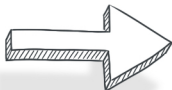
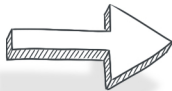


6 most important KPIs in a subscription model



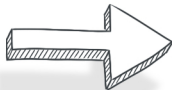


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1. Active Subscribers:

measures the total number of customers actively using the subscription service and is a key indicator of a subscription model's success.

Active Subscribers = Total Subscribers -
Cancelled Subscribers + New Subscribers.

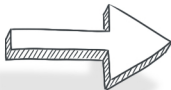


2. Retention Rate:

measures the percentage of subscribers that stay with the subscription service over time.

It indicates customer satisfaction and loyalty.

Retention Rate = (Number of Customers at the End of a Period - Number of New Customers Acquired During that Period) / Number of Customers at the Beginning of the Period.

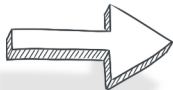


3. Churn Rate:

measures the percentage of customers that cancel their subscriptions over time.

It indicates customer dissatisfaction or lack of value from the subscription service.

Churn Rate = (Number of Customers Who Cancelled in a Period / Total Number of Customers at the Start of the Period) * 100

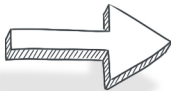


4. Average Revenue Per User (ARPU):

measures the average revenue generated from each user over time.

It indicates each customer's value and willingness to pay for the subscription service.

$ARPU = \text{Total Revenue} / \text{Total Number of Subscribers}$

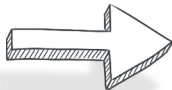


5. Average Order Value (AOV):

measures the average amount spent on each order.

It indicates the customer's willingness to make additional purchases or upgrade the subscription service.

$AOV = \text{Total Revenue} \div \text{Total Subscriptions}$

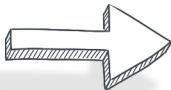


6. Lifetime Value (LTV):

This KPI measures the total revenue generated from each customer over their subscription.

It indicates customer loyalty and the potential value of future customer investments.

$LTV = \text{Average Revenue Per User (ARPU)} \times \text{Average Customer Lifespan.}$



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