

Should Prism Plus Be Axed?

Team Violet



Business Objective

To increase Prism's **revenue**
by 7% in three months



Strategic Objective

To utilise **Prism Plus** to
increase customer
retention and **revenue**



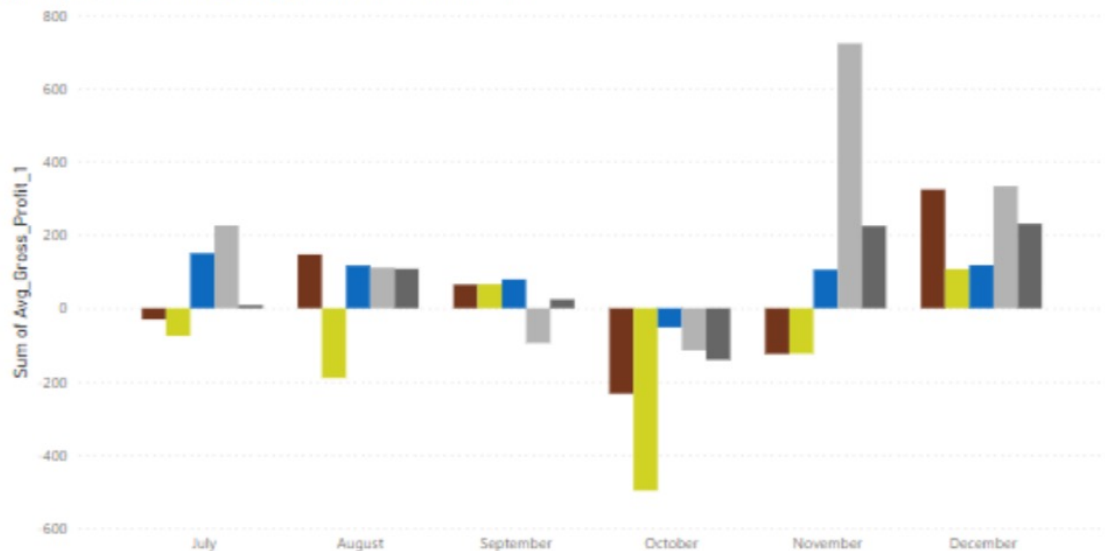
Assumptions

1. All values are from the last 6 months
 - Customers stay in the same tier over the 6 months
2. Gross profit includes returns

Inconsistent Profitability With Our Current System

Average Gross Profit per Month Per Tier

prism_plus_tier ● Bronze ● Gold ● Non members ● Platinum ● Silver



Over the last 6 months



Negative Gross Profit

Some months we are actually **losing money** in some tiers



'Problem' Tiers

Bronze & Gold Tier are consistently losing money month meaning their “benefit” is too high

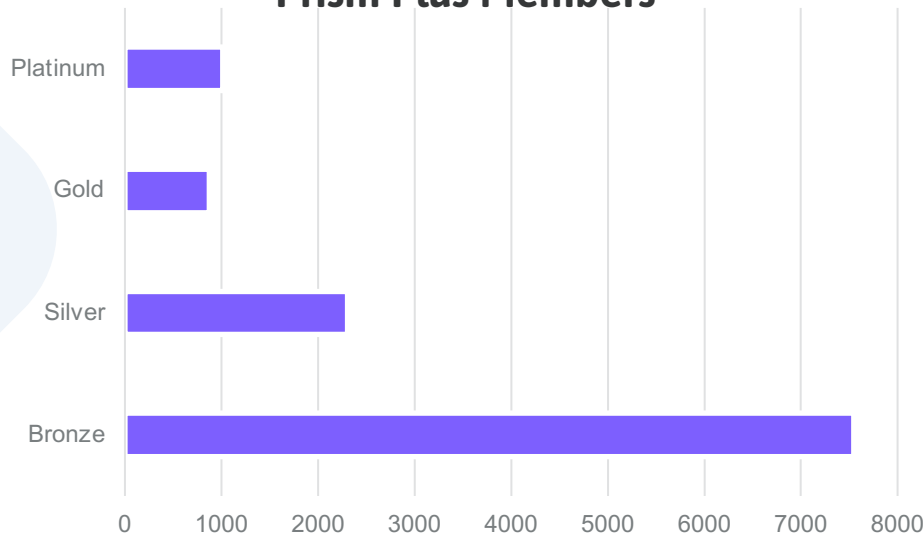


Reasons

Lower tiers are buying products that have low profit margins, so when offering them 5-15% off, this could decrease the profit margin into negative.

Gold has the Lowest Number of Members

Prism Plus Members



Insight

As the tiers increase, the numbers of members drops significantly.

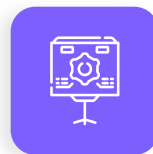
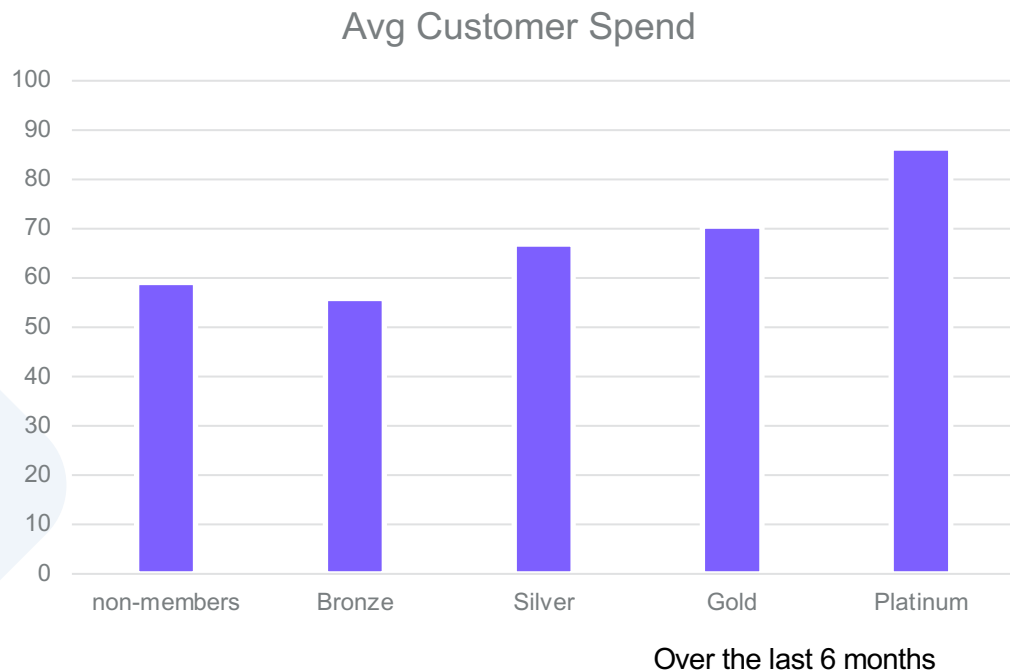


Reasons

The rewards are not attractive enough, customers may not be motivated to reach that level.

Poor promotion can result in low awareness of the tier and its benefits among customers.

Bronze Tier Has The Lowest Average Spend



Bronze Tier members have spent the least over the last 6 months



People at this tier are **not incentivised** to keep making purchases.



System is based on **number of transactions**, rather than **£ amount**

Biggest Problems with Current System



#1

Inconsistent Profitability



#2

**Low Member Count in
some Tiers**



#3

**Lowest Average
Transaction Spend in
Bronze**



#4

**No Incentive to Spend
More Money**



#5

**Low barrier to moving up
the tiers**

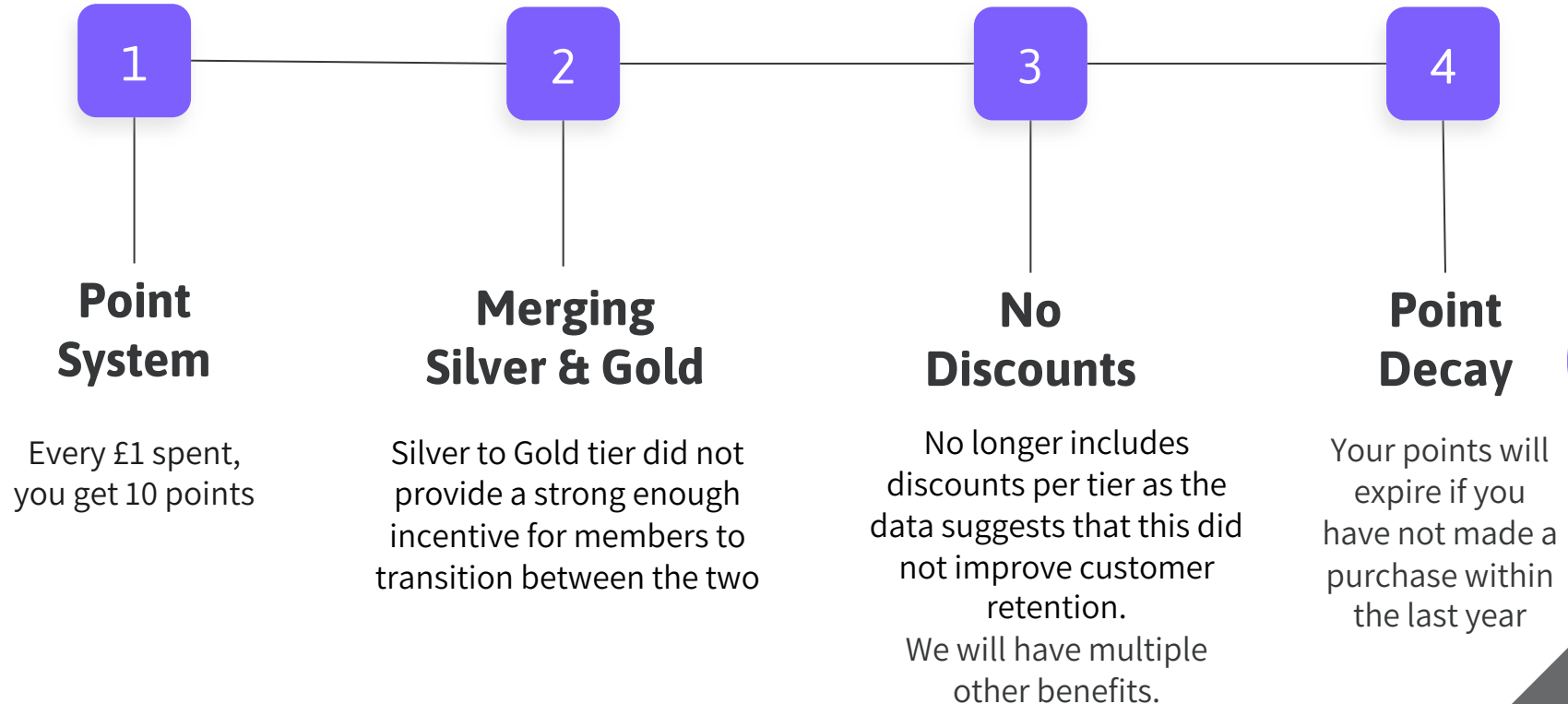
Should Prism Plus Be Axed?

Not Completely...

A loyalty scheme is still needed due to our highly valued Platinum customers and customer retention being one of our goals

Out with the **Old**, In with the **New**

Prism Plus 2.0



Prism Plus Points System

Every £1 Spent = 10 Points

600

Bronze

1. Birthday discounts
2. Back-in-stock alerts
3. Early access sales

1500

Silver

1. Birthday discounts
2. Back-in-stock alerts
3. Early access sales
4. Early access to new items

3500

Gold

1. Birthday discounts
2. Back-in-stock alerts
3. Early access sales
4. Early access to new stock
5. Free shipping
6. Access to exclusive items

Measuring Success via A/B Testing

The goal of a loyalty programme is to **increase repeat purchases** and **increase order values**

Therefore, we will measure the success of the redesigned programme by rolling it out to another random opted-in 10,000 customers. We will run a **A/B test** and compare the current and new systems for the next 3 months.



KPI 1

Gross Profit
per Prism+ Tier



KPI 2

Number of Transactions
per Prism+ Tier



KPI 3

Average Order Value
per Prism+ Tier



Thanks!

**Does anyone have any
questions?**

Violet Team

By Aima, Ben, Fryad, Hoby, Mahfuz, Iahno & Shubham

Success Of Current Prism+ Scheme

179.99K

Gross Profit

3028

Active Member Count

Prism+ Tier

Select all

Silver

Platinum

Non members

Gold

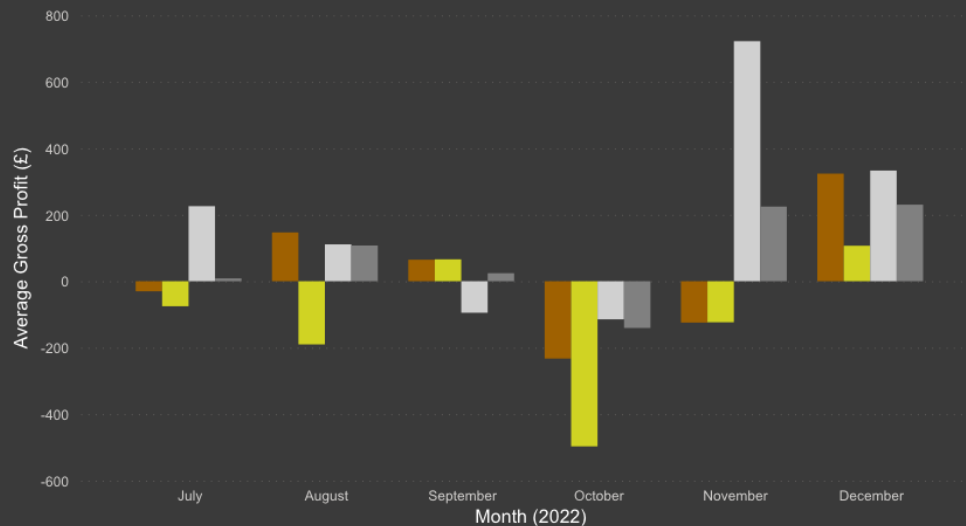
Bronze



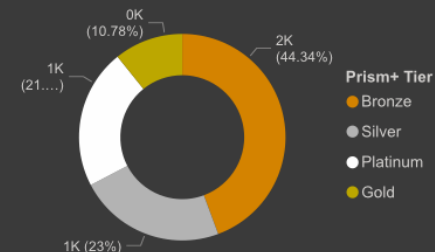
Filters

Average Gross Profit per Month per Tier

Prism+ Tier ● Bronze ● Gold ● Platinum ● Silver



Number of Transactions per Tier



Week9 PowerBI, Profit and Transactions

Data updated on 13/04/23, 21:31

