

Improving Customer Retention in Max



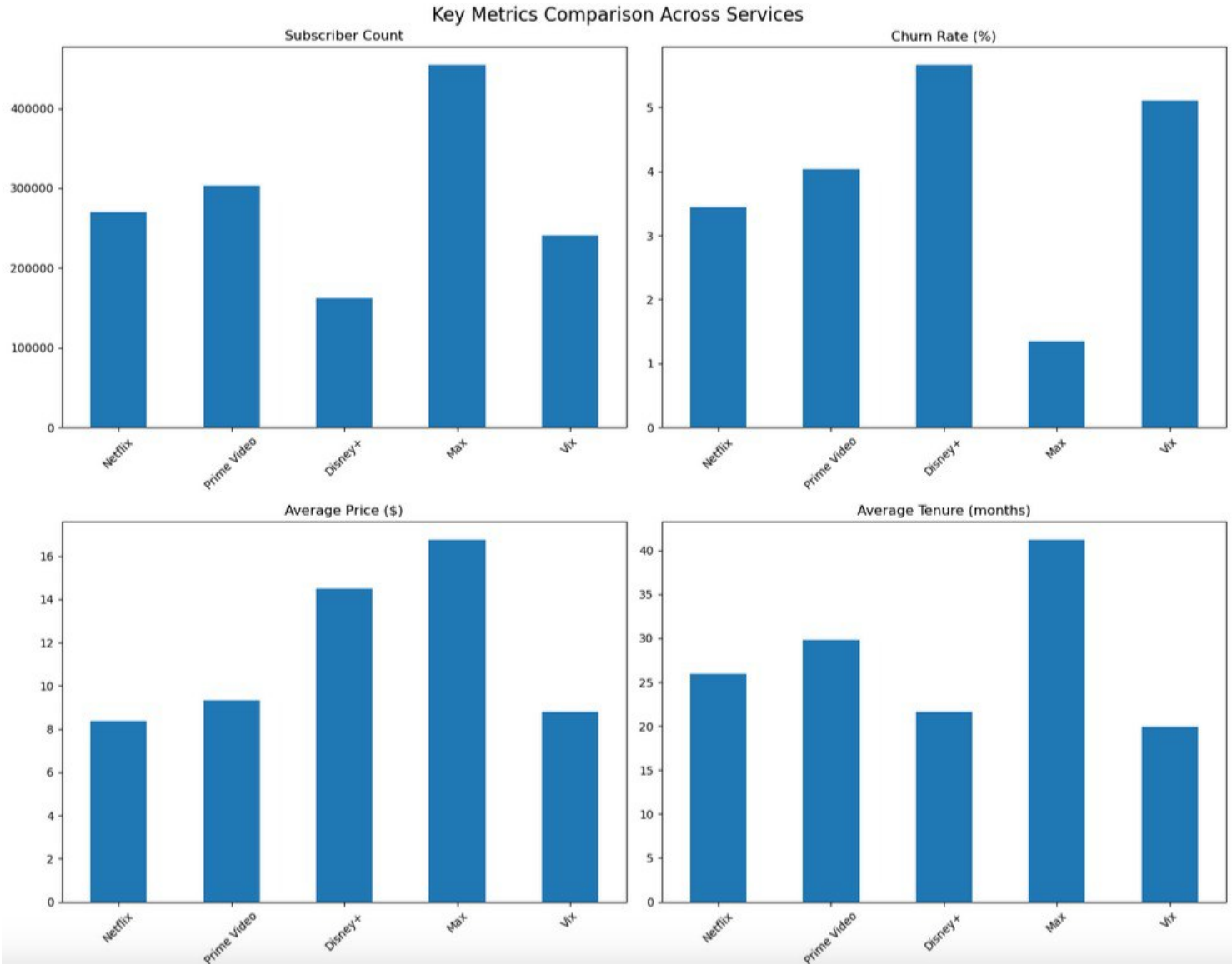
Why Max ?

Strategic Position

- Strategic Position: Higher customer base.
- Growth Opportunity: Better churn rate vs industry.
- Revenue growth opportunity.

Service Comparison Metrics:

	subscriber_count	churn_rate	avg_price	avg_tenure
Netflix	269361.0	3.44	8.37	25.96
Prime Video	303327.0	4.03	9.32	29.79
Disney+	162255.0	5.66	14.49	21.58
Max	454367.0	1.34	16.76	41.22
Vix	241293.0	5.11	8.79	19.88



Why churn is important?

Key churn metrics

- Total customers: 454,367
- Churned customers: 6089
- Churn rate: 1.34 %
- Avg Monthly Revenue per customer: 17 USD
- Lost Monthly Revenue: 84600 USD
- Avg CLV of Churned customers: 408 USD

Potential CLV Lost

USD 271,081

Projected 12-Month impact

Projected 12-Month Impact:

	Month	Projected_Churned_Customers	Projected_Revenue_Loss	Cumulative_Revenue_Loss
0	1	6007.40	100680.59	100680.59
1	2	5926.90	99331.36	198662.72
2	3	5847.47	98000.22	294000.65
3	4	5769.11	96686.91	386747.63
4	5	5691.79	95391.20	476956.01
5	6	5615.52	94112.86	564677.15
6	7	5540.26	92851.65	649961.52
7	8	5466.02	91607.34	732858.68
8	9	5392.77	90379.70	813417.30
9	10	5320.50	89168.52	891685.16
10	11	5249.20	87973.56	967709.19
11	12	5178.85	86794.62	1041535.49

Projected Cumulative
Revenue Loss
in 12month

USD 1,041,535

The solution

By using analytics to detect clients that will leave the service
Max could design retention strategies

Retention Investment Analysis:

	Retention_Cost	Success_Rate	Annual_Revenue_Saved	ROI
0	10	0.1	20.11	1.01
1	10	0.2	40.22	3.02
2	10	0.3	60.33	5.03
3	10	0.5	100.56	9.06
4	20	0.1	20.11	0.01
5	20	0.2	40.22	1.01
6	20	0.3	60.33	2.02
7	20	0.5	100.56	4.03
8	50	0.1	20.11	-0.60
9	50	0.2	40.22	-0.20
10	50	0.3	60.33	0.21
11	50	0.5	100.56	1.01
12	100	0.1	20.11	-0.80
13	100	0.2	40.22	-0.60
14	100	0.3	60.33	-0.40
15	100	0.5	100.56	0.01

**Projection that takes into
account different retention
costs and success rates**

Customer retention strategies

Based on risk factors and insights obtained from customers behaviour data, it would be possible to apply strategies that better fit every customer

- Proactive outreach
- Personalised retention offers
- Annual discounts
- Loyalty pricing tiers
- Service upgrades