

Proposal Outline – Cohort Analysis Part 2

Scope of Work

To create additional analysis of customer cohorts and their value according to the metrics outlined below. Metrics will be compared by year and month the membership was purchased and trended over time. Additionally, an alternative calculation of the original cohort LTV will be added (outlined below).

Metrics

- Membership Lifetime Value (LTV) – total revenue directly attributed to membership subscription. Excludes any revenue generated by a customer other than membership costs. Similar to previous analysis that defined a cohort by a customer's first one-time or membership purchase, a membership will be defined as the year and month the membership began and will not be tied to specific customers.
- Membership Churn – Calculated exactly as the customer cohort churn, with the difference being that the customer will not be followed, rather it will be defined by when the membership is 'Lost' which will be the final year and month the membership has a transaction for.
- Cohort Lifetime Value (LTV) (*alternate calculation*) – In addition to the LTV calculation in the current report, which current calculates LTV for 'active' members only, LTV will be alternatively calculated as (Rev \$ from that cohort / # of customers in that cohort at cohort start). At present LTV is calculated as (Rev \$ from that cohort / # of customers in that cohort during the current period).

Comparisons/Trends

- Compare month-over-month LTV.

Output

An interactive Power BI report. Membership LTV and churn will be in its own report with a similar presentation as the Cohort Analysis report. The alternate Cohort LTV calculation will be added to the existing report.

Estimate of Effort

- Identify membership cohorts – membership start dates as well as group and sub-groups of membership tiers.
- Calculate the number of cohort members at cohort start and add to existing report calculations (Cohort LTV alternate calculation).
- Summarize metrics by lead cohort.
- Create final report and refinements.

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 35 hours to complete.

Compensation

My contract rate is \$50/hour.