Survival analysis for customer lifetime value

SG Analytics
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Client

An American media conglomerate with primary interests in cinema and cable television.

Business Situation

- Minimize churn rate of customers on the app.

- Identify pain points in the funnel conversion analysis.

- Consider customer behavior attributes and video engagement metrics.

- Automate data capture to minimize manual efforts.

- The app had grown to acquire ~2m subscribers.

- Release the right content at the right time in a personalized manner to reduce churn and ensure subscription renewal.

Solution

- SGA built a model for identifying the drivers of survival of customers on the app and survival analysis models to understand the impact of various on survival and to predict customer lifetime.

- SGA calculated the hazard probabilities and survival curves for segments of the customer base and how they can be used to extract valuable key performance indicators and to fine-tune the timing of campaigns.

- SGA conducted machine learning analysis of user engagement for the first seven days post-install and accurately predicted the likelihood of users to churn (abandon the app) within the next 30 days.

- SGA segmented the users with high and medium-high churn-likelihood scores into a dynamic audience and targeted them with a special offer via a push message campaign.

- The marketing team composed several different message segments and used automated A/B/n testing to prioritize the highest performing segments.