Dashboard Report – Cohort Analysis E-Commerce Dashboard

Objective:

1. **Retention Rates (Time-based):** Measure how quickly customers return (within 1, 2, and 3 months).

2. **Repeat Rates (Order-based):** Measure general customer loyalty by tracking the percentage of customers who eventually place a 2nd, 3rd, or 4th order.

Main Goal of the Analysis:

- Find out how well we retain new customers.

- How quickly they return (Retention).

- How deep their loyalty goes (Repeat Orders).

Period:

January 2024 – December 2024

1. Retention Rates (1, 2, and 3 Months):

- The retention rates show a clear improvement over the months.
- The 1-month retention rate increases from about 70% in January to over 90% in May.
- The 2-month retention rate develops similarly – from around 80% in January to almost 95% in May.
- The 3-month retention rate is exceptionally stable and often reaches 100%, indicating very strong customer loyalty.

Interpretation:

- Customer retention is improving significantly. From March/April onwards, measures in marketing or product areas seem to have been particularly effective.
- The high 3-month retention rate shows that customers who make it past the second month remain very loyal.

2. Retention Heatmap:

- The cohorts from January to May 2024 show consistently high retention rates.
- Especially the March to May cohorts achieve values between 93% and 100% for the 2- and 3-month retention.
- Cohort sizes decrease over the course of the year – possibly due to seasonal patterns or reduced marketing traffic.

Interpretation:

- Although fewer new customers are acquired, the value of existing customers is increasing.
- New customers are overall being converted more reliably into repeat buyers.

3. Repeat Rates (2+, 3+, 4+ Orders):

- The repeat rate for 2+ orders remains stable between 75% and 90%.
- The 3+ orders rate is consistently around 55–65%.
- The 4+ orders rate falls from approx. 47% in January to about 27% in June.

Interpretation:

- Customers reliably make a second and third purchase.
- The transition to the fourth order is more difficult – a normal effect in the customer lifecycle.

4. Repeat Heatmap:

- The January cohort shows particularly strong results: 82% make a second order, 64% a third, and 47% a fourth.
- Other cohorts show similarly strong 2+ and 3+ rates, but the 4+ rate decreases over the months.

Interpretation:

- The majority of customers place at least a second or third order.
- Declining 4+ rates could be because younger cohorts have not had enough time yet or there are fewer incentives for regular customers.

Overall Conclusion:

- ➢ Very strong customer loyalty with positive development over the months.
- ➢ Existing customers are becoming increasingly valuable.
- ➢ Repeat purchase rates are stable and strong.
- ➢ Optimization potential: stronger incentives for the fourth order (Loyalty Programs, Bundles, personalized discounts).