Calculating Free-to-Paid Conversion Rate with SQL

Dataset Source: 365DataScience

Tools: MySQL.





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EXECUTIVE SUMMARY

This project analyzes the student funnel of an edtech platform using SQL.

The funnel tracks three stages per student:

- (1) Registration,
- (2) First Engagement (first lecture watched), and
- (3) First Purchase (first paid subscription).

Key Results (from SQL):

- Total registered students: 40,979
- Engaged (at least one watch): 20,778 (≈50.70% of registrants)
- Engaged cohort used for conversion (watch date ≤ purchase date or no purchase): 20,255 (sanity-check passes)
- Unique purchasers (overall): 3,138 (≈7.66% of registrants)
- Free→Paid conversion among engaged cohort: 11.3% (= 2,286 / 20,255) (only who purchased after engangement)
- Avg. days: Registration → First Watch: 3.42
- Avg. days: First Watch → First Purchase: 26.25

Notable drop-offs & anomalies:

- Registered but never engaged: 20,201
- Engaged but never purchased: 17,969
- Purchased with no recorded engagement: 329 (possible data logging gaps or atypical flow)

OBJECTIVE & BUSINESS QUESTIONS

The platform wants to understand how students progress from registering to engaging with content and eventually purchasing a subscription. The analysis seeks to:

- Quantify drop-offs at each stage of the funnel.
- Measure the conversion from engagement to paid.
- Estimate time-to-first-watch and time-to-purchase.
- Provide actionable insights to improve onboarding, engagement, and monetization.

(7

Please visit the github url for complete project detail:

https://github.com/payalgupta02/Calculating-Free-to-Paid-Conversion-Rate-with-Mysgl

PROCESS

Dataset downloaded as zip folder 'project-files-calculatingfree-to-paid-conversion-rate-with-sql' from 365DataScience extracted the folder imported the .sql file to MySQL Workbench & ran the script Script created a schema: One Database & Three tables `db course conversions`: Table 1: Table 2: *Table 3:* student_info student_engagement student_purchases did the exploration, transformation & manipulation using the MySQL query & created the student_master by joining (left join) all the tables & adding user-defined and required columns. Created a student_master_eng — subset of student_master keeping only students who watched at least once and, if they purchased, did so on/after their first watch. (This is the cohort for conversion.) Did all the analytics & aggregation to get the desired results/metrics.

Why filter by order? The project requires purchase to occur on/after first watch. Students who purchased first and watched later are excluded from the conversion cohort.

SQL PREPARATION

• Master Table Creation - Joining all the three tables with respect to the student_id column:

```
Create table student master
as
select
i.student id,
i.date_registered,
min(e.date_watched) as First_date_watched,
min(p.date_purchased) as First_date_purchased,
datediff(min(e.date_watched),i.date_registered) as Date_diff_reg_watched,
datediff(min(p.date_purchased),min(e.date_watched)) as Date_diff_watch_purchase
from student_info i
left join student_engagement e
on i.student_id = e.student_id
left join student_purchases p
on i.student_id = p.student_id
group by i.student_id, i.date_registered;
 • Creation of Master Table Subset - keeping only those student_id records whose
   first_date_watched is not null + First_date_purchased is null or greater than or equal to
   first_date_watched (removing all the records where the first_date_watched is null+
   First_date_purchased is before First_date_watched):
Create table student_master_eng
as
select * from student_master
HAVING First date watched is not null
and (First_date_purchased is null or First_date_purchased >= First_date_watched);
# 1. Free to paid conversion - 11.29
select
round(
count(First_date_purchased) *100/count(*),
1) as Free_to_paid_con
from student_master_eng;
# 2. Average Duration Between Registration and First Engagement - 3.42
select
Round(avg(Date_diff_reg_watched),2) as Average_Reg_Eng
from student_master_eng;
# 3. Average Duration Between First Engagement and First Purchase - 26.25
Select
Round(avg(Date_diff_watch_purchase),2) Average_Eng_Purch
```

from student_master_eng;

FINDINGS

-Registrations:

Total registered students = 40,979.

-Engagement:

Unique students who engaged (watched at least once) = 20,255 (~49.4% of registrants).

Non-engaged registrants = $20,201 \ (\sim 49.2\%)$.

-Purchases (Overall):

Unique purchasers = 3,138 (~7.66% of registrants).

Purchasers without any engagement = $329 \ (\sim 10.5\% \ of \ purchasers)$.

-Purchases (Engaged Funnel Only):

Engaged students who converted to paid = 2,286.

Free \rightarrow Paid conversion rate among engaged = 11.29%.

Purchasers who engaged but purchased before their first engagement date ≈ 523 (~16.7% of purchasers).

-Timeline Metrics:

Avg. days from registration \rightarrow first engagement = 3.42 days.

Avg. days from first engagement \rightarrow first purchase = 26.25 days.

INTERPRETATION

-Registration vs Engagement Gap:

Nearly half of the registered students (20,201 out of 40,979) never engaged with any content. This suggests that the onboarding or initial motivation to interact with the platform is weak.

-Engagement Funnel Drop-off:

While ~49% of registrants engaged, only ~11.3% of them converted to paying customers. Engagement helps, but it is not sufficient to ensure purchase — other friction points likely exist.

-Purchases without Engagement:

The presence of 329 purchasers who never engaged and ~523 who purchased before first engagement indicates anomalies in user behavior or data capture. Some users may be "ready-to-buy" without free exploration, while others may face tracking inconsistencies.

-Time to Engagement & Conversion:

Students take, on average, 3.4 days to engage after registering, indicating a delay in initial interaction. The long 26-day average gap between first engagement and purchase suggests that purchase decisions are slow — learners likely want prolonged free use before paying.

-Overall Conversion is Weak:

Only 7.7% of total registrants become paying students.

This highlights inefficiencies in converting the large top-of-funnel into revenue.

RECOMMENDATIONS

-Strengthen Onboarding Experience:

Introduce immediate post-registration nudges (welcome email, quick-start video, sample lessons). Use gamification (streaks, progress bars) to push users into first engagement faster (<24 hours).

-Target Non-Engagers:

Re-engagement campaigns (emails, WhatsApp, push notifications) for the ~20k registrants who never engaged.

Offer incentives such as free trial lessons or live demo sessions.

-Shorten Engagement-to-Purchase Gap:

Introduce limited-time offers or discounts within the first week of engagement. Use in-app reminders highlighting premium benefits while engagement is fresh.

-Optimize Conversion Funnel:

Track and analyze the ~523 students who purchased before engaging to understand motivation — replicate that journey.

Investigate the 329 non-engaged purchasers for data quality issues or edge-case buyer personas.

-Cohort-Based Retargeting:

Segment users into: never engaged, engaged but unpaid, engaged and converted.

Build targeted campaigns: e.g., free learners who watched >5 lessons but never purchased are prime upgrade candidates.