

EXECUTIVE SUMMARY

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BUSINESS PROBLEM

Hopify, a fictional SaaS company, initiated an exploratory analysis to understand customer churn patterns across its three primary segments: Enterprise, Mid-Market, and SMB. Leadership sought answers to three key questions:

- When are customers most likely to churn in their lifecycle?
- Which segments are at greatest risk?
- What support or product engagement factors influence early churn?

FINDINGS

- Enterprise churn rate exceeds target by 49% — despite long-term engagement, recent churn has spiked, posing a major revenue risk.
- SMB customers churn early, with steep drop-offs in the first 2–4 months, even among those who engage support.
- Mid-Market churn is rising, though still within acceptable thresholds — retention declines begin around month 6.
- Customers with 5+ support tickets show higher churn in Mid-Market and Enterprise, while SMB churns even without requesting help — suggesting different underlying issues.
- Enterprise retains over 90% of customers beyond 9 months, signaling strong long-term fit if early risk is managed.

RECOMMENDATIONS

Based on these insights, the following actions are recommended:

- Improve onboarding experience within the first 60 days to reduce early churn across segments.
- Implement lifecycle interventions at key drop-off points: Month 2 (SMB), Month 6 (Mid-Market), and Month 4 (Enterprise).
- Increase proactive support outreach, especially for users who don't self-initiate tickets — passive churn risk is high.
- Prioritize Enterprise retention efforts to protect long-term value.

NEXT STEPS

1. Launch onboarding enhancements tailored to segment behavior.
2. Create automated lifecycle touchpoints based on cohort trends.
3. Embed churn and retention KPIs in ongoing performance dashboards.

APPENDIX

Figure A1. Monthly Churn Rate vs Threshold
Enterprise churn has steadily climbed since 2024, surpassing its target threshold in early 2025 — signaling rising retention risk.

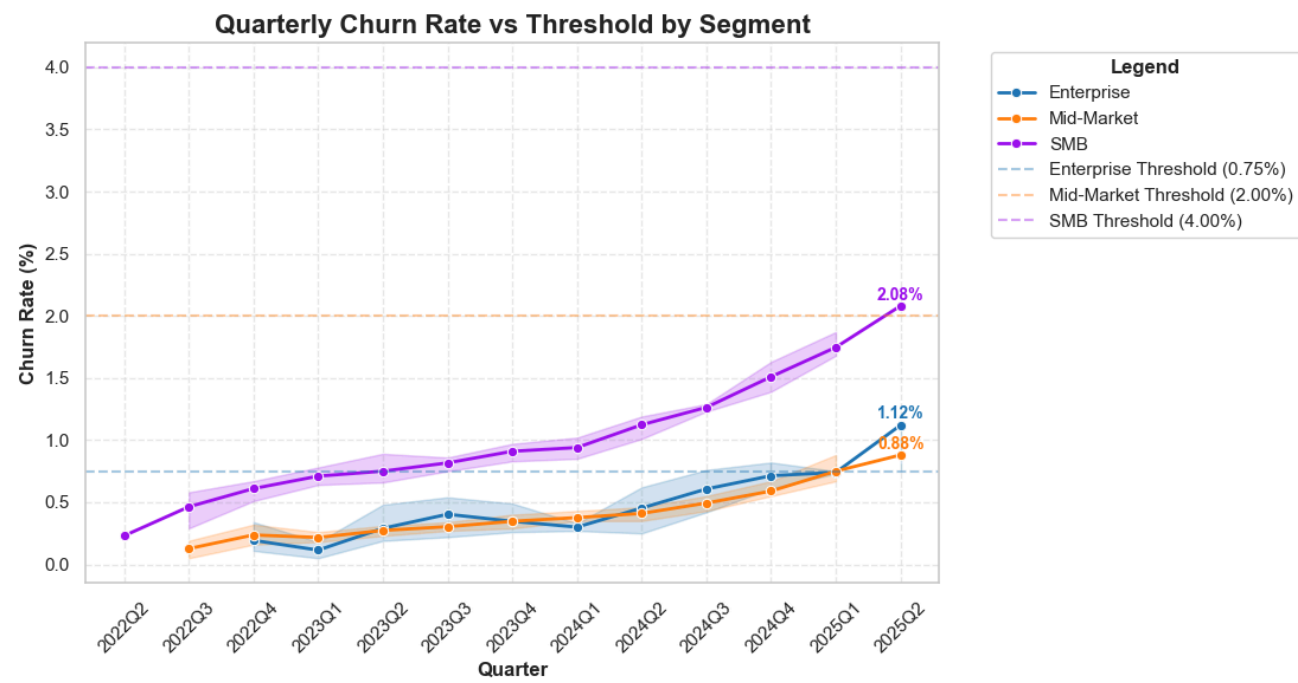


Figure A2. KPI Snapshot by Segment
Enterprise exceeds churn target by 49%; Mid-Market remains healthy; SMB hovers near limit.

Segment	Target Churn	Actual Churn	Variance	Status
Enterprise	0.75%	1.12%	+49.3%	✖ Exceeds
Mid-Market	1.50%	1.32%	-12.0%	✔ Healthy
SMB	1.80%	1.75%	-2.80%	⚠ Monitor