



# DATABLITZ<sup>Q</sup>™

## APRIL 13–14, 2023



EMORY  
UNIVERSITY

Department of Quantitative  
Theory and Methods

**DataThink: Better Business Bureau**



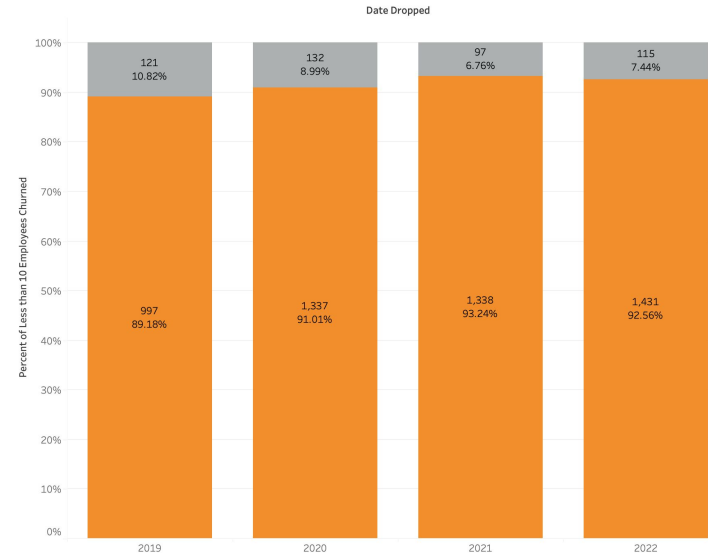
## Project Strategic Vision

- The goal of this project is to perform an analysis on **Membership data from BBB's Interactive Blue system** and **deliver insights** & recommendations focused on **reducing cancellations**.
- Final deliverables include:
  - This presentation of insights and recommendations
  - A Tableau-based data product allowing BBB to more easily analyze the data we used to come to our conclusions

# Insights

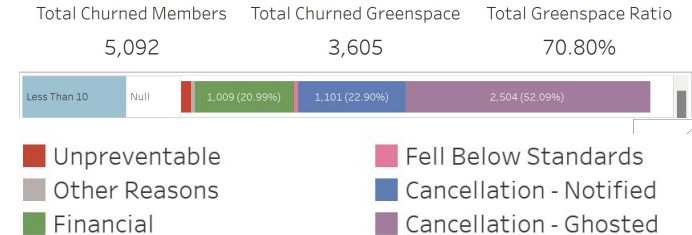
## Low-Employee Count Churn Rate

- Majority of churned customers come from companies with 10 or less employees
- 2019: 89.18%, 2020: 91.01%, 2021: 93.24%, 2022: 92.56%



## Preventable Churn

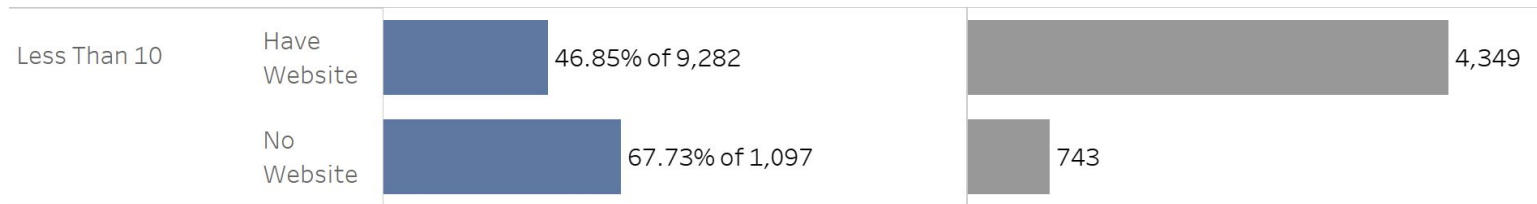
- We grouped together different churn reasons in order to better analyze patterns in churn.
- Cancellations (notified or ghosted) are considered to be “preventable”.
- The ratio of preventable churn reasons is what we are assuming to be our “Greenspace” for churn reduction
- 70% of all 1-10 Employee Churn are for preventable reasons, but 52% of this churn (3/4th of preventable churn) are from former customers that “Ghost” BBB





## No Website, No Retention

- It is well known that BBB customers without a website are far more likely to churn than those that do.
- 96% of churned companies without a website are companies with less than 10 employees

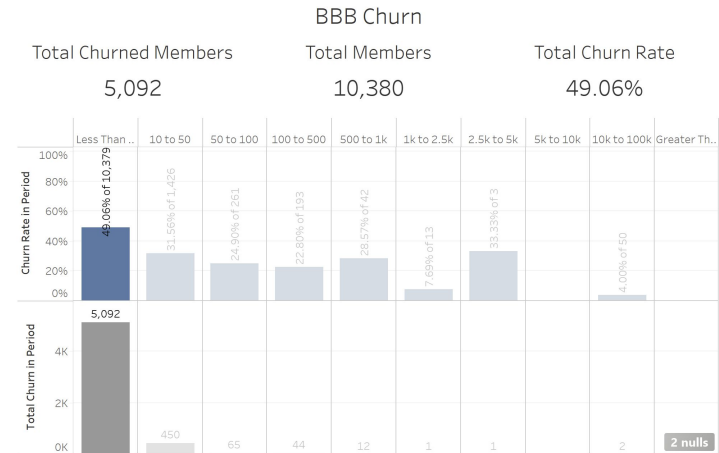


## Low-Employee Count Churn Rate

- Within the 4 year period we analyzed, half of all businesses under 10 employees churned.
- It is clear that any progress in decreasing churn is going to come down to increasing retention with companies less than 10 employees.

### RECOMMENDATION:

- Look for subsections with less than 10 employees with strong indicators of intention to focus retention team on

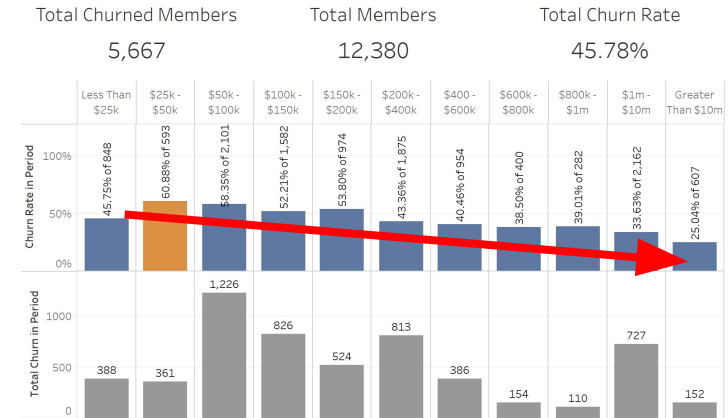






## Annual Revenue Is Sticky

- Unlike Employee Count where churn is uniquely centralized in companies with 10 employees or less, churn is more evenly distributed across various bands of annual revenue.
- Churn peaks for companies with between \$25k-50k in annual revenue and then gradually falls. Only 25% of companies with more than \$10m annual revenue churn.

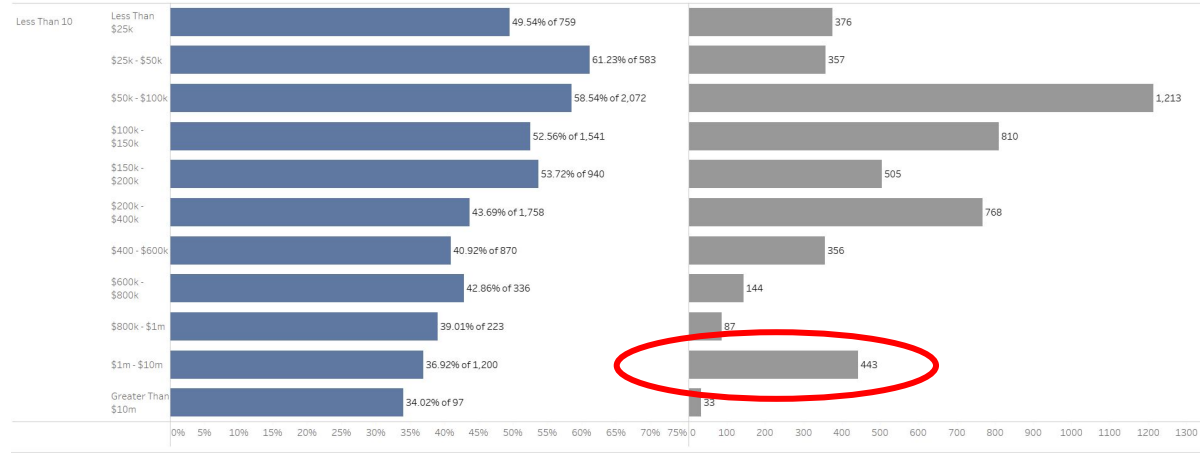






## Annual Revenue Is Sticky

- There is a large cluster of companies with less than 10 employees but greater than \$1m in annual revenue that churn



**RECOMMENDATION:** Focus the retention team on companies with Less than 10 Employees and greater than \$1m in annual revenue. These business owners are likely already used to “white glove” service and will be more responsive to direct attention.

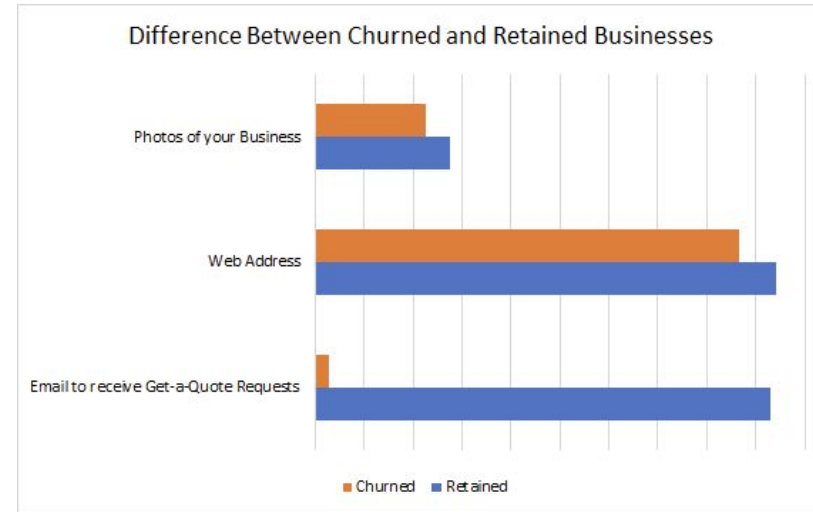


## Emails to Receive Get-A-Quote Requests

- The Email to receive Get-A-Quote Request is one of the key features of the BBB Membership to help accredited businesses gain exposure.
- Just 2.77% of businesses who churned had this email, compared to 93.10% of retained accredited businesses.
- Nearly all companies have a public email, at least 98% for both accredited and dropped.

### RECOMMENDATION:

- Emphasize an Email to receive Get-A-Quote Requests over other factors.
  - Make it part of onboarding
  - Make automated email to fill in



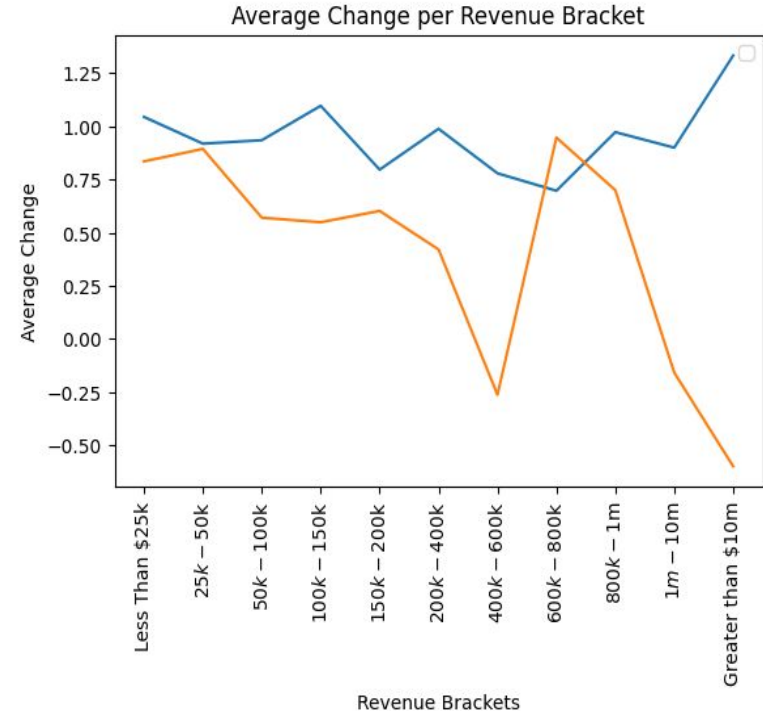


## Rating Change Churn

- Companies who have churned tend to have lower change in their rating.
- Companies who are smaller experience this to a greater extent
- In the graph the Churned line, which is orange, is almost always lower in rating change

### RECOMMENDATION:

- Focus on informing smaller companies about the benefits in order to give them reassurance



# Lessons Learned



## BBB Project Takeaway: Richard Jensen

- Real-world data can be messy and difficult to interpret
- It is easy to get stuck going down a rabbit hole topic that will never come to fruition instead of looking at the bigger picture
- Use the data to drive conclusions instead of molding the data to fit your own hypothesis; do not work backwards



## BBB Project Takeaway: James Park

- First time participating in a data science project
- Wonderful working with like-minded peers and a great advisor
- Learned the process of finding, analyzing, and even altering insights: had to change from looking into websites to checking employee count



## BBB Project Takeaway: Juan Orozco Diaz

- Importance of attempting and failing.
- Allowed me to learn the process of data analysis and how to reach a conclusion.
- Learned my strengths and weaknesses.





## BBB Project Takeaway: Manny Bettencourt

- I was able to apply what I learned in class quite nicely by expanding on particular subjects
- One thing that I had trouble with is finding the right story to tell and how to tell it.
- One of the things that I found easier to do was the actual coding of the project.

Questions?

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