

# Hopify Executive Summary | Revenue & Profit Insights

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## BUSINESS PROBLEM

Hopify initiated a revenue and profitability review to evaluate performance across three key segments: Enterprise, Mid-Market, and SMB. Leadership posed the following strategic questions:

1. How are ARPU, NRR, and GRR trending over time across segments?
2. Which segments are driving or lagging in revenue growth?
3. Where can retention, expansion, or pricing strategies be optimized?

## FINDINGS

- Enterprise:
  - Highest LTV and strong NRR, with an 11-day CAC payback.
  - Flat expansion revenue and weak ARPU signal upsell shortfalls.
- Mid-Market:
  - Solid MRR and LTV performance.
  - NRR and GRR declined in late 2024 and early 2025—raising early churn concerns.
- SMB:
  - Strong MRR and ARPU performance.
  - Retention is weak—NRR and GRR are declining rapidly.
  - Extremely fast CAC payback, but long-term value appears overstated.
- Cross-Segment CAC & LTV Concerns:
  - All segments report “excellent” CAC payback (<1 month) and exceed LTV targets.
  - Signals possible CAC data gaps or optimistic LTV assumptions—review advised.

## RECOMMENDATIONS

- SMB - *Retention & Monetization Overhaul*
  - Redesign onboarding and retention strategy.
  - Pilot usage-based pricing and higher-value low-cost plans.
  - Reassess LTV calculations for accuracy.
- Mid-Market - *Churn Risk Intervention*
  - Launch customer success outreach in year two.
  - Test loyalty incentives and flexible plan offerings.
  - Closely monitor revenue trends in Q3 2024 and Q2 2025.
- Enterprise - *Upsell Growth Strategy*
  - Repackage offerings with value-based pricing.
  - Run targeted upsell campaigns to boost ARPU and expansion revenue.
- Marketing Investment Strategy
  - Review CAC tracking integrity.
  - Expand CAC spend in key segments if metrics hold—target high-LTV growth.

Note: This analysis is based on [simulated data](#) for illustrative purposes only.

# APPENDIX

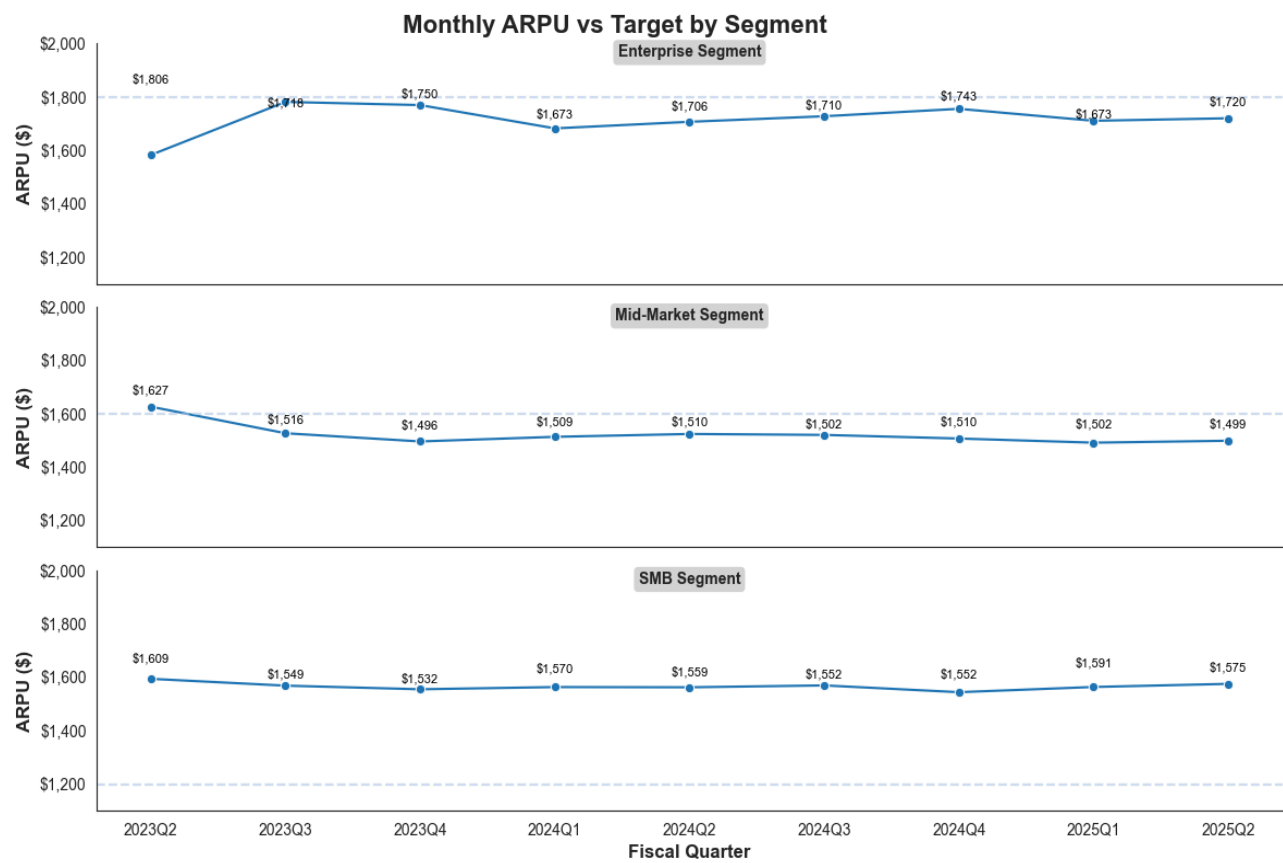
## A1. Segmented Top-Line Revenue

12-Month Totals by Segment — Orders, Revenue, and Collected Payments

Segment	Orders	Order Value	Collected Payments	Expansion Revenue
SMB	31,532	\$69.4M	\$93.1M	\$23.7M
Mid-Market	18,925	\$51.5M	\$76.1M	\$24.6M
Enterprise	6,943	\$28.3M	\$44.7M	\$16.4M

## A2. Monthly Average Revenue Per User by Segment

Actual vs Benchmark ARPU Over Time



Note: This analysis is based on [simulated data](#) for illustrative purposes only.