Glossary

The words the report uses, the thinking behind it, and how to use the campaign target list.

A What you get

Every run gives you three things:
1. The report.
2. The campaign target list.
3. This glossary.

The report and the list are built from your customers.
This glossary is the same every time.

B How to use this glossary

The framework: read it once.
It is the thinking behind the report.

The definitions: keep them next to the report.
Every term the report uses, in plain words.

The campaign target list: use it when you download the file.

C How the report is laid out

Part 1: what happened, why, and what to do.
Read this in full.
Part 2: the detail behind each claim.
Most numbers in Part 1 link to it.
Part 3: everything else we measured.

A dotted word has a definition. Hover it.
A grey marker is analysis that is coming.

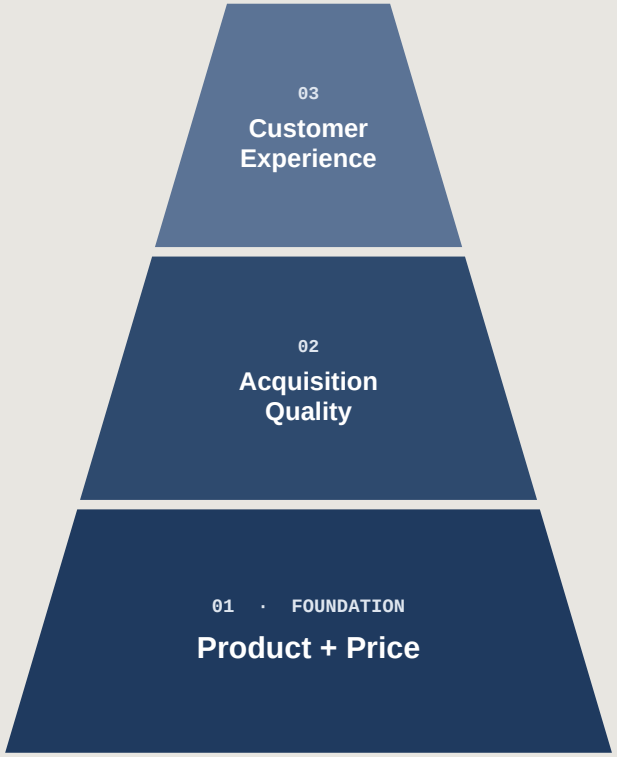
The report compares you with your own history, not with other brands.

The strategist’s framework

how retention is built

The core tenets of customer retention

Retention is driven by value expectations. Each layer rests on the one below and cannot be fixed from above.



“Am I getting what I need from them?”

How we treat customers after they are acquired

- Are the campaigns we’re running sufficiently personalised?
- Are we responding to customer service issues fairly and promptly?

“Why did I buy the first time?”

Where and how customers are acquired

- Which channel did each customer come from, and did they stay?
- Did a heavy first-order discount buy customers rather than earn them?

“Was it worth what I paid?”

Meeting value expectations is fundamental to retention

- Is the marketing honest about what the product is?
- Is it sufficiently differentiated at its price?
- Do we know who the ideal customer profile is?

The report works in layer 3. It can show you a weak layer below. It cannot fix it.

The strategist’s framework

how retention is run

The SECT framework for effective CRM

Four pillars, each optimised continuously. Every improvement is small, but together they compound.

S SEGMENTATION

Who are we targeting?

APPROACH

- Lifecycle (new, established, inactive)
- Category preference (product type)
- Value segments (by CLTV)

The right approach depends heavily on industry vertical.

E ENGAGEMENT

When should we target them?

CAMPAIGN TYPES

- Nurture for new customers
- Stretch / grow for established
- Reactivation for lapsed

Automate campaigns on business logic for efficiency.

C COMMUNICATIONS

How do we talk to them?

COMMS STRATEGY

- Content strategy at segment level
- Creative variation testing
- Channel optimisation (email, SMS, etc.)

Personalise to the segment; A/B test to find winning angles.

T TACTICS

What do we offer to drive the desired behaviour?

INCENTIVE TYPES

- Monetary (discounts, vouchers)
- Exclusivity (early access, closed door)
- Benefits (GWP, free shipping)

Align incentives with CLTV and differentiate by segment.

CONTINUOUS OPTIMISATION

Small gains in every pillar compound into retention.

The report gives you S and E: your segments, and when to act. C and T stay with you. Value here means what a customer spends in a year.

Definitions

every term the report uses. The numbers behind them are yours and are printed in the report.

Time and money

This period
The 90 days the report measures.

Previous period
The 90 days just before this period. Most comparisons are against it.

Year on year (YoY)
The same 90 days one year earlier. Shown in brackets. It removes the effect of the season.

Revenue
Money from orders placed in the period.

Money figures
Real currency, unless the report says it is using an index. If so, it says so on page 1.

Median annual spend
What the middle customer in a segment spent in the last 12 months. Counted, not forecast.

Retained spend change
How much the same customers spent this period compared with last period. Same people, two periods.

Share of base / share of revenue
What part of all customers, or all revenue, a group makes up.

pp
Percentage points. A share moving from 10% to 12% is +2pp.

Customers and their states

Your base
Everyone who bought recently enough to still count as your customer. The report states the window.

Active
Bought within the active window. The report states the number of months.

Inactive
No purchase for longer than the active window. Lapsed and Churned together.

Lapsed
Inactive, but not for long. Still worth a reactivation message.

Churned
Inactive for a long time. Winning them back is a separate job.

Customers who bought this period
Everyone with at least one order in the period.

Retained customers
Bought in this period and in the previous period.

Went inactive
Bought in the previous period, not in this one.

New buyers / first-time buyers
Customers whose first ever order was in the period. Also called intake.

Customer segment migration
How many customers moved up a segment, stayed, or went inactive in the period.

Definitions continued (2 of 5)

Segments

Segment
A customer's order count, as a name. It measures habit, not value.

New
One order.

Developing
Came back, but not yet a habit. The report states the order count.

Established
Buying from you is a habit. The report states the order count where it starts.

Emerging, Core, Anchor, VIP
The four tiers of Established, from fewest orders to most. The cut points are in the report.

Depth
Another word for order count. A depth segment is a segment by order count.

Joined / left Established
Joined: reached the Established order count this period. Left: an Established customer who went inactive.

Graduating
Moving up to the next segment by placing more orders. A segment total can rise because customers graduated into it.

Nurture
The path from first order to Established. The report follows how many New and Developing customers make it.

Risk and timing

Days since last order
Calendar days from a customer's last order to the date they were scored.

Typical gap
The middle number of days between one order and the next, per segment. The segment's rhythm.

Chance of buying again
Of customers who had been silent this many days, the share who ordered in the next 90 days. Measured on your past.

In cycle
Just bought. A segment's chance of buying again when fresh is its in-cycle rate.

Risk band
Low, Mid or High. Active customers only. How far past their segment's rhythm they have drifted.

Target from
The day, since last order, to start contacting a segment. Mid risk begins here.

Churn risk
The report's label for risk band. It means risk of going quiet, not a prediction of leaving.

Past trigger
Mid or High risk today. The customers the report recommends contacting first.

Scoring date
The day the campaign target list was cut. Printed next to the download link.

Definitions

continued (3 of 5)

Offers and objectives

Grow
Active customers at Low or Mid risk: get them to spend more, with a stretch voucher.

Protect
High-risk customers: stop them going inactive, with a time-limited voucher.

Stretch voucher
Spend over a floor, get the discount. The floor sits above the segment's median order value, so an order they would have placed anyway is never discounted.

Time-limited voucher
A discount on the next order that expires. The days come from the segment's own rhythm.

Bounceback voucher
Given at the first purchase: a discount on the second order that expires.

Median order value
Each customer's own median order value, then the median across the segment. The stretch floor is set above it.

Suggested amount
The discount in the offer column is a starting point, not a measurement. Your margin decides the final number.

% off or amount off
Where the median order is small, % off reads as more generous; where it is large, a fixed amount off does. The cut is stated on the page.

The report: its parts

Executive Summary
Pages 1 to 3. What happened, why, and what to do. Read this in full.

Top Line Numbers
Revenue and customers this period, against last period and last year.

The Base at a Glance
Every customer, by state and segment, with their share of the base and of revenue.

Insight Summary
The three or four findings that explain the period, in order.

Recommended Next Steps
What to do, who to target, and the link to the campaign target list.

Promoted Findings
The evidence behind the summary, in the same order. A finding is promoted when it is worth acting on.

Appendix
Everything else the engine calculated. Same depth, kept for reference, not action.

Definitions

continued (4 of 5)

Conventions

Dotted underline
A defined term. Hover it in the report to see the definition.

Early read
A figure measured on a short history. The tag says how many months of data make it firm.

Checked and ruled out
Something we tested and found no link. Stated so you know it was looked at.

Reconciled
Every number in the report was recomputed and checked against the engine before rendering. The count is shown.

Own-base comparison
Every comparison is against your own history, not other brands. Outside benchmarks appear only with under a year of data.

The replenishment chapter (year on year)

Replenishment
How the base refills. Customers leave every period; new customers becoming Established replace them.

Shed
The share of last year's customers who did not buy again this year.

Refill coverage
How much of the revenue shed was replaced by new and growing customers. Under 100% means the base is shrinking.

Wash-in
The months it takes a new customer to show up in revenue. A drop in new customers hits later, not now.

Mid-stream effect
A change that looks like a trend but is last period's unusual number returning to normal.

Read 1 / Read 2
Two honest readings of the same data. The report says which one it plans against, and why.

Sequential clock
This period against the one before. Used in the Executive Summary.

Year-on-year clock
This period against the same period last year. Used in the replenishment chapter.

Definitions

continued (5 of 5)

Other terms in the detail and appendix

Value band
Customers grouped by what they spent in the period, from No-Purchase and Low up to Very High. Each band's share of spend is shown.

Products and channels
We check whether the change came from what was sold or where. If not, the report says so.

No correlation
We tested for a link and found none.

Intake series
New buyers per month. The proof behind any claim about new customers slowing or growing.

Segment spine
The same four measures for every Established tier, side by side, so tiers can be compared.

Reconciliation table
Each check, the number we derived, the engine's number, the tolerance, and pass or fail.

Wobble
How much a segment's spend normally varies on its own. Low wobble means a change there is more likely real.

Went silent / spent less
Two ways spend falls. Went silent: did not buy this period. Spent less: bought, but for less than before.

The campaign target list

how to use the file the report links to

What it is

One file. One row per customer. Everyone in your base on the scoring date. Five columns:

`email`	Blank. You fill it in.
`customer_id`	Your own id for the customer.
`segment`	Their order count, as a name.
`risk_band`	Low, Mid, High, Lapsed or Churned.
`days_since_last_order`	Days from last order to the scoring date.

The email column is blank on purpose. We never hold email addresses. You add them from your own system, and from then on the file is personal data: treat it like the rest of your customer list.

What it does not do

- Predict who will leave.
- Rank customers by value.
- Hold a control group.
- Carry names or emails.

How to use it

1. Pick a segment and an objective: Grow (Low and Mid risk) or Protect (High risk).
2. Add emails from your own system. Match on customer_id.
3. Upload to your email platform. It is plain CSV.
4. Send within 30 days of the scoring date. After that it is stale.
5. Grow: a stretch voucher. Protect: a time-limited one. New: a bounceback. The report prints the floor and the days; the amount is yours.
6. Give more to High risk than to Mid. Keep a year of discounts below what the customer is worth in a year.
7. Re-run the list every month.