Customer Acquisition & Financial Plan Report

1. Executive Summary

This report analyzes AcmeTech's customer acquisition and financial plan, focusing on the marketing funnel, advertising costs, revenue segments, and overall profitability. The provided dashboard highlights key metrics such as customer lifetime value (LTV), subscriber retention, and investment versus margin.

2. Tools Used:

● Google Sheets for data analysis and visualization

● Excel functions for calculations

3. Data set Information

Source:

The dataset was sourced from the following:

● 🟩 Add planing Analysis

● 📄 DAININ Data + Business Analyst Interview Task: Customer Acquisition Financial Pla…

4. Marketing Funnel & Customer Acquisition

- **Click-Through Rate (CTR)**: 2% of impressions convert into clicks.
- **Conversion Rate**: 5% of those who click become paying customers.
- **Advertising Costs**: £10 per 1,000 impressions (CPM).
- **Customer Acquisition Cost (CAC)**: £330 per paid customer.
- **Retention Decline**: Over time, customer retention follows an exponential decay pattern.

Funnel Breakdown Example

- **1,000,000 ad views → 20,000 clicks → 1,000 paid customers**
- **Cost Calculation**: (1,000,000 / 1,000) * £10 = £10,000 for 1,000 customers.

5. Dashboard Visualizations
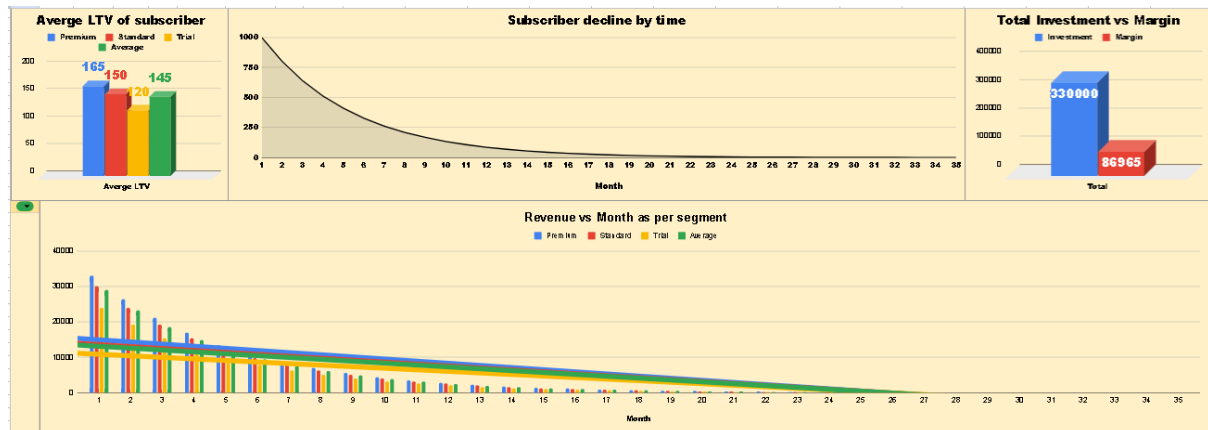
1. Customer Lifetime Value (LTV) by Segment

The average **Lifetime Value (LTV)** of subscribers is broken down into three segments:

- **Premium:** £165
- **Standard:** £150
- **Trial:** £120
- **Overall Average:** £145

The Premium segment provides the highest LTV, making it the most valuable customer group for long-term revenue generation.

2. Subscriber Decline Over Time

The subscriber base experiences a natural decline over time. The highest churn occurs within the first few months, gradually stabilizing as remaining customers stay engaged with the service. This trend highlights the importance of **customer retention strategies** to minimize churn and extend LTV.

3. Revenue vs. Month by Segment

Revenue trends indicate a sharp peak in the initial months, followed by a gradual decline over time. The revenue contributions are categorized into:

- **Premium subscribers (Blue)** generating the highest revenue.
- **Standard subscribers (Red)** contributing consistently.
- **Trial users (Yellow)** bringing lower revenue but potentially converting into higher-paying plans.

This suggests that revenue is front-loaded, with a need to enhance customer retention efforts to maintain steady income streams.

4. Total Investment vs. Margin

- **Total Investment:** £330,000
- **Total Margin:** £86,965

4. Conclusion

The financial performance indicates that a significant investment has been made in customer acquisition, but the margin remains relatively low. This underscores the need to optimize marketing spend and enhance retention strategies for greater profitability. The current campaign requires adjustments to achieve this goal. Future marketing strategies should focus on improving conversion rates, reducing churn, and increasing customer value per segment.

5. Key Takeaways & Recommendations:

1. **Improve Retention:** Enhance customer engagement and loyalty programs to extend subscriber lifetimes.
2. **Optimize CAC:** Review and refine marketing strategies to reduce **Customer Acquisition Cost (CAC)**.
3. **Increase Conversion Rates:** Encourage trial users to upgrade to paid plans by offering attractive incentives.
4. **Boost LTV:** Focus on upselling and cross-selling services to maximize revenue per customer.

This document serves as a comprehensive analysis provides insights into financial performance and customer behavior, helping shape data-driven decisions for future growth and business decision-making.

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