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# E-Commerce Performance & Customer Insights

**From:** Ahmed Elatwy, Data Analyst

**Date:** 20-Sep-2025

**Subject:** Strategic Opportunities to Drive £2.5M in  
Revenue through Customer Retention and Targeted  
Marketing

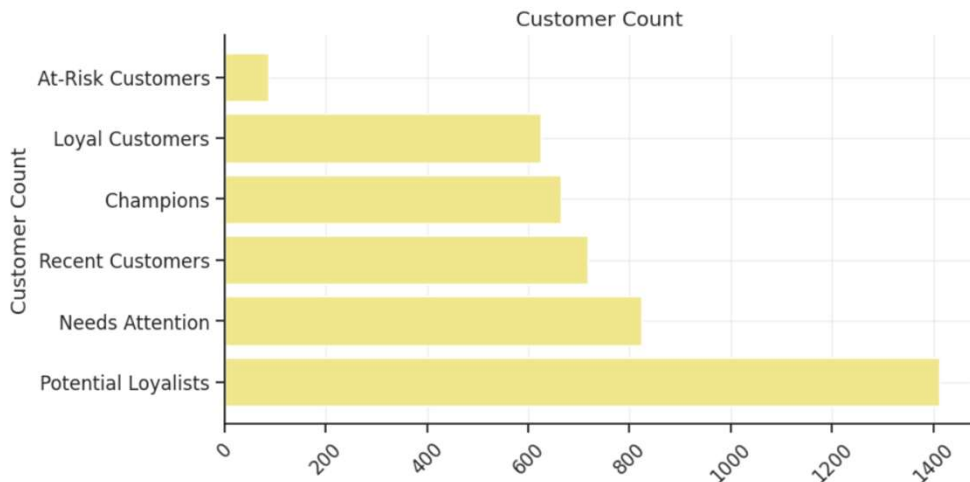
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# Objective

- This analysis of 541910 transactions from December 2010 to December 2011 was conducted to identify high-impact opportunities for growth by optimizing customer retention, marketing spend, and product strategy.

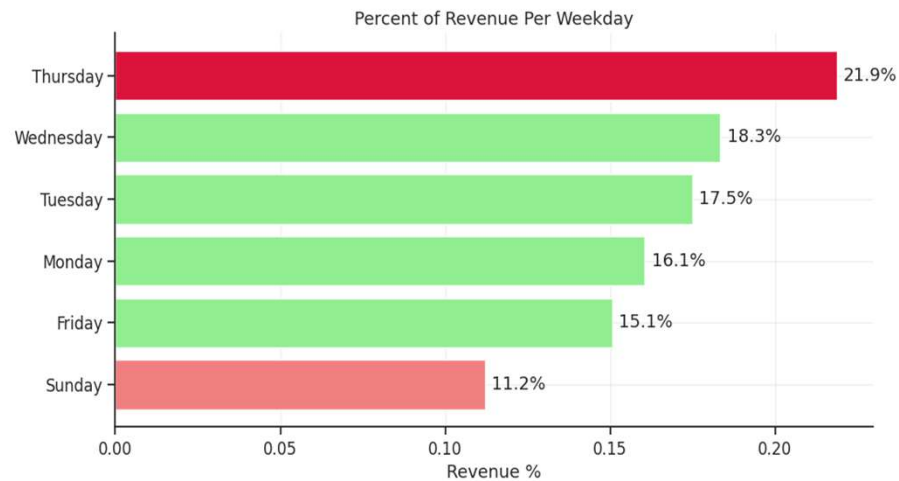
## Key Findings

### A. Customer Segmentation Exists: A Small Group Drives Most Value

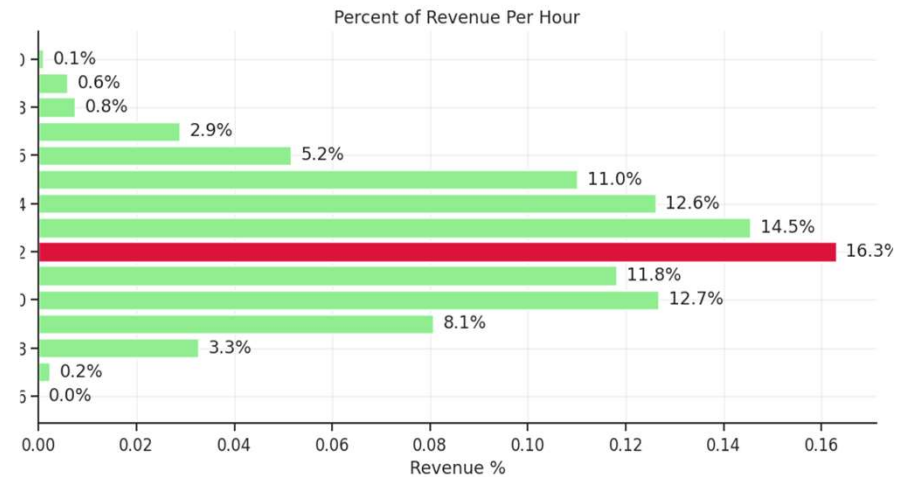


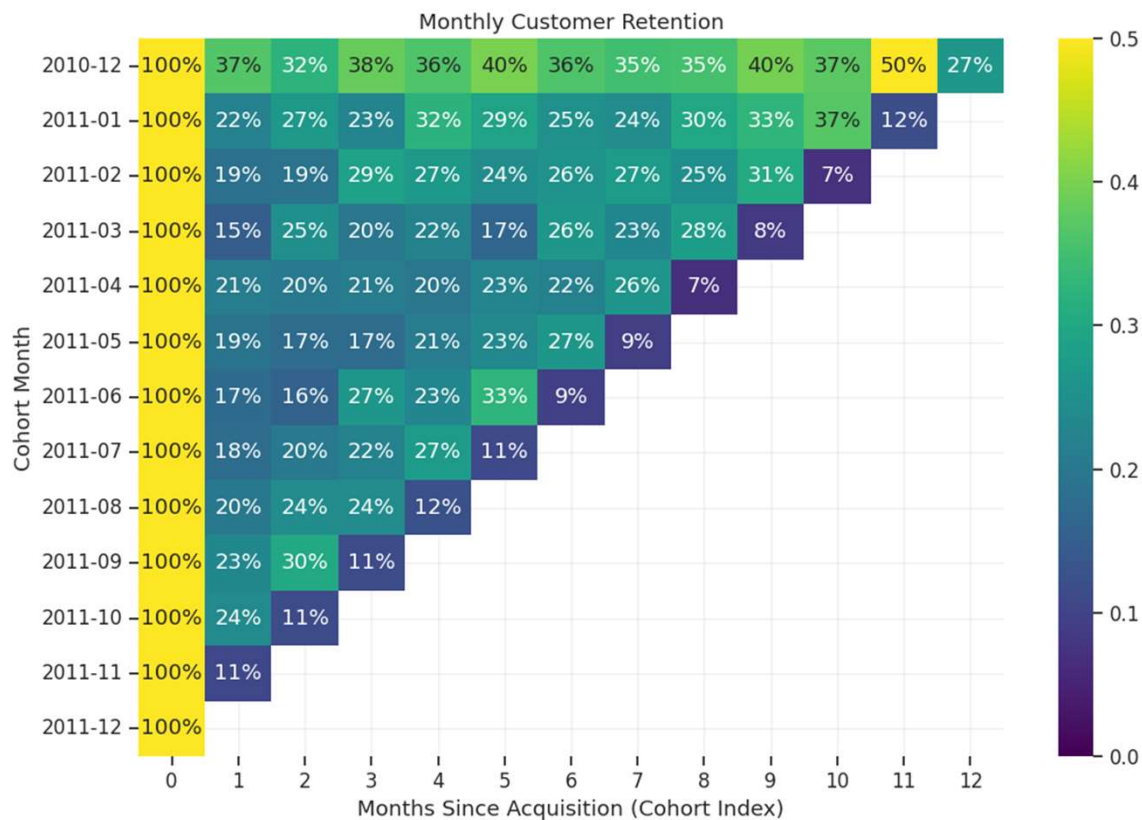
- **The 80/20 Rule in Action:** Just **643 customers** ("**Champions**")—representing a tiny fraction of our base—generate a disproportionate amount of revenue, spending **8x more** than the average customer and shopping very recently and frequently.
- **Significant Revenue at Risk:** A small segment of **86 "At-Risk" customers** represents a substantial past revenue stream but hasn't purchased in over 5 months. This is a critical leak in our revenue bucket.
- **Our Largest Opportunity:** The **1,411 "Potential Loyalists"** are our largest segment. They showed initial promise but have not been successfully retained, representing the single biggest opportunity for growth.

## B. Clear Patterns in Shopping Behavior Dictate Strategy



- **Peak Performance: Thursday is our highest-performing day** (22% of weekly revenue).
- with the **mid-day period (10 AM - 3 PM)** generating **79% of all daily revenue**.



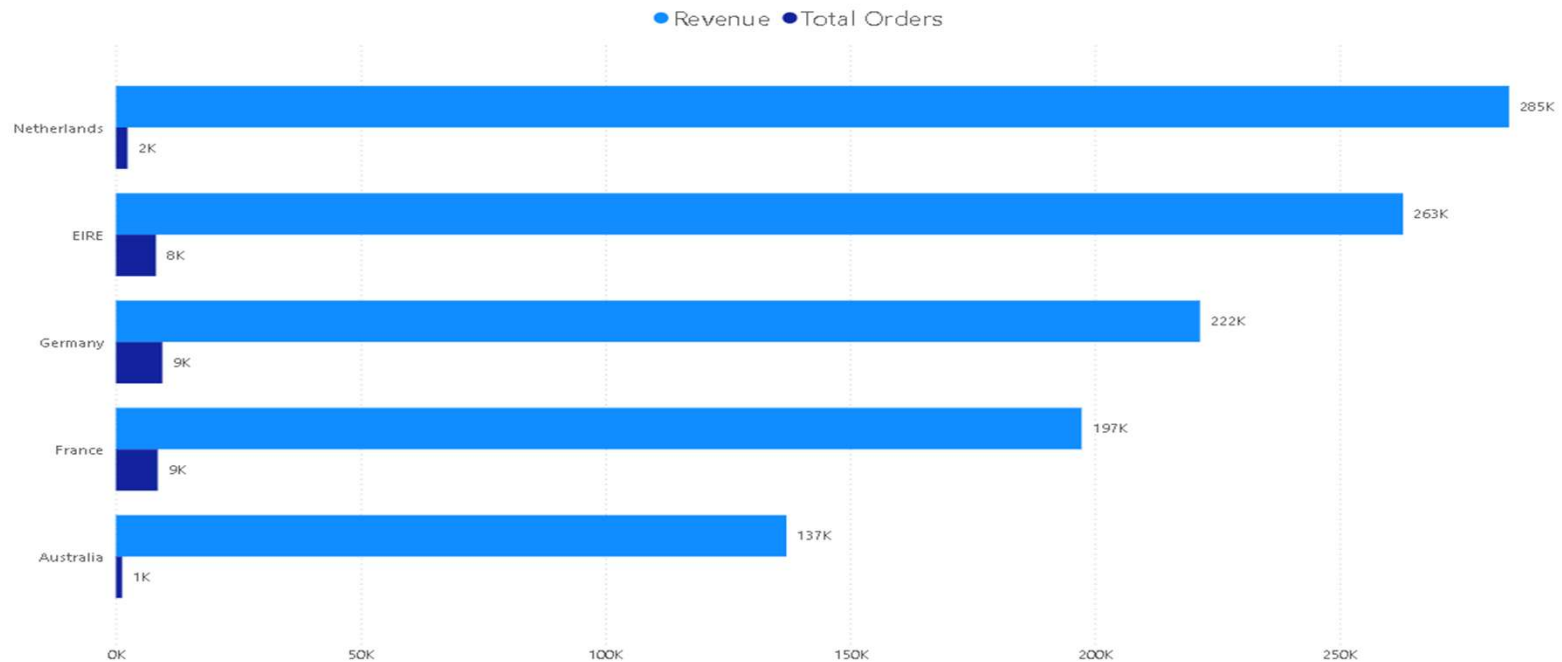


## B. Clear Patterns in Shopping Behavior Dictate Strategy

- **Concerning Trend:** Cohort analysis shows a **clear decline in customer retention rates throughout 2011**, indicating our recent acquisition strategies are less effective at creating long-term loyalty than our initial cohort in December 2010.

## C. Product and Geographic Performance is Lopsided

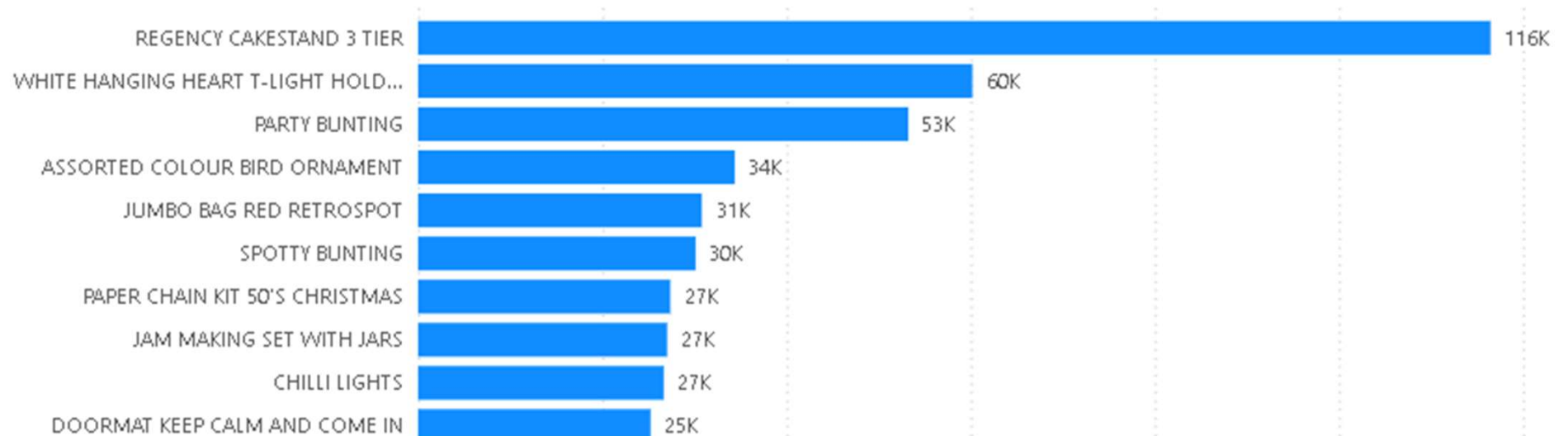
- **Market Concentration:** The **UK dominates**, driving **over 80% of all revenue**. However, the **Netherlands is a more valuable market per order** than Germany, suggesting an under-optimized strategy in Europe.



## C. Product and Geographic Performance is Lopsided

- **Product Focus:** The top-selling product ("**REGENCY CAKESTAND 3 TIER**") drives over **\$116K** in sales, indicating a successful premium product line, while many other products are underperforming.

Top Selling Products



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# Strategic Recommendations

We recommend a three-pillar strategy focused on protection, growth, and optimization.

## Protect & Reward High-Value Relationships (Ownership: Marketing)

- **Action:** Launch an exclusive "Champions" VIP program with tiered rewards, early access to sales, and dedicated support.
- **Goal:** Protect the ~40% of revenue this segment contributes.

## Launch Targeted Win-Back & Nurturing Campaigns (Ownership: Marketing)

- **Action:** Execute an urgent, high-value win-back campaign for the "**At-Risk**" segment. Implement a automated 3-month email nurturing series for "**Recent Customers**" and "**Potential Loyalists**" to drive second and third purchases.
- **Goal:** Reclaim lost revenue and improve new customer retention by 15%.

## Optimize Marketing Spend & Product Strategy (Ownership: Leadership)

- **Action:** Reallocate ad spend to target the **Netherlands** based on its higher value per order. Concentrate mid-week (Mon-Thu) marketing efforts during peak hours (10 AM - 3 PM).
- **Goal:** Improve marketing ROI and capitalize on proven demand patterns.