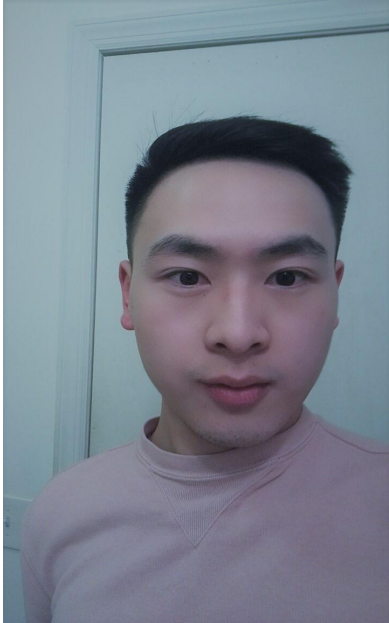


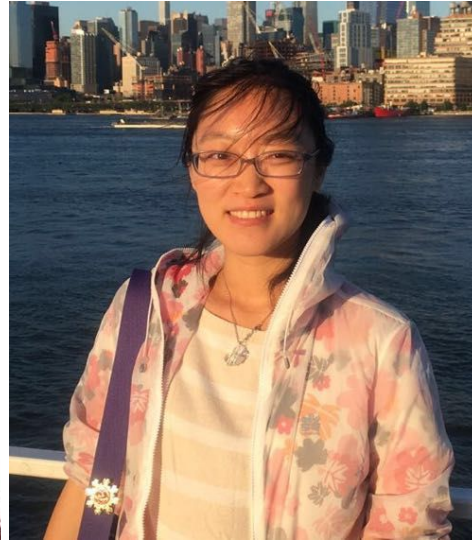
# BIA-672 Everlane Marketing Analysis



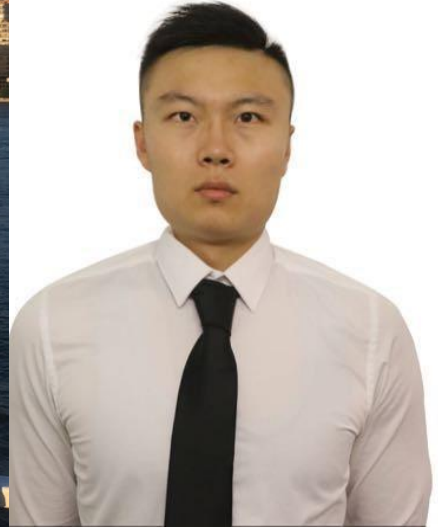
Xiang Yang



Fanshu Li



Yingjun Pan



Zhuohui Jiang

# Contents



Company Introduction



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Conclusion & Discussion

# NO.1

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## Company Introduction

A background image of a modern, minimalist clothing store interior. The store features light-colored wooden shelving units on the left and right, filled with folded clothes and shoes. In the center, there are racks of hanging garments. The lighting is bright and even, creating a clean and organized atmosphere. The word "EVERLANE" is overlaid in a large, teal, sans-serif font at the top center.

# 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

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## 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](#)

EVERLANE

Featured

New Arrivals

The Day Family

The Denim Shop

Best Sellers

Spring Favorites

Back In Stock

100% Human

Coming Soon

Choose What You Pay

Apparel

Denim

Tees

Tops

Sweaters & Sweatshirts

Dresses

Bottoms

Outerwear

Underwear

Shoes

Loafers & Oxfords

Heels

Boots

Mules

Flats

Sneakers

Sandals

Accessories

Handbags

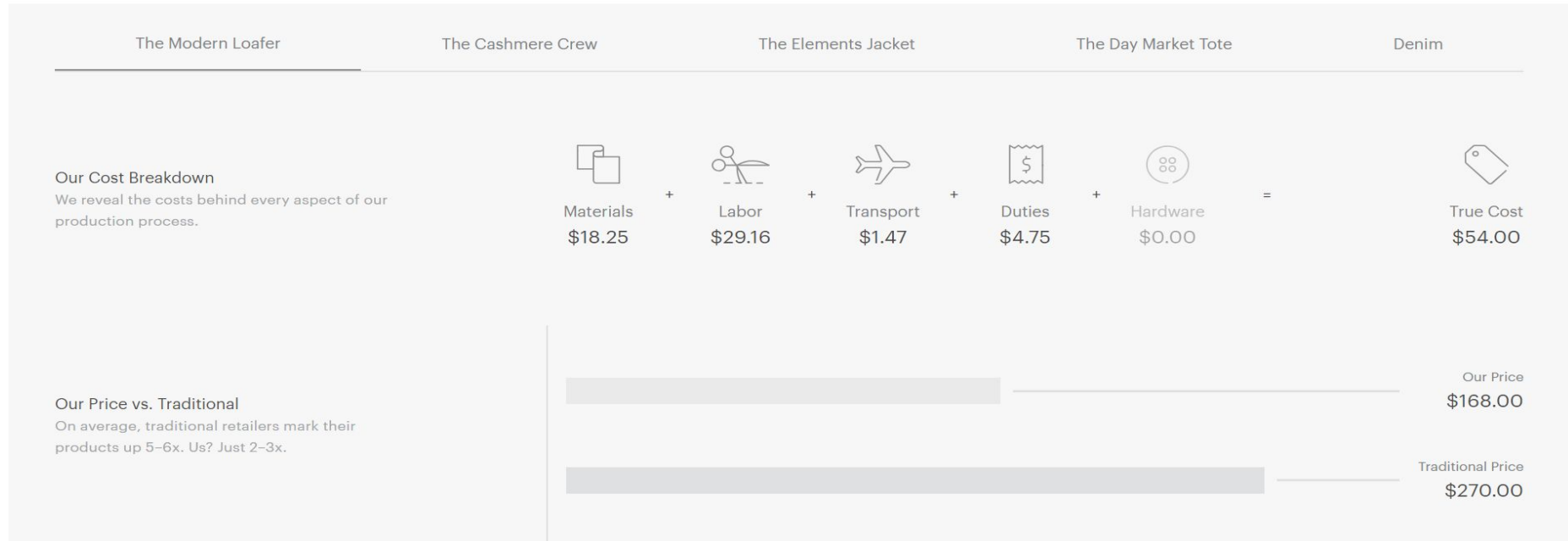
Backpacks & Bags

Accessories & Gift Cards

# 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.



# 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

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## Customer Analysis

# Lead to Customer Data

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 (day)	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

B<sup>2</sup>

## Net Promotion Score

Weather customer will

recommend the products to others

➤ 0-6: Detractors

➤ 9-10: Promoters

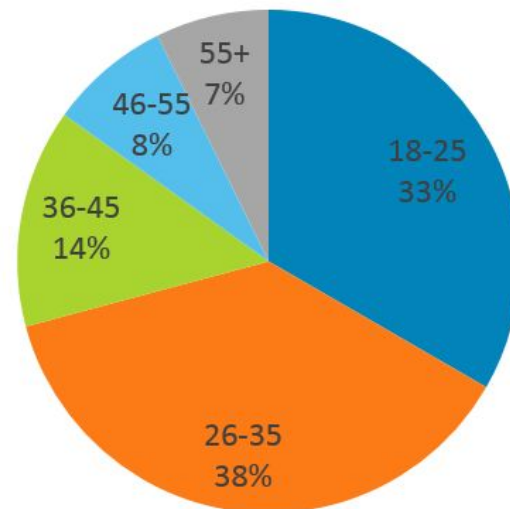
Lead Source	Age	Age Group	How likely is it that you would recommend this company to a friend or colleague?	How did you first hear about this product?	How likely are you to buy another product from us?	If you are not likely to buy another product, what's the main reason?
AdWords	22	18-25	10	Article	Likely	
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 colleague	Likely	
AdWords	23	18-25	10	Friend, family, or colleague	Likely	
AdWords	21	18-25	9	Friend, family, or colleague	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%

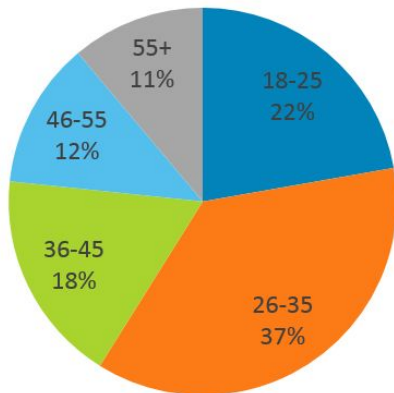
## Customers by Age Group



# Comparison Between Adwords & Facebook

## Adwords

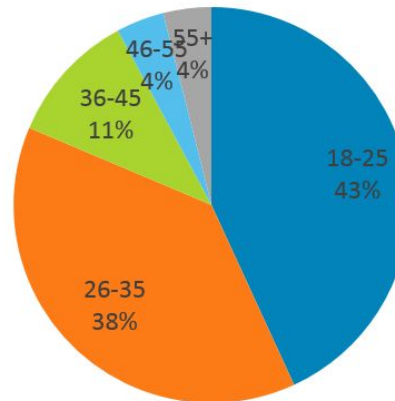
Customers by Age Group



18-35: **59%**    36-55: **30%**

## Facebook

Customers by Age Group



18-35: **81%**    36-55: **15%**

# Customer Analysis

## 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

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## 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 than the others.

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

# NO.5

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## 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
<b>AdWords</b>												
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
<i>Total Customers</i>	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	50
0	-18	-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	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	\$26,943



# Expenses

## Social Media Expenses

[illegible][illegible]

# 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.

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# Thank You

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