

Capstone: Codeflix Churn Rates

Learn SQL from Scratch

Matt Merenich





Table of Contents

The following slides will review Codeflix, a video streaming service, and their churn rate for the first three months of 2017. Points to be addressed:

1. Becoming familiar with the company
 - a. How many months has Codeflix been in business?
 - b. Which months are we able to pull churn for? What are the segments?
2. What is the overall churn trend?
3. Segments: which segment should the company turn its focus to?

Codeflix

Introduction to the data





Becoming familiar

Based on the data:

- Codeflix started taking subscriptions on 12/01/2016
- Minimum requirement for subscriptions is 1 month
 - Because of this, analysis can only be done for January, February, and March of 2017 (December 2016 contains no cancelations)
- There are 2 segments: 87 and 30

id	subscription_start	subscription_end	segment
1	2016-12-01	2017-02-01	87
2	2016-12-01	2017-01-24	87
3	2016-12-01	2017-03-07	87
4	2016-12-01	2017-02-12	87
5	2016-12-01	2017-03-09	87
6	2016-12-01	2017-01-19	87
7	2016-12-01	2017-02-03	87
8	2016-12-01	2017-03-02	87
9	2016-12-01	2017-02-17	87
10	2016-12-01	2017-01-01	87
11	2016-12-01	2017-01-17	87
12	2016-12-01	2017-02-07	87
13	2016-12-01		30
14	2016-12-01	2017-03-07	30
15	2016-12-01	2017-02-22	30
16	2016-12-01		30
17	2016-12-01		30

Codeflix's Churn

A look at 3 months of data





Overall Trend

A quick 3-month analysis shows total churn rate growing

- As the goal would be to keep churn rates down, we'll need to drill down to the segments to see if there is a way to lower these rates

month	sum(is_active)	sum(is_canceled)	churn_rate
2017-01-01	569	92	0.162
2017-02-01	980	186	0.189
2017-03-01	1247	342	0.274



Segments' Churn

To review, there are 2 segments of users in the data: 87 and 30

When we split out the segments and look at the churn, it's easy to see the difference

- Churn rate for segment 87 is growing, and at a rapid rate
- Segment 30 dipped from January to February, then grew in March

month	churn_rate_87	churn_rate_30
2017-01-01	0.2518	0.0756
2017-02-01	0.3203	0.0734
2017-03-01	0.4859	0.1173

Review





Recommendation for Codeflix

Overall analysis shows a trend of an increasing churn

Breaking out between customer segments, segment 87 showed increasing churn rates - driving the overall trend - while segment 30 stayed consistently low

In order to reverse this, I recommend a marketing strategy to hone in on customers from segment 30