

SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses
Pre-release Forecasting – Mobile App	Health Supplement Company	User driven ROI model for a Mobile App	ROI model for the mobile app for 3 cases – base, optimistic and pessimistic

SLIDE HEADING

ABOUT THE CLIENT

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



SITUATION

- Client was interested in **launching a mobile app** to boost their business and wanted to know the return on investment of the mobile app
- Merilytics worked with the client's product team to build a **Prerelease forecasting model**.



VALUE ADDITION

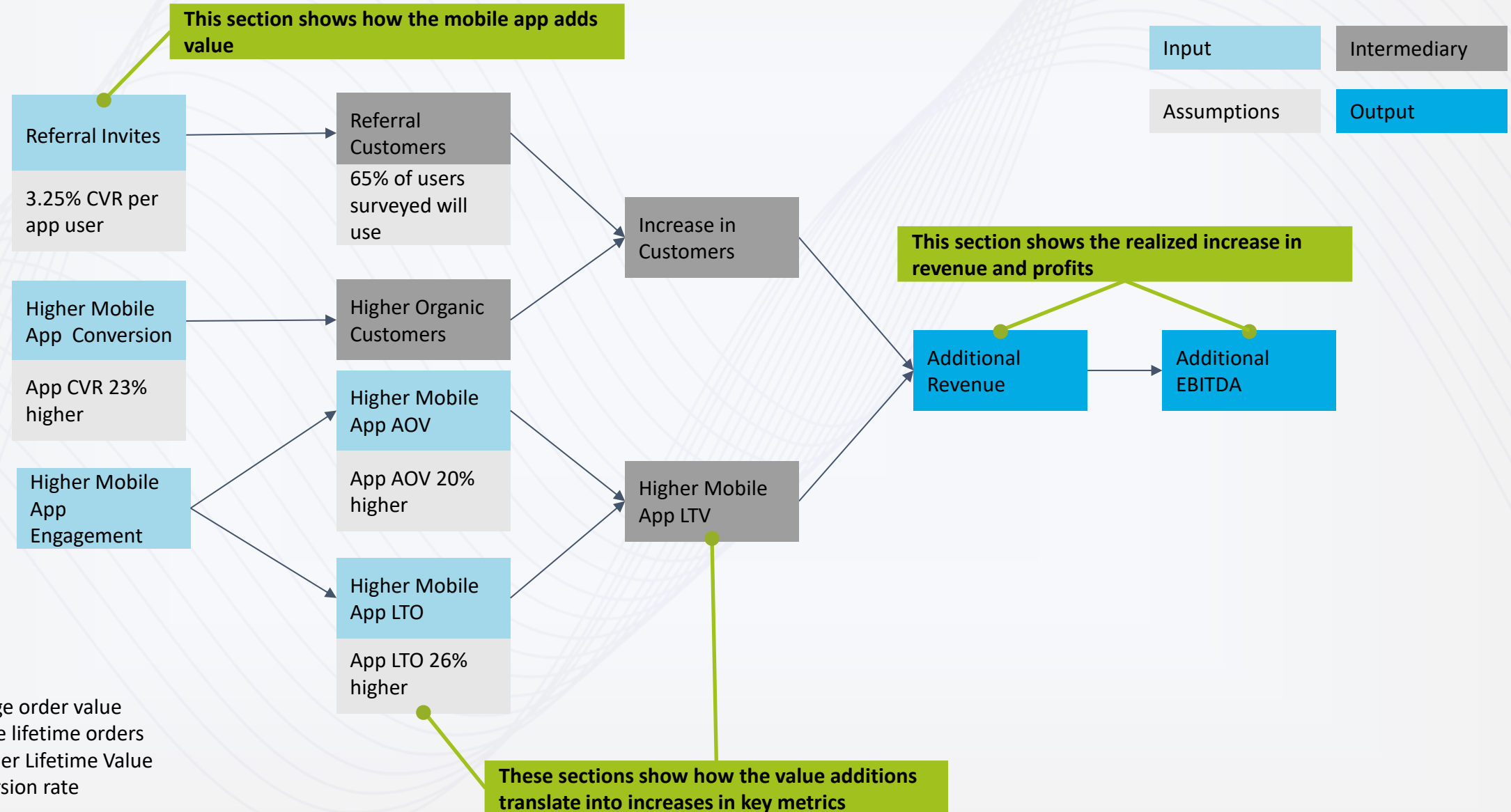
- Evaluated the current customer **AOV (Average order value)**, **orders per customer for subscribers and non-subscribers** to estimate the base scenario
- Built a **funnel model** describing the customer journey from each page to a purchase with conversion rates for each page using the app design created by the product team. Using the funnel model, estimated the **overall conversion rate for the mobile app**.
- Built a **user driven model** with flexibility to adjust conversion for each page in the mobile app.
- Estimated the **ROI for three different scenarios – Base, Optimistic and Pessimistic** – by changing LTV (Lifetime Value) and conversion rate. The base scenario was with a marginal improvement in LTV and retention due to better engagement through the app. The pessimistic case assumed with no improvement and the optimistic case assumed with significant improvement in DTC (Direct to customer) business.



IMPACT

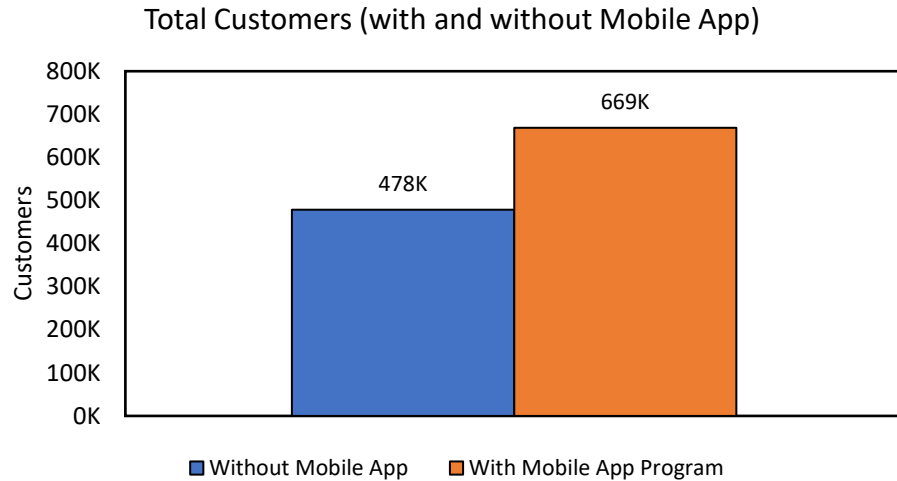
- Forecasting model determined that the mobile app is expected to **improve the conversion rate and LTV** and bring in more people through a referral program
- The mobile app would bring in \$35.5M (71%) **additional revenue** and \$14.1M (71%) **additional EBITDA**. The mobile app program is expected to bring in 190k (40%) **more customers** in the upcoming year predominantly through the referral program and generate higher conversions
- The increased revenue and EBITDA forecasted by the model **drove the client to launch the mobile app**.

PRE-RELEASE FORECASTING – MOBILE APP MODEL FLOW

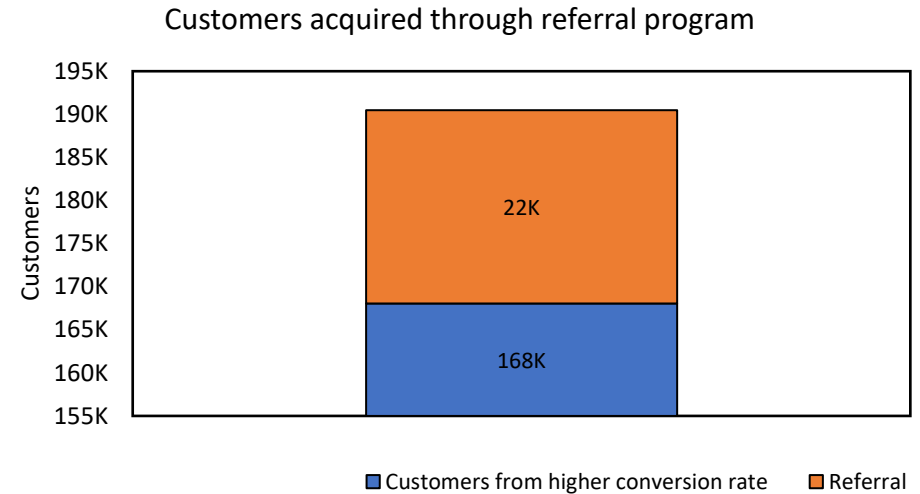


PRE-RELEASE FORECASTING – MOBILE APP MODEL RESULTS

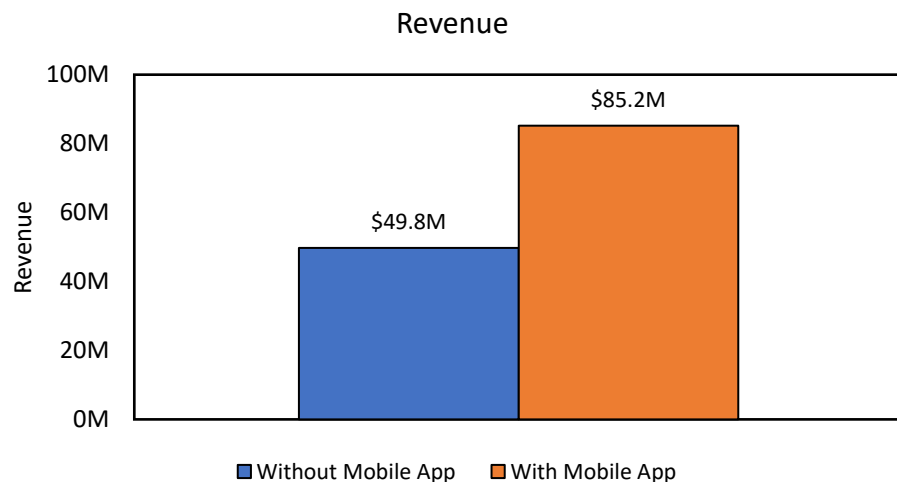
This chart shows the expected increase in customers due to the mobile app



This chart shows the expected additional customers acquired by source



These sections shows the expected additional revenue in the first year of launch of app



These sections shows the expected additional EBITDA in the first year of launch of app

