



# Codeflix Churn Rates

Q1 2017

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# **1. Codeflix Q1 Overview**

# Codeflix Q1 Overview

Codeflix launched in December, 2016 and has been steadily growing for **four months**.

- **570** subscriptions acquired during the first month of operation (December 2016)
- **1247** active users as of March 2017 (approx. 54% increase from December through March)
- We currently have data to calculate churn rates for **three months** of operations (*due to the 1 month minimum-subscription policy churn rates cannot be calculated for the month of December, 2016*)

## **2. Segments and Churn Rates**

# 1.1 Segments

Users are acquired from two unique market segments, referred to as “**Segment 87**” and “**Segment 30**”

- Through March 2017 Codeflix has **1247** active users from both marketing channels

March Active Users - Segment 30	March Active Users - Segment 87	Total Active Users - March 2017
716	531	1247

Query for identifying total **active** users for segment 30 in March, 2016 (see SQL file for full code and temporary tables)

(...)

```
SELECT month, active_30
FROM status_aggregate
GROUP BY month;
```

Query for identifying total **active** users for segment 87 in March, 2016 (see SQL file for full code and temporary tables)

(...)

```
SELECT month, active_87
FROM status_aggregate
GROUP BY month;
```

## 1.2 Churn Rate - Segment 30

The table below lists the overall churn rates by month for Segment 30 (rounded to the nearest hundredth) during the period from January, 2017 through March, 2017

- Despite seeing a small reduction in February, the churn rate for Segment 30 nearly doubled (approx. 49.9%) from January, 2017 through March, 2017.

month	churn_rate_30
2017-01-01	0.08
2017-02-01	0.07
2017-03-01	0.12

Churn rate query for segment 30 (see SQL file for full code and temporary tables)

(...)

```
SELECT
    month,
    ROUND(1.0 * canceled_30/active_30, 2) AS
    churn_rate_30
FROM status_aggregate;
```

## 1.3 Churn Rate - Segment 87

The table below lists the overall churn rates by month for Segment 87 (rounded to the nearest hundredth) during the period from January, 2017 through March, 2017

- The churn rate for Segment 87 has increased at an alarming rate from .25% in January to .49% in March, an approx. 96% increase.

month	churn_rate_87
2017-01-01	0.25
2017-02-01	0.32
2017-03-01	0.49

Churn rate query for segment 30 (see SQL file for full code and temporary tables)

(...)

```
SELECT
    month,
    ROUND(1.0 * canceled_87/active_87, 2) AS
    churn_rate_87
FROM status_aggregate;
```



# **3. Final Analysis**

# Churn Rate - Final Analysis

Our evidence reveals that Segment 30 has the lower churn rate. Due to a substantial increase in churn rate for Segment 87, it is recommended that Codeflix focuses future efforts on the Segment 30 marketing channel.

Churn Rate Increase - Segment 87	Churn Rate Increase - Segment 30
96%	49.9%