

LTV

What Your Customers Are Really Worth

A practical workbook for community pharmacies

WHAT'S INSIDE

- Calculate your pharmacy's LTV
- Segment your customers by value
- Build your retention action plan
- Grow average transaction value
- Your 30-day LTV action plan

INTRODUCTION

How to Use This Workbook

This workbook is a hands-on companion to the LTV article in Issue 27 of The Chemist. Work through each section at your own pace — ideally with your sales records nearby. The more honestly you fill it in, the more useful it becomes.

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A FEW TIPS BEFORE YOU START

- Set aside 30–45 minutes when you will not be interrupted.
- Have at least 3 months of sales records or estimates nearby.
- Estimates are fine. You do not need exact numbers to get value from this workbook.
- Revisit this workbook every quarter and update your numbers.

SECTION 1

Your LTV Formula

LTV tells you the total revenue a customer is likely to generate over their entire relationship with your pharmacy.

$$\text{LTV} = \text{Average Transaction Value} \times \text{Purchase Frequency} \times \text{Customer Lifespan}$$

AVERAGE TRANSACTION VALUE (ATV)	PURCHASE FREQUENCY	CUSTOMER LIFESPAN
The average amount a customer spends per visit to your pharmacy.	How many times a customer visits per year. A monthly chronic patient = 12.	How many years a customer continues using your pharmacy. Start with 3 years.

STEP 1: CALCULATE YOUR ATV

Think of a typical customer — not your highest spender, not your lowest. What do they spend on an average visit?

Last 5 customer transactions (KES)	Total (KES)	ATV = Total ÷ 5
KES _____ KES _____ KES _____ KES _____ KES _____		

STEP 2: CALCULATE YOUR LTV

YOUR ATV (KES)	PURCHASE FREQUENCY (visits per year)	CUSTOMER LIFESPAN (years)	YOUR LTV (KES)
KES	x	x 3 years =	KES

Your LTV number is the total revenue one typical customer represents over 3 years. Every customer you lose takes this amount with them. Every customer you retain is worth this amount to your pharmacy's growth.

SECTION 2

Customer Segmentation

Not all customers have the same LTV. Identify where your customers sit — then focus your energy where it matters most.

SEGMENT	WHO THEY ARE	TYPICAL LTV RANGE	YOUR COUNT (estimate)
HIGH LTV	Chronic disease patients (hypertension, diabetes, thyroid). Caregivers buying for elderly relatives. Mothers purchasing for young children.	KES 30,000+ per customer	_____
MEDIUM LTV	Customers who visit several times a year for acute illness. Regular supplement and wellness buyers. Customers who have referred others.	KES 8,000–30,000	_____
LOW LTV	Occasional visitors. One-time purchases. Customers who have not returned after first visit.	Under KES 8,000	_____

YOUR STRATEGY FOR EACH SEGMENT

HIGH LTV — RETAIN	MEDIUM LTV — NURTURE	LOW LTV — RE-ENGAGE
What is one thing you will do differently for your high-LTV customers this month? _____ _____ _____	What would bring a medium-LTV customer back more often? _____ _____ _____	What would give a low-LTV customer a reason to return? _____ _____ _____

SECTION 3

Your Top 10 LTV Customers

Identify your ten most valuable customer relationships. Run the LTV calculation for each one.

Use first names or initials only. You do not need exact figures — honest estimates work well.

#	CUSTOMER (initials)	CONDITION / PURCHASE TYPE	AVG SPEND PER VISIT (KES)	VISITS PER YEAR	LIFESPAN (years)	LTV (KES)
1					3	
2					3	
3					3	
4					3	
5					3	
6					3	
7					3	
8					3	
9					3	
10					3	

TOTAL COMBINED LTV OF YOUR TOP 10 CUSTOMERS

KES _____

REFLECT

Look at your total. This is the revenue these 10 relationships represent over 3 years — if you retain them. Are you serving each of these customers in a way that reflects how valuable they are to your pharmacy?

SECTION 4

Your Retention Action Plan

Retention is where LTV is won or lost. Build the habits that keep your high-value customers coming back.

4A. WHATSAPP REFILL REMINDER SYSTEM

A message sent 3 days before a chronic patient's medication is due costs nothing and dramatically reduces the chance they drift to a competitor.

How many chronic disease customers will you set up refill reminders for?	_____ customers
Which staff member will send the reminders?	_____
Which day of the week will reminders be sent?	_____
Write your standard WhatsApp reminder message below:	

4B. CUSTOMER LOYALTY RECOGNITION PLAN

High-LTV customers deserve to feel like more than a transaction. Small, consistent gestures build the emotional loyalty that no competitor's promotion can easily undo.

GESTURE	HOW YOU WILL DO IT	HOW OFTEN
Greet returning customer by name		Every visit
Remember a detail about their health or family		Every visit
Thank-you note for a long-standing customer		Annually
Birthday message via WhatsApp		On their birthday
Small complimentary item for a loyal customer		Occasionally

SECTION 5

Growing Your Average Transaction Value

Retention keeps the customer. Growing ATV increases what each visit is worth.

5A. THERAPEUTIC ADD-ON OPPORTUNITIES

For each chronic condition below, list one product you could genuinely recommend alongside the medication that would improve the customer's outcomes.

CHRONIC CONDITION	MEDICATION COLLECTED	ADD-ON PRODUCT TO OFFER
Hypertension		
Diabetes		
Asthma		
Arthritis / Pain		
Other: _____		

5B. BUNDLE OPPORTUNITIES

A bundle groups complementary products into a single, convenient purchase that increases ATV and improves clinical outcomes. Design two bundles you could offer in your pharmacy.

	BUNDLE 1	BUNDLE 2
Bundle name		
Products included		
Individual total (KES)		
Bundle price (KES)		
Target customer		

SECTION 6

Your Referral System

A retained, satisfied high-LTV customer is also your least expensive marketing channel.

You do not need a formal referral programme. You need to deliver an experience so consistently good that your high-LTV customers feel compelled to share it.

6A. YOUR REFERRAL ASK

Write the exact words your staff will use to ask a satisfied customer for a referral:

6B. REFERRAL TRACKER

Track referrals for the next 30 days. Who referred them? Who was referred?

DATE	REFERRING CUSTOMER (initials)	NEW CUSTOMER (initials)	FIRST PURCHASE (KES)

6C. REFERRAL REWARD (OPTIONAL)

If you choose to acknowledge referrals, what small gesture will you offer the referring customer?

SECTION 7

Your 30-Day LTV Action Plan

Commit to one focused month of LTV-building actions. Small, consistent steps compound over time.

WEEK 1 — CALCULATE & SEGMENT

Complete Sections 1–3 of this workbook.

- Calculate your LTV using the formula on page 3 Done by: _____
- Segment your customers into High / Medium / Low LTV Done by: _____
- Identify your Top 10 LTV customers Done by: _____
- Write their names (or initials) and run their individual LTV calculations Done by: _____

WEEK 2 — BUILD YOUR RETENTION SYSTEM

Set up the habits that will keep high-LTV customers coming back.

- Set up WhatsApp refill reminders for your top chronic disease customers Done by: _____
- Brief your staff on the refill reminder system Done by: _____
- Identify one loyal customer to recognise personally this week Done by: _____
- Complete the recognition plan in Section 4B Done by: _____

WEEK 3 — GROW YOUR ATV

Identify and introduce at least one add-on or bundle this week.

- Complete the therapeutic add-on table in Section 5A Done by: _____
- Design at least one bundle (Section 5B) and price it Done by: _____
- Brief your staff on how to offer the add-on or bundle naturally Done by: _____
- Observe and note how customers respond Done by: _____

WEEK 4 — ACTIVATE YOUR REFERRAL SYSTEM

Turn satisfied customers into a referral channel.

- Write your referral ask (Section 6A) and practise it with your staff Done by: _____
- Start the referral tracker (Section 6B) Done by: _____
- Ask at least 3 satisfied customers for a referral this week Done by: _____
- Review the month: what worked? What will you do differently next month? Done by: _____

END OF MONTH REFLECTION

What was your combined LTV for your Top 10 customers at the start of the month? KES _____

How many referrals did you receive this month? _____

Which retention action had the most visible impact?

What will you do differently next month?

YOUR BEST CUSTOMERS ARE ALREADY IN YOUR PHARMACY.

The question is whether you are investing in them the way their value deserves.

SHARE YOUR LTV WINS

Did this workbook change how you think about your customers? Share your story at info@thechemist.co.ke — we would love to feature your insights in an upcoming issue.

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