INDIEPAY: CONVERSION & RETENSION ANALYTICS

Business Objective

To investigate why most users on IndiePay do not convert to the paid version after their 30-day free trial ends, and to identify which user segments are most likely to drop off or convert.

Project Structure

Phase 1: Understand the general conversion funnel — where users are dropping off

Phase 2: Deep-dive into user behaviors to explain why they drop off or convert

Phase 1: Funnel Analysis

Funnel Steps and Drop-off Rates:

Step	Description	Users	Drop-off (%)
0	Signed Up	260	—
1	Used Features	191	27%
2	Used Support	123	36%
3	Connected Bank	123	0%
4	Converted	86	30%

Key Observations:

- Major drop-offs occur before users connect their bank or convert, indicating deeper usability, engagement, or trust issues in the earlier phases.
- 27% drop-off after signup: Indicates onboarding failure or unclear value.
- 36% drop-off post-feature use: Suggests confusion, unmet expectations, or dissatisfaction even after engagement.
- Bank connection has no significant effect on conversion likelihood.

Phase 2: Behavioral Segmentation Analysis

User segments and their conversion behaviors:

Segment	Converted	Did Not Convert	Total	Conversion Rate (%)
Power Users	37	0	37	100%

Silent Converters	25	0	25	100%
Support Seekers	24	0	24	100%
Engaged Non-Converters	0	125	125	0%
Light Users	0	49	49	0%

Segment-Level Analysis

Power Users:
- Usage: High
- Support: Majority did not need support
- Conversion: 100%

The Why: Clear value recognition, smooth onboarding, and high utility

Implication: Engaged users who figure out the product easily are guaranteed conversions.

Silent Converters
- Usage: Low or Medium
- Support: Rarely used

The Why: Possibly external motivators, easy navigation, urgency, business readiness, strong trust

Implication: Conversion is not only about in-app behavior. Trust and timing matter.

Support Seekers
- Support: All used support and converted

The Why: Their issues were resolved, enabling retention.

Implication: Effective support directly boosts conversions.

Engaged Non-Converters
- Usage: 56.6% Medium, 44% High
- Support: 43.2% used support

The Why: Despite interest and effort, they experienced friction unresolved issues, pricing confusion, lack of trust, or perceived lack of ROI.

Implication: These users tried. They are your biggest opportunity and biggest failure if ignored.

Light Users
- Usage: Low
- Support: 59% used support

The Why: Weak onboarding, early confusion, never got value

Implication: Users leave quickly if they don't get guided into value immediately.

3. Cross-Cutting Behavioral Insights:

3.1 Trial Usage vs. Conversion

Trial Usage Level	Converted (%)	,Did Not Convert (%)
High,	43.0%	31.6%
Medium	33.3%	40.2%
Low	23.3%	28.2%

• Finding: Higher usage correlates strongly with conversion.
• Warning: 40.2% of medium-usage users didn't convert, despite meaningful engagement.
Why This Matters: Conversion is not just about trying features. It's about the experience after engagement whether the value is delivered clearly, consistently, and confidently.

3.2 Support Usage vs. Conversion

Support Used?	Converted (%)	Did Not Convert (%)
Yes	46.5%	47.7%
No	53.5%	52.3%

Why This Matters: Nearly 48% of users used support but still dropped off indicating that support exists but is either ineffective, slow, or unclear. Yet, those who received good support clearly benefited.

3.3 Bank Connection vs. Conversion

Bank Connected?	Converted (%)	Did Not Convert (%)
Yes	46.5%	47.7%
No	53.5%	52.3%

Why This Matters: Bank connection is not a strong predictor of conversion. Its presence doesn't guarantee value recognition or trust in the platform but users should still be encouraged to connect their banks

3.4 User Types by Team vs Solo

User Type	% of Paid Users	% of Non-Paying Users
Solo Users	53.5%	58%
Team Users	46.5%	42%

Why This Matters: Although solo users are more common, team users show a higher conversion rate relative to their population size.
Suggests teams may perceive more value, or their use cases align better with the product's offerings.

5. Behavior Buckets — Why People Convert or Dropoff

Why People Convert
High feature engagement + smooth UX → Power Users
Effective support → Support Seekers
Trust and readiness → Silent Converters

Why People Drop Off
Early confusion → Light Users
Unresolved issues despite interest → Engaged Non-Converters
Ineffective support → 83 users used support but still left
Complex flows or setup problems → "Didn't complete setup" or "didn't trust the flow"
Lack of perceived ROI or value → Especially medium-use users

Root Cause Summary (The "Why")
Problems & Evidence ;
 Onboarding is weak : 27% drop-off after signup, 59% of light users needed   support and still
dropped

 Support quality is inconsistent: 48% of support users still dropped; 83 users used support but
didn't convert

 Value realization is delayed or unclear: 40.2% of medium-usage users dropped off
 Product trust and complexity are blockers   Top feedback: "didn't trust flow", "features too
complex", "didn't return after first try"

Feature engagement is a strong driver : 100% conversion among Power Users; high trial usage
→ high conversion correlation

Some users convert independently (self-serve) : 53.5% of converters didn't use support →
product is usable, but not for everyone

 Support helps when it works: 100% of Support Seekers converted

 Recommendations

 1. Fix Onboarding Gaps
   ● Design guided onboarding that introduces features based on user goals (e.g., "Want to
     track expenses?" → Show bank connect)
   ● Use product tours, checklists, and progress trackers to orient new users.
   ● Prioritize onboarding especially for solo and light users.

 2. Improve In-App Support Experience
   ● Invest in faster response, smarter help content, and support prompts tied to user activity.
   ● Track resolution rates don't just offer support; measure if it works.

3. Target Engaged Non-Converters
  - These are your most salvageable users.
  - Launch win-back emails, in-app nudges, or exit surveys tailored to their behavior.
  - Offer personalized incentives or value reminders post-trial.

4. Simplify Key Flows
  - Review drop-off points in feature journeys.
  - Simplify confusing parts (e.g., setup, bank connection) with smart defaults, helper text, or AI walkthroughs.

5. Double Down on What Power Users Love
  - Use feature usage heatmaps to discover what Power Users do most.
  - Push these flows during onboarding and marketing.

6. Validate Silent Converters
  - Survey or interview a sample to understand why they converted with low activity.
  - Use insights to expand acquisition strategies (e.g., messaging around trust, readiness, or specific use cases).

7. Differentiate for Teams vs. Solo Users
  - Teams convert better. Consider team-specific pricing plans, shared dashboards, or admin features.
  - For solos, show "what you can do solo" stories or templates to reduce decision fatigue.

Final Thoughts

This report shows that conversion isn't just about feature access, but about experience clarity, emotional trust, and perceived value. IndiePay users are willing to try but too many leave either because:
  - They never saw the value clearly (Light Users),
  - They saw it but were blocked by support or product issues (Engaged Non-Converters),
  - they were confused early and never came back (first-drop-off, 27%).

Fixing onboarding, elevating support, and addressing friction in value delivery can lead to higher trial conversion, better retention, and stronger product market fit.