



# Project #2: EVERCOMMERCE

Team #8 - MBAX 6330 12/6/22



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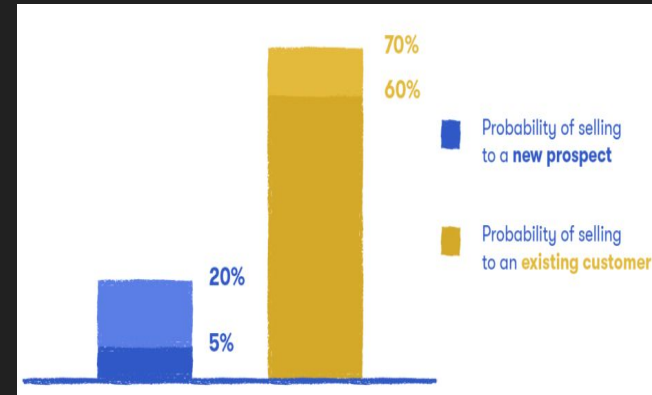
# Introduction

## The Goal:

1. Identify characteristics to build personalized marketing strategy and segment customers making marketing less costly.
2. Develop a customer profile Customer Lobby to increase revenue from EverCommerce's current customers based on cross-selling efforts.
3. Target ideal customers of Customer Lobby for marketing efforts.

## The Why:

Using Logistic Regression, we can determine the probabilities of whether or not a customer will be a good fit for Customer Lobby by understanding the significance of various variables.





# Analysis

## Method - Logistic Regression

- Used Logistic Regression Model to find least significant variables.
- Used backward approach to **improve accuracy** by excluding the variables which were the least significant.
- Excluded variables found closely indicative of each other to achieve the best performing model with a high accuracy.

## Variables **excluded** from our analysis -

- PaySimple **subscription revenue** for various years
- **‘Touches’** - Number of contacts prior to customer acquisition
- Volume of PaySimple **credit card transactions**
- **Zip Code** was not used directly but a few other relevant columns were derived from zip code data



# Analysis

The bullets below outline the measures we took to make the data usable for our Logistic Regression model.

- We needed to add columns from outside data to link what data was provided to client's geographical location.
- Zip Code was then used to determine various geographic characteristics of customers.
- We used US Census dataset to derive **Median Income** and **Number of Households** of the local population based on the Zip Code.
- After completing our analysis, we discovered that some industries were determined to be more significant than the others in predicting good candidates for Customer Lobby.



# Firmographic Characteristics

Based on our logistic regression model, the following firmographic characteristics are indicative of ideal candidates to target in EverCommerce's Customer Lobby cross-selling efforts.

## Characteristics of Customers to target:

1. Organization Size ~ 143.08
2. Volume of PaySimple ACH transactions - 13.70k
3. Tenure - 5.51 years
4. Late to pay an invoice - Mostly No
5. Number of households - 5827
6. Median Income - \$9550.43

\*all values represent average value





## Major Industries to Target

These industries make up the majority of the customer base which needs to be targeted for Customer Lobby based on our model:

1. Healthcare
2. Finance
3. Fitness

# Selection of Top 1000 Customers

The clients we should target for Customer Lobby marketing fit the following characteristics:

Characteristic	Likelihood they are Customer Lobby customers	Relationship
Volume of Pay Simple Automated Clearing House (ACH) Transactions	Increase in clearing house transactions, likelihood the client is Customer Lobby customer decreases	
Digital Storefront Transactions (uses digital storefront or not)	Customer uses digital storefront, likelihood they are Customer Lobby customer decreases	
Number of employees in clients organization	Organization size increases, chances the client is Customer Lobby customer decreases	
Referral (referred us in the past or not)	Client has referred in the past, likelihood they are Customer Lobby customer increases	



# Recommendations - Acquisition

## Email Campaign - Using top 1000 Customers

Send initial campaign emails to all 1000 customers identified in our analysis.

- Include information on current clients: testimonials, industry, applications for software. Provide the link to purchase the packages that EverCommerce offers with a place to add a referral code.
- Landing page from the email should detail who currently uses EverCommerce products and why, according to the customer. Testimonials should highlight the value proposition, ie: convenience, and automation.
- Include a personal touch - emails need to be slightly tailored to each industry.

## Follow-up Email Funnel

If the customer clicks through and buys a product:

- Send another email welcoming the prospect to the 'EverCommerce team' to emphasize community. Email contains a referral code to send to other businesses and information on their new products.

If the customer clicks through but does not buy, or does not interact:

- Send a follow up email reminding them what they are missing. Here, we have the opportunity to demonstrate the value of the brand using more detailed messaging that describes how exactly EverCommerce products improve operations by streamlining processes on behalf of the business.



# Recommendations - Retention

- Loyalty programs
  - For each year a customer is with EverCommerce, they receive a 'snapshot' of their business metrics and recommendations for the future. Actively demonstrate the value that EverCommerce provides by comparing business metrics from the beginning of the year to the present.
  - Custom gifts on behalf of EverCommerce to celebrate anniversaries. Something physical that can serve as a reminder of the brand in physical space.
- Community engagement
  - 'Partner of the Month' highlights
    - Here we can show off a business that works well with EverCommerce. Use this as a chance to brag about how beneficial the partnership is for both parties
  - Community nights (zoom or in person)
    - Open the invitation to spaces for people to share their experiences with the brand and build relationships surrounding the use of EverCommerce's services.
- Contract Bundles
  - Buy multiple EverCommerce products and receive a discount on one or both for a certain length of term.
    - Customers have the opportunity to extend their contract or to renegotiate at the end of the term.
  - Ex: PaySimple+CustomerLobby for 5 years at 10% off per year as a reward for the company's commitment.





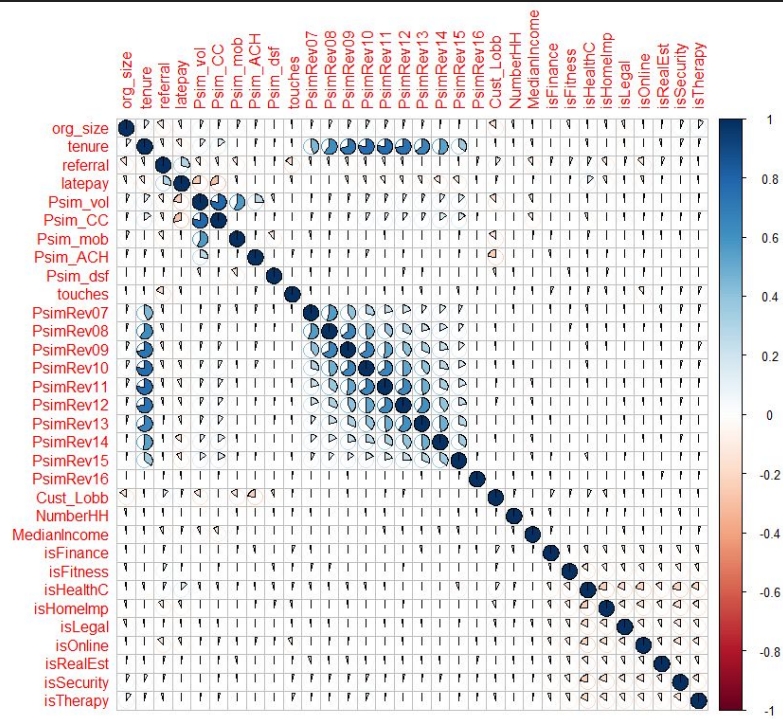
# Recommendations - Industry based

The most important **industry** to be targeted should be **Healthcare**. The largest percentage of our 1000 customers were from the healthcare industry

- Healthcare is more focused on other day to day operations instead of marketing to customers or message personalization, something that could be outsourced through Customer Lobby
- Potential uses in the Healthcare industry include feedback after appointments and targeted marketing for future customers
- Customer Lobby can provide Spotlight Marketing Automation solutions to the significant industries

# Appendix

## Correlation Matrix:



## Regression Model Results:

```
Call:
glm(formula = Cust_Lobb ~ . - isFinance - PsimRev07 - PsimRev08 -
     PsimRev09 - PsimRev10 - PsimRev11 - PsimRev12 - PsimRev13 -
     PsimRev14 - PsimRev15 - PsimRev16 - Psim_CC - Psim_mob -
     touches, family = "binomial", data = EC1_test)
```

### Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.7472	-0.8631	-0.6494	1.1630	2.3659

### Coefficients:

	Estimate	Std. Error	z value	Pr(> z )	
(Intercept)	2.352e+00	3.662e-01	6.422	1.35e-10	***
org_size	-3.991e-03	5.843e-04	-6.831	8.45e-12	***
tenure	6.947e-03	1.540e-02	0.451	0.651917	
referral	2.770e-01	8.864e-02	3.125	0.001781	**
latepay	-2.187e-01	1.846e-01	-1.185	0.236091	
Psim_vol	-2.305e-03	5.645e-04	-4.083	4.45e-05	***
Psim_ACH	-2.576e-02	2.397e-03	-10.749	< 2e-16	***
Psim_dsf	-2.895e-01	8.837e-02	-3.276	0.001051	**
NumberHH	1.883e-05	1.430e-05	1.317	0.187722	
MedianIncome	-1.508e-06	8.183e-06	-0.184	0.853821	
isFitness	-5.557e-01	2.795e-01	-1.988	0.046846	*
isHealthC	-5.095e-01	2.404e-01	-2.119	0.034055	*
isHomeImp	-1.160e+00	2.532e-01	-4.582	4.60e-06	***
isLegal	-1.107e+00	2.637e-01	-4.197	2.71e-05	***
isOnline	-8.727e-01	2.551e-01	-3.421	0.000625	***
isRealEst	-8.442e-01	2.828e-01	-2.985	0.002832	**
isSecurity	-8.222e-01	2.501e-01	-3.287	0.001012	**
isTherapy	-8.887e-01	2.622e-01	-3.390	0.000700	***