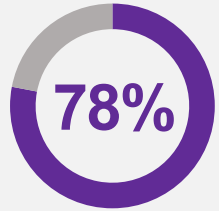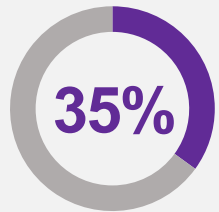PRECISION CONSULTING

# Currently, Boozt is seeking to increase its customer loyalty, growth, and profitability within its Nordic department store model

**Customer loyalty is incredibly important to a company like Boozt…**

**78%** of Nordic people are program members of at least one loyalty program

Source: Loyalty & Reward Co.

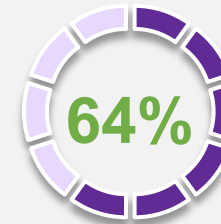**35%** of people are more likely to choose the same brand over competitors

Source: Exploding Topics

**…because repeat customers are the main driver for profitability**

**80%** of business profits are from the same 20% of customers

Source: Helpscout

**64%** of loyal customers are likely to purchase more frequently

Source: Mckinsey

**Key Takeaway**: Customer loyalty is so important in the department store market because existing customers are the main drivers of profitability

**PRECISION CONSULTING**

# Although Boozt is an industry leader in brand reputation, trust, and technological innovation, they are struggling to convert infrequent buyers to loyal, repeat customers

## Boozt is an industry leader in company reputation and innovation…

**4.5** Trustpilot score    vs.    **2** from Zalando

**2.5** from Bokadirekt

Source: Trustpilot
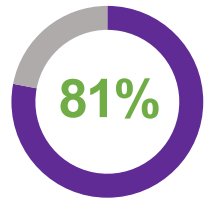
**81%**  **81/100** NPS score

Source: LinkedIn

"Renowned for its **industry-leading** delivery times"

Source: Case Packet

Owns an **innovation lab** in Copenhagen

Source: Case Packet

## …yet struggles to attain loyal, repeat customers

"**Only one** out of every 3-5 new customers become a loyal customer, who shops year after year."

Source: Case Packet

**Key Takeaway**: There is a roadblock stopping infrequent buyers from becoming loyal, repeat customers

**PRECISION CONSULTING**

# To identify this roadblock, our team conducted an analysis on Boozt's three main customer segments from least to most valuable customers…

## New/Fairly New Customer (E):

**Shopping Behavior**

- **14%** of total consumer base
- Average revenue per year: **2430 SEK**
- Developing loyalty
- Potential for growth in engagement

## Moderate Customer (S):

**Shopping Behavior**

- **66%** of total consumer base
- Average revenue per year: **3450 SEK**
- Loyal customer
- Less engaged than active customer

## Active Customer (A):

**Shopping Behavior**

- **20%** of total consumer base
- Average revenue per year: **9600 SEK**
- Loyal and frequent customer
- Crucial for profitability

← **Least Valuable**          **Most Valuable** →

ANALYSIS ——————— BOOZT ENGAGEMENT ——————— FINANCIALS

# …and found that, at the heart of the issue, the roadblock to converting customers to active customers is engagement

## New/Fairly New Customer (E):

### Shopping Behavior

**14%** of total consumer base

Average revenue per year: **2430 SEK**

Developing loyalty

Potential for growth in engagement

## Moderate Customer (S):

### Shopping Behavior

**66%** of total consumer base

Average revenue per year: **3450 SEK**

Loyal customer

Less engaged than active customer

## Engagement Roadblock

## Active Customer (A):

### Shopping Behavior

**20%** of total consumer base

Average revenue per year: **9600 SEK**

Loyal and frequent customer

Crucial for profitability

← **Least Valuable**        **Most Valuable** →

WHAT DOES IT ALL MEAN?

In order to have the most active customers, ultimately increasing profitability, Boozt needs to **maximize customer engagement**

# As a result, our team was tasked with answering the following questions:

## Overall Key Question

How can Boozt increase customer loyalty, growth, and ultimately profitability within its Nordic department store model to grow revenue by 40% before 2027?

## Key Tasks

**1**

What **untapped opportunities** can Boozt leverage to strengthen its Nordic Department Store Business model?

**2**

How can your solution **increase cross-category purchases** and move **customers to higher value segments** making the use of Boozt.com a habit for the customer?

**3**

How can Boozt practically leverage **new sources of data** of the customer before their initial purchase?

**PRECISION CONSULTING**

# A deep analysis was conducted when choosing an optimal strategy for Boozt
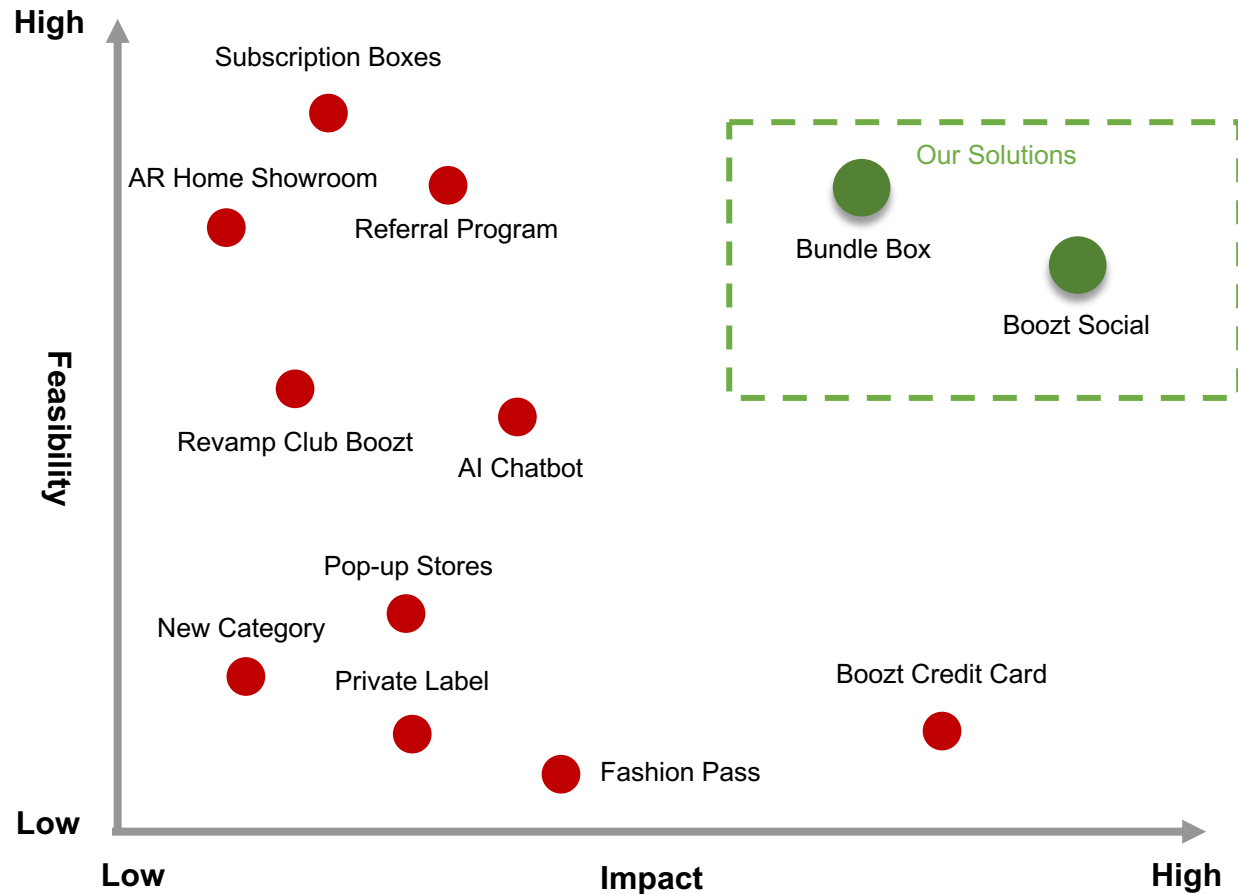
| CRITERIA CONSIDERED | Gain new sources of data | Follow GDPR laws | Make Boozt a habit for customers | Grow revenue by 40% by 2027 |

## Analysis of Recommendations

High

Subscription Boxes

AR Home Showroom

Referral Program

Our Solutions

Bundle Box

Boozt Social

Feasibility

Revamp Club Boozt

AI Chatbot

Pop-up Stores

New Category

Private Label

Boozt Credit Card

Fashion Pass

Low

Low — Impact — High

## Alternatives Eliminated

| 1 | New Category | 6 | Fashion Pass |
| 2 | Boozt Credit Card | 7 | AR Home Showroom |
| 3 | Subscription Boxes | 8 | Revamp Club Boozt |
| 4 | Private Label Clothing | 9 | Referral Program |
| 5 | AI Chatbot | 10 | Pop-up Stores |

ANALYSIS ———— BOOZT ENGAGEMENT ———— FINANCIALS

# Executive Summary: An overview of our approach…

**Key Question**

How can Boozt increase customer loyalty, growth, and ultimately profitability within its Nordic department store model to grow revenue by 40% before 2027?

**Strategies & Tactics**

### BOOZT ENGAGEMENT

Boozt Social

Influencer Bundles

**Impact**

**+40%** Growth in revenue          **+4%** AOV Growth          **+4%** Annual EBIT Margin

# To maximize customer engagement, our team first conducted an analysis on how to best leverage Boozt's strengths

## Technological Infrastructure
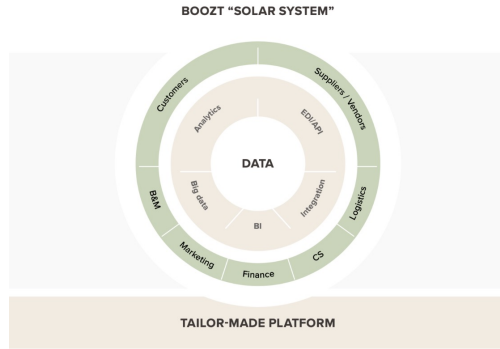


Built and developed its own in-house tech team and platform

Source: Case Packet

Capacity to create innovate and disruptive solutions

## Business Model
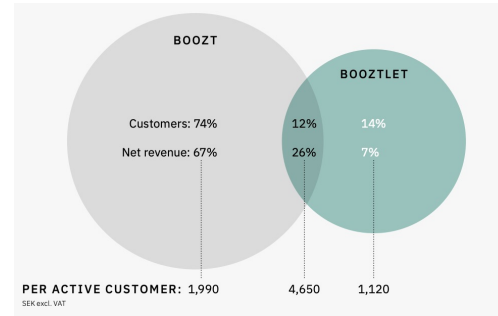


Consists of Boozt and Boozlet for consumers

Source: Case Packet

Appeals to both mid-premium and price-sensitive customers

## Automated Warehouse



Owns Europe's largest automated warehouse

Source: Case Packet

Facilities to support long-term expansion and growth

**Key Takeaway:** Boozt has both the technological capabilities and physical infrastructure to give customers exactly what they want at scale

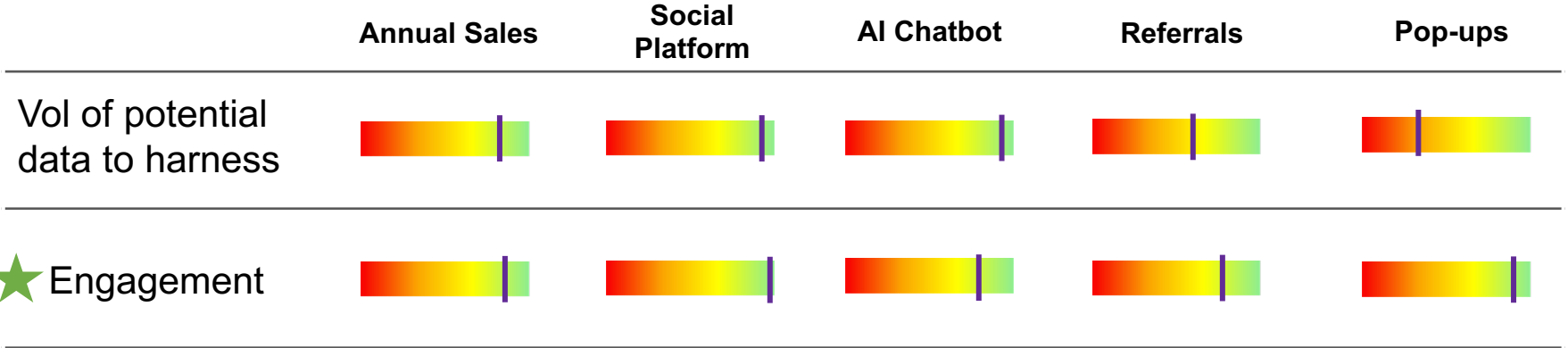# Considering both Boozt's strengths and goals, our team conducted a thorough analysis on the best way to increase customer engagement…

| Current Boozt Goals | Potential Customer Engagement Solutions | | | | | |
|---|---|---|---|---|---|---|
| | | Annual Sales | Social Platform | AI Chatbot | Referrals | Pop-ups |
| Integrate technology seamlessly into the customer journey | Vol of potential data to harness | | | | | |
| | ★ Engagement | | | | | |
| Foresee and influence future trends | Scalability | | | | | |
| | Drives purchases | | | | | |
| Personalize services and a user-friendly platform | Personalization | | | | | |
| | ★ Makes Boozt a habit | | | | | |

ANALYSIS ——— **BOOZT ENGAGEMENT** ——— FINANCIALS

**PRECISION CONSULTING**
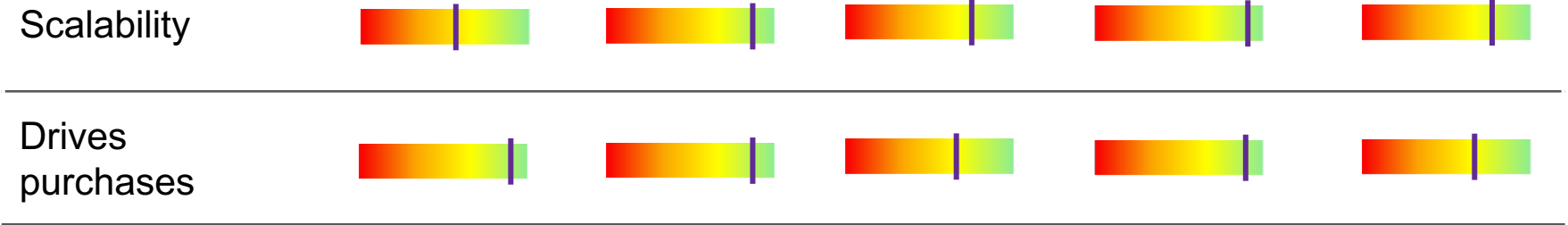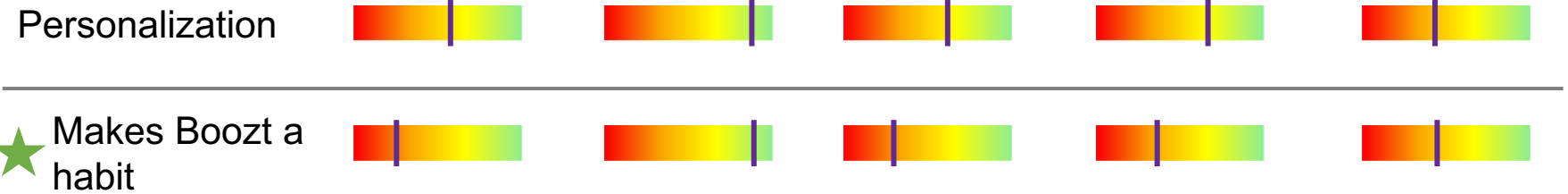
# … and found the best solution for Boozt is to integrate a social platform onto its current website and app

| Current Boozt Goals | Potential Customer Engagement Solutions |
|---|---|

| Current Boozt Goals | | Annual Sales | Social Platform | AI Chatbot | Referrals | Pop-ups |
|---|---|---|---|---|---|---|
| Integrate technology seamlessly into the customer journey | Vol of potential data to harness | | | | | |
| | ★ Engagement | | | | | |
| Foresee and influence future trends | Scalability | | | | | |
| | Drives purchases | | | | | |
| Personalize services and a user-friendly platform | Personalization | | | | | |
| | ★ Makes Boozt a habit | | | | | |

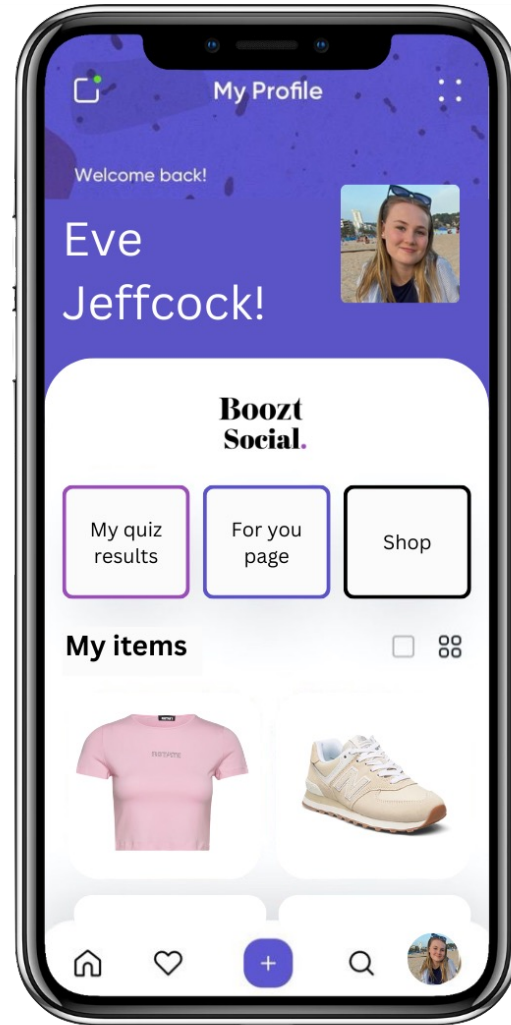ANALYSIS ——— **BOOZT ENGAGEMENT** ——— FINANCIALS

**PRECISION CONSULTING**

**Introducing**: Boozt Social

# Boozt should create Boozt social, an interactive online community, to gather consumer data and offer hyper-personalized recommendations

## Boozt Social



*Powered by*
Google Cloud

## Operational Details

| Features | Benefits |
|---|---|
| Personalized Quizzes | New Sources of Data |
| Profile Page | Drives engagement via content creation |
| "For You Page" | Inspires purchases |
| Affiliate Links | Drives engagement and sales |

PRECISION CONSULTING

# To prompt first-time user engagement with Boozt Social, customers will take a style quiz in exchange for personalized recommendations
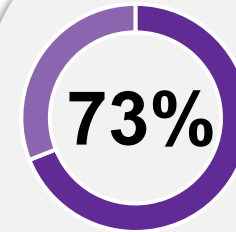
## Style Quiz
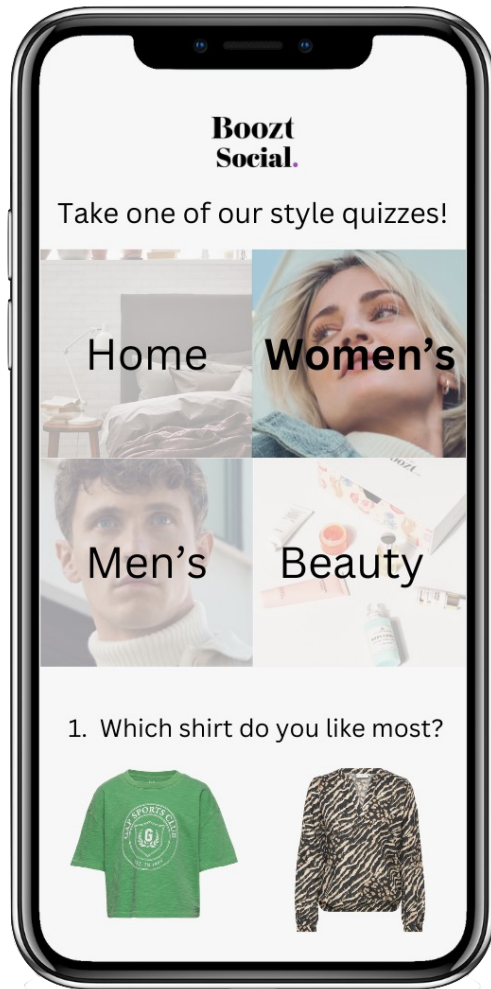
**Value-add for Boozt**

Customers must agree to cookies and GDPR compliant data collection to receive quiz results

**Value-add for Customers**

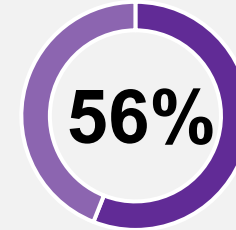Personalized recommendations

**Impact: New source of data before initial purchase**
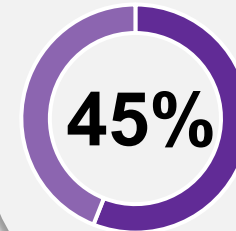
**73%** Of European consumers would share data in exchange for a custom shopping experience

Source: Forbes

**56%** Of customers are likely to return to a site with personalization

Source: Shopify

**45%** Of customers are likely to shop on a site with personalization

Source: Intelliverse

PRECISION CONSULTING

# After getting their results, users create a profile page where they can curate their own content, increasing customer engagement with Boozt

## User Profile

My Profile

Eve Jeffcock

Boozt Social.

Make your room

Create an outfit

## Features

Create an Outfit

Make your room

Upload profile information

## Benefits

Engages consumers through

interactive content

Incentivizes multi-item purchases

**Impact: Interactive way to boost engagement & sales**
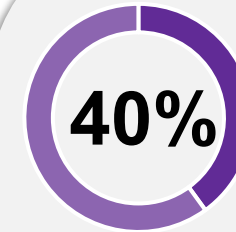
**40%** Engaged customers spend 40% more than other customers

Source: Bain

**52%** Interactive content garners 52% more engagement

Source: Fliki

**39%** Of social media users have impulsively purchased a product

Source: Bankrate

PRECISION CONSULTING

# In addition to viewing their own creations, customers have access to a "For You Page", a style feed where they can scroll and shop other users' content
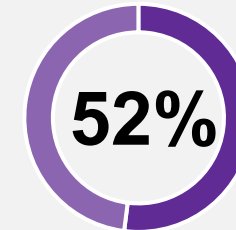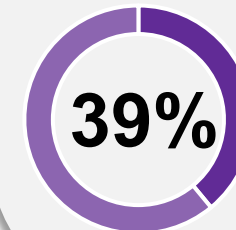
**For You Page**



**Boozt Social.**

loverlygrey

*account earns commission

## Boozt Gains Data

Data gathered on content engaged with, time spent on each post, and price points

## Affiliate Marketing

Users can purchase directly from others' posts and earn 4% in store credit on purchases from their posts

**Impact: Increases data collection and customer engagement**
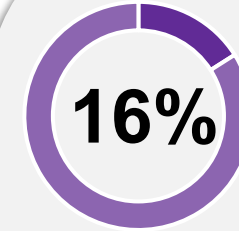
**16%** Of Ecommerce sales are through affiliate marketing

Source: OptinMonster

**7%** Increase in time spent on platform from AI recommendations

Source: Hootsuite
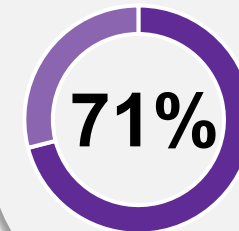
**71%** Of consumers expect personalization

Source: McKinsey

**PRECISION CONSULTING**

# The reason why we chose to integrate an online social platform into Boozt is because it engages customers at every touchpoint, driving loyalty and sales

## Case Study: Amazon

Drove purchases and engagement through **user outfit curations** and **affiliate marketing**

Source: Amazon

**35%**
Revenue Increase
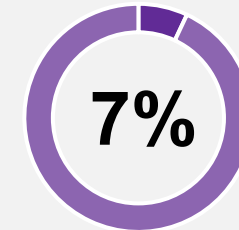
**2M**
Outfit Curators

## Case Study: Flip

Third-party retailer who introduced a **social platform** onto their app where users could **buy from other users' posts**

Source: Flip

**500%**
User growth in 1 year

**600%**
Transaction Growth

## Key Research

**81%** Of people are influenced to purchase from others' posts

Source: HubSpot
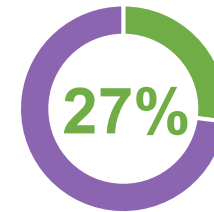
**27%** Of Nordics prefer social platforms as their top shopping channel

Source: Statista

ANALYSIS ———— **BOOZT ENGAGEMENT** ———— FINANCIALS

# Additionally, Boozt has seen tremendous success in integrating innovative technologies in the past
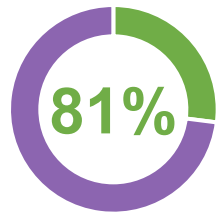
## Boozt Values Technology

"At the core of what we do as a business is our technology"
- Boozt

**BOOZT "SOLAR SYSTEM"**



PLATFORM PROPILOT
PLATFORM FINANCE
Boozt PARTNERPORTAL

Customers
Suppliers / Vendors
Analytics
EDI/API
DATA
Big data
Integration
BI
B&M
Logistics
Marketing
Finance
CS

PLATFORM BRANDPORTAL
PLATFORM FASTLANE
PLATFORM CSEYE

**TAILOR-MADE PLATFORM**
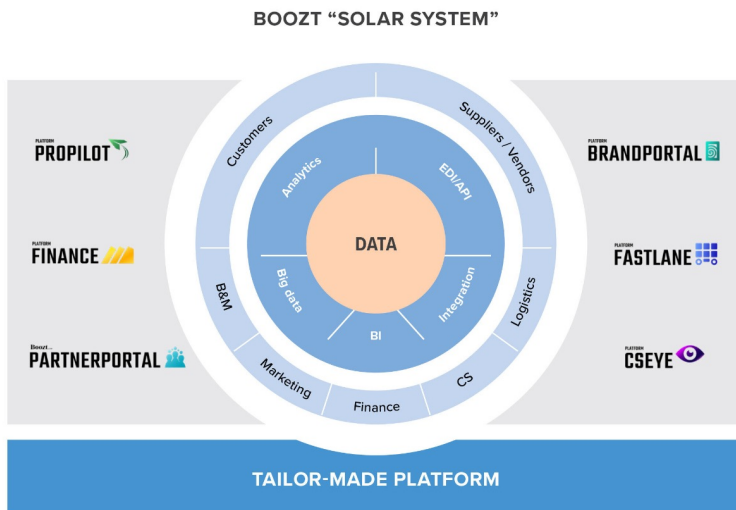
## Past Initiatives

Integrated Google Cloud

Launched BootzPay

Used an open-source NPL model

## Impacts

**1** — **50% increase** in click throughs

Source: Rackspace

**2** — **Positively Impacted** gross margins and EBIT

Source: Case Packet

**3** — **Streamlined** customer experience

Source: Jasper Brondum, CTO and Co-founder

**PRECISION CONSULTING**

# Through engagement, customers move to higher value segments and drive profitability

**New/Fairly New Customer (E):**

**Moderate Customer (S):**

**Engagement Achieved**

**Active Customer (A):**

### Shopping Behavior

20% of total consumer base

Average revenue per year: 9600 SEK

Loyal and repeat customer

Crucial for profitability

**Key Takeaway:** Increased engagement moves customers to the higher value segment of active customers

PRECISION CONSULTING

Through engagement, customers move to higher value segments and drive profitability

New/Fairly New Customer (E):

Moderate Customer (S):

Active Customer (A):

Engagement Achieved

**Shopping Behavior**

20% of total consumer base

Average revenue per year: 9600 SEK

Loyal and repeat customer

Cross-category purchaser

# IMPACT:

## +3.2 Billion SEK in Revenue

Boozt gains crucial customer data that can be used to further improve customer experience and forecast future trends

**Key Takeaway:** Increased engagement moves customers to the higher value segment of active customers

PRECISION CONSULTING

# Strategy

**Tactics**

**Key Questions Answered**

**1** | **BOOZT ENGAGEMENT**

Boozt Social

Influencer Bundles

✓ **Overall Key Question**

How can Boozt **increase customer loyalty, growth, and ultimately profitability** within its Nordic department store model to grow revenue by 40% before 2027?

✓ **Key Task #1**

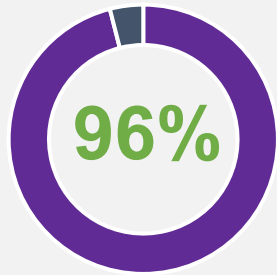What **untapped opportunities** can Boozt leverage to strengthen its Nordic Department Store Business model?

✓ **Key Task #2**

How can your solution **increase cross-category purchases** and move **customers to higher value segments?**

# Currently, one of Boozt's main focal points is reaching multicategory buyers

## Multicategory buyers are more likely to be loyal…

**96%**

Of customers who purchase in six categories will buy again

Source: Case Packet

**14%**
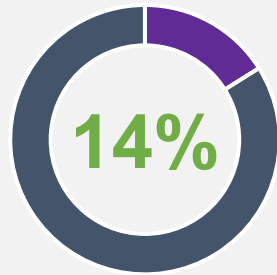
Increase in customer lifespan

Source: Gitnux

## … and are more profitable for Boozt

**AVERAGE NET CUSTOMER VALUE (SEK)***

| # of number of categories | Value |
|---|---|
| 1 | 1,000 |
| 2 | 2,000 |
| 3 | 3,500 |
| 4 | 6,000 |
| 5 | 9,000 |
| 6 | 16,500 |
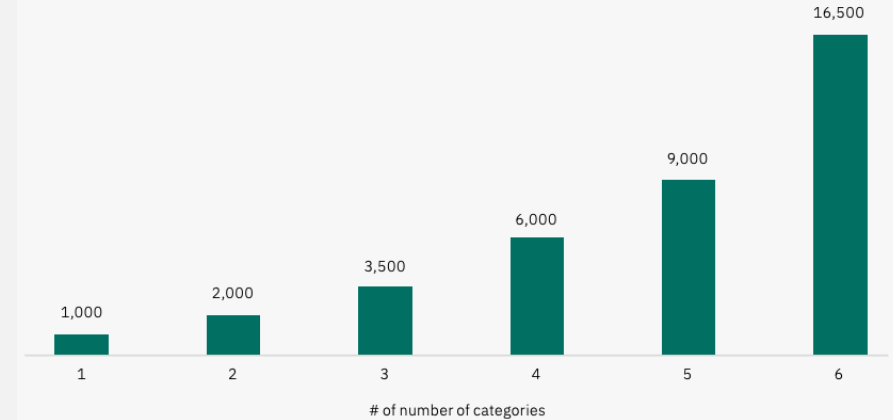
Six categories is **16x** more profitable than one category

Source: Case Packet

**Key Takeaway:** With Boozt's new active customers from Boozt social, they can drive cross-category purchases

PRECISION CONSULTING

# Our team conducted an analysis to find the best way to incentivize cross-category purchases…

## Potential Cross-Category Initiatives
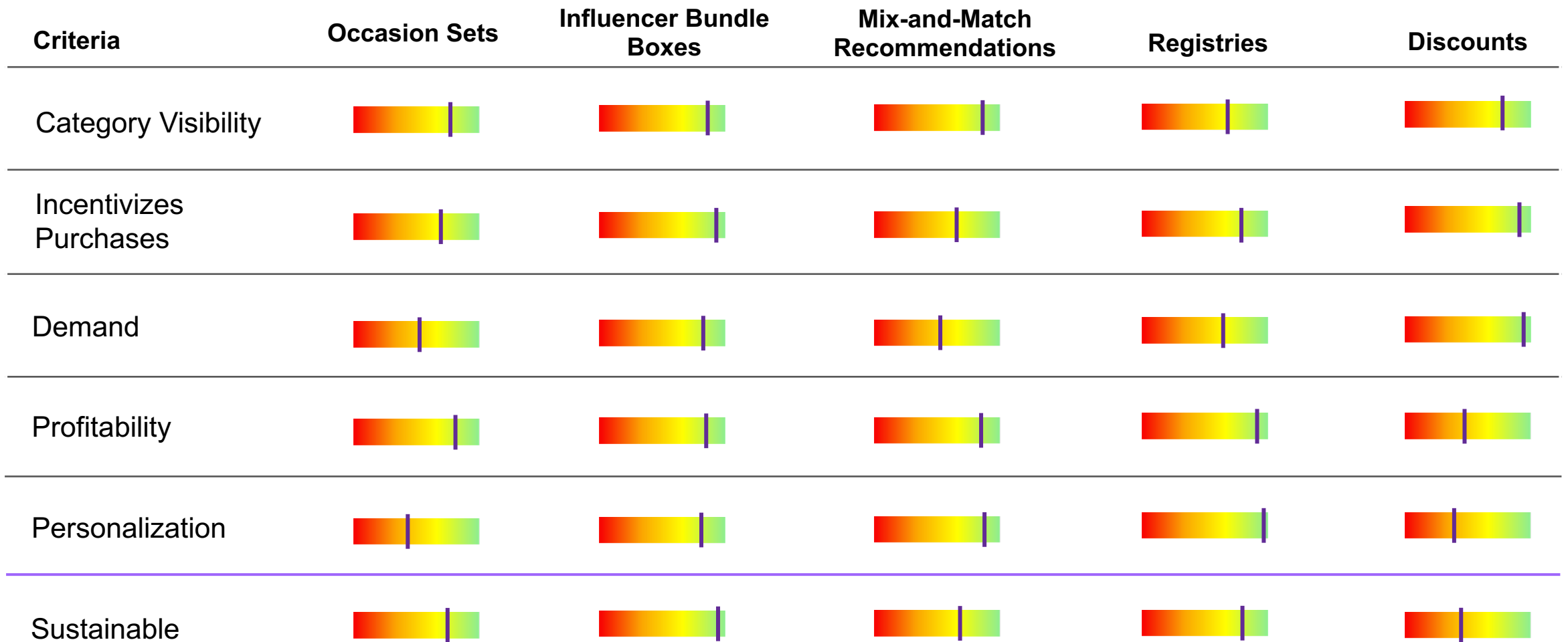
| Criteria | Occasion Sets | Influencer Bundle Boxes | Mix-and-Match Recommendations | Registries | Discounts |
|---|---|---|---|---|---|
| Category Visibility | | | | | |
| Incentivizes Purchases | | | | | |
| Demand | | | | | |
| Profitability | | | | | |
| Personalization | | | | | |
| Sustainable | | | | | |

Source: Team Analysis

ANALYSIS ———— **BOOZT ENGAGEMENT** ———— FINANCIALS

**PRECISION CONSULTING**

# …and found that bundle boxes are the best solution to driving cross-category sales

## Potential Cross-Category Initiatives

| Criteria | Occasion Sets | Influencer Bundle Boxes | Mix-and-Match Recommendations | Registries | Discounts |
|---|---|---|---|---|---|
| Category Visibility | | | | | |
| Incentivizes Purchases | | | | | |
| Demand | | | | | |
| Profitability | | | | | |
| Personalization | | | | | |
| Sustainable | | | | | |

Source: Team Analysis

ANALYSIS — **BOOZT ENGAGEMENT** — FINANCIALS

**PRECISION CONSULTING**

# Therefore, Boozt should collaborate with popular Nordic style, beauty, and home décor influencers to curate bundle boxes

## Influencer Bundle Box

*Danish mom influencer and journalist*

### Petra Nagel "Mom" Box

*Scandinavian fashion influencer*

### Hanna "Fashionista" Box

## Operational Details

| Features | Benefits |
|---|---|
| Influencers pick items based on their personal brand | Influential source for customers |
| Products from multiple categories | Drives cross-category purchases |
| Discounted Price | Incentivizes purchases |
| Each Box is Limited Time Only | Drives timely purchases |

ANALYSIS — **BOOZT ENGAGEMENT** — FINANCIALS

**PRECISION CONSULTING**

# The reason why we chose to create influencer bundle boxes is because studies show they are effective in increasing cross-category sales

## Influencer Trust

**71%** of people trust products endorsed by influencers

Source: Nielsen

## Influencer Market

**1.5B SEK** Estimated worth of influencer marketing in Sweden

Source: IAB

## Cross-selling leads to boost in sales

**30%** Boost in sales from proper cross-sales implementation

Source: Shopify

## Bundling increases sales

**27%** Increase in items per transaction with bundles

Source: Shopify

ANALYSIS — **BOOZT ENGAGEMENT** — FINANCIALS

# The reason why we chose to create influencer bundle boxes is because studies show they are effective in increasing cross-category sales
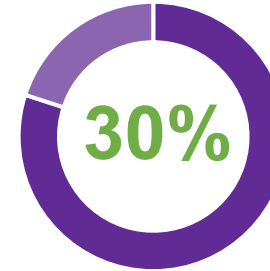
## Influencer Trust

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## Cross-selling leads to boost in sales

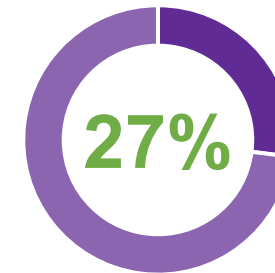**30%** Boost in sales from proper cross-sales implementation
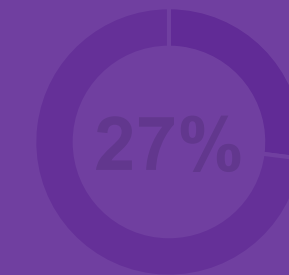
Source: Shopify

## Influencer Market

**1.5B SEK** Estimated worth of influencer marketing in Sweden

Source: IAB

**27%** Increase in items per transaction with bundles

Source: Shopify

# IMPACT:

# +200 Million SEK in Revenue

# FINANCIALS

# The strategies can be implemented today and grow in the future

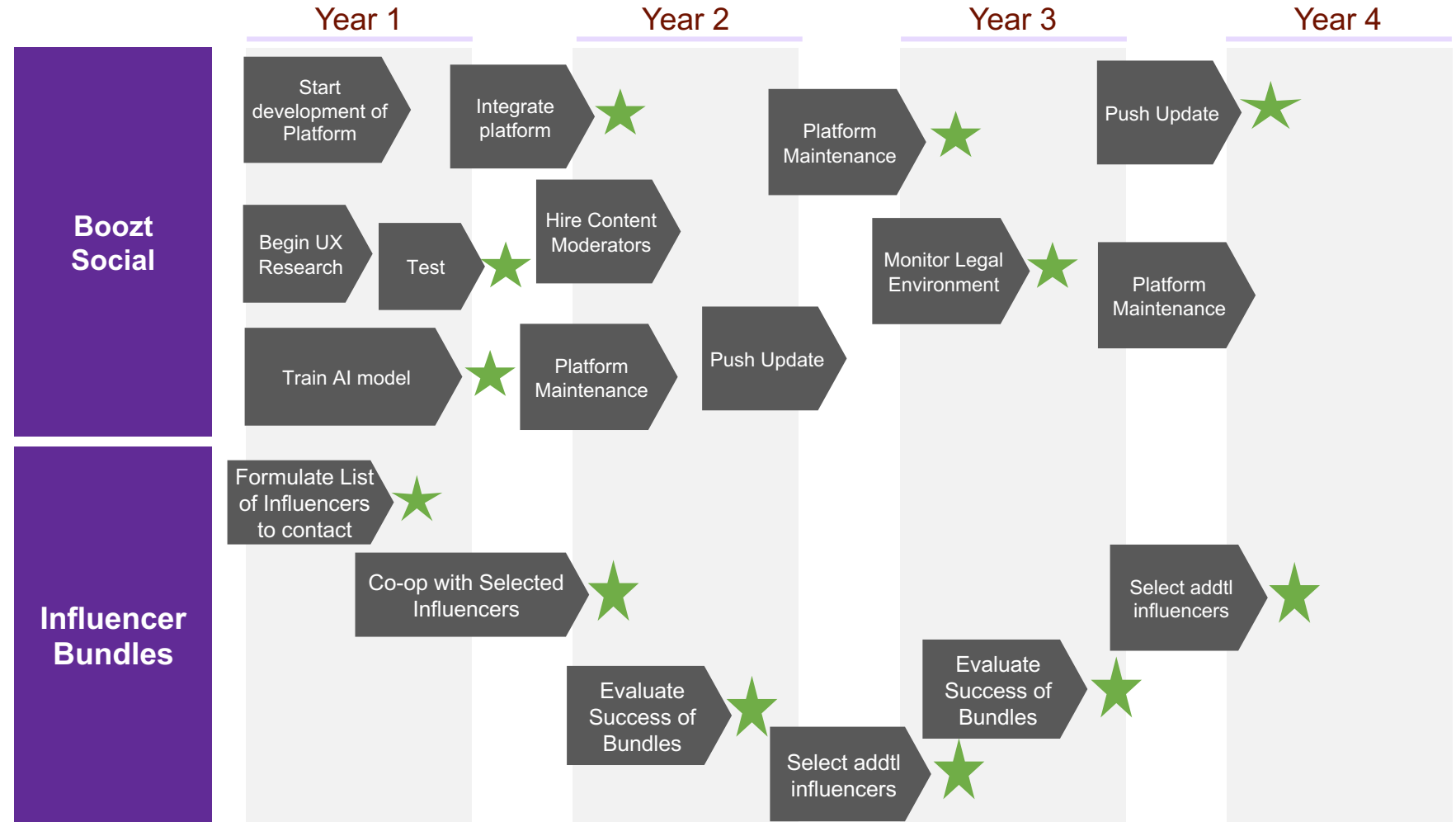## Today's Action Steps

1. **Begin Community Platform Planning**

2. **Formulate List of Influencers to Contact**

3. **Interview Legal Consultants**

## Implementation Timeline

| | Year 1 | Year 2 | Year 3 | Year 4 |
|---|---|---|---|---|

**Boozt Social**

- Start development of Platform
- Integrate platform ★
- Platform Maintenance ★
- Push Update ★
- Begin UX Research
- Test ★
- Hire Content Moderators
- Monitor Legal Environment ★
- Platform Maintenance
- Train AI model ★
- Platform Maintenance
- Push Update

**Influencer Bundles**

- Formulate List of Influencers to contact ★
- Co-op with Selected Influencers ★
- Select addtl influencers ★
- Evaluate Success of Bundles ★
- Select addtl influencers ★
- Evaluate Success of Bundles ★

# The total cost of our strategies over the forecasted period is just over 95 million SEK

**Total Cost: 95,544,600 SEK**

**Boozt Social**

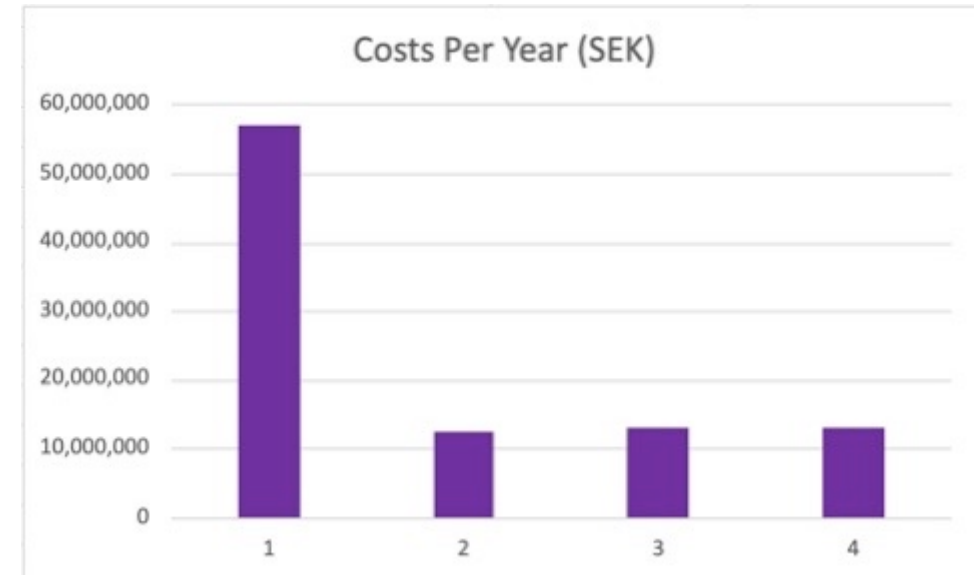92,760,000 SEK

**Influencer Bundle Boxes**

2,784,600 SEK

**Cost Breakdown**

Costs Per Year (SEK)

# The total revenue generated by our strategy will reach 1.5 billion SEK before 2027

**Total Revenue Through FY27: 3.418 Billion SEK**

### Yearly Revenue from Strategies (000 SEK)



**Target Revenue Success**

**Pre FY27 Target Revenue**

**1.434 Billion SEK**

**Actual Pre FY27 Revenue**

**1.533 Billion SEK**

**PRECISION CONSULTING**

# We can measure success with these key performance indicators

## Key Performance Indicators

**1** — **40% revenue growth** before 2027

**2** — **+4% Average Order Value** Growth

**3** — **+4% Annual EBIT Margin**

PRECISION
CONSULTING

# Out team anticipated some risks that will be mitigated through the following actions

| Risk Area | Rank | Risk | Mitigating Action |
|---|---|---|---|
| **Privacy** | 1 | Data sharing may cause customer privacy concerns | All collected data will be in compliance with GDPR and customers can opt out |
| **Adoption** | 2 | Customers do not use Boozt Social | Implement targeted marketing campaigns and incentives |
| **Price Sensitivity** | 3 | Price sensitive customers are not responsive to new offerings | Use data to target those customers with lower priced or Booztlet items |
| **Knowledge** | 4 | Current technology staff is not knowledgable enough to train the new AI | Follow Google's training modules or hire outside technology consultant |

# Executive Summary: An overview of our approach…

**Key Question**

How can Boozt increase customer loyalty, growth, and ultimately profitability within its Nordic department store model to grow revenue by 40% before 2027?

**Strategies & Tactics**

**BOOZT ENGAGEMENT**

Boozt Social

Influencer Bundles

**Impact**

**+40%** Growth in revenue        **+4%** AOV Growth        **+4%** Annual EBIT Margin

**INDEX**

## ANALYSIS

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**PRECISION CONSULTING**

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**PRECISION CONSULTING**

# APPENDIX

## BOOZT ENGAGEMENT

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2. How to address price-sensitive customers
3. Marketing the Boozt Social platform
4. Social media penetration in Northern Europe
5. GDPR social media regulation
6. AI and Boozt
7. Social Commerce Platform and AI impact on AOV
8. Nordic influencer options
9. Social media usage of Nordic people
10. Social shopping by age and country in the Nordic regions
11. Effectiveness of influencers in Nordic market
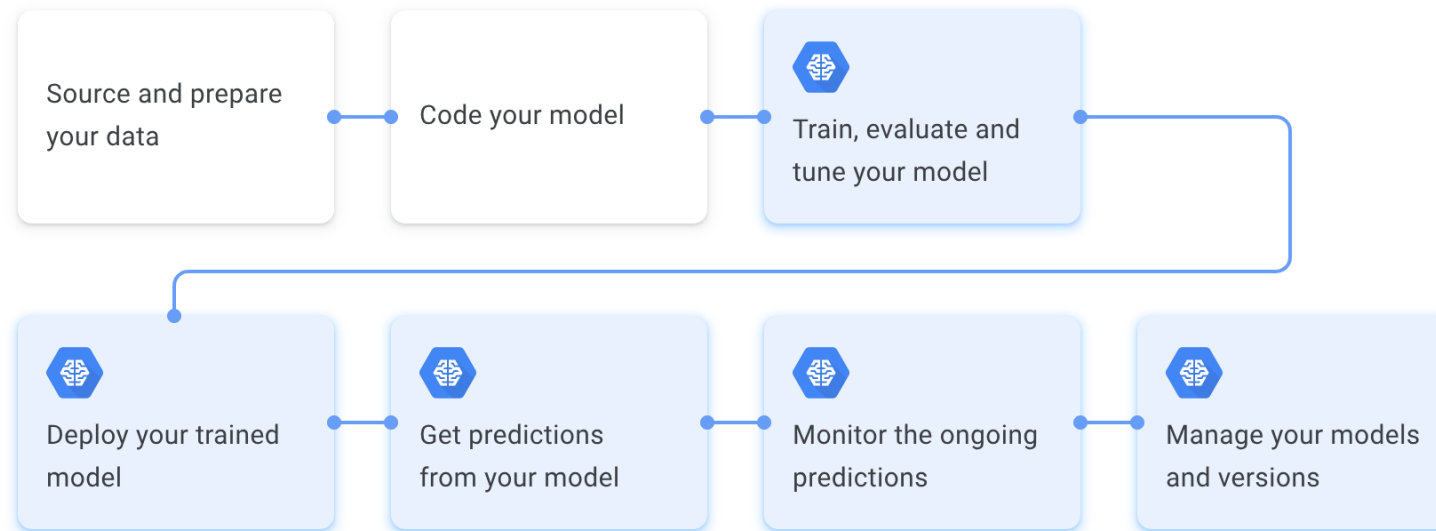12. Connection b/w engagement and loyalty

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1. Line-Item Costs
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**PRECISION CONSULTING**

# AI Integration with Google Cloud

## Boozt's current Google Cloud software facilitates the AI needed for Boozt Social: Vertex AI

### Where AI Platform fits in the ML workflow

The diagram below gives a high-level overview of the stages in an ML workflow. The blue-filled boxes indicate where AI Platform provides managed services and APIs:

Source and prepare your data → Code your model → Train, evaluate and tune your model → Deploy your trained model → Get predictions from your model → Monitor the ongoing predictions → Manage your models and versions

**AutoML**

Train high-quality custom machine learning models with minimal effort and machine learning expertise.

- ✅ Building custom machine learning models in minutes with minimal expertise
- ✅ Training models specific to your business needs

Source: Google

# How do we address price-sensitive customers?

Data Strategy:

| **Input** | **Process** | **Output** | **Target** |
|-----------|-------------|------------|------------|
| Preferences | Data | Recommendations | Price-sensitive customers |
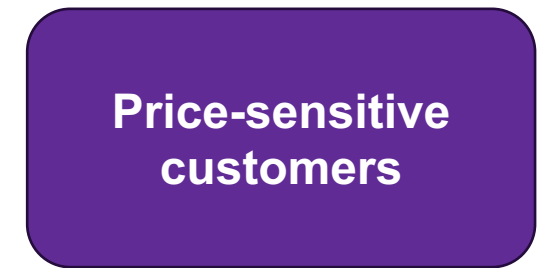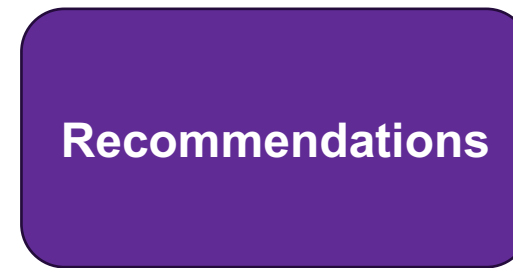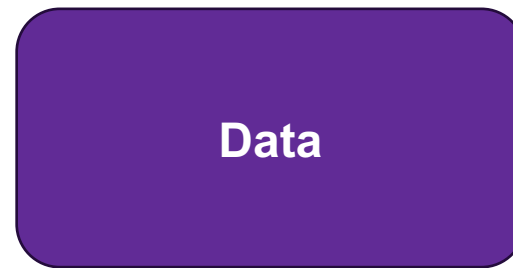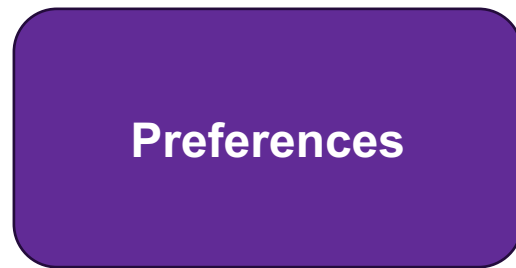
# Marketing Boozt Social

*85.9k Instagram Followers*
- Marketing Posts
- Product Advertisements

*259k Facebook Followers*
- Marketing Posts
- Product Advertisements

Joint marketing campaign on Instagram and Facebook
- Promotes new product and features
- Showcases AI recommendation capabilities
- Leverages current rewards program

# Effectiveness of Influencers in Nordic Market

Sweden offers a fertile ground for influencers to work with. In 2023, the country had nearly perfect internet penetration, and 88 percent of the population used social media. A third of internet users followed various types of celebrities on online platforms, and roughly half of that number bought products because famous people or influencers advertised them. That number

Source: IAB

# Social Media Penetration in Northern Europe

As of January 2024, Northern and Western Europe were the regions with the highest social network penetration rates globally, reaching 81.7 and 80.2 percent, respectively. Southern Europe ranked third with a penetration rate of 74.8 percent, followed by Eastern Asia with 74 percent. 15 Feb 2024

Source: Statista

# GDPR Social Media Regulation

The law has no bearing on individuals using social media purely for personal reasons. Instead, it applies to the use of social media in a professional capacity and prevents the processing, storing, or sharing of personal data without the owner's consent.

Source: GDPR.eu

**PRECISION CONSULTING**

# AI and Boozt

## AI is not a big investment

When asked whether it has been a large investment, Steffan Mølbæk Andersen, Director of Data Intelligence at Boozt, replies:

"Our AI projects aim to strengthen our core business, and therefore we develop them in-house based primarily on publicly available AI tools. Therefore, we do not have to pay consultants or expensive licenses for products, but own the data, knowledge and solution ourselves and can operate it at relatively low prices:

In other words, it has not been a big investment for Boozt. In 2017, for example, they took a free, open-source NPL model, which is a type of AI that enables computers to understand and understand language, and fed it data so it could help the company's customer service. Every time an email is sent to Boozt's customer service, the model "reads" the email and ensures that it is distributed to the relevant employees in customer service."

Source: Medium

# Social Commerce Platform and AI Impact on AOV

Artificial Intelligence-powered product recommendations and a more scientific approach to data has seen IKEA lift average order value (AOV) by 2% worldwide. Here Albert Bertlisson, head of engineering at Edge at IKEA Retail (Ingka Group) explains how the company did it.

Source: Daasity

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# Nordic Influencer Options

## 18-30 Women Demographic:

| | | | | | |
|---|---|---|---|---|---|
| Emili Sindlev | ⌄ | | Pernille Teisbaek | ⌄ |
| Angelica Blick | ⌄ | | Anna Winck | ⌄ |
| Felicia Akerstrom | ⌄ | | Hanna Stefansson | ⌄ |

## 30-50 Women Demographic:

| | | | | | |
|---|---|---|---|---|---|
| 2 | **geggo** ✔ <br> Stephanie Karma Salva... | Family  Shows | 636.8K | Denmark |
| 3 | **lordcengizsalvarli7** ✔ <br> Cengiz Mads Salvarli | Family  Shows | 324.1K | Denmark |
| 4 | **petra.nagel** ✔ <br> Petra Nagel | Family  Lifestyle | 158.9K | Denmark |
| 5 | **jesperbuch** ✔ <br> Jesper Buch | Finance & Econom... <br> Business & Careers <br> Family | 199.1K | Denmark |
| 6 | **julieelsebeth** ✔ <br> Julie-Elsebeth💚 | Literature & Journa... <br> Family | 133.4K | Denmark |
| 7 | **triplets_of_copenha...** ✔ <br> Mariajorstad | Family | 343.7K | Norway |

Source: Feedspot

## 20-50 Male demographic (sport):

| | | | | | |
|---|---|---|---|---|---|
| 22 | Timo Scheider <br> @timoscheider | 🇸🇪 Sweden | Sports  Racing  Athlete | 241.8K |
| 23 | Nero \|MMA\| <br> Online Coach 🇧🇦🇸🇪 <br> @neromma | 🇸🇪 Sweden | Sports | 240.3K |

# Social media usage of Nordic people



15-25 years
26-35 years
36-45 years
46-55 years
56+ years
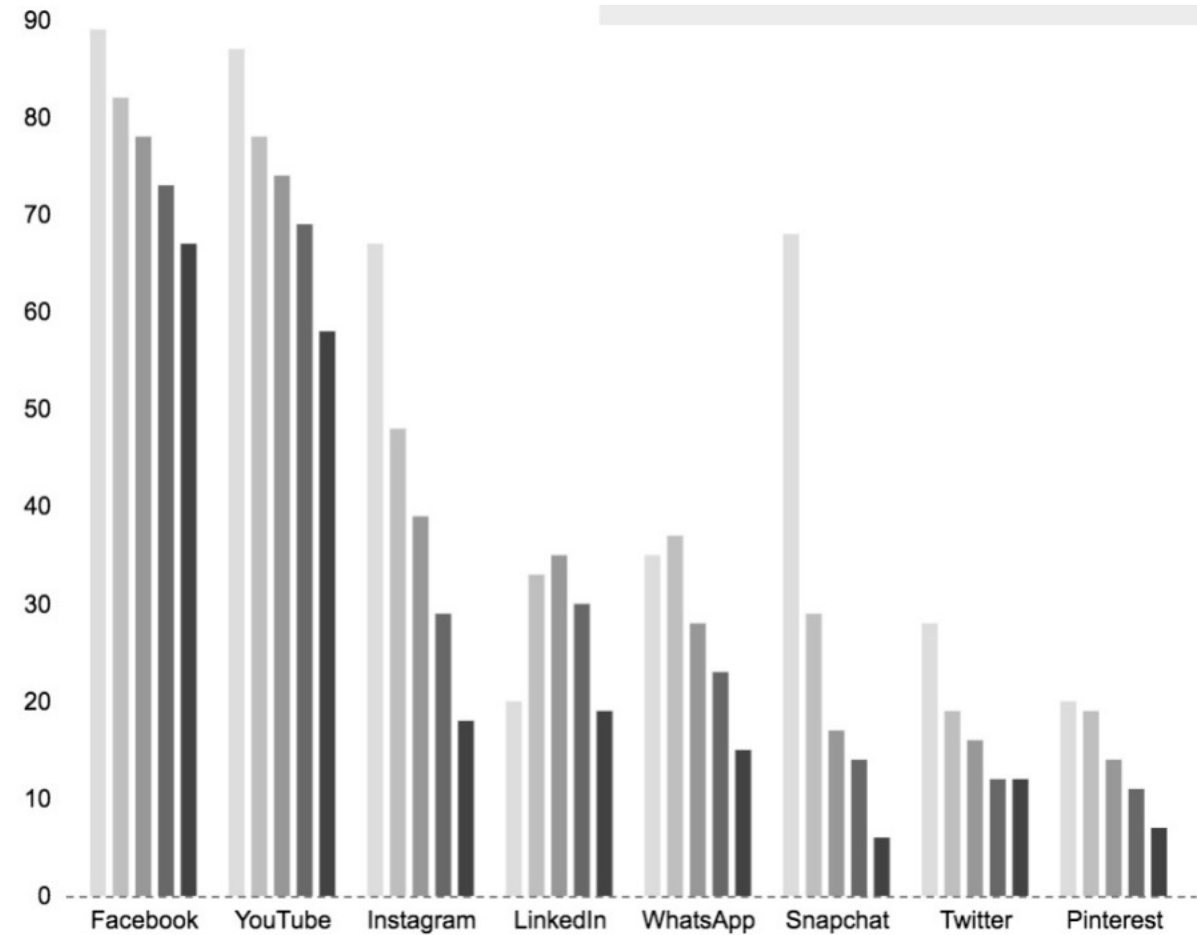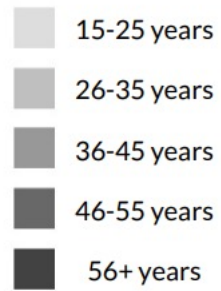
Source: AudienceProject

**PRECISION CONSULTING**

# Social shopping by age and country in the Nordic regions



**People aged 18-39 are the most active shoppers**

**Social Shopping by age & country**

Have you ever bought a product via a social media (e.g. Facebook or Instagram) or can you imagine doing so? Net: Yes (n=4.044) %

DK ■ SE ■ NO ■ FI

| | 18-29 | 30-39 | 40-49 | 50-59 | 60+ |
|---|---|---|---|---|---|
| DK | 44 | 40 | 35 | 39 | 23 |
| SE | 40 | 46 | 38 | 35 | 28 |
| NO | 38 | 39 | 36 | 25 | 22 |
| FI | 38 | 41 | 37 | 30 | 24 |
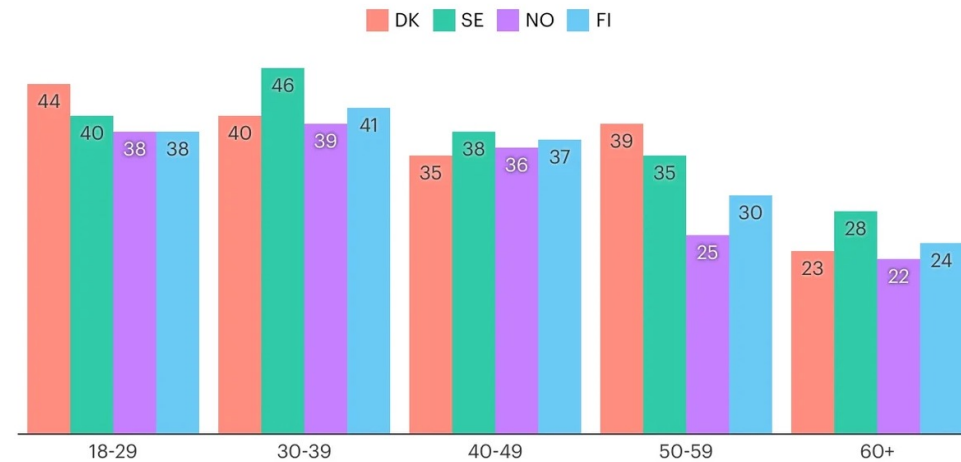
YouGov                                January 2022

Source: YouGov

**PRECISION CONSULTING**

# Engagement & Loyalty Connection

"

**Engaged customers are loyal customers**

Source: McKinsey

### ACTIVE CUSTOMER (A):

**20%**
Percentage of total customer base

- **High value**
- **High basket size**, frequent purchases
- **Loyal customer**, crucial for clearing inventory/profitability

### MODERATE CUSTOMER (S):

**66%**
Percentage of total customer base
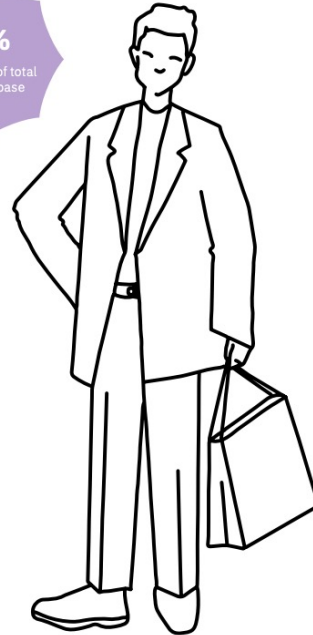
- **Valuable and stable**, but less engaged than Active customer
- **High basket size** but moderate frequency
- **Loyal customer**

### NEW/FAIRLY NEW CUSTOMER (E):

**14%**
Percentage of total customer base

- **In the process** of becoming loyal, on their way to becoming Active or Less Active
- **Moderate basket size**
- **Developing loyalty**, with potential for growth in engagement

**PRECISION CONSULTING**

# Line-Item Costs

| Strategy | Category | 2024 | 2025 | 2026 | 2027 | # in SEK |
| --- | --- | --- | --- | --- | --- | --- |
| | | | | | | Notes |
| Boozt Social | | | | | | |
| | App Development | 51,000,000 | 200,000 | 200,000 | 200,000 | |
| | UI/UX Design | 250,000 | 0 | 0 | 0 | |
| | Testing | 175,000 | 0 | 0 | 0 | |
| | Maintenance (15% of total dev cost) | 0 | 7,500,000 | 7,500,000 | 7,500,000 | |
| | Cloud Services and Infrastructure | 3,600,000 | 3,600,000 | 3,600,000 | 3,600,000 | |
| | Content Moderation Team | 510,000 | 510,000 | 1,020,000 | 1,020,000 | |
| | Legal Consultant | 775,000 | 0 | 0 | 0 | |
| Influencer Bundle | | | | | | |
| | Influencer Post Advertising | 600,000 | 660,000 | 726,000 | 798,600 | 60 influencers, grow by 10%, 10,000 SEK per influencer |
| | **Total Per Year** | 56,910,000.00 | 12,470,000.00 | 13,046,000.00 | 13,118,600.00 | |
| | | | | Total Costs | 95,544,600.00 | |

# Cost Justification

The estimated total pay for a Content Moderator is $49,357 per year in the United States area, with an average salary of $45,942 per year. These numbers represent the median, which is the midpoint of the ranges from our proprietary Total Pay Estimate model and based on salaries collected from our users. The estimated additional pay is $3,415 per year. Additional pay could include cash bonus, commission, tips, and profit sharing. The "Most Likely Range" represents values that exist within the 25th and 75th percentile of all pay data available for this role.

**Software Developer**    Mean | Median

Average Base Salary
**kr 913 266 (NOK)/yr**

Average Hourly Rate
**kr 439,07 (NOK)/hr**    Average Bonus **kr 40 823 (NOK)/yr**

| Type of Influencers | Rate |
|---|---|
| Nano (1-10k followers) | $10-100 |
| Micro (10-100k followers) | $100-500 |
| Mid (100-500k followers) | $500-$5k |
| Macro (500k-1m followers) | $5-$10k |
| Mega (1m+ followers) | $10k+ |

Source: AndrewMcCarty.com

Of course, this means average doesn't tell the whole story. It goes without saying that there are significant differences in the scale of Instagram influencer marketing – which is of course part of its appeal to brands. Accordingly, we see a great deal of variance in the cost of influencer marketing.

Another unnamed influencer (100,000-250,000 followers, 2.5% engagement) shared a pricing model for different packages she offered. (see the table below) This also includes pricing for giveaways and takeovers, as well as photos and story mentions.

Her pricing model seems set a little below others we have seen, with economies of scale applying for more involved campaigns.

| Metric | Unit | Azure | AWS | Google Cloud | OCI |
|---|---|---|---|---|---|
| | | NDmA100v4 | P4de.24xlarge | A2-ultragpu-8g | BM.GPU.GM4.8 |
| Instance | Instance per month (730 hours) | $23,922 | $29,905 | $29,602 | $23,360 |
| Cluster network bandwidth | Gbps | 1600 Gbps | 400 Gbps | 200 Gbps | 1600 Gbps |
| Cluster price-performance (Lower is better) | | 15.0 | 74.8 | 148.0 | 14.6 |

## LEGAL CONSULTANT SALARY

Location ▾    Industry ▾    Education ▾          Updated September 14, 2023

**Average Legal Consultant Salary**

**$75,024** ⓘ
$36.07 hourly rate

Entry-Level Legal Consultant Salary
$40,000 yearly salary

$40,000    $75,024    $139,000
10%        Median     90%

# Revenue Support

| Strategy | 2024 | # in SEK (000) 2025 | 2026 | 2027 | Notes |
|---|---|---|---|---|---|
| Boozt Social | 0 | 408,603 | 999,643 | 1,822,768 | |
| Influencer Bundle Box | 33,727 | 43,845 | 47,499 | 61,749 | |
| | | | | | |
| Total Additional Revenue Per Year | 33727 | 452448 | 1047142 | 1884516.7 | |

| | |
|---|---|
| Total Additional Revenue | 1,533,317 |
| Target Additional Revenue | 1,434,675 |

| Organic Growth Justification | | |
|---|---|---|
| Current Revenue: | SEK 7,755,000,000 | |
| 40% Growth by 2027 | SEK 3,102,000,000 | |
| Total 2027 Revenue | SEK 10,857,000,000 | |
| 3-Year CAGR (Organic Growth - 21.5%) | SEK 1,667,325,000 | 54% |
| Growth Needed (18.5%) | SEK 1,434,675,000 | 46% |

| | |
|---|---|
| Number Of Influencers | 60 |
| Reach Per | 300,000 |
| Total Reach | 18,000,000 |
| Engagement (2.5%) | 450,000 |
| Sales Conversion (5%) | 22,500 |
| Price Per Box | 1,499 |
| Year 1 Sales | 33727500 |

# EBIT Growth Support

## Key performance indicators

| SEKm | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|
| **GROUP** | | | | Additional EBIT | | |
| **Net revenue** | **5,814** | **6,743** | **7,755** | **7,789** | **8,198** | **10,020** |
| Net revenue growth (%) | 33.4% | 16.0% | 15.0% | 0.4% | 5.2% | 22.2% |
| Gross margin (%) | 40.4% | 39.5% | 39.2% | 39.9% | 39.9% | 39.8% |
| Fulfillment cost ratio (%) | -11.8% | -11.3% | -10.6% | -11.8% | -11.4% | -11.4% |
| Marketing cost ratio (%) | -10.5% | -11.0% | -10.3% | -10.3% | -10.4% | -10.5% |
| Admin & other cost ratio (%) | -10.8% | -10.2% | -11.1% | -10.7% | -10.8% | -10.7% |
| Depreciation cost ratio (%) | -2.9% | -3.3% | -3.2% | -3.2% | -3.3% | -3.2% |
| **EBIT** | **265** | **253** | **299** | **302** | **336** | **382** |
| EBIT margin (%) | 4.5% | 3.8% | 3.9% | 3.9% | 4.1% | 3.8% |

# Average Order Value Support

## Average Order Value CAGR

| | | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Average Order Value | | 784.9 | 796.48 | 878.3 | 948.44 |
| Growth Rate | | | 1.48% | 10.27% | 7.99% |
| | | | | | |
| 3 Year CAGR | | 6.58% | | | |
| Adjusted AOV w/ Impact (+4%) | | 10.58% | | | |

## Average Order Value Projections

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|
| Base Assumption (6.58% CAGR) | 984 | 1049 | 1118 | 1192 | 1270 |
| Revenue (000 SEK) | 7599877 | 9096242 | 10887232 | 13030857 | 15596546 |
| | | | | | |
| Adjusted AOV w/ Impact (10.58% CAGR) (begin in year 2) | 984 | 1049 | 1160 | 1283 | 1419 |
| Adjusted Revenue (000 SEK) | 7599877 | 9096242 | 11295836 | 14027320 | 17419314 |
| | | | | | |
| Additional Revenue (000 SEK) | 0 | 0 | 408603 | 996463 | 1822768 |
| Total Additional Revenue from Increased AOV by 2026 YE (SEK) | 1,405,066,629.27 | | | | |

## Active Customers CAGR

| | | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Number of Active Customers | | 2,512 | 3,159 | 3,278 | 3,534 |
| | | | | | |
| Customer Growth Rate | | | 25.78% | 3.74% | 7.82% |
| | | | | | |
| 3 Year CAGR | | 12.45% | | | |

## Base Order Growth

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|
| Base Number of Orders (000)(12.3% CAGR) | 7,720 | 8,670 | 9,736 | 10,933 | 12,278 |

## Orders CAGR

| | | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Number of Orders (000) | | 5,537 | 7,074 | 7,291 | 7,720 |
| Order Growth Rate | | | 28% | 3% | 6% |
| 3-Year CAGR | | 12.3% | | | |

# Social Platform Costs and Timeline

| Stage | Simple app (MVP) | Full product |
|---|---|---|
| Business analysis & UX strategy | 50-80 hours | 120-140 hours |
| Technical specification | 20-30 hours | 40-60 hours |
| UI/UX (for one platform) | 70-100 hours | 110-150 hours |
| Development (iOS or Android) | 500-550 hours | 800-850 hours |
| Backend | 200-250 hours | 600-800 hours |
| QA | 180-200 hours | 350-400 hours |
| **Total:** | **1020-1210 hours** | **2080-2400 hours** |