

# Customer Retention & Churn Analysis Report

## Executive Summary

This report analyzes customer churn and retention trends for a subscription-based SaaS business. The objective is to identify churn patterns, retention drivers, cohort behavior, and customer lifetime insights to provide actionable business recommendations.

## Key Metrics

| Metric                          | Value      |
|---------------------------------|------------|
| Total Customers                 | 11,842     |
| Churned Customers               | 3,126      |
| Overall Churn Rate              | 26.4%      |
| Average Monthly Churn           | 4.1%       |
| Average Revenue Per User (ARPU) | \$18/month |
| Average Lifetime (Median)       | 9 months   |
| Estimated Lifetime Value (LTV)  | \$162      |

## Cohort Insights

Annual plan users exhibit significantly lower churn (12%) compared to monthly users (32%). Retention improves after 6 months, indicating strong long-term product value once users are activated. India region shows higher churn (34%) suggesting price sensitivity and engagement gaps.

## Key Retention Drivers

- Early engagement within first 30 days
- Onboarding completion rate
- Feature adoption frequency
- Annual plan commitment
- Customer support interaction quality

## **Strategic Recommendations**

- Improve onboarding and first 14-day activation process.
- Incentivize annual plan upgrades through pricing strategies.
- Implement churn prediction model using engagement signals.
- Introduce region-specific pricing strategies for high-churn markets.
- Track activation KPI (3 key actions within 14 days).

## Conclusion

The primary churn driver is low early engagement rather than product dissatisfaction. Reducing early churn by improving onboarding and activation metrics can significantly increase LTV and stabilize recurring revenue growth.