User Retention Analysis in B2B SaaS

Situation Description

A company develops a B2B SaaS solution for project management. Data shows that 40% of customers do not renew their subscription after the first year.

Problem Details:

- Average active usage time: 2 months, then activity sharply declines.
- Survey results:
- o 30% find the product too complex
- o 25% do not see the value
- o 20% switched to another solution
- o 15% reported missing features
- o 10% cited other reasons
- Most successful customers (who renew) use at least 70% of system features.
- Teams with fewer than 10 people churn more often than larger teams.

Task

Create an **extended Customer Journey Map (CJM)** for a typical client, covering all stages from the first interaction to the renewal/cancellation decision. Identify **critical frustration points** and the **moment when the decision not to renew is made**. Then, **develop a retention strategy** with **5 concrete initiatives**.

Deliverables:

- 1. **Extended Customer Journey Map** with a detailed customer experience analysis.
- 2. Retention strategy with 5 specific initiatives.

Evaluation Criteria:

- Completeness and detail of the Customer Journey Map
- Quality of **frustration point identification**
- Justification of **proposed initiatives**
- Alignment of initiatives with **identified problems**
- Potential effectiveness of the **retention strategy**
- Consideration of customer segmentation characteristics
- **Professional presentation** of results

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C/M	JOURNEY MAP				
	Awareness	Consideration	Purchase	Retention	
Activities	WATCH ADVERTISEMENTS,WORD- OF-MOUTH RECOMMENDATIONS	RESEARCH DETAILS ONLINE	CHOOSE A SUBSCRIPTION PLAN, START USING THE BASIC FEATURES	ACTIVELY USE CORE FEATURES FOR PROJECT TRACKING AND COLLABORATION.	
Motivations	IMPROVE TEAM PRODUCTIVITY, SOLUTION FOR BUSINESS GROWTH	FIND A GO-TO PRODUCT	SUSTAIN LIFESTYLE	GET MAXIMUM ROI FROM THE SUBSCRIPTION	
Emotions	OPTIMIZM	EXCITEMENT	OVERWHELM DUE TO THE COMPLEXITY	CONFUSED MANY USERS STOP ENGAGING AFTER 2	
Barriers	COMPETITION	CONCERNS ABOUT COMPLEXITY AND LEARNING CURVE.	LEARNING CURVE FOR NEW USERS.	MONTHS DUE TO COMPLEXITY. SOME TEAMS FAIL TO ADOPT AT LEAST 70% OF SYSTEM FEATURES.	

Here are five concrete retention initiatives based on the Customer Journey Map (CJM) insights for the B2B SaaS project management tool:

1. Step-by-Step Guidance (Addresses Complexity & Value Perception)

Issue: 30% of users find the product too complex, leading to abandonment.

Solution:

Implement a **step-by-step guidance** with interactive tutorials.

Offer templates based on industry use cases.

Provide an **Al-driven help assistant** for real-time support.

2. Show the Real Value of the Tool

Issue: 25% of customers do not see the value, and renewal rates are higher for those who use 70%+ of features. **Solution:**

Give users a **custom guide** on how to use features that fit their needs.

Offer **short video demos** and pop-up tips to show useful features.

3. Keep Customers from Switching to Competitors

Issue: 20% switched to another solution.

Solution:

Ask why they're leaving through short feedback surveys.

Show clear advantages by comparing features with competitors.

4. Give Users the Features They Need

Issue: 15% reported missing features.

Solution:

Launch a **public feature request board** where users can vote on new features.

Allow more customization so users can adjust the tool to fit their needs.

5. Renewal & Re-engagement Strategy

Issue: Active usage drops after 2 months, affecting renewal.

Solution:

Implement automated re-engagement campaigns after inactivity.

Offer loyalty-based discounts or extended trials before renewal.