Cohort Revenue Analysis

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1 Revenue Cohort Analysis

1.1 Objective

To understand which acquisition channels drive the highest value customers, we performed a cohort analysis based on customer signup month and referral source. We evaluated both total Monthly Recurring Revenue (MRR) and normalized average MRR per customer to account for differences in cohort size.

1.2 Methodology

We joined account records with subscription billing data and assigned each account to a cohort defined by its signup month and referral source. For each cohort, we computed:

- Total MRR generated

- Number of accounts acquired

- Average MRR per account (value efficiency per channel)

- Cumulative revenue contribution over time

This approach allows us to compare acquisition channels not only by volume but also by customer quality and long-term value generation.

1.3 Total Revenue by Cohort

Figure 1 shows the total MRR generated by each cohort over time. Organic and partner channels exhibit consistently stronger cohort revenue contributions, particularly in mid-to-late 2023 and throughout 2024.
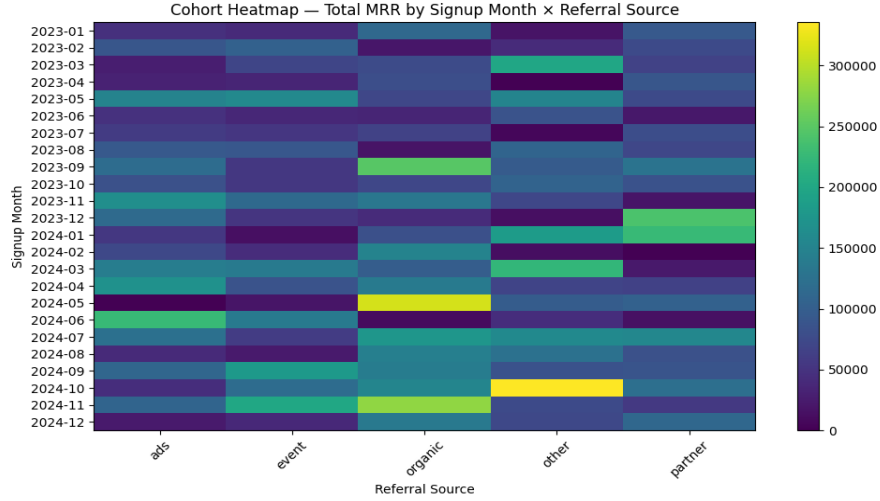
Figure 1: Total MRR by Signup Cohort and Referral Source

1.4 Average MRR per Customer

To normalize for cohort size differences, we computed average MRR per account across cohorts. As shown in Figure 2, organic and partner channels consistently deliver higher average MRR per customer. Event-driven cohorts show the lowest average value, with ads performing moderately well but less consistently.
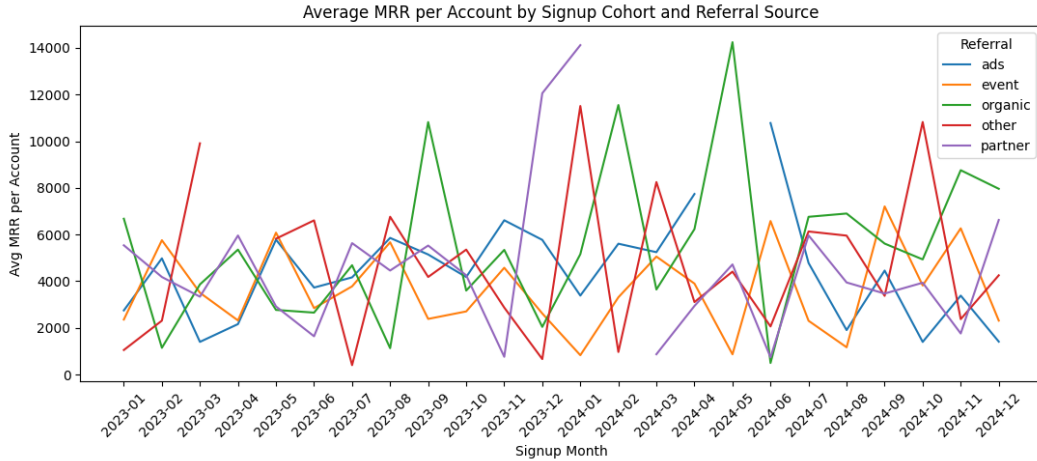

Figure 2: Average MRR per Account by Signup Cohort and Referral Source

1.5 Cumulative Revenue by Channel

Figure 3 illustrates cumulative MRR contribution by each acquisition channel. Organic leads long-term revenue generation, followed by partner and ads. Event-sourced customers show weaker long-term revenue contribution.
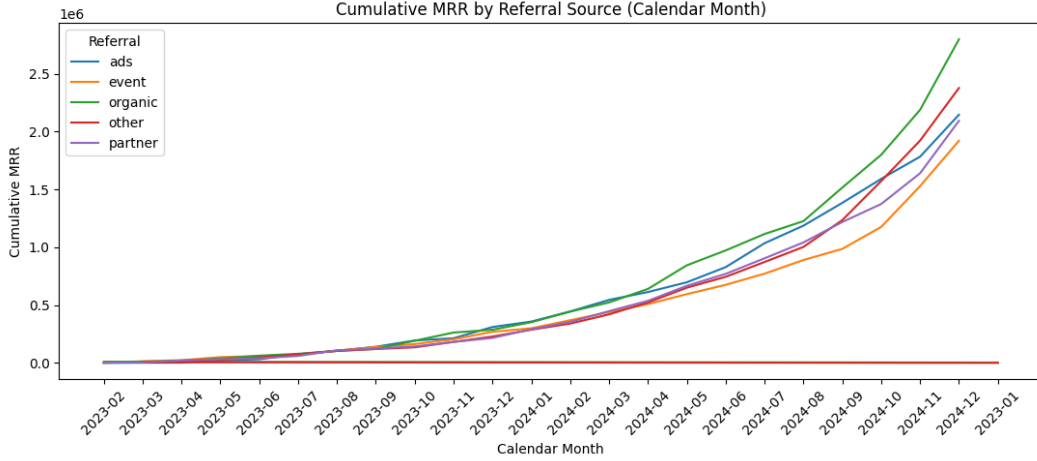
Figure 3: Cumulative MRR by Referral Source

1.6 Channel Value Ranking

The table below ranks referral sources by average MRR per account over the full analysis period:

Referral Source	Avg. MRR per Account
Organic	$5,514
Other	$4,745
Partner	$4,580
Ads	$4,461
Event	$3,675

1.7 Key Insights

- **Organic channel performs best** — highest long-term cumulative revenue and highest average revenue per account.

- **Partner channel is strong and strategic**, demonstrating enterprise value potential.

- **Ads acquisition is volume-driven** with moderate customer value.

- **Event-driven signups are lowest-value** and should be reviewed for qualification and targeting improvements.

- The "other" category includes mixed sources, showing strong performance but may benefit from segmentation refinement.

1.8 Recommendations

- Increase investment in **Organic and Partner** acquisition motions.

- Improve qualification and nurturing strategies for **Event** and **Ads** leads.

- Further break down the **Other** category to identify high-performing sub-channels.

- Layer in churn and CAC data to measure **true LTV and ROI** per channel.