

Rosetta Stone



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MGSC 410
Team 1

Data Introduction

- Initial data
 - Subscriber information dataset
 - App activity data
- Merged dataset
 - Subscriber and app data merged to align to respective subscriber ID numbers
 - Allowed for cross examination
- Issues w/null values
 - E.g. Free Trial Start Date, Free Trial Expiration, Purchase Amount
 - Data cleaning
 - Data transformation

What Makes a Customer Valuable?

Lifetime Vs Limited Subscription

Lifetime Subscription

Unlimited Languages

\$199

One-time payment

Average Lifetime Value of
\$173.21 (After discounts)

12 Months

\$10.50
per month

Regularly ~~\$13.99~~

\$126 billed as one payment

Average LTV of \$81.40
(Multiplying average monthly
payment & months Subbed)

Preliminary Data Cleaning

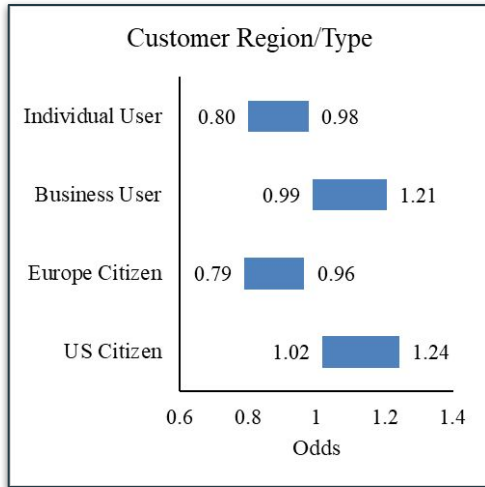


Converted All 45
Currencies to USD

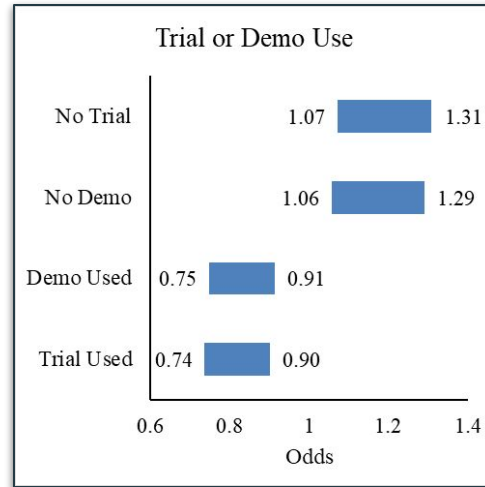


Generated Months
Subbed From Start and
Expiration Dates

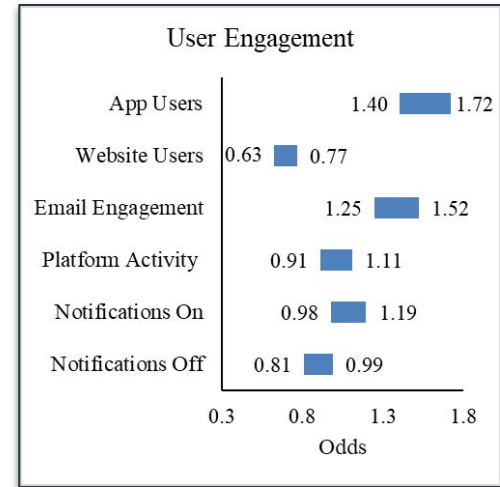
The Makings of a Lifetime Subscriber



Individual & European Users are less likely to obtain lifetime subscriptions



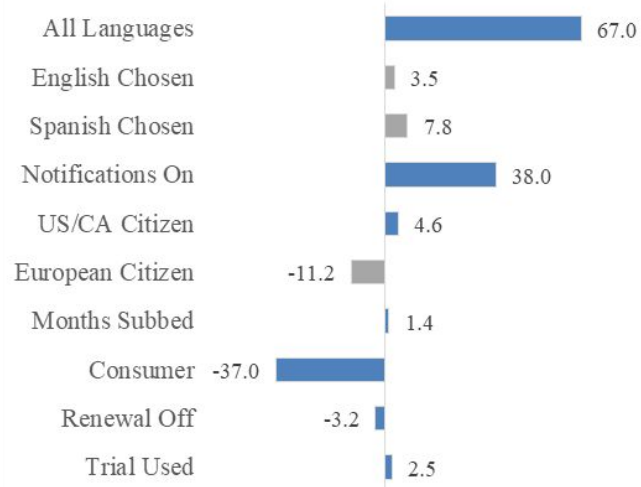
Pre-Subscription use more often results in a limited subscription.



App Users have 2.23 times higher odds of being a lifetime subscriber VS Website Users

The Most Valuable Limited Subscriber

**Purchase Amount Coefficients
For Limited Subscribers**



Most Valuable

- All Languages, Notifications & Renewal On, US Citizen, 9 Months Subbed, Business User, Trial Used
- Purchase Amount = ~ \$164.80

Least Valuable

- English Language, Renewal Off, Consumer User, European Citizen, 9 Months Subbed, Trial Not Used
- Purchase amount = ~ \$17.14

Spotting the Cash Cow

- Engaged Customer = Great Customer?
Does it even matter for Rosetta Stone?
- Engaged Customer Bases Drives...
 - 22% increase in cross-sell revenue
 - 38% increase in upsell revenue



"Research Summary: Why Live Engagement Marketing Supercharges Event Marketing." Constellation Research, Inc. Accessed May 6, 2024.
<https://www.constellationr.com/blog-news/research-summary-why-live-engagement-marketing-supercharges-event-marketing>.

Engagement Scores

- Determines customers likely to buy additional products
 - Lifetime Customers VS Engaged
 - User type VS Engaged
 - Country/Region VS Engaged
- Engaged Demographic => Extend Trial Period!

User Action Weights

CLICK	1
OPEN	1
COMPLETED COURSE	15
APP 'OTHER' ACTION	4
APP LAUNCH	2

Understanding Subscriber Segments at Rosetta Stone

Objective: To provide a comprehensive analysis of the different subscriber segments at Rosetta Stone, identifying key characteristics and behaviors that define each group.

Approach: Utilizing subscriber data, we've segmented the user base into four distinct clusters based on their engagement and spending habits.

Overview of Clusters:

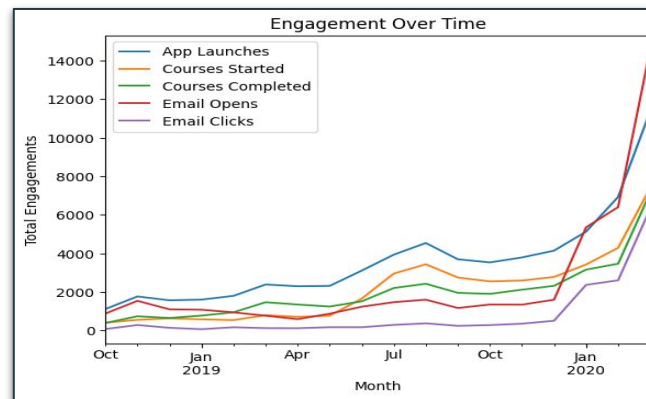
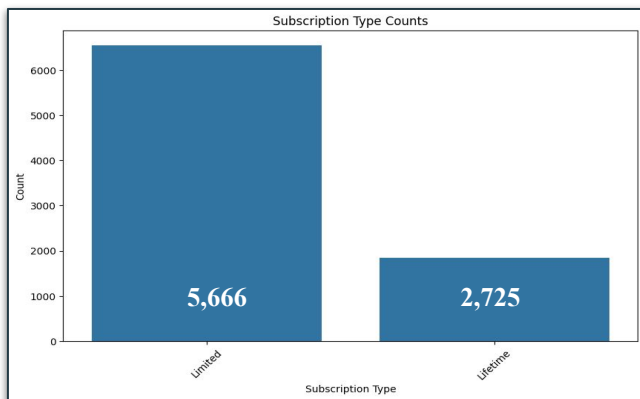
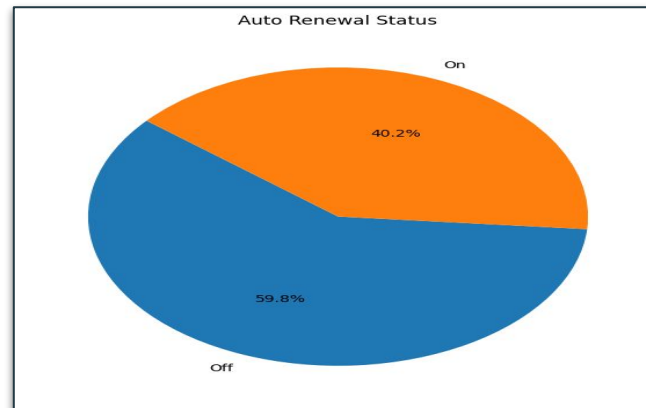
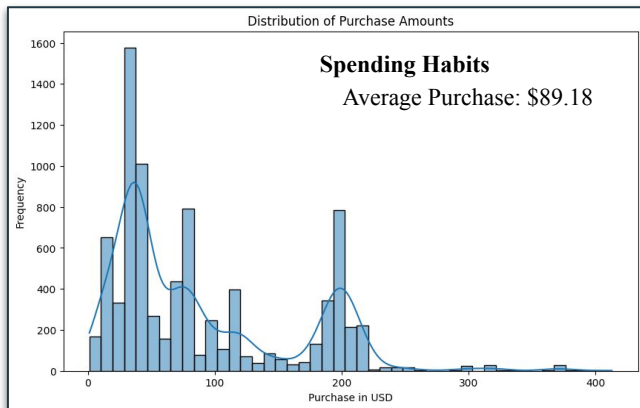
Regular Engagers: Active users with moderate spending and consistent app use.

Moderate Engagers: Low engagement across all platforms.

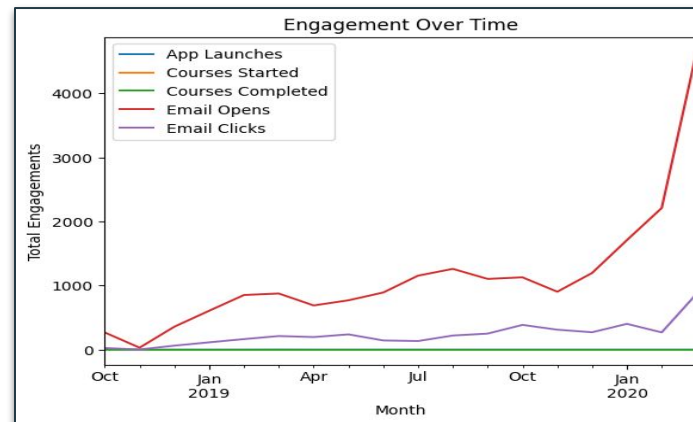
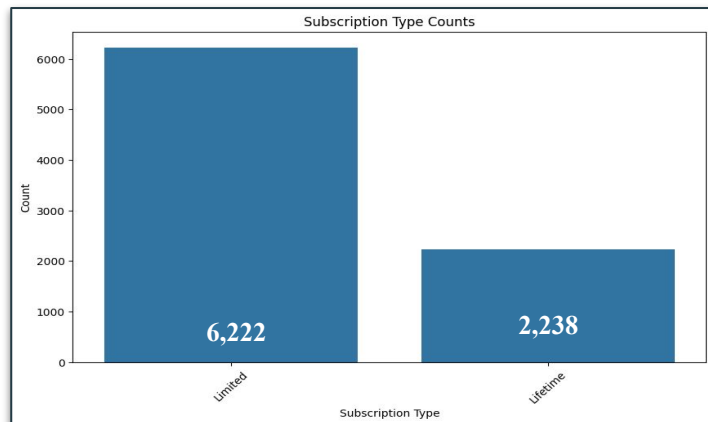
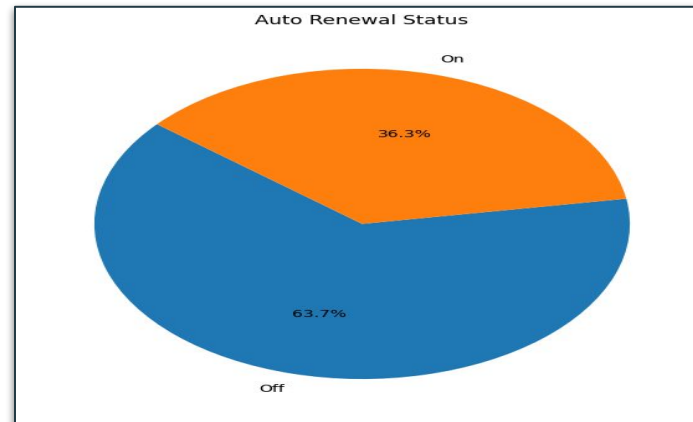
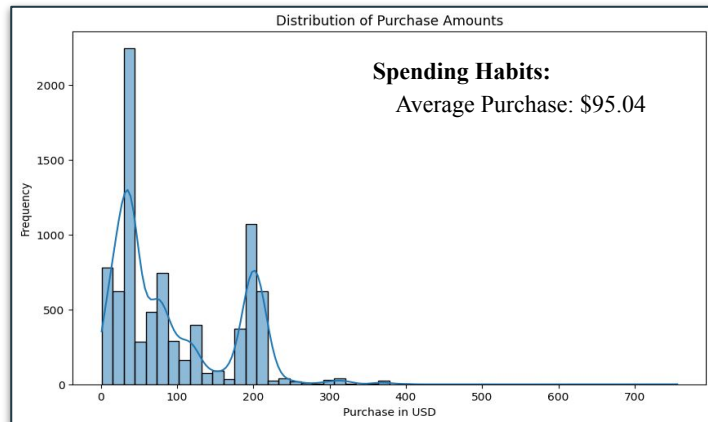
Super Engaged Users: High engagement in courses and app launches with significant interaction.

High-Spending Users: Major contributors to revenue with high purchase values and substantial email interaction.

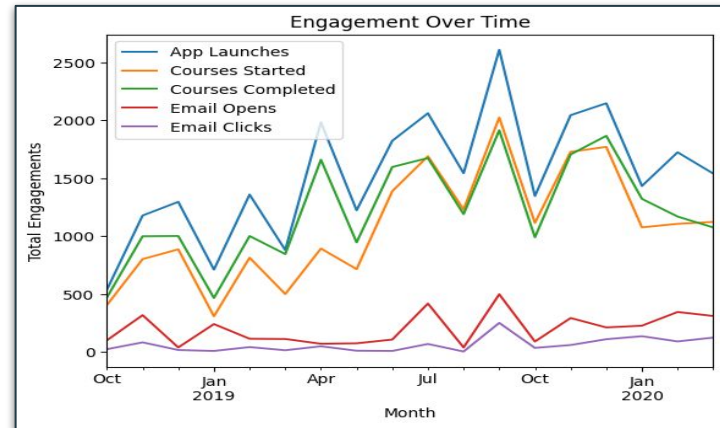
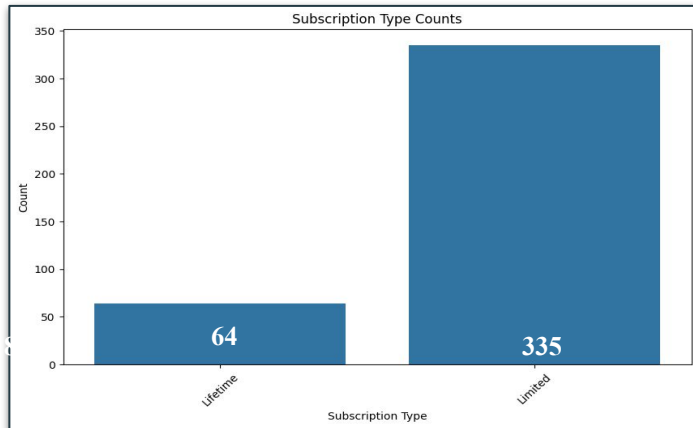
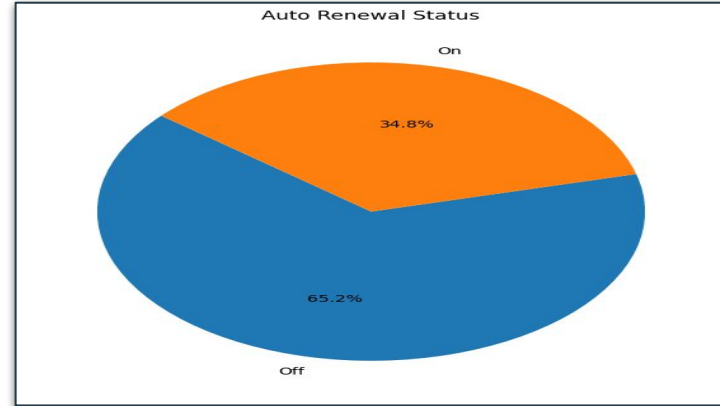
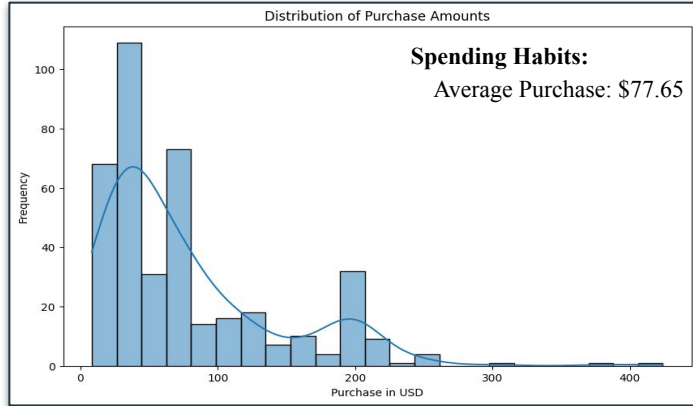
Cluster 0 Overview: Regular Engagers



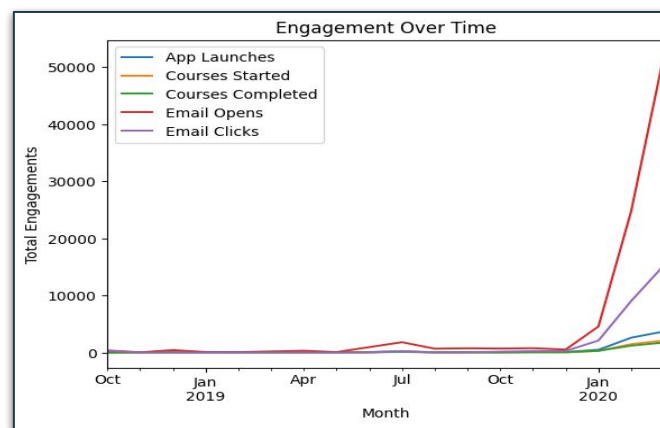
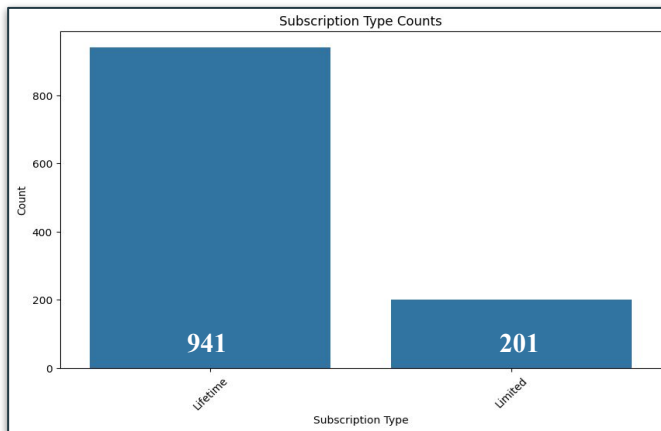
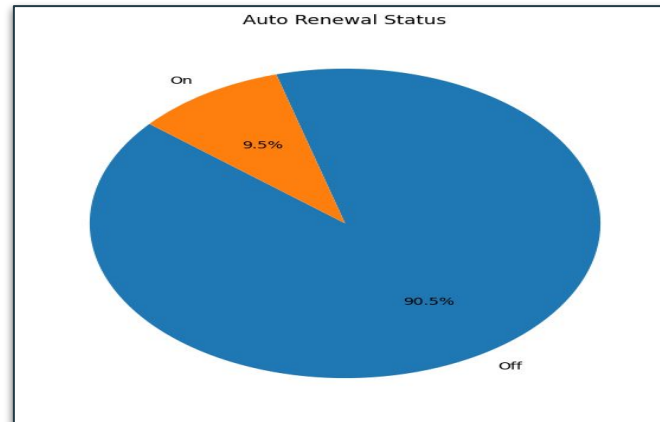
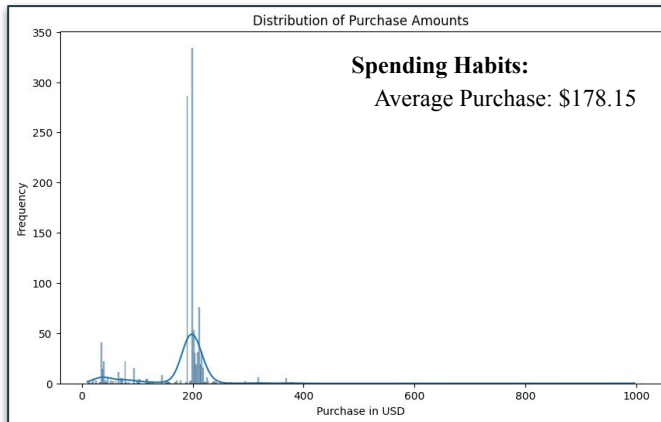
Cluster 1 Overview: Moderate Engagers



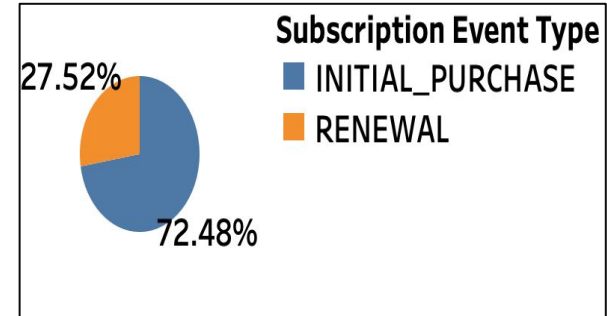
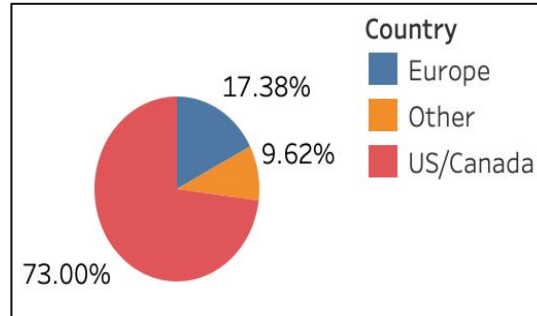
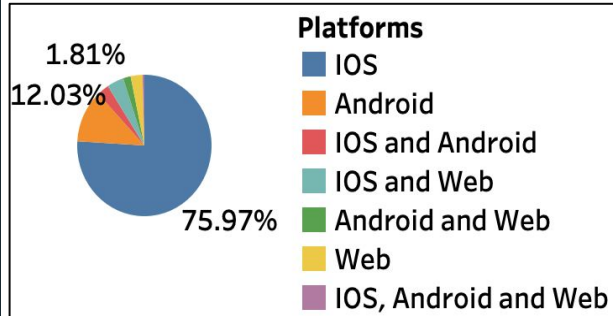
Cluster 3 Overview: Super Engaged Users



Cluster 4 Overview: High-Spending Users



Churned Subscriber Profiles

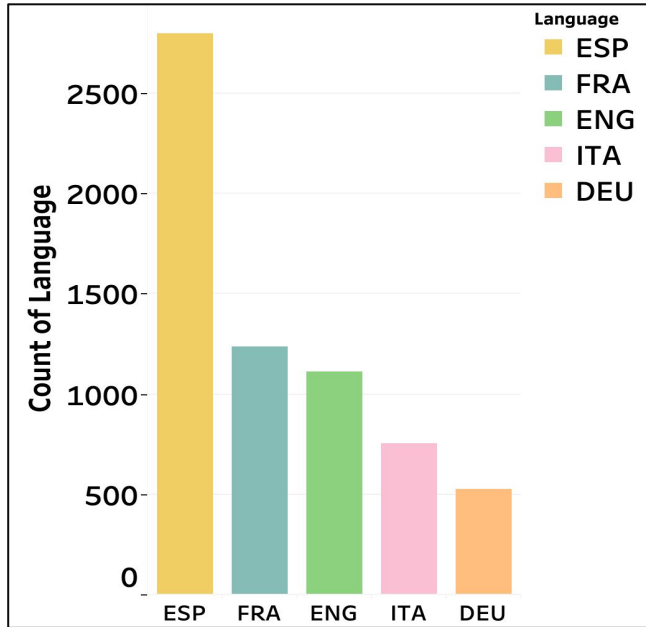


76% of Churners were solely using ios

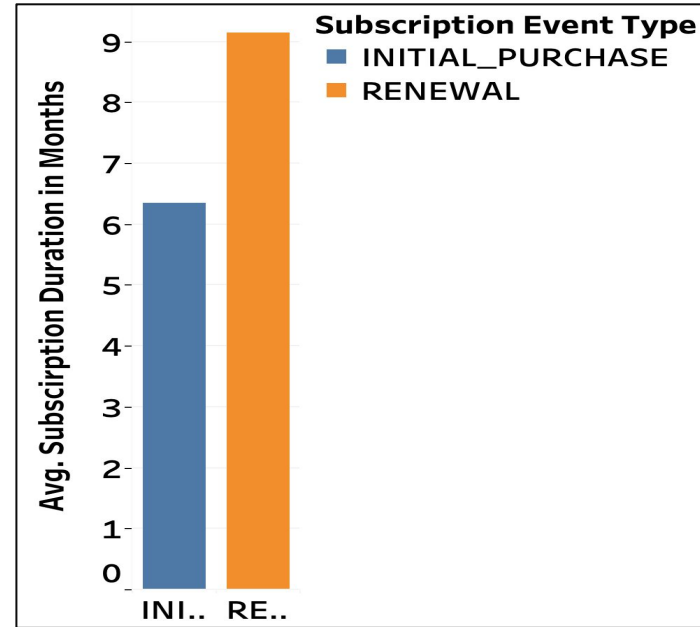
73% of Churners are from US/Canada

73% of Churners were first time subscribers

Churned Subscriber Profile

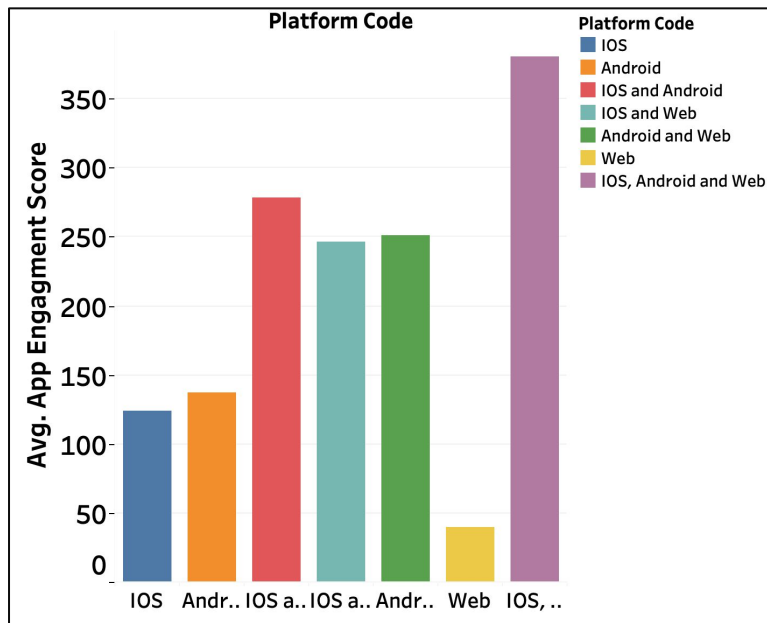


Spanish language learners made up 33% of the Churners

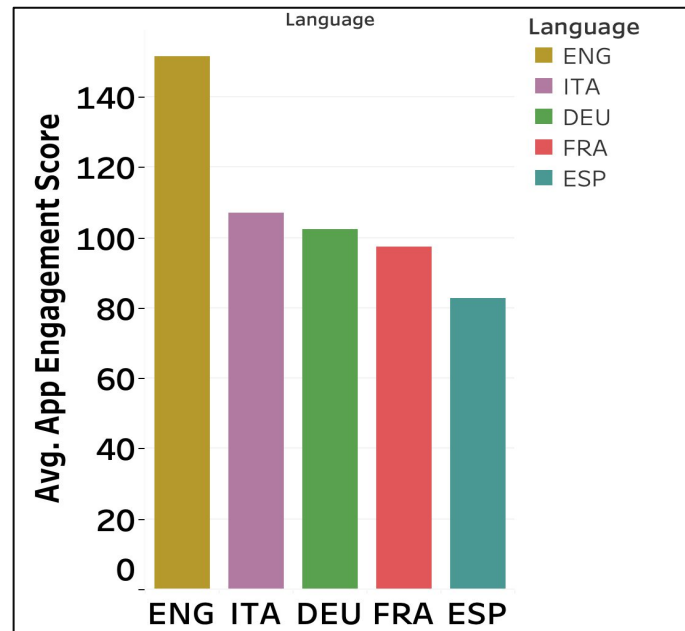


Initial Purchase buyers churned 3 months quicker than Renewals

Potential Barriers to Deeper Subscriber Engagement




Sole Platform users are the least engaged



Spanish Language subscribers are one of the least engaged


Conclusion (Additional Business Opportunities)


- LTV of Lifetime: \$173.21
- LTV of Limited: \$81.40
 - Average subscription length: 8.89 Mo
 - Average \$ per month: \$9.16
- Lifetime customers are far more valuable
 - Limited subscriber = Lifetime Subscriber after 19 months



SAVE UP TO
54% OFF

HURRY UP! EXPIRE SOON!

Rosetta Stone 



This offer is available online. May not be available in store. Check online if this offer is still available.

Recommended Actions

1. Heavily Promote Lifetime subscriptions to maximize Revenue
2. Extend Trial/demo periods to improve engagement for Limited Subscribers
3. Maximize Limited subscriptions LTV by selling to engaged demographics



Executive Summary



Lifetime Value

Lifetime Subscribers offer a higher LTV than Limited but the most valuable Limited subscribers can provide a similar LTV



Engagement

Engaged customers boost conversions, loyalty, and advocacy, enhancing ROI significantly.



Segments

Segmented into 4 clusters: Regular, Moderate, Super-Engaged & High-Spending Users



Churners

Sole platform users and spanish language users are the biggest churners and have the lowest engagement