



DATA-DRIVEN STRATEGIES TO REDUCE CHURN AT TED & POPPY

INTRODUCTION

- Ted & Poppy, a pet food subscription company, aims to assess subscription performance and retention drivers using Q4 2024 data.
- Leveraging machine learning and statistical models, we provide insights and strategies to enhance customer retention and growth.

DATA

200,000 Subscribers in Oct-Dec,2024 **28** Variables

PERFORMANCE

15.8% Churned Rate **31,807** Churned Customers **\$659,698** Purchasing last 90 Days

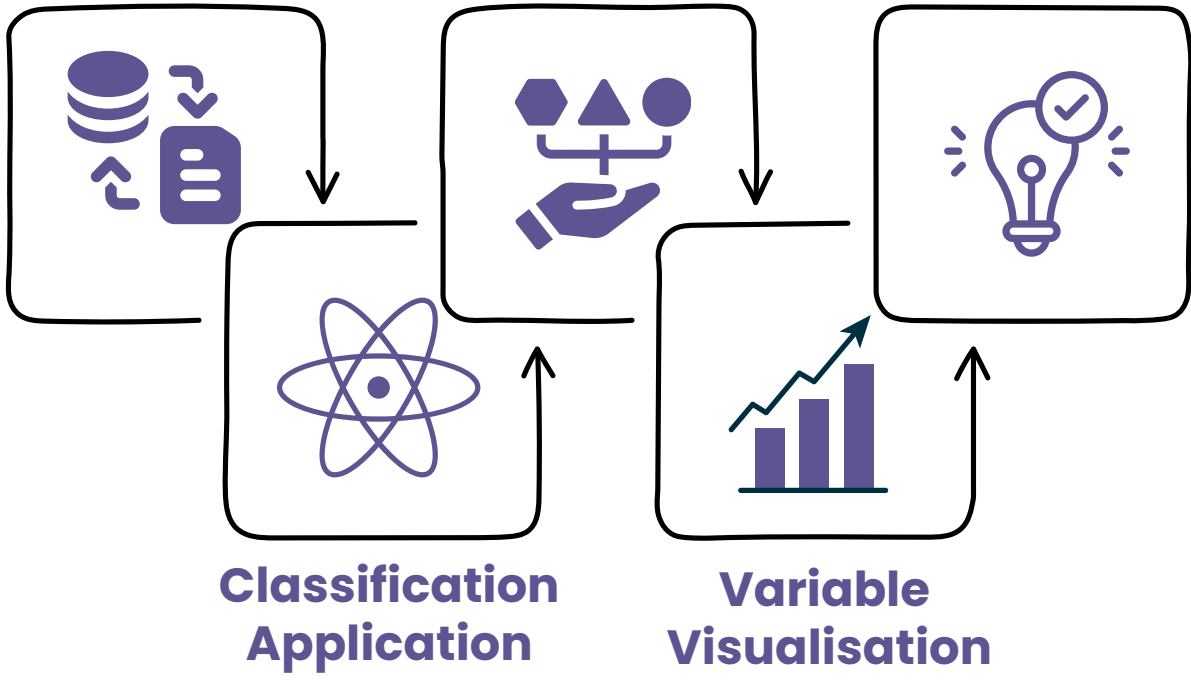
OBJECTIVES

- What are the key drivers of customer churn?
- Which factors most influence subscription churn rates?
- How can we implement data-driven strategies to reduce churn and improve retention?



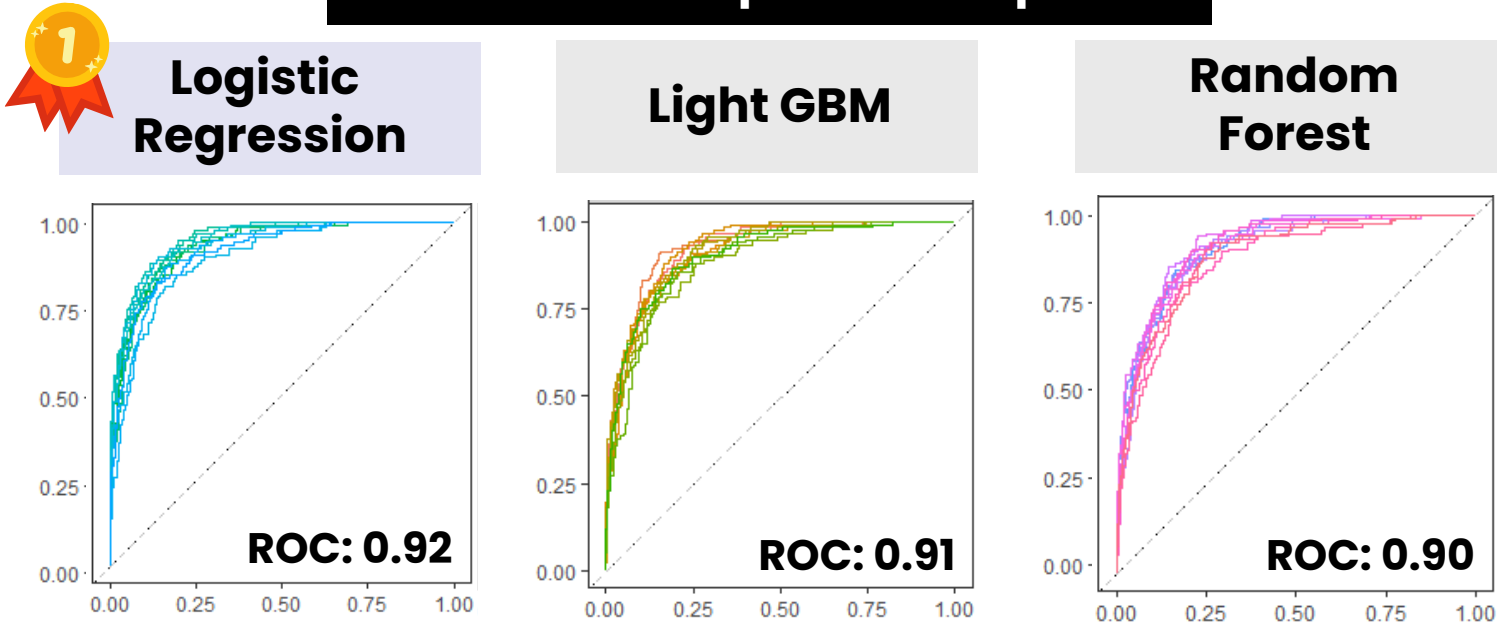
METHODOLOGY

Data Preparation Model Selection Prediction & Insights



Data Preparation	Assumption	Model Setting
<ul style="list-style-type: none">Removing UnitsStandardizing format	<ul style="list-style-type: none">Independent ObservationsThreshold = 0.5Scalability & Stationary	<ul style="list-style-type: none">10-fold validationTrain vs. Test 0.75/0.25

Model Comparison-Top 3



Best Model Performance Logistic Regression		
Accuracy	Specificity	Sensitivity
0.83	0.83	0.84

Confusion Matrix	
True Positive	False Positive
329	351
False Negative	True Negative
62	1758

Target Value: Churned

RESULTS

Key Take Away

- Higher risk of churn, if customers:
- Had longer days since the last web purchase
 - Raised support ticket during past 6 months
 - Didn't access from Chrome and Firefox
 - Didn't received any discount offer

What Impacts Churn the Most?

- Days since last web purchase
- Support Ticket - Not Last 6 Months
- Last Browser - Chrome
- Last Browser - Firefox
- Discount Rate

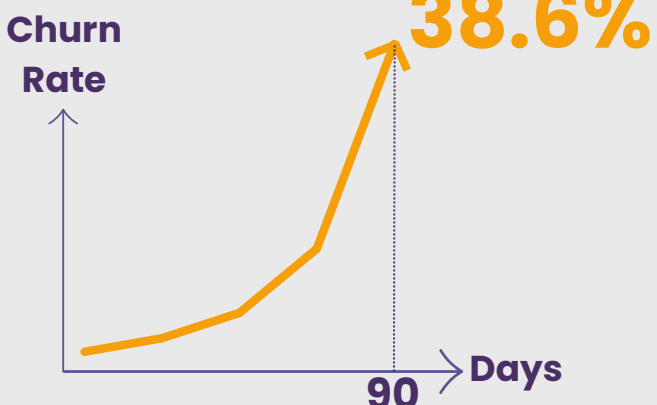
- Positive
- Negative

Limitation

- More Observations Needed
- Continuous Test Needed

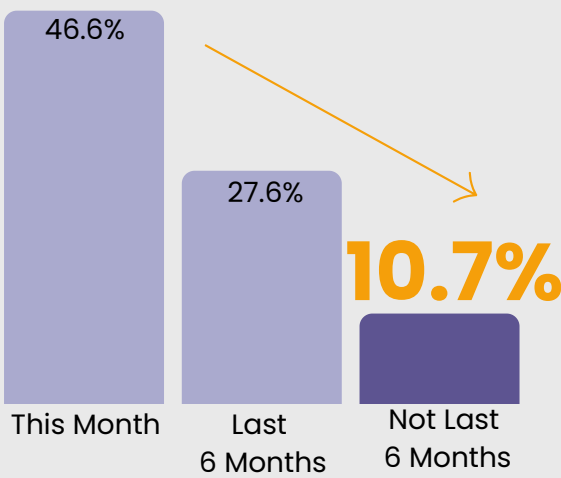
Churn Factor Insights

Days since last web purchase (0 to 90 days)

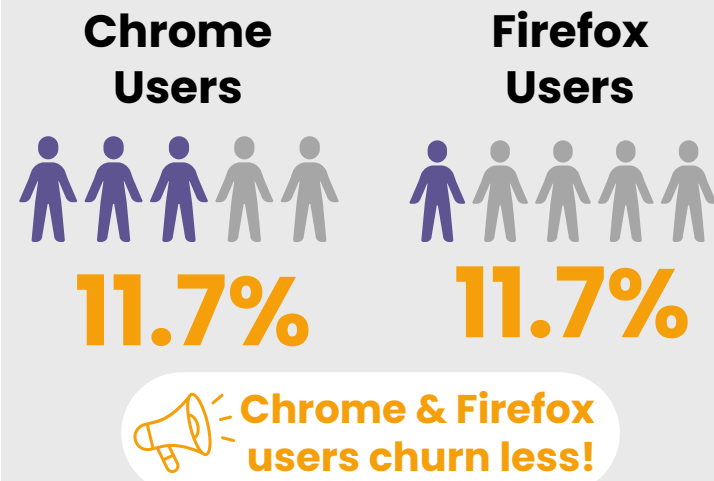


15.8% Total Churned Rate

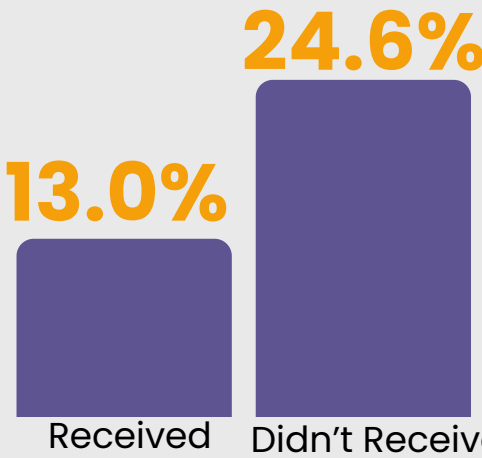
Support Ticket



Browser Type



Whether Customer Received Discount



RECOMMENDATIONS

Boost Purchase Frequency	Enhance Customer Support	Optimize Browser Experience	Promote Discounts & Loyalty
<ul style="list-style-type: none">AI-driven product recommendationsReplenishment reminders	<ul style="list-style-type: none">Real-time support (Messenger, WhatsApp)Chatbots for quick responses.Store' Pet-friendly amenities	<ul style="list-style-type: none">Target promotions (Brave/Other users get a 10% renewal discount)Get pain points(Feedback or Heatmap analysis, e.g. Hotjar)	<ul style="list-style-type: none">First-Time Buyer DiscountsReward user-generated contentReferral Discount (social sharing)