

# The Retention Infographic for Software Subscriptions and SaaS



## Embrace Retention as a Strategy

Why?

**1**

It can cost you 5x more to acquire a new customer than to keep an existing one.

**2**

Your repeat customers are likely to spend 67% more than your new customers.

**3**

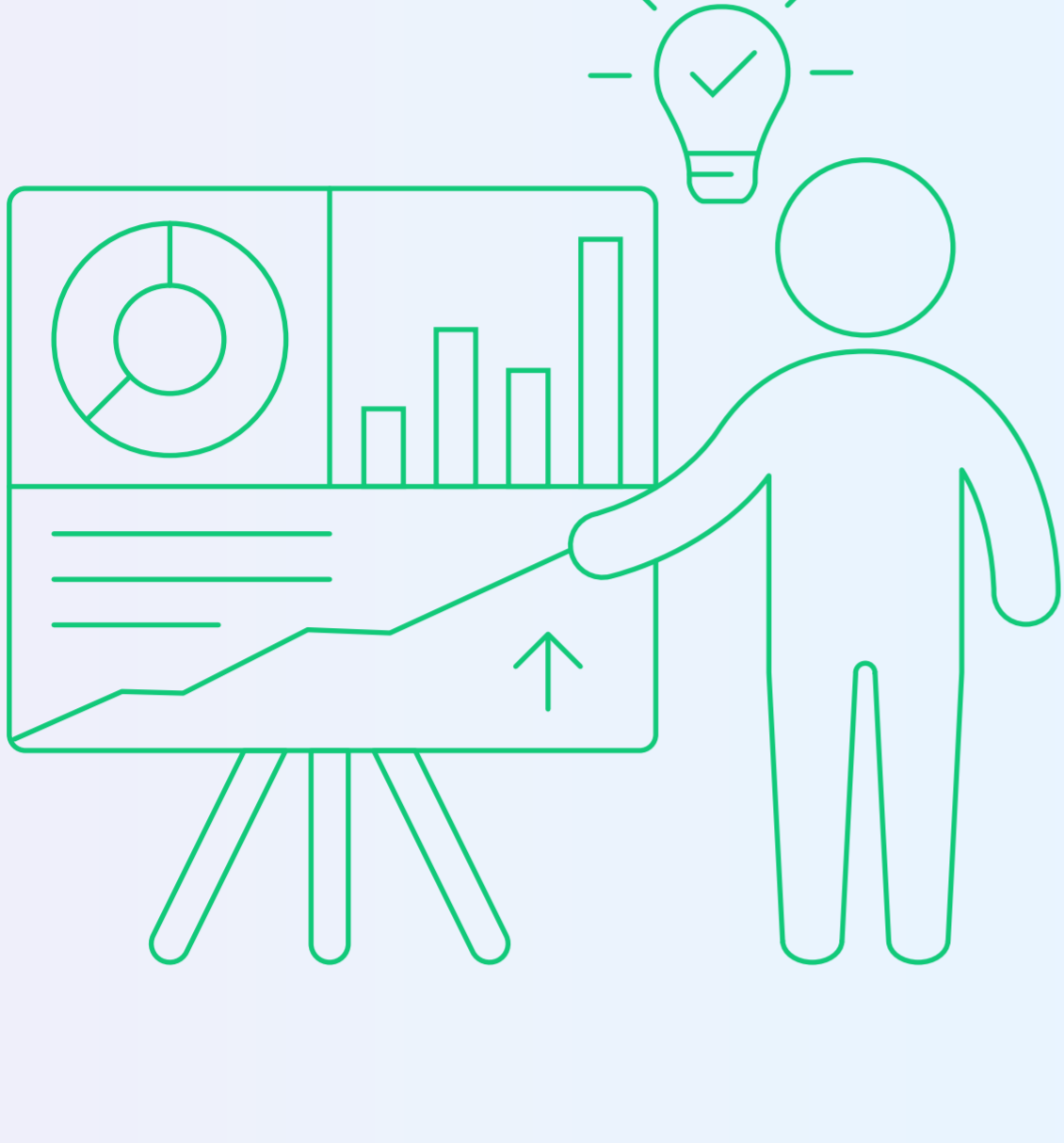
Increasing customer retention by 5% can increase your company's profitability by 75%.



## Learn the Right Metrics

Before you can focus on and prioritize retention, you need to know how to accurately measure it.

Start with the basics...



**Retention and Renewal Rates**

**Churn Rate and Number of Churned Customers**

**Customer Engagement and Net Promoter Scores (NPS)**

**Customer Lifetime Value (CLV)**

**Customer Acquisition Cost (CAC)**

**Customer Acquisition Cost (CAC)**

**Months to Recover CAC**

## Differentiate Between Voluntary and Involuntary Churn

### Voluntary Churn

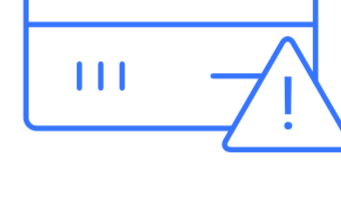


A customer decides to end the relationship and stops using your product or downgrades from a paid version.

Focus on the product and the overall customer experience

Remove friction from the renewal process

### Involuntary or Passive Churn



Subscriptions are canceled without action on the customer's part, and due to failed payment authorizations.

Increase authorization rates and reduce declines from expired cards and other recoverable causes.

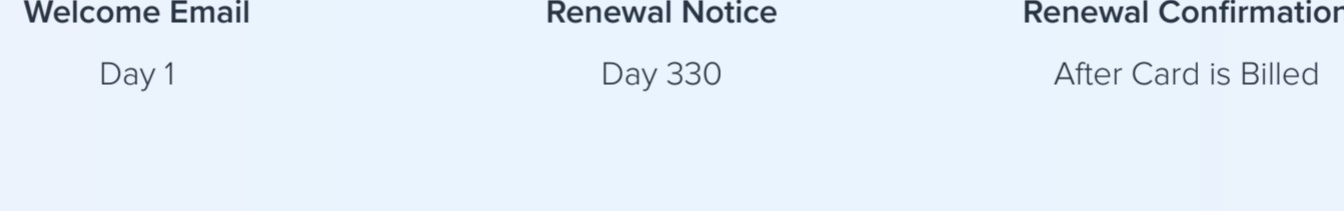
## Encourage Auto Renewals

With auto-renewals you have:

- Higher authorization rates
- Increased CLV
- 3x greater customer retention

### Subscription with Auto Renew

**Billed monthly or annually** | **No action on their part to continue the subscription**



### Subscription with Manual Renew

**Billed on an annual or bi-annual basis** | **Require the customer to actually place a renewal order**



## Engage with Customers to Reduce Voluntary Churn

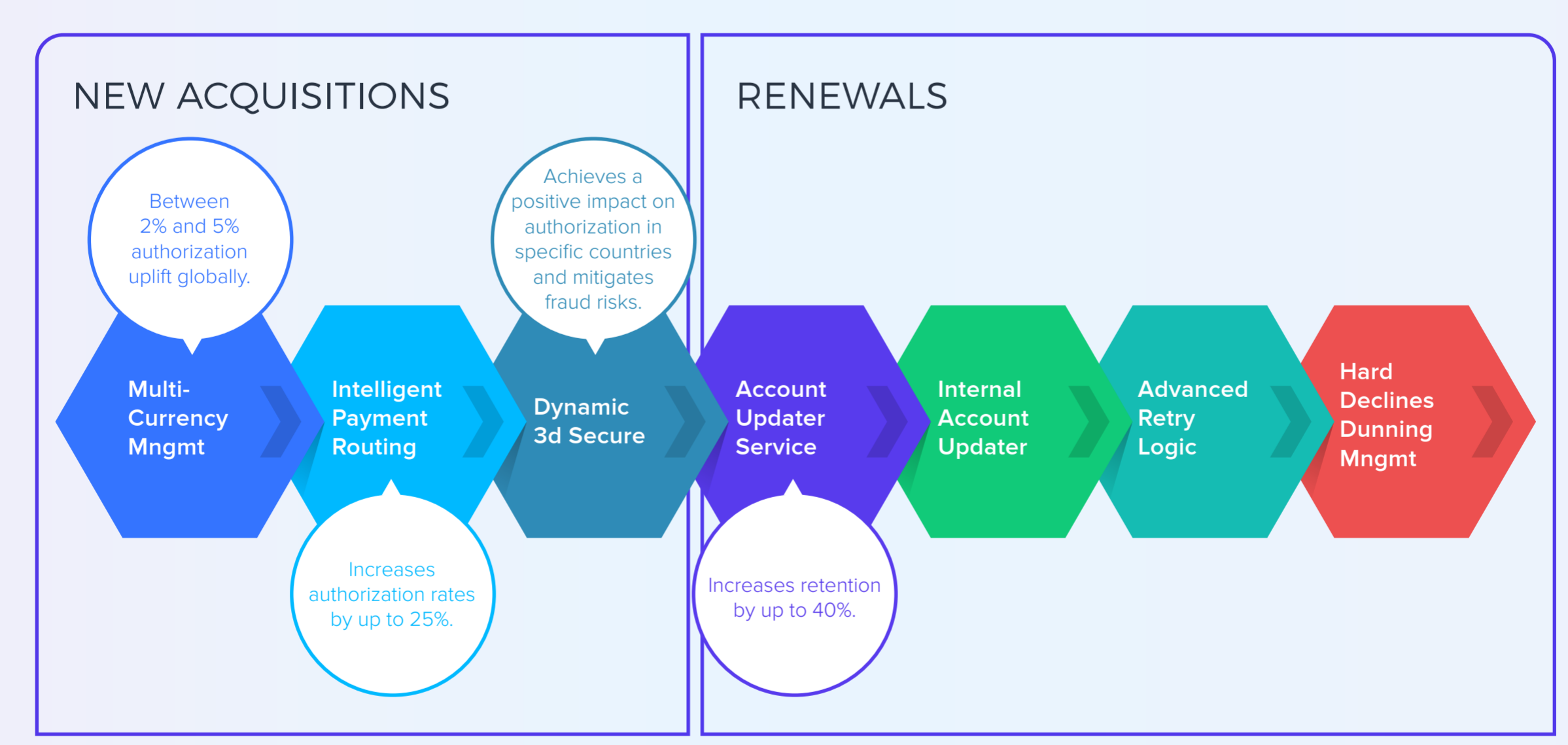
- Use Email Offers and Reminders
- Use Incentives to Keep Customers on Auto-Renewal
- Communicate Across Channels
- Offer Grace Periods
- Introduce Cancel Flows (with incentives to stay)
- Track Pre-Cancel Events
- Understand Cancellation Reasons
- Adapt Tactics to User Segment
- Use Dunning for Unfinished Auto or Manual Renewals
- Make It Easy for Customer to Renew

## Test and Optimize Your Renewal Process

**Renewal notifications - templates, timelines and prices** | **Emails and auto-renewal migration campaigns** | **Shopper support flows**

## Use Smart Payment Tools to Reduce Involuntary Churn

One out of every six card transactions fails for one reason or another -> implement strategies to reduce and/or recover declined authorizations = one of the best investments any SaaS business can make.

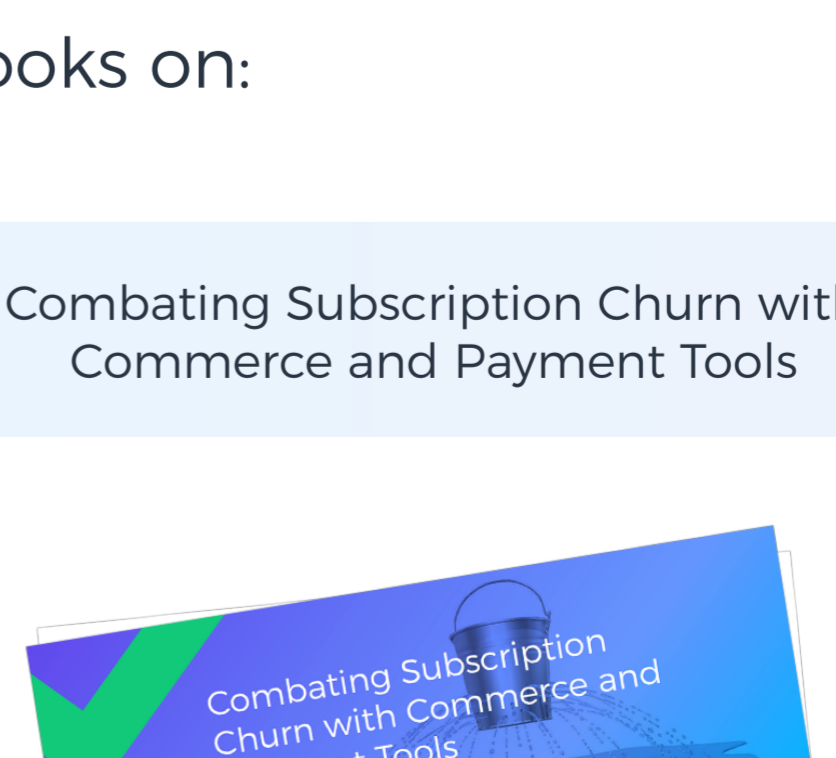


## Want to Learn More?

Download our eBooks on:

Retention Strategies for Software & SaaS

Combating Subscription Churn with Commerce and Payment Tools



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