


**How can I help you?**

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How Do You Really Measure Success?

What makes a great customer? Is it the one who places a huge order once, but never again? Or the one who places small orders but orders from you consistently year after year? We need to measure Lifetime Customer Value (LCV) to answer this question.

LCV is an important concept. Think about your loyalty to brands. What did you buy the first time you purchased from one of your favorite companies? A \$5 latte? \$30 blouse? \$150 pair of hiking boots? Now think about how much you have spent with that brand since then. In the past 12 months, how much do you think you've spent? \$50? \$150? \$1,000? If you've been loyal to that brand for years, what is the value of your purchases in total?

Now, think about the marketing campaign that won your business in the first place. Imagine that the company calculated the ROI of that campaign only based on your first purchase. How much they would miss! This is why it is so essential to track beyond the initial sale.

Let's look at three other benefits of tracking LCV:

- 1. You identify your most profitable customers.** There are many benefits to knowing who your best customers are. You may want to craft offers just for them or spend less on those who are less profitable.
- 2. You make better marketing decisions.** LCV allows you to assess the success of your marketing campaigns accurately. When you look at customers' purchases over time, that direct mail campaign you thought only had a mediocre return may have a much more significant ROI.
- 3. You can better target your offers.** At first, that new customer might have bought something for a friend or purchased it on a whim. But once you get a sense of who they are and what they like, this allows you to cultivate that relationship over time and deepen your profitability.

Want to learn more? Let us help you identify your best customers and how to track their LCV.