Exploring Customer Acquisition & Retention - **EXECUTIVE SUMMARY YELLOW TEAM (MARKETING)**

**Problem Statement**

In the thick of an annual cost review there has been a recent sharp increase in the marketing expenditure and we have explored whether this has positively impacted our customer acquisition and retention. To justify the increase in spend we will look at three KPIs: Customer LTV, Churn Rate and the Average revenue per transaction for each of our marketing channels which will be used to better serve our customers and branch to new audiences.

**Proposed Solution**

In order to acquire more customers and to retain existing ones we will implement the following based on each of our KPIs:

1. Reduce our CPC marketing spend and convert this to SEO

* CPC is currently only 7.5% greater in terms of average revenue than Organic Search with half the volume

1. Reduce our churn rates with A/B testing by sending out 10 targeted emails to reactivate lapsed customers
2. Survey existing customers to understand where problems are stemming from

**Value and Cost of Solutions**

* Referrals are a very low cost option
* Switch the focus of marketing spend to SEO instead of CPC, approximately a third of the monthly cost will be incurred with SEO compared to CPC
* This should result in an increase customer lifetime value, reduced churn rate and reduced percentage of lapsed customers