

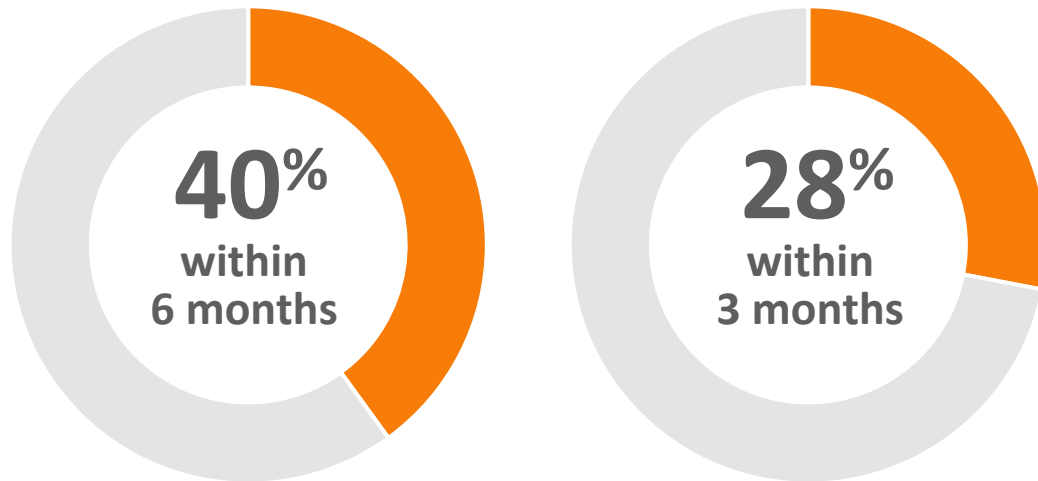
**COURAGEOUS  
THINKING**

# Mapping and Managing the Threat of Subscriber Churn

November 3, 2022

# We sought to build a Churn Management Framework

- Almost half of streaming subscribers say they intend to unsubscribe within a year of sign-up



- These subs represent revenue volatility and may undermine growth
- But who are they? And are all services equally vulnerable?



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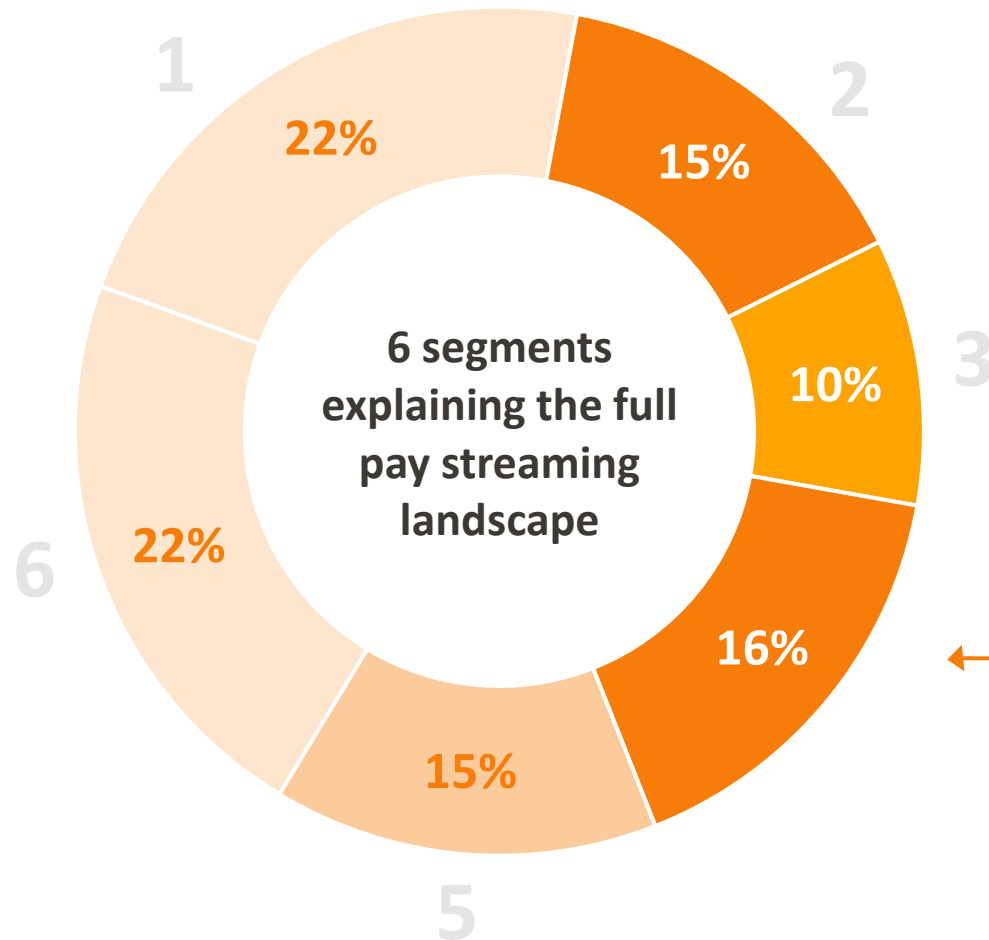
## OUR OBJECTIVE:

**Systematize the use of consumer data so growth and retention can be managed and optimized**

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# Magid's Churn Management Framework:

*An audit, a segmentation and a predictive tool*

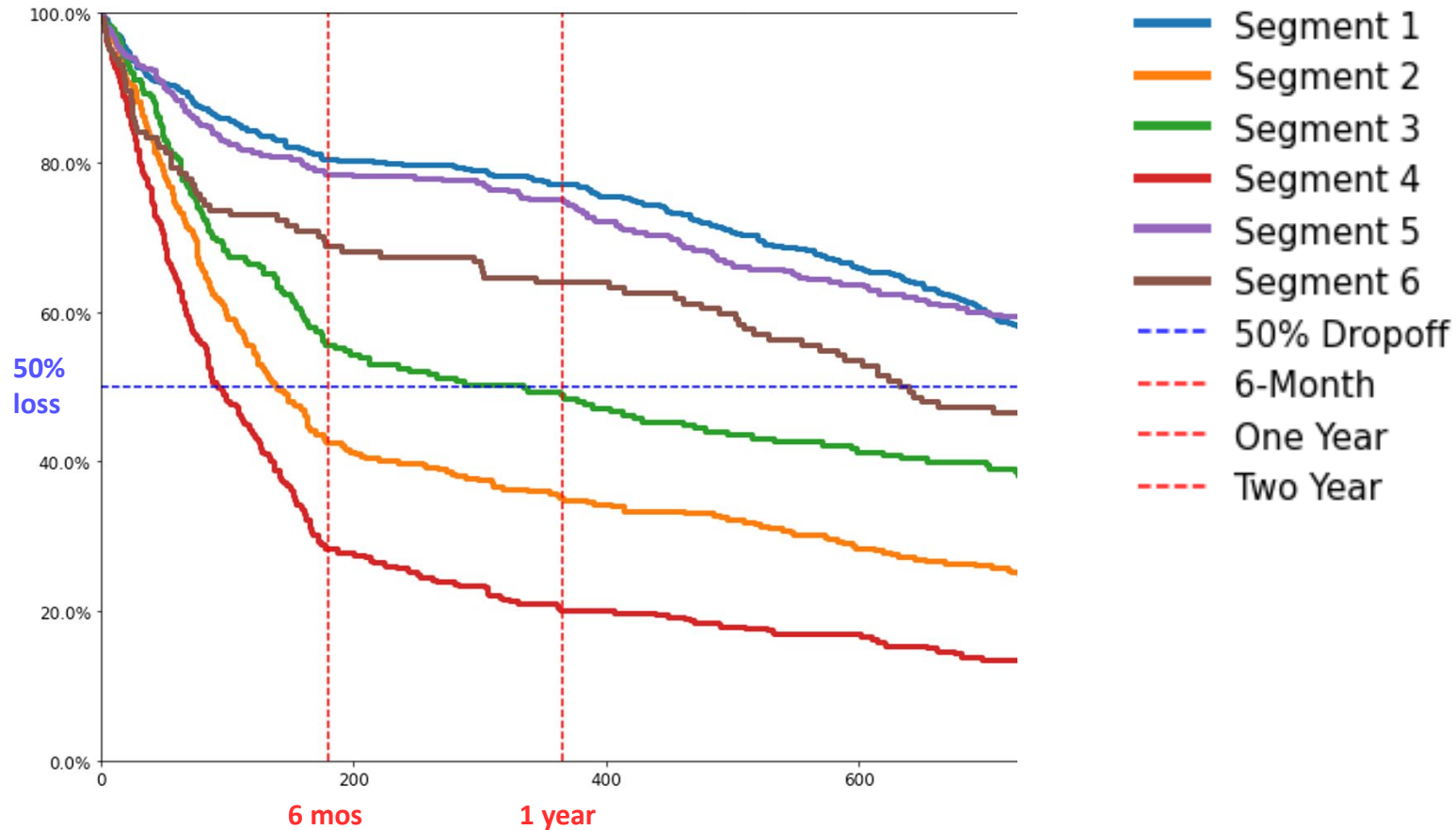


## Key Segment 4

Heavy samplers, and the highest churners. Hit makers. Shiny object chasers. The most voracious viewers of both SVOD and AVOD. Young and upscale.

# SVOD service decay model:

*Every service has a predictable churn profile based on their segment-based decay mix*



# “Volatility Index” by Subscription Service

*In general, the smaller the service, the more reliant on high-churn segments*

SVOD BRAND	SUBSCRIBER VOLATILITY INDEX
Netflix	105
Amazon Prime Video	102
Service 3	121
Service 4	113
Service 5	129
Service 6	131
Service 7	150
Service 8	154
Service 9	184
Service 10	155
Service 11	117
Service 12	186
Service 13	179
Service 14	213
Service 15	197
Service 16	181
Service 17	235
Service 18	204
Service 19	228
Service 20	266

Service % reliance on segments 2 & 4 indexed to the national size of those segments

# This framework has unlocked new strategy-driving analyses for our clients

## Scale the challenge, brand-by-brand

- *How volatile is each service's subscriber base relative to the rest of the market?*

## Implement remedies to optimize growth and retention

- *Segment-specific content strategies*
- *Differentiated marketing – messaging, targeting, pricing, offers, etc.*
- *Segment-based CRM tactics that optimize overall average retention*

## Track over time

- *Presence of high-propensity churn segments; improvement over time*
- *Length of tenure – are they staying longer?*
- *Position relative to the market*



*thank you!*