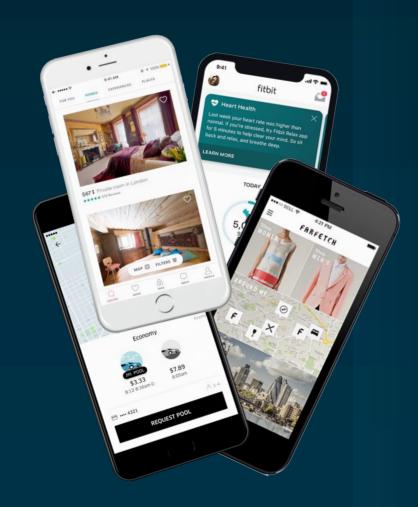# VIOLA

B2C Cohort Analysis – Why So Critical?

Danny Cohen
General Partner, Viola
Ventures

Key Points to think About in the Analysis

- Compare to gross profit

- What happens to users that churned and came back?
  - Leave at original cohort -> Higher LTV
  - Move to new cohort -> Lower CAC
  - If came back through CAC -> Must be in new cohort

- % is good as it relates to users

- $ is important in cases where it is not subscription (Commerce, UBP)

- Tables not graphs

E-Commerce Example (1)

	New Customers	Total Orders	Orders/ Customer		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jan	1,808	2,670	1.48		$147,656	$7,924	$3,365	$3,035	$3,672	$3,927	$3,012	$1,864	$1,191	$257	$465	$603
Feb	3,141	4,418	1.41			$253,821	$9,615	$4,720	$7,191	$4,937	$4,231	$1,816	$1,338	$428	$342	$548
Mar	3,037	4,451	1.47				$241,168	$9,195	$8,149	$6,687	$4,949	$2,684	$2,137	$1,042	$849	$498
Apr	3,136	4,914	1.57					$216,164	$19,932	$9,020	$8,928	$3,155	$1,720	$551	$281	$796
May	10,692	14,935	1.40						$710,099	$36,546	$24,427	$10,519	$4,689	$2,429	$1,622	$1,285
Jun	8,432	11,438	1.36							$627,259	$40,639	$11,588	$6,413	$1,713	$1,229	$1,463
Jul	9,264	12,541	1.35								$661,405	$28,142	$9,222	$4,115	$2,011	$2,011
Aug	4,099	5,497	1.34									$298,807	$14,038	$3,219	$1,341	$1,010
Sep	1,940	2,528	1.30										$145,665	$5,513	$1,357	$1,363
Oct	966	1,289	1.33											$74,229	$2,551	$1,095
Nov	622	811	1.30												$46,669	$1,954
Dec	606	837	1.38													$43,330

VIOLA

E-Commerce Example (2)

Comments

- Note 2nd example includes the ratio of net revenue / CAC (Marketing + PR) + COGS

- Note the high ROI and constant contribution from cohorts -> Ability to spend more

VIOLA

App Subscription Example

	New Paid Customers	Average Sub Price	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jan	800	$ 5.00	$ 4,000	$ 3,400	$ 3,060	$ 2,142	$ 1,714	$ 857	$ 771	$ 694	$ 555	$ 389	$ 369	$ 332
Feb	900	$ 5.50		$ 4,950	$ 4,455	$ 3,119	$ 2,495	$ 1,247	$ 1,123	$ 1,010	$ 808	$ 566	$ 538	$ 484
Mar	1,000	$ 5.40			$ 5,400	$ 3,780	$ 3,024	$ 1,512	$ 1,361	$ 1,225	$ 980	$ 686	$ 652	$ 586
Apr	1,000	$ 6.00				$ 6,000	$ 4,800	$ 2,400	$ 2,160	$ 1,944	$ 1,555	$ 1,089	$ 1,034	$ 931
May	1,200	$ 6.20					$ 7,440	$ 3,720	$ 3,348	$ 3,013	$ 2,411	$ 1,687	$ 1,603	$ 1,443
Jun	1,000	$ 5.80						$ 5,800	$ 5,220	$ 4,698	$ 3,758	$ 2,631	$ 2,499	$ 2,249
Jul	800	$ 5.70							$ 4,560	$ 4,104	$ 3,283	$ 2,298	$ 2,183	$ 1,965
Aug	800	$ 6.30								$ 5,040	$ 4,032	$ 2,822	$ 2,681	$ 2,413
Sep	1,000	$ 6.40									$ 6,400	$ 4,480	$ 4,256	$ 3,830
Oct	1100	$ 6.10										$ 6,710	$ 6,375	$ 5,737
Nov	1200	$ 6.00											$ 7,200	$ 6,480
Dec	1500	$ 6.20												$ 9,300

VIOLA

Comments

- Average subscription changes based on blend of monthly/quarterly/yearly

- Usually, every month there is a drop. I took random churn numbers in this example

- Do note that I did not show the "Free" users vs. "paid" users. They should be presented as well.

- Late conversions should be allocated to their original cohort.

VIOLA

SMB Example

	New Customers	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Total	Marketing Spend	CAC	ROI
Jan-21	8	$718	$634	$645	$763	$1,001	$1,085	$792	$765	$771	$792	$709	$706	$584	$9,965	$13,727	$1,716	72.59%
Feb-21	25		$1,688	$1,389	$1,226	$1,675	$1,905	$1,697	$1,693	$1,845	$1,765	$1,723	$1,842	$1,785	$20,233	$24,319	$973	83.20%
Mar-21	26			$4,273	$2,844	$1,528	$2,415	$1,388	$1,258	$2,092	$1,904	$1,297	$1,290	$1,339	$21,628	$38,920	$1,497	55.57%
Apr-21	20				$2,192	$1,735	$2,023	$1,767	$1,503	$1,370	$1,985	$1,649	$1,635	$1,552	$17,411	$33,419	$1,671	52.10%
May-21	15					$3,126	$2,178	$1,988	$2,400	$2,405	$2,413	$1,766	$1,759	$1,545	$19,580	$29,120	$1,941	67.24%
Jun-21	17						$2,337	$1,688	$1,632	$1,867	$1,821	$1,423	$1,183	$1,062	$13,013	$9,942	$585	130.89%
Jul-21	24							$3,514	$3,053	$2,660	$2,962	$3,030	$2,891	$2,909	$21,019	$15,081	$628	139.37%
Aug-21	17								$2,114	$2,074	$2,583	$2,417	$2,205	$2,222	$13,615	$14,739	$867	92.37%
Sep-21	15									$1,867	$1,795	$1,669	$1,697	$1,717	$8,745	$15,715	$1,048	55.65%
Oct-21	8										$2,503	$1,512	$1,334	$1,260	$6,609	$17,521	$2,190	37.72%
Nov-21	10											$1,883	$1,107	$1,809	$4,799	$19,662	$1,966	24.41%
Dec-21	11												$2,361	$2,103	$4,464	$24,040	$2,185	18.57%
Grand Total		$718	$2,322	$6,307	$7,025	$9,065	$11,943	$12,834	$14,418	$16,951	$20,523	$19,078	$20,010	$19,887	$161,081		$1,439	

Contact us:
Dannyc@viola.vc