📅 Quarterly Business Review - Q4 2025

1. Executive Summary

The Quarterly Business Review for Q4 2025 provides an analysis of company performance from October 1 to December 31, 2025, compared with the same period in 2024. Below are the key highlights:

- Quarterly revenue for Q4 2025 totalled **$4,048,147.96**, a decline of **$1,473,769.70 (-26.7%)** compared to Q4 2024.

- Revenue composition shifted notably: **New Customers contributed 10.6%** of total revenue, increasing their share by **6.8 percentage points**, while revenue from **Active Customers declined significantly**.

- The **average order value (AOV)** was **$1,001.27**, with notable variability across customer segments and days of the week.

- **Churn rate** decreased by **5.4 percentage points**, while **dormancy rate** also reduced by **4.0 percentage points**, reflecting modest progress in retaining the customer base.

- Purchases peaked in **December 2025**, with **1,566 orders** and **$1,544,804 in revenue**, likely driven by seasonal factors.

- Notable discrepancies in retention rates among New, Active, Dormant, and Churned customers present clear opportunities for improvement in Q1 2026.

Priorities for Q1 2026:

1. Focus acquisition efforts on **retaining the high-value customers** from Q4's New Customer cohort.

2. Address drop-offs in **Active Customer spend and frequency**, which saw the steepest revenue decline.

3. Reinforce efforts to improve **Early-Stage LTV** among newly acquired customers to maximize long-term profitability.

2. Revenue & Driver Performance

Key Metrics Table

Segment	Members in Segment	Retention (%)	Buyers	Orders per Buyer	AOV	Revenue
All Customers	942	45.1	568	7.12	$1,001.27	$4,048,147.96
New Customers	-	-	145	2.63	$1,126.13	$429,053.64
Recent Customers	12	91.7	11	4.55	$878.47	$43,923.55
Active Customers	321	89.4	287	10.84	$998.16	$3,105,272.76
Dormant Customers	163	49.1	80	4.00	$1,016.37	$325,239.57
Churned Customers	446	10.5	47	4.02	$783.04	$147,993.89

Revenue Decomposition

- **Revenue Drivers:**

- Overall revenue decreased by **$1,473,769.70 (-26.7%)** from Q4 2024.

- **New Customers:** Added **$429,053.64**, increasing their revenue contribution by **6.8 percentage points**.

- **Active Customers:** Revenue dropped significantly by **$1,941,978.28**, highlighting the need for stronger retention tactics.

- **Orders per Buyer:** Averaged **7.12**, down from the previous period.

- **AOV:** Overall AOV was **$1,001.27**, with peak AOV recorded among **New Customers** ($1,126.13).

3. Customer Retention & Churn

Retention & Churn Metrics

- **Churn Rate:** Decreased to **49.7%** (a reduction of 5.4 percentage points).

- **Dormancy Rate:** Reduced by **4.0 percentage points**, finishing the quarter at **18.7%**.

- **Reactivation Efforts:** Moderate improvement, with **80 Dormant Customers reactivated**, generating **$325,239.57 in revenue**.

Implications

Despite progress in reducing churn and dormancy rates, **47 Churned Customers** contributed relatively low AOV ($783.04), suggesting higher reactivation efforts may yield limited returns. Conversely, retaining Dormant Customers offers a better revenue opportunity.

4. Acquisition & New Customer Performance

New Customer Cohort Analysis

- **New Customers Acquired (Q4 2025):** 145

- **Revenue Contribution:** $429,053.64 (10.6% of total revenue).

- **Orders per Buyer (New Customers):** 2.63

- **AOV (New Customers):** $1,126.13 (above the average).

Early-Stage LTV Observations

- Early-stage revenue per New Customer was **$616.30**–higher than the reference period but still indicating room to optimize post-acquisition engagement.

Insights

There is clear potential in converting New Customers into repeat buyers, with robust AOV and early-stage engagement metrics hinting at opportunities for improvement in Q1 2026.

5. Cohort LTV & Journey Stages

Highlighted Cohorts

- The Q4 2025 New Customer cohort (145 members) displayed **early-stage revenue per customer** of $616.30, up by $404.89, reflecting an initial uptick in engagement.

- Comparisons with prior cohorts reveal:

- **Stronger retention at onboarding stages.**

- **Weaker progress** into Mid-Journey and Long-Run stages.

Performance Caveats

Drop-offs in revenue generation at **Mid-Journey stages** require in-depth investigation. The data may be inadequate to compute the mid journey revenue of this cohort.

6. Priorities for Next Quarter

To address the challenges of Q4 2025 and capitalize on opportunities, the following priorities should drive Q1 2026 planning:

1. Acquisition Focus

- Leverage insights from Q4's high-AOV New Customers to refine acquisition campaigns.

- Ensure onboarding processes maximize early-stage retention and repeat behavior.

2. Engaged Retention

- Actively combat revenue loss from lapsing Active Customers, who saw the steepest declines in revenue and purchase frequency.

3. Reactivation

- Allocate targeted retention efforts to Dormant Customers poised to deliver higher AOV than Churned segments.
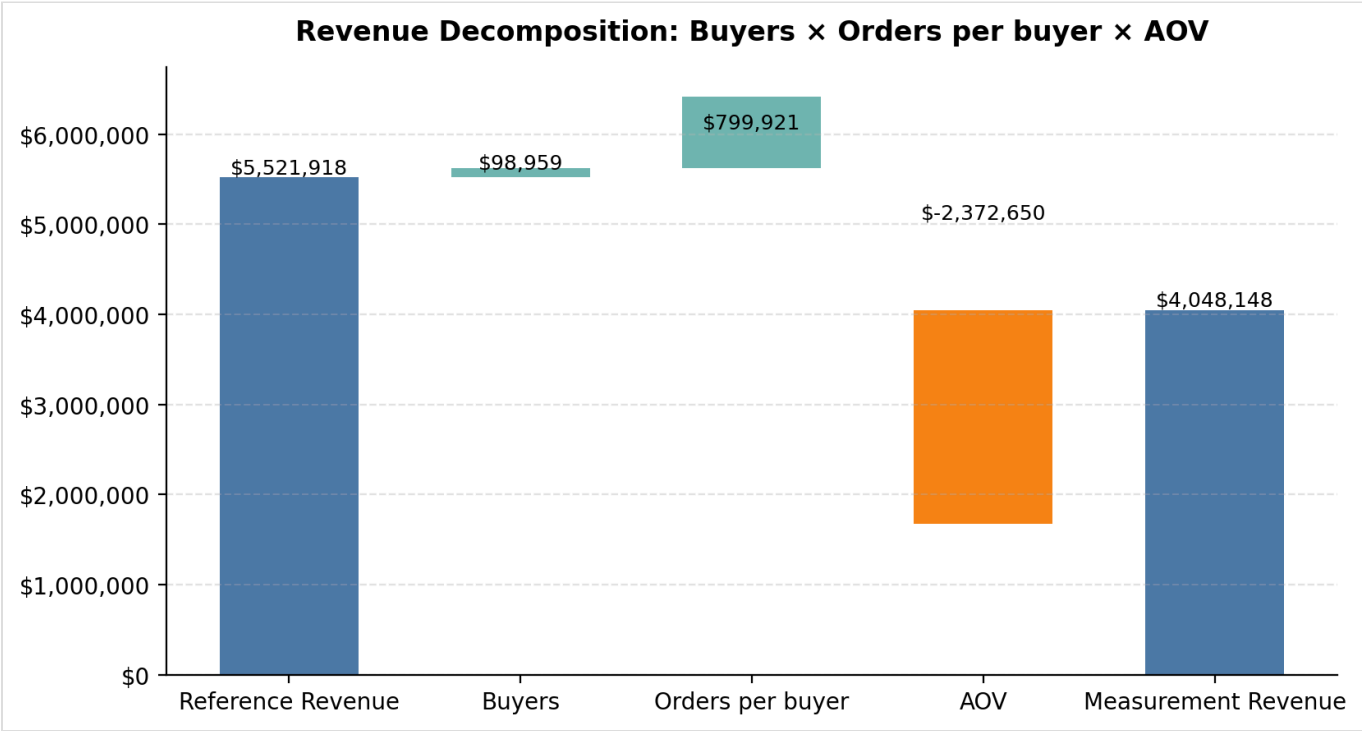
4. Orders per Buyer

- Explore subscription programs or bundled offers to elevate purchase frequency among both Active and Dormant Customers.
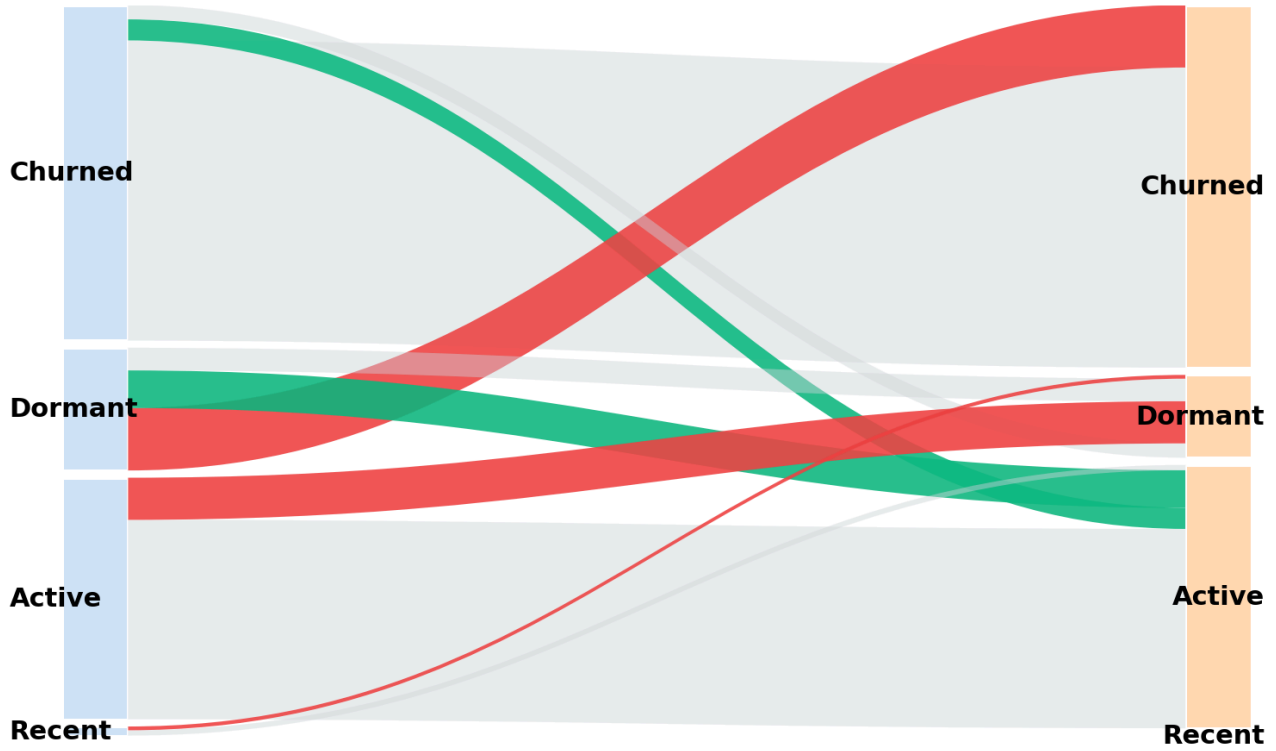
5. AOV Optimization

- Investigate drivers of high AOV among segments like New Customers to inform pricing or premium product strategies.

This structured review highlights areas to improve retention while fostering growth among high-potential customer cohorts. For further analysis or to develop KPI targets, leveraging deeper insights into lifecycle stages and revenue planning is highly recommended.

Data Visualizations & Tables

Revenue Decomposition: Buyers × Orders per buyer × AOV

- Reference Revenue: $5,521,918
- Buyers: $98,959
- Orders per buyer: $799,921
- AOV: $-2,372,650
- Measurement Revenue: $4,048,148

Segment transitions: 2025-10-01 to 2025-12-31

Segment transitions: 2024-10-01 to 2024-12-31

Revenue over the Lifecycle (Cohort 2025-10-01 → 2025-12-31)

Cumulative LTV per Customer (Cohort 2025-10-01 → 2025-12-31)

AOV Distribution