

# How to Track, Apply, and Optimize Acquisition for LTV



Alycia Simpson  
Senior Director of Demand Generation  
and Marketing Operations, Recurly



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**Kathy Greenler Sexton**

CEO, Subscription Insider  
[kgsexton@subscriptioninsider.com](mailto:kgsexton@subscriptioninsider.com)



**Alycia Simpson**

Senior Director of Demand Generation and  
Marketing Operations, Recurly  
[events@recurly.com](mailto:events@recurly.com)



Insights on Operating and Growing  
Your Subscription Business



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**Looking for A Partner That Actually  
Understands and Has Experience in Recurring,  
Memberships and Subscriptions?**

# Subscription Business Vendor Directory

- Analytics
- Brand Development
- Chargeback Management
- Consulting
- Content Aggregation & Bundling
- Content Management
- CRM & Sales
- Customer Service
- Data Management
- Financial, Tax and Accounting
- Fraud Management
- Fulfillment
- IT Services
- Legal
- Order Management System (OMS)
- Payment Processing
- Product Development
- Productivity
- Revenue Management
- Software Licensing
- Subscriber Acquisition
- Subscriber Management
- Subscriber Retention
- Subscription Billing
- Subscription Marketing

Recurly

Recurly

Listed in [Financial, Tax and Accounting](#), [Subscriber Acquisition](#), Subscriber Management, Subscriber Retention, Subscription Billing



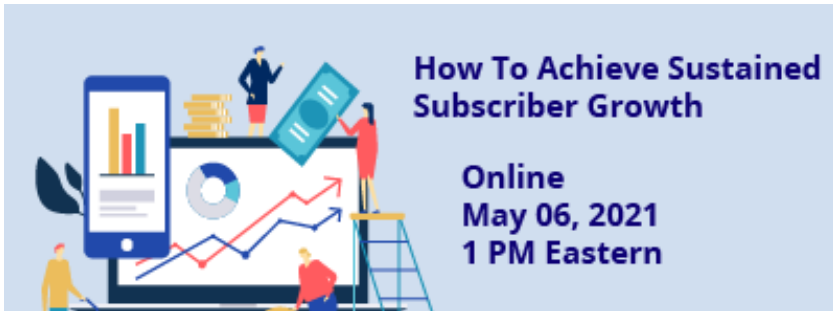
## Subscription Management and Billing Platform

Powering Brands like Twitch, FabFitFun, and Pipedrive.

**Recurly** powers over 30 million monthly subscriptions for global companies in digital media, streaming, publishing, SaaS, consumer goods, and professional services. Over 2,100 brands trust Recurly's subscription management and billing platform to grow revenue exponentially by managing subscriptions, optimizing payment acceptance, automating recurring billing operations, and recovering millions in lost revenue.



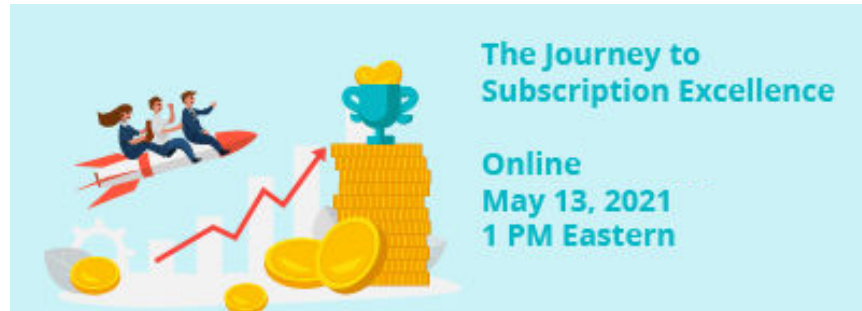
## UPCOMING WORKSHOPS



**How To Achieve Sustained Subscriber Growth**

Online  
May 06, 2021  
1 PM Eastern

*Leading Subscriber Journey Mapping expert Matt Cronin, with Courtney Tellefsen of The Produce Box, will share how to find product-subscriber alignment to achieve your full subscriber acquisition conversion, retention and revenue potential.*



**The Journey to Subscription Excellence**

Online  
May 13, 2021  
1 PM Eastern

*Leading experts in recurring monetization and subscription strategy, Robbie Kellman Baxter, and technology expert Nelson Veiga will share how to identify and anticipate challenges and opportunities in each stage of your business*



# UPCOMING SUBSCRIPTION BOOT CAMPS



## Learn Subscription Marketing Fundamentals

Join Subscription Insider with three leading subscription industry experts in go-to-market strategy, subscription acquisition, optimization, and retention to help you understand the unique core issues, strategies, and tactics you need to master to be successful at subscription marketing for your business.

June 2, 2021 | 1-4 PM Eastern



## Learn Subscription Revenue Operations Fundamentals

Join us for Subscription Insider's Subscription Boot Camp: REVENUE OPERATIONS with three leading recurring-revenue industry experts to understand the core issues and strategies you need to master to be successful at managing recurring payments, payment processing, plus managing revenue operations and resources.

June 9, 2021 | 1-4 PM Eastern



## Learn Subscription "TechStack" Fundamentals

Join us with three leading subscription technology experts to help your subscription business understand the unique techstack needs of recurring subscriptions. We will cover technology strategy and set-up, payment processing, and preparing your marketing stack to support subscriptions.

June 16, 2021 | 1-4 PM Eastern

**Subscription Insider Presents**




# **SUBSCRIPTION SHOW2021!**

**Nov. 1-3, 2021**

**225 Liberty Street, New York, NY  
With Live Streaming**

**[www.SubscriptionShow.com](http://www.SubscriptionShow.com)**



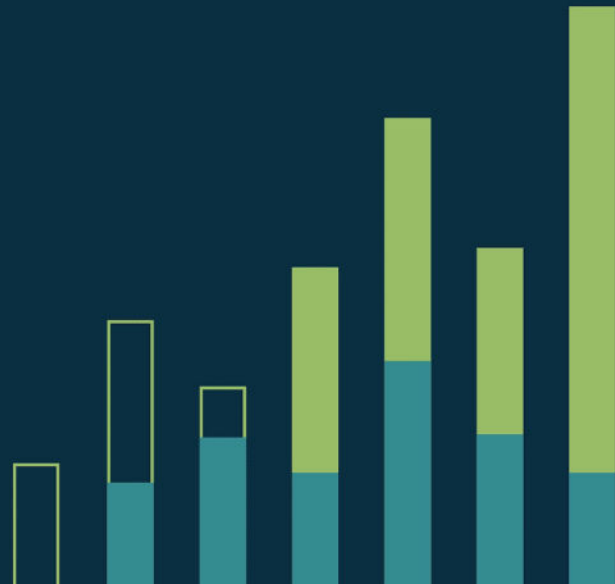


# How to Increase Your Learning Today

- Do your best to turn off everything that's operating in the background
- Give yourself this time to learn!
- Ask questions!



# Optimizing acquisition strategies for LTV





**Alycia Simpson**

Sr. Director of Demand Generation &  
Marketing Ops



## Subscription Management & Billing Platform

Leading brands like FabFitFun, Sling, and Pipedrive...

- **Grow revenue** by driving LTV
- **Recover** 70% of failed transactions
- **Automate** recurring billing processes

# I'll cover...



- The what & the why
- How to create 2 types of reports & predict LTV
- How to apply learnings to acquisition efforts
- Applying to retention tactics

## Why LTV?

- LTV = Customer Lifetime Value
- THE value driver for recurring revenue businesses
- Ultimately optimizing for CAC:LTV ratio



# Equations

- LTV
  - An estimate of the average total value of a customer over their lifetime (from sign up to churn)
- CAC
  - An estimate of the average cost to acquire a customer
- CAC : LTV
  - The ratio of cost to ROI
  - Indicator of profitability
  - Benchmark: 3:1

**LTV**

**ARPA x gross margin %**

**Churn rate**

**CAC**

**Sum of sales & marketing expenses**

**# new customers added**

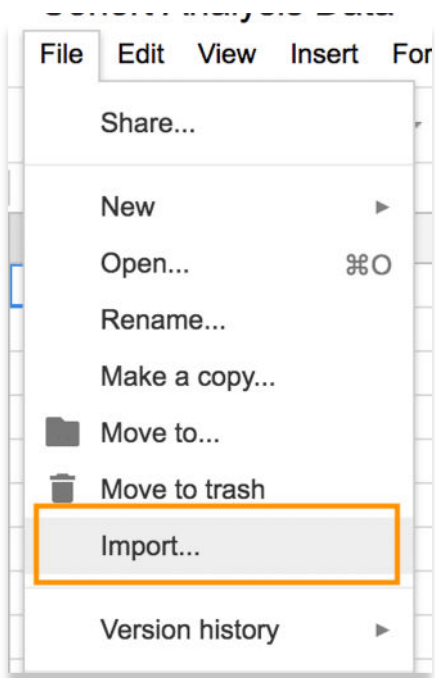


## Automatically generated reports via Recurly



# Option 1: how to create a cohort analysis

user_id	signup_date	last_login_date
1	1/5/2017	2017-08-25 04:37:27 UTC

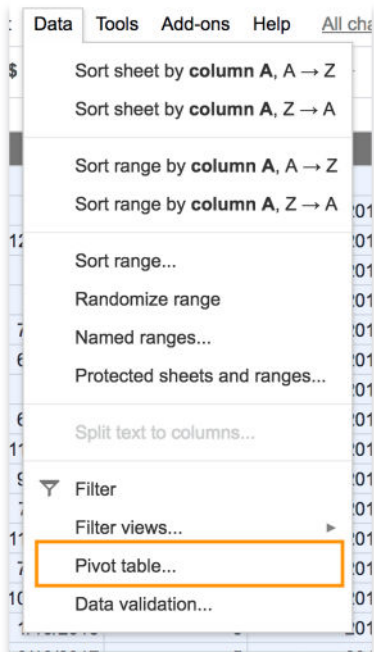


	A	B	C
1	user_id	signup_date	last_login_date
2	1	3/2/2017	8/9/2017
3	2	6/8/2017	12/11/2017
4	3	3/23/2017	5/4/2017
5	4	2/7/2017	1/4/2018
6	5	1/14/2017	7/29/2017
7	6	1/23/2017	6/16/2017
8	7	4/8/2017	5/2/2017
9	8	5/26/2017	6/14/2017
10	9	2/21/2017	11/13/2017
11	10	4/23/2017	9/22/2017
12	11	3/8/2017	7/11/2017
13	12	2/3/2017	11/16/2017
14	13	5/29/2017	7/21/2017
15	14	5/31/2017	10/18/2017
16	15	6/8/2017	1/10/2018
17	16	5/18/2017	9/18/2017
18	17	4/7/2017	7/28/2017
19	18	4/9/2017	6/6/2017
20	19	5/4/2017	12/11/2017
21	20	4/18/2017	5/9/2017
22	21	3/20/2017	8/29/2017
23	22	4/18/2017	4/24/2017
24	23	4/7/2017	1/14/2018
25	24	2/5/2017	6/6/2017
26	25	3/14/2017	9/11/2017
27	26	6/18/2017	1/23/2018
28	27	1/30/2017	7/11/2017
29	28	5/2/2017	8/22/2017

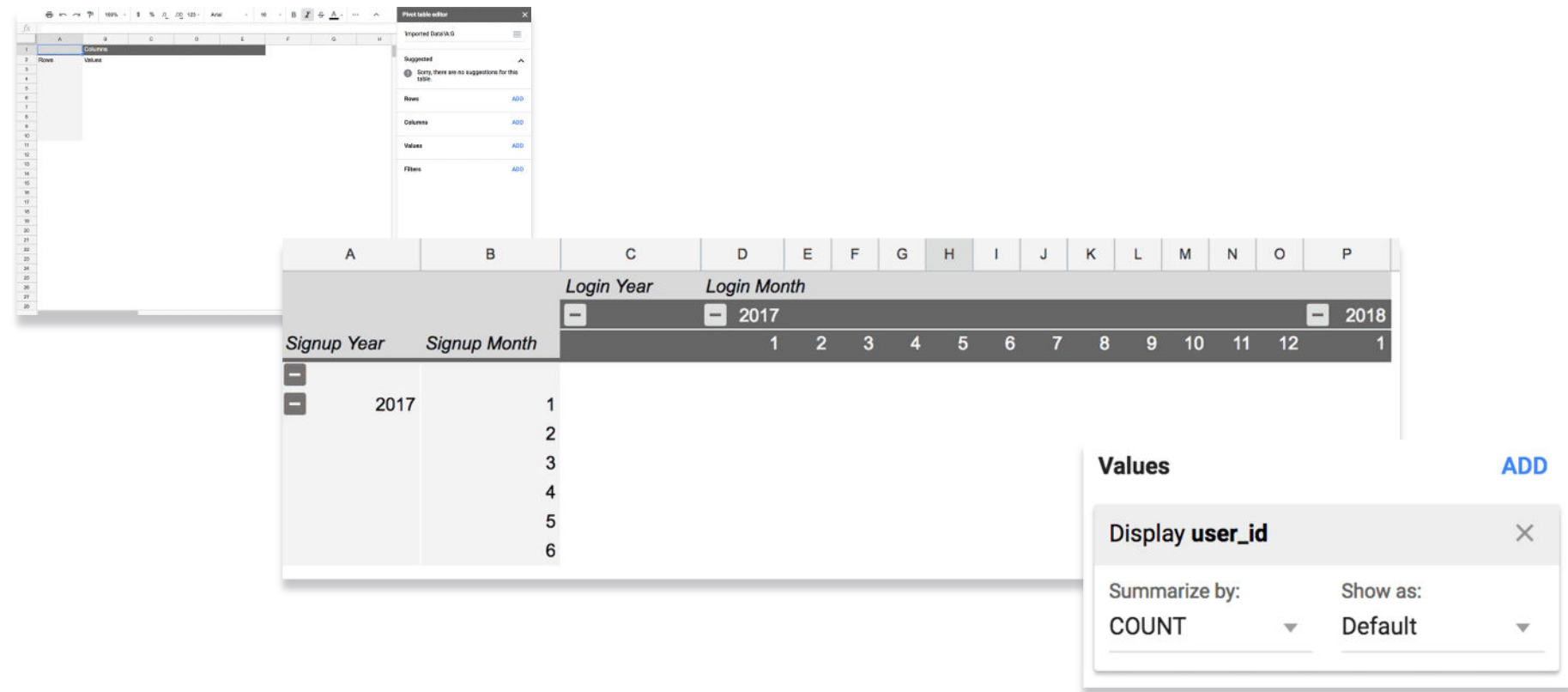
# Option 1: how to create a cohort analysis

	A	B	C	D	E	F	G
1	user_id	signup_date	last_login_date	Signup Month	Signup Year	Login Month	Login Year

	A	B	C	D	E	F	G
1	user_id	signup_date	last_login_date	Signup Month	Signup Year	Login Month	Login Year
2	1	3/2/2017	8/9/2017	3	2017	8	2017
3	2	6/8/2017	12/11/2017	6	2017	12	2017
4	3	3/23/2017	5/4/2017	3	2017	5	2017
5	4	2/7/2017	1/4/2018	2	2017	1	2018
6	5	1/14/2017	7/29/2017	1	2017	7	2017
7	6	1/23/2017	6/16/2017	1	2017	6	2017
8	7	4/8/2017	5/2/2017	4	2017	5	2017
9	8	5/26/2017	6/14/2017	5	2017	6	2017
10	9	2/21/2017	11/13/2017	2	2017	11	2017
11	10	4/23/2017	9/22/2017	4	2017	9	2017
12	11	3/8/2017	7/11/2017	3	2017	7	2017
13	12	2/3/2017	11/16/2017	2	2017	11	2017
14	13	5/29/2017	7/21/2017	5	2017	7	2017
15	14	5/31/2017	10/18/2017	5	2017	10	2017
16	15	6/8/2017	1/10/2018	6	2017	1	2018
17	16	5/18/2017	9/18/2017	5	2017	9	2017
18	17	4/7/2017	7/28/2017	4	2017	7	2017
19	18	4/9/2017	6/6/2017	4	2017	6	2017
20	19	5/4/2017	12/11/2017	5	2017	12	2017
21	20	4/18/2017	5/9/2017	4	2017	5	2017
22	21	3/20/2017	8/29/2017	3	2017	8	2017
23	22	4/18/2017	4/24/2017	4	2017	4	2017
24	23	4/7/2017	1/14/2018	4	2017	1	2018
25	24	2/5/2017	6/6/2017	2	2017	6	2017
26	25	3/14/2017	9/11/2017	3	2017	9	2017
27	26	6/18/2017	1/23/2018	6	2017	1	2018
28	27	1/30/2017	7/11/2017	1	2017	7	2017



# Option 1: how to create a cohort analysis



The screenshot shows a data tool interface with a 'First table editor' window and a 'Values' panel.

**First table editor**

Imported Data/KG

Suggested  
Sorry, there are no suggestions for this table.

Rows: ADD  
Columns: ADD  
Values: ADD  
Filters: ADD

Signup Year	Signup Month	Login Year	Login Month
2017	1	2017	1
2017	2	2017	2
2017	3	2017	3
2017	4	2017	4
2017	5	2017	5
2017	6	2017	6

**Values** ADD

Display **user\_id** X

Summarize by: COUNT Show as: Default

## Option 1: how to create a cohort analysis

COUNT of user_id		Login Year	Login Month												
		—	— 2017												— 2018
Signup Year	Signup Month		1	2	3	4	5	6	7	8	9	10	11	12	1
—			0												
— 2017	1		5	11	18	15	21	19	11	16	14	25	19	19	8
	2			7	14	9	12	11	19	20	14	10	12	8	15
	3				3	10	10	16	15	26	24	19	18	15	14
	4					3	15	10	23	27	27	18	17	16	16
	5						6	16	27	22	15	25	24	18	16
	6							5	14	18	26	24	9	25	16

## Option 1a: filling in the blanks to predict LTV

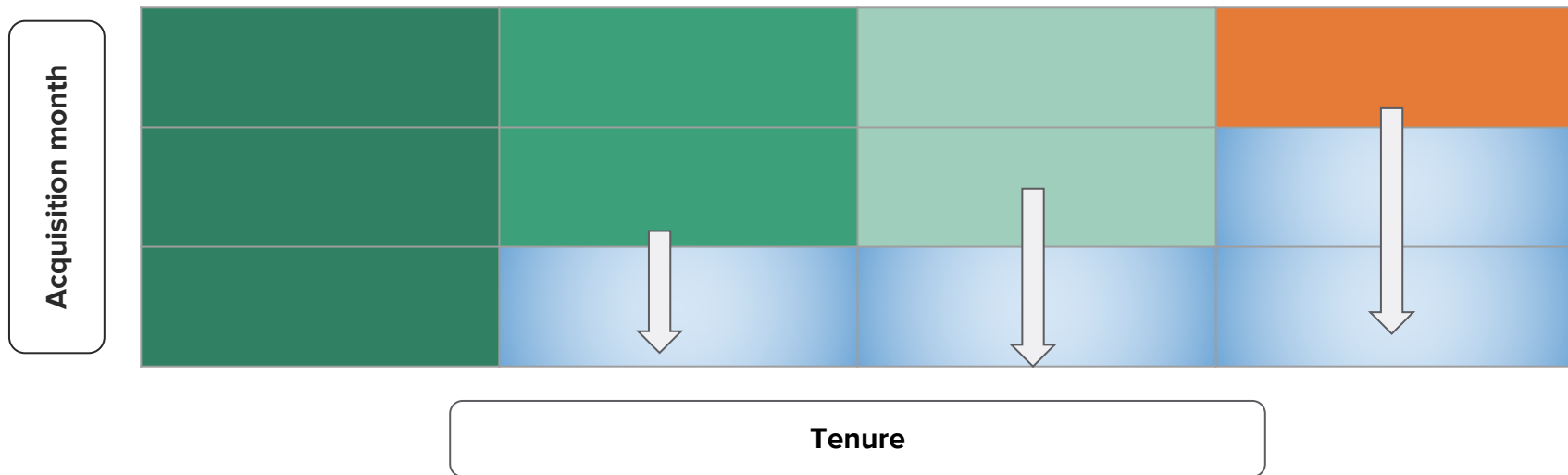
Acquisition month				
Tenure				



## Option 1a: filling in the blanks to predict LTV

Acquisition month				
				?
		?	?	?
Tenure				

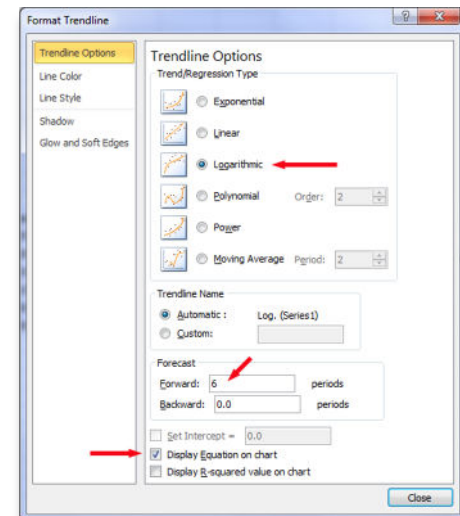
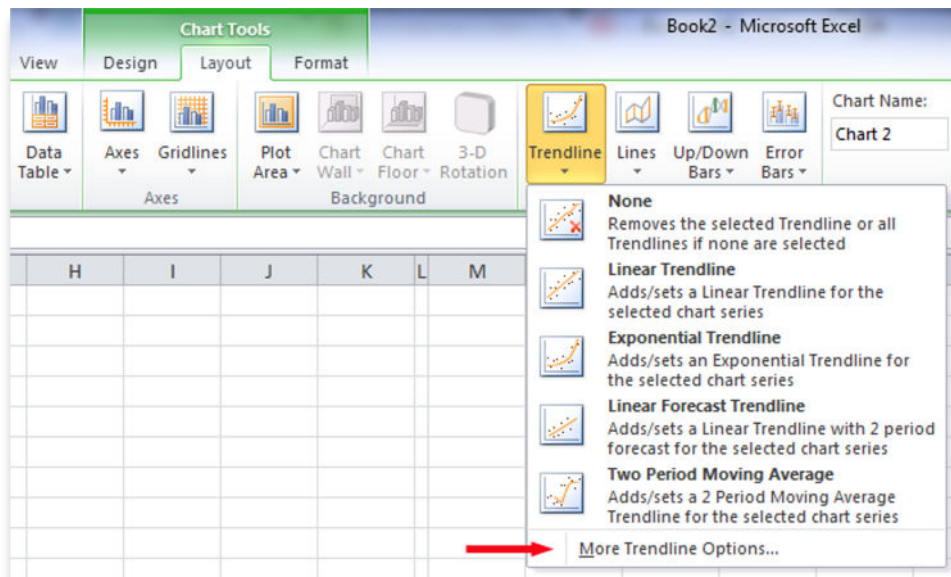
## Option 1a: filling in the blanks to predict LTV



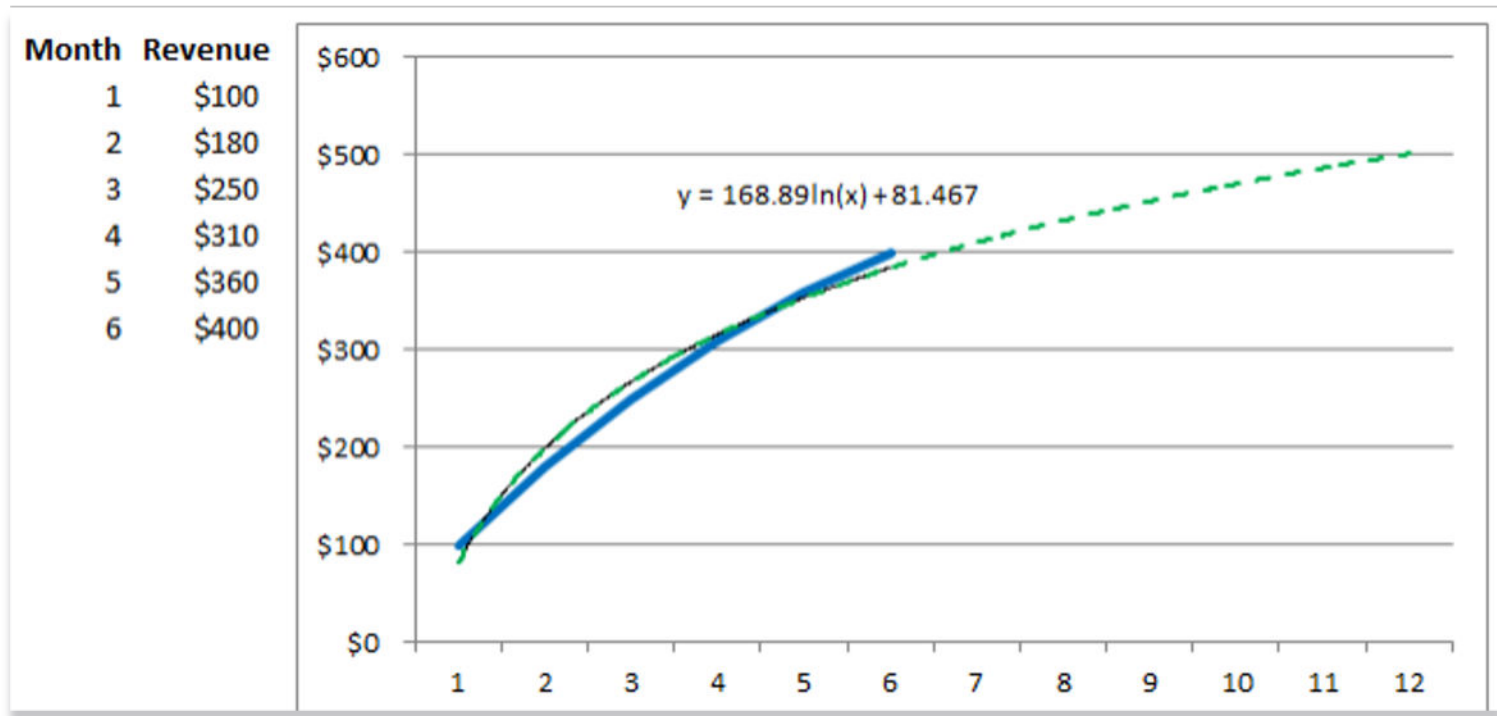
## Option 2: how to create a line graph projection

Month Revenue

1	\$100
2	\$180
3	\$250
4	\$310
5	\$360
6	\$400



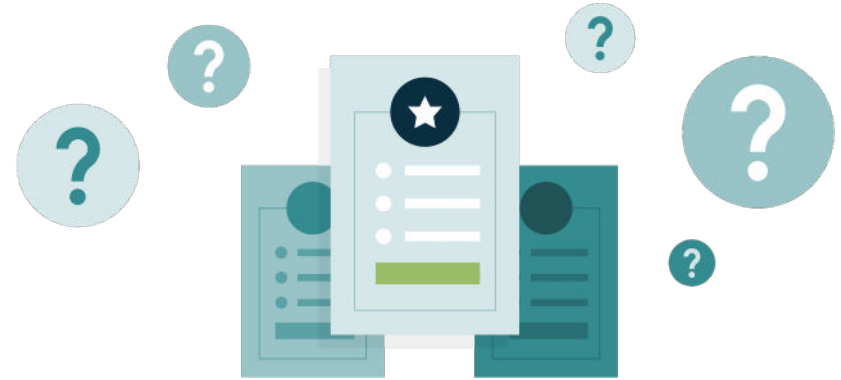
## Option 2: how to create a line graph projection



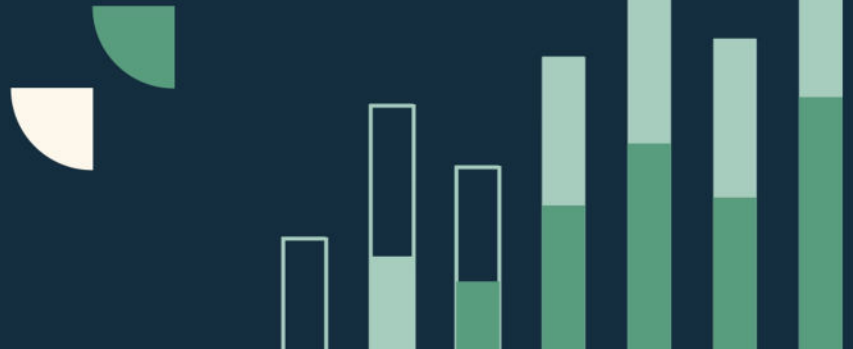
# Ideas for cohort analyses

Increase ROI of efforts by creating an analysis by...

- Trial length, offering, or promotion (coupon, discount, etc.)
- Track performance and conversions and cancellations
- Identify how many customers didn't convert *and* why
- Optimize efforts for highest-converting, highest purchase value, etc.



Now what?





# Segmentation

- Stop devaluing your product
- Segmenting for highest LTV?
  - Revenue/purchase value
  - Plan, usage, upgrade
  - Acquisition channel
  - Funnel stage/place in buying process
  - GEO, demographic, vertical
  - Interest-based, behavior
  - Most likely to churn and when
- ICP - Ideal customer profile



# ICP - Ideal customer profile

- Implementing your ICP
  - Build personas
  - Define messaging & value propositions
  - “Prepping” your content, offers, product
  - Advertise where your readers are
  - Tailor offers, promotions, comms
  - Create a reporting framework



# Channels

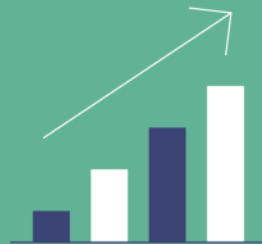
## Channels

- What channels produce customers with the highest LTV?
- Focus on optimizing and expanding those channels...
  - Ex: Paid ads
    - LI or Instagram
    - Standard ads to carousel or animation



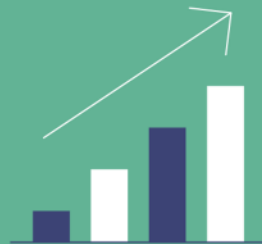
# Programs & packaging

- Packaging - think bigger
  - Drive revenue by pivoting and expanding offers and revenue streams
- Programs
  - Double down on content and programs that produce
    - Fastest conversion rates
    - Most revenue delivered
    - Longest tenure



# Programs & packaging

- Engagement programs
  - Systematic engagement to drive loyalty, value, and repeat purchase
  - Use comms to glean info and drive engagement
  - Example programs:
    - Social, virtual events, CAB, workshops, communities....advocacy
    - Onboarding



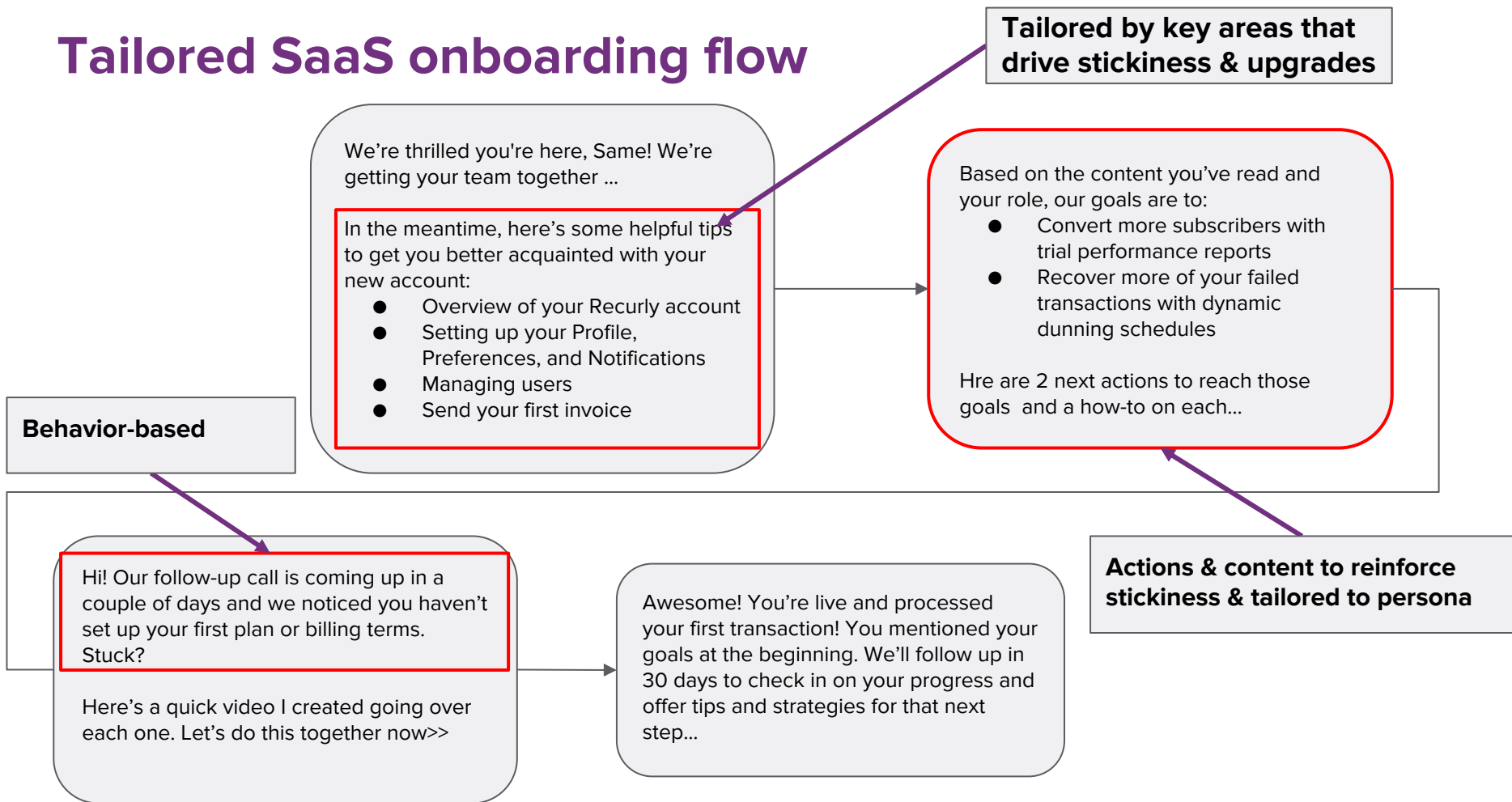
# Onboarding flow

## ● Checklist

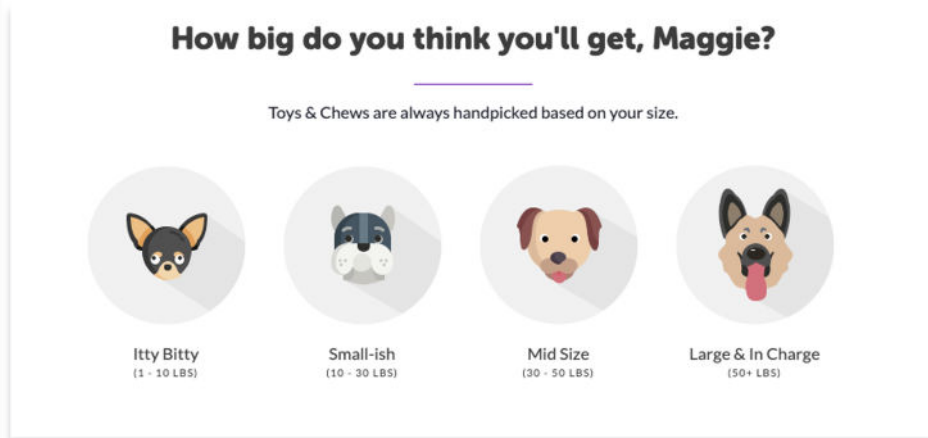
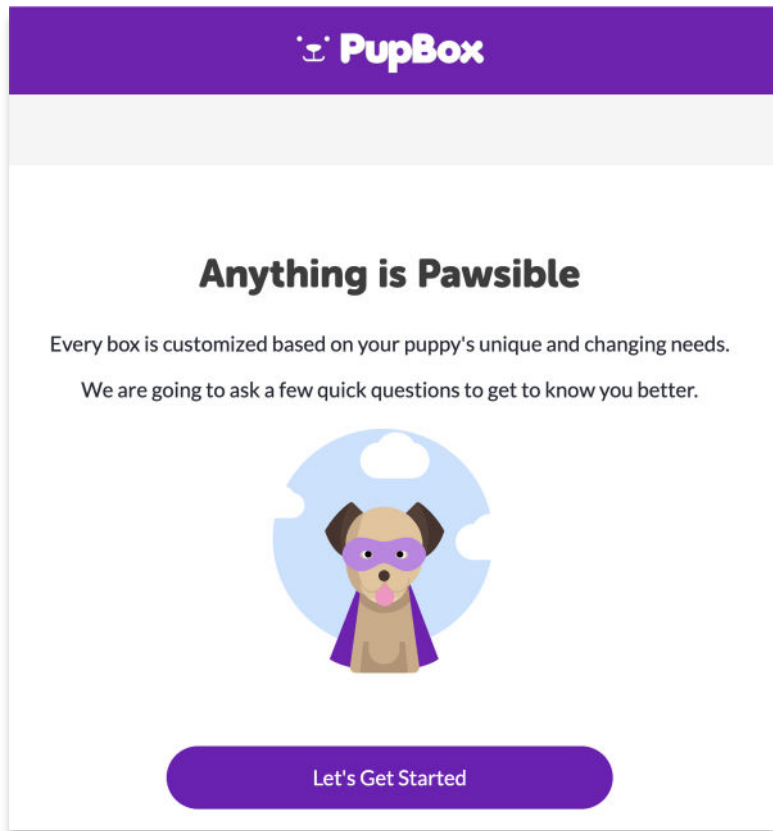
- Via cohorts or other analysis work Identify which actions are critical actions to adoption, satisfaction, retention
- Identify customer segments and tailor journey to them
- Map out key touch points/actions that drive time-to-value
- Build out journey in a document first—include all touchpoints and any corresponding how-to content, complementary content, offers to include and where
- Decide on timelines - launch and between touchpoints
- Build via different channels and leverage preferred for each segment— email, in-app notifications, enablement team follow up, etc.
- Track and measure
- Identify drop-off points, adjust, iterate



# Tailored SaaS onboarding flow



# Onboarding - PupBox tailors communications

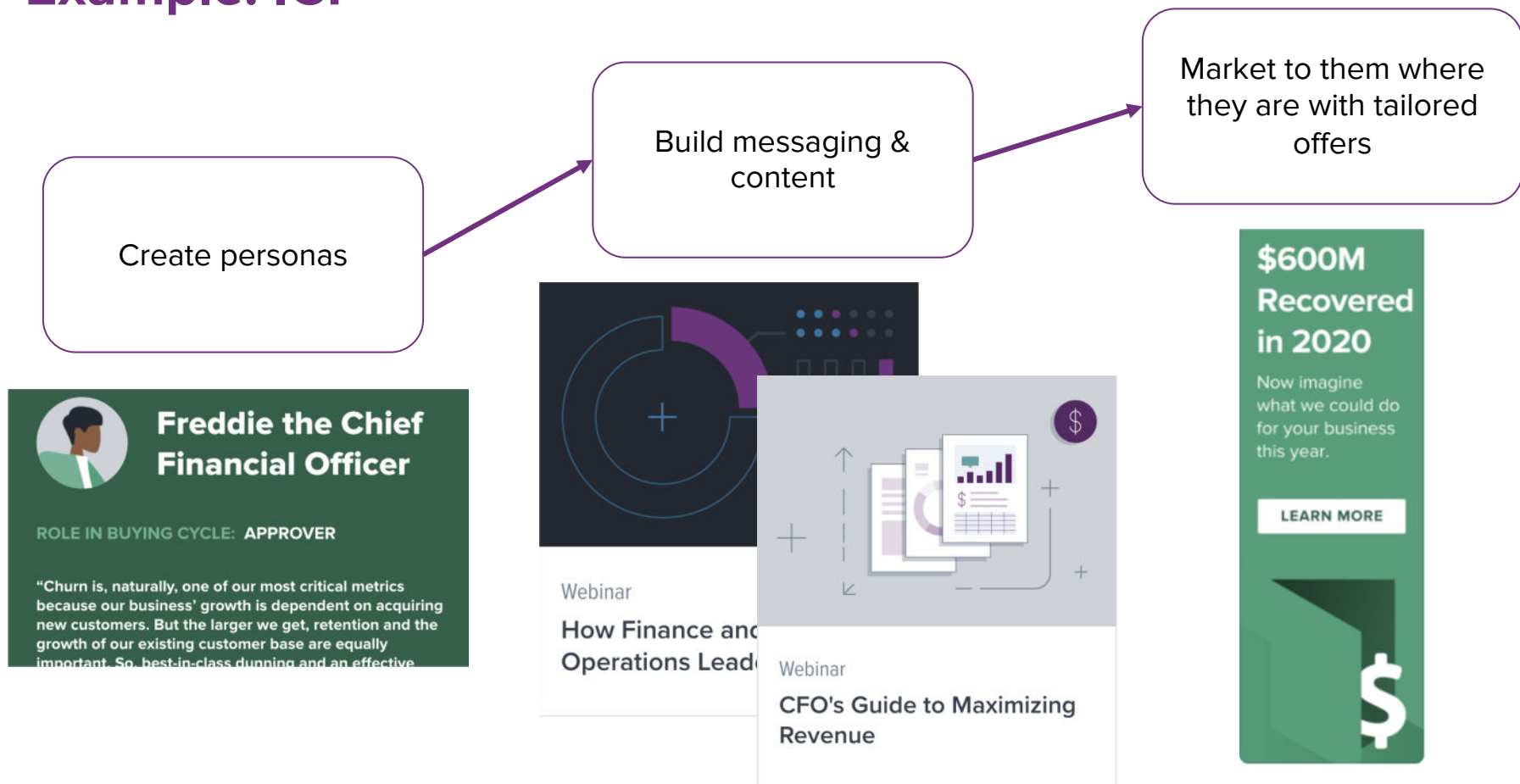


# Tactics

- Upsell-cross sell
  - Tag content, items, areas of the product by persona interest, value, topic, etc.
  - Use dynamic content to recommend content, cross-promote products, samples in boxes
  - Create personalized experiences with content hubs, bespoke products that feature suggested items
  - Find new avenues to promote complementary products based on insights



# Example: ICP



## Example: ICP



New advertising channels

Promote complementary offers



Eco Traveler Gift Box...  
TABI Jet Sets



Tik Tok



# Putting it into practice: retention

- Segmentation (*again*)
  - Subscriber “cliff”
- Engagement channels
  - Customer/subscriber specific
- Programs
  - Winbacks
- Tactics
  - Dynamic dunning



# Recurring billing is unique

- Use cohorts for a deeper understanding of your customer base
- Segmenting is the most impactful way to deliver consistent value
- Focus efforts for your ICP to deliver the highest LTV and ROI
- Optimize for CAC:LTV with acquisition efforts
- Optimizing for LTV includes reducing failed transactions

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# Thank you!

[events@recurly.com](mailto:events@recurly.com)

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