

Report: Estimation of Revenue Increase from Conversion of Casual Customers to Subscribers
Project: Sf Bike Share Insights (2017-2019 Data)

Objective:

To evaluate the potential increase in revenue by converting 20% of the 18% segment of casual customers into subscribers.

Current Customer Analysis:

1. **Total Users:** 10,000
2. **Subscribers:** 82% (8,200 users)
3. **Casual Customers:** 18% (1,800 users)
4. **Revenue Model:**
 - Subscribers: \$30/month
 - Casual Customers: \$10/ride

Calculation of Current Revenue:

- **Revenue from Subscribers:** $8,200 \times \$30 = \$246,000/\text{month}$
- **Revenue from Casual Customers:** $1,800 \times \$10 = \$18,000/\text{month}$
- **Total Current Monthly Revenue:** $\$246,000 + \$18,000 = \$264,000$

Proposed Conversion:

- **Target Conversion:** 20% of casual customers (360 users)

Projected Revenue Increase:

- **Revenue Increase per Conversion:** \$20 (difference in average revenue between subscribers and casual customers)
- **Total Monthly Revenue Increase:** $360 \times \$20 = \$7,200$

Revenue Increase as a Percentage:

Percentage Increase = $(7,200 / 264,000) \times 100 \approx 2.73\%$

Analysis of Unspecified Gender Among 1985-born Users

Observation:

10% of all trips are made by users born in 1985, who uniformly have unspecified gender. This trend may suggest privacy concerns or a preference for non-disclosure among this demographic.

Possible Reasons for Gender Non-Disclosure:

1. **Privacy Concerns:** Users born in 1985 may be more privacy-conscious and opt not to disclose gender details.
 2. **Cultural Factors:** Social norms or cultural reasons may influence the willingness to disclose gender information.
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Recommendations for Converting 1985-born Users

1. **Privacy Assurance:**
 - Communicate the company's commitment to privacy and data protection. Clarify how the data is used and the benefits of providing complete profile information.
2. **Targeted Offers:**
 - Provide personalized offers or promotions tailored to the interests and behaviors of 1985-born users, such as discounts on subscriptions around their birthday or the introduction of loyalty points for frequent usage.
3. **Feedback and Engagement:**
 - Encourage feedback through surveys or interactive platforms to understand the needs and preferences of this demographic better. Use this feedback to tailor services and marketing strategies.
4. **Special Initiatives:**
 - Launch campaigns focusing on the benefits of being a subscriber, highlighting testimonials or case studies from similar users who have made the transition.

Final Notes:

Converting a targeted percentage of casual customers, particularly those born in 1985, into subscribers not only promises a significant revenue boost but also stabilizes income streams and fosters customer loyalty. Addressing privacy concerns and enhancing user experience based on demographic insights can further aid in achieving these conversion goals.