Marketing & Customer Journey Analytics

Attribution, RFM Segmentation, LTV Prediction & Funnel Insights

Analysis of the thelook_ecommerce dataset (2019-2025)

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2025 Key Metrics (Jan-Nov)

A quick look at the overall purchase performance.

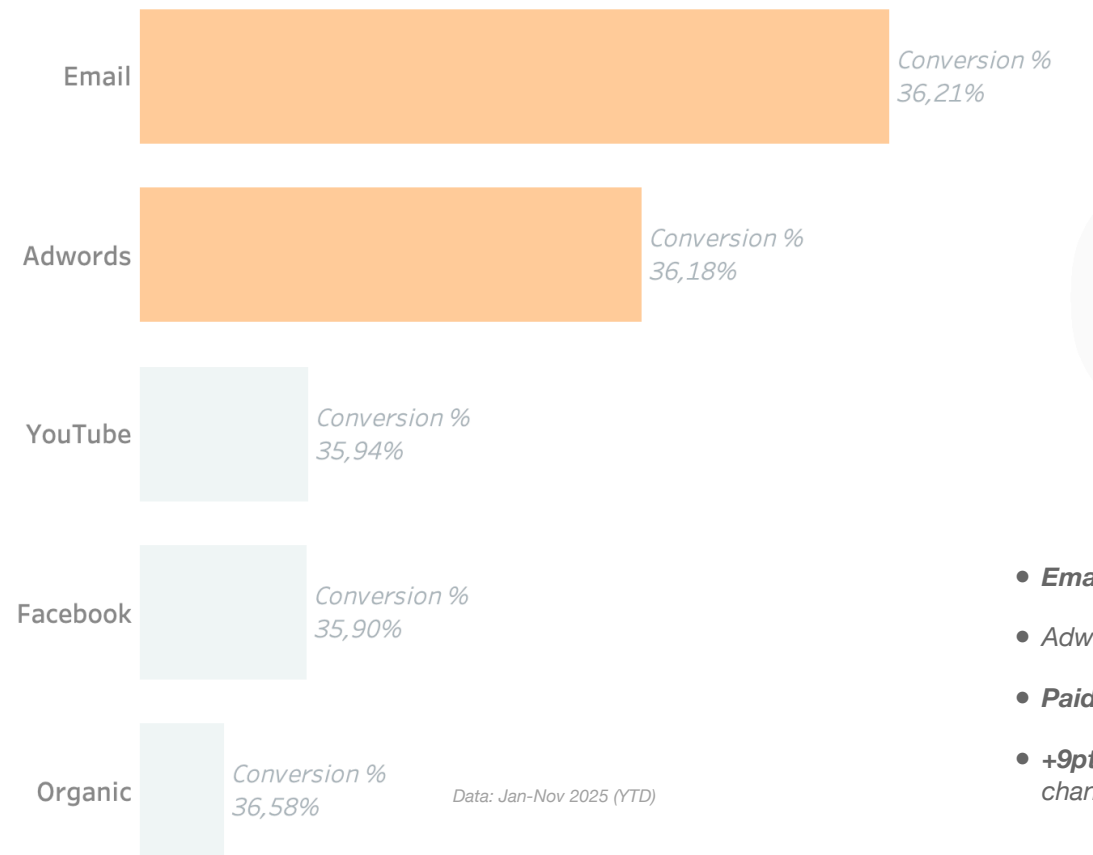| Total Unique Customers	Total Orders	Total Revenue	Avg Order Value
12,215	17,960	$1.06M	$59

Revenue ↑ 66% YoY: driven by higher customer & order value

Orders ↑ 69% | Customers ↑ 67% YoY

AOV↓ 1.6%: slight dip despite strong overall growth

Email + Adwords drive ~75% of purchase intent volume.
But all channels convert at the same *36% purchase-attempt efficiency*.

Email
Conversion %
36,21%

Adwords
Conversion %
36,18%

YouTube
Conversion %
35,94%

Facebook
Conversion %
35,90%

Organic
Conversion %
36,58%

Data: Jan-Nov 2025 (YTD)

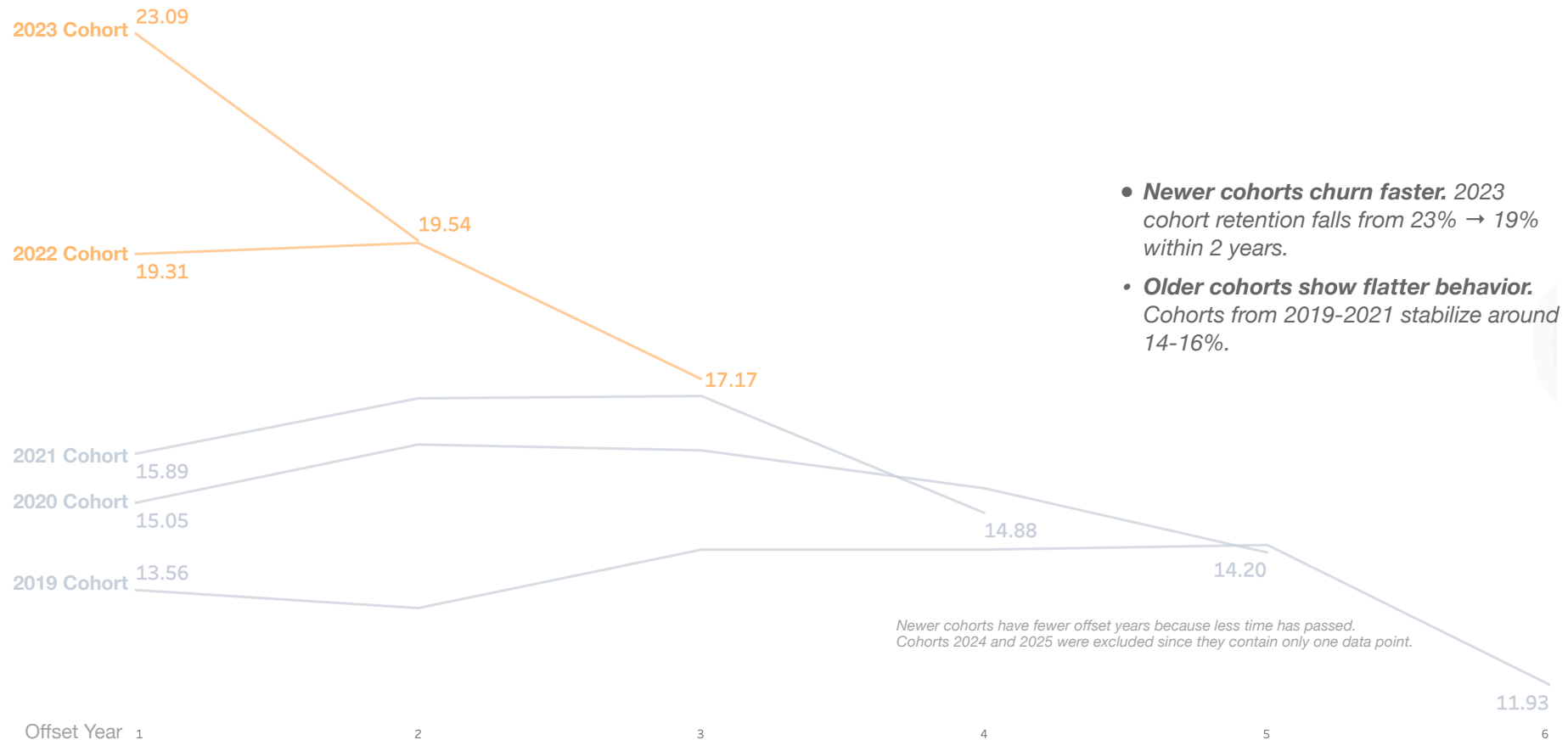- *Email is our strongest and most scalable owned channel.*
- *Adwords delivers volume but increases reliance on paid acquisition.*
- *Paid Social contributes very little, budget can be reallocated.*
- *+9pt YoY lift in purchase-attempt achieved without changes in channel mix*

40% of long-term revenue comes from Loyal + Champion segments, but only 12% ever return.
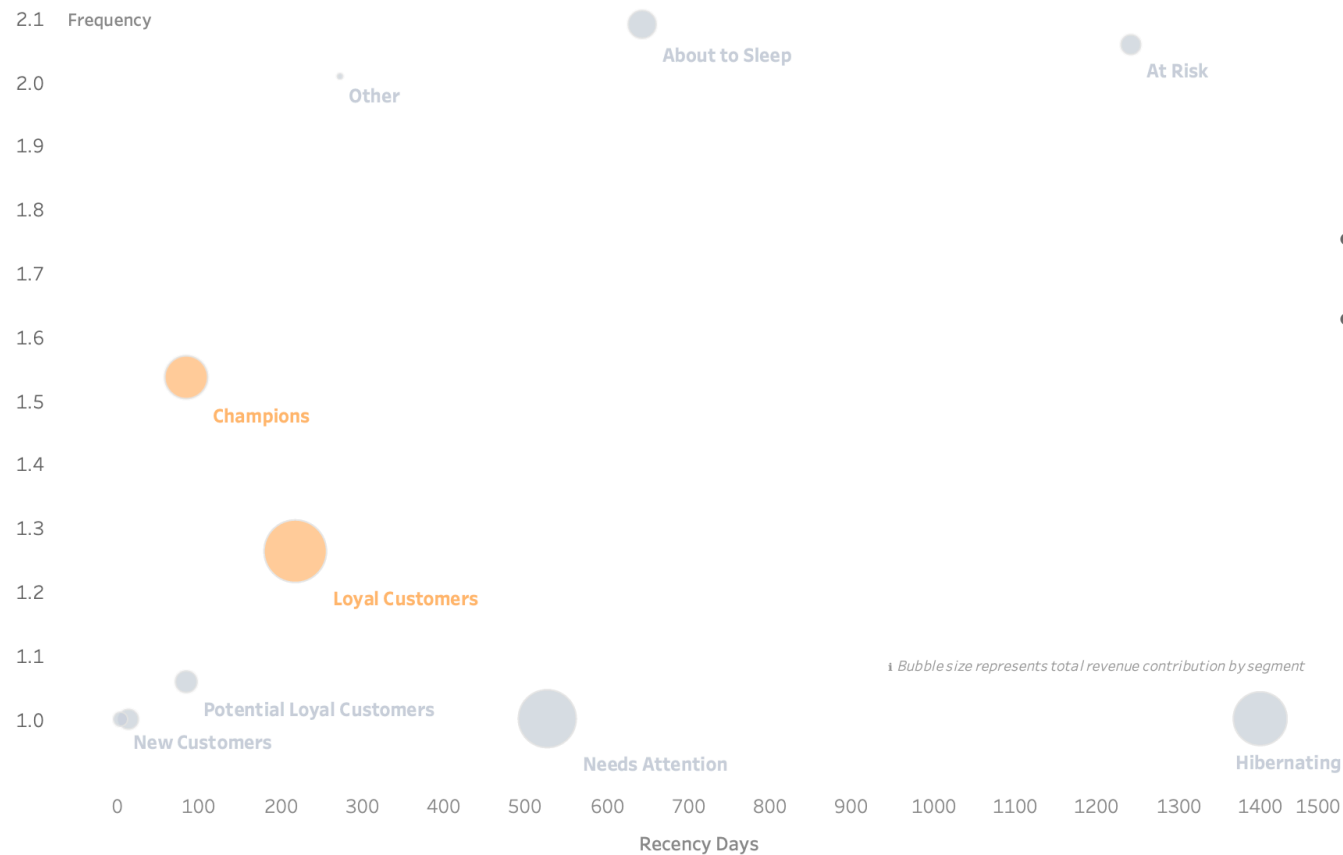
- **Loyal + Champions = 40% of revenue.** *Our strongest and highest value base.*
- *Most customers drop off after their first purchase, limiting long term value.*

Frequency

2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
1.3
1.2
1.1
1.0

About to Sleep

At Risk

Other

Champions

Loyal Customers

i *Bubble size represents total revenue contribution by segment*

Potential Loyal Customers

New Customers

Needs Attention

Hibernating

0 100 200 300 400 500 600 700 800 900 1000 1100 1200 1300 1400 1500

Recency Days

Newer cohorts have a strong repurchase rate but churn much faster after the first year.

2023 Cohort 23.09

19.54

2022 Cohort

19.31

17.17

2021 Cohort

15.89

2020 Cohort

15.05

14.88

14.20

2019 Cohort 13.56

- **Newer cohorts churn faster.** *2023 cohort retention falls from 23% → 19% within 2 years.*

- **Older cohorts show flatter behavior.** *Cohorts from 2019-2021 stabilize around 14-16%.*

Newer cohorts have fewer offset years because less time has passed. Cohorts 2024 and 2025 were excluded since they contain only one data point.

11.93

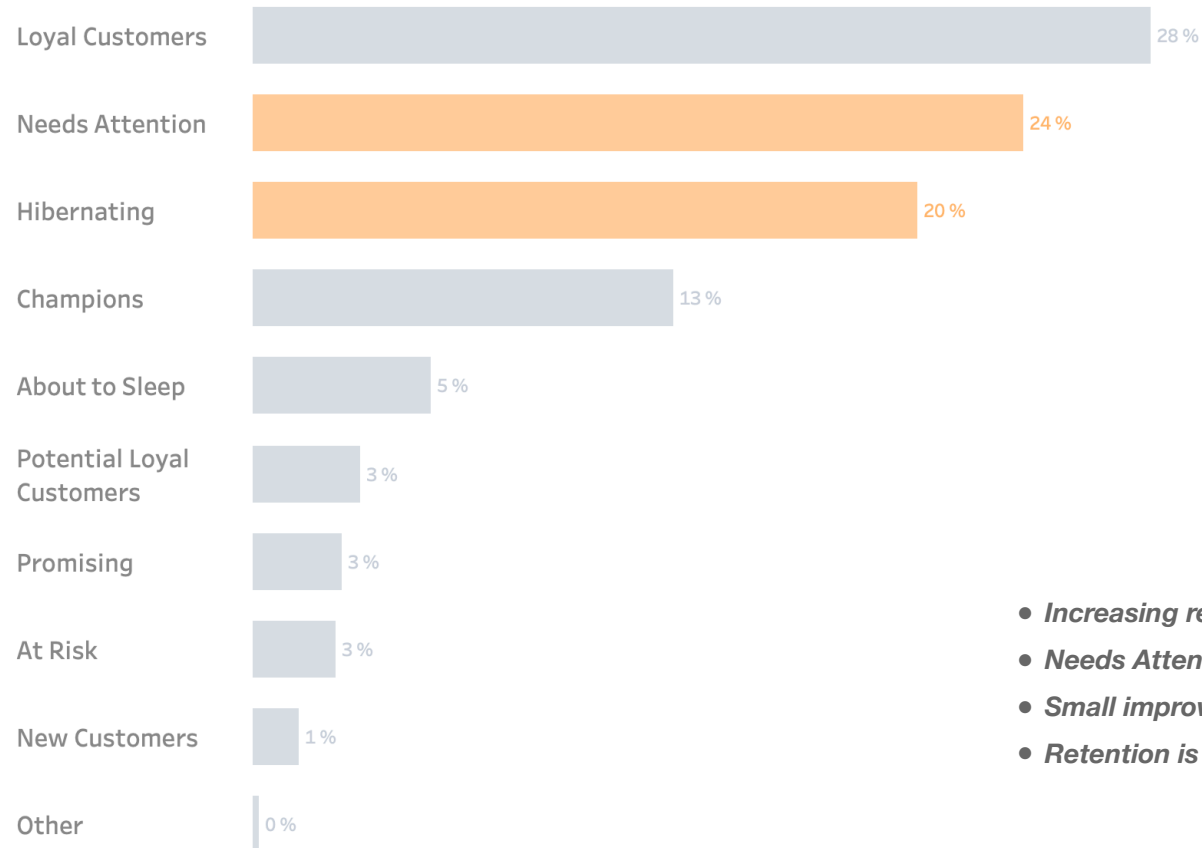Offset Year   1   2   3   4   5   6

Most customer value is created at the first purchase, as very few customers return.

2024 Cohort
Older Cohorts

$ 100.17

$ 29.16

$ 20.74

$ 16.19

$ 14.40

$ 12.81

$ 9.83
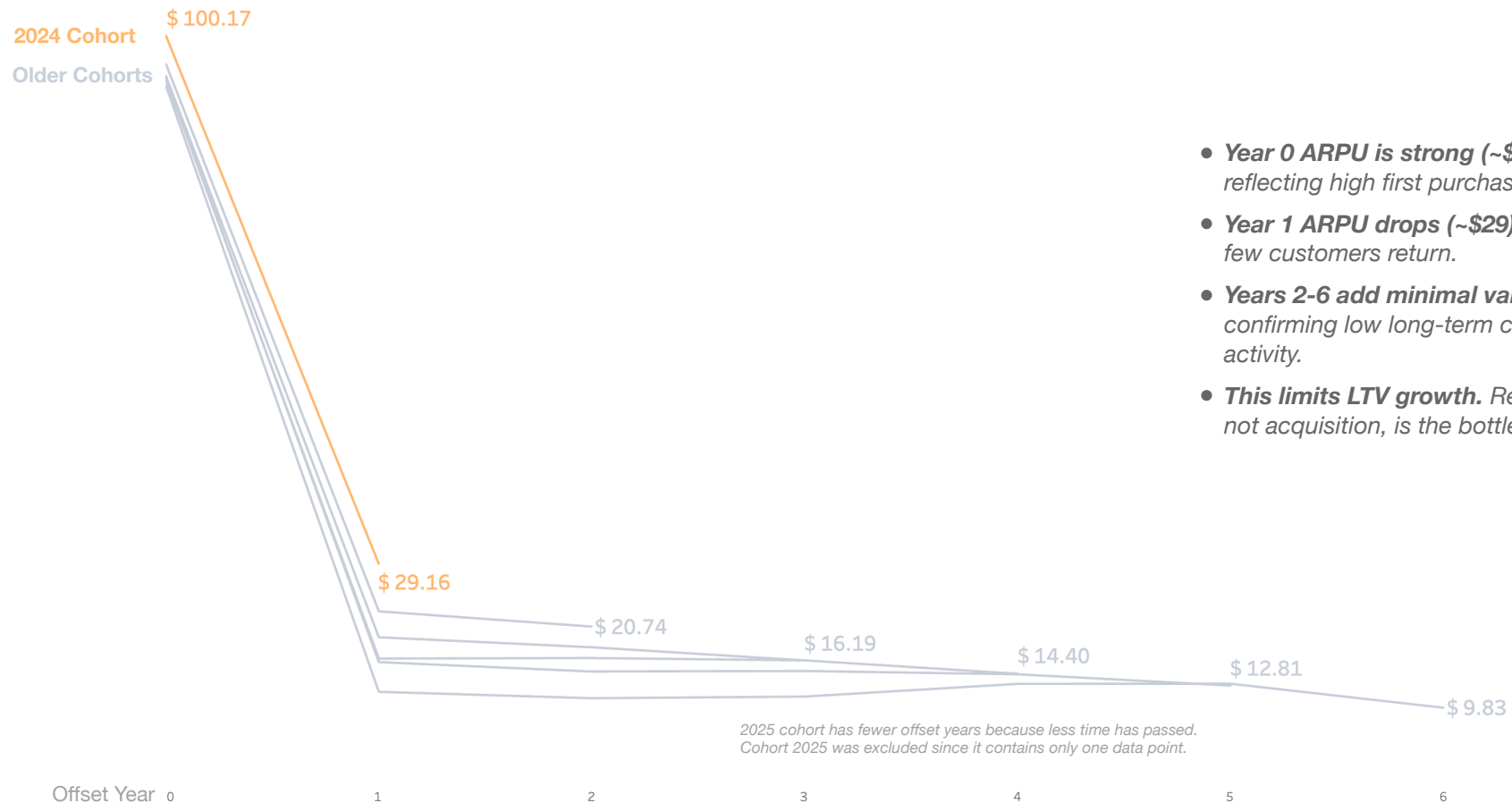
- *Year 0 ARPU is strong (~$100),* reflecting high first purchase value.
- *Year 1 ARPU drops (~$29),* because very few customers return.
- *Years 2-6 add minimal value (~$10-20),* confirming low long-term customer activity.
- *This limits LTV growth.* Retention failure, not acquisition, is the bottleneck.

2025 cohort has fewer offset years because less time has passed.
Cohort 2025 was excluded since it contains only one data point.

Offset Year   0   1   2   3   4   5   6

Retention drives the largest share of revenue, bigger than acquisition.

44% of all revenue, across all years, sits in Needs Attention + Hibernating segments.

Segment	Value
Loyal Customers	28 %
Needs Attention	24 %
Hibernating	20 %
Champions	13 %
About to Sleep	5 %
Potential Loyal Customers	3 %
Promising	3 %
At Risk	3 %
New Customers	1 %
Other	0 %

- *Increasing retention* → huge growth upside.
- *Needs Attention + Hibernation* = 44% of all revenue (but low loyalty).
- *Small improvement in Year 1 retention* → outsized revenue lift
- *Retention is the #1 path* to sustainable, predictable revenue.

What Should We Do Next?

Recommendation 1: Year-1 Retention Improvement
Because most LTV is created between Year 0 → Year 1

- *Introduce Year 1 lifecycle emails (welcome, education, styling tips, reminders), as emails are owned and the strongest channel.*
- *Nudge a **second purchase within 30-45 days** with soft offers/ relevant products.*
- *Show **personalised product suggestions** based on first purchase and browsing history.*
- *Reduce friction for repeat purchase (saved cart, saved sizes, 1 click checkout)*

Recommendation 2: Reactivate dormant segments.
Because 44% of revenue sits in Needs Attention + Hibernating.

- *Run **re-activation email flows** for Needs Attention + Hibernating segments.*
- *A/B test **subject lines, timings and offers** (discount vs. new-in vs. back in stock).*
- *Tailor campaigns by **category last bought** (e.g. denim vs. outerwear).*
- *Prioritise winning back churned users before spending more on acquisitions.*

Recommendation 3: Learn, Test and Scale Retention
Turning insights into a continuous experimentation loop

- *Run **quick surveys/interviews** with recent churners and first-time buyers to understand why they don't return.*
- *Translate findings into **testable hypotheses** (e.g., shipping pain, sizing issues, returns policy uncertainty).*
- *Prioritize **a small set of experiments** (onboarding email variants, UX improvements) and measure impact on repeat rate.*
- *Track results in a simple **retention & LTV dashboard** to decode what to scale.*

Key Takeaways

- *Acquisition is strong, but growth stalls without repeat purchases*
- *Customer value drops after Year 1, limiting long-term LTV.*
- *44% of revenue sits in dormant RFM segments → biggest opportunity*
- *Retention, not acquisition, unlocks predictable revenue growth.*