

## The Changing Landscape of Customer Lifetime Value

Backcountry traveled beyond static metrics to determine how brand loyalty changes over time.

Backcountry, an outdoor gear and clothing company, started exploring customer level retention metrics. The company was looking to understand whether business degradation was due to lower customer lifetime value of new customers or churn of high customer lifetime value customers. Either way, unlocking the true movement of each customer's CLV was critical for Backcountry to get back on the trail.

Retina worked with Backcountry to evaluate all customers and determine customer lifetime value at the individual level to:

Understand which customers are profitable

Determine early factors that contribute to high-loyalty behavior

Reduce churn

Next, Retina conducted a customer lifetime value migration analysis to understand how customers change their brand loyalty over time. The team identified a segment of customers that had downgraded CLV tiers since the beginning of their customer journey. This degradation was consistent across time windows, whether quarterly, annually, or over five years. This complex process was handled quickly and at scale by the Retina platform.

To continue the adventure, Retina built a business case to identify which customers are likely to upgrade to higher CLV tranches. Based on customer behaviors identified in the migration analysis, Retina determined that 27% of middle tier customers have an opportunity to increase in customer lifetime value.

Further exploration led Retina to identify the importance of social and display media campaigns, with jackets as a high importance category for marketing. With these insights, Backcountry is ready to map the changing customer landscape.

Contact Us To Learn More

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