# Voice of the Customer Analysis



**UXplorers** 

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## "Kissed by the Earth"

Eco-friendly and natural



**EarthKiss** is a direct-to-consumer cosmetics company that offers eco-friendly makeup products through a **subscription-based membership** model.

The company primarily targets socially conscious Millennials and Gen Z consumers who value **environmental responsibility** and personalized self-care.

EarthKiss offers **three membership options**: a month-to-month plan, a discounted annual plan, and a free trial for first-time users.

Over the last three business quarters, however, EarthKiss has seen a steady decline in active memberships.



## The Problem: Membership Churn

Steady decrease in memberships over the past three quarters.

Decline has come even as cosmetics industry is growing.

Cosmetics market is projected to grow by annual rate of 6.64% from 2025 to 2032.

## Customer Experience Survey







#### EarthKiss™ Membership Experience Survey

Thank you for agreeing to participate in this survey about your EarthKiss membership. The survey will take about 5 to 10 minutes to complete. All responses will remain anonymous and will be used to improve the EarthKiss experience.

#### **Screener Question**

- 1. Which of the following best describes your relationship with EarthKiss?
  - I currently have an active paid membership.
  - O I had a paid membership but canceled it.
  - O I had a free trial but never became a paying member.
  - O I have never been a member.
- → [Terminate survey if "I have never been a member" is selected.]

#### Membership Tenure and Type (for all participants)

- 2. How long have you had (or did you have) an EarthKiss membership?
  - O Less than 3 months
  - O 3 to 6 months
  - O 7 to 12 months
  - O 1 to 2 years
  - O More than 2 years

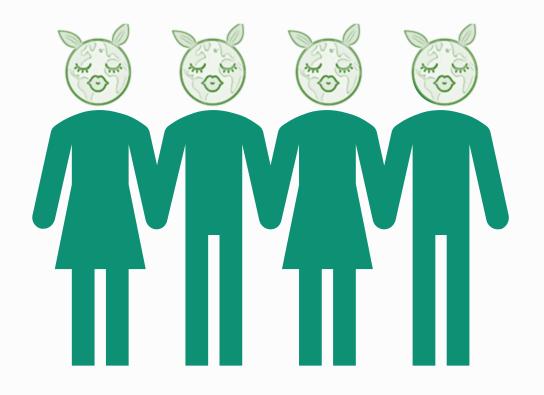
## Survey Overview

#### Goals

- Identify internal and external factors contributing to churn among EarthKiss subscribers.
- Uncover opportunities to increase retention and reactivation.

#### Method

- Online survey of current and former members.
- Quantitative analysis of satisfaction, churn drivers, rejoin likelihood.



# Sampling & Recruitment

#### Stratified sample of EarthKiss customers

#### Population

• All customers who have had a membership in past 12 months

#### Sampling strategy

• Stratified by membership status (70% former, 30% current)

#### Recruitment channels

• Email invitations, in-app prompts, exit survey follow-ups

#### Incentive

• 20% discount code or product sample

#### Sample size

• 200 responses

# Satisfaction Comparison by Membership Status Current Members Former Members Value for price Flexibility of membership Customer service

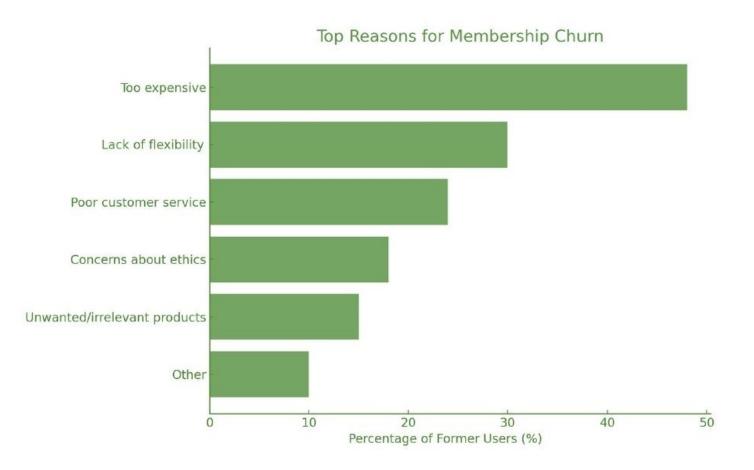
## Customer Satisfaction

- Findings: Former members rated EarthKiss lower than current members in price, flexibility, and customer service.
- Key insight: Quality products alone aren't enough to guarantee satisfaction. Rigid membership plans and inconsistent support are eroding perceived value.

## Churn Factors: Internal

Findings: Expense, inflexible membership plans, and poor customer service cited most often.

**Yey insight:** Churn is about cost, but it's also about (lack of) **control**.

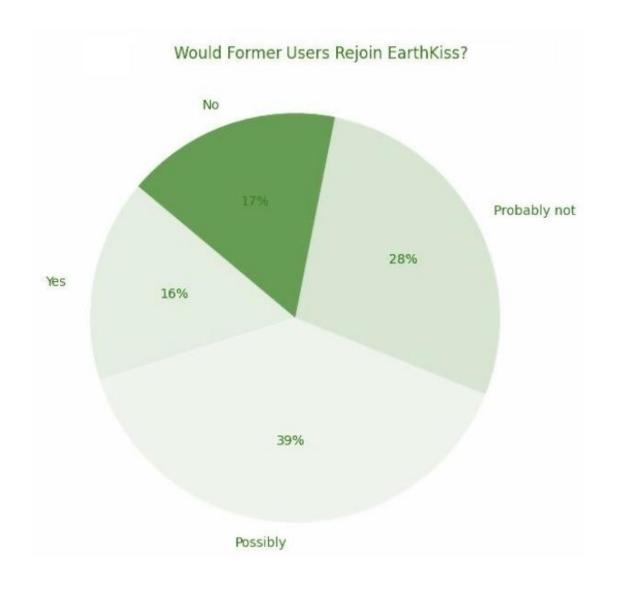


#### Churn Factors: External

Findings: External pressures such as inflation are a concern, but no external factor was a major contributor to cancellation.

**Yey insight:** Most churn is attributable to issues within EarthKiss' control.





## Rejoin Potential

- Findings: 55% of former members said "yes" or "possibly" when asked whether they would consider rejoining EarthKiss.
- Key insight: There is untapped value in former subscribers if they are given the control and flexibility they expect.

### Recommendations



#### Consider introducing a mid-tier membership plan

Add a flexible 6-month option to reduce cancellation risk among hesitant buyers.



#### Enable more user control

Make pausing, skipping, and customizing boxes easier and more visible in the user interface.



#### Launch re-engagement campaign

Target churned users with messaging tied to the top "return motivators."



# Why a 6-month membership plan?



Reduces Commitment Anxiety

Easier entry point than annual plans - ideal for new or cautious users.



Stronger Retention than Monthly

Encourages users to stay engaged longer than 1-month trials, reducing churn.



Sweet Spot for Conversion

Balances price and duration, more appealing than long-term or indefinite subscriptions.



Better Forecasting & Cash Flow

Provides more predictable revenue and user behavior over a medium-term horizon.



Ideal for Seasonal Use

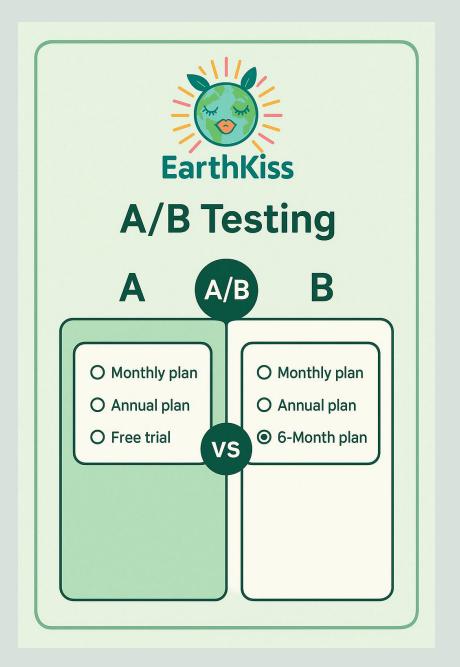
Covers key cycles like summer/winter skincare needs or gifting seasons.



Built-In Re-engagement Moment

Creates a natural opportunity to re-market or upsell when the 6-month term ends.

## A/B Test





## Study Overview

To determine whether offering a 6-month membership plan improves:

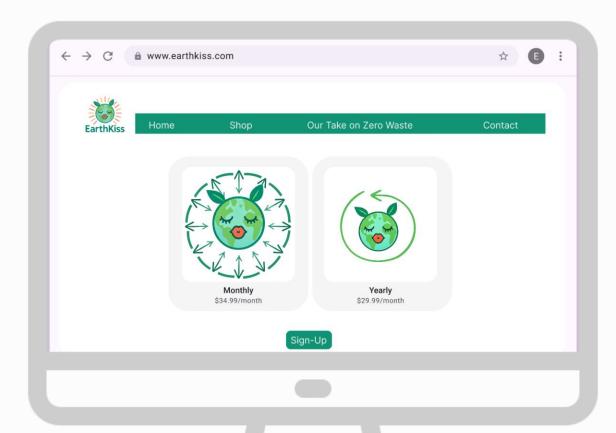
- Future membership signup intent
- Expected revenue per user

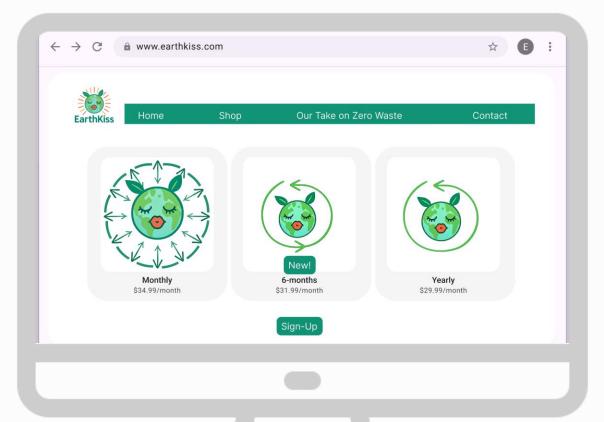
#### **Key Metrics**

- **Primary:** # of users indicating intent to sign up (binary: 1 = yes, 0 = no)
- Secondary: Expected revenue based on selected plan

Group	Description	
Control	Users see existing plans only (monthly + annual + free trial)	
Variant	Users see existing plans <b>plus</b> a new <b>6-month option</b>	

## Sign-Up Page





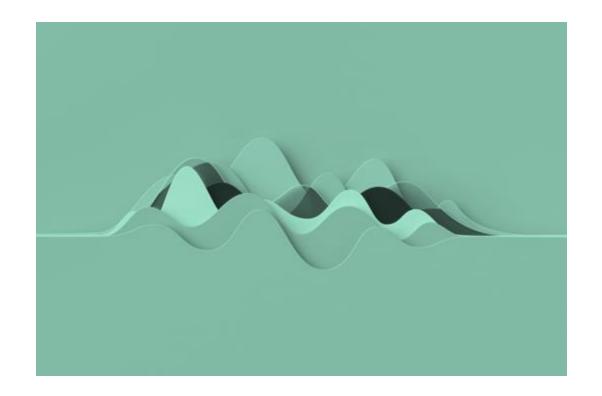
## Sampling & Recruitment

#### Eligibility Criteria

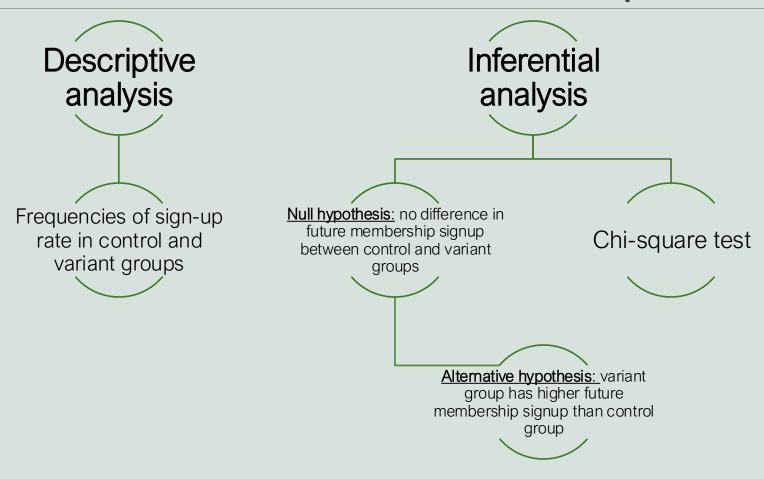
- First-time visitors or trial users nearing end of free trial
- No prior subscription cancellation within the last 30 days
- Aged 18–45 (EarthKiss core demo)

Parameter	Value	
<b>o</b> Target Population	Current site visitors eligible for a plan change	
Random Assignment	Randomly assign users to control or variant group	
Sample Size	Minimum 5000 participants per group (based on expected effect size and power = 0.8, alpha = 0.05)	
<b>O</b> Duration	6 months or until sample size is reached	
split Ratio	50% control / 50% variant	

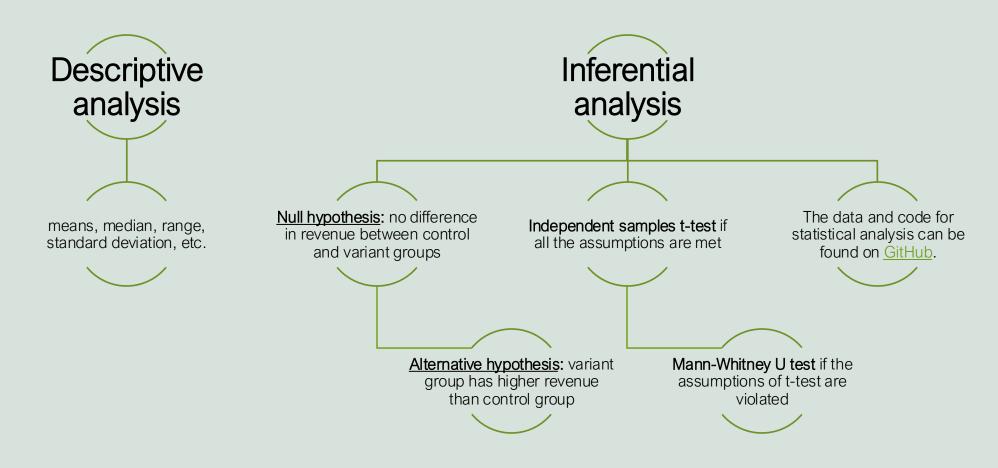
## Results



## Analytic Approach: Future Membership



## Analytic Approach: Revenue



# Results: <u>Future</u> <u>Membership</u>

Chi-square:

Chi-square stats = 887.345, p < 0.001; reject the null

	Control	Variant
Yes	1459	2924
No	3557	2060

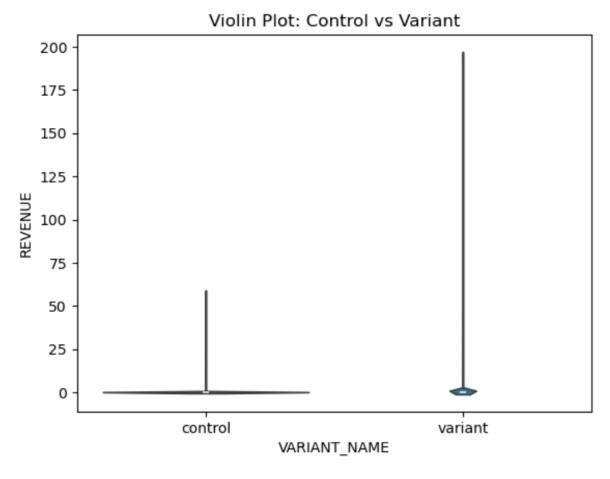
## Results: Revenue

Mean:

Control = 0.07; Variant = 0.129

Median:

Control = 0; Variant = 0



#### Range:

Control = 0 - 58.63; Variant = 0 - 196.01

#### Standard deviation:

Control = 1.315, variant = 3.007

#### Results: Revenue

#### Independent samples t-test

• t = -1.271, p = 0.102 (one-sided); since p > 0.05, fail to reject the null

However, we need to check whether assumptions of t-test are met.

 Results of Shapiro test and Q-Q plots showed that assumptions are violated.

#### Mann-Whitney U test

• U = 12478180.0, p = 0.239 (onesided); fail to reject the null

## Conclusions



## The 6-month plan significantly boosts signup intent

Flexibility in plan length positively influenced user interest in continuing membership.



## Revenue impact is promising but not yet conclusive

A potential positive effect that may emerge more clearly with more data or time.

## Recommendations

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## Adopt the 6-month plan — but monitor closely

 Roll out the 6-month plan more broadly, with a plan to track key metrics (e.g., retention, churn) over the next few cycles. 2

## Segment analysis to find stronger signals

 Separate members based on age/spending habits to see if certain groups (e.g., ecoconscious younger customers, high spenders) respond better to the new plan.



# Thank you!

QUESTIONS?