

# Customer Lifetime Value



# CUSTOMER LIFETIME VALUE (CLV) FORMULA

**CUSTOMER  
LIFETIME VALUE** =

$$\left( \frac{\text{Average Purchase Value}}{\text{Average Purchase Frequency}} \right) \times \text{Average Customer Lifespan}$$

**AVERAGE  
PURCHASE VALUE** =

$$\text{Total Revenue} / \text{\# of Purchases}$$

**AVERAGE  
PURCHASE FREQUENCY** =

$$\text{\# of Purchases} / \text{Unique Customers}$$

**AVERAGE  
CUSTOMER LIFESPAN** =

$$\text{Customer Lifespans Total} / \text{\# of Customers Used in Equation}$$

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# Customer Lifetime Value

0.16M

Year

2006

2007

2008

580.3...

SPEND

452K

QUANTITY

12.25

TICKET\_SIZE

3729

ActiveMember

155.64

ARPU

LIFESTAGE

Year 2006

Count of CUST\_CODE

50K

0K

OA

OF

OT

PE

YA

YF

CUST\_LIFESTAGE

SPEND by Month

100K

50K

April

May

June

July

August

Sept...

Octo...

Nove...

Dece...

QUANTITY by Month

60K

40K

April

May

June

July

August

Sept...

Octo...

Nove...

Dece...

ARPU by Month

50

40

April

May

June

July

August

Sept...

Octo...

Nove...

Dece...

CLV by Month

200K

150K

April

May

June

July

August

Sept...

Octo...

Nove...

Dece...

QUANTITY by Year and STORE\_CODE

STORE\_C... STORE00001 STORE00002

0.5M

0.0M

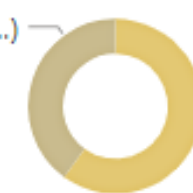
0.19M

0.26M

2006

SPEND by STORE\_CODE and STORE\_REGION

232,000 (39,000)



STORE\_CODE

STORE00001

STORE00002

BASKET PRICE SENSITIVITY

Year 2006

Count of BASKET\_PRICE\_S...

0.1M

0.0M

LA

MM

UM

BASKET\_PRICE\_SENSITIVITY

BASKET SIZE

Year 2006

Count of BASKET\_SIZE

0.2M

0.0M

L

M

S

BASKET\_SIZE

BASKET DOMINANT MISSION

Year 2006

Count of BASKET\_DOMINA...

0.1M

0.0M

Fresh

Grocery

Mixed

Nonfood

BASKET\_DOMINANT\_MISSION

Customer Lifetime Value

# Customer Lifetime Value

Year

- 2006
- 2007
- 2008

809.94...

SPEND

663K

QUANTITY

12.20

TICKET\_SIZE

4366

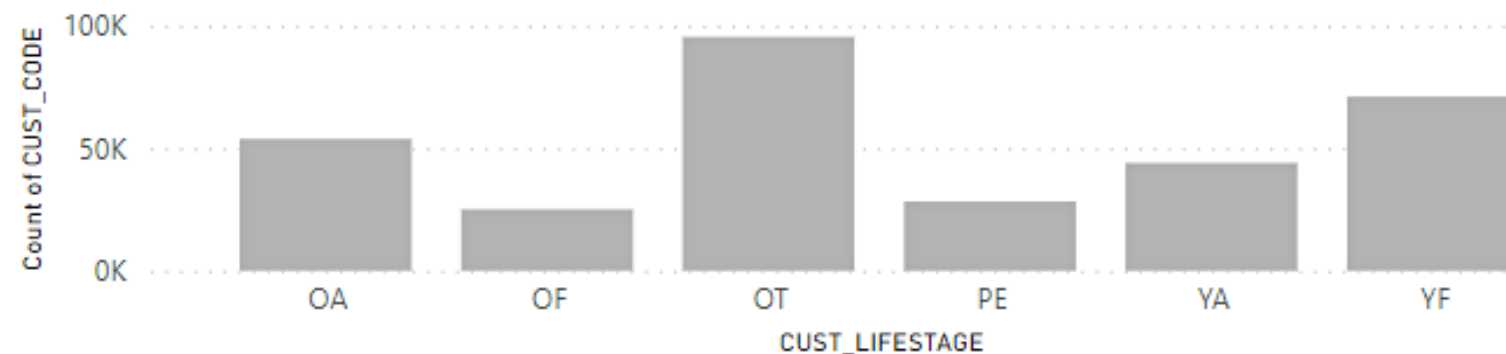
ActiveMember

185.51

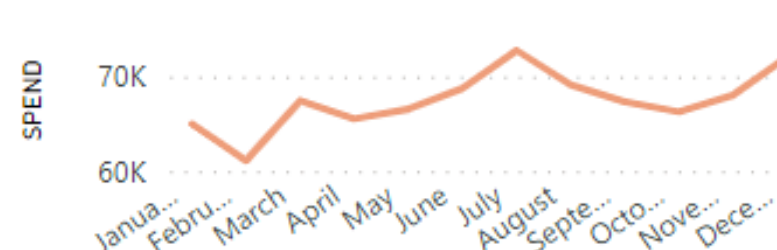
ARPU

LIFESTAGE

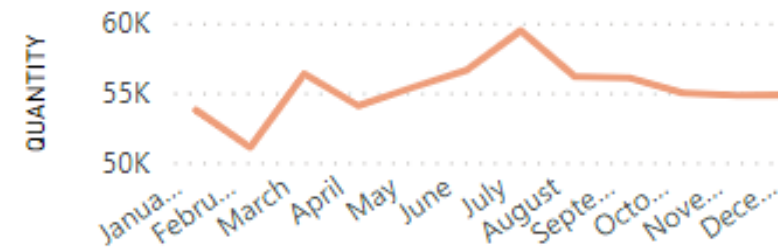
Year 2007



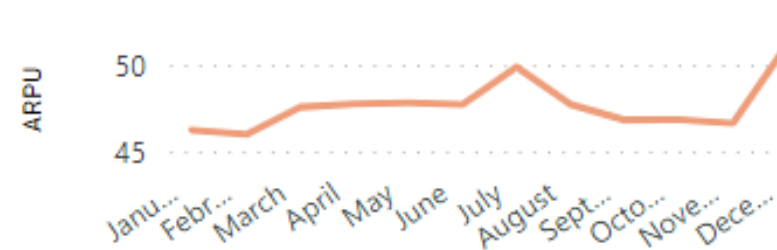
SPEND by Month



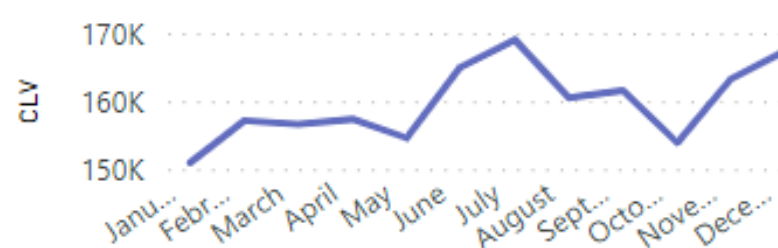
QUANTITY by Month



ARPU by Month

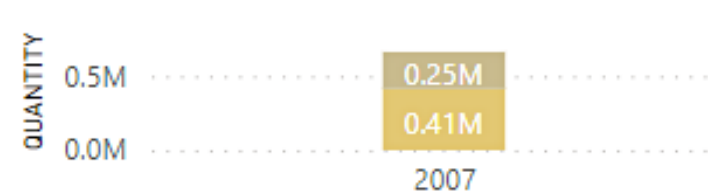


CLV by Month

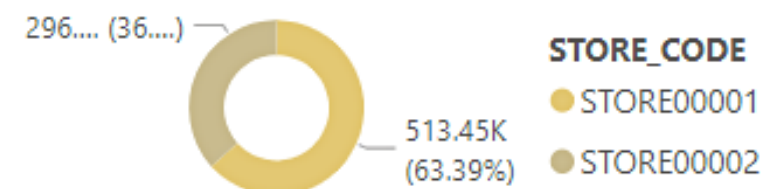


QUANTITY by Year and STORE\_CODE

STORE\_C... ● STORE00001 ● STORE00002

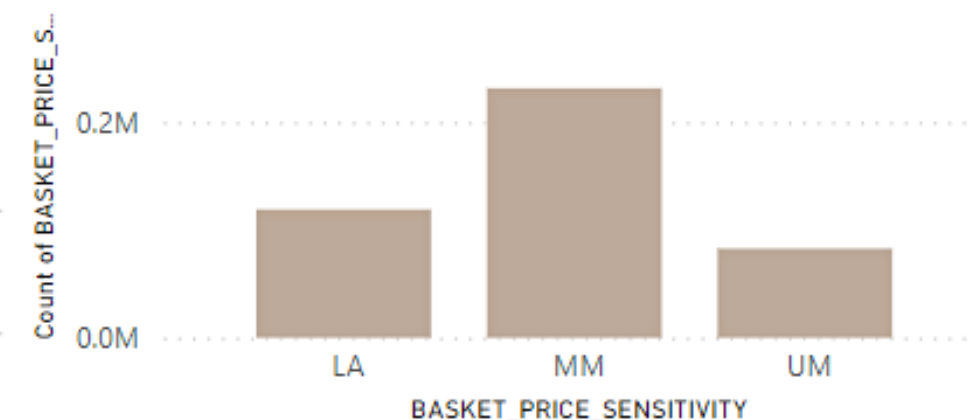


SPEND by STORE\_CODE and STORE\_REGION



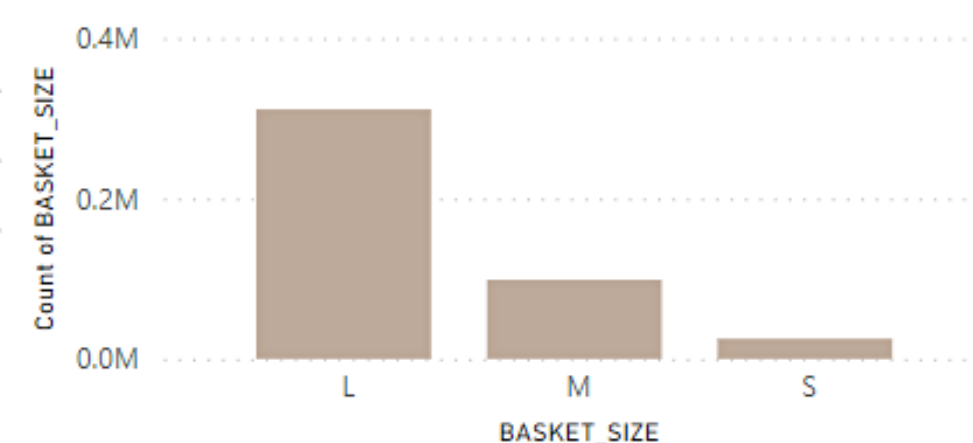
BASKET PRICE SENSITIVITY

Year 2007



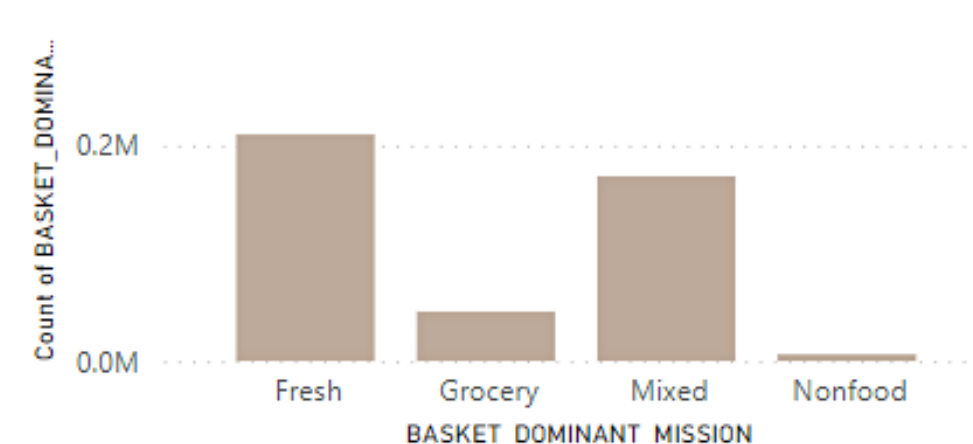
BASKET SIZE

Year 2007



BASKET DOMINANT MISSION

Year 2007



Customer Lifetime Value



# Customer Lifetime Value

0.15M

Year

- 2006
- 2007
- 2008

400.11...

SPEND

333K

QUANTITY

11.96

TICKET\_SIZE

3313

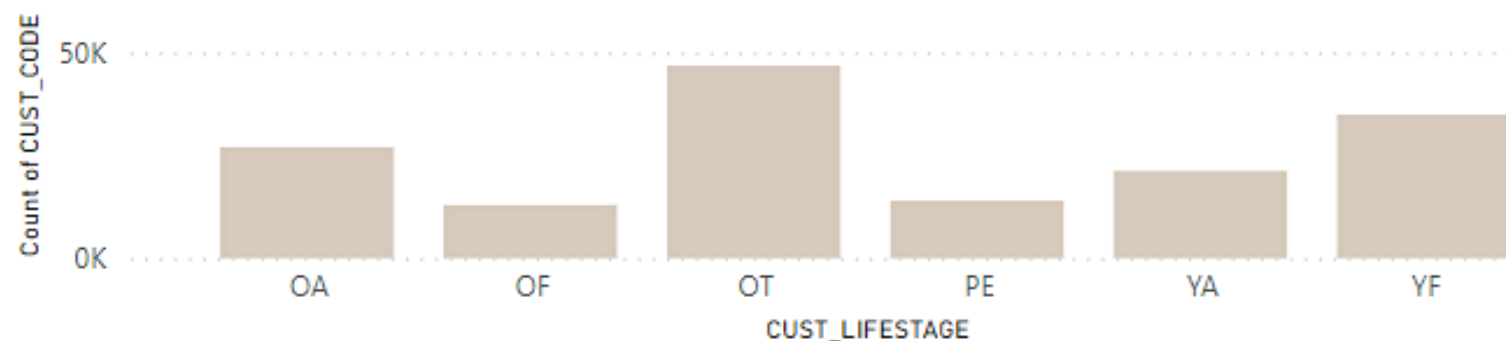
ActiveMember

120.77

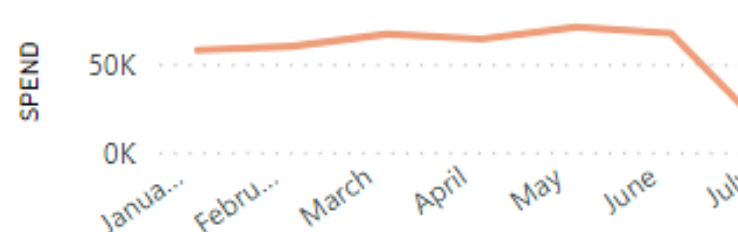
ARPU

LIFESTAGE

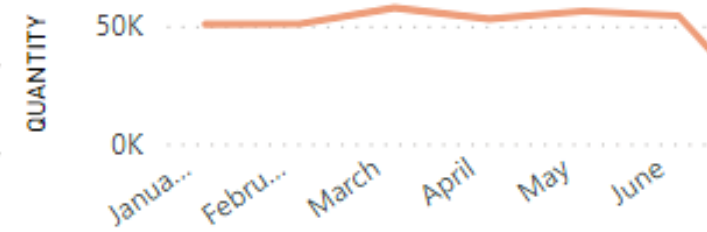
Year 2008



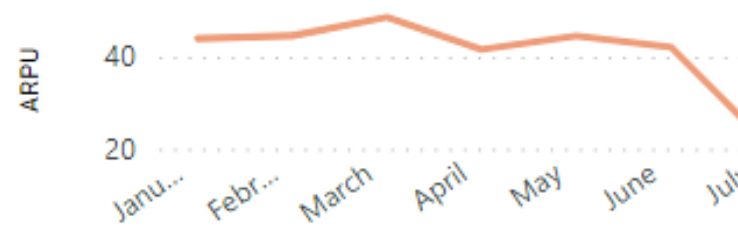
SPEND by Month



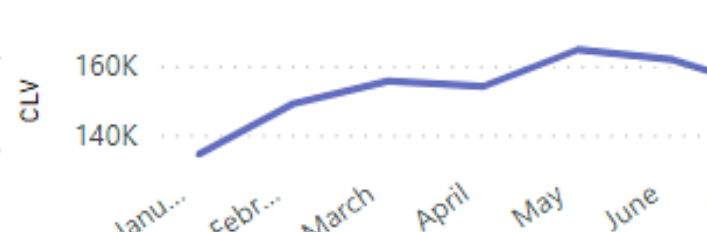
QUANTITY by Month



ARPU by Month

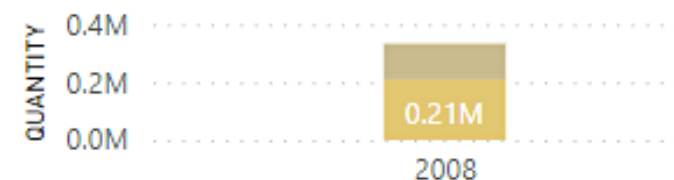


CLV by Month

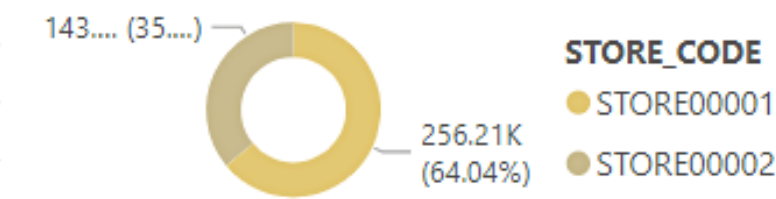


QUANTITY by Year and STORE\_CODE

STORE\_C... ● STORE00001 ● STORE00002

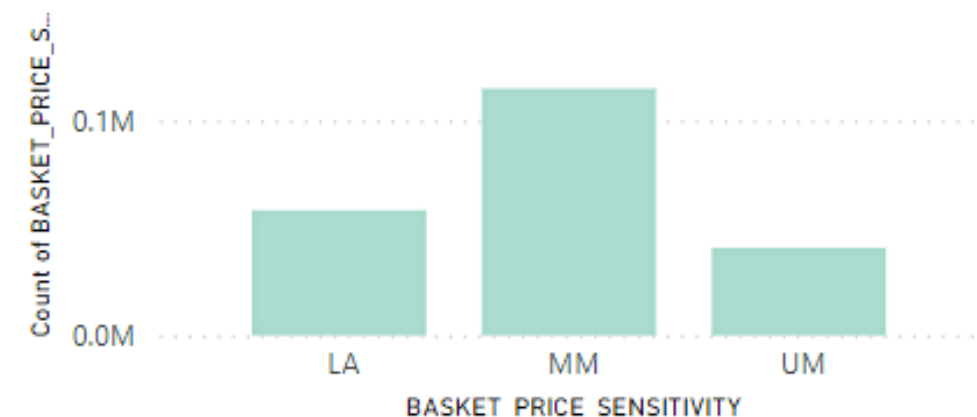


SPEND by STORE\_CODE and STORE\_REGION



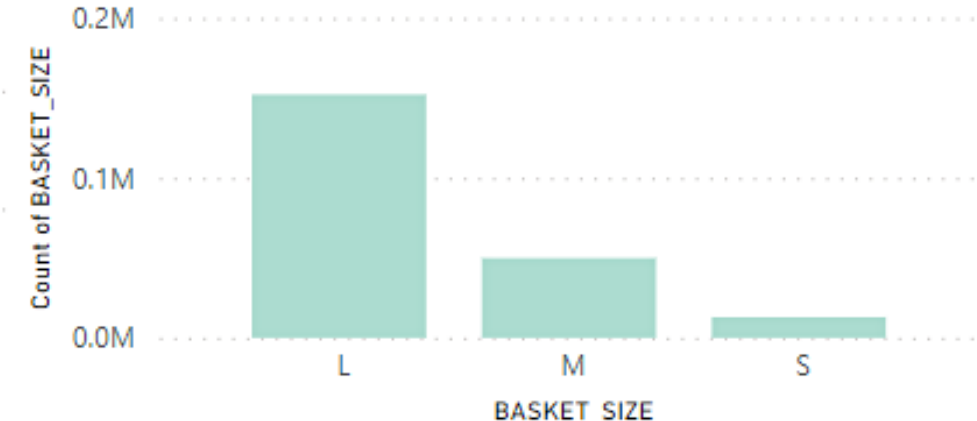
BASKET PRICE SENSITIVITY

Year 2008



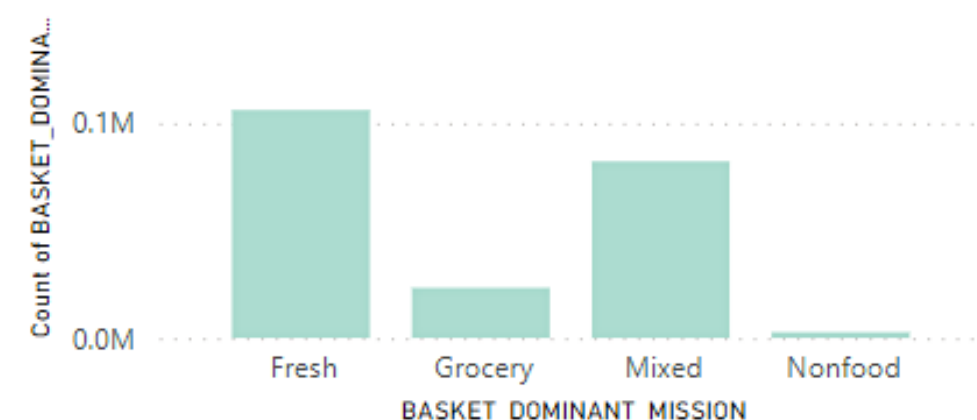
BASKET SIZE

Year 2008



BASKET DOMINANT MISSION

Year 2008



Customer Lifetime Value