

CUSTOMER LIFETIME VALUE CALCULATOR



**KNOW THE VALUE
OF YOUR CLIENTELE**

TRACY LEE THOMAS
AUTHOR

TRACY L **THOMAS**.Life

Rights Reserved Notice (All Rights Reserved)

Copyright© December 15, 2021, Tracy Lee Thomas | Author

Published By: Rev Publishing | **Rev Marketing 2U, Inc.**

Title: **Customer Lifetime Value Calculator**

ISBN: 9798424619076

Author Website: TracyLeeThomas.com

TRACY L THOMAS_{Life}

Copyright© Notice:

All Rights Reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in reviews and certain other noncommercial uses permitted by copyright law.

For permission requests, write to the publisher via email at Publishing@Revmarketing.com or via mail at the following address

For more information, please visit RevPublishing.Today.

Rev Publishing

P.O. Box 1670

Amherst, VA 24521



Table of Contents

Introduction

Training Session 1:

What You Need To Know

Training Session 2:

How to Compute Your Monthly Recurring Revenue (MRR)

Training Session 3:

How To Determine Your Monthly Churn Rate (MCR)

Training Session 4:

Basic Customer Lifetime Value Calculator



Customer Lifetime Value Calculator

Welcome to Rev Marketing's Customer Lifetime Value Calculator. (CLV, CLTV, LTV) I sincerely hope this tool and the information provided can help guide you in growing your business model at a faster and more sustainable rate. We have multiple calculators and means to monitor and measure CLV for various types of businesses based a variety of factors in which they conduct business.

CLV is the direct means in which to measure amount of money a customer is predicted to spend within your business for the duration of your relationship with that individual. The value of this metric and the way in which you approach it can enhance your business growth immediately.

Earning customer loyalty isn't as easy as it used to be, or is it? This is far greater than a simple exchange of goods or services for money. CLV is an accurate measurement of how valuable a customer is to your business over a defined period of time. You've heard it less expensive to keep your existing customers than it is to find new ones.

Keeping customers happy and loyal is a key asset to keeping CLV at an all-time high within your business model.

I wish you the best as you build your business and work through all of the strategies and tactics needed in this ever-changing world.



A handwritten signature in black ink, which appears to read 'Tracy Lee Thomas'. The signature is fluid and cursive, with a large, stylized initial 'T'.

Tracy Lee Thomas
Rev Marketing | Founder

Training Session 1

What you need to know...

When it comes to a Customer Lifetime Value calculator there are many complicated formulas that work very well for those that understand them and what they are trying to accomplish with the data within their industry and business model.

Rev Marketing wants to take the “simplicity over complexity” approach for you and your business when it comes to the customer lifetime value calculator. Here at Rev Marketing we have multiple methods to calculate this and many times its based on required data needed to grow with an industry. This isn't a one shoe fits all type of calculation.

As you begin to understand your customer lifetime value and cultivate business strategies and tactics your newly enhanced business model will yield a higher CLV or LTV.

I have placed together 10 tips seen below that will help enhance your CLV.

- 1. Value Driven Upselling and Cross selling pricing strategies (The ladder)**
- 2. Scalable pricing tactics**
- 3. Service and Product line growth and expansion factors**
- 4. Increasing Transactions**
- 5. Decrease Churn Rate**
- 6. Loyalty Programs**
- 7. Enhanced Customer Service**
- 8. FREE Customer Upgrades (Add-Ons)**
- 9. Become the Problem Solver For Your Clients**
- 10. Featured Fans (Clients)**



Training Session 2

How To Compute Your Monthly Recurring Revenue

Let's take the time and talk about revenue for a moment so you understand a little more about the MRR Formula. Don't forget to read below about the Churn Rate formula so you enter the correct numbers above.

Revenue

The income your business yields in return for the sales of products and services.

Monthly Recurring Revenue (MRR)

This is measured in a couple basic methods.

1. Monthly Recurring Revenue (MRR) or as ...
2. Annual Recurring Revenue (ARR)

This is the income you can expect to earn as a recurring source of income on a regular basis within your business model.

MRR Formula

$$\begin{array}{ccc} \text{Average} & & \text{Total Number} \\ \text{Revenue Per} & \times & \text{of Accounts} \\ \text{Account} & & \text{That Month} \end{array} = \frac{\$}{\text{Your MRR}}$$

MRR Example:

If you have 10 customers and each customer pays \$100.00 a month per month, your MRR would be \$1,000.00 (one thousand dollars).



Training Session 3

How To Determine Your Monthly Churn Rate (MCR)

Great! Now let's take the time and talk about Churn Rate and its formula below. The churn rate, which is often referred to as the rate of attrition or customer churn, is the rate at which customers stop doing business with an entity or more directly, your business. Once you have a understanding of your business please go back to Rev Marketing's Customer Lifetime Value Calculator and re-enter your figures.

Monthly Churn Rate (MCR)

Knowing your customer churn rate is a key element to understanding and growing a business. This helps with measuring strengths, weakness, opportunities and threats (SWOT).

Churn Rate Formula

$$\frac{\text{Customers Who Left}}{\text{Customers at the beginning of the period (month/year)} + \text{New Customers gained in the period (month/year)}} \times 100 = \text{Your Churn Rate for the period (month/year)} \%$$

Churn Rate Example:

$$\frac{\text{Customers Who Left}}{100 + 30} \times 100 = 15.38\%$$

Customers at the beginning of the period (month/year)

New Customers gained in the period (month/year)

Your Churn Rate for the period (month/year)



Training Session 4

Basic Customer Lifetime Value Calculator

Customer lifetime value (CLV) is one of the key stats to track data as part of a customer experience program. CLV is a measurement of how valuable your customer is to your company, not just on a purchase-by-purchase basis but across the entire relationship.

Please fill In Both Your MRR and Your Monthly Churn Rate Below.

Average MRR (Monthly Recurring Revenue)

Please place your Monthly Recurring Revenue in this field.

Tip: Read the MRR Formula on the following pages to learn more on "How To Compute Your MRR".

\$

Your MRR

Monthly Churn Rate

Your Churn Rate is the metric that calculates the number of customers who leave a product or service over a given time frame, divided by the total remaining customers. Place your Churn Rate % in this field.

Tip: Read the Churn Rate Formula on the following pages to learn more on "How To Determine Your Churn Rate".

%

Your Monthly Churn Rate

Here is your Customer Lifetime Value (CLV, CLTV or LTV)

\$

Your Customer Lifetime Value



STACKING THE SUCCESS

Business Secrets to Growing Your Business Today Online.

The success of your business online isn't just about building a quality website platform or marketing campaign it is all about stacking the success in a systematic order for higher profit margins.

It is about how you are telling your story using a secret formula that uses real-world strategies and tactics that work.

“Stacking Success” Business Secrets

Strategy: Strategic planning is where SUCCESS BEGINS in business and marketing.

Tactical: Tactical executions allow for a FOCUSED APPROACH to one's strategy.

Authority: In a competitive world you must STAND OUT as an INFLUENCER within your industry.

Channels: Choosing the RIGHT MARKETING channels in your marketplace to enhance growth

Keys: Monitoring and Measuring success with 3 RESULT ORIENTED steps;
Solution-Action-Result (SAR)

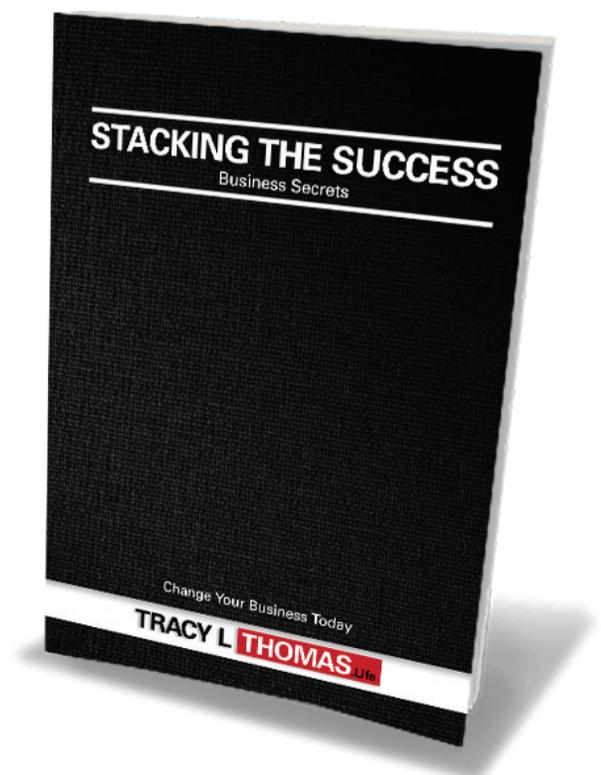
I would like to take the time to give you The V.I.P. Code right out of my newest book called “Stacking Success” Business Secrets.

Code V.I.P.

Validate: Cultivating social validation online to BUILD TRUST.

Impact: Creating a POSITIVE IMPACT by telling YOUR STORY and the CAUSES you support.

Potential: Creating potentials within a marketplace for FINANCIAL PROFITS.





RevMarketing.com

Free CLV Assessment

We sincerely hope that your Free Customer Lifetime Value (CLV) Assessment went very well. If you have any questions, need assistance or would like to take your assessment further, our solution specialist at Rev Marketing is here to HELP.

The Rev Team will do a **FULL CLV Analysis** for you and your business that shows you where you are with your business.

LIMITED TIME OFFER

FREE

**1:1 Consultation
for the first 50 to respond**



RevMarketing.com

Get Your FREE Analysis Now!

We Hope You Learned Something New.
Please Help Others By Sharing.



RevMarketing.com

Customer Lifetime Value Calculator

Notes:



About the Author

For the past 30 years, Tracy has been building businesses, creating leaders, and stacking success for entrepreneurs as a serial entrepreneur himself. He founded Rev Marketing which has helped thousands of entrepreneurs and businesses tell their stories online in the marketplace to enhance the marketing and grow their business model.

Tracy Lee Thomas opened his first business as a teenager in Wisconsin throughout high school. Without realization, Tracy was FRAMING his life to be...

He learned quickly that Marketing was one of the most important factors in his business's Success Of his Business. He began and continues to study all newspaper ads, yellow pages, and every commercial on TV and the radio.

As a serial entrepreneur, Tracy founded Rev Marketing, and he literally cracked the code by making an impact in communities around the country.

Tracy Lee Thomas



CUSTOMER LIFETIME VALUE CALCULATOR

This book is the third of four in the Assessment Series where Tracy offers business owners the opportunity to review and analyze their business. The CLV Calculator shows you how to take the complex approach and make it a more comprehensive but straightforward process. There are many complicated formulas that you will be able to find out there, and they work very well for those that understand what they are trying to accomplish. But Tracy wants to offer you, the business owner, a simple but very accurate way of achieving the same thing.

