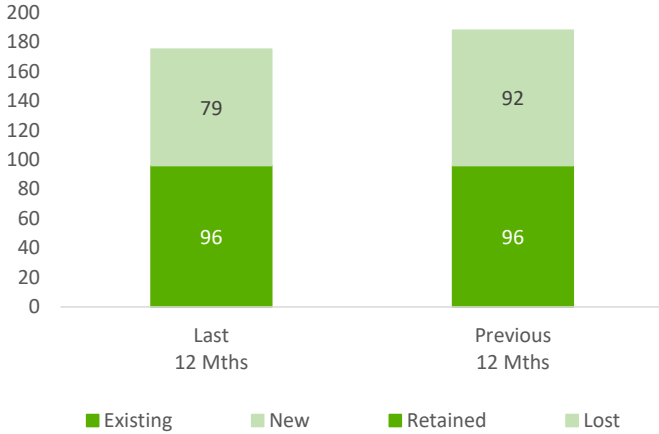


Marketing ROI Report for A Fictional Software Company

This report analyses every transaction within the accounts of A Fictional Software Company over the past 3 years to review trends in new customer acquisition, client retention and associated revenue. We have also analysed all identifiable marketing related expenditure to understand the impact on customer and revenue generation. The report is complete to May 2020.

Spend on marketing related activity over the last 12 months totalled £34.5k, which was an increase of +49.6% or +£11.4k on the previous 12 months total of £23.1k. Over the same period, your total customer base decreased by (6.9%) (from 188 to 175). Consisting of 79 New Customers and 96 customers retained from the previous 12 months, with revenue decreasing by (0.2%) (from £1.003m to £1.001m).



Customer Acquisition

You generated 79 new customers over the last 12 months with revenue of £220.9k. This was -19.4% fewer than the number of new customers generated in the previous 12 months (98, with revenue of £218k).

Customer Retention

51.1% of your customers over the last 12 months also bought from you in the previous 12 months (96 out of 188). This means that 48.9% of your customers from the previous 12 months did not purchase in the last 12 months. A potential lost revenue value of £224.8k.

Revenue by Customer

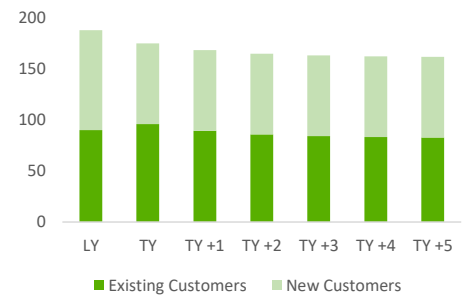
Of your top 10 customers (by revenue value) this year, 4 are showing a decline year on year with revenue reduced by £63.8k (31.8% down). Revenue for the rest of your customers decreased by £168.8k, (28.3% down).

To summarise, your total customer base has decreased by (6.9%) (from 188 to 175). Driven by a decrease in new customers acquired (-19.4%) and an increase in the number of customers retained from the previous 12 months (+6.7%). However, the proportion of customers retained has decreased (55.2% to 51.1%).

If you had acquired the same number of new customers and retained the same proportion of customers from the previous 12 months as in the prior 12 months, assuming an average value per client, this would have contributed an additional £116.6k to revenue and £40.8 in profit.

If you continue to acquire the same number of new customers (79) over the next 5 years and your existing customer retention rate of 51.1% continues. Your anticipated net profit will reduce by £26.2k from £79.9k to £53.7k.

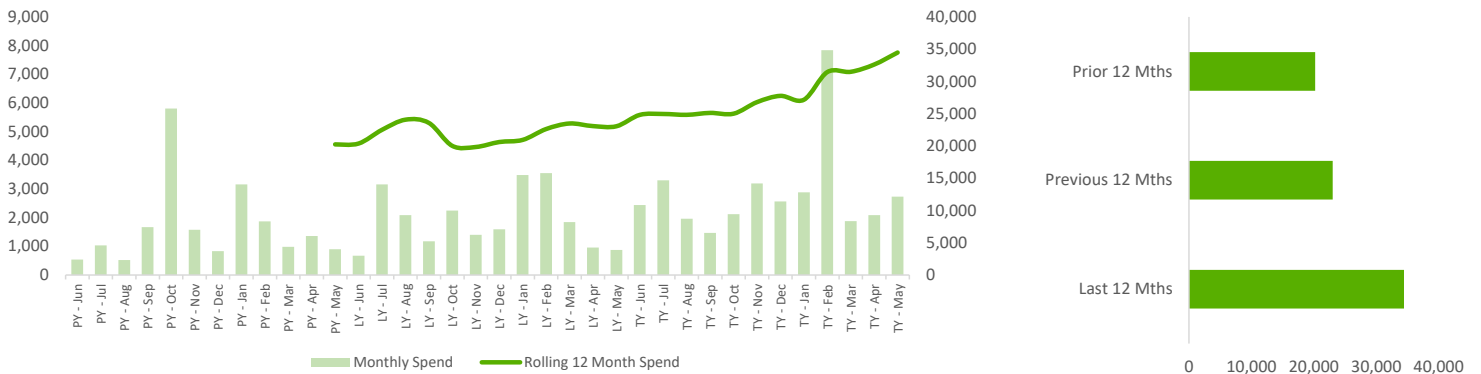
	LY	TY	TY +1	TY +2	TY +3	TY +4	TY +5
New Customers	98	79	79	79	79	79	79
Existing Customers	90	96	89	86	84	83	83
Total Customers	188	175	168	165	163	162	162
Retained Customers (from LY)	90	96	89	86	84	83	83
Lost Customers (from LY)	73	92	86	82	81	80	79
Avg Trans per Customer	22	26	26	26	26	26	26
Avg Trans Value	£0.2k	£0.2k	£0.2k	£0.2k	£0.2k	£0.2k	£0.2k
Total Revenue	1,003k	1,001k	963k	944k	934k	929k	926k
Gross Margin £	341k	350k	337k	330k	327k	325k	324k
Gross Margin %	34%	35%	35%	35%	35%	35%	35%
Overheads	(281k)	(271k)	(271k)	(271k)	(271k)	(271k)	(271k)
Profit	60k	80k	67k	60k	56k	55k	54k
Profit %	6%	8%	7%	6%	6%	6%	6%
New Customer Growth		(19.4%)	0.0%	0.0%	0.0%	0.0%	0.0%
Customer Retention	55.2%	51.1%	51.1%	51.1%	51.1%	51.1%	51.1%
Retained Customer Movement		(4.2%)	0.0%	0.0%	0.0%	0.0%	0.0%



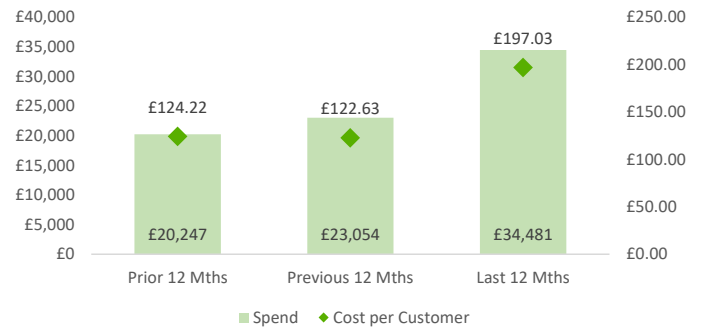
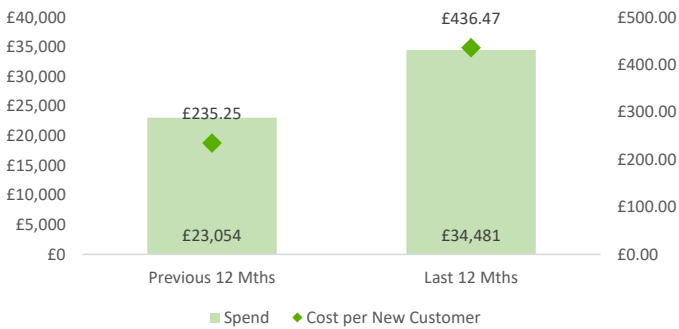
Marketing ROI Report for A Fictional Software Company

Marketing Effectiveness and Customer Acquisition

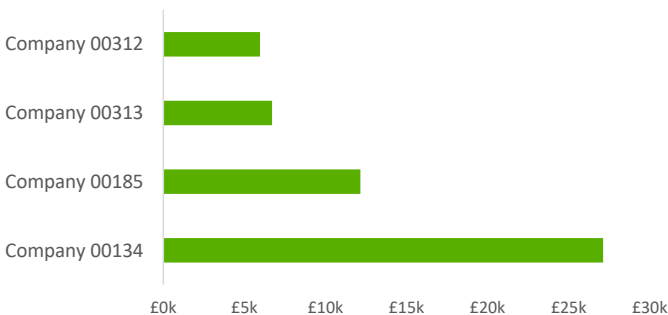
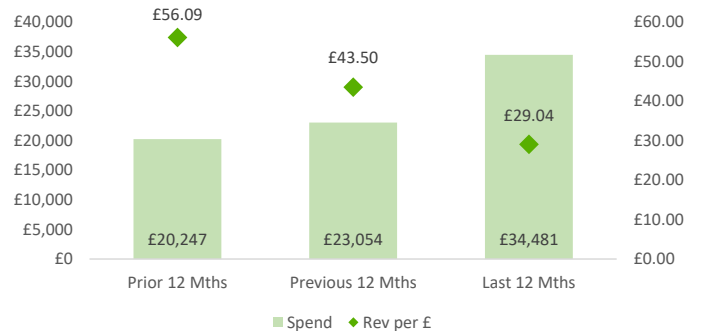
Spend on marketing related activity in the last 12 months totalled £34.5k, which was an increase of +49.6% or +£11.4k on the previous 12 months total of £23.1k. This in turn was an increase of +13.9% or +£2.8k on the total of the prior 12 months.



When comparing the total amount spent on marketing related activity over the last 12 months to the total number of new customers acquired, there is a cost per new customer of £436.47. This represents an increase of +£201.22 on the previous year. When comparing this spend to the total number of customers serviced, there is a cost per customer of £197.03. This represents an increase of +£74.4 on the previous 12 months, which in turn was a decrease of (£1.58) on the prior 12 months.



When comparing the total spend on marketing related activity to the revenue generated, the business generates £29 of revenue for every £1 spent. This represents a decrease from £43.5 in the previous 12 months, which in turn was a decrease from £56.1 in the prior 12 months. Return on investment (new customers only) is £6.4 of revenue for every £1 spent. This is a decrease when compared to the previous 12 months return of £9.5.

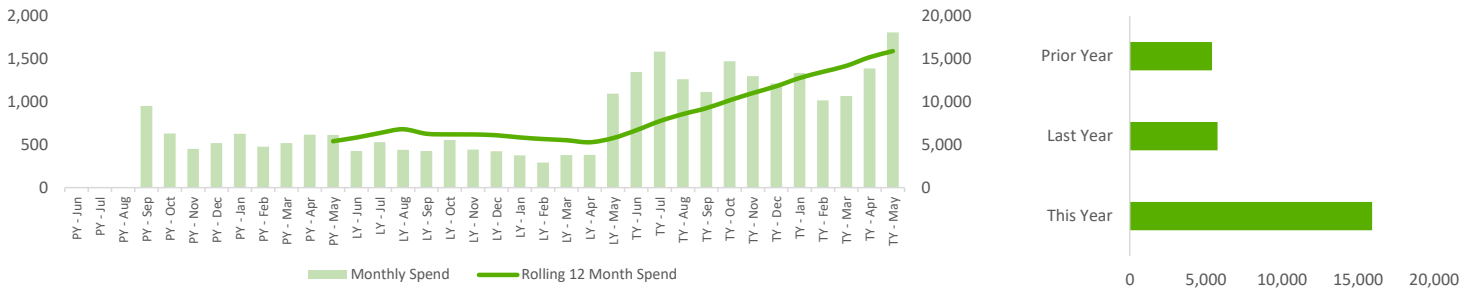


A total of £77.8k has been spent on marketing related activity over the past 3 years. The supplier the business has spent the most with (£27.1k) was Company 00134, accounting for 34.9% of overall spend over the past 3 years.

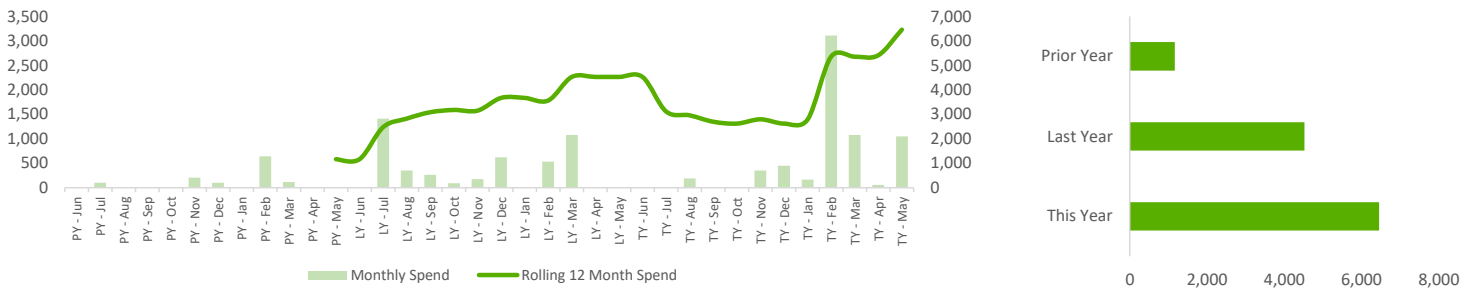
Marketing ROI Report for A Fictional Software Company

Marketing Effectiveness and Customer Acquisition

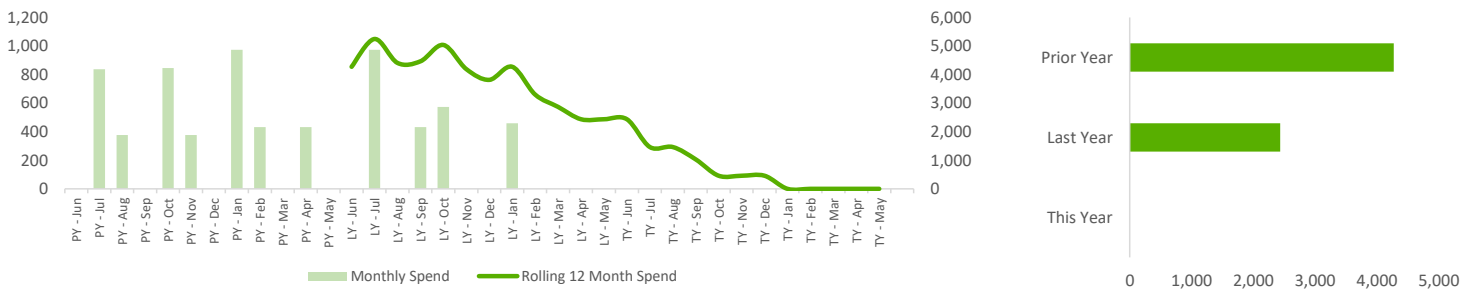
Spend on marketing related activity with Company 00134 over the past 12 months totalled £15.9k, which was an increase of +175.8% or +£10.2k on the previous 12 months of £5.8k. Which in turn was an increase of +6.6% or +£0.4k on the prior 12 months total of £5.4k.



Spend on marketing related activity with Company 00185 over the past 12 months totalled £6.5k, which was an increase of +42.7% or +£1.9k on the previous 12 months of £4.5k. Which in turn was an increase of +288.2% or +£3.4k on the prior 12 months total of £1.2k.



Spend on marketing related activity with Company 00313 over the past 12 months totalled £0k, which was a decrease of (100%) or (£2.4k) on the previous 12 months of £2.4k. Which in turn was a decrease of (43%) or (£1.8k) on the prior 12 months total of £4.3k.



Spend on marketing related activity with Company 00312 over the past 12 months totalled £1.3k, which was a decrease of (36.3%) or (£0.7k) on the previous 12 months of £2k. Which in turn was a decrease of (27.7%) or (£0.8k) on the prior 12 months total of £2.7k.

