



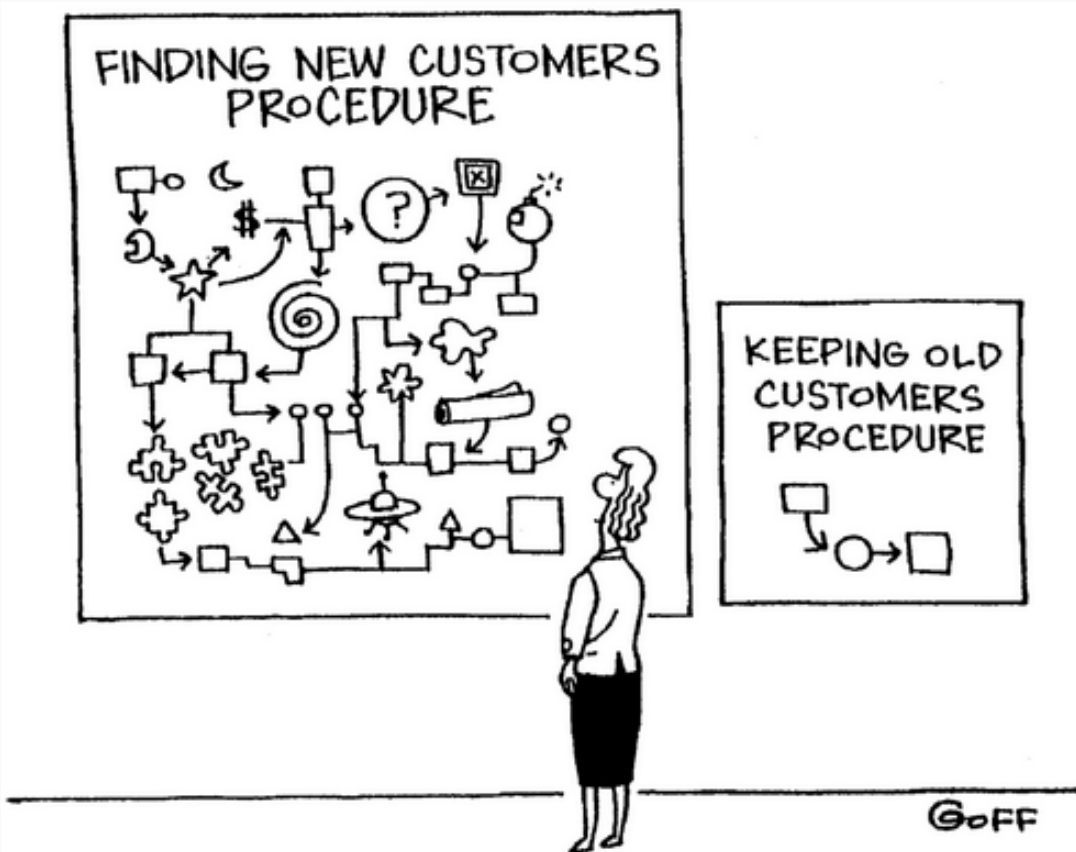
Subscription Churn & Client Retention Strategies



📍 Agenda

- ✔ **What is churn?**
- ✔ **Why you should track and care about churn**
- ✔ **How to reduce churn**
- ✔ **Q&A**

Why you should care about churn



- ✓ Acquiring a new customer can cost five times more than retaining an existing customer.
- ✓ Increasing customer retention by 5% can increase profits over 25%.

Source: Investp 2018 survey

What is Churn?

- Churn is the percentage rate at which subscription customers cancel their recurring revenue subscriptions.

Formula:

$$\text{MRR Churn Rate} = \frac{- \text{MRR Churn Month 1}}{\text{MRR Month 0}}$$

Example:

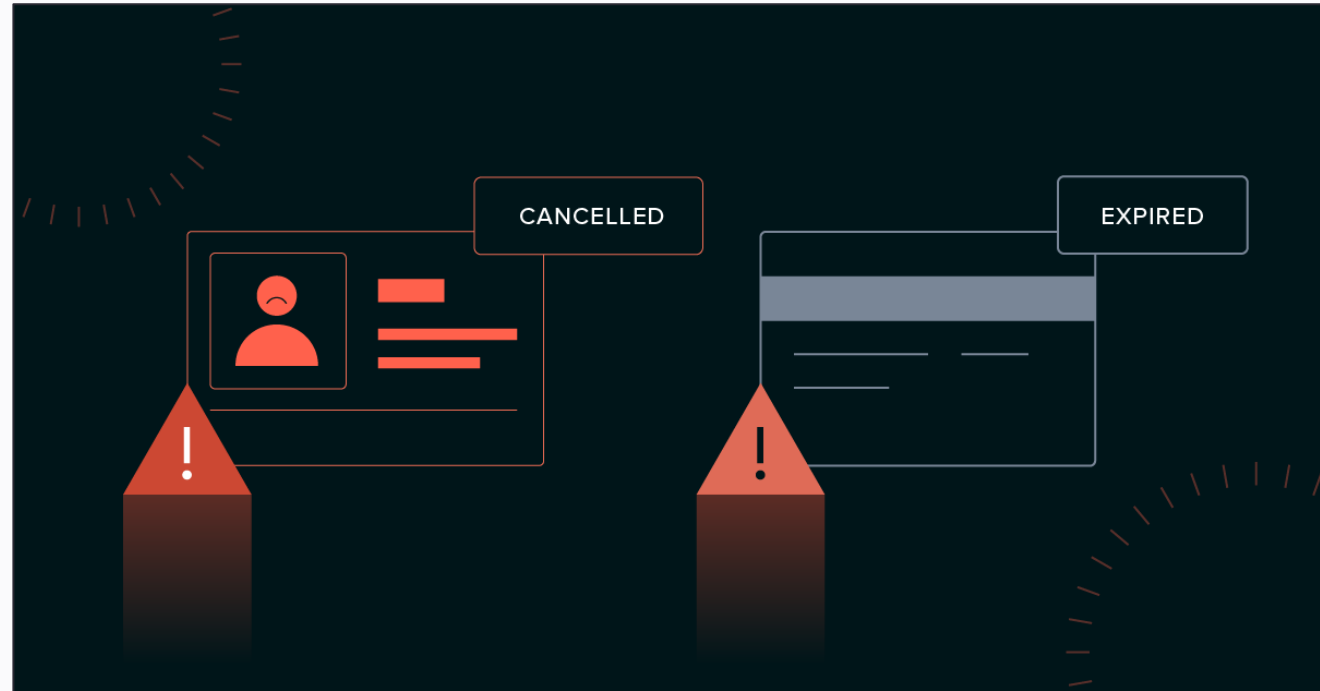
$$10\% \text{ (June Churn Rate)} = \frac{\$1,000 \text{ (MRR Churn from June)}}{\$10,000 \text{ (End of Month MRR from May)}}$$

What is Churn?

Voluntary Churn: Customer initiated cancellation.

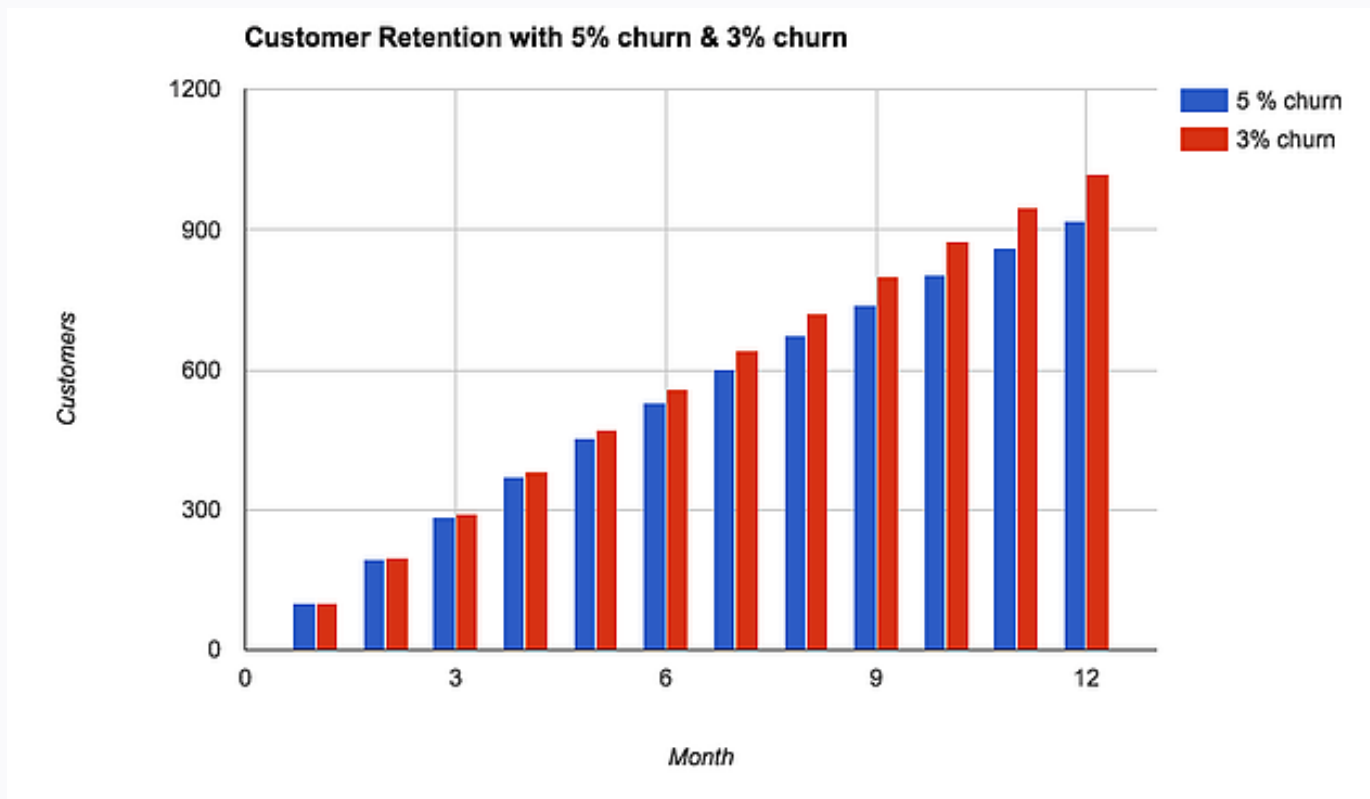
Delinquent Churn: Passive churn through failed charges.

Up to 40% of churn!





Churn reduction impact



If your company adds 100 new customers a month and you decrease churn from 5% to 3%, you will end the year with 100 more customers.

① Strategies for Voluntary Churn

- ① **Determine what a healthy customer looks like and how they act**
- ② **Determine what a churned customer looks like and how they act**

🎯 Strategies for Voluntary Churn Examples

✔ Determine what a healthy customer looks like and how they act

- ✔ New Client Engagement – training, product webinar, setup
- ✔ Satisfaction survey – NPS, CSAT

✔ Determine what a churned customer looks like and how they act

- ✔ Cancellation surveys
- ✔ Satisfaction survey – NPS, CSAT

① How to reduce delinquent churn

Use Subscription Management Tools to:

- ② Streamline your recurring billing
- ③ Retry declined transactions
- ④ Update credit card changes
- ⑤ Send dunning notices



🕒 iHomefinder delinquent churn tools





- ✔ Credit card processing & PCI compliance
- ✔ Automated credit card retries
- ✔ Automated credit card updates







- ✔ Subscription KPIs and analytics (free)
- ✔ Automated text and email dunning
- ✔ In application past due messaging & lockout
- ✔ Customer engagement score

iHomefinder delinquent churn results

-  30% reduction in delinquent churn
-  648% return on investment

How to get started

-  **Calculate and track your churn**
-  **Pick a churn goal (ex. Reduce churn by 2%) and calculate the revenue impact**
-  **Build an Initial Churn Reduction Process**
-  **Test and analysis**