

# CUSTOMER CHURN AND REVENUE HEALTH REPORT

## EXECUTIVE SUMMARY

### What We See

- Overall churn rate is 26.54%, which is high for a subscription business.
- The company has 5.174K active customers generating 316.99K in Monthly Recurring Revenue (MRR).
- 139.13K in monthly revenue is at risk from customers who have already churned.
- Churn is heavily concentrated among early-tenure customers, month-to-month contracts, and manual payment users.

### Actions To Take

- Prioritize retention efforts in the first 90 days of the customer lifecycle.
- Push customers toward long-term contracts and automatic payments.
- Treat churn reduction as a revenue growth strategy, not just a retention metric.

## CHURN BY TENURE (CUSTOMER LIFECYCLE)

### What we see

- Customers in the 0–3 month tenure group churn at 56.8%, the highest of all groups.
- Churn steadily declines as tenure increases.
- Customers with 60+ months tenure churn at only 6.61%.

### Actions to take

- Strengthen onboarding and activation during the first 90 days.
- Add early engagement campaigns (emails, in-app tips, tutorials).
- Track first-month usage metrics and flag low-activity users for outreach.

## CONTRACT TYPE IMPACT ON CHURN

### What we see

- Month-to-month contracts churn at 42.71%.
- One-year contracts churn at 11.27%.
- Two-year contracts churn at 2.83%.

### Actions to take

- Encourage upgrades from month-to-month to annual plans.
- Offer limited-time incentives for annual and two-year contracts.
- Position long-term plans as the default during signup.

## PAYMENT METHOD IMPACT ON CHURN

### What we see

- Electronic check users churn at 45.29% (highest).
- Automatic payment methods have much lower churn:
- Credit card (automatic): 15.24%
- Bank transfer (automatic): 16.71%

### Actions to take

- Promote automatic payments as the preferred option.
- Offer small incentives for switching from manual to auto-pay.
- Reduce visibility of electronic check during checkout.

## REVENUE AND LIFETIME VALUE BY CONTRACT

### What We See

- Two-year contracts average 3.71K lifetime revenue.
- One-year contracts average 3.03K.
- Month-to-month contracts average only 1.37K.

### Actions To Take

- Focus retention and upsell campaigns on month-to-month customers.
- Bundle premium features with long-term plans.
- Use lifetime value messaging in marketing ("Save more long-term").

## REVENUE RISK

### What We See

- 139.13K in monthly revenue is tied to churned customers.
- Revenue loss is concentrated among short-tenure and month-to-month users.

### Actions To Take

- Create a churn-risk monitoring list for high-risk segments.
- Trigger retention offers before customers cancel.
- Review churn trends monthly with leadership.

