**CANCELLATION AND RETENTION RATE DUE TO DECLINED BILLING**

**The question that arises every month is how many cancellations occurred due to declined billing. This affects the retention rate and projected revenue every quarter.**

**When the billing gets declined either it gets hard declined or soft declined. Hard declined billings are immediately cancelled. Soft decline billings go through two resubmittal cycles every 20 days after the first decline. Subsequently, a letter is sent out to the customer informing them that the credit card on file was declined and if they would like to add an alternate payment or update their credit card. The customer is given 30 days to respond with the payment information. After 60 days from the first decline date, if no payment is received the cancellation goes through.**

**In the past couple of quarters, there has been a noticeable spike in cancellation. There are several questions being raised by management**

1. **From the declined billings how many cure and how many get cancelled.**
2. **How many of these customers are sent letters and when are these sent in reference to the first decline date**
3. **Out of these customers , who were sent letters how many updated the payment information**
4. **How much revenue was recovered from the billings that was declined.**

**The goal of this analysis is to recapture customers and billings that are otherwise getting lost to preventable card declines. To achieve this we will be analyzing the billing process and determining decline patterns. Based on the findings , management will decide if they need to make any changes to our internal declined billing process , such as if resubmittal rules need to be changed, any payment errors at our third party payment vendor is causing these declines.**

**The data required for this exercise will be billing data for customers who have a declined billing flag , customer level data which had their contact information, call center information, fulfillment data which will provide us with the letter mail date also order activity log data which will determine if and when credit card information was updated.**

**I plan to create this data in a database. ( Will add the fields for data next week)**

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