

Improving Influencer Marketing Effectiveness – case study

>> CASE

Improving Influencer Marketing Effectiveness

>> **Client:** big DTC supplements brand

>> **Challenge:** How to effectively split influencer budget?

>> **Current status:** Influencer budget split based on first order value (ROAS)

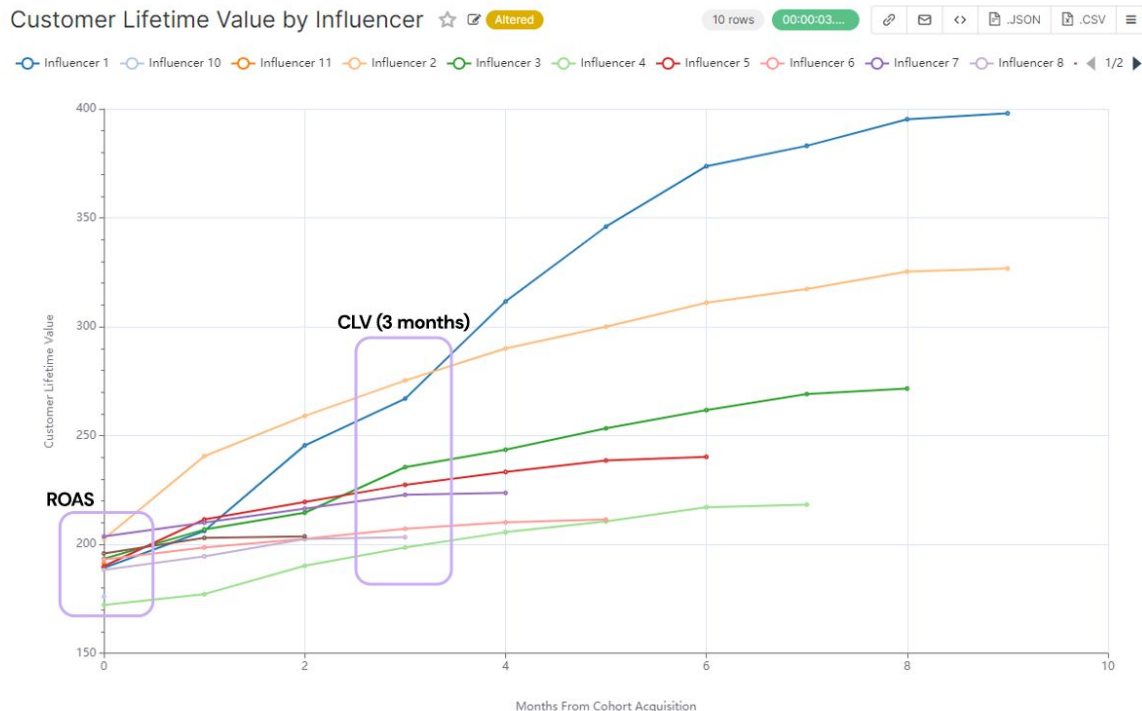
>> **Solution:** Evaluating influencers based on the Customer Lifetime Value (CLV) of acquired customers by tracking discount codes on the first order. Base influencer compensation and rates on projected CLV

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>> Observations:

Looking at the first transaction (ROAS) Influencer 2 and Influencer 7 are the most profitable.

On the other hand, looking at the 3-month profitability (CLV), we see that Influencer 7 performs poorly in the long term, while Influencer 1, whose ROAS was average, is one of the best.



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Budget Split	ROAS based Split	CLV based Split
Influencer 1	10%	40%
Influencer 2	30%	30%
Influencer 3	10%	20%
Influencer 4	0%	0%
Influencer 5	10%	5%
Influencer 6	10%	0%
Influencer 7	20%	5%
Influencer 8	10%	0%

>> **Observations:** Budget allocation based on CLV is totally different than one based on ROAS

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>> **Optimization:** Changing budget allocation between influencers based on CLV (not ROAS)

>> **Result:** +17% gross margin in 3 months

THANK YOU



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