

 Ice cream shop ^^



# SWENSEN'S

## Presentation





# Business background

## The Story

Swensen's is one of San Francisco's most well-known ice cream parlors and dessert destinations. Founded in 1948, the brand has evolved from basic scoops to a wide range of aesthetically and gustatorily appealing sundae ice creams that feature toppings and cherries. "Happiness Never Melts" represents a passionate desire to provide customers with happiness and sweetness they'll never forget.



# Current Royalty Program



## Collect Points

Earn 1 point for every 25 THB spending



## Rewards Redemption

Use points to redeem rewards



## Birthday Privilege

Get special item at a special price



## New Year Exclusive

Special discount on New Year

## BRONZE

Starter

## SILVER

50 to 249 points

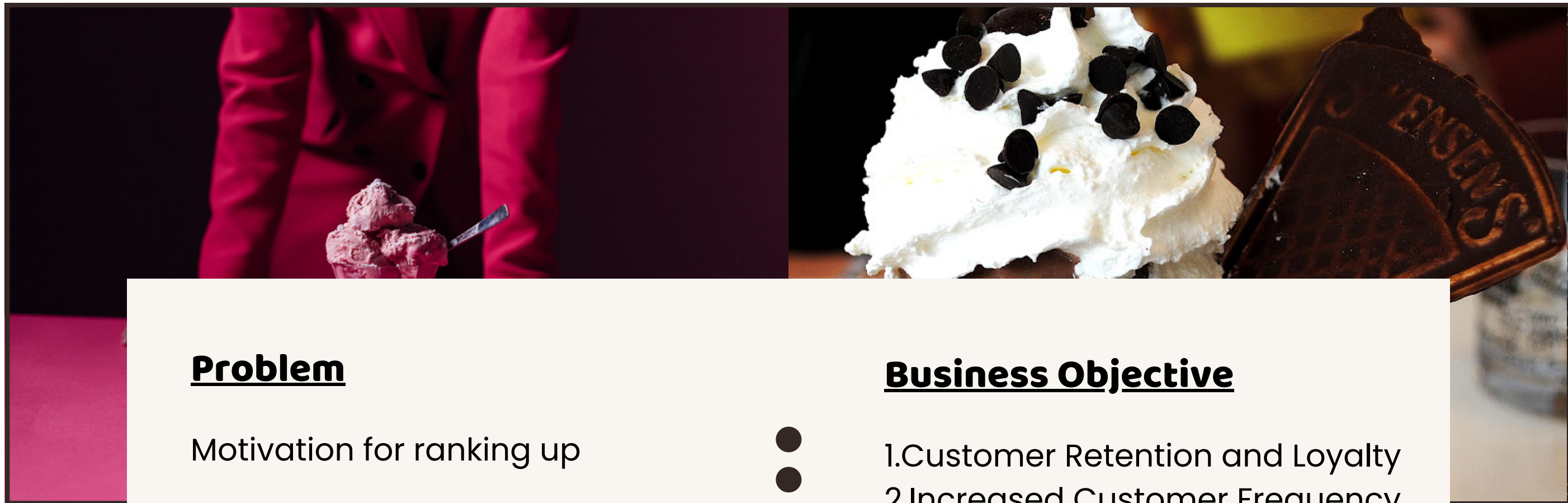
## GOLD

250 points +





# Problem and Business Objective



## Problem

Motivation for ranking up

## Business Objective

- 1.Customer Retention and Loyalty
- 2.Increased Customer Frequency
- 3.Higher Customer Spending



# Current CLV scoring

$$\text{CLV} = \text{SPEND}/25$$

# New CLV scoring

$$\text{CLV} = \text{SPEND}/25 + 10\text{TIME} + 5\text{MONTHLY} + 2\text{STORE} + \text{CLV}(t-1)$$

SPEND is customer spending before discount

TIME is membership duration (Year)(calculate once subscribe and spend for the first time of the year)

MONTHLY is binary vales (0 or 1) indicating whether a customer buys at least once a month.

STORE is binary vales (0 or 1) indicating whether a customer buys at store



# New CLV Scoring

$$\text{CLV} = \text{SPEND}/25 + 10\text{TIME} + 5\text{MONTHLY} + 2\text{STORE} + \text{CLV}(t-1)$$

**Customer A is a new customer that subscribed for the first time.**

1st time : Spending = 200 bath , subscribed for the first time , first of the month , buy at store, new score  
CLV Scoring =  $200/25 + 10(0) + 5(1) + 2(1) + 0 = 15$

2nd time : Spending = 500 bath , not first of the month , buy online, old score  
CLV Scoring =  $500/25 + 5(0) + 2(0) + 15 = 35$

**Customer B is an old customer that subscribed for 3 years and have CLV scoring equal 440.**

1st time : Spending = 300 , subscribed for 3 years , first of the month , buy at store, old score  
CLV Scoring =  $300/25 + 10(3) + 5(1) + 2(1) + 250 = 484$

2nd time : Spending = 1000 , first of the month , buy at store, old score  
CLV Scoring =  $1000/25 + 5(1) + 2(1) + 484 = 531$   
Change tier from GOLD to PLATINUM

# New Loyalty Program

	BRONZE	SILVER	GOLD	PLATINUM (New tier)
CLV Scoring	0 - 49	50 - 249	250 - 499	500 +
Discount	10%	10%	10%	15%
Collect Points	✓	✓	✓	✓
Rewards Redemption	✓	✓	✓	✓
Birthday Privilege		✓	✓	✓
New Year Exclusive			✓	✓
Win special prizes				✓

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## Perks

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# New Loyalty Program Perks

- The introduction of a new tier will strengthen the motivation for consumers to advance to Platinum status.
- Motivation for signing up for non-members
- Boosting service usage through increased point accumulation.
- Driving business sales upwards.

# MEMBER

6420412001 Kongpapon Sangrung

6420412006 Natthawit Chairatanatrai

6420412010 Natnicha Sabdasen

6420412012 Kittin Kaglai

