

“Our first campaign with LoyPal delivered a \$40k sales lift”

ABOUT CARBAR

carbar is Australia’s leading car subscription service, offering customers the opportunity to pay a weekly fee for exclusive use of a vehicle.

| **\$40,000** sales lift
after the first
campaign

| **49%** reduction
in customer
churn

| **30%** increase
in monthly
subscription value

THE CHALLENGE

When carbar’s chief marketing officer Kieron Wogan engaged LoyPal in early 2020, his objectives were clear. “We wanted to maximise the lifetime value of each customer, reduce churn and increase revenue,” he says.

As Australia’s first and market-leading car subscription service, carbar was navigating uncharted waters.

Not only does carbar allow customers to enjoy exclusive use of a vehicle – from Toyotas to Teslas – in return for a weekly subscription fee, but unusually for the auto industry (where fixed-term contracts are the norm), customers can choose to return their vehicles with just two weeks’ notice.

“We needed to know how to retain customers over the long term, given that we don’t use fixed-term contracts,” says Kieron. “But we had limited capability for segmenting our subscriber base and limited intel on the value cohorts of customers contributed to the bottom line.”

— THE SOLUTION

LoyPal worked quickly to aggregate carbar's data and segment customers into 12 initial groups. "This revealed that 60 percent of our revenue came from 25 percent of our customer base, which was hugely helpful in determining who we focused our efforts on," says Kieron.

"LoyPal then suggested how to use that segmentation in matrix campaign planning – so, how and when to communicate with particular customers to drive our offer."

"We now have significantly lower, single-digit churn each month."

Loypal uses a control group for every campaign, which means clients like carbar have complete transparency over return on investment. "Our first campaign using LoyPal segmentation saw the test group deliver a net revenue lift in excess of \$40k against the control," says Kieron.

— THE RESULTS

Since signing up to the LoyPal platform, carbar is gaining valuable insights across a number of upgrade and swap campaigns. Last year's Black Friday campaign delivered an uplift of \$36k in a single week and a more recent swap campaign increased subscriber's value by 80%, improving overall net profit.

On LoyPal's recommendation, carbar also introduced an industry-first loyalty scheme, which provides credits to customers that reduce their payments over time.

As a result, customer churn reduced by 49 per cent. "We now have significantly lower, single-digit churn each month," says Kieron.

WHAT CARBAR SAYS ABOUT LOYPAL

- “ carbar’s partnership with LoyPal has made sophisticated targeting simple and effective. To be able to aggregate and use our data for modelling, I’d require a project manager, data scientist and architect to start to construct segments myself.”
- “ Rather than build that team, I can use a platform that enables me to achieve the same outcome at a fraction of the cost.”
- “ For me, LoyPal’s strong USP is that they enable you to fast-track your data capabilities at low cost, and with support. I have a huge amount of respect for James, Adam and the team. This year we’re continuing to work closely with them to develop a suite of life-stage campaigns for customers that will grow revenue.”

BY THE NUMBERS:

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