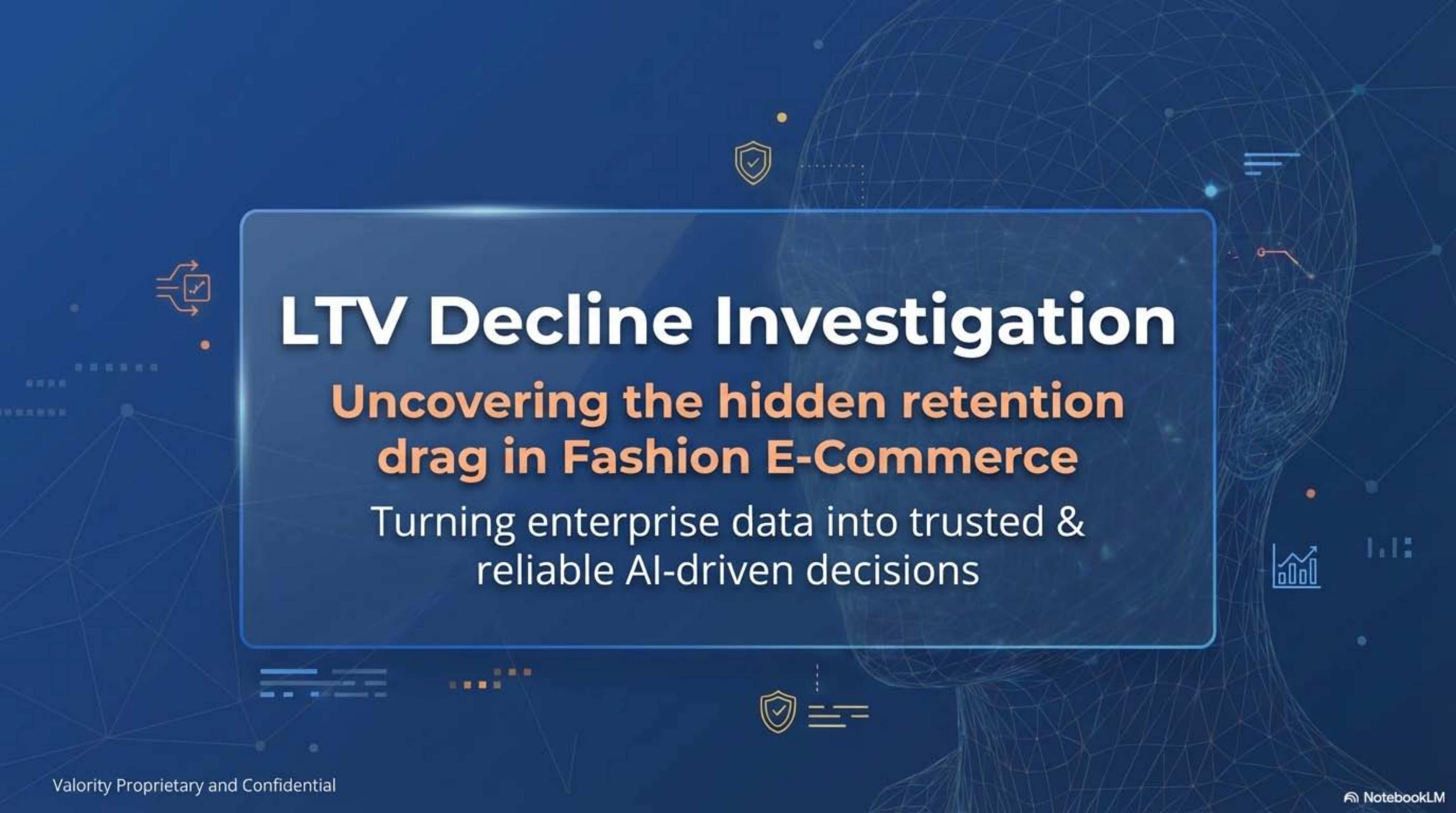




LTV Decline Investigation

**Uncovering the hidden retention
drag in Fashion E-Commerce**

Turning enterprise data into trusted &
reliable AI-driven decisions

The Situation: A Hidden Retention Crisis



-18% Decline in 12-Month LTV

Comparing Q1 Cohorts vs. Q4 Baseline.

The Confusion: CAC is stable. The marketing team is hitting efficiency targets, yet revenue is leaking.

The Challenge: Identify the specific drag on retention without slashing the acquisition budget blindly.

The Panic Pause vs. Surgical Intervention



The Panic Pause

When LTV drops, the traditional instinct is to slash marketing spend or fire the agency. This destroys growth momentum.



Surgical Intervention

We don't guess. We drill down. We isolate the specific 'bleeding' segments to fix the leak while keeping healthy channels running.

Guardrails enable confident action without risking the entire portfolio.

The Methodology: A 4-Step Protocol



Step 1: Contract
Locking & Guardrails



Step 2: Diagnosis
& Drill-Down



Step 3: Root Cause
Isolation



Step 4:
Guardrailed Action

Step 1: Contract Locking & Guardrails

Eliminating Statistical Noise



Scope Definition

Focus: 12-Month LTV Metric.
Comparison: Q1 Acquired Customers vs. Q4 Baseline.



Minimum Support

Constraint: Cohort Size $\geq$ 1,000 customers. (Ensures statistical significance).



Constraint Applied

Excluded 3 micro-cohorts to prevent cherry-picked data and false positives.

Luke applies guardrails before execution to create a foundation of trust.

Step 2: Diagnosis - The Bleeding Segments



The decline is not portfolio-wide. It is concentrated.

Identified a **40% budget shift toward TikTok and 'Fast Fashion' entry points.**

This shift drove volume, masking the underlying retention rot.

Step 2: The Drill Down Drill Down

The Bleeding Cohort (Q1)

Source: TikTok Influencer

Product: Fast Fashion Basics (\$15 Tees)

Offer: 30% Off First Order

LTV
 **\$50**

Severe Decline

8%



2nd Purchase Rate

The Healthy Cohort (Benchmark)

Source: Paid Search

Product: Premium Denim

Offer: Free Shipping

LTV
 **\$400**

Stable Performance

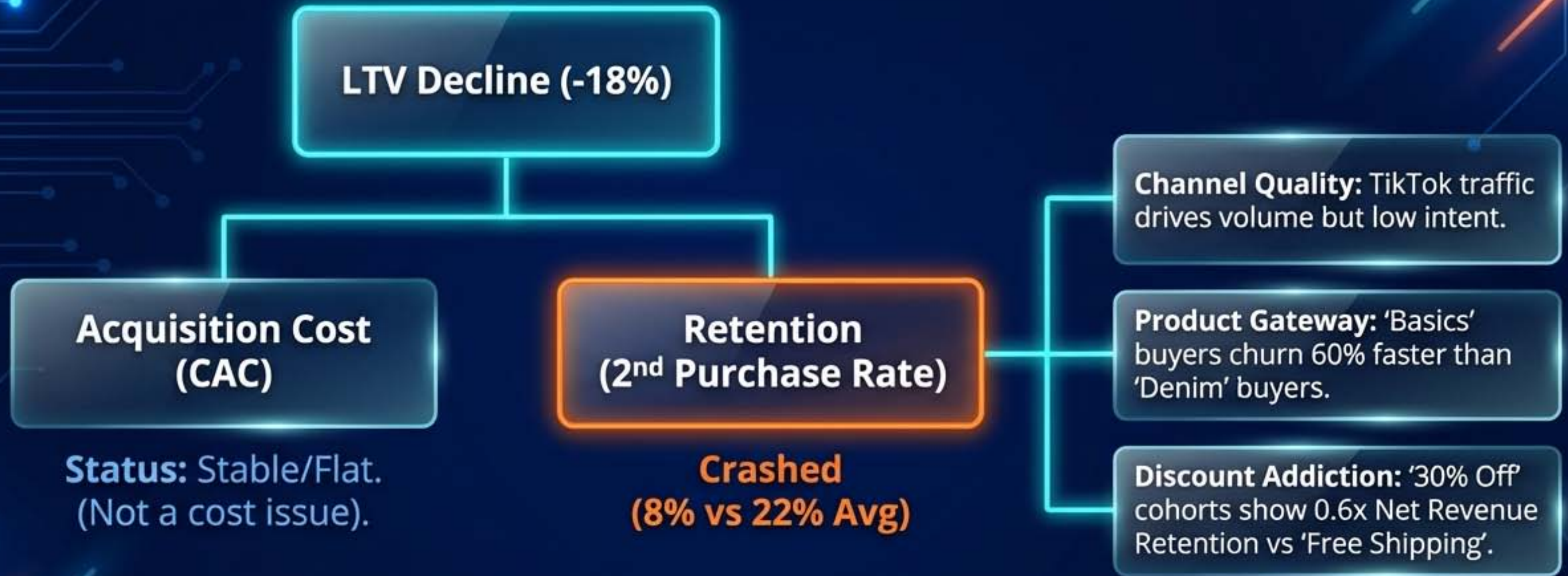
35%



2nd Purchase Rate

Precision prevents overreaction. The Premium Denim cohorts are healthy.
The issue is isolated strictly to the “Basics” entry point.

Step 3: Isolating The Root Cause



Conclusion: Low-quality traffic mix & 'One-and-done' discount hunters.

Step 4: From Insight to Guardrailed Action

Budget Reallocation



Shift \$1.5M from TikTok Awareness to Google Shopping. Move budget from low-LTV segments to high-intent 'Premium Denim' search terms.

Retention Tactic



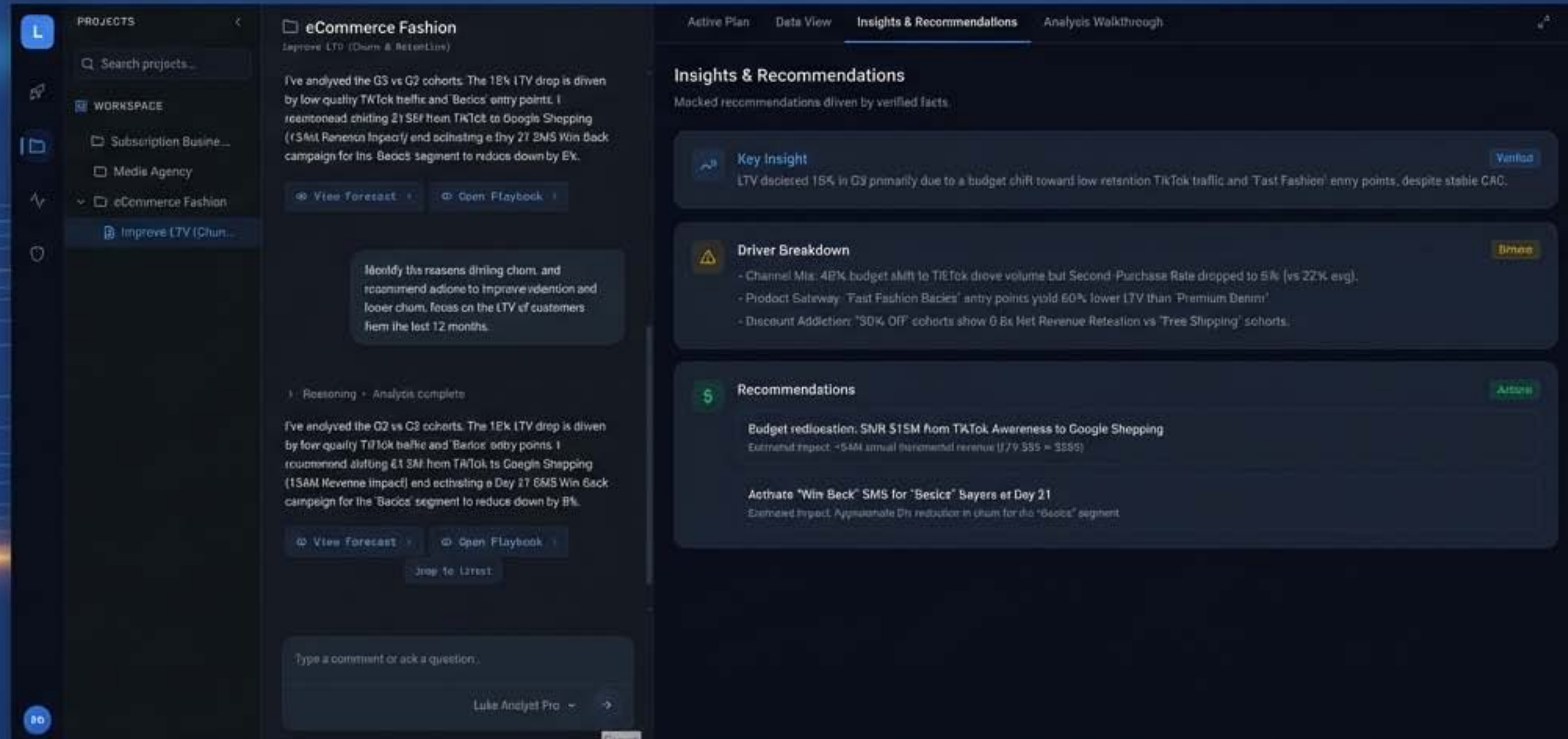
Activate 'Win-Back' SMS. Specific to 'Basics' buyers at Day 21. Goal: Counteract the 60% higher churn rate.

Safety Stop-Loss



Monitor blended CAC. Revert spend if CAC exceeds \$50 for >72 hours.

The User Experience - From Insight to Action



Mocked recommendations driven by verified facts.

The Result: Intelligent Resolution

+\$4M

**Annual
Incremental
Revenue**

(LTV lifted from
\$85 -> \$285)



**A strategic reallocation
of budget rather than
a panic pause.**

8%

**Reduction
in Churn for
the 'Basics'
segment**

Guardrails enabled confident action without risking the entire portfolio.



Join the Future of Decision Intelligence.

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Contact us to apply this rigor to your enterprise data.