

Understanding Customer Behavior

Cohort Insights Powered by a Modern ELT Pipeline

Unlocking Customer Value:

Cohort-Based Insights from 2024

01

Data:

- Jan-Dec 2024
- 200 customers
- 1.000 orders

02

Research Questions:

- How quickly do customers repurchase?
- How does retention differ across cohorts?
- How strong are repeat-purchase funnels?
- How have cohort sizes changed over time?

Disclaimer

Data Context & Limitations

01

Datascope:

- customer first purchases fall within Jan–Jun 2024 → only six cohorts
- sample too small to infer robust causal patterns

02

Limitations:

- we do **not** know the business model, industry, or seasonality patterns
- we do **not** know the marketing mix, budget, or campaign history

03

Interpretation:

- findings should be viewed as **directional**, not definitive
- recommendations are **hypotheses** for further investigation
- additional data would be needed for strategic decisions

ELT Data Stack:

From Cloud SQL Extraction to Databricks Transformation



Extract

raw data from Cloud SQL

Load

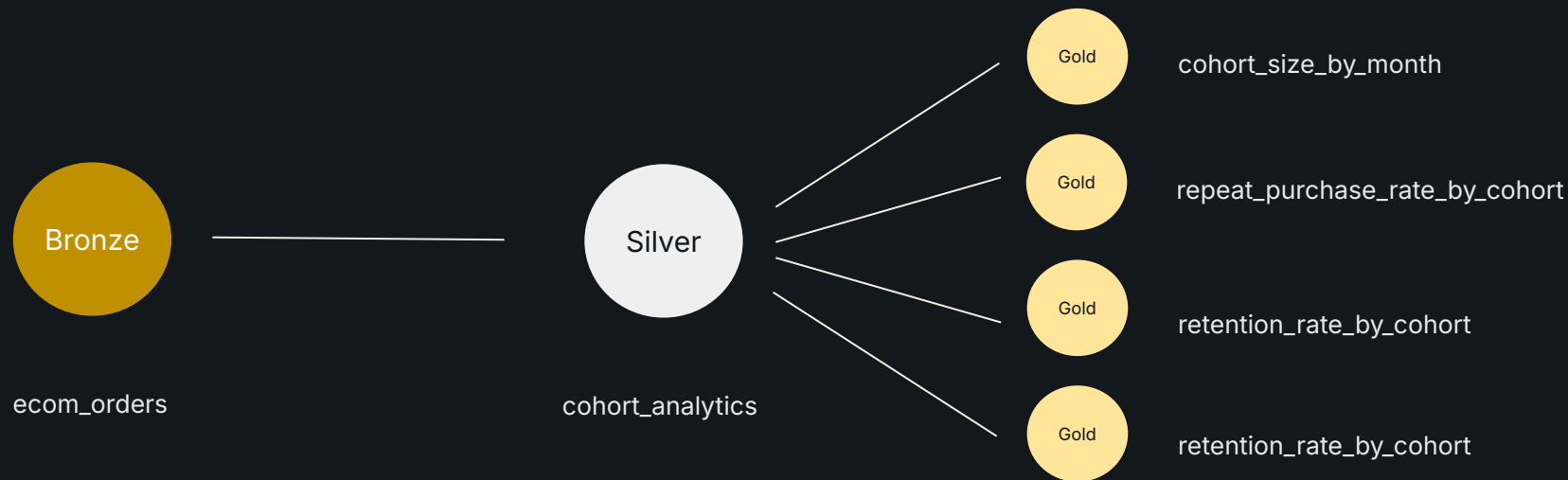
directly into Databricks
via Fivetran

Transform

entirely inside the
Lakehouse (SQL + Delta)

Medallion Architecture

Structured Data Layers ensure Analysis Quality and Reproducibility



Medallion Architecture

Silver

```
-- Step 1: Calculate the First Purchase Date
WITH first_purchases AS (
  SELECT
    customer_id,
    MIN(order_date) AS first_purchase_date,
    COUNT(*) AS total_orders
  FROM workspace.bigquery_db_cohort_db.bronze_ecom_orders
  GROUP BY customer_id
),

-- Step 2: Calculate the Second Purchase Date
second_purchases AS (
  SELECT
    eo.customer_id,
    MIN(eo.order_date) AS second_purchase_date
  FROM workspace.bigquery_db_cohort_db.bronze_ecom_orders AS eo
  JOIN first_purchases fp ON eo.customer_id = fp.customer_id
  WHERE eo.order_date > fp.first_purchase_date
  GROUP BY eo.customer_id
)

-- Step 3: Combine the Results and Calculate the Days Between Purchases
SELECT
  fp.customer_id,
  first_purchase_date,
  total_orders,
  second_purchase_date,
  DATEDIFF(second_purchase_date, first_purchase_date) AS days_between_first_and_second
FROM first_purchases AS fp
LEFT JOIN second_purchases AS sp ON fp.customer_id = sp.customer_id
```

- Derive 1st and 2nd purchase dates
- Calculate days between purchases
- Count total customer orders

Medallion Architecture

Gold

```
create or replace table workspace.bigquery_db_cohort_db.gold_retention_rate_by_cohort as

-- 1) Compute the month difference and cohort month
WITH customer_differences AS (
  SELECT
    customer_id,
    DATE_TRUNC('month', first_purchase_date) AS cohort_month,
    first_purchase_date,
    second_purchase_date,
    FLOOR(
      MONTHS_BETWEEN(second_purchase_date, first_purchase_date)
    ) AS month_diff
  FROM workspace.bigquery_db_cohort_db.silver_cohort_analysis
)

-- 2) Aggregate cumulative retention rates
SELECT
  DATE_FORMAT(cohort_month, 'yyyy-MM') AS cohort_month,
  COUNT(*) AS num_customers,
  ROUND(100.0 * SUM(CASE WHEN month_diff <= 1 THEN 1 END) / COUNT(*)) AS retention_rate_1m,
  ROUND(100.0 * SUM(CASE WHEN month_diff <= 2 THEN 1 END) / COUNT(*)) AS retention_rate_2m,
  ROUND(100.0 * SUM(CASE WHEN month_diff <= 3 THEN 1 END) / COUNT(*)) AS retention_rate_3m
FROM customer_differences
GROUP BY cohort_month
ORDER BY cohort_month;
```

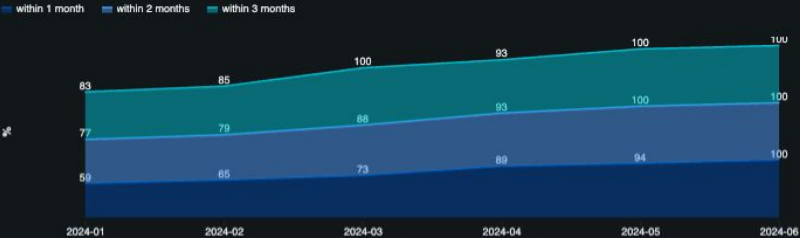
- Calculate month difference: 1st and 2nd purchase
- Compute cohort_month
- Aggregate cumulative retention rates

Dashboard Overview

Customer Cohort Performance — Strong Retention Trend Amid Declining Acquisition
Cohort behavior across first-time buyers from Jan–Jun 2024

	Total Customers	AVG 1-Month Retention Rate %	AVG Repeat Rate % 2+ Orders	Acquisition Drop %	
	200	80	99	85	

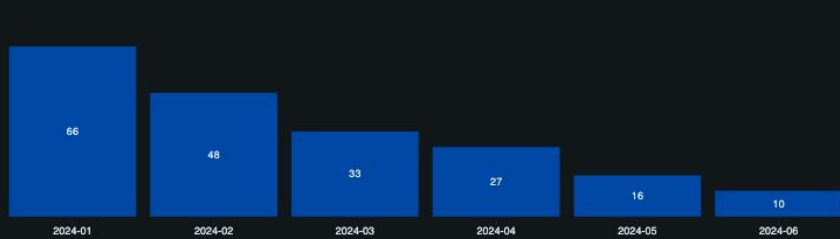
Retention Remains Strong Across Cohorts, Improving In Recent Months
Newer cohorts exhibit consistently stronger early-stage retention



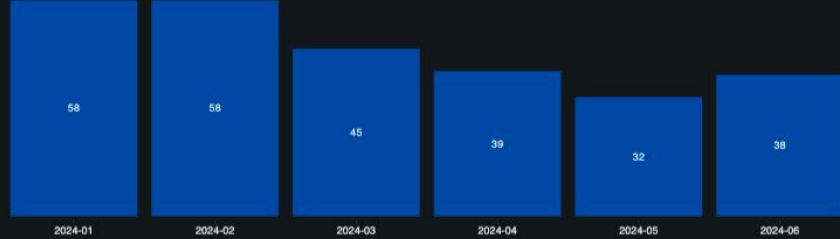
Nearly All Customers Become Repeat Buyers
Repeat purchase rates demonstrates strong customer loyalty



New Customer Acquisition Fell Steadily Over The Period
Cohort sizes declined by 85% from Jan. to Jun.

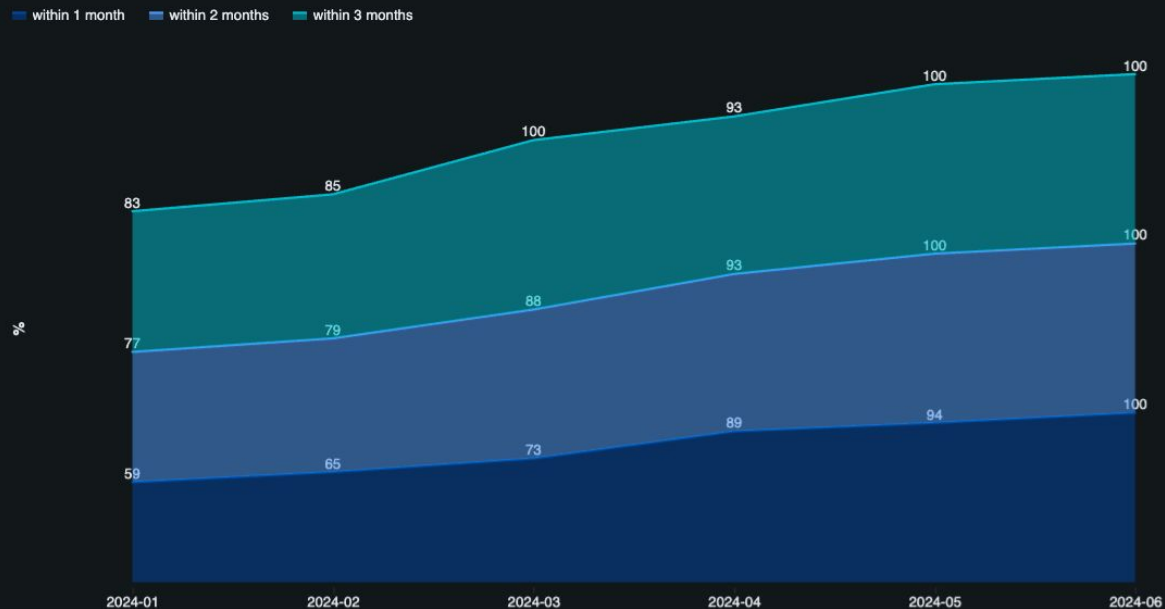


Repurchase Cycle is Shortening Across Cohorts
Average days to second purchase declined from ~58 to ~38 days



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Newer cohorts exhibit consistently stronger early-stage retention

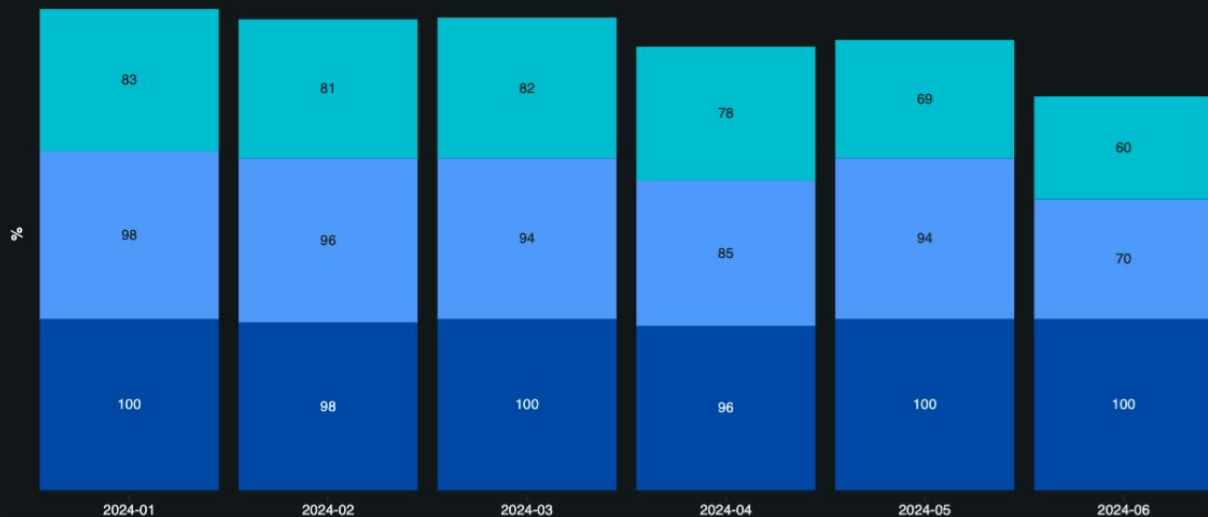


- **1-month retention:**
59% → 100%
- **2-month retention:**
rises steadily across cohorts
- **3-month retention:**
stabilizes around ~90%
in later months

Nearly All Customers Become Repeat Buyers

Repeat purchase rates demonstrates strong customer loyalty

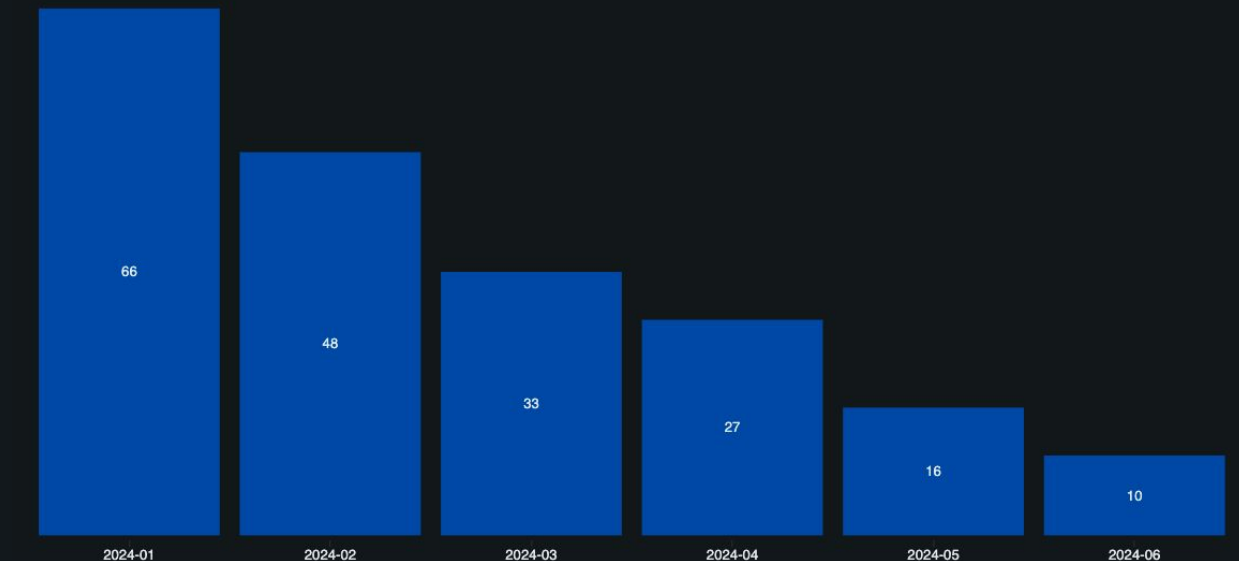
■ 2+ orders ■ 3+ orders ■ 4+ orders



- **2+ orders:**
~100% across all cohorts
- **3+ orders:**
85–96% for early cohorts;
slight dip for June
- **4+ orders:**
strong, but decreasing in
latest cohort

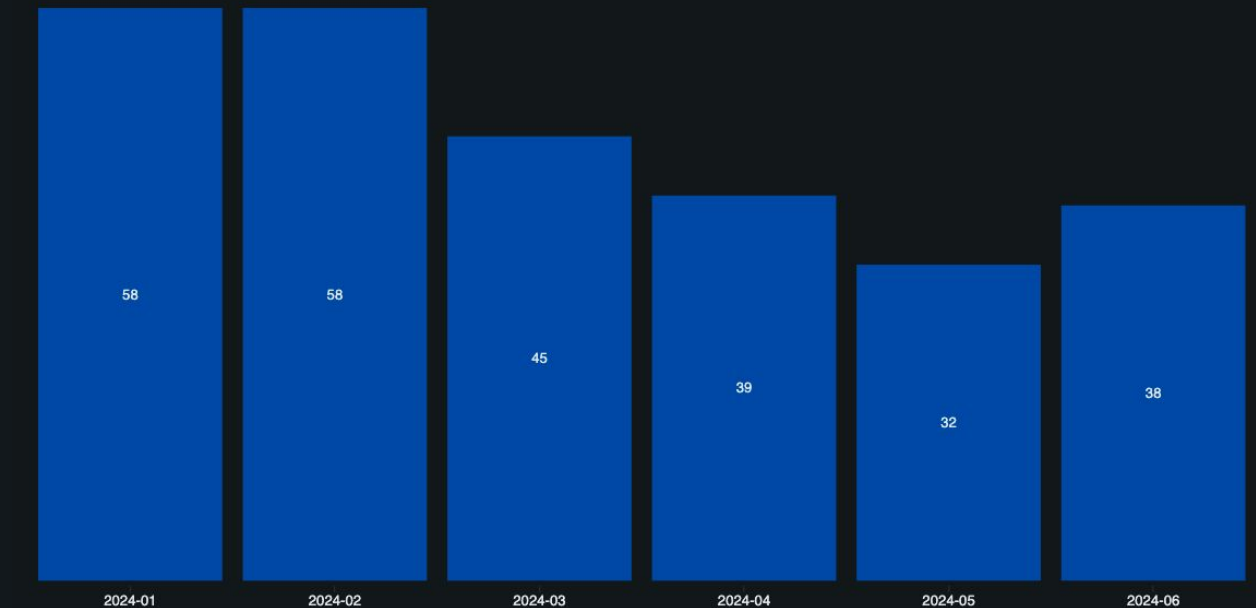
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Conclusions & Recommendations

1 — Retention appears strong

- Later cohorts show higher early-stage retention
- This may indicate improved onboarding, acquisition quality, or product-market fit

Next step:

Review whether internal process changes occurred during the period

2 — Drastically declining acquisition volume

- This might reflect seasonality, marketing shifts, or one-time events
- With only six data points, no trend can be confirmed

Next step:

Investigate channel performance, seasonality, and marketing spend

3 — Repurchase cycles seem to be shortening

- Could reflect better customer engagement or improved product experience
- But later cohorts have less elapsed time, so estimates may be biased downward

Next step:

Validate with larger time range and longer follow-up period

4 — Opportunity to strengthen analytics foundations

- Consider scheduling ETL workflows in Databricks once data volume grows
- Potential long-term enhancements:
 - LTV models
 - Churn prediction
 - Segmentation (behavioral cohorts)

Thank you

Full project documentation on

