Proposal Outline

<u>Scope of Work</u>

To create an analysis of customer cohorts and their value according to the metrics outlined below. Metrics will be compared or trended by product tier of a customer's first purchase event indexed by the year and month of that event.

Metrics

- Cohort Lifetime Value (LTV) – total sales for that cohort after their first purchase event.
- Cohort Value Over Time – total sales over time for that cohort.
- Churn – % of cohort members lost over time. A customer will be considered lost if they have a cancellation date with no subsequent purchases following the cancelation.

Comparisons/Trends

- Compare the LTV of customers whose first purchase was a subscription vs a one-time purchase.
- Compare month-over-month LTV and Churn by cohort. Additionally, compare differences in results where cohort membership is defined by the first purchase event of any kind vs the customer's first subscription event.

Output

An interactive Power BI report. Simple, one-to-two-page report summarizing above metrics, allowing the report viewer to filter either to specific time periods or product tiers.

<u>Estimate of Effort</u>

- Cleanse data – identify equivalent columns across platform outputs, harmonize types, identify inconsistencies and data quality issues.
- Identify customer cohorts – Flag first purchase/subscription events and assign a product tier. Tiers will be assigned based on the product price. May consider categorizing based on range of product price (ex < 5, 5 – 10, etc).
- Summarize metrics by customer cohort.
- Create final report.

The scope is open to negotiation and can be adjusted to remove anything seen as non-essential. I estimate the proposed outline to take about 60 hours to complete.

<u>Compensation</u>

My contract rate is $50/hour.