Customer Retention & Revenue Analysis

Identifying retention risks and behavioral drivers impacting revenue stability
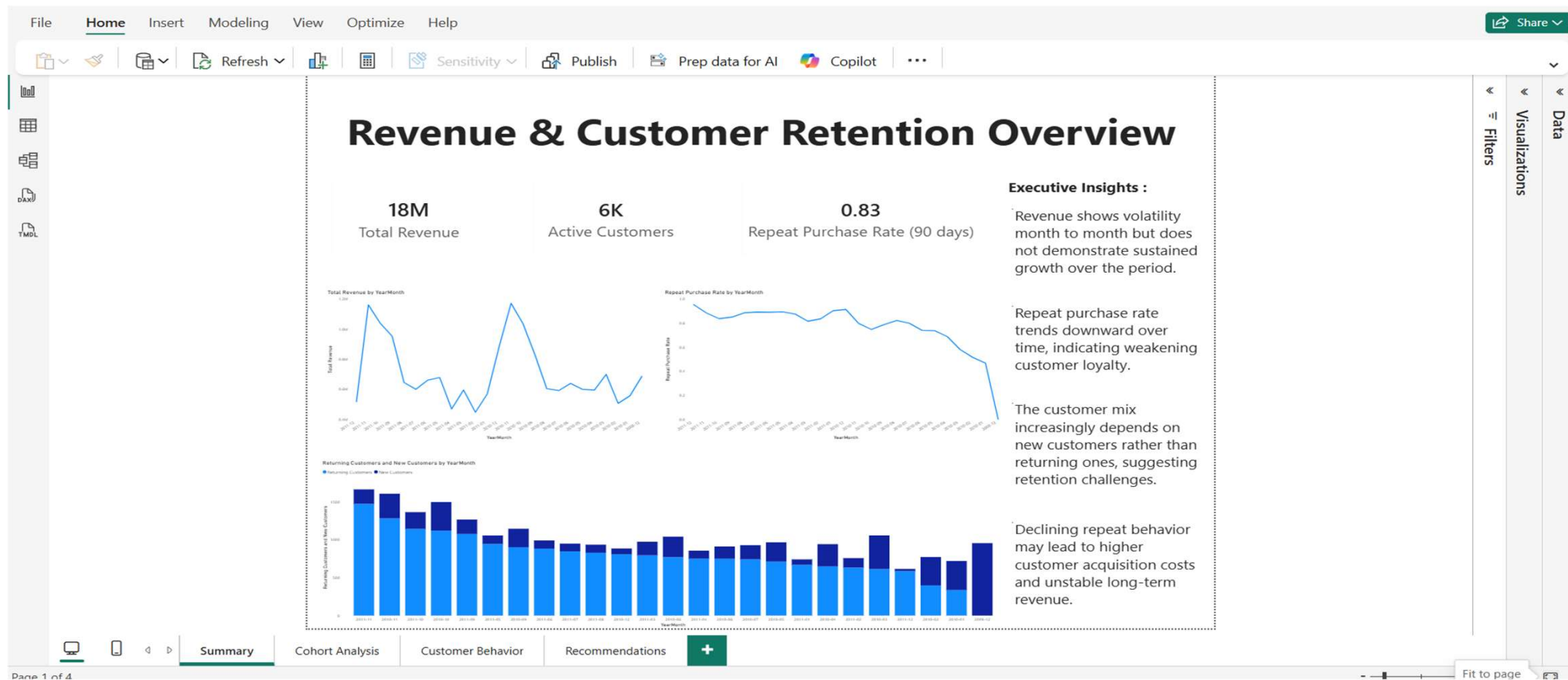
Presented by: Vineetha Pavangala

Tools: PowerBI | SQL | DAX

What is happening ?

**Revenue is growing, but it's driven by new customers, not loyalty.**

At a high level, revenue appears stable, but repeat purchase behavior is declining, which is warning sign for long–term growth and understands that who is driving this decline, analyzed customer cohorts.

Who is Leaving ?

Identifying which Customer groups fail to retain.

Retention issues are not uniform – they are concentrated among newer customer cohorts and acquisition quality or early engagement may be weakening.
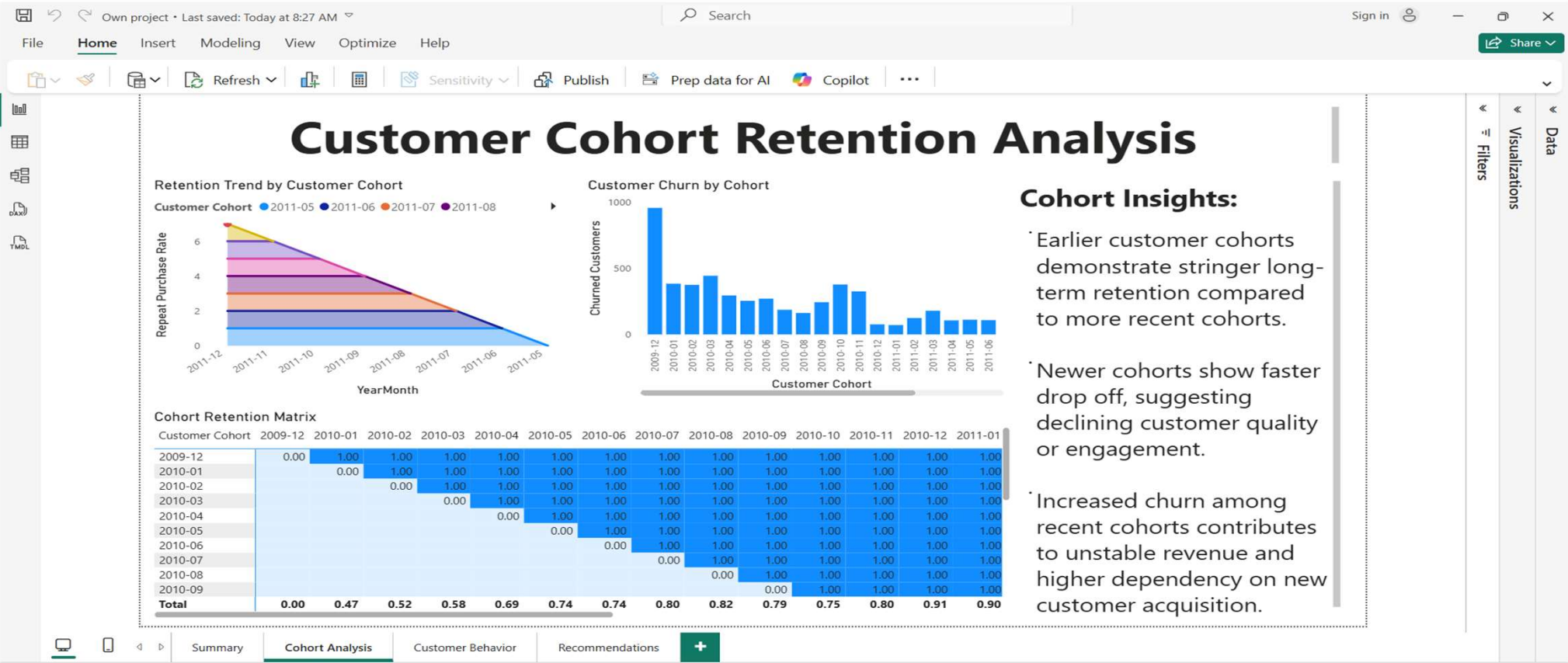
Why is it happening ?

Understanding changes in purchasing patterns and customer value.

Retention decline is driven more by reduced purchase frequency than lower order value.
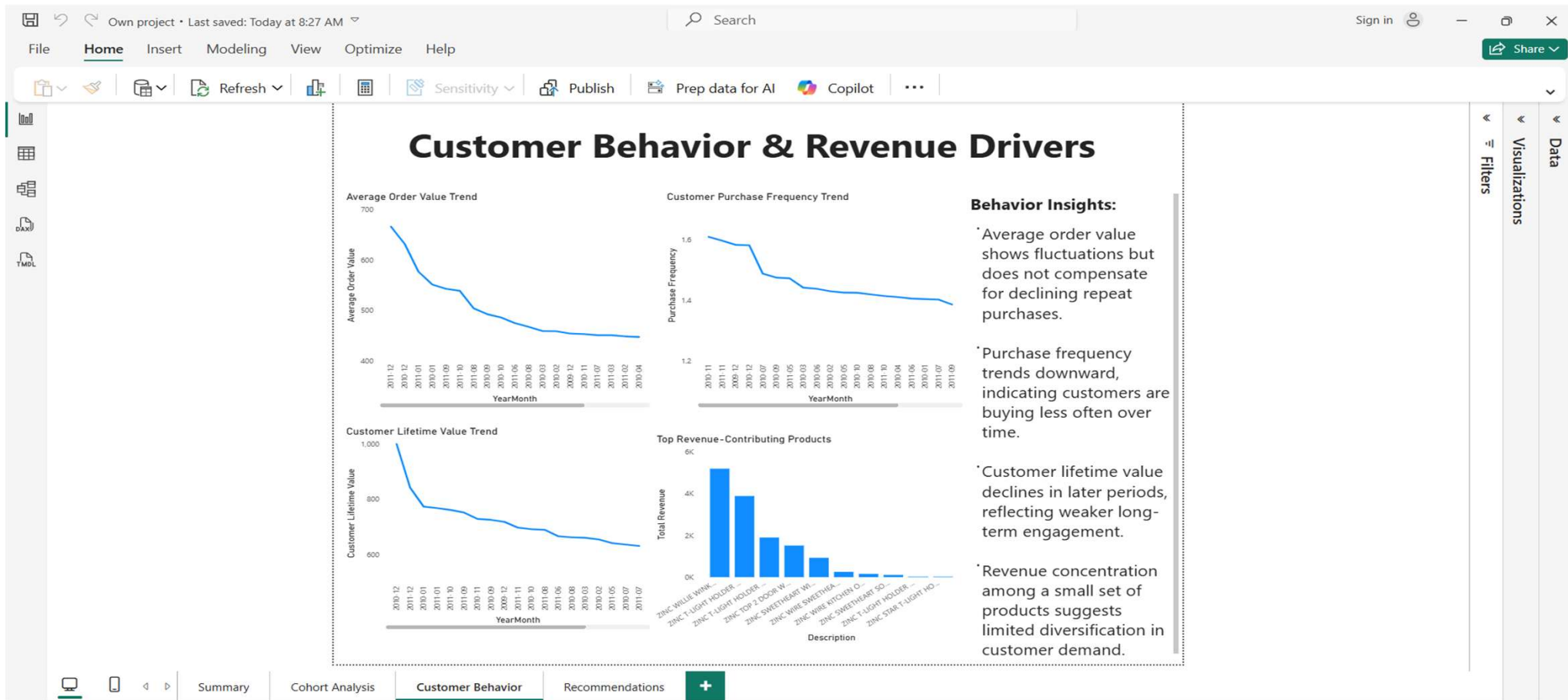
What should be done ?

Translating customer analytics into business actions.

If these trends continue, revenue will become increasingly unstable and costly to sustain.

Business Risks and Strategic Recommendations

KEY BUSINESS RISKS:

Declining Customer Retention

Repeat purchase rate and cohort analysis show newer customers are not staying long.

Impact: Revenue becomes unstable and depends too much on constant new customer acquisition.

Falling Purchase Frequency

Customers are buying less often over time.

Impact: Even if order value stays stable, total revenue declines.

Decreasing Customer Lifetime Value

CLV trend shows weakening long-term value from each customer.

Impact: Marketing ROI decreases because customers do not generate sustained revenue.

Revenue Concentration

Revenue is heavily dependent on a small group of products.

Impact: Business is vulnerable if demand for these products declines.

STRATEGIC RECOMMENDATIONS:

Strengthen Early Customer Engagement

New cohorts drop off quickly after first purchase.

Actions:

- Welcome offers and onboarding campaigns
- Personalized product recommendations
- Follow-up reminders within first 30-60 days

Increase Purchase Frequency

Encourage customers to buy more often.

Actions:

- Time-based discounts
- Subscription on bundle deals
- Loyalty rewards for repeat purchases

Improve Retention Program

Focus on keeping existing customers.

Actions:

- Tiered loyalty programs
- Exclusive benefits for repeat buyers
- Targeted retention campaigns

Diversify Product Revenue

Reduce dependency on top products.

Actions:

- Cross-sell complementary items
- Promote mid-performing products
- Analyze product combinations frequently bought together

Conclusion

- Retention decline is driven by weaker engagement in newer cohorts.

- Customers are buying less frequently, reducing lifetime value.

- Targeted retention and engagement strategies can stabilize long-term revenue.

All I can say that

This analysis enables data-driven decisions to shift focus from acquisition-only growth to sustainable customer retention.

THANK YOU