



CodeFlix: Churn Rates

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1.1

How many months has the company been operating?

Codeflix company operated four months before the management asked for the churn rates.

1.2

Which months do you have enough information to calculate a churn rate?

*With the information provided we should be able to calculate churn rate for 3 months of 2017.
We can't calculate it for December 2016, since there are no subscription end values yet)*

1.3

What segments of users exist?

There are two existing segments:

- Segment 87*
- Segment 30*

2.

What is the overall churn trend since the company started?

The company's churn rate has a tendency of increasing month by month.

If the company keeps the churn low, they will have less cancelations, hence it will trigger higher benefits.

3.1.

Compare the churn rates between user segments.

In January 2017 churn rate is higher for segment 87

- 0.161687170474517 instead of segment 30 0.0529344073647871, therefore we have more cancellations for segment 87.

For February we have higher churn rate for both segments, segment 87 slightly increased instead of January 0.189795918367347, for segment 30 churn rate increased to 0.100758396533044 % and there's a huge difference between the previous month churn rate.

For March we have more cancellations and churn rate is increasing.

For Segment 87 we have churn rate 0.274258219727346 and segment 30 hit the highest rate 0.2 comparing with previous months.

Furthermore, we have higher rate for segment 87 against segment 30, hence we have more cancellations for segment 87.

**Please see the example from the analysis on the following slide.*

*Below is the churn rate for segment 87 and segment 30
in the first 3 months of 2017*

column1	column2	column3	
month	churn_rate_87	churn_rate_30	
2017-01-01	0.161687170474517	0.0529344073647871	
2017-02-01	0.189795918367347	0.100758396533044	
2017-03-01	0.274258219727346	0.2	

3.2.

Which segment of users should the company focus on expanding?

As per previous analysis, we noticed we have higher churn rate for segment 87 then 30.

We should concentrate on both segments but our priority should be segment 87 because we have higher churn rate(more cancelations).

As the rate is higher we can work to decrease this percentage and have more subscriptions in the next months.