Question 3

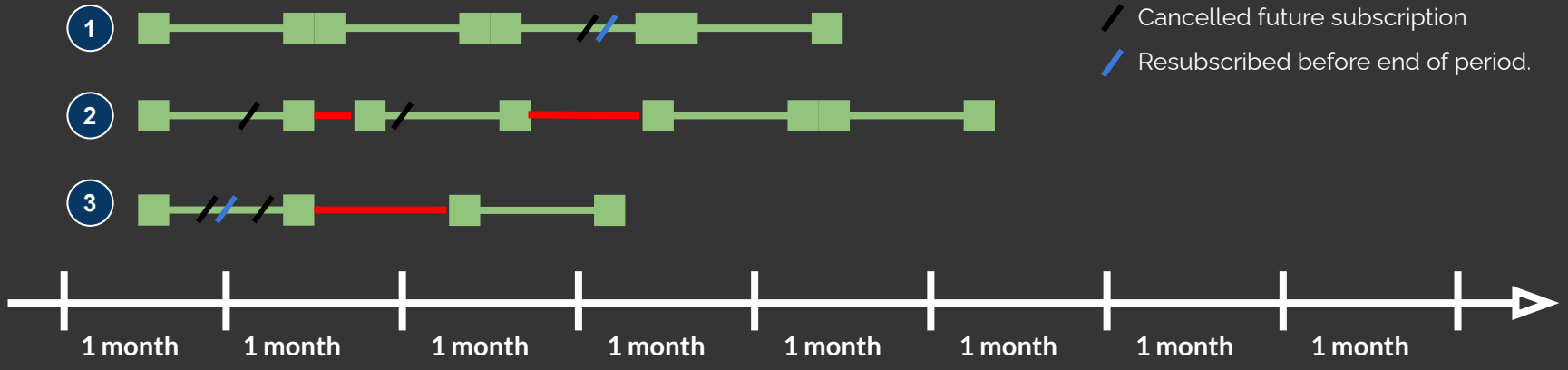
A customer "churned" today
IF he paid last day, but today not.

A customer can churn many times.

We charge for the month

You choose when.

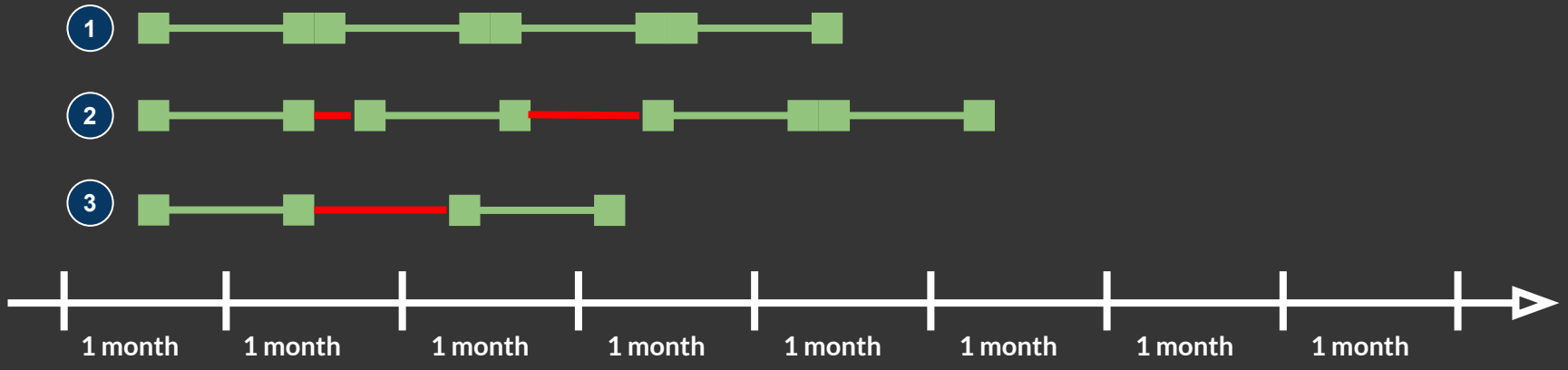
(you can unsubscribe whenever you like)



We charge for the month

You choose when.

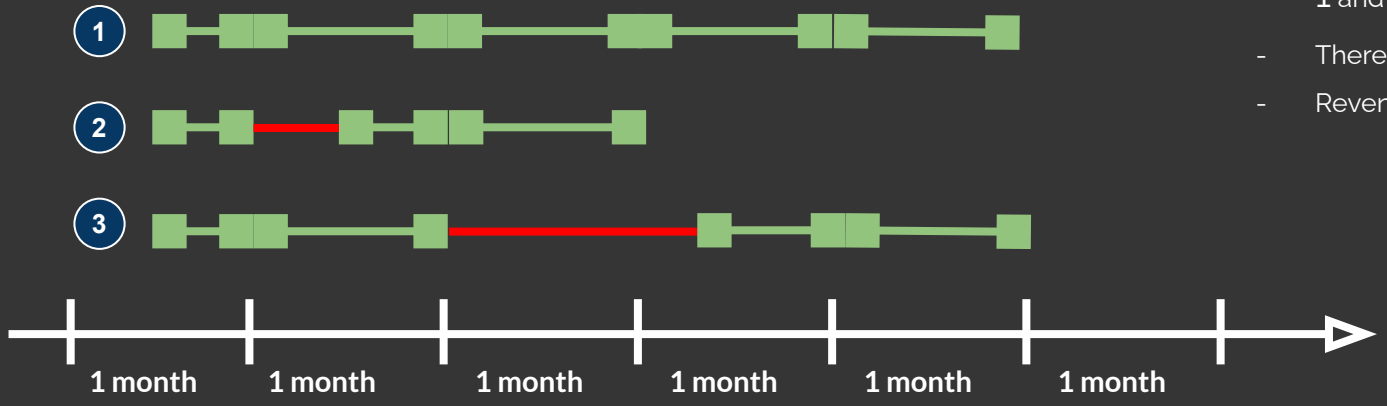
(you can unsubscribe whenever you like)



We charge for the Period

You choose when.

(you can't unsubscribe)

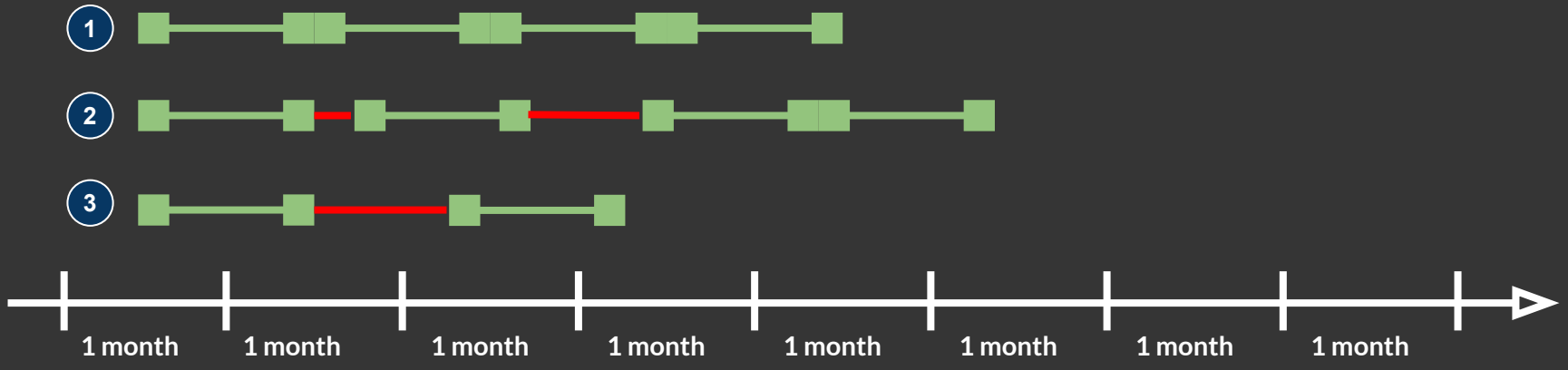


- 1 and 2 never churned
- There is absenteeism.
- Revenue is better

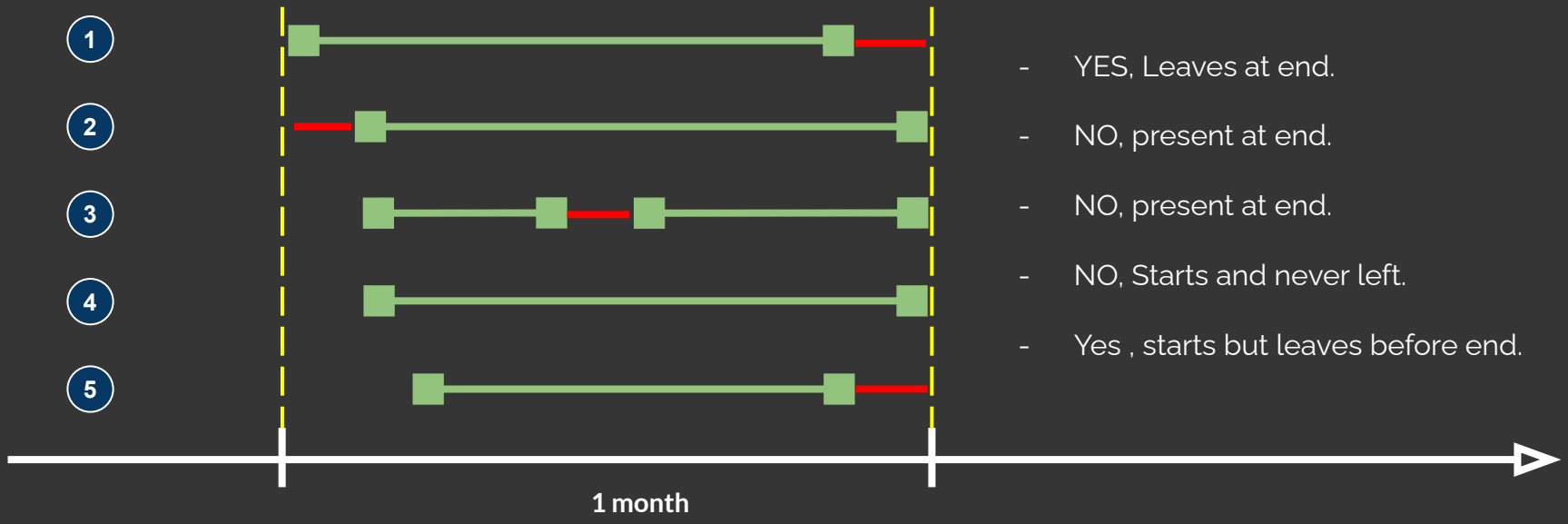
We charge for the month

You choose when.

(you can unsubscribe whenever you like)



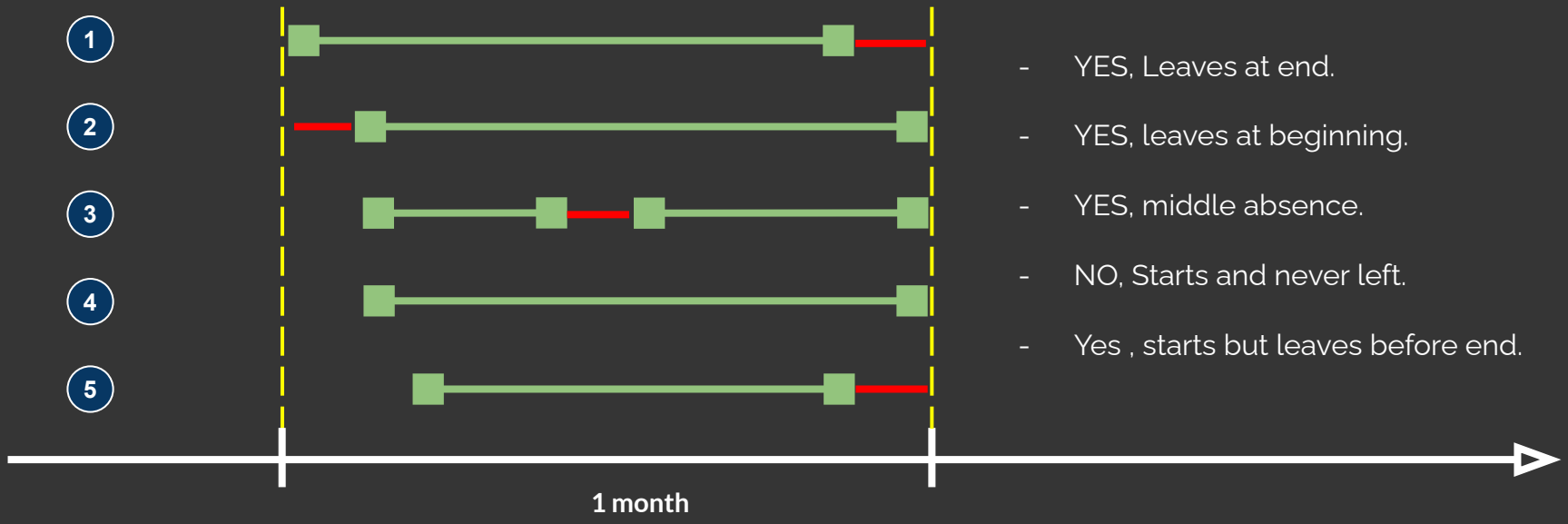
Churners Definition #1:



- YES, Leaves at end.
- NO, present at end.
- NO, present at end.
- NO, Starts and never left.
- Yes , starts but leaves before end.

Churner is a user that is **present** in **current** or **previous (last day) period** and **is not present** at the **end period**.

Churners Definition #2:



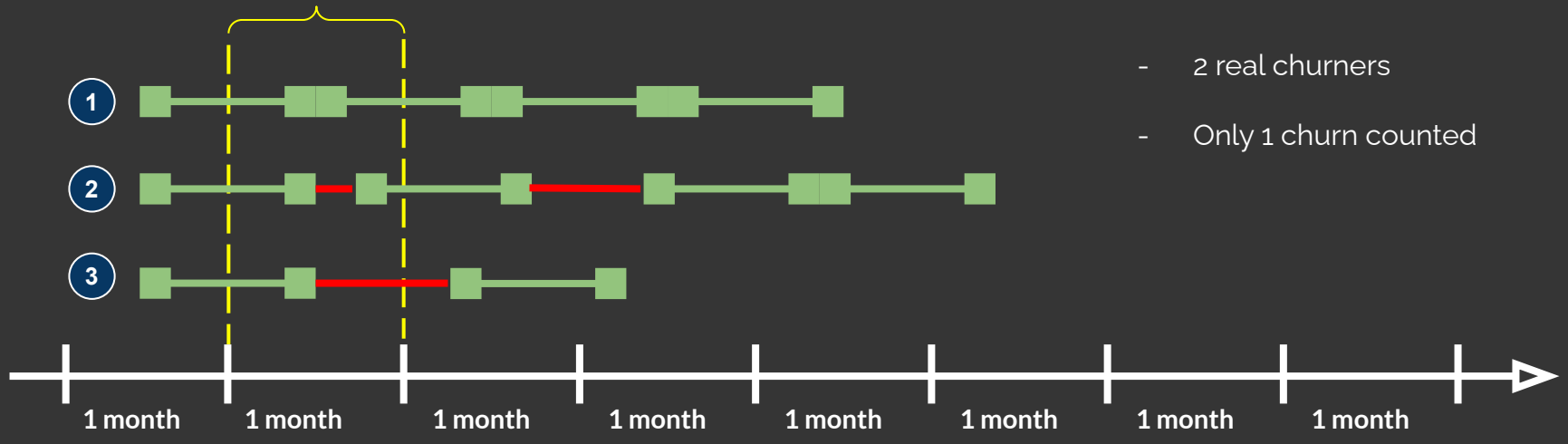
- YES, Leaves at end.
- YES, leaves at beginning.
- YES, middle absence.
- NO, Starts and never left.
- Yes , starts but leaves before end.

Churner is a user that is **present** in **current** or **previous (last day) period** and **leaves within period**.

We charge for the month

You choose when.

(you can unsubscribe whenever you like)

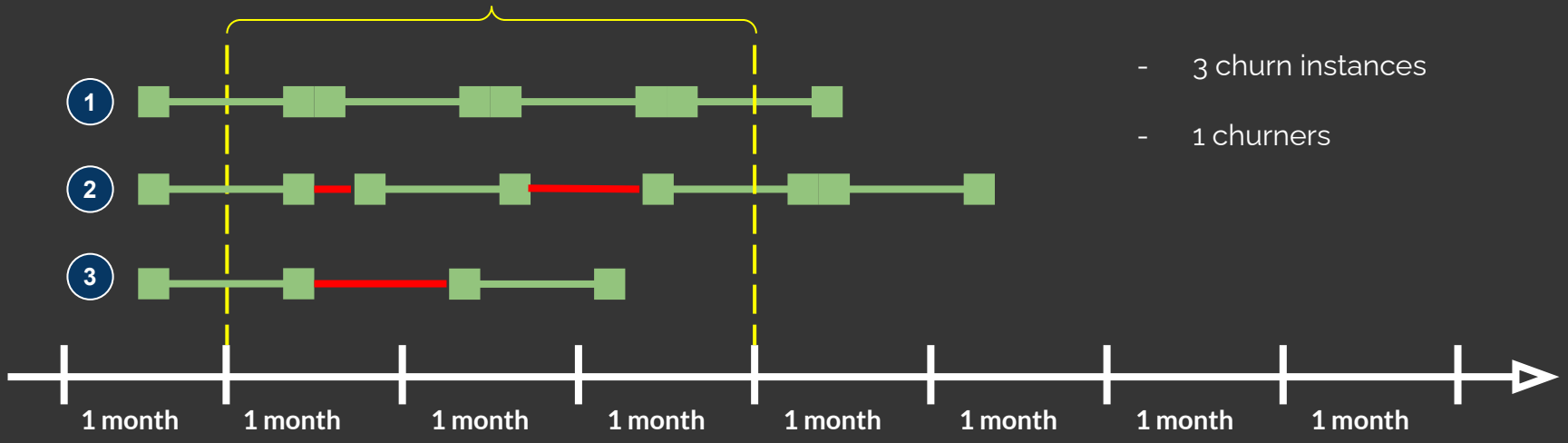


- 2 real churners
- Only 1 churn counted

We charge for the month

You choose when.

(you can unsubscribe whenever you like)



- 3 churn instances
- 1 churners

Importance of measure

➔ **Loss of Market share**

Customer ***leaves*** or is ***absent***

➔ **Loss of revenue**

We get ***no pay*** for the missing time

➔ **Both depends the offer and when we measure!**

The **timing** and **business rule** are the key.

To keep in mind

Revenue depends on the accounting and business model

Gym, schools , rent

Vs Netflix, Spotify

Churn can overlook absenteeism.

Look between periods.

Focus on absenteeism rather than revenue.

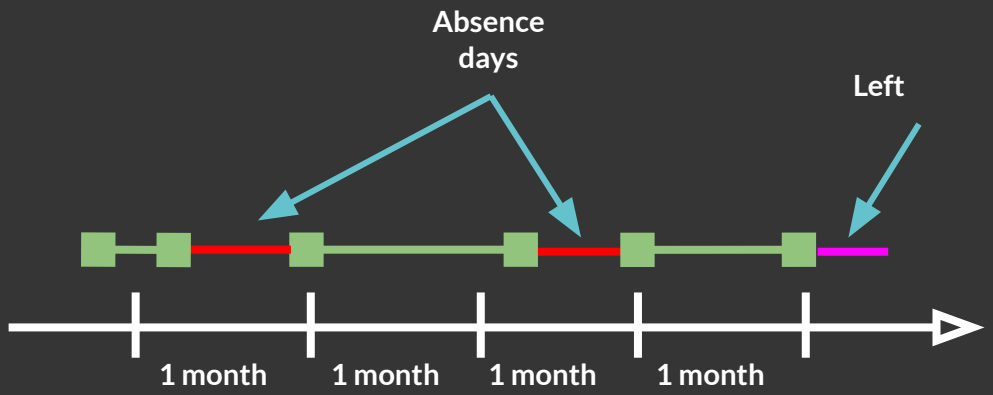
Clients do notice.

We will focus on absenteeism first then leavers!!

Question 3b

What is the evolution of the churned amount (revenue loss) over 2020?

Question 3b



Final Recipe

Total Churn Revenue Loss

$$\frac{\text{Absence days} \times \text{Avg Monthly Amount}}{30 \text{ days}}$$

Thank you

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