Data range: December 2010 – December 2011.

Growth and customer retention strategy based on data analysis.

Key findings from customer behavior analysis (2010-2011).

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PRESENTED BY:
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- **Growth Opportunity in Europe: Germany and France are top market expansion options.**

- **New Customer Churn Alert: Rising churn among new customers increases future CAC.**

- **Focus on At-Risk Customers: Over 80% of churned customers were in the "At-Risk" segment.**

- **Seasonal Sales Peak: September, October, and November are prime sales months.**

Executive Summary

Presents key findings and strategic recommendations for quick decision-making.

Key Performance Trends for the Year

High Season sales trend is in months 9, 10, and 11.
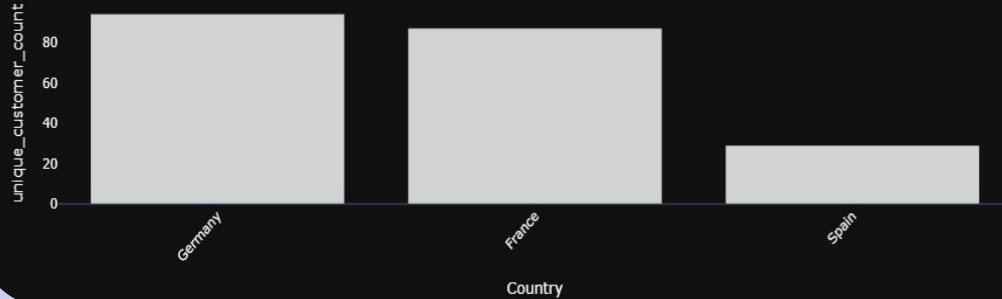
+1.13M

Total Sales per Month

Customer churn rate decreased from 17.81% to 10.72% by May 2011.

Churn is defined as no purchases in the last 6 months.

Churn Rate Over Time (Up to May)

unique_customer_count by Country (Top 3 Highlighted)

Germany and France: Growth potential alongside operational risk.

Germany's order cancellation rate is nearly 24%.
This is a major challenge that needs to be resolved before investing.
The lowest cancellation rate was 14% in the eleventh month of last year.
This shows that reducing the cancellation rate is possible.

Total Revenue per Segment

Over 80% of churned customers were in the At-Risk category.
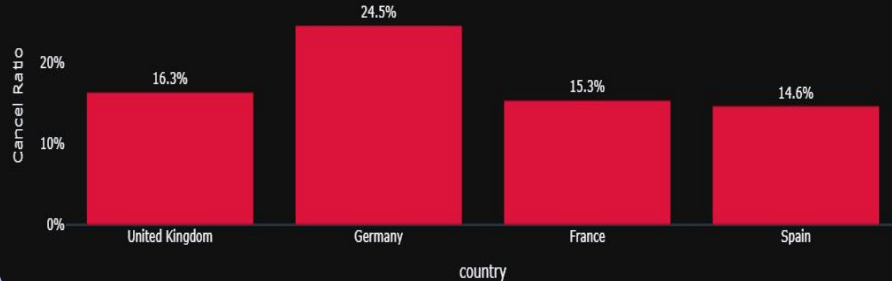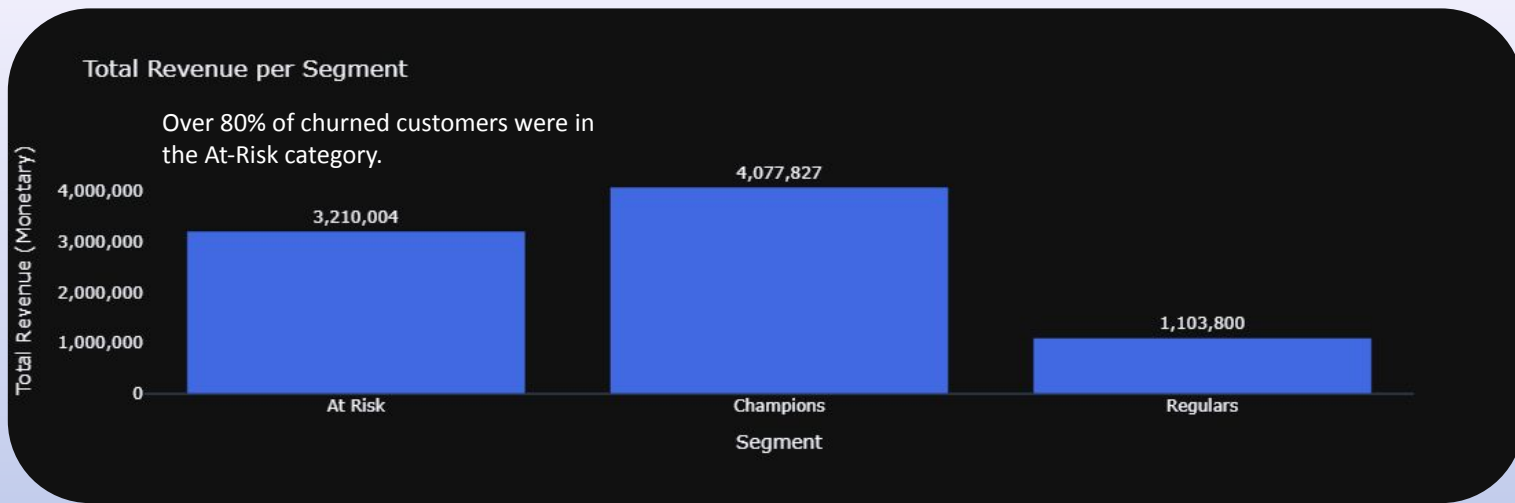
Champions and At-Risk: Two key groups for business future.

Recommendations:

Launch an exclusive customer club to boost Champions' loyalty.
Immediately implement retention campaigns for At-Risk customers.

Cohort Analysis - Retention by Month
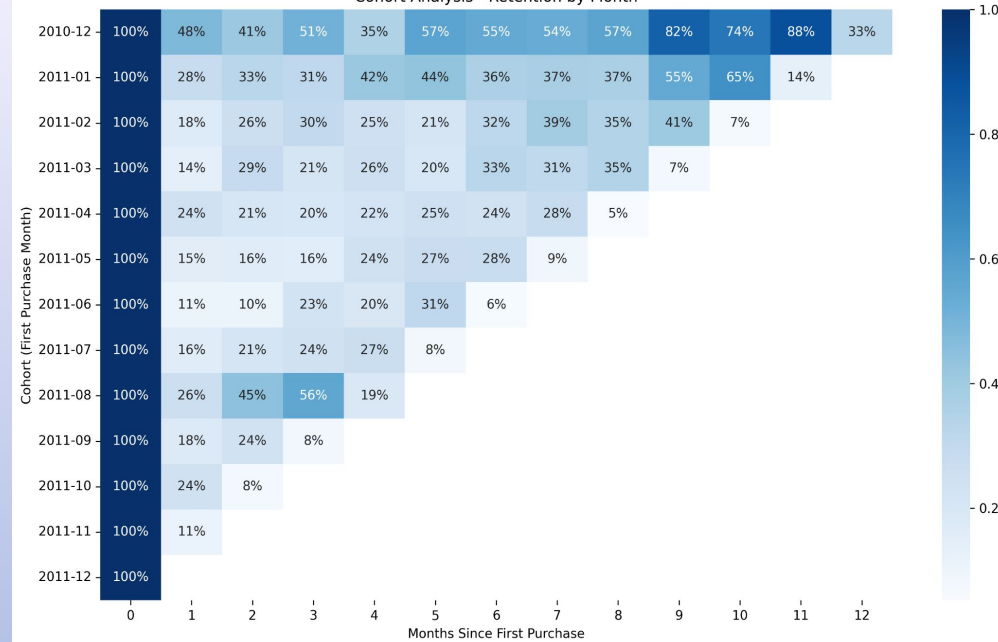
Why should we be concerned about new customers?

- The table shows the return rate of customers acquired each month.

- The return rate of customers acquired in the second half of the year is decreasing.

- We need to design a return strategy for new customers.

- Otherwise, we will face decreased LTV and increased CAC.

How to encourage customers to buy more

antecedents	consequents	support	support_count	confidence	lift
JUMBO BAG PINK POLKADOT	JUMBO BAG RED RETROSPOT	0.03	530	0.62	7.17
JUMBO BAG RED RETROSPOT	JUMBO BAG PINK POLKADOT	0.03	530	0.34	7.17
ALARM CLOCK BAKELIKE GREEN	ALARM CLOCK BAKELIKE RED	0.03	517	0.67	14.24
ALARM CLOCK BAKELIKE RED	ALARM CLOCK BAKELIKE GREEN	0.03	517	0.60	14.24
GREEN REGENCY TEACUP AND SAUCER	ROSES REGENCY TEACUP AND SAUCER	0.03	513	0.76	18.43

Highest purchase correlation occurs when customers buy different product designs/colors.

Practical

Recommendations

- Display color and design options for the same product.

- Suggest them as "special offers" or "customers also bought."

- Define "bundle" campaigns.

Roadmap: From Analysis to Action.

1.

Investigate the root cause of the 24% cancellation rate in Germany.

2.

Design and implement a return campaign for new customers. Focus on supporting them through their first three purchases. Send reminder messages around the thirtieth day after purchase.

3.

Launch a customer club for the Champions segment.Implement a targeted recovery program for the At-Risk segment.

4.

Plan major annual campaigns for the peak sales season (months 9, 10, and 11). Focus on inventory management.