



A/B Testing for Gift of the Month Campaign

Health Supplements Provider

Evaluated the performance of 'gift of the month' campaign to understand the retention of test group subscribers

A/B Testing of Free Gift Campaign for Health Supplement Company

Situation

- Client anticipated high churn due to drop in subscription discount percentage over 3 consecutive months for new customers. Client needed to understand the effectiveness of an email campaign of 'Free gift' that was offered to all the subscribers to reduce the churn.
- Merilytics partnered with client to run an A/B test for the 'free gift' email campaign and analyzed the difference in evaluation metrics between test and control subscribers' cohorts.

Accordion Value Add

- Designed an A/B test to evaluate the success of the 'Free gift' email campaign
- 80% of the January customer cohort active after two months were sent an email asking to claim the free gift. This is the test group and the remaining 20% is the control group who did not receive any emails
- Evaluated the performance of the test group and the control group by measuring retention rate, cancellation rate and gift redemption rate
- The ROI of the free gift was evaluated by calculating the gain i.e., cancellations prevented by gift of the month

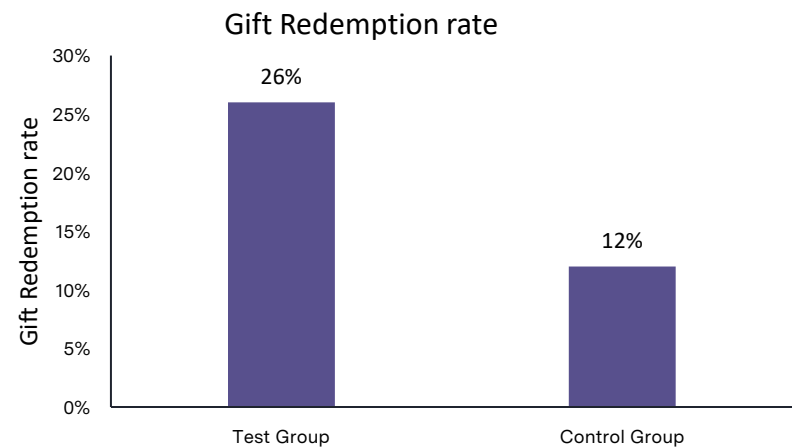
Impact

- The A/B test results showed that the Free Gift campaign was successful in retaining customers as the retention rate for the test group was 53% higher than the control group.
- The A/B test results also revealed that 'Gift of the month' program successfully reduced the cancellation rates for those who redeemed the gift.
- The ROI analysis of the program revealed that it prevented 14% of cancellations, exceeding the 9% goal to breakeven the cost of the program.

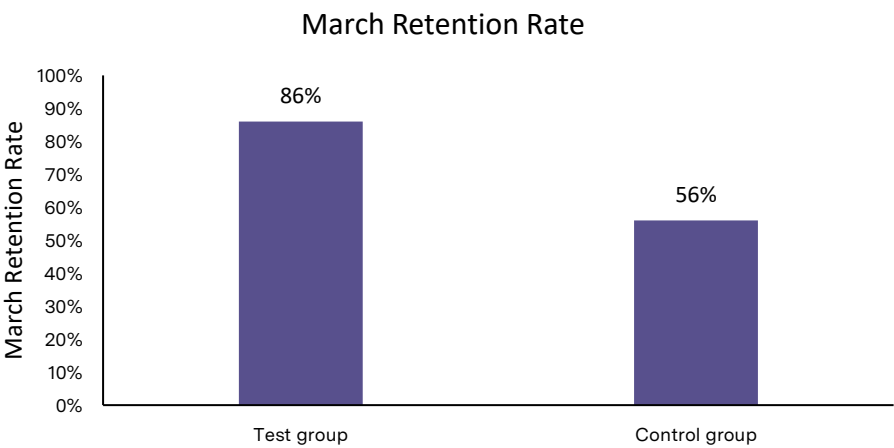
A/B Testing Results

ILLUSTRATIVE

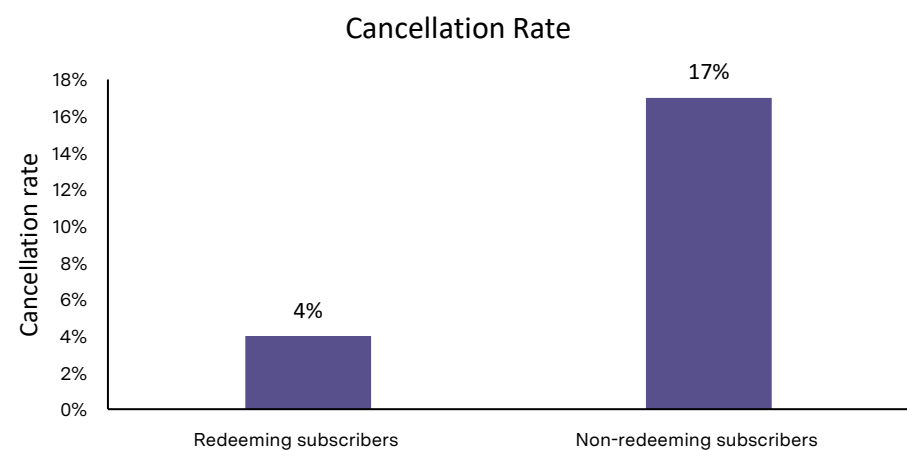
Gift redemption rate was 109% higher for the test group



March retention rate was 53% higher for the test group



Cancellation rate was 74% lower among customers who redeemed the gift



The program exceeded break even goals

