysis

B[2]

## Why Facebook is better?

➢Attract more young people

➢Better social networking platform

## Should the company put all budget on Facebook?

➢Diverse place source

➢Diverse Customer base

# NO.4

Channel Analysis

# Customer Acquisition Cost & Conversion Rate

| Channel | Prospects | Total investment | Cost per Prospect | # Customers | CAC | % Customer Conversion |
|---------|-----------|------------------|-------------------|-------------|-----|-----------------------|
| **AdWords** | 5952 | $9,680.50 | $1.63 | 123 | $78.70 | 2.07% |
| **Facebook Ad** | 3470 | $7,101.54 | $2.05 | 129 | $55.05 | 3.72% |
| **LinkedIn Ad** | 1000 | $6,000.00 | $6.00 | 75 | $80.00 | 7.50% |
| **Spotify Ad** | 1000000 | $17,000.00 | $0.02 | 175 | $97.14 | 0.02% |

Last two channels are potential channels.

The channel with lowest Customer Acquisition Cost  is Facebook.

The channel with highest Conversion Rate is Linkedin.

# Customers Acquired per $1,000 Spend

| Channel | Cost per Prospect | # Prospects | % Customer Conversion | # Customers |
|---------|-------------------|-------------|----------------------|-------------|
| AdWords | $1.63 | 614.84 | 2.07% | 13 |
| Facebook Ad | $2.05 | 488.63 | 3.72% | 18 |
| LinkedIn Ad | $6.00 | 166.67 | 7.50% | 13 |
| Spotify Ad | $0.02 | 58823.53 | 0.02% | 10 |

Budget: $1000

Last two channels are potential channels.

The channel with most Customers is Facebook, ADwords and Linkedin following.

# When Future Value less than $1

| Channel | Period |
|---------|--------|
| AdWords | 11 |
| Facebook Ad | 12 |
| LinkedIn Ad | 12 |
| Spotify Ad | 11 |

FV for customers from AdWords and Spotify will last 11 months while for customers from Facebook and LinkedIn will last 12 months.

After almost 1 year, future value in every channel goes to less than $1.

# Customer Lifetime Value

| Channel | Revenue | Gross Profit | Retention | CLV | CAC | CLV net |
|---------|---------|--------------|-----------|-----|-----|---------|
| **AdWords** | $328.57 | $262.86 | 62.2% | $342.32 | $78.70 | $263.62 |
| **Facebook Ad** | $337.73 | $270.18 | 70.6% | $483.91 | $55.05 | $428.86 |
| **LinkedIn Ad** | $335.00 | $268.00 | 70.0% | $469.00 | $80.00 | $389.00 |
| **Spotify Ad** | $330.00 | $264.00 | 62.0% | $341.00 | $97.14 | $243.86 |

Margin Rate: 80%

Discount Rate: 10%

Last two channels are potential channels.

Facebook and  Linkedin have higher Customer Lifetime Value the others.

The channel with highest CLV net is Facebook followed by LinkedIn.

# NO.5

## Prediction

# Proposal

1. Hire a social media manager to be active on Facebook, LinkedIn , and Twitter and start engaging followers
2. Start tailor promotion to increase customer retention
3. Ad data will be analyzed monthly to determine the best ads that lead to the highest outcomes

# Assumption

Social MGR Salary: $55,000

Social Media tools: $250/mth

Paid customer acquisition

| | Mthly Ad $ | Cost per Prospect | New Prospects | Existing Cust CVR | CVR Increase | Scenario Cust CVR | New Cust | Existing Retention | Retention Increase | Scenario Cust CVR |
|---|---|---|---|---|---|---|---|---|---|---|
| AdWords | $2,000 | $1.63 | 1,230 | 2.07% | 2.00% | 4.07% | 50 | 62.22% | 2.00% | 64.22% |
| Facebook Ad | $4,000 | $2.05 | 1,955 | 3.72% | 3.00% | 6.72% | 131 | 70.59% | 3.00% | 73.59% |
| LinkedIn Ad | $2,000 | $6.00 | 333 | 7.50% | | 7.50% | 25 | 70.00% | 3.00% | 73.00% |
| Spotify Ad | $5,000 | $0.02 | 294,118 | 0.02% | | 0.02% | 51 | 62.00% | 2.00% | 64.00% |

# Assumption

Organic Customer Acquisition

| | Current Followers | Growth w/o SM Mgr | Monthly Growth | Scenario Growth | New Fllwr CVR % | Avg 1yr Purch | Retention |
|---|---|---|---|---|---|---|---|
| Facebook Organic | 2,538 | 1.0% | 8.0% | 8.0% | 8.0% | $338 | 73.0% |
| LinkedIn Organic | 528 | 1.0% | 8.0% | 8.0% | 8.0% | $335 | 73.0% |
| Twitter Organic | 190 | 1.0% | 8.0% | 8.0% | 5.0% | $330 | 73.0% |

# Prediction

**Social Media Revenue & Customers**

| | 1/31/2017 | 2/28/2017 | 3/31/2017 | 4/30/2017 | 5/31/2017 | 6/30/2017 | 7/31/2017 | 8/31/2017 | 9/30/2017 | 10/31/2017 | 11/30/2017 | 12/31/2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **AdWords** | | | | | | | | | | | | |
| New Customers | 0 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Churn | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Total Customers* | *0* | *50* | *100* | *150* | *200* | *250* | *300* | *350* | *400* | *450* | *500* | *550* |
| Revenue | $0 | $1,369 | $2,738 | $4,107 | $5,476 | $6,845 | $8,214 | $9,583 | $10,952 | $12,321 | $13,690 | $15,059 |

| 1/31/2018 | 2/28/2018 | 3/31/2018 | 4/30/2018 | 5/31/2018 | 6/30/2018 | 7/31/2018 | 8/31/2018 | 9/30/2018 | 10/31/2018 | 11/30/2018 | 12/31/2018 | 1/31/2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 0 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -18 | -18 |
| *600* | *632* | *664* | *696* | *728* | *760* | *792* | *824* | *856* | *888* | *920* | *952* | *984* |
| $16,428 | $17,305 | $18,181 | $19,057 | $19,933 | $20,809 | $21,686 | $22,562 | $23,438 | $24,314 | $25,190 | $26,066 | $26,943 |

# Expenses

**Social Media Expenses**

| | 1/31/2017 | 2/28/2017 | 3/31/2017 | 4/30/2017 | 5/31/2017 | 6/30/2017 | 7/31/2017 | 8/31/2017 | 9/30/2017 | 10/31/2017 | 11/30/2017 | 12/31/2017 | 1/31/2018 | 2/28/2018 | 3/31/2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AdWords | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 |
| Facebook Ad | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| LinkedIn Ad | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Spotify Ad | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Social Media Mgr Salary | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 |
| Social Media Tools | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| **Total Social Media Exp** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** |
| *Cumulative Expenses* | *$17,833* | *$35,667* | *$53,500* | *$71,333* | *$89,167* | *$107,000* | *$124,833* | *$142,667* | *$160,500* | *$178,333* | *$196,167* | *$214,000* | *$231,833* | *$249,667* | *$267,500* |
| | | | | | | | | | | | | | | | |
| **Net Profit** | **($17,833)** | **($10,115)** | **($2,313)** | **$5,517** | **$13,375** | **$21,318** | **$29,317** | **$37,372** | **$45,511** | **$53,707** | **$62,014** | **$70,406** | **$78,910** | **$85,190** | **$91,554** |
| *Cumulative Net Profit* | *($17,833)* | *($27,949)* | *($30,262)* | *($24,745)* | *($11,370)* | *$9,948* | *$39,264* | *$76,636* | *$122,147* | *$175,854* | *$237,869* | *$308,275* | *$387,185* | *$472,374* | *$563,928* |
| *Breakeven Month* | *1* | *1* | *1* | *1* | *1* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |

| 4/30/2018 | 5/31/2018 | 6/30/2018 | 7/31/2018 | 8/31/2018 | 9/30/2018 | 10/31/2018 | 11/30/2018 | 12/31/2018 | 1/31/2019 |
|---|---|---|---|---|---|---|---|---|---|
| $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 |
| 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 |
| 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** | **$17,833** |
| *$285,333* | *$303,167* | *$321,000* | *$338,833* | *$356,667* | *$374,500* | *$392,333* | *$410,167* | *$428,000* | *$445,833* |
| | | | | | | | | | |
| **$98,058** | **$104,703** | **$111,488** | **$118,385** | **$125,423** | **$132,602** | **$140,004** | **$147,548** | **$155,289** | **$163,254** |
| *$661,987* | *$766,690* | *$878,178* | *$996,563* | *$1,121,987* | *$1,254,588* | *$1,394,593* | *$1,542,141* | *$1,697,429* | *$1,860,683* |
| *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |

# Return Summary

| | |
|---|---|
| ROI | 417% |
| Breakeven Month | 6 |
| Cumulative Revenue | $2,306,517 |
| Cumulative Net Profit | $1,860,683 |
| Total New Customers | 7,529 |

ROI should be >500%, but 417% is not a bad result, we can still hire a social media manager to increase the company's profit

# NO.6

## Conclusion & Discussion

# Conclusion & Discussion

1. Social Media such as Facebook is a good tool to advertise product.

2. Distribute more budget on      Facebook but not put all on one platform.

3. Compare with obtaining new customers, keeping loyalty customers is a better choice. Retention rate is also an important metric for us to analyze.

4.  In total, hiring a social media manager to manage consumers can bring profit for the marketing department.

# Thank You