EDUCATIVE REVENUE ANALYSIS REPORT

Lily Danso

Lilydanso75@gmail.com

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INTRODUCTION

1.0 Background

Educative is an Education Tech Company that provides an online learning platform featuring over 3000 courses across four main subjects; Web development, Business Finance, Graphic Design, and Musical Instrument. As part of our quarterly business goals which calls for the need to track the performance of our courses and access where there may be possibilities to increase revenue, particularly focusing on Web development courses. I was tasked to present the data on course revenue, and in this regard, I was provided with data on courses from the four different Subjects to examine course sales data to find prospects for revenue increment. The main focus is on understanding the current state of course revenue, identifying areas with growth potential, and coming out with a data-driven strategy to enhance next quarter's earnings.

In an attempt to achieve this goal, I started with a comprehensive analysis of the course revenue data. I gathered information on the different courses, their subscription rate, costs, published dates, subscribers' reviews, ratings, and revenue generated by courses across different subjects. Using Excel I cleaned the data by removing duplicates, and blank rows, ensured each column had proper headers, and delved into the performance metrics of the various subjects offered by Educative by comparing them with trends over the past 6 years.

Upon identifying key trends and patterns, I conducted a deeper analysis using Power BI to understand the factors influencing the popularity and revenue potential of Web Development courses, Business Finance, Musical Instruments, and Graphic Design. This involved examining subscription rates, subject pricing across the four subjects, learner ratings and reviews, etc Visualizing this information using pie charts, bar charts, line charts, and the like.

The analysis yielded actionable insights into the performance of courses, highlighting not only the popularity of Web Development courses but also uncovering opportunities for revenue growth in other subject areas.

1.2 Problem Statement

From the first quarter of 2016 to the fourth quarter of 2017, the number of subscriptions has experienced a drastic reduction across the various subjects. This decline has resulted in a substantial decrease in revenue. Identifying the root causes behind the revenue variations requires a comprehensive analysis of factors such as course popularity, pricing and marketing strategies, and market demand. A deeper understanding is necessary to make informed decisions.

1.3 Purpose of the Analysis

The primary goal of this analysis is to investigate the performance of the four main subjects offered by Educative and assess where there may be possibilities to increase revenue, particularly focusing on optimizing course pricing strategy to maximize Revenue.

1.4 Objective of the Analysis

The analysis of this data seeks to achieve the following:

1. Determine which subject among the four generates the highest revenue.

2. Determine at which level we generate the highest revenue

3. Determine the factors that affect revenue generation

1.5 Business Questions

1. What is the total number of subscriptions across the four main subjects?

2. what is the total revenue per Subject over 6 years?

3. What is the total revenue per Subject at each level?

4. what is the average price per subject and at each level?

5. what is the performance of each subject?

6. what is the revenue and subscription trend over 6 years?

1.6 Significance of this Report

The significance of this report is to equip decision-makers at Educative, particularly the Head of Curriculum and the CEO, with a comprehensive insight into the performance of various courses. This information will enable informed decision-making in areas such as pricing strategies, promotional efforts, and resource allocation.

Methodology

2.1 Introduction

This section provides an overview of the analysis methodological components, which include the design, visualization tools used, and the reason, and process of cleaning the data. instrument and data collection methods, data analysis methods

2.2 Design

The analysis design involves a combination of quantitative and qualitative approaches. A quantitative design was used to collect data on course subscriptions, course pricing, published dates number of lectures, content duration, ratings, and other relevant metrics for each course, and a qualitative design was used to collect user reviews.

2.3 Data Cleaning Process

In other to ensure consistency within the data set and be able to achieve a reliable result from the analysis, it is important to clean the data set collected at Educative. The following are the process of data cleaning:

1. Imported the data from the web into Microsoft Excel

2. Removed duplicates and blank rows

3. Ensured that each column had Proper headers and was correctly spelled

4. Used the find and Replace function to replace the Subject: Web development section to be in line with the other subjects.

5. Sorted the data from the Z to A using the sort function the get the top 20 courses offered at Educative.

6. Created a new column called Revenue by multiplying the number of subscriptions by the pricing of each course.

7. Use the text-to-column Function to split the published date and timestamp into two different columns

8. Remove unwanted columns.

2.4 Data Visualization

Based on the Business questions and to help better understand the data, the data was visualized using Power BI and Microsoft Excel.

Power BI was used because it enables users to create interactive reports and dashboards. It's particularly useful for data exploration, data modeling, and sharing insights across an organization. It integrates well with various data sources.

Also, Microsoft Excel was used because it offers a range of built-in charting tools suitable for creating basic to moderately complex visualizations. It is widely used for quick data exploration and presentation of insights. The visualizations were presented in bar charts, pie charts, line charts, area charts, funnel charts, and pivot tables.

Findings

3.0 Introduction

This section presents a summary of the findings of the study based on the data collected and

analyzed.

3.1 Findings 1:

Fig.1 represents the subscription analysis of the data across the four subjects. The column

chart indicates the total number of subscriptions among the four subjects. Out of a total

subscriptions of 12 million, web development courses attained the highest number of

subscriptions at 7.9 million followed by Business Finance with 1.9 million, Graphic Design

courses having 1.1 million, and Musical Instruments achieving the lowest subscription with a

total of 0.8 million. Out of these total subscriptions, 8 million were paid and 4 million were

free. (refer to pie chart below).

Also, the total subscriptions experienced a drastic decline from 1,137 thousand to 2 thousand

(refer to area chart) from the first quarter of 2016 to the fourth quarter of 2017. It can also be

seen that learners subscribe to all level courses than the other levels leading with a total of

6.2 million (refer to bar chart).

Findings 2.

Fig. 2 represents Revenue generation across the four subjects and over the years and the

average price of each course.
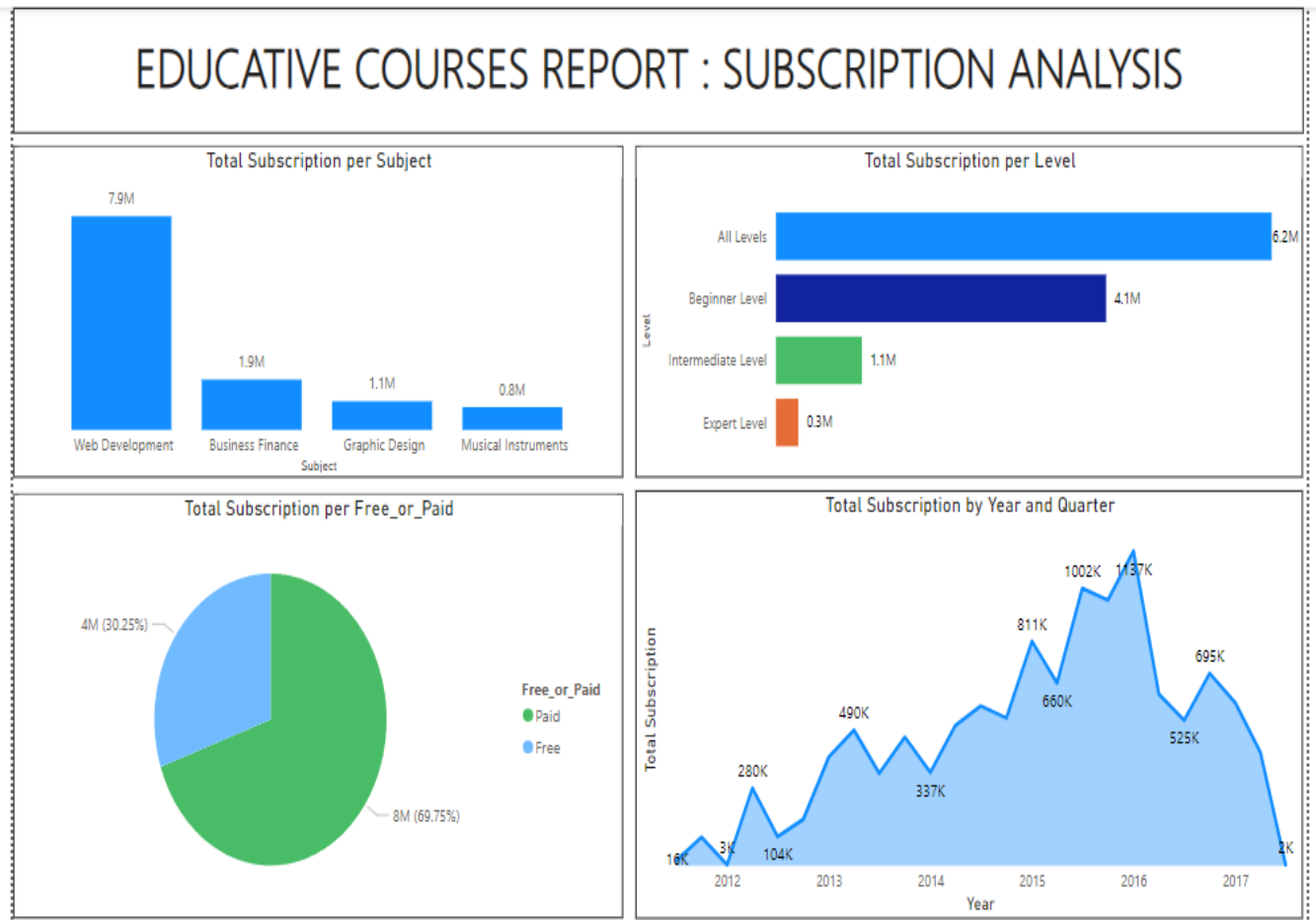
3.3 Findings 3

Fig.1

EDUCATIVE COURSES REPORT : SUBSCRIPTION ANALYSIS

Table 1.

Table 1. represents the total number of subscriptions across the four subjects

Subjects	Total Number of Subscriptions
Business Finance	1,868,711
Graphic Design	1,063,148
Musical Instruments	846,689
Web Development	7,940,457
Grand Total	**11,719,005**

Fig.2

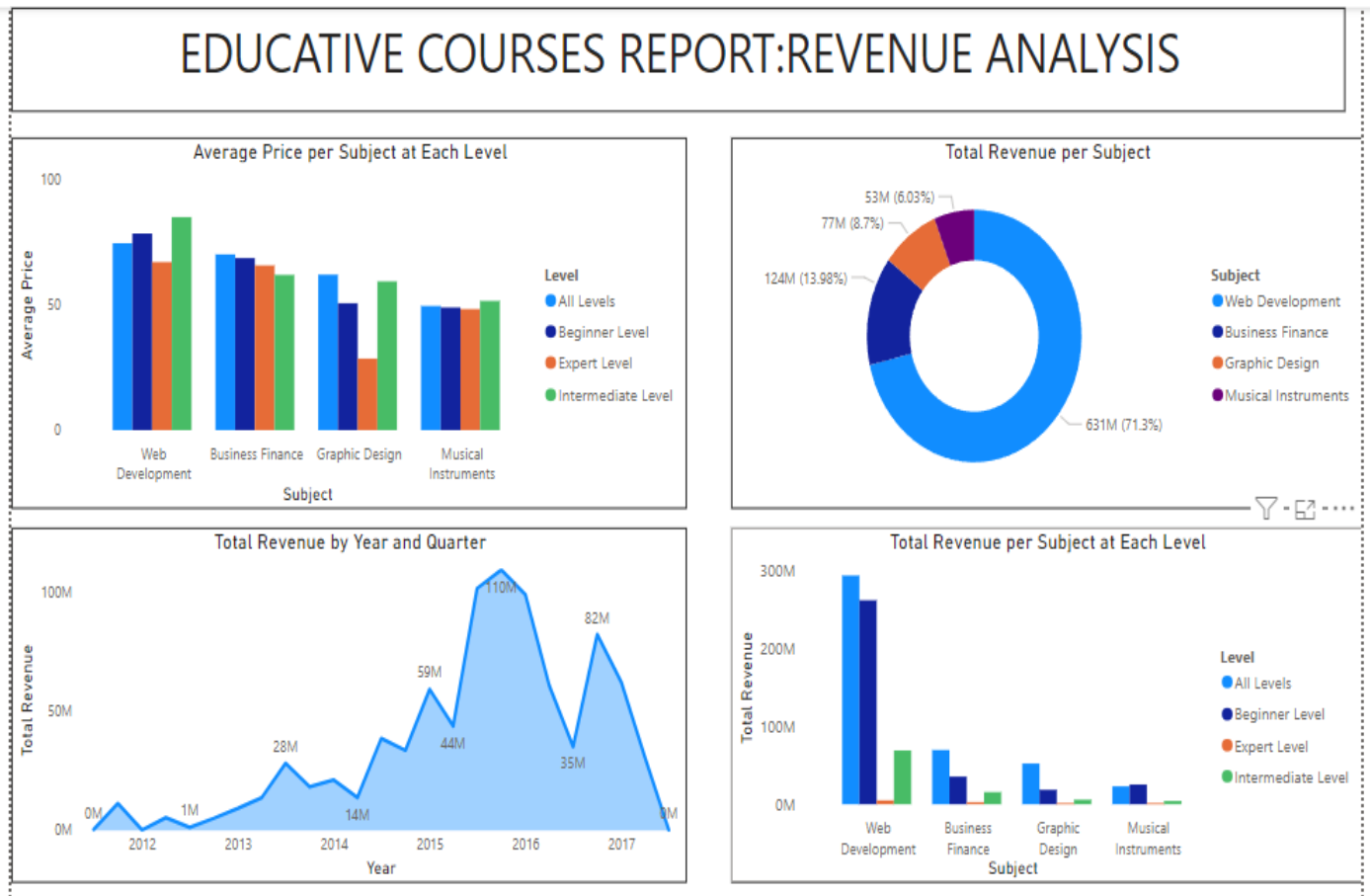*Fig 2. represents Revenue generation across the four subjects and over the years and the average price of each course.*

Table 2.

Table 2. represents the total revenue across the four subjects.

Subjects	Sum of Revenue
Business Finance	$ 123,735,315.00
Graphic Design	$ 76,983,170.00
Musical Instruments	$ 53,359,055.00
Web Development	$ 631,082,465.00
Grand Total	**$ 885,160,005.00**

Fig 2.1

*Fig 2.1 represents the total revenue per subjec*t

Total Revenue per Subject

$123,735,315.00

$76,983,170.00

$53,359,055.00

$631,082,465.00

- Business Finance
- Graphic Design
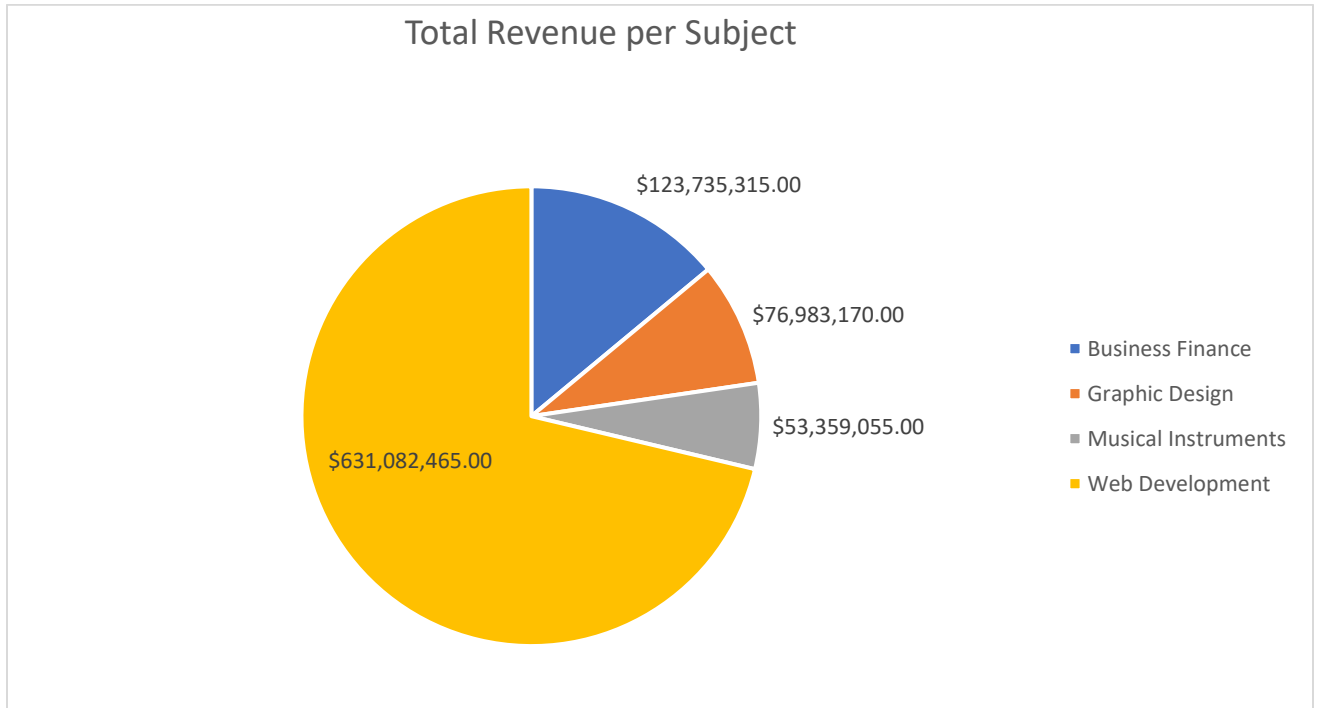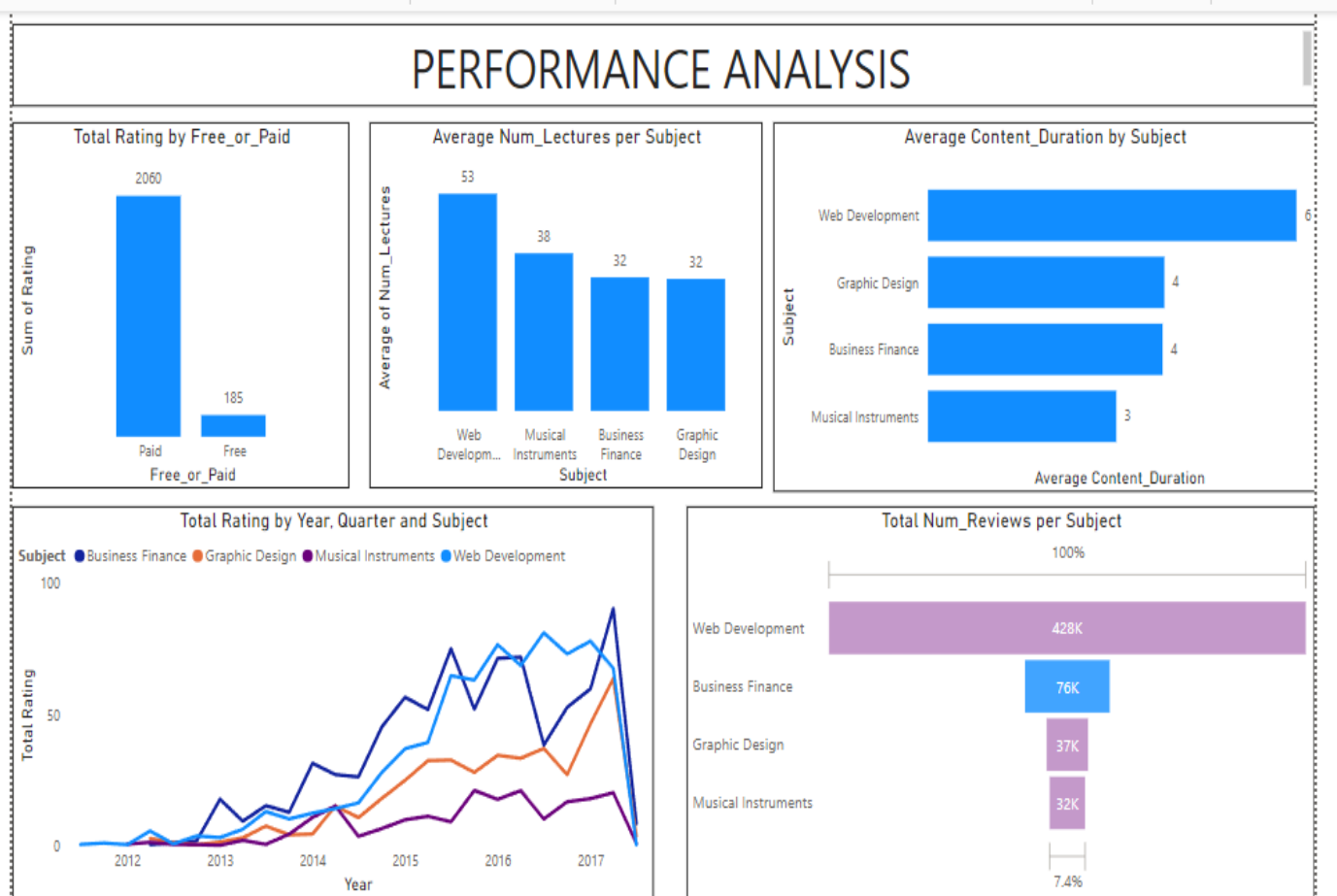- Musical Instruments
- Web Development

Fig 3.0

PERFORMANCE ANALYSIS

Table 3.1

Table 3.1 represents the average rating of the four subjects at each level.

Average of Rating	Column Labels				
Subjects	All Levels	Beginner Level	Expert Level	Intermediate Level	Grand Total
Business Finance	69%	69%	70%	70%	69%
Graphic Design	73%	73%	88%	72%	73%
Musical	31%	31%	30%	28%	31%

Instruments					
Web Development	65%	64%	50%	67%	64%
Grand Total	**62%**	**60%**	**59%**	**62%**	**61%**

Fig.3.2

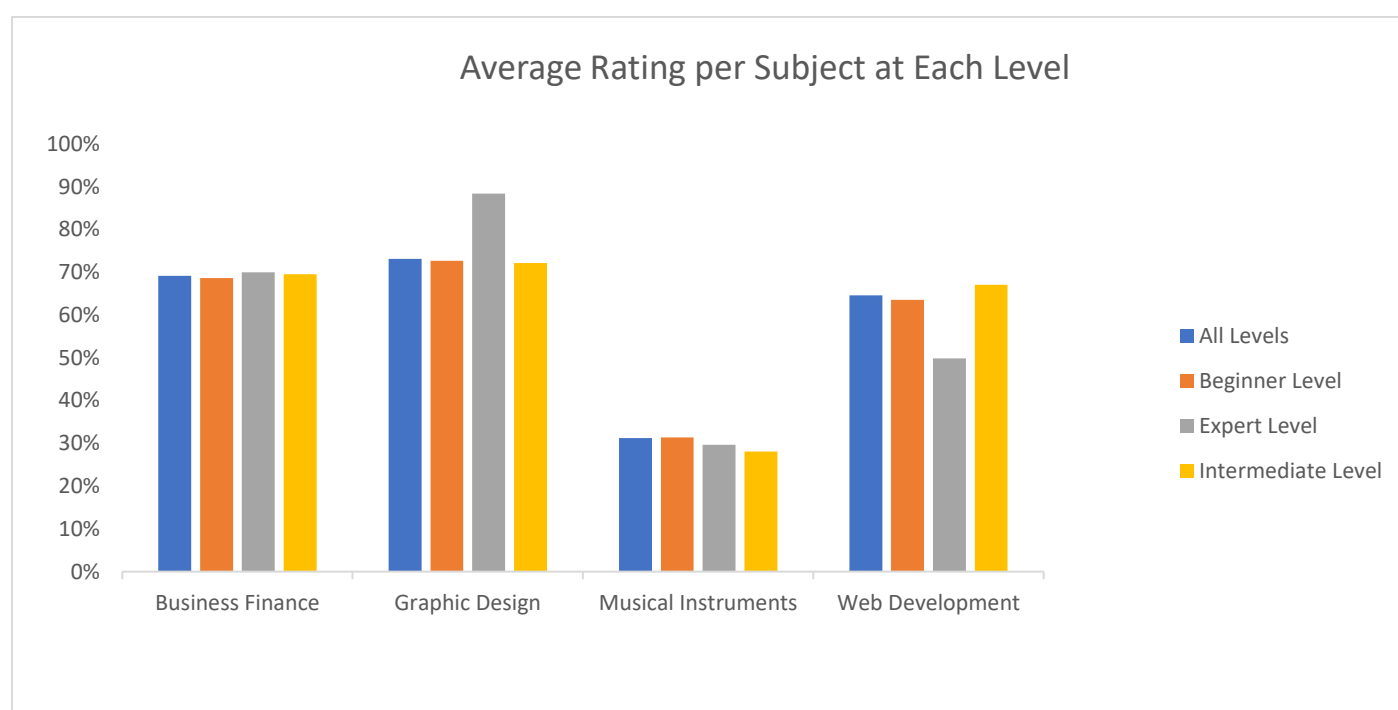*Fig 3.2 represents the average ratings per subject*

Fig 3.3

Fig3.3 represent the total number of course, average price and total revenue generated across the four subjects.

Subjects	Total Courses	Average Price	Total Revenue
		$	$
Business Finance	1191	68.69	123,735,315.00
		$	$
Graphic Design	602	57.89	76,983,170.00
Musical		$	$
Instruments	680	49.56	53,359,055.00

		$	$
Web Development	1202	77.10	631,082,465.00
		$	$
Grand Total	**3675**	**66.13**	**885,160,005.00**

ANALYSIS

4.0 The 5 Whys Analysis:

1. **Why did subscriptions decrease?**
   Answer: Subscriptions decreased due to a decline in enrollment rates.
   Why? There was a drop in interest or demand for the courses.

2. **Why did interest or demand decline?**
   Answer: Interest declined because there was a lack of awareness about the courses.
   Why? Marketing strategies may not have effectively communicated the value of the courses.

3. **Why did marketing strategies fall short?**
   Answer: The marketing strategies were not tailored to address the evolving needs and preferences of the target audience.
   Why? There was insufficient market research to understand changing trends and demands.

4. **Why was there insufficient market research**?
   Answer: Limited resources and budget constraints hindered the implementation of extensive market research.
   Why? The organization did not allocate sufficient funds for market research activities.

5. **Why was there a lack of allocation of sufficient funds for market research?**
   Answer: Budget decisions were made without a clear understanding of the impact of market research on revenue.
   Why? There was a disconnect between the decision-makers and the understanding of the role of market research in driving revenue.

The root cause identified through the 5 Whys analysis suggests that a lack of understanding of the impact of market research on revenue, coupled with budget constraints, led to insufficient market research. This, in turn, contributed to a decline in interest and subscriptions for the courses, resulting in a substantial decrease in revenue. Addressing this root cause may involve reevaluating budget priorities, emphasizing the importance of market research, and aligning decision-makers with the revenue implications of strategic choices.

Conclusion and Recommendation

5.0 Conclusions:

Based on the indicated findings, the following inferences were drawn:

1. Pricing does not have a negative effect on course subscriptions.

2. Revenue generation is highly influenced by the number of subscriptions.

3. Learners/Customers subscribe more to All-level courses than intermediate, Beginner, and Expert-level courses because All-level courses often provide flexibility to cater to a broader audience. Learners with varying levels of expertise can participate in the same course, allowing for a more inclusive learning environment.

4. The total number of courses of a subject and pricing affect revenue generation.

5.1 Recommendations:

From the conclusion drawn and the analysis of the root cause, the following should be taken into consideration in other to increase revenue for the next quarter;

1. There should be an Allocation of additional funds for comprehensive market research to understand evolving trends and learner preferences. Tailoring marketing strategies to effectively communicate the value of courses, addressing the identified lack of awareness.

2. Management should conduct a pricing analysis considering the findings that pricing does not have a negative effect on course subscriptions. Optimize pricing strategies based on market demand, course popularity, and learner feedback to maximize revenue potential

3. Align course offerings with learner preferences by emphasizing the development of All-level courses. Maintain inclusivity while considering the varied expertise levels of learners. Leverage the popularity of All-level courses to enhance overall subscriptions and revenue.

4. Strategically manage the course portfolio for each subject. Consider offering a balanced mix of courses with varying levels (All-level, Intermediate, Beginner, and Expert) to cater to different audience segments. Optimize pricing for each subject based on market demand and competition.

5. Foster cross-functional collaboration between decision-makers, marketing teams, and data analysts. Educate decision-makers on the critical role of market research in revenue generation. Ensure transparent communication about the impact of strategic decisions on course subscriptions and overall revenue.

6. There must be an implementation of a continuous monitoring system to track the effectiveness of marketing, pricing, and course offering strategies. Allocate resources for ongoing adjustments based on real-time data and learner feedback to adapt to changing market dynamics.