

CASE STUDY #3

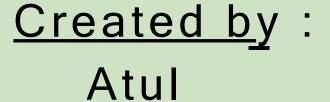




AVO GOOD TIME

DATAWITHDANNY.COM







### INTRODUCTION

Subscription based businesses are super popular and Danny realised that there was a large gap in the market - he wanted to create a new streaming service that only had food related content - something like Netflix but with only cooking shows!

Danny finds a few smart friends to launch his new startup Foodie-Fi in 2020 and started selling monthly and annual subscriptions, giving their customers unlimited on-demand access to exclusive food videos from around the world!

Danny created Foodie-Fi with a data driven mindset and wanted to ensure all future investment decisions and new features were decided using data. This case study focuses on using subscription style digital data to answer important business questions.

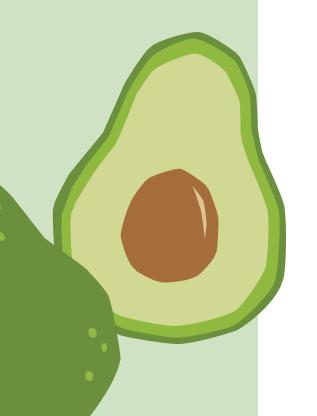
#### **Available Data**

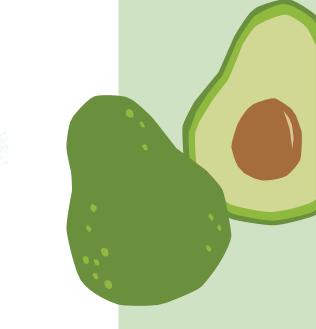
Danny has shared the data design for Foodie-Fi and also short descriptions on each of the database tables - our case study focuses on only 2 tables but there will be a challenge to create a new table for the Foodie-Fi team.

All datasets exist within the foodie\_fi database schema - be sure to include this reference within your SQL scripts as you start exploring the data and answering the case study questions.

#### **Entity Relationship Diagram**

plans		subscriptions	subscriptions	
plan_id	INTEGER 1	customer_id	INTEGER	
plan_name	TEXT	* plan_id	INTEGER	
price	NUMERIC	start_date	DATE	





#### Table 1: plans

Customers can choose which plans to join Foodie-Fi when they first sign up.

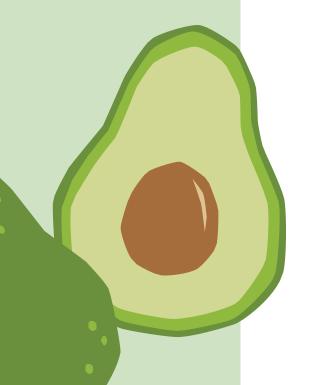
Basic plan customers have limited access and can only stream their videos and is only available monthly at \$9.90

Pro plan customers have no watch time limits and are able to download videos for offline viewing. Pro plans start at \$19.90 a month or \$199 for an annual subscription.

Customers can sign up to an initial 7 day free trial will automatically continue with the pro monthly subscription plan unless they cancel, downgrade to basic or upgrade to an annual pro plan at any point during the trial.

When customers cancel their Foodie-Fi service - they will have a churn plan record with a null price but their plan will continue until the end of the billing period.

plan_id	plan_name	price
0	trial	0
1	basic monthly	9.90
2	pro monthly	19.90
3	pro annual	199
4	churn	null



#### Table 2: subscriptions

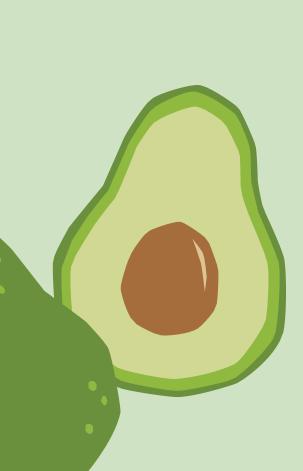
Customer subscriptions show the exact date where their specific plan\_id starts.

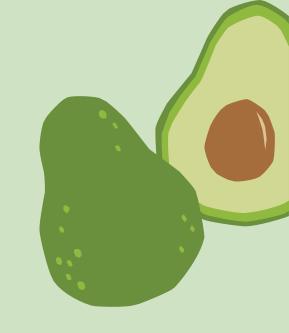
If customers downgrade from a pro plan or cancel their subscription - the higher plan will remain in place until the period is over - the start\_date in the subscriptions table will reflect the date that the actual plan changes.

When customers upgrade their account from a basic plan to a pro or annual pro plan - the higher plan will take effect straightaway.

When customers churn - they will keep their access until the end of their current billing period but the start\_date will be technically the day they decided to cancel their service.

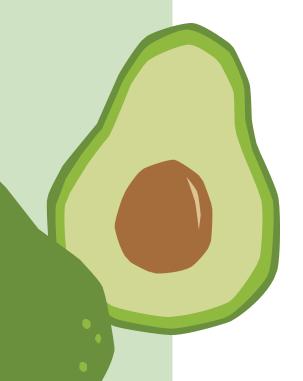
customer_id	plan_id	start_date
1	0	2020-08-01
1	1	2020-08-08
2	0	2020-09-20
2	3	2020-09-27
11	0	2020-11-19
11	4	2020-11-26
13	0	2020-12-15
13	1	2020-12-22
13	2	2021-03-29
15	0	2020-03-17
15	2	2020-03-24
15	4	2020-04-29
16	0	2020-05-31
16	1	2020-06-07
16	3	2020-10-21
18	0	2020-07-06
18	2	2020-07-13
19	0	2020-06-22
19	2	2020-06-29
	_	

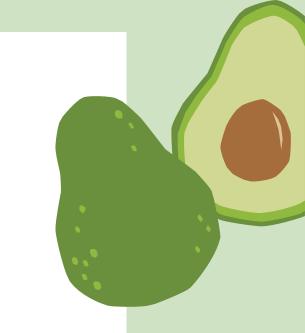




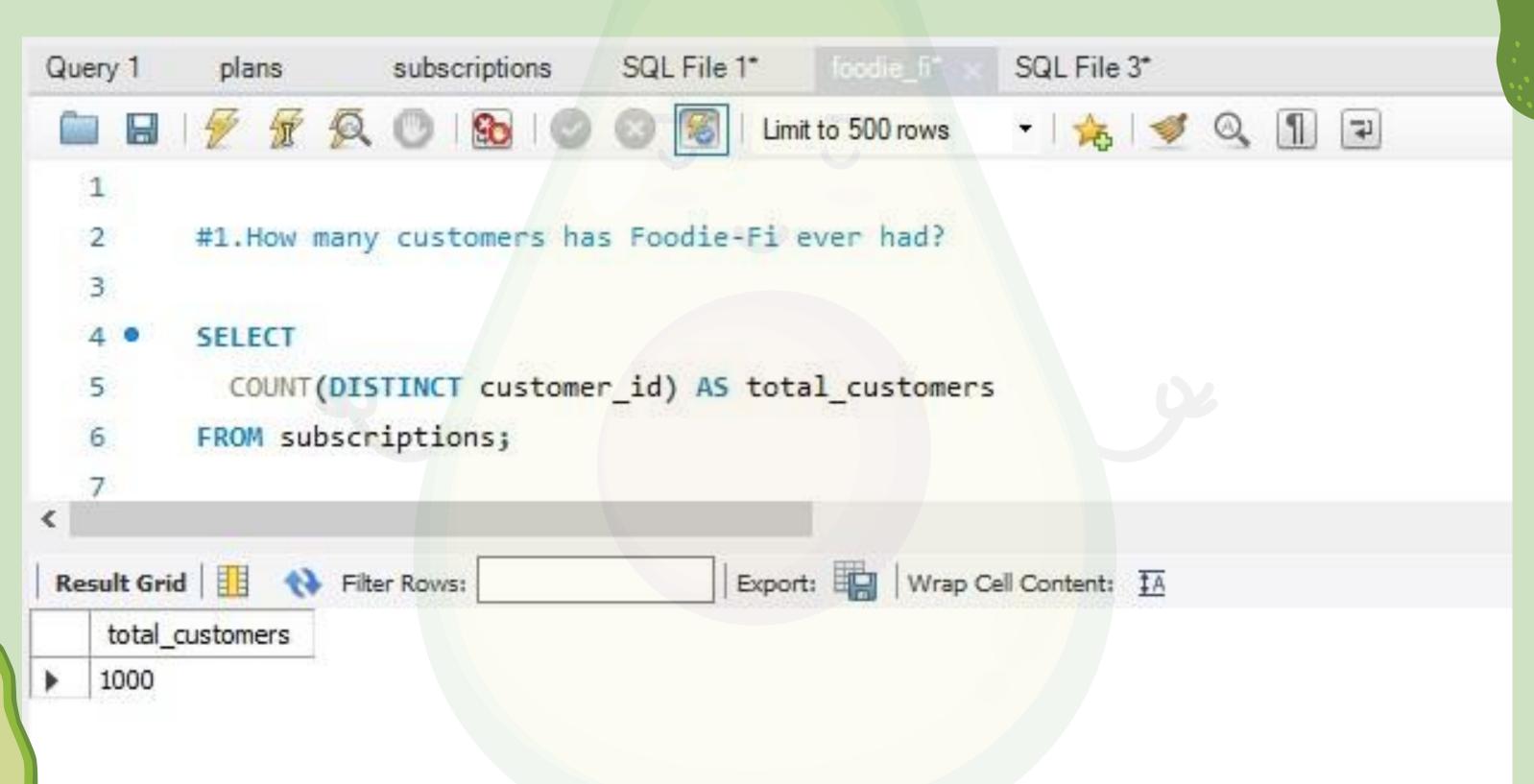
#### **B. Data Analysis Questions**

- 1. How many customers has Foodie-Fi ever had?
- What is the monthly distribution of trial plan start\_date values for our dataset use the start of the month as the group by value
- 3. What plan start\_date values occur after the year 2020 for our dataset? Show the breakdown by count of events for each plan\_name
- 4. What is the customer count and percentage of customers who have churned rounded to 1 decimal place?
- 5. How many customers have churned straight after their initial free trial what percentage is this rounded to the nearest whole number?
- 6. What is the number and percentage of customer plans after their initial free trial?
- 7. What is the customer count and percentage breakdown of all 5 plan\_name values at 2020-12-31?
- 8. How many customers have upgraded to an annual plan in 2020?
- 9. How many days on average does it take for a customer to an annual plan from the day they join Foodie-Fi?
- Can you further breakdown this average value into 30 day periods (i.e. 0-30 days, 31-60 days etc)
- 11. How many customers downgraded from a pro monthly to a basic monthly plan in 2020?

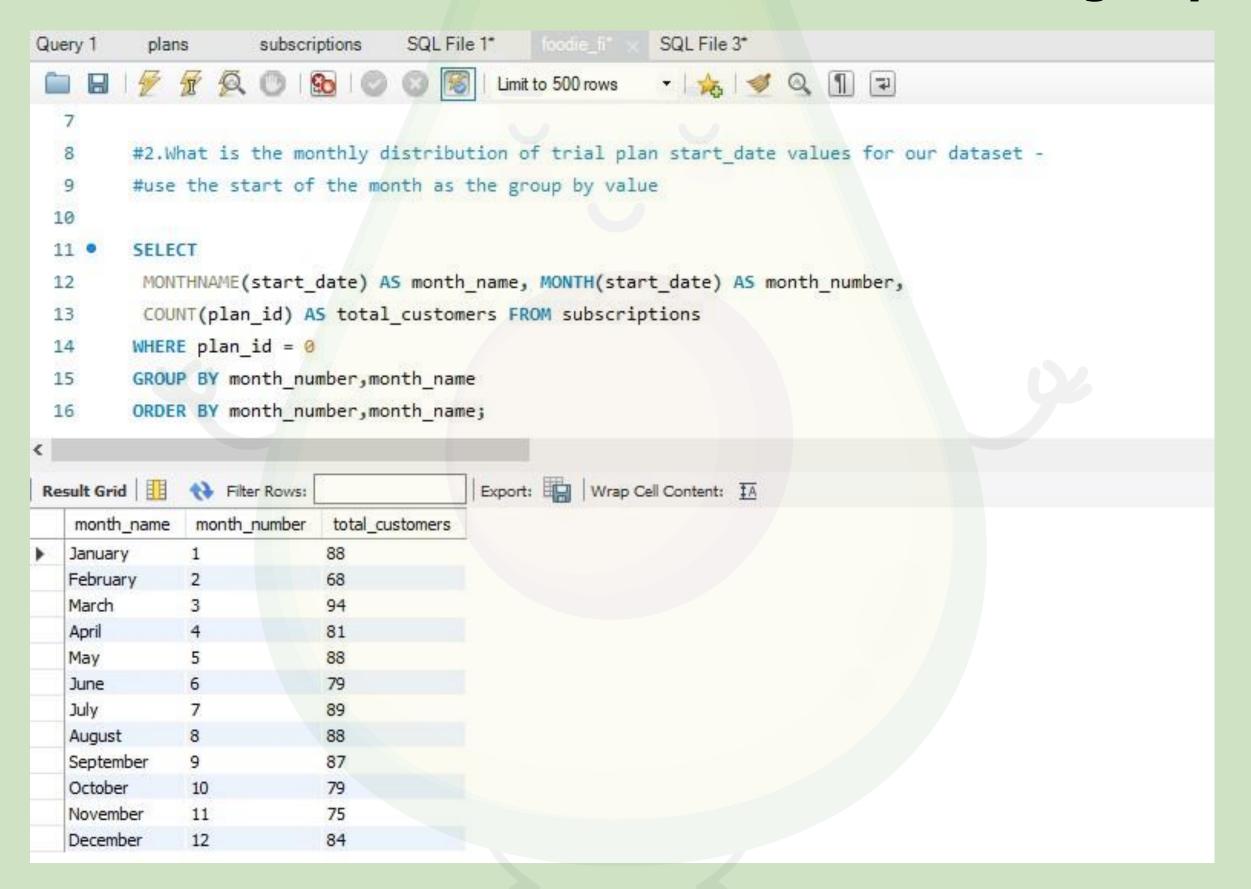


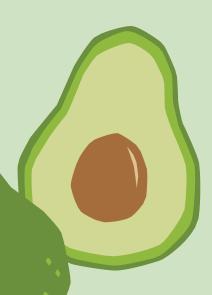


### **Question 1: How many customers has Foodie-Fi ever had?**

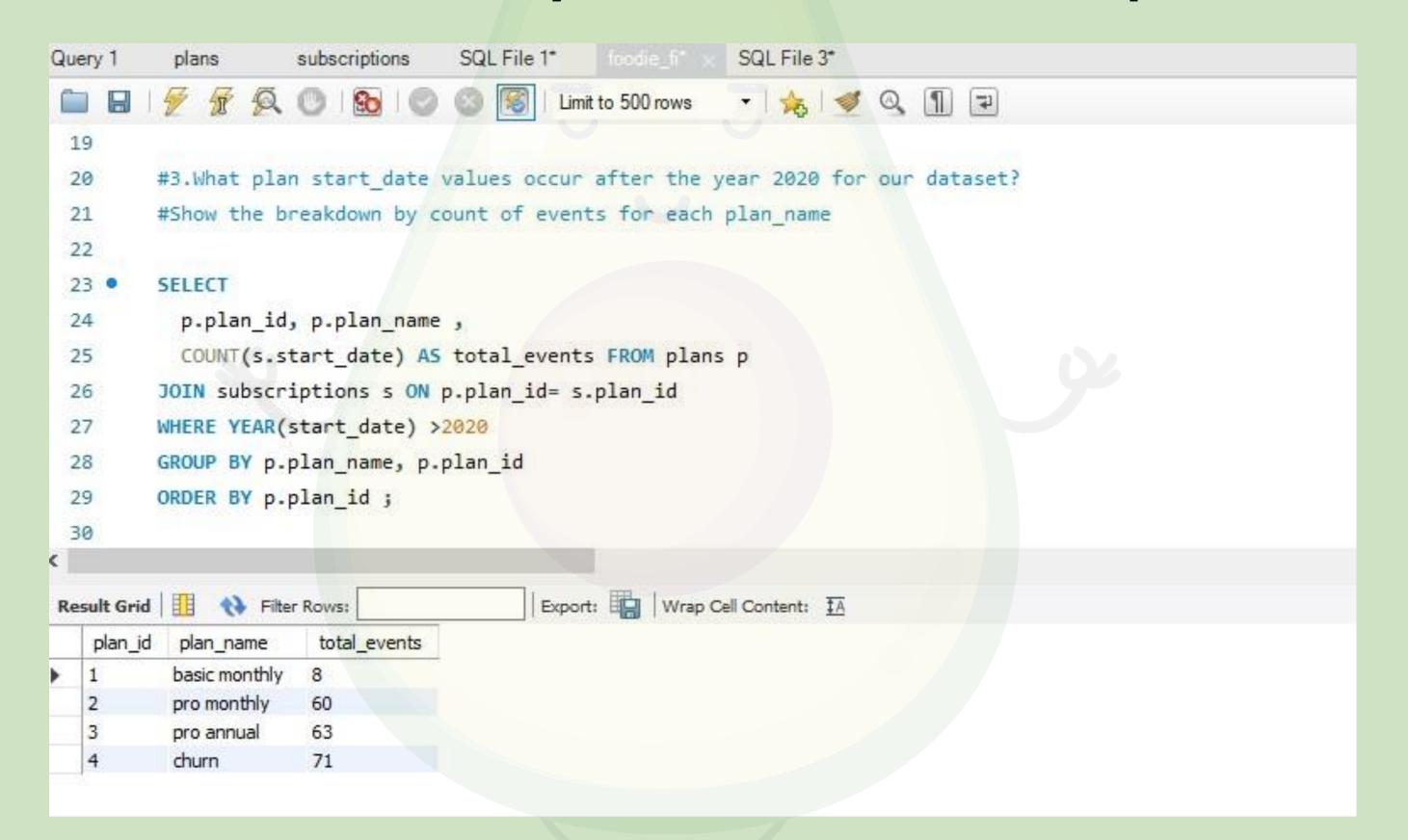


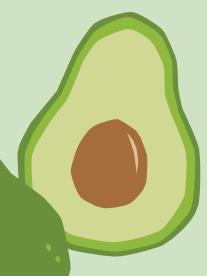
# Question 2: What is the monthly distribution of trial plan start\_date values for our dataset - use the start of the month as the group by value.



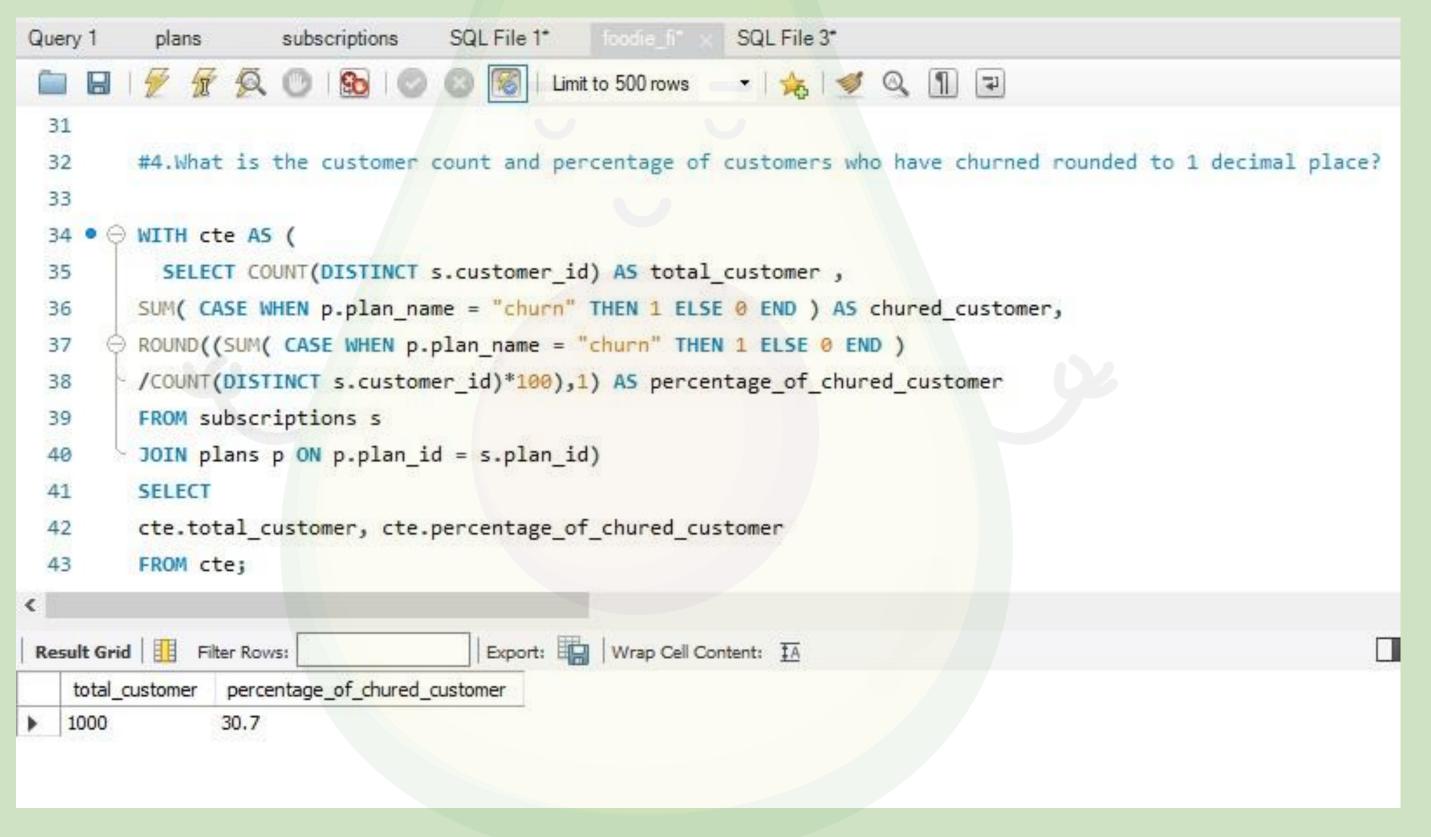


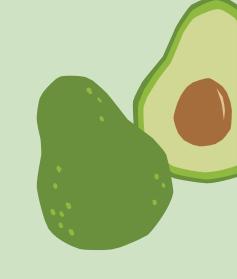
# Question 3: What plan start\_date values occur after the year 2020 for our dataset? Show the breakdown by count of events for each plan\_name.





### Question 4: What is the customer count and percentage of customers who have churned rounded to 1 decimal place?

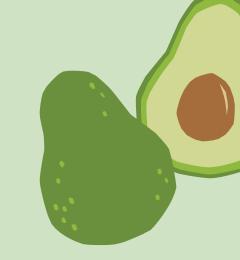


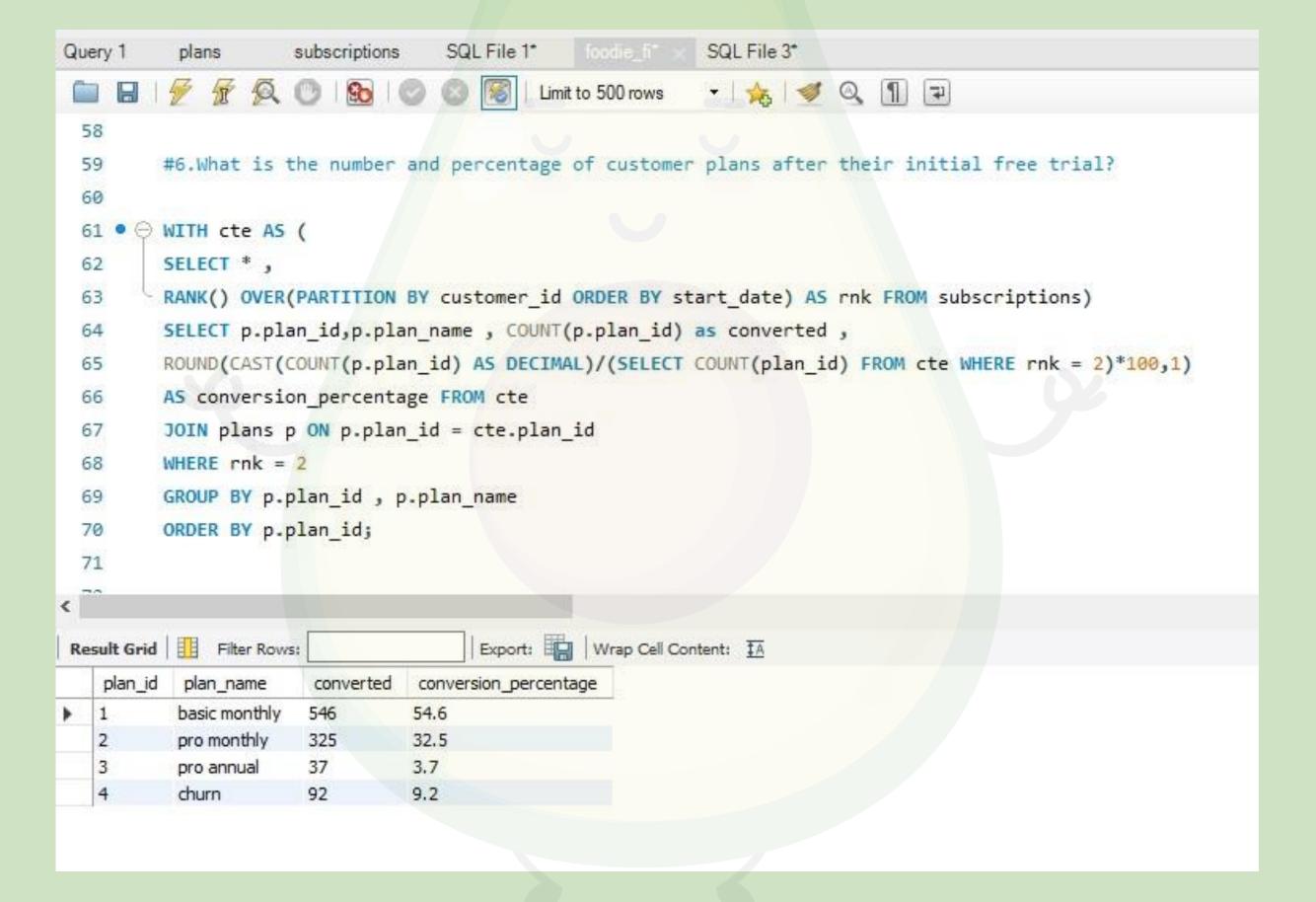


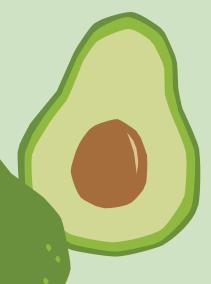
# Question 5: How many customers have churned straight after their initial free trial - what percentage is this rounded to the nearest whole number?

```
SQL File 3*
Query 1
                    subscriptions
                                 SQL File 1*
          plans
                                         Limit to 500 rows
                                                       - | 🛵 | 🥩 🔍 [1] 📦
 46
        #5. How many customers have churned straight after their initial free trial -
 47
        #what percentage is this rounded to the nearest whole number?
 48
 49
        WITH cte AS (
 50 •
        SELECT *,
 51
        RANK() OVER(PARTITION BY customer id ORDER BY start date) AS rnk
 52
        FROM subscriptions)
 53
        SELECT SUM( CASE WHEN cte.rnk =2 AND p.plan name="churn" THEN 1 ELSE 0 END) AS chured customer,
 54
      55
        COUNT(DISTINCT cte.customer id)*100,0)) AS churn percentage
 56
        FROM cte JOIN plans p ON cte.plan id = p.plan id;
 57
 58
Result Grid | Filter Rows:
                                   Export: Wrap Cell Content: $\overline{A}$
                churn_percentage
   chured_customer
  92
```

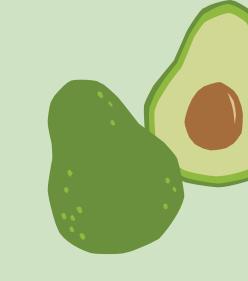
### **Question 6**: What is the number and percentage of customer plans after their initial free trial?

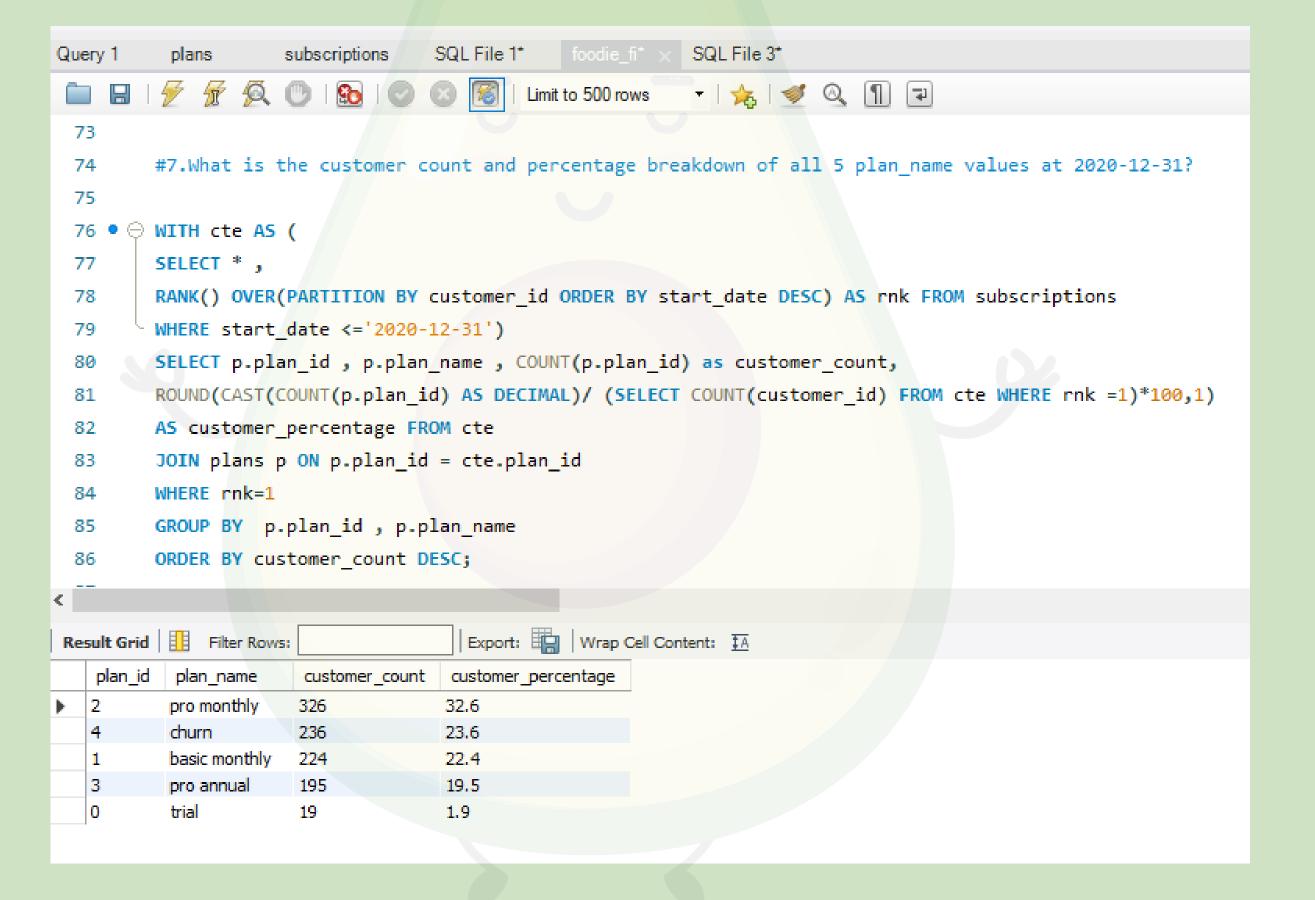


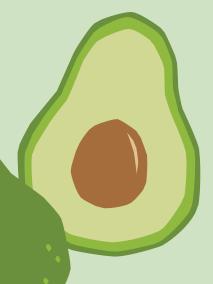




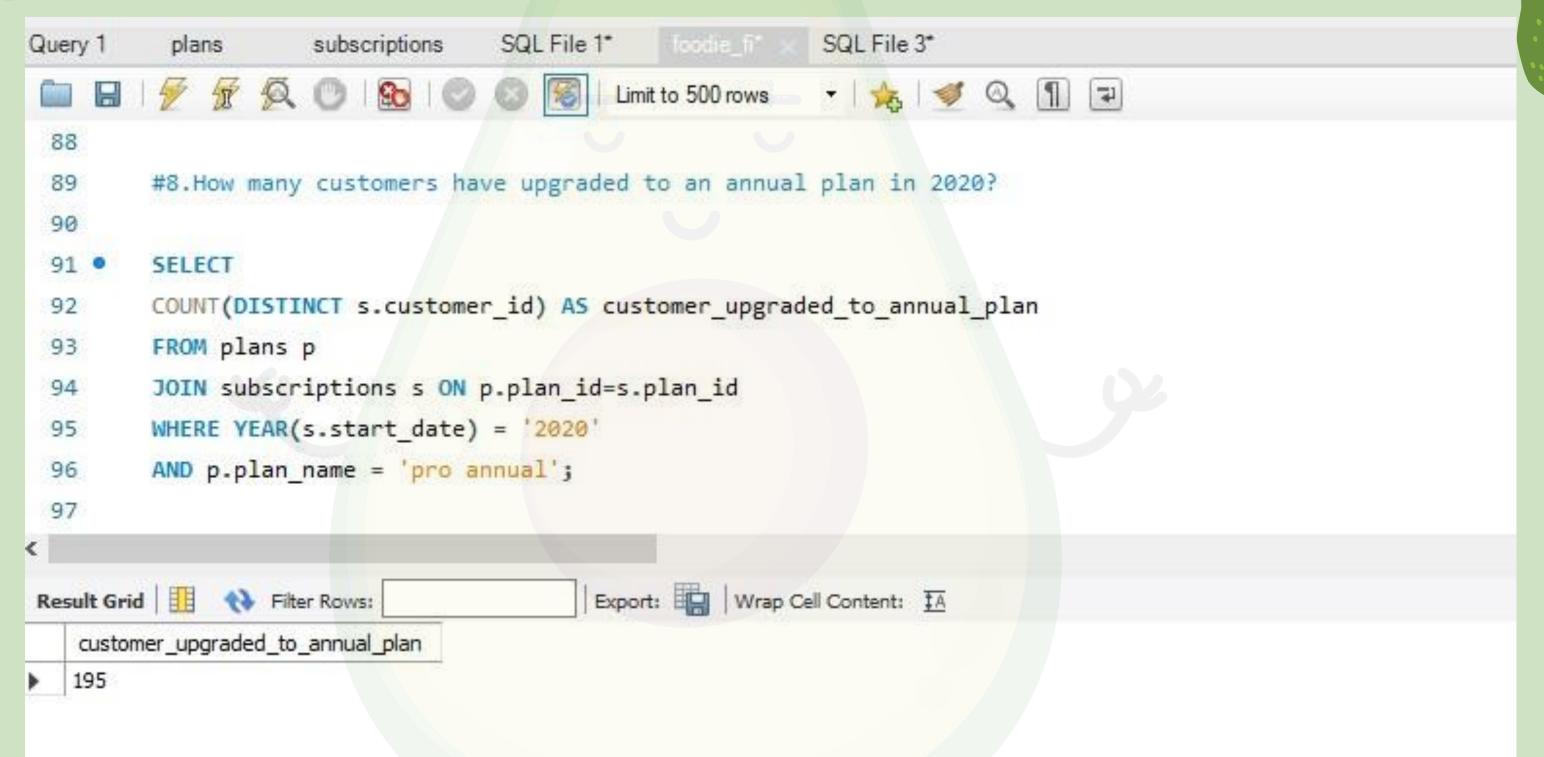
# Question 7: What is the customer count and percentage breakdown of all 5 plan\_name values at 2020-12-31?

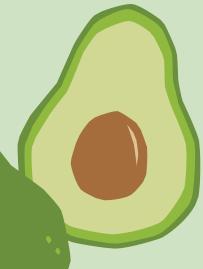






### **Question 8**: How many customers have upgraded to an annual plan in 2020?



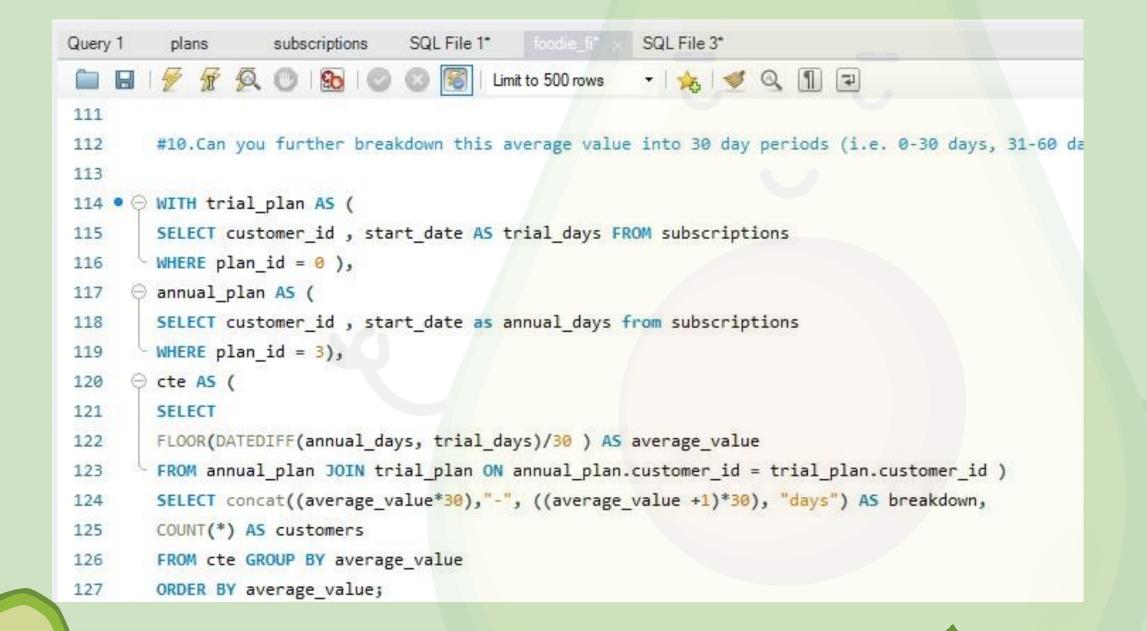


# Question 9: How many days on average does it take for a customer to an annual plan from the day they join Foodie-Fi?

```
subscriptions
                                    SQL File 1*
                                                            SQL File 3*
Query 1
           plans
                                                             - | 🏂 | 🥩 🔍 🗻 🖃
                                             Limit to 500 rows
 97
         #9. How many days on average does it take for a customer to an annual plan from the day they join Foodie-Fi?
 98
 99
100 • ⊝ WITH trial plan as (
         SELECT customer_id , start_date AS trial_days FROM subscriptions
101
         WHERE plan_id = 0 ),
102
         annual_plan AS (
103
         SELECT customer id , start date AS annual days FROM subscriptions
104
         WHERE plan id = 3)
105
         SELECT ROUND(AVG(datediff( annual days, trial days)),0) AS average days
106
         FROM annual plan
107
         JOIN trial_plan ON annual_plan.customer_id = trial_plan.customer_id ;
108
109
                                       Export: Wrap Cell Content: $\frac{1}{2}
Result Grid Filter Rows:
    average_days
105
```



### Question 10 :Can you further breakdown this average value into 30 day periods (i.e. 0-30 days, 31-60 days etc)



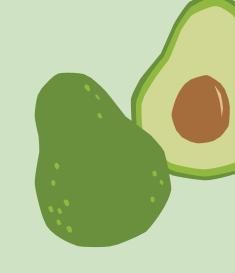
Re	sult Grid   🎚	Filter Rows:
	breakdown	customers
•	0-30days	48
	30-60days	25
	60-90days	33
	90-120days	35
	120-150days	43
	150-180days	35
	180-210days	27
	210-240days	4
	240-270days	5
	270-300days	1
	300-330days	1
	330-360days	1

# **Question 11**: How many customers downgraded from a pro monthly to a basic monthly plan in 2020?

```
SQL File 1*
                                                           SQL File 3*
Query 1
          plans
                     subscriptions
                                            Limit to 500 rows ▼ | 🎉 | 🥩 🔍 👖 🖃
128
129
130
         #11. How many customers downgraded from a pro monthly to a basic monthly plan in 2020?
131
132
         WITH cte AS(
133 •
         SELECT customer id , plan id, start date, LEAD(plan id,1)
134
         OVER(PARTITION BY customer_id ORDER BY plan_id, start_date) AS next_plan
135
         FROM subscriptions)
136
         SELECT count(DISTINCT cte.customer id) AS customer count
137
         FROM cte JOIN plans p ON p.plan id=cte.plan id
138
139
         WHERE p.plan_name = "pro monthly"
         AND cte.next plan = 1
140
         AND start date <= "2020-12-31";
141
142
Result Grid | Filter Rows:
                                      Export: Wrap Cell Content: TA
   customer_count
▶ 0
```



#### **Question 1: How would you calculate the rate of growth for Foodie-Fi?**



To calculate the rate of growth for subscription-based business (Foodie-Fi), compare the change in the number of subscribers over a specific period of time. Here's a step-by-step guide to calculating the rate of growth:

- <u>Determine the time period:</u> Decide on the specific time frame you want to analyze. It could be a month, quarter, or year, depending on the level of detail you require.
- Obtain the subscriber count: Note down the number of subscribers at the beginning and end of the selected time period. As "Subscribers\_initial" and "Subscribers\_final," respectively.
- <u>Calculate the net change in subscribers</u>: Subtract the initial subscriber count from the final subscriber count. Net Change = Subscribers\_final - Subscribers\_initial.
- <u>Determine the growth rate:</u> To calculate the growth rate, divide the net change in subscribers by the initial subscriber count and multiply by 100 to express it as a percentage.
- Interpret the growth rate: The resulting growth rate percentage represents the rate of growth for the given time period.

  A positive growth rate indicates an increase in subscribers, while a negative growth rate signifies a decrease.

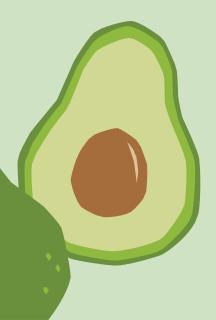
#### The formula is:

Growth Rate = (Net Change / Subscribers\_initial) \* 100.

Question 2:What key metrics would you recommend Foodie-Fi management to track over time to assess performance of their overall business?

There are several key metrics that can help assess the performance of the overall business. These metrics provide insights into different aspects of the business and can be used to monitor growth, profitability, customer satisfaction, and operational efficiency.

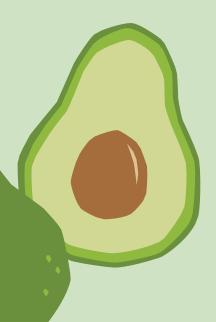
- Subscriber Count
- Churn Rate
- Average Revenue per User (ARPU)
- Customer Lifetime Value (CLV)
- Monthly Recurring Revenue (MRR)
- Customer Acquisition Cost (CAC)
- Conversion Rate
- Customer Satisfaction and Net Promoter Score (NPS)
- Operational Metrics



**Question 3:What are some key customer journeys or experiences that you would analyse further to improve customer retention?** 

To improve customer retention for Foodie-Fi, it's essential to analyze and enhance key customer journeys and experiences. Here are some customer journeys and experiences to consider for further analysis:

- Onboarding Process:
- Content Discovery and Personalization:
- Billing and Payment
- Customer Support and Issue
- Resolution Engagement and
- Communication Renewal and Upgrade
- Process Feedback and Review
- Mechanisms
   Exclusive Benefits and Loyalty Programs



Question 4: If the Foodie-Fi team were to create an exit survey shown to customers who wish to cancel their subscription, what questions would you include in the survey?

It's important to gather valuable feedback that can provide insights into the reasons for cancellation and potential areas for improvement. Here are some questions you could include in the survey:

- Reason for canceling?
- Specific features or functionalities that you found lacking?
- On a scale of 1-10?
- Did you find the user interface and overall website/app experience intuitive and user-friendly?
- Did you encounter any issues with billing or payment that contributed to your decision to cancel?

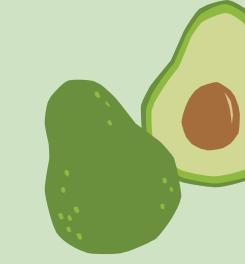


<u>Question 5</u>:What business levers could the Foodie-Fi team use to reduce the customer churn rate? How would you validate the effectiveness of your ideas?

To reduce the customer churn rate for Foodie-Fi, the team can utilize various business levers. Here are some ideas

- Enhance Content Quality and Variety
- Personalization and Recommendation Algorithms
- Improve User Experience
- Offer Exclusive Benefits and Loyalty Programs
- Proactive Customer Support
- Pricing and Subscription
- Options Re-Engagement
   Campaigns





# Thank Jow



