Turn holiday growth into durable margin

Northstar Commerce

Q4 growth strategy and 90-day operating plan

Synthetic portfolio sample

EXECUTIVE CONTEXT

Revenue grew, but the next dollar is getting more expensive

Paid acquisition costs rose 18% while repeat customers delivered 2.1x more contribution profit per order.

Three metrics define the profit opportunity

Q4 snapshot

Top-line momentum is healthy. The constraint is the mix of growth: new-customer acquisition is absorbing more of every revenue dollar.

$4.8M

Revenue
+12% YoY

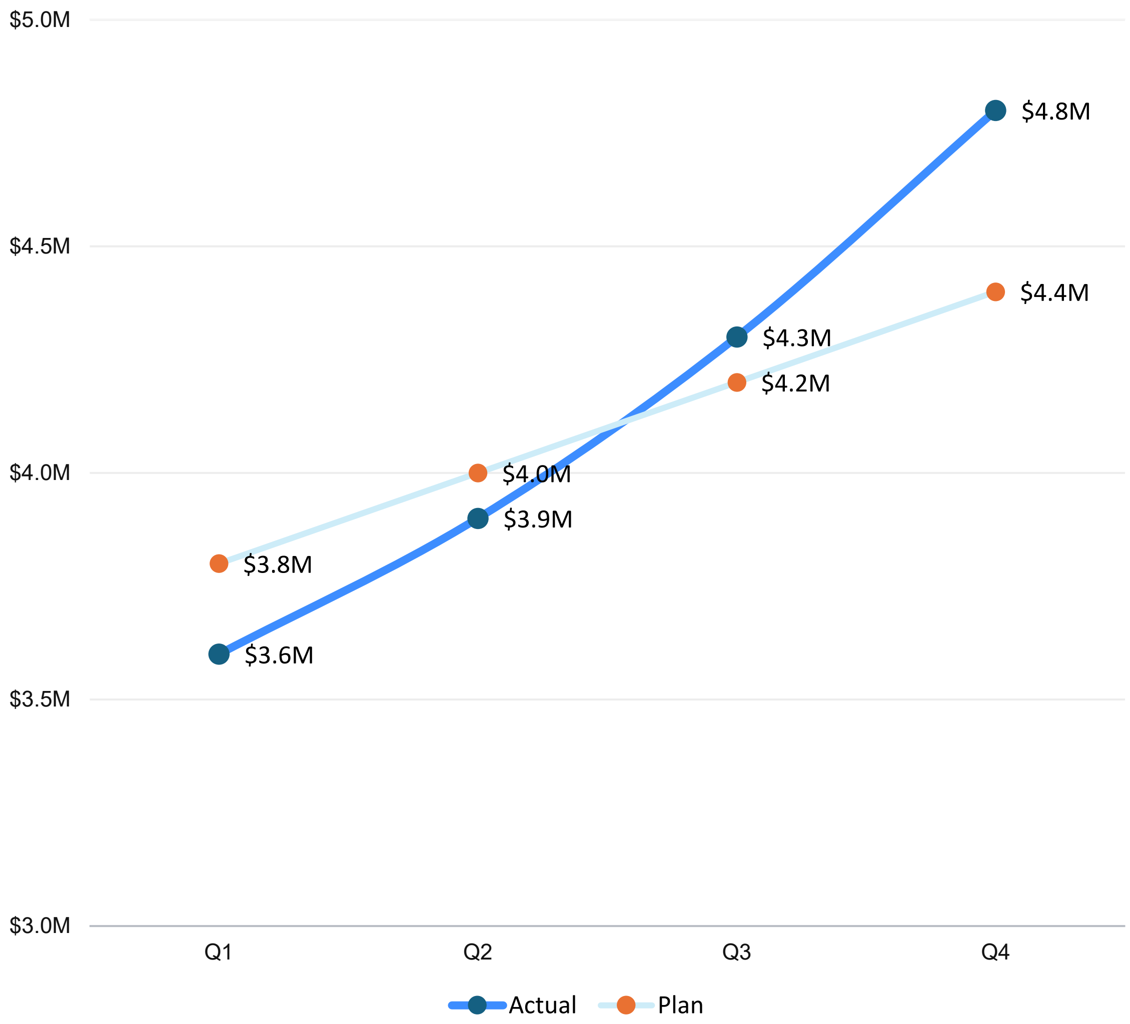
42%

Gross margin
-2 pts YoY

31%

Repeat purchase
+5 pts YoY

Q4 outperformance came from conversion, not heavier discounting



Actual revenue moved above plan as checkout conversion improved. Average discount rate stayed within one point of Q3.

$4.8M

Q4 revenue

+9%

vs plan

Repeat customers generate better economics at every step

Customer economics

The repeat cohort converts with less paid media, buys larger baskets, and retains more gross profit after fulfillment and returns.

NEW CUSTOMER

$43 CAC | $68 AOV

36% contribution margin
High paid-media dependency
Longer payback period

REPEAT CUSTOMER

$12 reactivation | $81 AOV

48% contribution margin
Lower return rate
2.1x profit per order

The growth engine needs one move in each stage

ACQUISITION

Buy profit, not clicks

Shift search budget toward high-margin categories and cap bids by contribution profit.

CONVERSION

Remove checkout friction

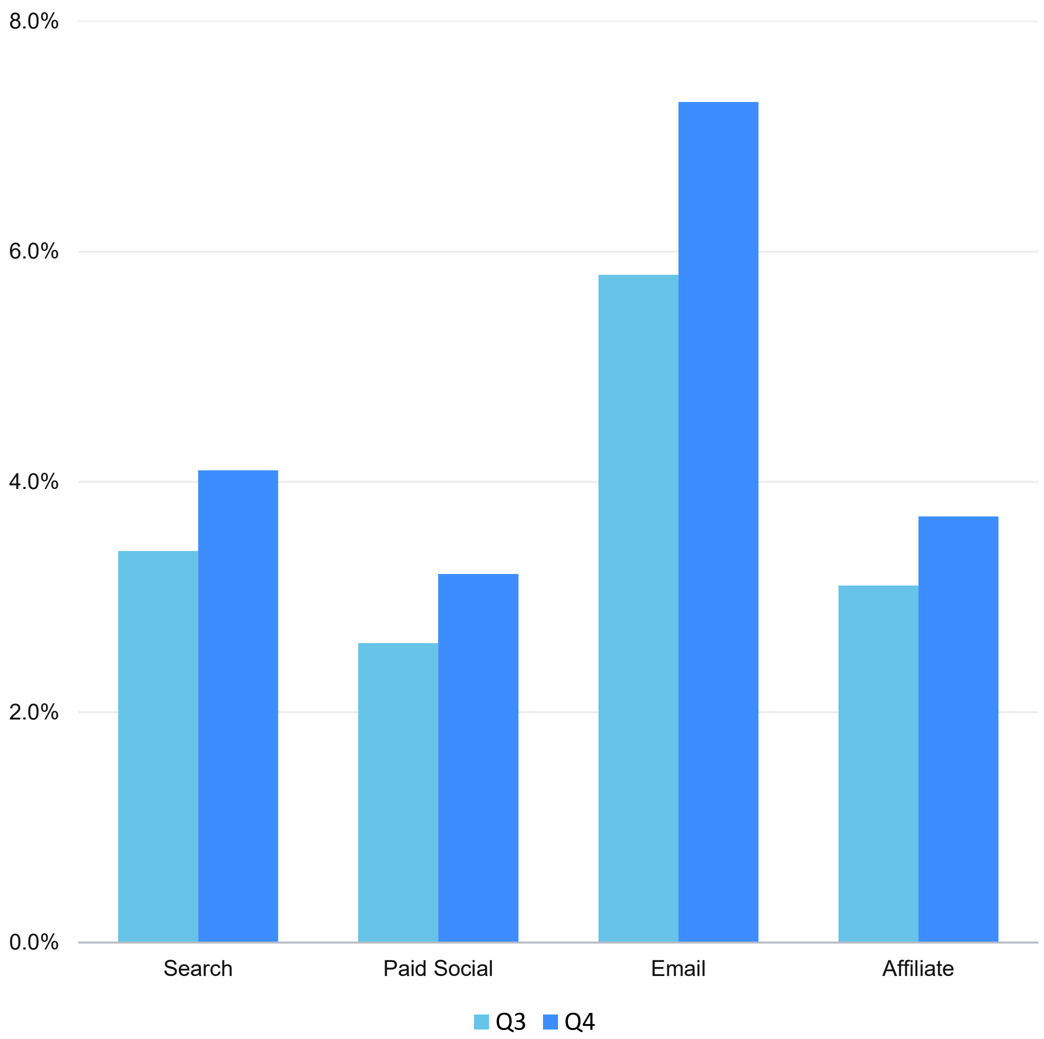
Compress mobile checkout, surface delivery dates earlier, and test the free-shipping threshold.

RETENTION

Earn the second order

Launch replenishment, post-purchase education, and a behavior-based win-back journey.

Email and search carry the strongest conversion gains



EMAIL

7.3% conversion makes lifecycle expansion the fastest profit lever.

SEARCH

Conversion rose 0.7 pts; rebalance toward high-margin categories.

PAID SOCIAL

Improving, but still below the 3.5% scale threshold.

Six initiatives can add $620K in annualized contribution profit

Prioritized by time to proof, controllability, and expected profit impact. Values are synthetic and shown for portfolio demonstration.

Initiative	Owner	Timing	Annualized impact	Risk
Repeat-purchase email journeys	Lifecycle	Wk 1-4	$180K	Low
Checkout simplification	Product	Wk 1-6	$150K	Medium
Free-shipping threshold test	Growth	Wk 3-8	$120K	Medium
High-margin search rebalance	Paid Media	Wk 1-4	$90K	Low
Behavior-based win-back	CRM	Wk 5-10	$50K	Low
Supplier pack-size negotiation	Operations	Wk 4-12	$30K	High

The 90-day plan moves from proof to scale

WEEKS 1-4

Instrument and launch

Confirm baselines, ship checkout test, rebalance search, and launch lifecycle journeys.

WEEKS 5-8

Prove the economics

Read conversion, margin, and repeat-order lift; stop weak variants and expand winners.

WEEKS 9-12

Scale with guardrails

Roll winning journeys to all segments and lock channel budgets to contribution profit.

DECISION

Approve the 90-day growth plan

Fund the $120K test budget

Assign one cross-functional owner

Review economics in week 6