

# 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?

## CONSIDERATIONS

- CAC payback and LTV appear strong across all segments
- Metrics may be inflated due to:
  - Underreported acquisition costs
  - Optimistic retention assumptions
- Recommend validation before guiding spend or pricing decisions

## 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

- Marketing: Audit CAC tracking; increase spend only if metrics are confirmed
- Enterprise: Repackage plans and run upsell campaigns to boost ARPU
- Mid-Market: Launch year-two outreach and loyalty offers; monitor churn trends
- SMB: Redesign onboarding and explore usage-based pricing to address early churn and overestimated LTV

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

# APPENDIX

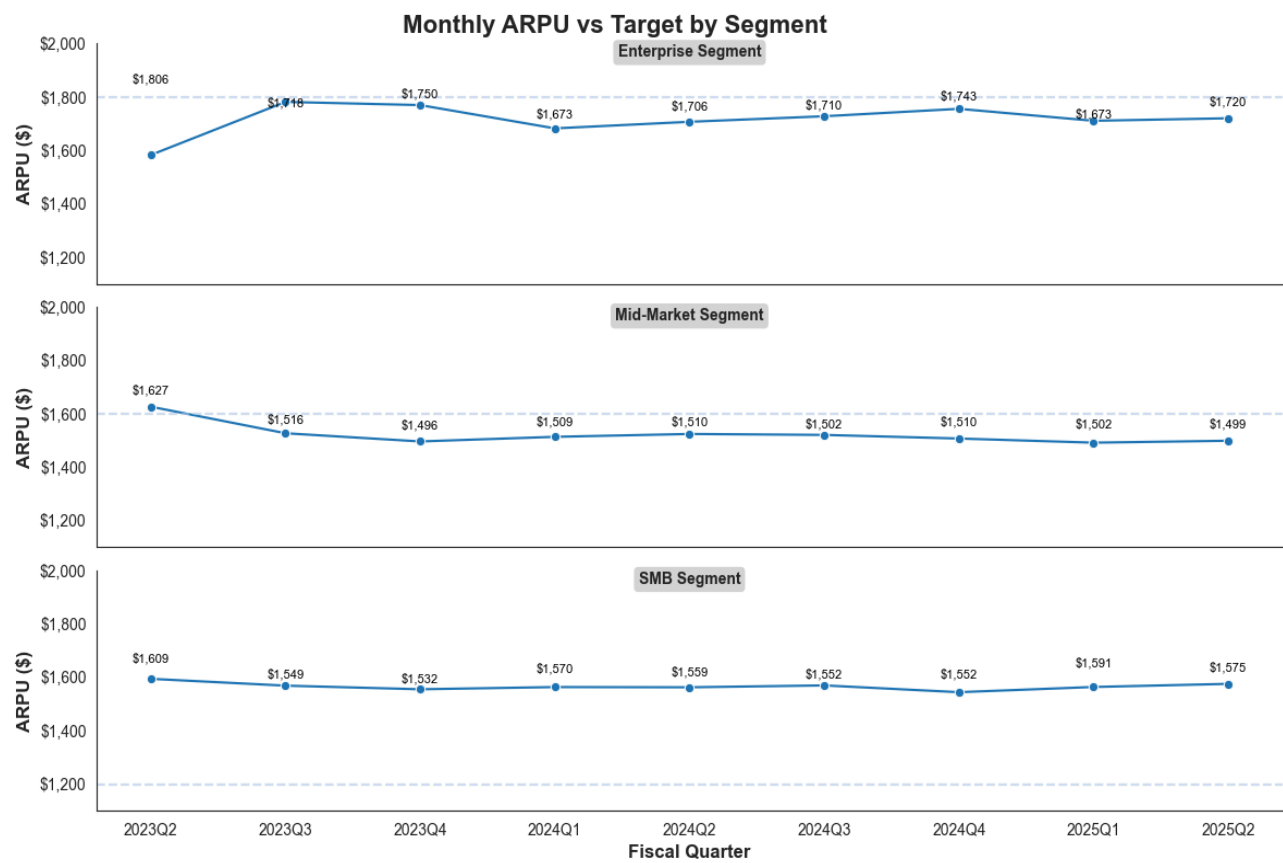
## A1. Segmented Top-Line Revenue

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.