SUBSCRIPTION insider

How to Harness SMS for Lasting Subscriber Connections

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Topics I like to talk about:

- ✓ Family
- ✓ Music/Playing Guitar
- ✓ Product Ownership Experiences

What we're covering today:

- ✓ Huge Opportunity
- ✓ AI & SMS power Connected Subscribers
- ✓ AI & SMS Technology
- ✓ Step-by Step Approach for your business
- ✓ Compelling Financial Impact

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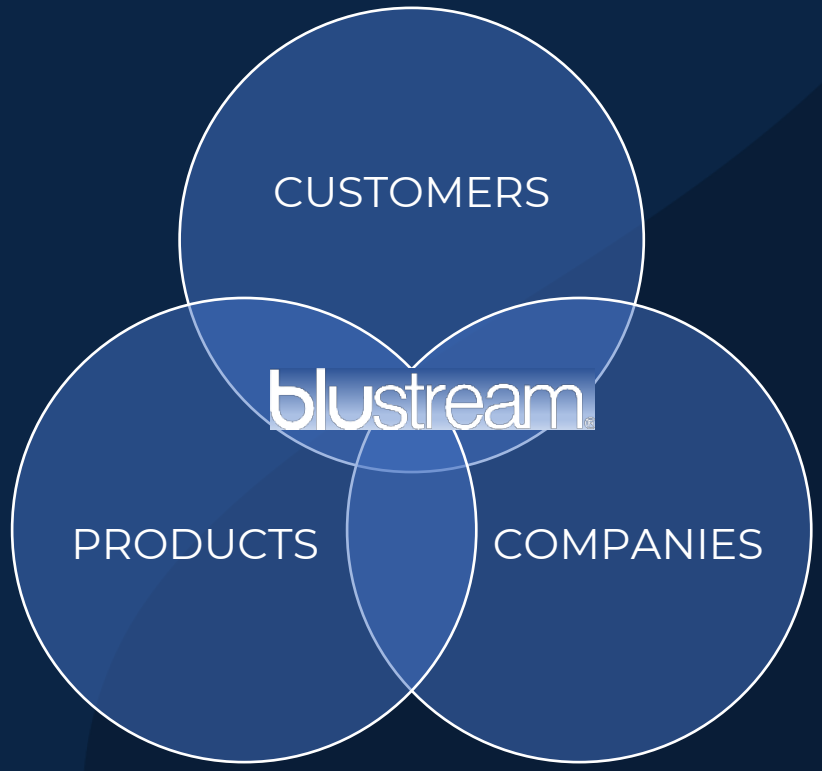
Our mission is to connect you to your customers through innovative product experiences that grow your business



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Fact:

Connected consumers are worth 10x their first purchase.

Source:

McKinsey & Company – Nov 2021

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You’re facing a financial crisis… higher CAC, falling retention lowering LTV.

222%

Rise in CAC over the last 5 years.

Subscription-based companies

lose 50%

of their customers within

6 months.

Business Wire (July 2022): https://bwnews.pr/3O3t7TH
Retail Dive (Feb 2018): https://bit.ly/3PTssT9
Outbound Engine (April 2022): https://bit.ly/3QfLh4z

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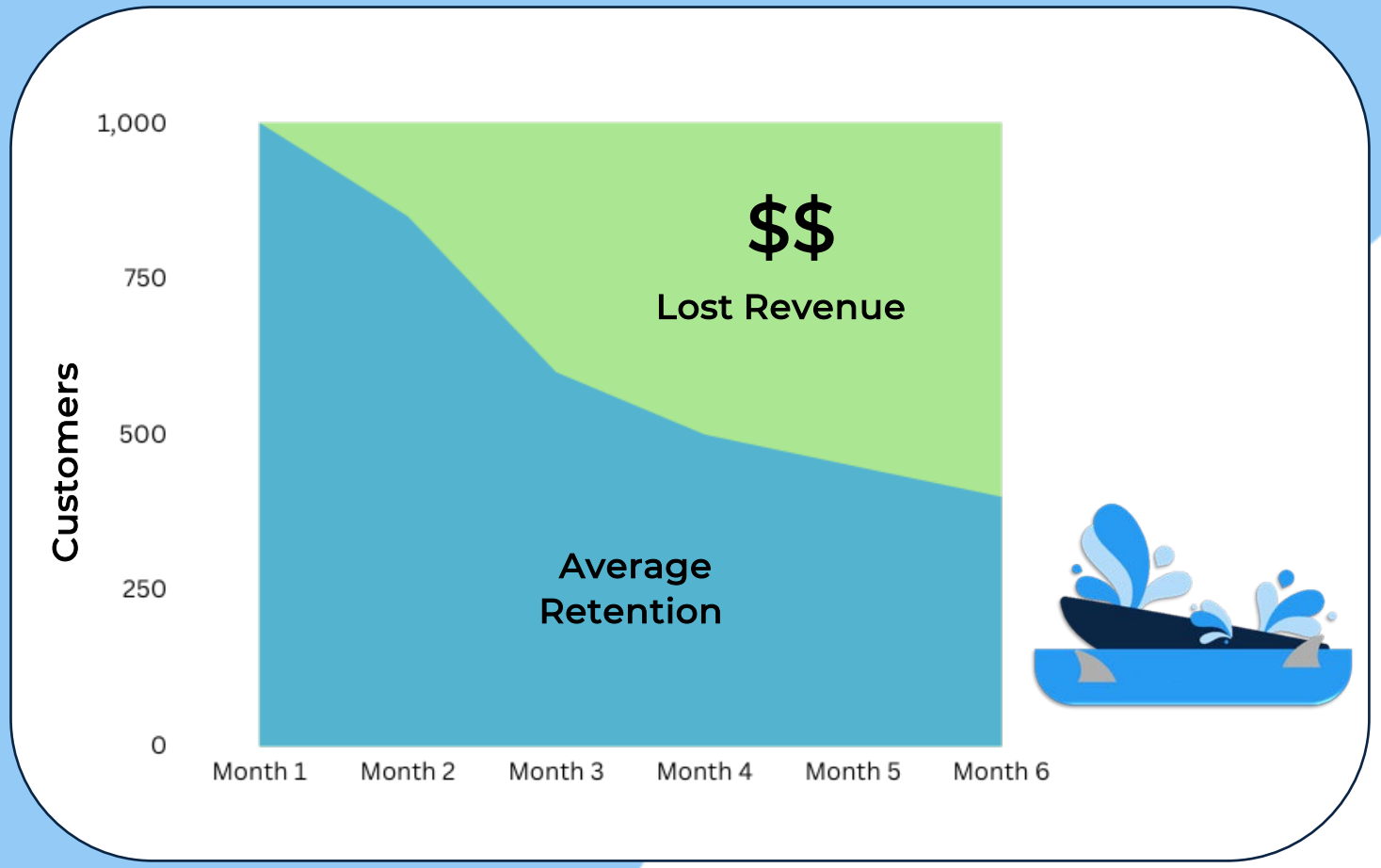
Retaining more customers is the answer.



Increasing retention by

5%

can boost revenue by 25%-95%

Business Wire (July 2022): https://bwnews.pr/3O3t7TH
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Until Now…

There’s been no easy way to create, manage and measure product ownership experiences.

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How can AI & SMS power Connected Product Subscribers?

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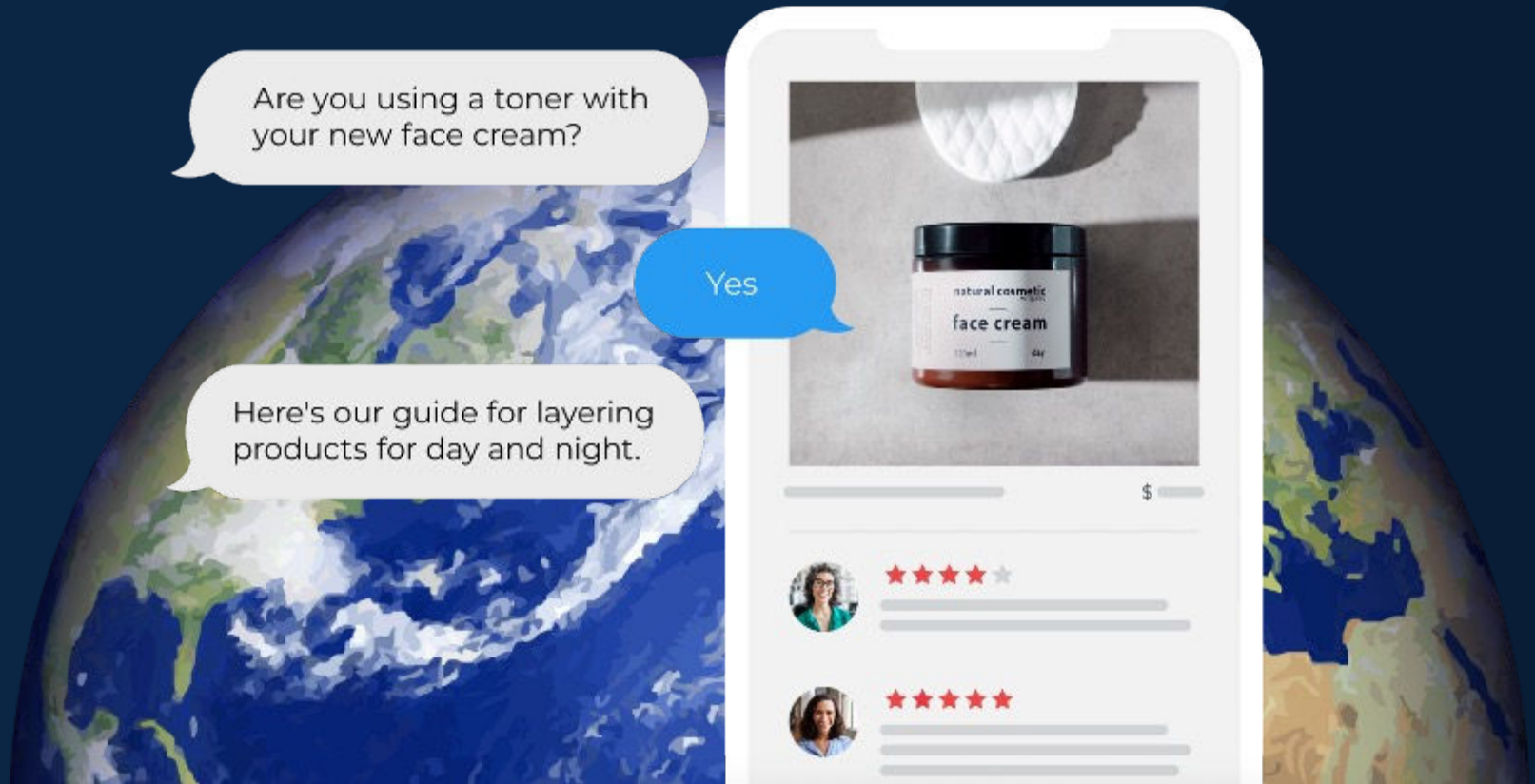
At Blustream, we like to wonder: What if *every* product had a voice?



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Using AI & SMS, your products can speak to their owners at key moments.

UNBOXING
Personalized, digitized setup instructions

USAGE
Optimized messages for unique usage cases

CARE
Maintenance guides enabled by Zero-Party Data

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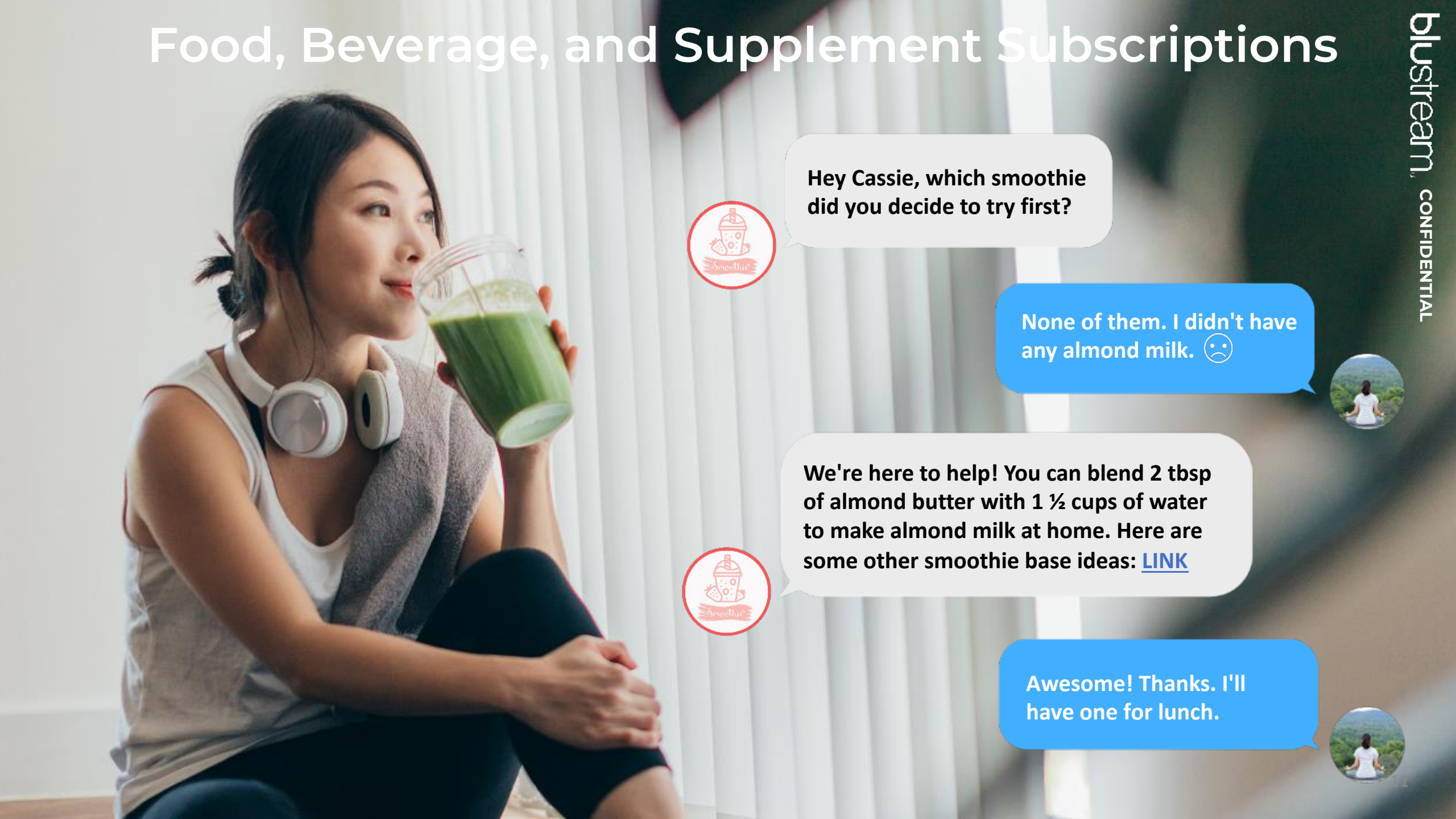
Food, Beverage, and Supplement Subscriptions



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Health-Related: Provide the right resources.

Pet Consumables & Services: NPS & 5-star Reviews.

Nope! We are longtime fans!

What's Lucy's favorite flavor?

Bacon & Peanut Butter!

Would Lucy be up for giving us a "4 paws up" review for her favorite flavor? LINK

Definitely!

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Rentals, Lessons, & Memberships: Usage-based sales.

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How does the technology work?

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Available AI & SMS related technologies for Product Ownership.

- Zero Party Data
- Generative AI
- Natural Language Processing
- Machine Learning
- Large Language Models

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Zero-Party Product Data is the key.

It's necessary for personalized experiences that lead to retention

What you have:

- ✓ Website behaviors
- ✓ Interactions with content, ads, & emails

What it delivers:

- ✓ Segmentation and audience data for promotional marketing campaigns

What you want:

- ✓ A direct channel to receive voluntary customer information, including *interests*, *preference*, *motivations*, and *needs*.

What it delivers:

- ✓ Information that enables personalization leading to loyalty and retention.

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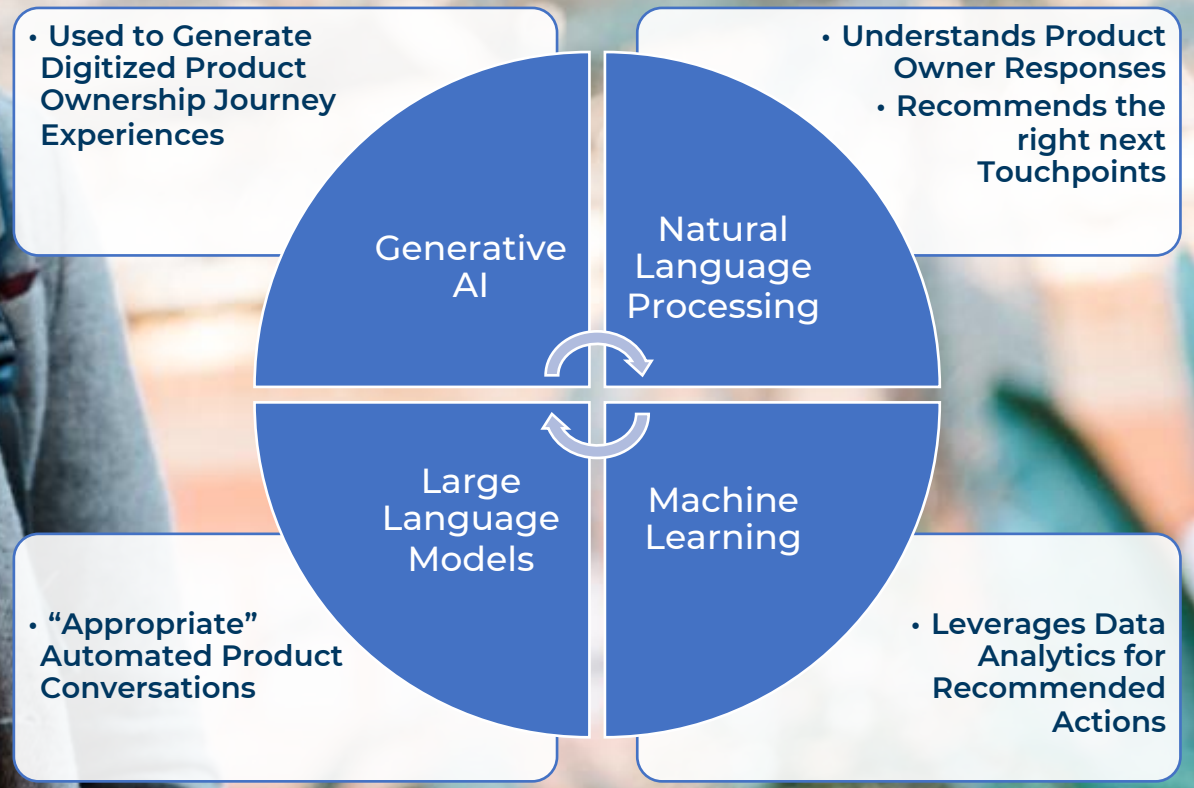
AI Models are Fueled by Unboxing, Usage, and Product Care Data Personalizing Connections.



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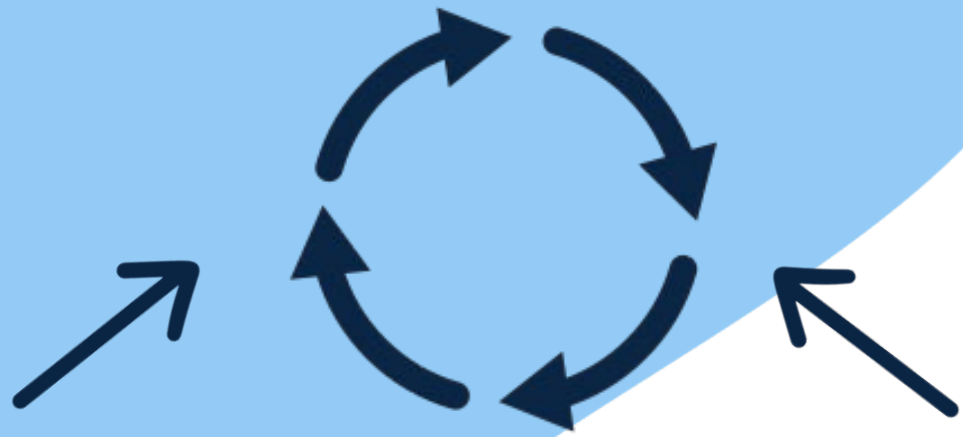
Connect the lifecycle of your products with the lives of your consumers.



Attributes & Characteristics of Products:

- ✓ Usage
- ✓ Storage
- ✓ Maintenance
- ✓ Care
- ✓ Size
- ✓ Version

Attributes & Characteristics of Product Owners:

- ✓ Needs (experience level)
- ✓ Wants
- ✓ Lifestyle
- ✓ Behaviors
- ✓ Location
- ✓ Environment

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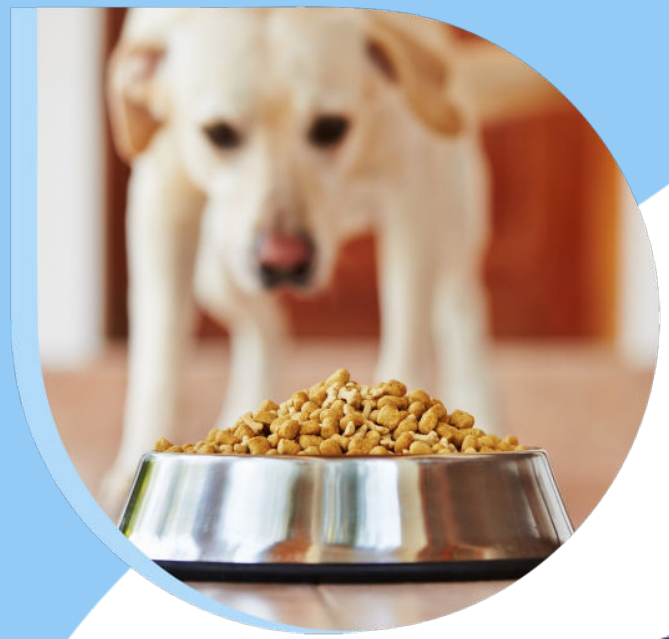
SMS creates a highly connected experience.

Interactive Dialogues, Skill and Usage Triggers,
Personalized Based on a lifetime of Active Data

Would you like help fitting your new harness to your dog? We can walk you through it.



Your dog already mastered the puzzle toy? What a smart boy! Here are some tricks to add some complexity to the toy.

Have you given your dog supplements before? We have some tips to help make it more palatable for them.

Rut-roh. It's time for an at-home nail trim. You can do this! Would you like a refresher on how to approach this aspect of grooming?

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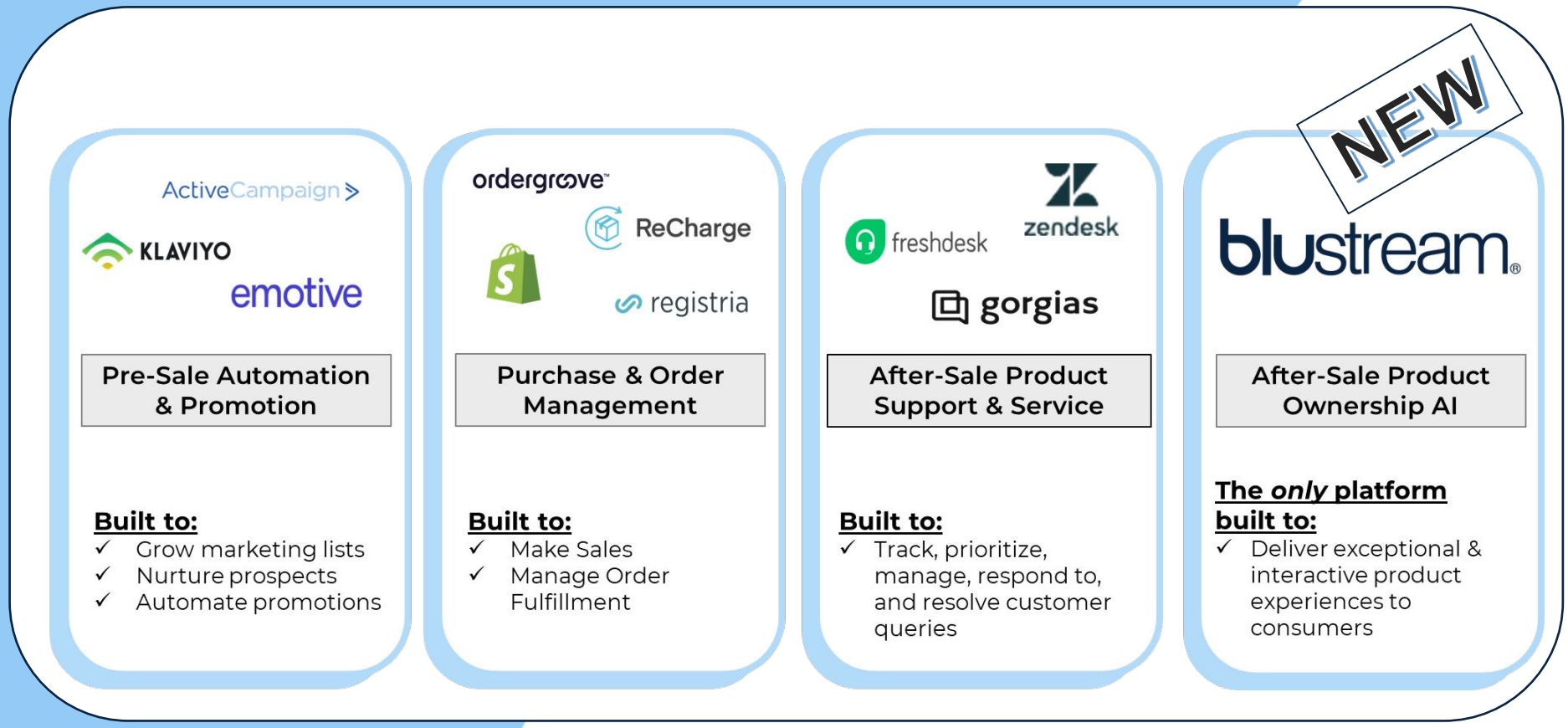
Product Ownership AI Provides New Data & Insights to Existing Systems.



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Is there an easy, step-by-step approach to utilize AI & SMS in my products?

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Step 1: Digitize existing instruction & care guides for SMS conversations

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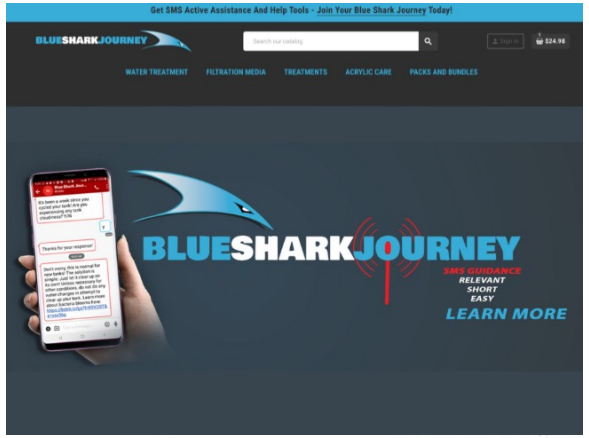
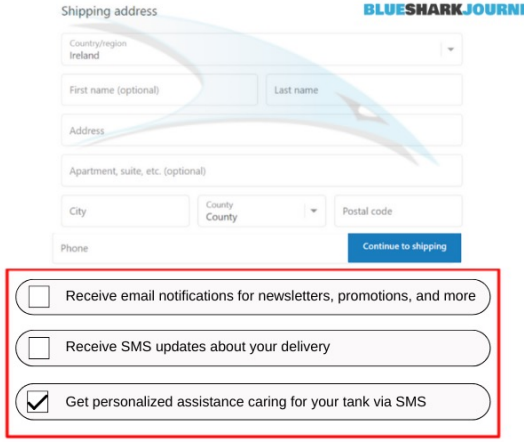
Step 2: Sign up subscribers

Tips to Maximize Opt-Ins:

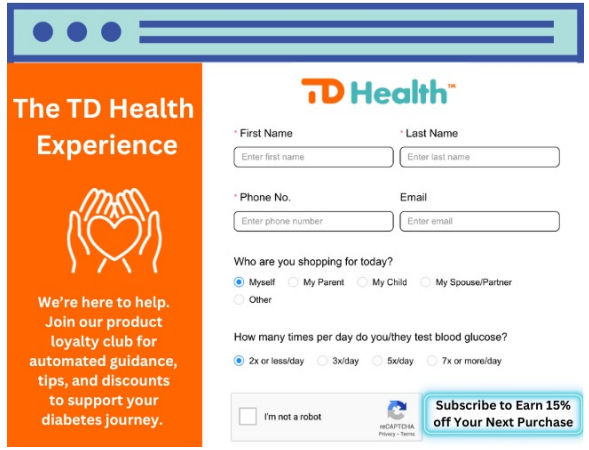
- Include opt-in options in as many locations as possible
- Make opting in special by branding the experience around a VIP club or enthusiast community
- Offer giveaways or incentives for opting in.





ECommerce Checkout & Product Pages

QR Codes on Packaging



Pop-Ups Forms on Websites

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Step 3: Personalize the Customer Experience with AI

BASELINE

Dog Age
Owner Experience
Smart Collar
Containment Fence
Food

RESPONSES

Diet
Exercise
Socialization
Behavior

INTERACTIONS

"Time for puppy classes! Here's one near you."

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Step 4. Improve Campaigns, R&D, etc. with Product Ownership Data.

Rich Customer Profiles
Ask questions to understand the entire ownership lifecycle with your products.

Product Ownership Data Insights
Learn directly from your customers how and when they're using your products.

Detailed Historical Event Log
Identify trends and get in touch directly with customers who need intervention.

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What’s the financial impact?

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Proven Results with Product Ownership AI Connections.

AI & SMS Super-Charge Retention & Revenue

90%+
Retained – Active Community

65%+
Engagement

2x+
Lifetime Value

30%+
Higher Revenues

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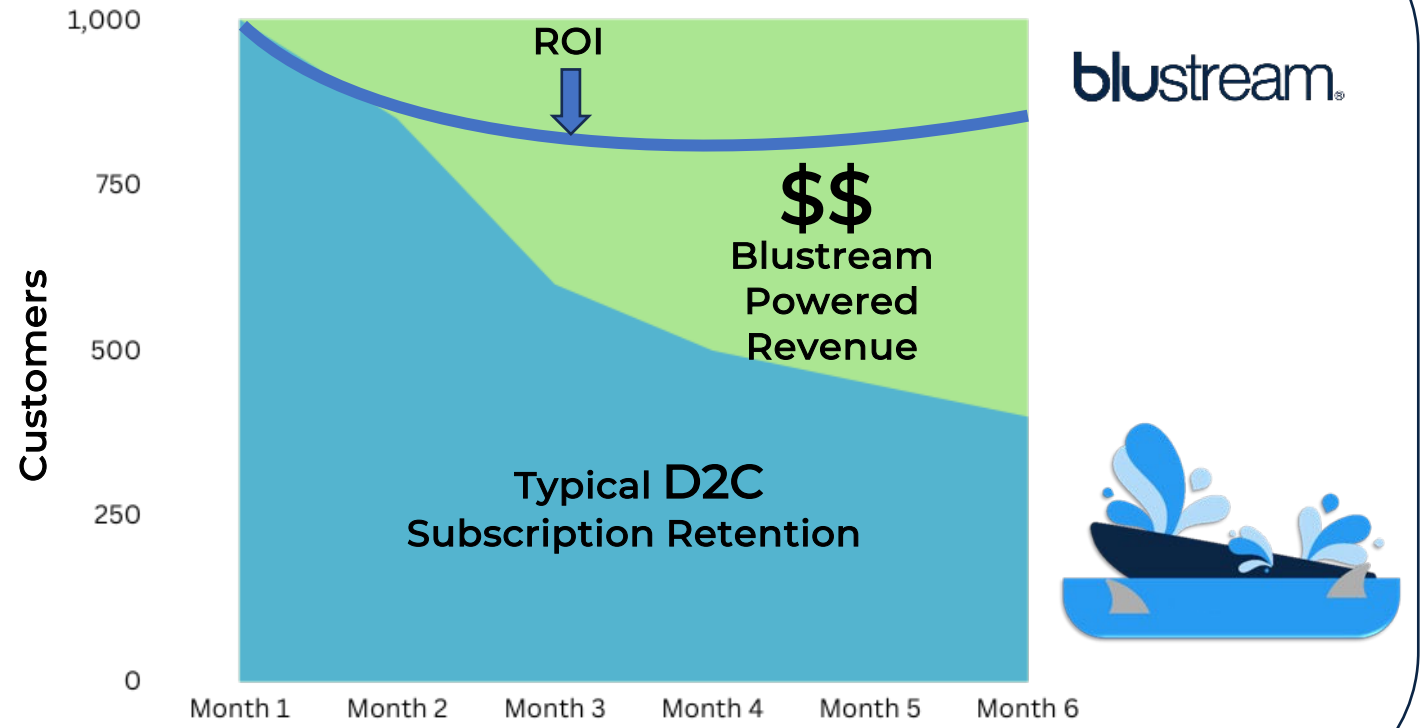
Improving Retention Directly Increases Revenue & LTV.

A quick example:

Cut Churn
30%

Increase Revenue
30%

Increase LTV
2x



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Free Financial Calculator: Typical ROI in under 90 Days.

Revenue & LTV Increases from Connected Subscribers

Enter Current Metrics:
- Avg Annual Spend
- Annual Churn/Retention
- Estimated New Retention

RESULTS:
- Revenue Impact
- ROI
- LTV

Yellow = Manual Entry

Current Revenue Picture:		Year 1	Year 2	Year 3	Total	% Increase
Total New Customers In a Time Period (1 yr)	2,000	2,000				
Retained Customers In a Time Period		45%	40%	35%		
Remaining Customers In a Time Period		900	800	700		
Annual Revenue	$300	$270,000	$240,000	$210,000	**$720,000**	Status Quo

+

+ Blustream Powered Increase:		Year 1	Year 2	Year 3	Total	
Target Incremental % Retained	20%	9%	8%	7%		
Target Incremental Customers Retained		180	160	140		
Blustream Retention-Powered Incremental Revenue		$54,000	$48,000	$42,000	$144,000	20.0%
Blustream Cross-sell/Upsell-Powered Incremental Revenue	10%	$32,400	$28,800	$25,200	$86,400	12.0%
Total Blustream Powered Incremental Revenue		**$86,400**	**$76,800**	**$67,200**	**$230,400**	**32.0%**

=

= Future Revenue Picture:	Year 1	Year 2	Year 3	Total	% Increase
Total Blustream Powered Retention Rate	54%	48%	42%		
Total Customers Retained	1,080	960	840		
Blustream Powered Total Revenue	**$356,400**	**$316,800**	**$277,200**	**$950,400**	**32.0%**

Blustream Pricing & Payback Summary:	Per Contact	Year 1	Year 2	Year 3	Total	% of Incremental Revenue
Number of Months to Recoup Platform Investment:		2.9	3.0	3.4		
Number of Customers Retained to Recoup Platform Investment		43	40	40		

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Everyone wins...let's get started.

BRANDS

Better retention, cross-selling, revenue, and LTV

CONSUMERS

Truly appreciate their connection with you & your products

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Become a trusted partner to you and your company

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A Product Ownership AI Company

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We believe every Company should deliver exceptional product experiences to their Customers.