Data Analysis Case Study

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ZIINA

Executive Summary

The analysis of Ziina's growth performance reveals several promising trends as well as areas for continued optimization. The user acquisition strategy has been largely successful, with the organic channel bringing in 28% of total revenue and 39.6% of total users. Looking at the revenue and transaction volume, we see a 22% and 28% average month over month growth, with the greatest volume of transactions and total revenue both in June. Further analysis reveals that the June cohort was responsible for the highest monthly revenue but the February cohort has the greatest volume of transactions across all the cohorts. There is a 51.3% average month over month (MoM) growth in revenue for each cohort. Looking at the number of new users per cohort, we see an average of 23.2% growth MoM. Overall these numbers indicate that the customer acquisition strategy and the services provided are working well to attract new customers. However, deeper examination of churn and retention metrics uncovers deeper trends in the cohorts. Most cohorts have a good short term retention rate but there is room for improvement in long term retention. For example, the January 2023 cohort started with 143 accounts, and by June, 32.2% of those accounts were still active, while the cohort showed a relatively high retention rate from Jan to Feb of 62.2%. Looking into the Churn Rates, we see that there is an average churn of about 43% from one month to the next, indicating a need for improved customer retention.

Based on the findings of this case study, it would be beneficial to look into improving the long term retention rate of customers. This can be done through loyalty programs for example. Data shows that the referral program is an effective way to increase revenue but it has not been utilized effectively, hence a revamp of the program may further boost revenue. Most importantly, I believe that thorough research needs to be done about the trends in March. March not only has an alarming churn rate of 66%, the March Cohort lost all of its users by May. Although it is considered an off-peak season, there is enough evidence provided in this report to indicate that ther may have been other problems at hand other than just seasonality, such as issues with the app or changes in fee structure. Addressing the factors behind the March anomaly should be a high priority, as reducing user attrition is essential for Ziina to sustain its growth trajectory and maximize the lifetime value of its customer base. In the same fashion, Ziina would benefit from understanding the strategies and promotions, outside of merely seasonality, which helped it build the positive numbers in June and build upon that as well. This multifaceted approach can help drive the growth of the company to greater heights.

Channel Performance

Channel	Revenue	Total Count
Organic	42287.9	628
Sales	39128.81	248
Performance Marketing	34976.25	364
Referral	30564.21	344

The total revenue from all channels combined is $146,957.17. The percentage of total revenue for each channel is as follows:

- Organic: 28.78%
- Sales: 26.63%
- Performance Marketing: 23.80%
- Referral: 20.80%

The **revenue per user (RPU)** for each channel is as follows:

- Organic: $67.34 per user
- Sales: $157.78 per user
- Performance Marketing: $96.09 per user
- Referral: $88.85 per user

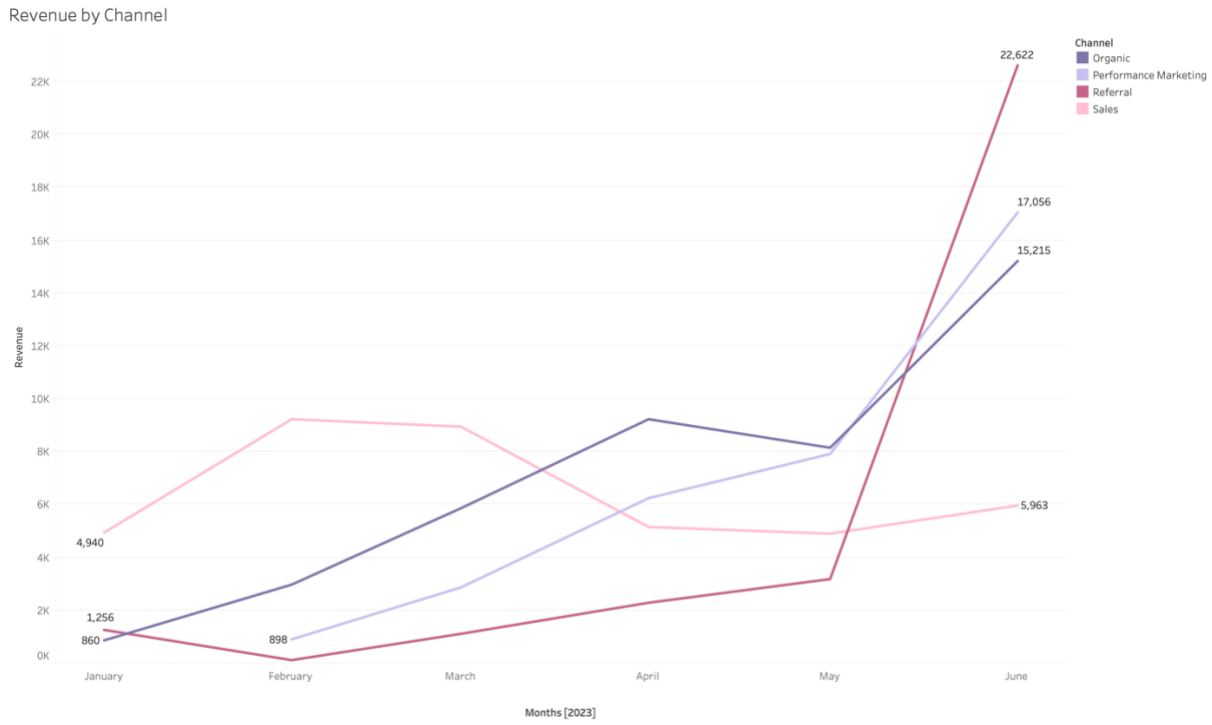

Figure 1: Revenue by Channel

The analysis reveals that the Organic channel has generated the highest total revenue, closely followed by the Sales channel. However, when examining the Revenue Per User (RPU) metric, the Sales channel more than doubles the RPU of the Organic channel, suggesting that the Sales channel is a more effective approach for increasing revenue. As shown in Figure 1, the Referrals channel experienced a spike in revenue from May to June, indicating that users were actively referring others to Ziina ahead of the summer shopping season.

Cohort Analysis

Cohort Month	Users	Total Revenue	Total Transactions	RPU	RPT
Jan	143	27620.95	7509	193.15	3.68
Feb	216	24780.75	10120	114.73	2.45
Mar	232	6704.78	4721	28.90	1.42
Apr	264	28286.93	7450	107.15	3.80
May	337	24926.74	7401	73.97	3.37
Jun	392	34637.02	4531	88.36	7.64

Table 1: Summary of Cohort Analysis

The data analysis reveals some interesting insights about Ziina's user cohorts. While the January cohort boasted the highest Revenue Per User (RPU), suggesting strong individual spending, the June cohort generated the most overall revenue. This can be attributed to the June cohort having the largest user base, even though its RPU was slightly lower. Moreover, the June cohort stands out with a significantly higher Revenue Per Transaction (RPT), indicating that the individual transactions made by this group were larger in value. This can likely be explained by seasonality factors; June marks the onset of summer and the start of the holiday shopping season, when consumers are more inclined to make bigger purchases like vacation packages, electronics, furniture, and vehicles. In addition, we have the largest number of users, meaning that there is greater demand for Ziina's product in the summer. The marketing team may find this information particularly useful to create campaigns which cater to this increased demand.

In contrast, the March cohort appears to be the weakest performer in terms of both RPU and RPT. This could be due to March often being an off-peak season for many businesses, resulting in fewer overall transactions. However, it may also be worth investigating whether there were any specific product-related issues that contributed to the lower performance of the March cohort. Overall, the analysis highlights the importance of considering seasonal fluctuations and user cohort dynamics when evaluating Ziina's revenue growth and transaction patterns.

Cohort Retention

Month of Cohort	Number of Accounts	Transaction Month: January	February	March	April	May	June
January 2023	143	100.0%	62.2%	53.1%	39.2%	39.2%	32.2%
February 2023	216		100.0%	63.9%	38.9%	40.7%	35.6%
March 2023	232			100.0%	14.2%		
April 2023	264				100.0%	58.7%	41.3%
May 2023	337					100.0%	54.0%
June 2023	392						100.0%

Retention Rate: 14.2% – 100.0%

Figure 2: Cohort Retention Chart

The cohort retention analysis presented in Figure 2 sheds light on Ziina's ability to retain its user base over time. The data reveals a clear pattern across the various cohorts - in the initial 1-2 months, retention rates remain relatively high, ranging between 50-60%. However, this number takes a significant dip in the longer term, declining to 40-30% beyond the 3-month mark. This trend suggests that users may not be finding sufficient incentive to continue engaging with the platform over an extended period. Identifying strategies to improve user engagement and create greater loyalty within the more recent cohorts represents a promising opportunity to drive stronger month-over-month revenue growth for Ziina. Notably, the March cohort stands out as an anomaly, exhibiting weaker retention numbers compared to the other periods. This underscores the need for a deeper dive into the factors contributing to this unfavorable performance, which could yield valuable insights to inform future retention-focused initiatives.

Top Users

Account ID	Total Revenue	Channel
1314	10774.95	Refferal
560	4487.55	Oragnic
14	2712.27	Sales
1051	2066.21	Organic
54	1985.64	Sales
% Total Revenue	**14.99**	

Account ID	Total Transactions	Channel
1034	1161	Organic
150	1158	Performance & Marketing
560	774	Organic
1033	557	Sales
74	525	Sales
% Total Transactions	**10.00**	

Table 3: Summary of Top Users

The definition of "Top Users" can be approached in various ways. One perspective is to examine the revenue generated by each individual user, as shown in Table 3. The top 5

revenue-generating users account for nearly 15% of Ziina's total revenue. Alternatively, the analysis can focus on the number of transactions per user, as presented in Table 4. In this view, the top 5 users by transaction volume represent 10% of all transactions.

Interestingly, the data on the acquisition channels that attract these top users does not reveal a clear trend, but rather aligns with the overall channel performance analysis, with organic and sales being the most frequent channels. This finding reinforces the earlier insights about the relative effectiveness of these acquisition channels.

Churn

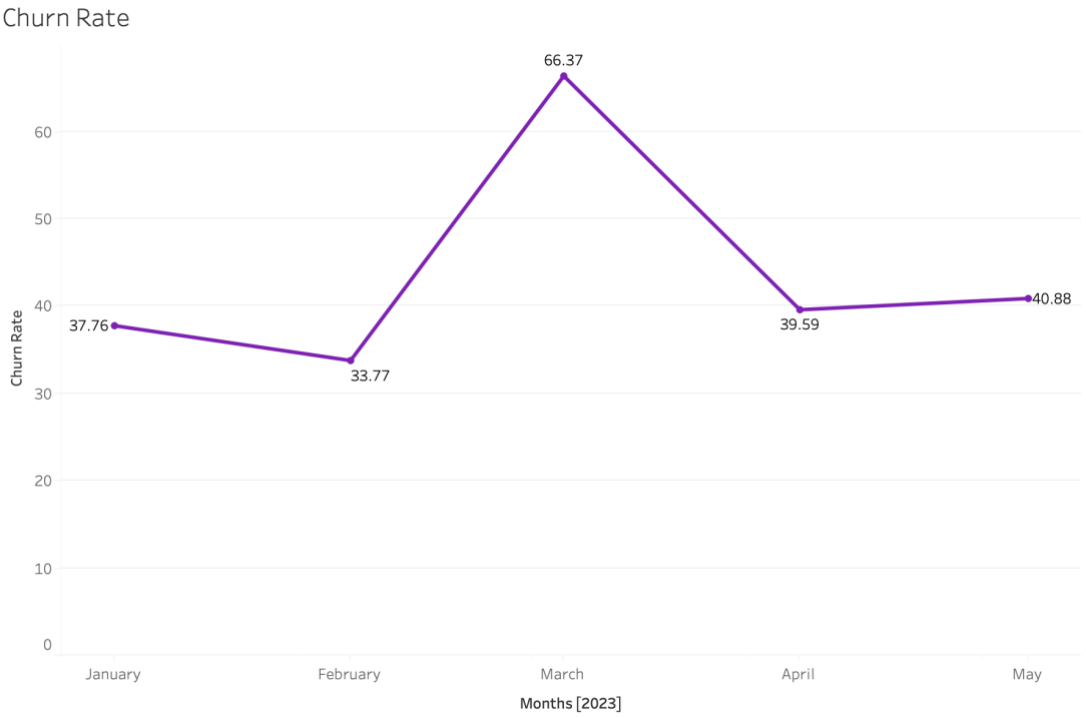

Figure 3: Churn Rate by Month

The graph in Figure 5 presents the monthly Churn Rate trend for Ziina's user base. Churn is calculated as the percentage of users who did not engage with the platform in the subsequent month, providing a helpful indicator of customer retention.

The data reveals an alarming spike in the Churn Rate during the month of March, which stands out as a significant anomaly compared to the other months. This suggests that factors beyond typical seasonal fluctuations may have contributed to the unusually high number of users abandoning the platform during that period.