What *churn rate* tells us about opportunities to increase revenue

The data at hand
- *transaction information*

customer id

transaction type

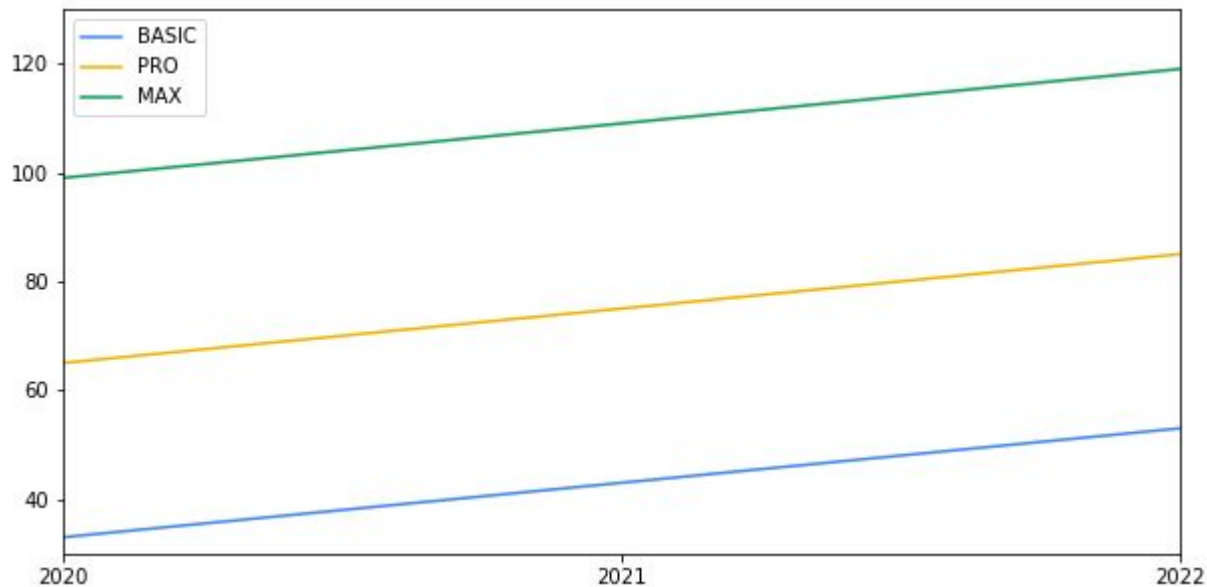transaction date

subscription type

subscription price

customer gender

age group

referral type

The data at hand
- *subscription prices*

What is our goal?
Find means to increase revenue.

What is our goal?
Find means to increase revenue

Possible ways to achieve this
- Increase subscription costs?

- Focus on higher tier subscriptions?

- Focus on lower tier subscriptions?

Customers vote with their wallets

Customers vote with their wallets

Satisfied customers will likely recommend the product to others, and most importantly: they will stay subscribed
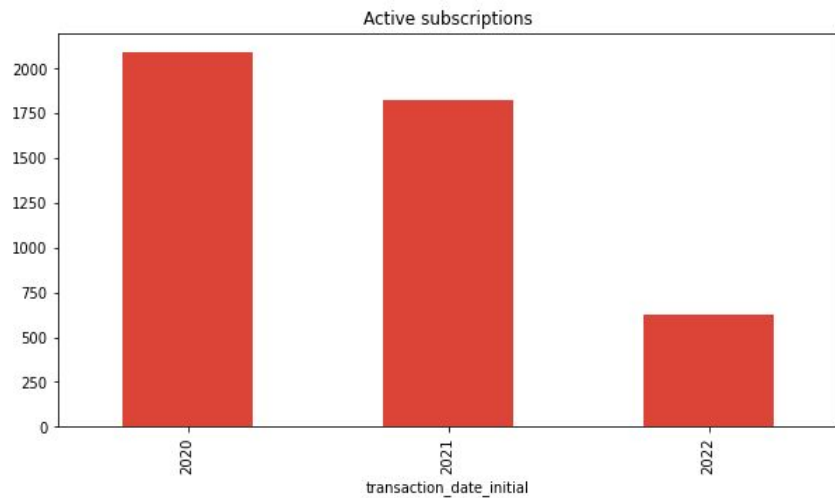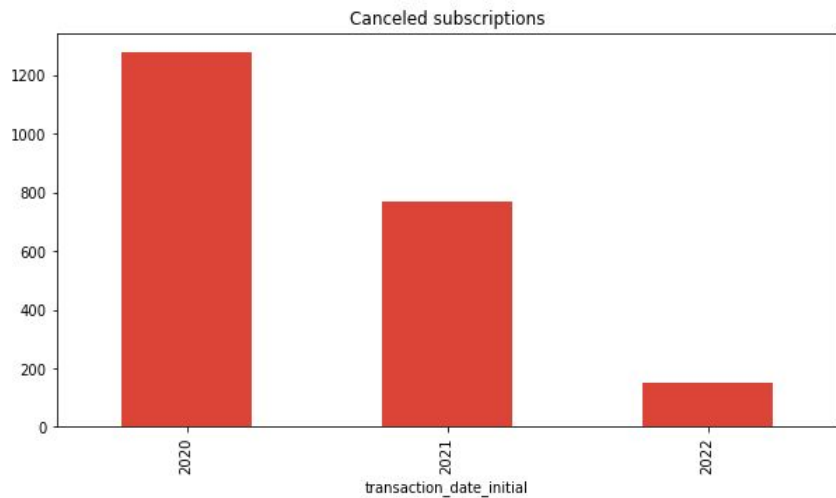
Considering all transactions

transaction_type	number
initial	10366
UPGRADE	3006
REDUCTION	2539
CHURN	2195
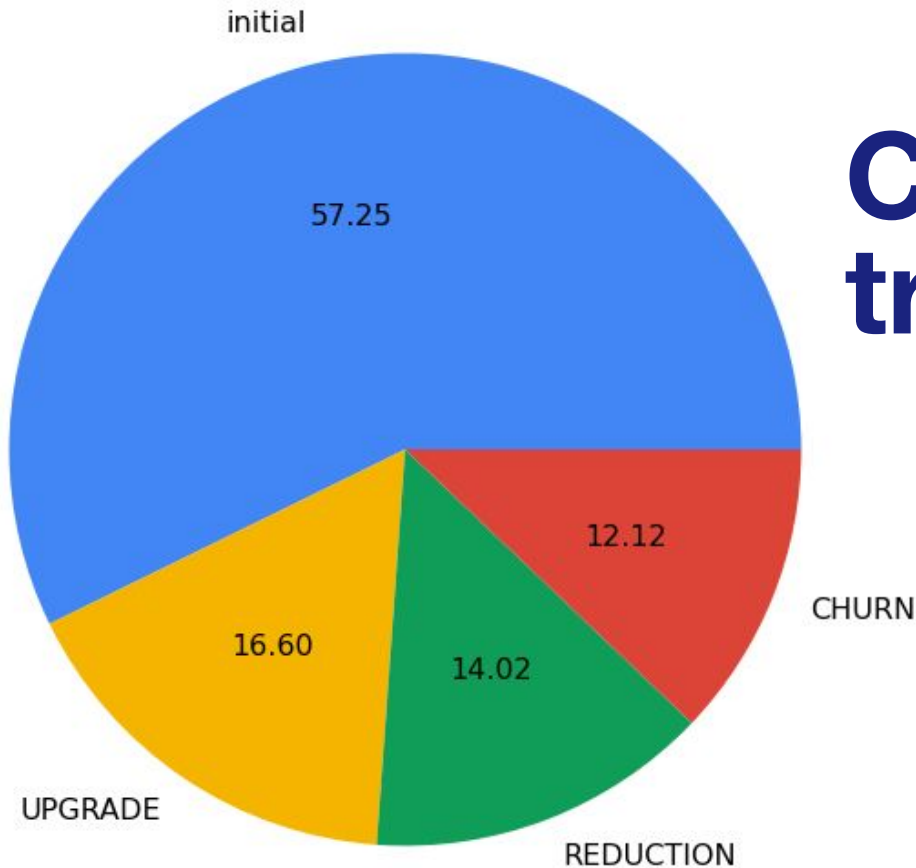
Splitting the data

8314 active subscribers

2052 non-subscribers

When did they subscribe?

Subscription length

Active subscriptions: *785 days*

Subscription length

Active subscriptions: *785 days*

Canceled subscriptions: *331 days*
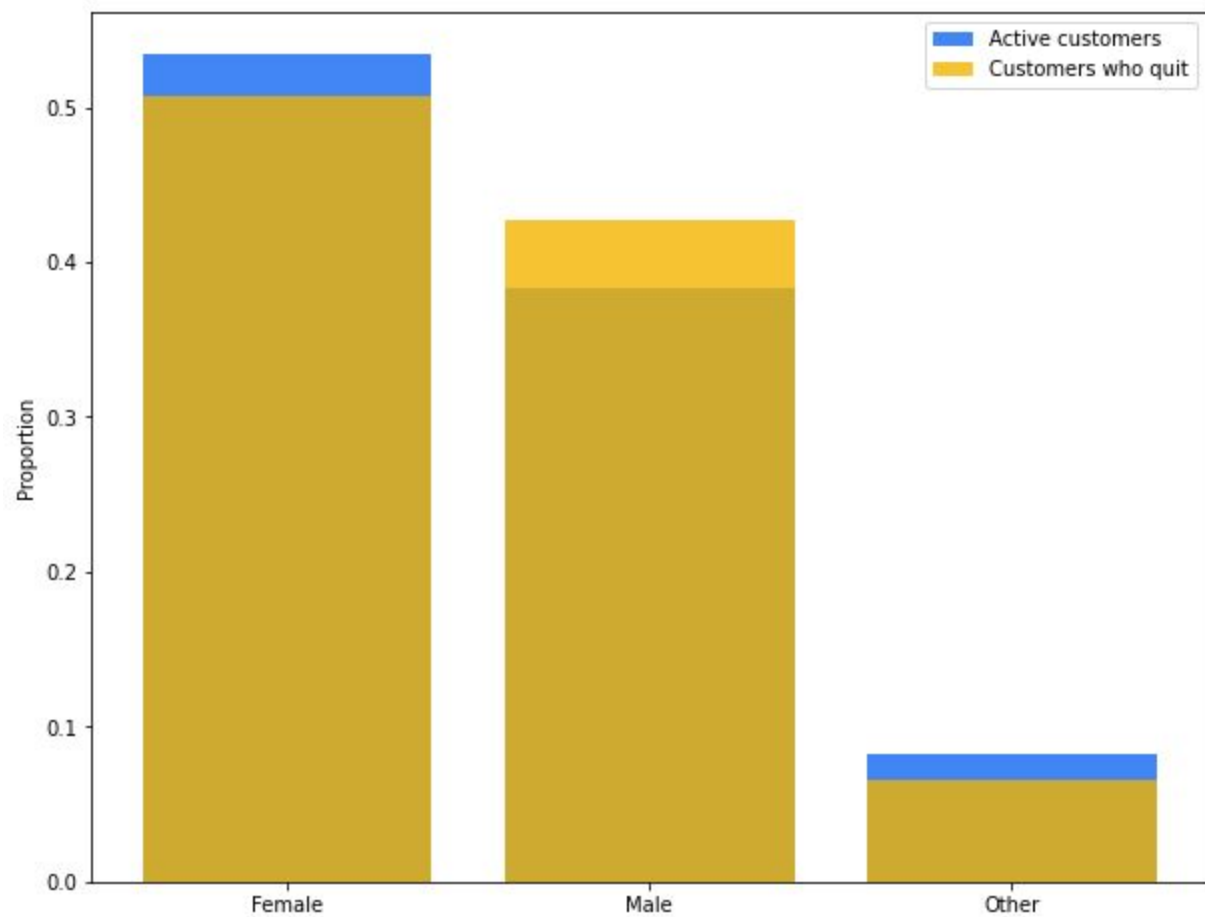
Initial cost

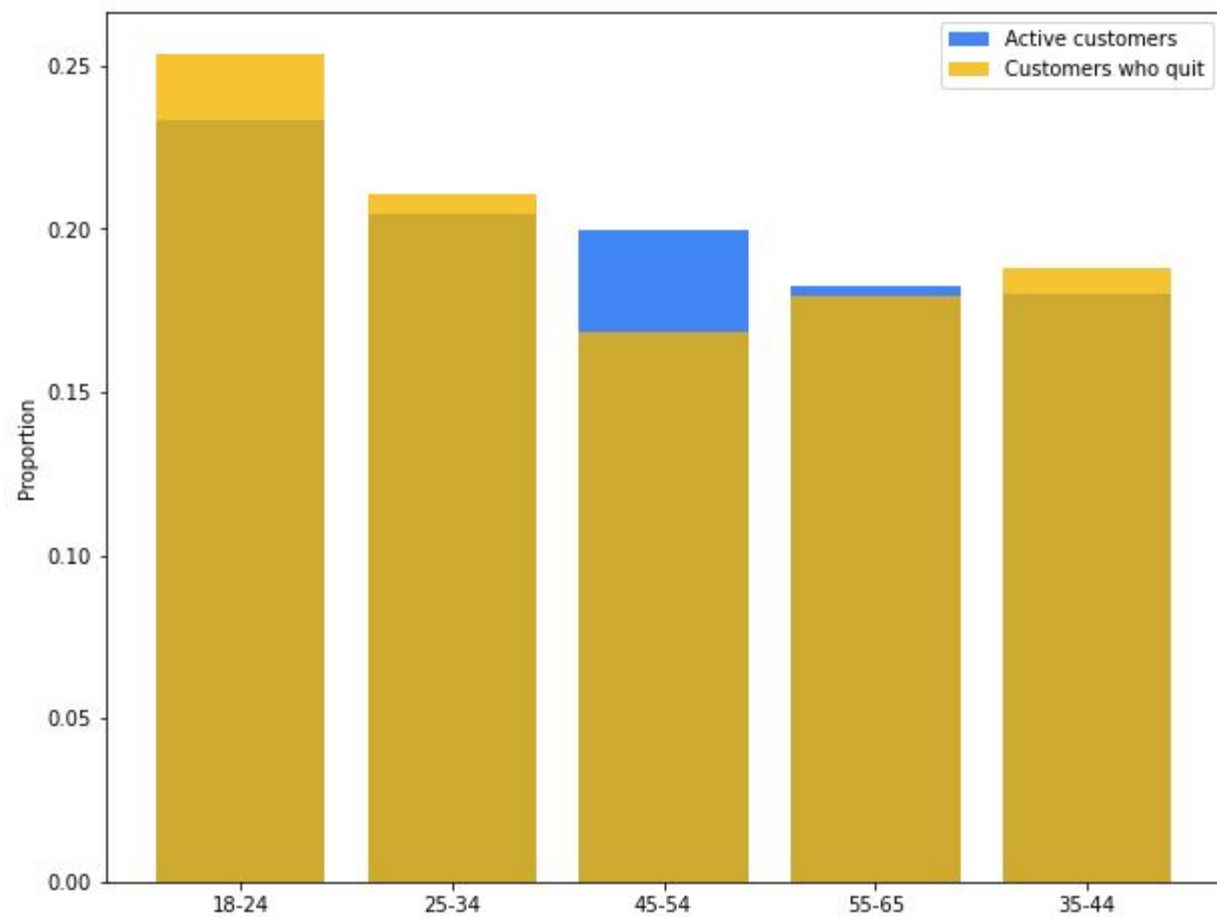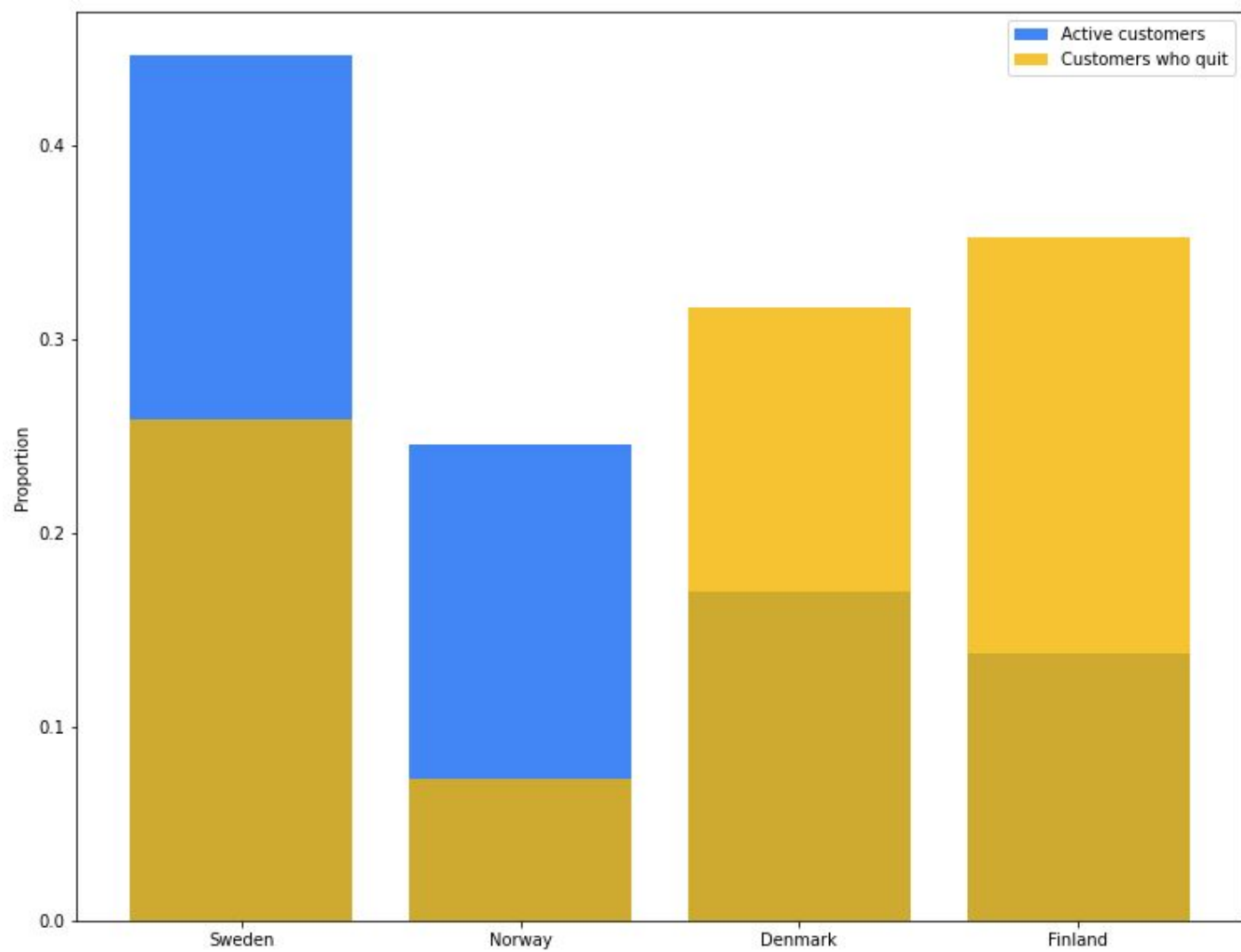Active subscriptions: **73**

Canceled subscriptions: **51**

Current/final cost

Active subscriptions: *81*

Canceled subscriptions: *70*

Denmark

Initial subscription type

Finland ➕

Initial subscription type

Remember this?

Initial cost
(for whole dataset)

Active subscriptions: *73*
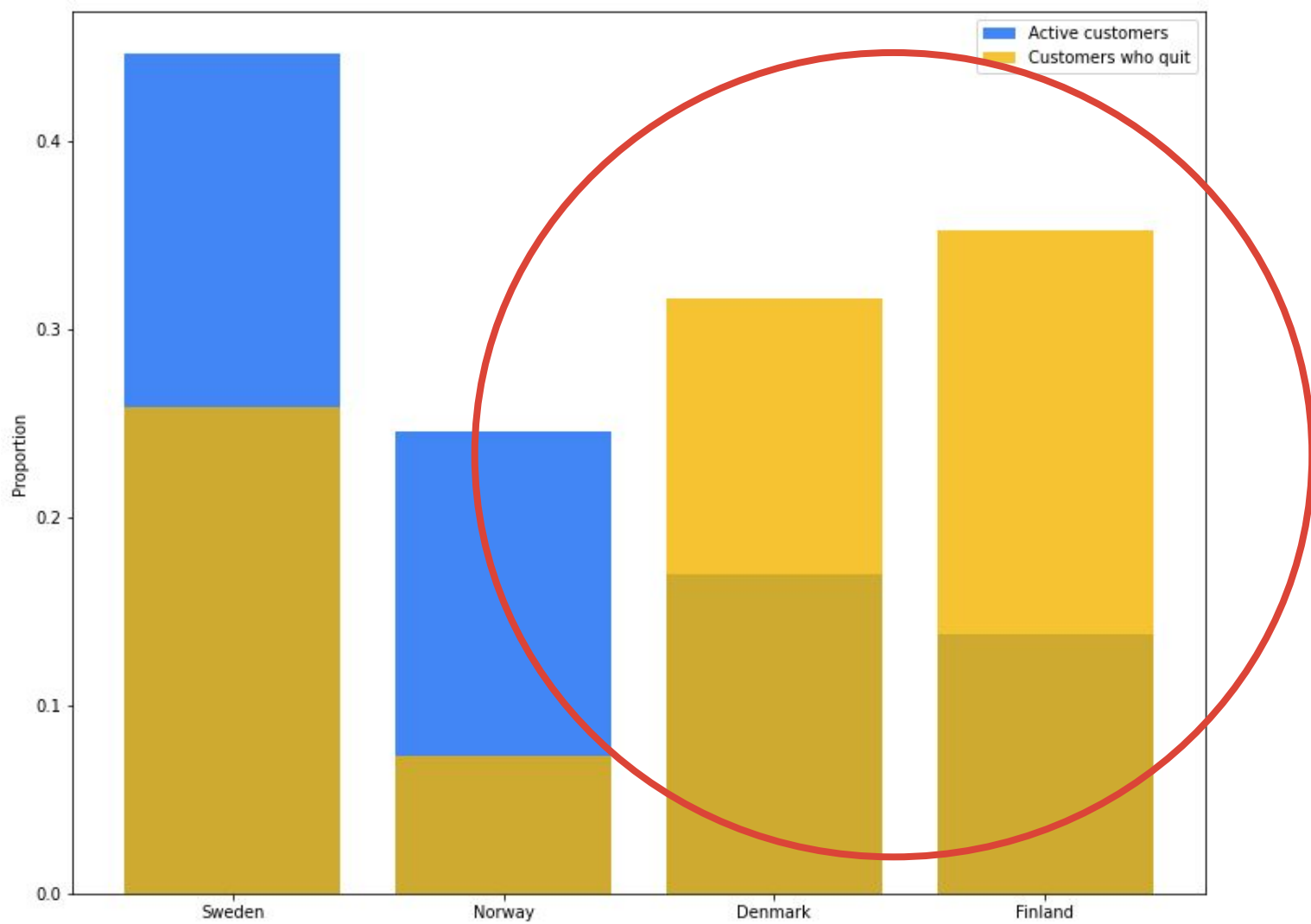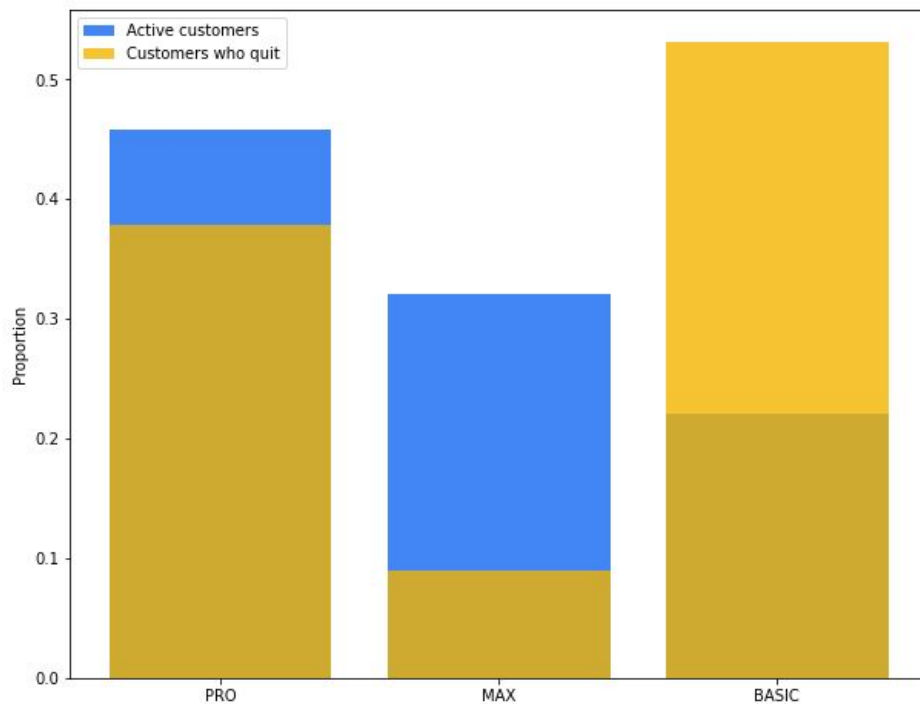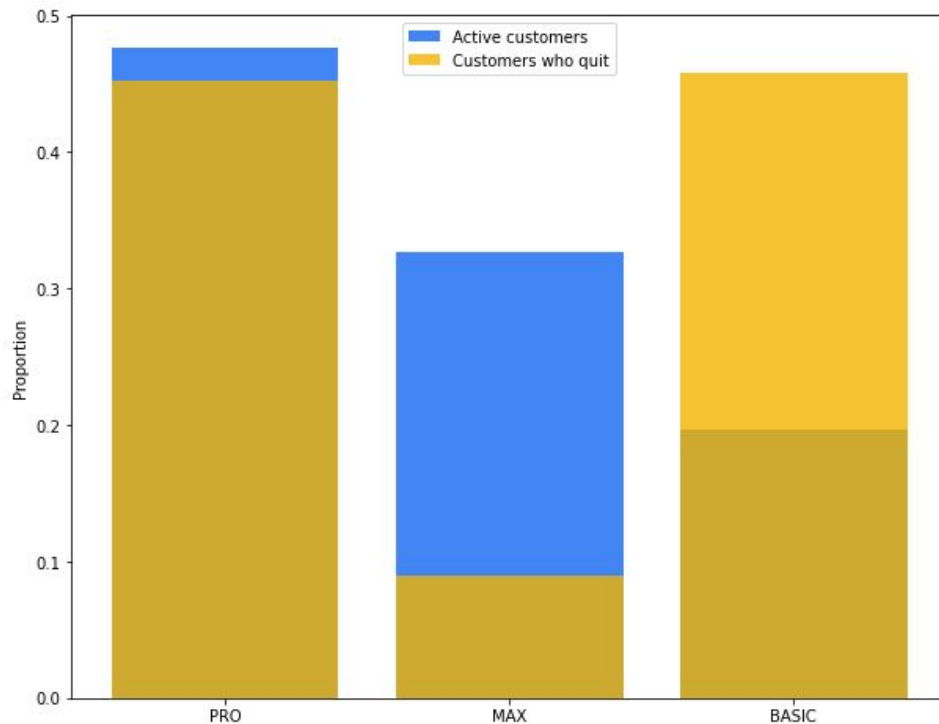
Canceled subscriptions: *51*

Current/final cost
(for whole dataset)

Active subscriptions: *81*

Canceled subscriptions: *70*

Conclusions

-   **Focus on retention in Denmark and Finland**

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- **Surprising: customers that pay more are more satisfied?**

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- *Examine further:*

    - **Is anything making it difficult to continue a subscription?**

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Conclusions

- Focus on retention in Denmark and Finland

- Surprising: customers that pay more are more satisfied?

- *Examine further:*

  - Is anything making it difficult to continue a subscription?

  - What causes someone to choose MAX or PRO initially?

  - **Is increasing benefits of basic subscription needed?**

Thank you