

# Introducing REIGNITION

**The Smart Way for Small Businesses to  
Fastrack their Pandemic Recovery in 2  
Simple Steps**



## Reader Information

This guide has been written for information and educational purposes only. Every effort has been made to ensure it is as complete and accurate as possible up to the date of publication . If you have any questions or comments please contact our support team at [hello@costadelsolrecovery.es](mailto:hello@costadelsolrecovery.es) who will be happy to help.

Any performance data included in this guide has been independently monitored and verified by Prove Source.- a world leader in data integrity.

## Introduction

As the pandemic was causing devastation around the world, millions of small business owners began to realise they were about to face probably the greatest threat to their livelihoods imaginable.

Sadly, some businesses would never reopen but millions of small businesses did survive, only to be confronted with an urgent need to come up with a recovery plan. A strategy, capable of restoring pre pandemic income, growth and profitability all in the shortest period of time.

Despite headline pledges of financial support by national governments many small businesses owners have been left disappointed and frustrated by the lack of recovery support once restrictions began to ease.

## REIGNITION - A 2 Step Approach

**REIGNITION** consists of 2 main components. Firstly, a set of simple, yet essential calculations that every business owner should know so they can monitor performance and achieve increasing income.

Secondly, once you're familiar with these performance calculations we'll introduce you to **REIGNITION - Our Done for You [DFY]** loyalty marketing platform. You'll quickly realise why 600+ small businesses are using it to **retain key customers, convert more one time buyers into lifetime customers, increase average customer spend per visit and slash customer acquisition costs to an all time low.**

In summary, a system that resolves four of the most difficult challenges faced by most small business owners.

Investing in yourself and your business will give you a revitalised sense of ambition and as your business decision making confidence soars you'll find it easier than ever before to generate predictable income and profits.

The Four Key Performance indicators are as follows.

1. Customer Retention Rate [CRR]
2. Customer Conversion Rate [CCR]
3. Customer Acquisition Cost [CAC]
4. Customer Lifetime Value [CLV]

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## Customer Retention Rate

Lets get started by taking a look at the importance of retaining your best customers and how to measure your performance in this key area.

What's better than acquiring one new customer? It's actually retaining an existing one because returning customers will provide you with a far higher ROI and costs between 5 to 25 x less.

The key to retaining your best customers is to provide them with **personalised offers** based on their **buying behaviour**. Not sure ? Consider the research done by Harvard Business School who proved that increasing your customer retention rate by just 5% can boost revenue by between 25% and 95%.

If growing your business is what you're about then you must keep a close eye on your **Customer Retention Rate [CRR]** . Your **CRR** is the percentage of customers who remain customers over a certain period (weekly, monthly, quarterly). Identifying and understanding the reasons behind the behaviour of your customers will help you optimise your promotional spend, give you greater confidence in your decision making and enable you to grow your business faster and whilst reducing costs.

Calculating your CRR is quite easy...

$CRR = ((EC - NC) / SC) \times 100$ , where:

EC stands for the number of clients at the end of a given period.

NC stands for the number of new clients during a given period.

SC stands for the number of clients at the beginning of a given period.

Let's take a look at a simple example. Let's assume you've launched a new Facebook page. On October 1st, you have 1000 followers with an additional 500 followers by October 31st; however, 200 people unfollow your page. So, at the end of a given period (in this case, one month), you had 1300 followers. Here's how to calculate your retention rate:

$(1300 - 500) / 1000 \times 100 = 80$

Interestingly, you were able to retain 80% of your followers. The goal of every business is to retain a higher percentage of its clients within a given period, so the business continues to grow.

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## Customer Conversion Rate

Lets move on and take a look at the **Customer Conversion Rate [CCR]** metric and how to calculate it.

The **CCR** is an important performance indicator because it tells you how many leads you have converted into paying customers or have been persuaded to take a specific action. For example, if you have 10 leads, and one of them makes a purchase, you have a conversion rate of 10%.

For any business to grow its important to monitor how activity and expenditure are performing to ensure targets are being achieved or if changes need to be made. Conversion rates can be used to track any desired action you want to monitor to make sure your marketing strategy is running efficiently, and your sales funnel and website are fully optimised for maximum results.

For example, monitoring the sales conversion rate on your product's landing page means you can assess whether you need to make any improvements. A low conversion rate could be due to overcomplicated copy or a confusing layout with many distractions. By understanding and monitoring your conversion rates, you can track if any changes you make improves how your desired action converts.

To calculate a conversion rate, firstly select your desired action and divide it by the total time the desired actions could have happened, lastly multiply by 100 to get a percentage.

For example, 1,000 people saw the pop-up to get your lead magnet, however only 123 signed up.

Therefore, we would take 123 and divide it by 1,000, and finally multiply it by 100 to get our percentage - 12.3%

$(123 / 1,000) \times 100 = 12.3\%$  conversion rate.

## Customer Acquisition Cost

The cost of acquiring clients or customers is central to the operation of your business and ultimately dictates how successful and profitable it is .

Your **Customer Acquisition Cost [CAC]** is the cost of acquiring each new customer or client. The lower that number the higher your profit margin is.

The easiest way to calculate your **CAC** is to add up all the cost elements associated with acquiring each new customer and then divide that amount by the number of customers acquired. This is typically viewed in a specific period, such as a tax year or per quarter etc.

Heres a simple example, if you spent €15,000 in the past month to acquire new customers (including marketing, sales, salaries, and overhead costs) and had 1000 purchases from new customers, your CAC would be € 15.

Provided you manage these new customer relationships well, you'll be able to motivate these customers to generate more new customers for you at an exceptionally low cost using modest rewards, genuine testimonials, reviews and sharing their experience of your service with their friends and family.

If the leads from these sources become customers, you will have earned them free of charge, which will lower your customer acquisition cost even further.

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## Customer Lifetime Value

Its time to focus on the final performance indicator known as the **Customer Lifetime Value [CLV]**.

If it's a calculation you're unfamiliar with you'll never know how well or otherwise your business is performing and importantly whether you're leaving money on the table.

Your **CLV** is the predicted amount a customer will spend on your product or service throughout the entire period of your relationship. Once you know your **CLV** you can work out the most efficient ways to acquire new customers and retain existing ones while optimising and maintaining your profit margins.

Calculating Your **Customer Lifetime Value** is easy.

Take the average order value, multiply it by the number of sales they'll make in a given period, then lastly multiply it by overall retention time.

For example, our online food shop has an average order value of € 75 which is made four times every month. The customer stays for a total of 6 months, until leaving.

Therefore, we take €75, multiply it by four which gives us € 300, lastly, we multiply this by the retention time of 6 months – €1,800

Simple right? Apply it to your own business and gain a powerful insight into where your business is heading.

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## New Customers or Loyal Customers ?

Your past customers are a huge asset to your business, particularly when catastrophe strikes, as it did with the pandemic and with almost no warning.

Analysis shows that those small businesses who actively managed and enjoyed strong relationships with their existing customers were able to navigate their way through the pandemic with greater confidence and success. They maintained stronger cashflow, retained more customers and actually grew their client bases using referral techniques to gain new customers from customers' work colleagues, their families' and friends.

Sadly, too many small businesses failed during the pandemic because they spent most of their marketing euro on trying to attract new customers instead of nurturing the ones they already had.

Not convinced? For many business owners, hard facts are worth more than anecdotes and assumptions. Check out the customer retention and acquisition stats below to see the differences.





## REIGNITION Explained

**REIGNITION** is a Done for You **IDFY** rewards based, next generation, paperless customer loyalty solution, engineered for sustainable small business growth.

Launched during the pandemic **REIGNITION** is now Europe's fastest growing small business loyalty platform managing 600+ programs in 34 countries.

It enables small businesses to access the functionality, simplicity and profitability of world class programs but at a fraction of the cost. **REIGNITION** locks in your best customers, converts more one-time buyers into lifetime customers, increases average spend per visit and reduces customer acquisition costs to just a few euros.

Our technology runs on any smartphone and because there's no app to download your customers can sign up to your branded program in seconds. It's ready for launch in just a few days as all of the heavy lifting has been done for you by us. It's also possible to experience **REIGNITION** risk-free with our **100 % Money Back Guarantee**.



## About Us

The **REIGNITION** Small Business Recovery Initiative is led by a team of successful serial entrepreneurs in the loyalty marketing business space. The team have an impressive reputation having designed, launched and managed lucrative loyalty channels for some of the worlds' most recognisable brands.

Everyday their cloud based loyalty platforms motivate millions of customers to join and engage with iconic loyalty programs, generating massive revenue streams for brand clients and motivational rewards for program members.

The small business version of **REIGNITION** was developed in response to an urgent request from Cartridge World - a global franchise network of 600+ small business units operating in 34 countries. Like millions of other small businesses almost all areas of their sales network had collapsed and they needed help to drive business from their existing customer base. During lockdowns we were able to bring together a collaboration team to re-engineer our loyalty platform and deliver a rescue package focused on their **existing** customers. We were pleased to have achieved the following results.

Best Customer Retention [91% retention\*using modest rewards]

Increased average spend per visit [ Consistent average of 17.87%\*]

One Time Buyers Converted into Lifetime Customers\* [ 18.75%]

Reduction in Cost of Customer Acquisition [ Averaging 21 € to 3.6 € ] \*

\* All numbers are independently verified by Prove Source ©2022



# NOTES

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