

Case Study: Culpitt

The importance of Customer Lifetime Value (CLTV) in driving profitability and better engaging with your customers

E-commerce businesses are constantly evolving their online presence via social media, video content and organic and paid search. Most sectors are seeing increasing competition and growing costs of customer acquisition.

Once you have won your hard-earned customer, the key to profitability can be maximising a customer's lifetime value (CLTV), understanding how they engage with your business and how you can service them in the most effective way.

Culpitt, the UK's leading wholesale supplier of cake decorations and sugar craft supplies, knew the importance of data in helping to drive its business forward.

David Quinn, Operations Director at Culpitt commented, "Ahead of some significant changes to our consumer website, we really wanted to understand customer behavior, retention and lifetime value".

With nearly 70,000 online customers and a vast amount of associated data, advanced analytics was required to provide a five-year view on customer behavior, driving insight to predict and influence future buying patterns of customers.

The specialist team at MHA Tait Walker gathered, analysed and combined financial and operational data, presenting customer and cohort data in a way that the businesses could make fully informed and measurable decisions, with a focus on what really drives value and profitability in their business.

The solution used Microsoft Power BI and was fully integrated with Culpitts Sage ERP system, providing a real time resource in which the business can track assumptions against live customer behavior. This has crucially shifted key time resource from compiling reports to gaining instant actionable insight which will help the business continue to thrive.

" The work done by the Data Insight team enabled us to focus on some key areas to immediately improve areas of weakness, improve retention and increase CLTV. "

David Quinn
Operations Director

Key Benefits

Culpitt now have live, repeatable customer lifetime and cohort analysis linked to their business-critical ERP system.

This has allowed Culpitt to monitor the following key areas:

- Revenue and margin per customer, cohort, and business type
- CLTV by customer type, industry classification with internal divisional analysis
- Cohort behaviour over time involving:
 - Customer loyalty and churn rate
 - Average Order Value analysis
 - Purchase frequency
 - Monthly cumulative revenue
- Active and lapsed customer cohort analysis

Now, for tomorrow