

Stemless Case Study: The Grass Shack

THE CHALLENGE

Multiple studies agree that text messages have an average open rate of 96%. But beyond customers viewing the texts, what does the open rate mean for retailers? When sending out a text message campaign, there are so many variables that can be changed: the message, the time and day it's sent, and who it's sent to. It was important to us to give retailers both the insight to see how these different variables affected the success of their campaigns and the ability to change them.

As a data-driven platform, it's not enough for us to know that our retailers' customers were viewing messages, we needed to show them how their customers not only interacted with their messages, but how those messages went on to affect their customers purchase habits.

But even giving retailers access to that knowledge only solves half the problem. Once stores understand how their campaigns performed, they need the ability to improve their campaigns by tweaking them and then measure whether those tweaks worked.



**SENDING TEXT
CAMPAIGNS TO MORE
TARGETED LISTS
INCREASED REVENUE
GENERATED BY**

302%

The Grass Shack is a locally owned and family operated dispensary from three sisters from the big island of Hawaii. Bringing the Aloha spirit to the Pacific Northwest, they are committed to providing great patient and customer service and providing the finest lab tested flower and other products at fair

prices. They serve patients and customers and their aim is to expand their customers knowledge of the health benefits and healing power of Cannabis. They take great pride in their budtenders and they value and embrace their relationships with patients, customers, growers and vendors.

**THE
GRASS
SHACK**

OUR SOLUTION

Using Stemless, The Grass Shack was able to examine the campaigns they sent out. They saw that while sending a mass text campaign to their distribution list generated revenue of \$1560–\$1998 per campaign (at a cost of \$60), we showed them that this was only generating an average of \$1.14 per text recipient. Coupled with higher unsubscribe rates than they were comfortable with, The Grass Shack realized they could generate greater spend per customer while also keeping their customers more engaged by sending more targeted messages to the people that would enjoy their categorical sales the most.

Connecting their POS system to Stemless showed them which customers had purchased edibles in the past 60 days. They then used that information to create a text campaign to promote a 15% sale on Wyld Gummies. This time, they only sent their campaign to 20% of their customer list, but they generated an average customer spend of \$4.66 – an increase of over 300%! Additionally, they were able to decrease their opt-out rate from 3.43% to only 1.71% **and** drop the cost of their campaign from \$60 to \$12 by targeting a much more focused list!

SUMMARY

Sending out targeted messaging allowed the Grass Shack to:

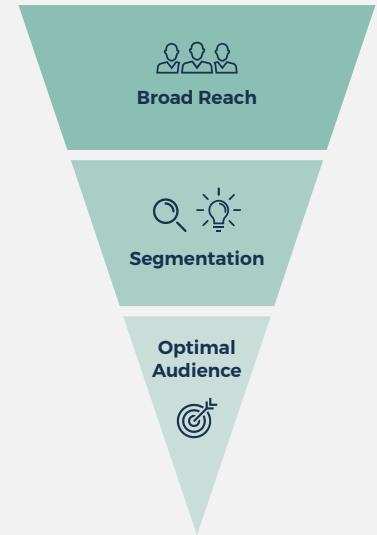
- ✓ **INCREASE THE AMOUNT OF REVENUE** generated by campaigns by over 3X
- ✓ **GROW THEIR LIST FASTER** by decreasing the rate of unsubscribes
- ✓ **SAVE MONEY** on how much they were spending on text message marketing

Segment Stemless text campaigns based on customer characteristics, behavior and/or interests

The screenshot shows a text campaign configuration interface. At the top, there are radio buttons for 'Text Size' with 'SMS' selected and 'MMS' unselected. Below this, there are three tabs for recipient selection: 'BY CUSTOMER', 'BY TIME', and 'BY INTERESTS', with 'BY INTERESTS' being the active tab. Under 'BY INTERESTS', there is a 'RESET' button and a grid of interest categories: CBD, Concentrates, Edibles, Flower, Hybrid, Indica, Infused, Medical, Pre-roll, Sativa, Tincture/Topicals, Vapes, Option 1, Option 2, Option 3, and Option 4. The 'Infused' category is highlighted. Below the grid is a 'Message' field with a 'Sample Store:' label and a character count of '500 Characters Left | Message #1'. There is an 'Add Link' button and a checkbox for 'Add "Reply end to cancel"'. At the bottom, there are radio buttons for 'Scheduling' with 'Send Now' selected and 'Schedule for Later' unselected.

Text Blasts

Mass campaigns generated an average of **\$1.14** in revenue per customer



Machine Learning Generated Messages

Targeted campaigns reached fewer customers but generated much higher spend per customer – an average of **\$4.66** per recipient!

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