

MANAGEMENT REPORT

Retention, Revenue Quality and Growth Readiness Review

Anonymized Shopify Store | FY2023-2026 YTD

Insight for decision

Do not scale customer acquisition blindly. The store has evidence of product-market fit, but revenue is leaking through weak second purchase conversion, insufficient attribution, and unstructured discounting. The next phase should fix retention and measurement before larger spending.

£122,446	2,233	1,815
Net revenue analyzed	Orders analyzed	Identifiable customers
11.8%	3.7x	-64.7%
Repeat-customer rate	Repeat vs one-time customer value	Revenue change, 2024 to 2025

Prepared by: FinThinkers Business Solutions

Date: 21 June 2026

Contents

1. Executive readout for the owner
2. What the data says: performance, customers and retention
3. Diagnosis: why revenue declined and what it means
4. Decision areas: acquisition, discounts, email, products and reporting
5. Recommended 90-day turnaround plan
6. KPI dashboard and management cadence
7. Risks, limitations and data required for full profitability decisions
8. Appendices: exhibits and data tables

Scope note

This report is based on the Shopify data, especially the Orders and Customer Summary. Because COGS, gross margin, CAC, traffic and full channel attribution are not available, this is a management decision report on revenue quality and retention readiness, not a full profit valuation report.

1. Executive readout for the owner

Final verdict

The business should be treated as a retention focused turnaround, not as a simple marketing-spend acquisition. The product has signs of **demand**: “customers have bought, AOV increased, repeat customers are materially more valuable, and a small loyal core exists”. However, the customer base is too heavily weighted toward one-time buyers. When acquisition slowed, revenue fell sharply because the repeat base was not large enough to stabilize sales.

The management priority is to convert more first-time buyers into second-time buyers, and then scale with paid or influencer spending.

The five decisions the owner should make now

#	Decision area	Recommended owner decision	Priority
1	Growth posture	Pause blind scaling. Run a retention-first 90-day reset before increasing spending on new customers.	High
2	Discount policy	Keep strategic discounts, but stop untracked generic discounting. Every code needs a purpose and owner.	High
3	Email/CRM	Rebuild email around post-purchase education, replenishment and second purchase, instead of generic newsletters it might bring more authority.	High
4	Data discipline	Make UTM, code purpose, monthly cohort and gross-margin tracking mandatory.	High
5	Product strategy	Clean SKU naming and analyze product repeat sales and margin before expanding new products.	Medium

Management message in one sentence

Core message

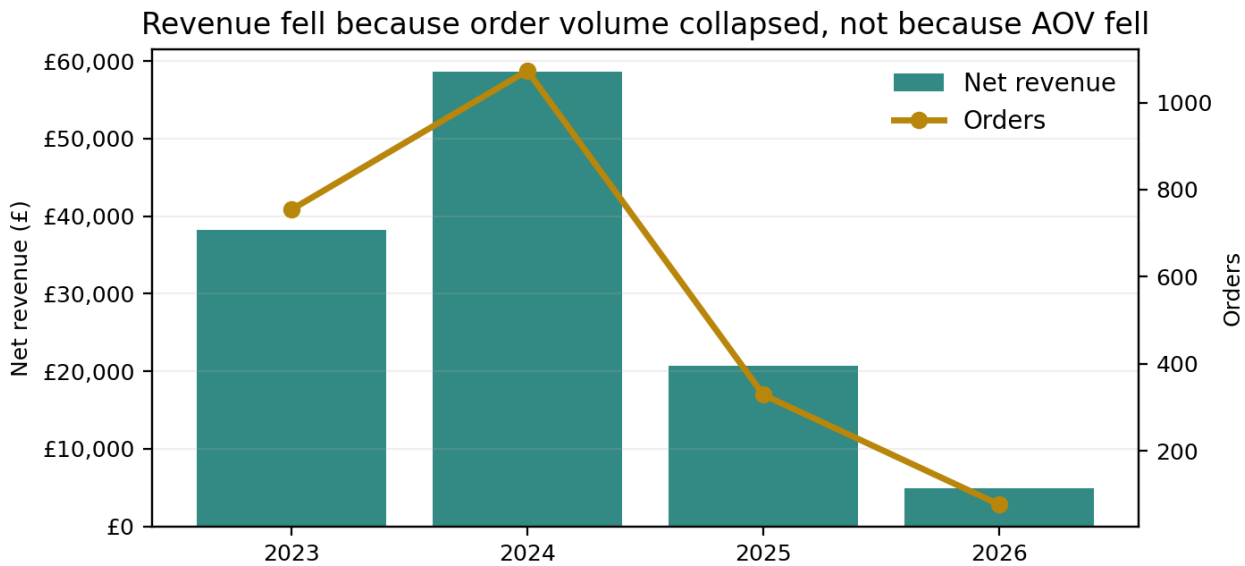
The store does not have a demand-free product, it has an undermanaged customer lifecycle. The next pound of effort should go into second purchase conversion and measurement before larger acquisition spending.

2. What the data says: performance, customers and retention

Commercial performance snapshot

Year	Net revenue	Orders	Customers	AOV	Discounts	Discount % revenue
2023	£38,242	754	689	£50.72	£2,131	5.6%
2024	£58,628	1,073	941	£54.64	£12,923	22.0%
2025	£20,722	329	265	£62.98	£3,454	16.7%
2026 YTD	£4,854	77	66	£63.03	£461	9.5%

Key interpretation: Revenue peaked in 2024 and then fell sharply in 2025. The decline was driven by order volume, not order value. Orders fell by 69.3% from 2024 to 2025, while AOV increased by 15.3%.



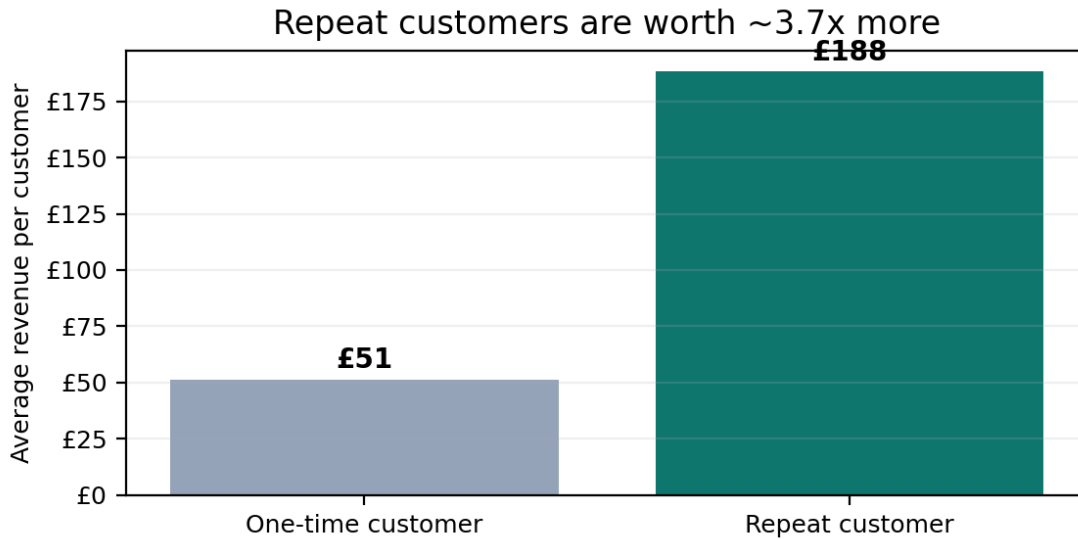
Owner implication

- Do not solve this primarily through price cutting. Customers who still bought in 2025 spent more per order.
- The issue is not low basket size. It is insufficient order flow and insufficient repeat conversion.
- The business should track traffic, conversion rate and returning-customer revenue monthly to separate demand problems from funnel problems.

Customer economics: the most important finding

Customer type	Customers	Customer share	Revenue	Revenue share	Avg revenue/customer
One-time customers	1,600	88.2%	£81,968	66.9%	£51.23
Repeat customers	215	11.8%	£40,478	33.1%	£188.27
Total	1,815	100.0%	£122,446	100.0%	£67.46

Repeat customers are only 11.8% of the customer base but generate 33.1% of revenue. A repeat customer is worth 3.7 times a one-time customer. This is the economic case for prioritizing second-purchase conversion.



Retention value scenario

Repeat-rate target	Additional repeat customers needed	Expected incremental customer revenue	Caveat
15%	57	£7,811	Directional revenue value before COGS/CAC
20%	148	£20,282	Directional revenue value before COGS/CAC
25%	239	£32,752	Directional revenue value before COGS/CAC

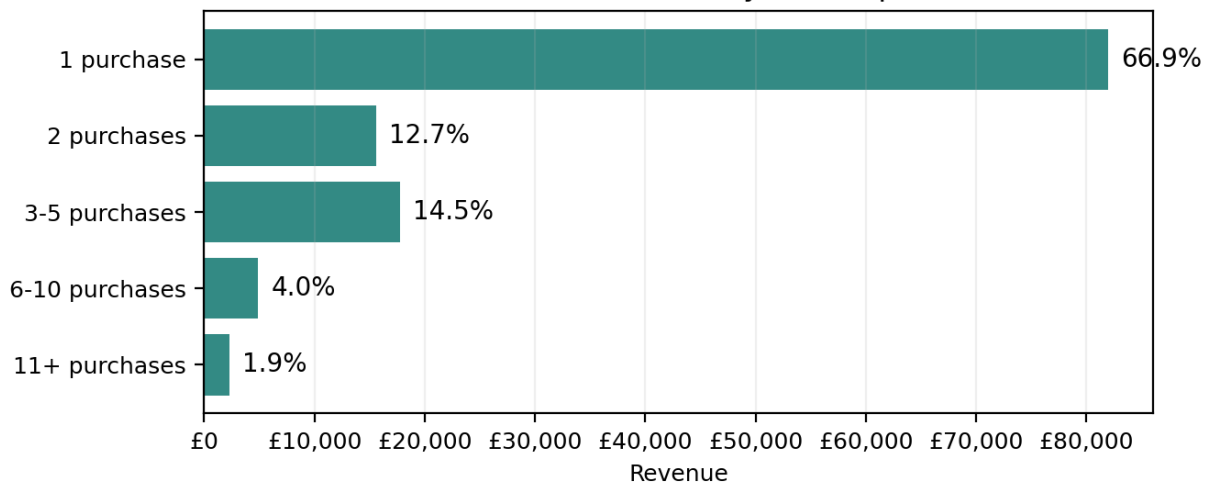
This scenario is not a forecast. It is a directional *value of retention* estimate using the observed revenue gap between one-time and repeat customers. Full profit impact requires COGS, CAC and margin data.

Retention ladder and second-purchase timing

Purchase bucket	Customers	Revenue	Revenue share	Orders
1 Purchase	1,600	£81,968	66.9%	1,600
2 Purchases	130	£15,578	12.7%	260
3-5 Purchases	71	£17,757	14.5%	257
6-10 Purchases	12	£4,869	4.0%	85
11+ Purchases	2	£2,274	1.9%	31

Customers with one purchase generate two-thirds of revenue. A healthier retention model would have more customers moving into the 2-purchase and 3-5 purchase buckets.

Revenue still sits too heavily in first purchases



Second-purchase window

Time to second purchase	Repeat customers	Share of repeat customers
0-30 days	40	18.6%
31-60 days	26	12.1%
61-90 days	43	20.0%
91-180 days	48	22.3%
181-365 days	41	19.1%
366+ days	17	7.9%

Median time to second purchase is approximately 90 days. Management should therefore build a 90-day second-purchase journey, not just one post-purchase email.

3. Diagnosis: why revenue declined and what it means

Observed fact	Evidence	Management meaning
Revenue dropped sharply in 2025	£58,628 in 2024 to £20,722 in 2025 (-64.7%)	The business lost order flow and customer activity.
AOV increased	£54.64 to £62.98 (15.3%)	The problem was not customers spending less per order.
One-time customers dominate	88.2% of customers; 66.9% of revenue	The business is acquisition dependent and vulnerable when new orders slow.
Repeat customers are valuable	£188.27 vs £51.23 average revenue per customer	Retention has clear economic value.
Discounts are material	£18,968 across the period (15.5%)	Discounting needs governance and attribution.
Refunds are not the core issue	£626 (0.5%)	Refunds should be monitored, but they do not explain the decline.

Root-cause view

- Primary cause: acquisition/order volume slowdown exposed a weak repeat purchase base.
- Secondary cause: discounts and email were not sufficiently structured around lifecycle outcomes.
- Data cause: attribution is not strong enough to prove which channels create high-value customers.
- Profitability unknown: no COGS/CAC/margin data means management cannot yet decide scale economics with confidence.

4. Decision areas: acquisition, discounts, email, products and reporting

Discount policy

Customer discount status	Customers	Repeat	One-time	Repeat rate	Revenue
Discounted	1,206	190	1,016	15.8%	£90,440
No Discount	609	25	584	4.1%	£32,005

Discounted customers had a materially higher repeat rate than non-discounted customers. This does not prove discounts caused loyalty, but it means the owner should not simply remove all discounts. The correct move is to redesign discounting by purpose and measure repeat behavior by code.

Top discount-code economics

Code / mechanism	Orders	Revenue	Discount	Customers	Discount / revenue
No Code	1,228	£73,090	£7,792	1,006	10.7%
WELL2	293	£13,359	£4,356	293	32.6%
WELL1	399	£19,465	£2,361	399	12.1%
WELCOME	140	£6,696	£1,237	140	18.5%
HOLIDAY	14	£844	£290	14	34.3%
NEWYEAR24	13	£88	£288	13	327.2%
WEEKEND	4	£493	£231	4	46.9%
BLACKA5	13	£774	£227	13	29.3%

Important: the “No Code” line still carries discounts. This is likely to represent automatic discounts. Automatic discounts should be separately tagged with its purpose because they consume margin without creating clean campaign attribution.

Marketing decision

- Influencer spending should not be judged only by first-order sales. It should be judged by 30/60/90 day repeat behavior of acquired customers.
- Email should be rebuilt around automated lifecycle flows: education, usage, replenishment, second purchase offer and win-back.
- No campaign should run without UTM tracking, a dedicated code or landing page, and a post-campaign cohort review.

Product and operating interpretation

Line-item name	Units	Gross line-item value	Lines	Line-item discounts
Product A - 20g	892	£36,779	749	£247
Product A - 50g	272	£23,856	203	£160
Product A - 20G / gb	521	£17,986	504	£40
Product A - 30g	142	£8,725	120	£45
Product A - 50G / gb	103	£7,773	102	£90
Product A 20g	184	£7,520	162	£24
Product A - 30G / gb	118	£6,152	116	£0
Product B (100ml)	254	£4,924	191	£100

Product interpretation should be cautious. Line-item names show several variants of the same core product, especially Product A, across size and market naming conventions. Before making product decisions, management should clean SKU naming so revenue, margin and repeat rate can be measured consistently by product family.

Product decisions the owner should not make yet

- Do not expand product range purely because revenue declined. First identify whether the decline was traffic, conversion, stock out, product satisfaction or repeat timing.
- Do not discontinue or over promote SKUs without product level gross margin and repeat purchase data.
- Do not judge product market fit from revenue alone. Measure repeat rate, refunds, reviews and reorder interval by SKU.

Revenue concentration

Customer group	Customers	Revenue	Revenue share
Top 10%	182	£40,460	33.0%
Next 10%	181	£16,681	13.6%
Remaining 80%	1,452	£65,304	53.3%

The main risk is not over dependence on a handful of top customers. The issue is weaker development of frequent buyers and too much revenue sitting in one-time purchases.

Strategic options and recommended path

Strategic option	Potential benefit	Key risk	Verdict
Option 1: scale acquisition now	Could create short-term order lift	May refill the same leaky bucket. CAC/profit unknown	Do not prioritize
Option 2: Monitor discounts aggressively	Could protect gross margin per order and help cut unnecessary discounts	May reduce repeat customers if not done correctly	Selective only
Option 3: retention-first reset	Directly target high value customers before scaling to new	Requires discipline and patience	Recommended
Option 4: product expansion	Could increase cross-sell and repeat reasons	Risky without SKU margin/repeat data	Phase 2 after data cleanup

Recommended path

Recommendation

Adopt Option 3: A 90 day retention-first reset. The success metric is not only revenue, it is higher second-purchase conversion, cleaner attribution, and confidence that future acquisition spendings will produce customers worth keeping.

5. Recommended 90-day turnaround plan

Timing	Workstream	Actions	Expected output
Days 1-15	Measurement reset	<ul style="list-style-type: none"> Tag every code by purpose. Create campaign naming rules Set up UTMs, separate automatic discounts, create monthly cohort table. 	Clean attribution baseline
Days 16-30	Lifecycle foundation	<ul style="list-style-type: none"> Build post-purchase education Make review requests Give usage guidance and first replenishment reminder. 	Second-purchase journey
Days 31-45	Discount redesign	<ul style="list-style-type: none"> Replace generic codes with first-purchase, second-purchase, bundle, subscription and win-back offers. 	Discount purpose map and governance
Days 46-60	Email/CRM rebuild	<ul style="list-style-type: none"> Segment one-time buyers, repeat buyers, inactive buyers and high-value buyers Track flow revenue and repeat rate. 	Lifecycle dashboard
Days 61-75	Controlled acquisition tests	<ul style="list-style-type: none"> Run small influencer/email tests with unique links/codes and landing pages. Assess customer quality Then decide which campaign brings high value customers hence worthy of continued spending 	Campaign cohort scorecard
Days 76-90	Scale/kill decisions	<ul style="list-style-type: none"> Scale only campaigns with acceptable acquisition quality and second-purchase evidence Kill discount leakage. 	Owner decision making clarity

90-day success targets

Metric	Current reading	90-day target	Measurement source
Repeat customer rate	11.8%	Move toward 15%-20%	Monthly customer cohort
30/60/90 day second-purchase rate	Not currently tracked as a KPI	Create baseline then improve	Cohort table
Discount purpose coverage	Low / mixed	100% codes tagged by purpose	Discount register
Automatic/no-code discount leakage	£7,792	Reduce or justify by campaign	Discount register
Campaign attribution	Weak	100% campaigns UTM-tagged	Campaign scorecard
Gross margin by SKU	Missing	Available for top SKUs	COGS + SKU margin sheet

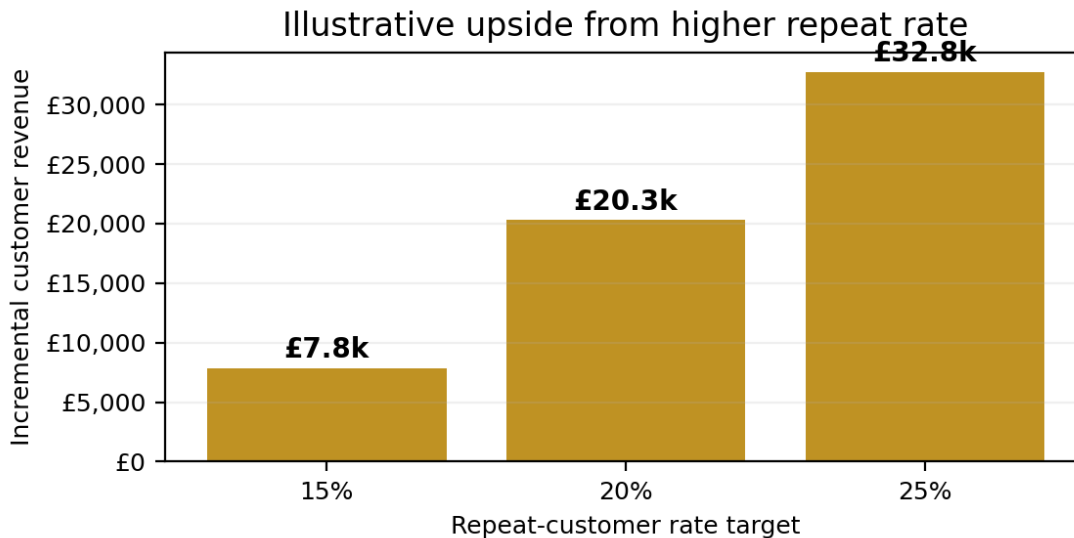
6. KPI dashboard and management cadence

Owner dashboard: what should be reviewed every month

Area	KPIs	Cadence	Owner question
Revenue	Net revenue, orders, AOV	Monthly	Is revenue moving because of volume or order value?
Acquisition	New customers, CAC by channel, conversion rate	Monthly	Which channel creates customers at acceptable cost?
Retention	Repeat customer rate, 30/60/90 day second purchase, returning revenue share	Monthly	Are first-time customers coming back?
Discounts	Discount % revenue, discount by purpose, repeat rate by code	Monthly	Are discounts creating valuable behavior or just margin leakage?
Product	SKU revenue, SKU margin, SKU repeat rate, stock-outs	Monthly	Which products deserve scaling or bundling?
Cash/profit	Gross margin, contribution margin, operating expenses, cash runway	Monthly	Can the business scale profitably?

Weekly operating rhythm

- Monday: review prior week revenue, orders, top codes and stock issues.
- Wednesday: review lifecycle email performance and customer support feedback.
- Friday: decide code changes, campaign actions and inventory/product issues.
- Month-end: produce owner pack covering revenue bridge, customer cohorts, campaign quality, discount leakage and margin.



7. Risks, limitations and data required for full profitability decisions

Current limits of the analysis

- The analysis can identify revenue quality and retention issues, but cannot confirm full profitability because COGS and gross margin are missing.
- Marketing expenditure is incomplete and not fully attributable at order/customer level.
- Traffic, website conversion and checkout drop-off are not available, so the revenue decline cannot be fully split into traffic vs conversion vs retention.
- SKU naming is fragmented, making product level analysis weaker and more time taking.

Data owner must collect before the next important decision

Area	Data needed	Priority	Decision enabled
Profitability	COGS/unit, landed cost, packaging, shipping, fulfilment, payment fees	High	Required for true contribution margin
Marketing	Monthly spend by channel, UTM/campaign data, creator code mapping	High	Required for CAC and ROAS
Website funnel	Sessions, conversion rate, add to cart, checkout completion by source	High	Required to diagnose traffic vs conversion
Retention	Monthly cohorts, second-purchase rate, reorder interval by SKU	High	Required to manage retention
Product	SKU margin, stock outs, refunds/reasons, bundle combinations	Medium	Required for product strategy
CRM	Email list size, open/click, flow revenue, unsubscribe and conversion	Medium	Required to judge email economics

Risk register

Risk	Likelihood	Impact	Mitigation
Continuing acquisition without retention fix	High	High	Scale only after cohort and attribution controls are in place.
Discount margin leakage	High	Medium/High	Tag discounts by purpose and review repeat behavior by code.
Wrong product decisions due SKU fragmentation	Medium	Medium	Clean product/SKU naming before product cuts or expansion.
Misreading 2026 YTD as full-year trend	Medium	Medium	Treat 2026 as partial year only.
Profitability unknown	High	High	Collect COGS, CAC and operating cost data before major spend.

9. Appendices: exhibits and data tables

Appendix A - full annual performance table

Year	Net revenue	Orders	Customers	AOV	Discounts	Discount %	Refunds
2023	£38,242.46	754	689	£50.72	£2,130.60	5.6%	£226.19
2024	£58,627.79	1,073	941	£54.64	£12,922.85	22.0%	£300.37
2025	£20,721.75	329	265	£62.98	£3,453.55	16.7%	£88.76
2026	£4,853.62	77	66	£63.03	£461.07	9.5%	£10.80

Appendix B - purchase frequency ladder

Bucket	Customers	Orders	Revenue	Revenue share
1 Purchase	1,600	£81,968	66.9%	1,600
2 Purchases	130	£15,578	12.7%	260
3-5 Purchases	71	£17,757	14.5%	257
6-10 Purchases	12	£4,869	4.0%	85
11+ Purchases	2	£2,274	1.9%	31

Appendix C - second-purchase timing

Time bucket	Repeat customers	Share
0-30 days	40	18.6%
31-60 days	26	12.1%
61-90 days	43	20.0%
91-180 days	48	22.3%
181-365 days	41	19.1%
366+ days	17	7.9%

Appendix D - owner action checklist

Action	Owner	Timing	Status
Set up UTM naming convention	Owner/marketer	Week 1	Not started
Create discount code register	Owner	Week 1	Not started
Export COGS and shipping cost by SKU	Owner/accountant	Week 2	Not started
Build 90-day post-purchase email flow	CRM/owner	Weeks 2-4	Not started
Create monthly cohort dashboard	Analyst	Week 3	Not started
Run controlled influencer tests	Owner/marketer	Weeks 8-10	Not started
Hold owner review meeting	Owner	Week 12	Not started

Final note for Owner

Before spending more to acquire customers, prove that the business can convert more of them into second-time buyers at acceptable margin. Growth should be earned by better customer economics, not purchased blindly.