

SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses	Impact
Discounting Strategy	Health Supplement Company	Developed discount strategy for clients' customers so that discount are provided based on customer persona and NPS scorecard for client's customer	<ul style="list-style-type: none">▪ Churn Score of Customer▪ LTV of Customer▪ # frequency of purchase	Increased sales margin (~2.5M USD per quarter) by providing optimum discounts and not flat rates

DISCOUNT STRATEGY FOR CHURNING CUSTOMERS FOR HEALTH SUPPLEMENT COMPANY

ABOUT THE CLIENT

Client is a producer of collagen-based health supplements and the category leader in the U.S.

SITUATION



- The client was having high customer churn with almost **60% of the customer base under high churn probability**. The flat “30% discount rate” strategy was not increasing the retention rate and was decreasing the purchase margins.
- Merilytics partnered with client’s CRM team to **design a discounting strategy** that provides discounts on customer’s next purchase to targeted customers based on their **historical purchase characteristics** such as churn probability, LTV, and type of customer.
- Merilytics also created a **Customer 360 profile** using the survey responses given by the customers in each platform and created an **NPS dashboard**

VALUE ADDITION



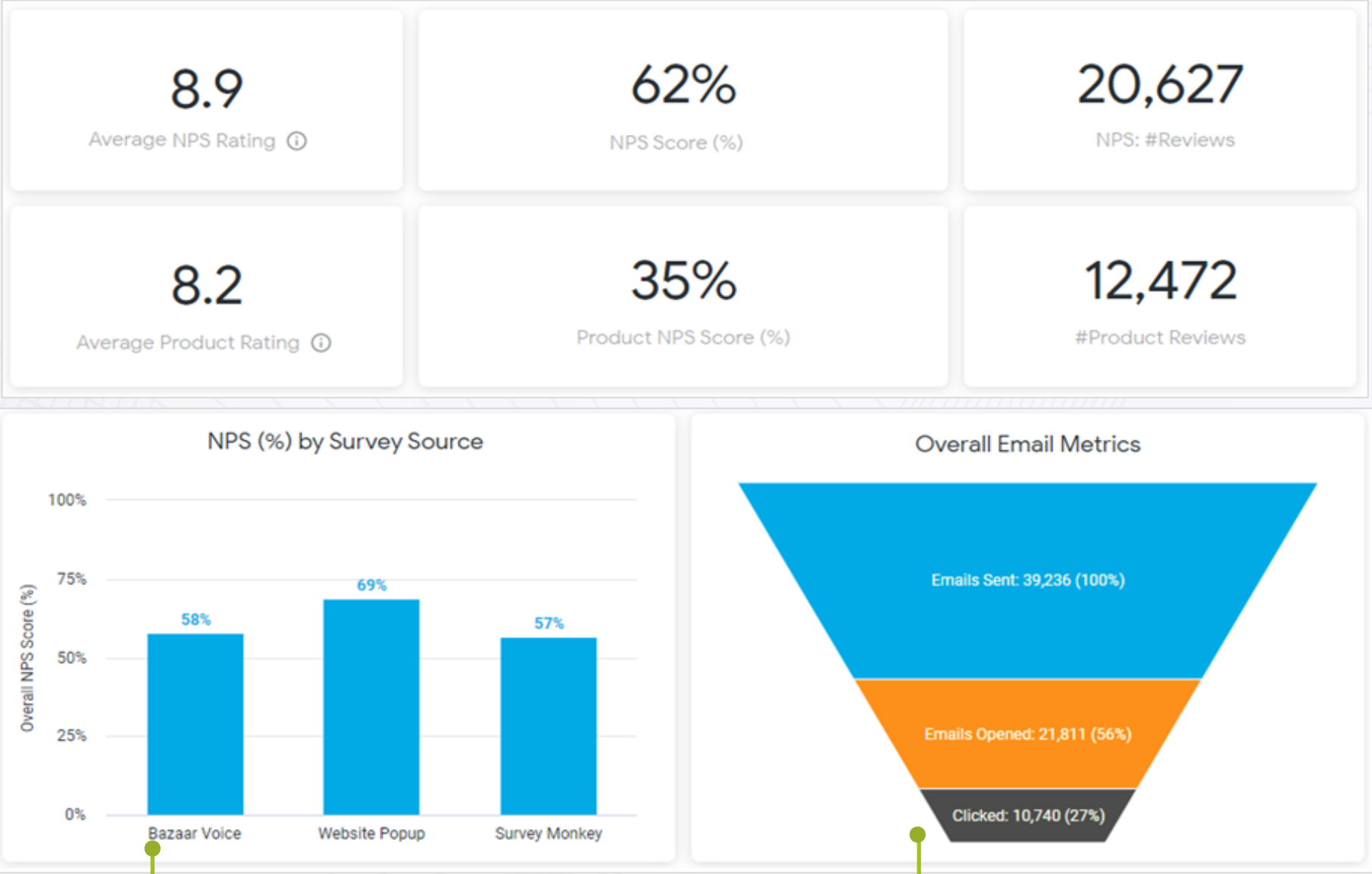
- **Calculated churn probability** for each customer, based on machine learning algorithm (randomforestclassifier) using LTV (Lifetime value), recency of order, frequency of order, tenure of customer, discount, and subscription order as inputs
- Segmented customers based on **Type, Churn score, and LTV into 27 segments**; Subscriber-High Churn-High LTV being the highest priority segment and Try & Bounce-Low Churn-Low LTV being the lowest priority segment. **Personalized discount rates are assigned** between 5-30% that are updated daily for each customer based on their segmentation
- **Consolidated the customer survey responses** in a consumable format and stored in the data warehouse. Created a pipeline between the **data warehouse and CRM tool** to pass the customer survey responses in the form of ratings over the CRM tool.
- Calculated the **Net Promoter Score (NPS)** for each customer based on the ratings given on Bazaarvoice, Survey Monkey, and site pop-ups and **built a dashboard** that shows the **overall Brand NPS** across all survey sources and an **overall Product NPS score**.

IMPACT



- Revised discount strategy **improved client margins** because now they don’t have to give “Flat 30%” discount to all customers
- Personalized discount rates helped the CRM team to **customize their customer win back funnel emails** and share the discount rates as per the customer’s purchasing behavior. Increased sales margin (**~2.5M USD per quarter**) by providing optimum discounts and not flat rates
- NPS Dashboard enabled the client team to take **strategic decisions** such as **streamlining the product line-up** by identifying low rated products and removing them from listing

NPS DASHBOARD (1/2)

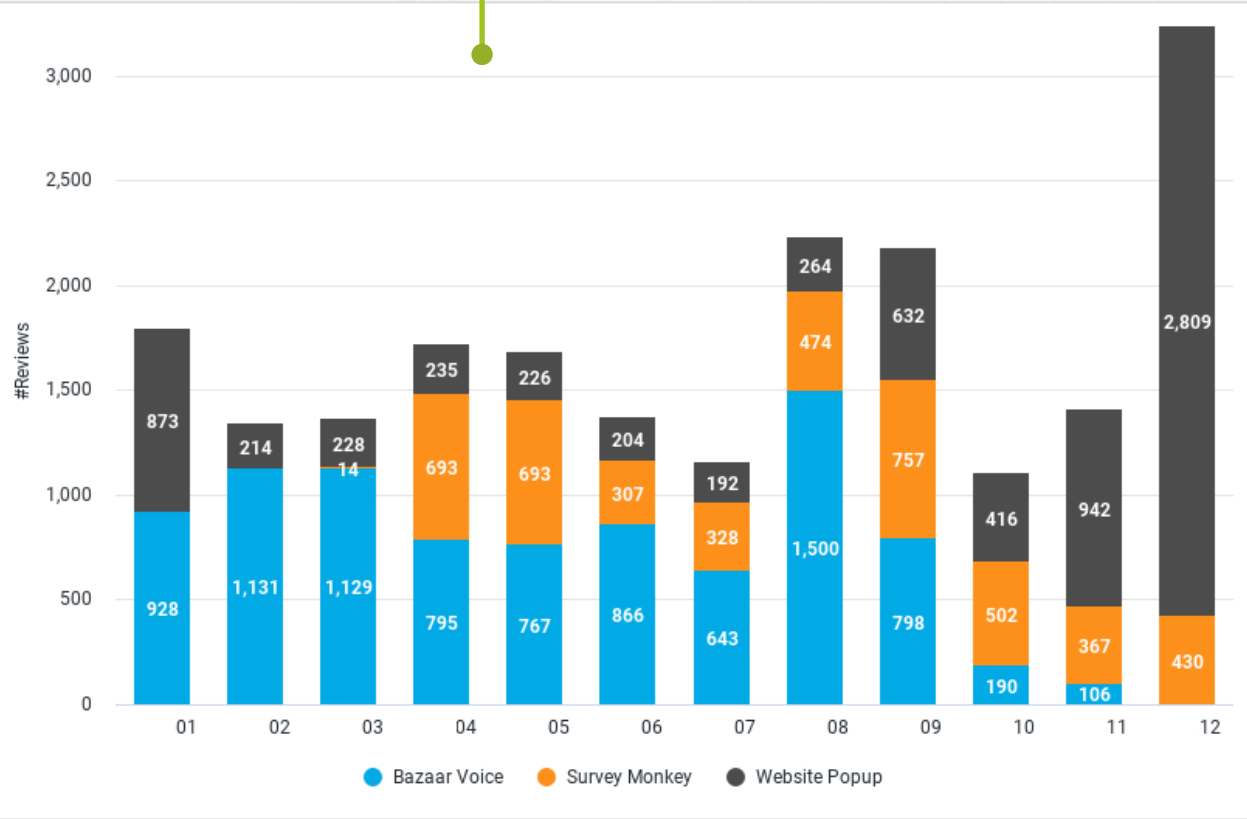


The view shows the NPS score by survey source

The view shows the number of review emails sent, opened and clicked

NPS DASHBOARD (2/2)

Tracks the trend of the number of reviewers by source by month



Tracks the NPS trend and the overall perception of the brand by the reviewers by month

