# THE LOOK

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# SALES & RETENTION ANALYSIS

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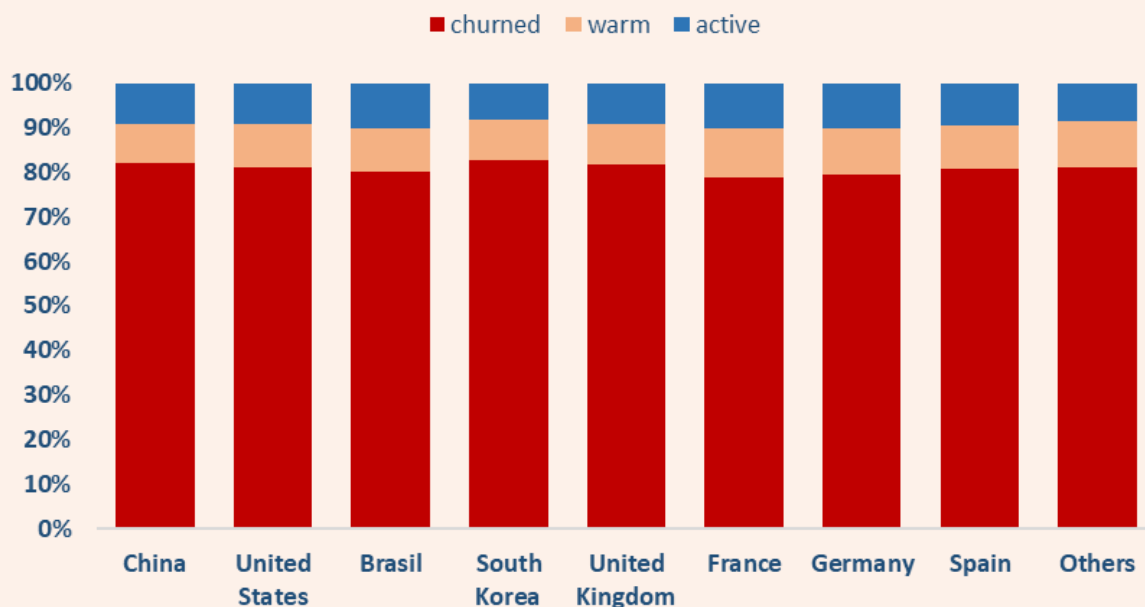
## DATA ANALYTICS PORTFOLIO
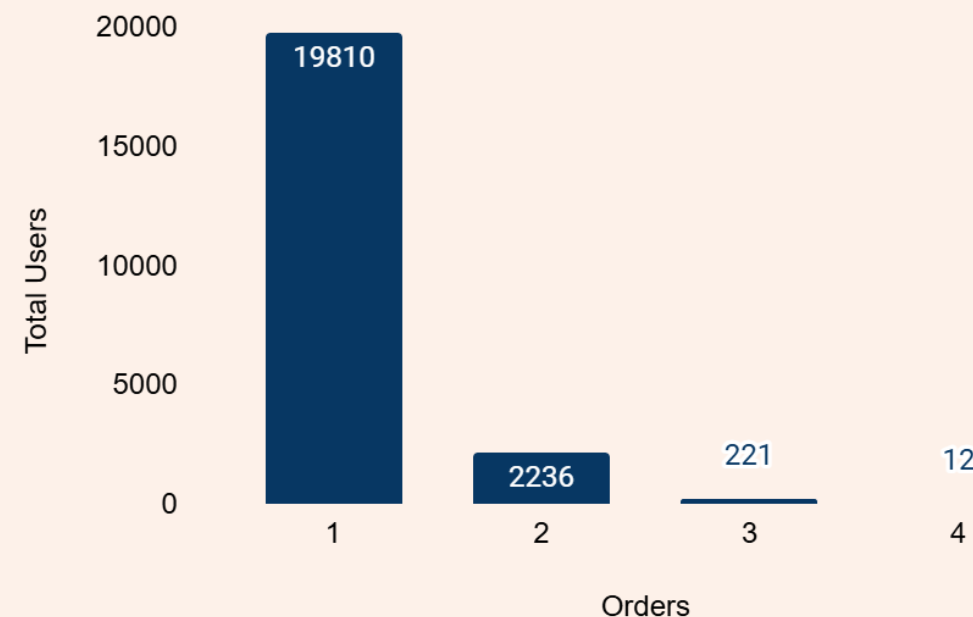
**in ERICK KHOSASI**

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# CUSTOMER CHURN IS NOT HEALTHY

**1** Customer churn is **unhealthy** and **consistent** across geography and demographics, ranging from **79-82%**.


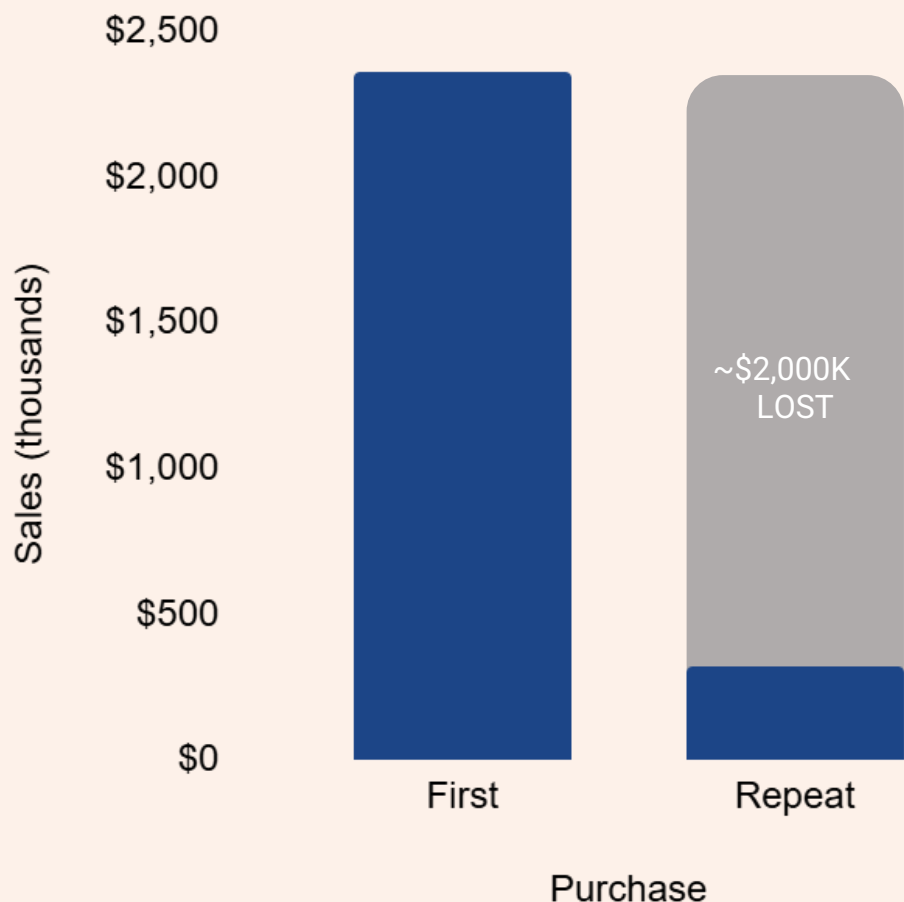
**Churned Users Total Orders Before Leaving**

**2** **89%** of churned customers are **one-time-order buyers,** and another **10%** churn after just **2 orders.**
Together, **99%** buyers **churn by their 2nd order.**

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# REVENUE LOST DUE TO HIGH CHURN



## CURRENT OBJECTIVES

**1** **Conduct operational/quality audits**

Churn is consistently high (~80%) across all countries, age groups, and categories, suggesting the root cause is not market-specific but systemic.

**2** **Launch engagement campaigns**

Repeat orders only contribute 12% of total sales. Launching post-purchase engagement campaigns can improve retention and increase customer lifetime value (CLV).

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# LOGISTICS & SHIPPING IS EFFICIENT

## AVERAGE PROCESSING TIME

### 1 DAY

## AVERAGE LEAD TIME

### 4 DAYS

## INDUSTRY BENCHMARKS

**Processing time:** 1-2 days
**Lead time:**
    **Domestic orders:** 2-5 days
    **International:** 7-14 days

**The Look**'s 1-day processing is faster than average and its 3-days delivery is within the top tier either for domestic and international e-commerce.

Logistics and shipping **do not appear to be the cause of high churn.**

This suggests the churn problem likely originates from **product quality**, **customer experience**, or **post-purchase engagement**.

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# CONSISTENT HIGH RETURN RATE

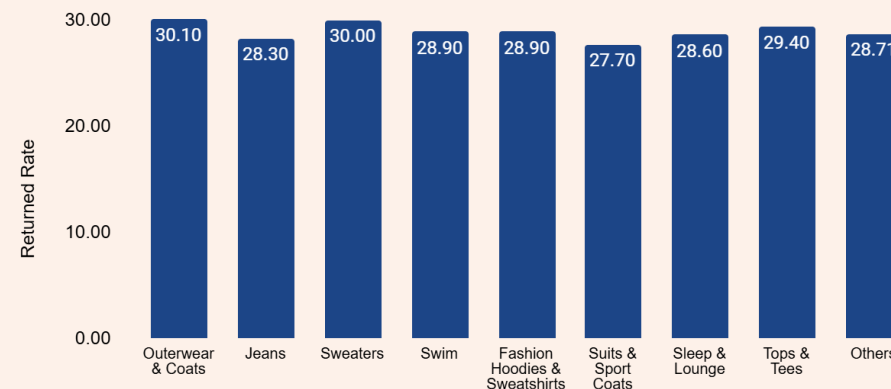## 1. Consistent Product Quality Issue

High return rate across all categories & regions signals a **systemic issue**.

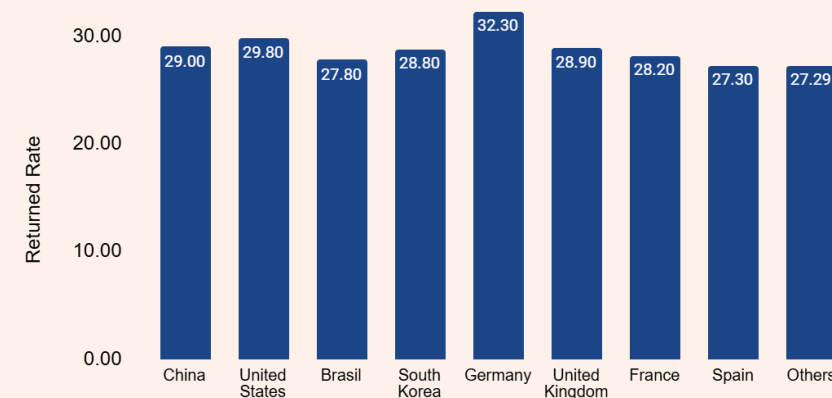Possible causes: size inconsistencies, material quality, or product descriptions mismatch.

## 2. Packaging / Logistics Issue

Weak or non-standardized packaging could cause products delivered in damaged or wrinkled condition. Poor handling in logistics chain may also cause uniform return rates.

### High Return Rate Across Categories

| Category | Returned Rate |
|---|---|
| Outerwear & Coats | 30.10 |
| Jeans | 28.30 |
| Sweaters | 30.00 |
| Swim | 28.90 |
| Fashion Hoodies & Sweatshirts | 28.90 |
| Suits & Sport Coats | 27.70 |
| Sleep & Lounge | 28.60 |
| Tops & Tees | 29.40 |
| Others | 28.71 |

### High Return Rate Across Country

| Country | Returned Rate |
|---|---|
| China | 29.00 |
| United States | 29.80 |
| Brasil | 27.80 |
| South Korea | 28.80 |
| Germany | 32.30 |
| United Kingdom | 28.90 |
| France | 28.20 |
| Spain | 27.30 |
| Others | 27.29 |

# NEED FURTHER AUDITS AND DATA

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### 1     Current data is INSUFFICIENT

- Return rates are consistent across all categories and regions → doesn't isolate the root cause.
- Missing insights from **customer feedback** and **reviews**.
- Current evidence rules out **shipping delays**, but not **quality** or **expectation mismatch**.

### 2     Conduct Audits and Gather Data

- Perform **operational audits**: product quality control, sizing standards, material checks.
- Assess **logistics partners** and **packaging processes** for handling or damage risks.
- Collect **customer feedback**: surveys, reviews, product ratings, return reason.
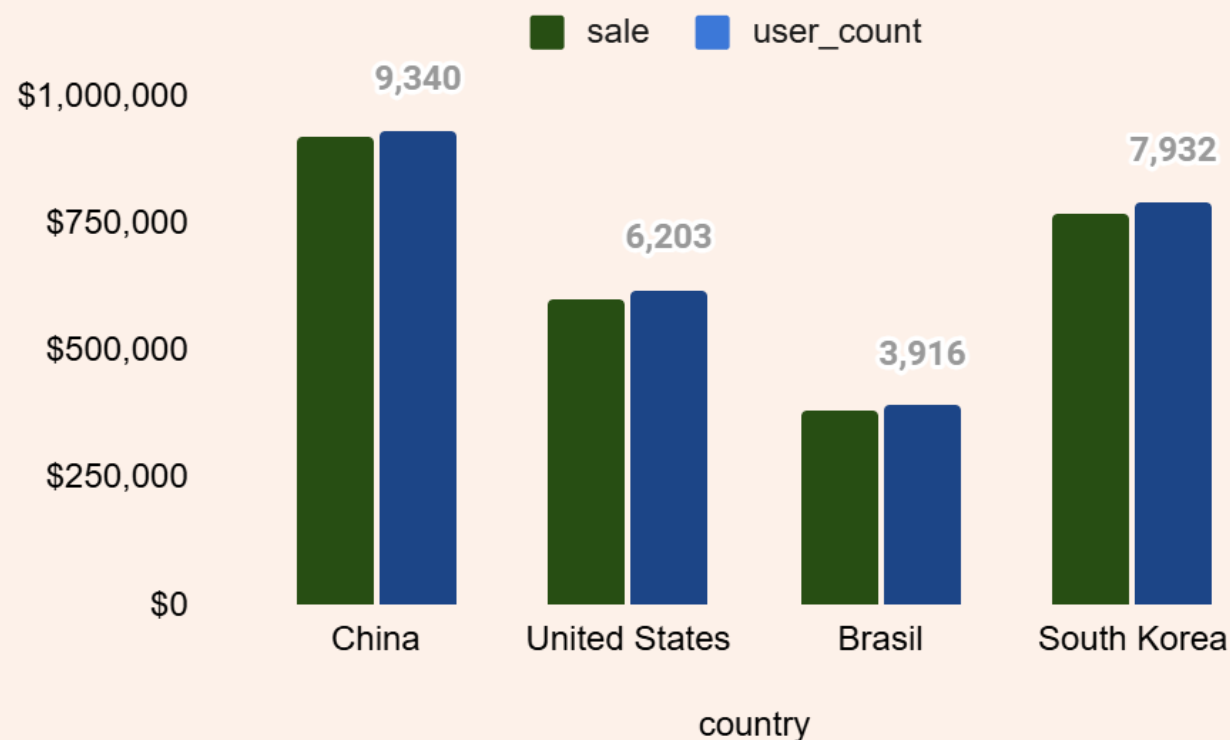
# THREE COUNTRIES DOMINATE SALES

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**70%** of both **user base** and **total revenue** comes from just three countries: **China**, **USA**, and **Brazil**. The graph distribution highlights that The Look's sales are primarily **driven by user volume**, rather than higher spending per customer.

The **Average Order Value (AOV)** is **consistent (~$85) across all countries**, reinforcing that growth relies heavily on attracting and retaining users.

This makes **churn reduction critical** for sustaining growth in these key markets.

## User Base and Sales by Country

■ sale   ■ user_count

| | |
|---|---|
| $1,000,000 | 9,340 |
| $750,000 | 7,932 |
| $500,000 | 6,203 |
| $250,000 | 3,916 |
| $0 | |

China    United States    Brasil    South Korea

country

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# REPEAT-ORDERS CONTRIBUTE 12% OF SALES

## FIRST-TIME ORDERS

**$2,357,198**

**27,391 USERS**

## REPEAT ORDERS

**$317,654**

**3,349 USERS**

**88% of total revenue** comes from **first-time orders**, while **repeat-orders** contribute only **12%**. Despite this imbalance, the **AOV remains consistent** ($85) for both customers.

The heavy reliance on first-time orders creates a significant **revenue loss potential**.

Furthermore, since **customer acquisition is costly**, depending on first-time orders is not a sustainable strategy. Company must take **urgent action to improve retention and increase CLV**.

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# FOCUS CAMPAIGN IN TOP MARKETS

Given that **70%** of The Look's **users and revenue** are concentrated in **China, USA, and Brazil**, engagement efforts should be **prioritized in these top markets.**

**1** **Post-Purchase Engagement Campaigns**

Personalized emails, loyalty rewards, and time-limited second order promotions.

**2** **Localized Engagement**

Tailor campaigns to cultural and market-specific behaviors.

**3** **Affiliate Programs**

Partner with local influencers to drive trust and repeat purchases.

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# KEY TAKEAWAYS

## 1 Customer Retention = Untapped Growth

Only 12% of sales come from repeat orders, while 99% of churned users leave within 2 purchases. Retention is the biggest opportunity to unlock sustainable growth.

## 2 Data Gaps Must be Addressed

Insufficient or incomplete data limits decision-making; prioritizing better data collection and analysis will strengthen future strategies

## 3 Focus Campaigns in Top Markets

China, USA, and Brazil remain priority markets where tailored campaigns and affiliate programs can significantly boost engagement.

## 4 High Return Rate Limits Profit

A significant volume of returned orders erodes margins and implies possible issues in product quality or customer experience. Addressing this is crucial for sustainable growth