



Churn Burns

21

**TACTICS TO INCREASE
RETENTION OF YOUR
SAAS CUSTOMERS**

YOU WIN SOME, YOU LOSE SOME

In the SaaS business, we use the term “customer acquisition” when we speak of bringing subscribers aboard. On the flip side, we use the word “churn” when they cancel their subscription and the corresponding revenue slips away.

Churn burns but the degree varies. Still, when it occurs too often, the house can go up in flames.

If yours is a relatively low-cost subscription-based service (say, under \$100/month), customers will recognize the lower risk factor involved and be faster to come aboard. However, they'll also be faster to cancel.

Maintaining customer volume is paramount.

If yours is an enterprise solution with higher complexity, subscription, onboarding and support costs, your customers have more skin in the game. Cancelling is a bigger decision. For you, the service provider, each defection means you take a bigger hit.

There are variables. Software services have all kinds of middle ground and many solutions are invoiced on an annual or multi-year basis.

Regardless, whatever you charge and however you invoice, you don't want to get burned by churn.



IDENTIFY & RECTIFY



You need to identify factors that cause churn and correct them. And for SaaS providers, it needs to happen ASAP..

What could the factors be? Reasonable explanations include:

- The solution doesn't satisfy the customer's needs.
- The customer concludes they no longer have the need.
- The customer discovers a solution they like better.
- The customer has failed to recognize the value of the software.

"Value" is the key word here. Author Anne Janzer spends the majority of her great book, [*Subscription Marketing*](#), addressing the topic of "value nurturing."

Value nurturing takes many forms, but the focus is to ensure that customers understand the features and benefits of the solutions not only when onboarding, but continuously, as your

solution evolves. The goal, of course, is to inspire subscribers to continue with your service month after month and year after year.

What does it take to increase customer retention and perpetually improve SaaS revenues? This e-book answers these questions with 21 tactics for battling churn like a champ.

21 SAAS RETENTION TACTICS

The following is a list of tactics SaaS companies can use to deliver a higher level of customer satisfaction and reduce churn.

LET'S START

1 Call new customers

SaaS companies that offer free trials often call prospective customers immediately after they sign up for a trial or opt in.

This presales call is aimed at creating a strong first impression. The potential customer receives words of welcome, thanks, encouragement and suggestions, as well as offers designed to facilitate adoption and overcome any obstacles.

Should you roll out the proverbial red carpet for new paying customers, too?

Absolutely.

Be sure every new customer receives an onboarding call from a member of your customer success team. It's an ideal opportunity to discuss expectations, answer questions and deliver guidance for succeeding with your software product. You want to establish a personal relationship from the get-go and, of course, maintain it for years.



2 Create the onboarding program customers require

The time it takes a customer to get value from your platform is essentially the time it takes to learn how to use it effectively. So, the importance of the educational process of customer onboarding cannot be overstated.

Blow it, and you can expect (and deserve) a higher churn rate. Master it, and your happy new customers are more likely

to become reliant on your services and stick around. Examine what a successful new customer path looks like, and put steps in place to make a positive impact as often as possible. In some instances, the onboarding process might be best addressed with video conferences, tutorials, even “canned” trainings.

However, if yours is a complex platform best learned via real-time interaction in a hands-on environment, you'll want to consider relying on a virtual instructor-led training solution. It's an ideal way for onboarding multiple users at once, especially if they're spread across different locations.

3 Easily accessible help option

It's only natural that customers will experience pain and frustration along their journey. It's an opportunity to prove yourself, so be prepared to assist them as quickly as possible.

Your customer shouldn't have to work to get help — or wonder where to begin.



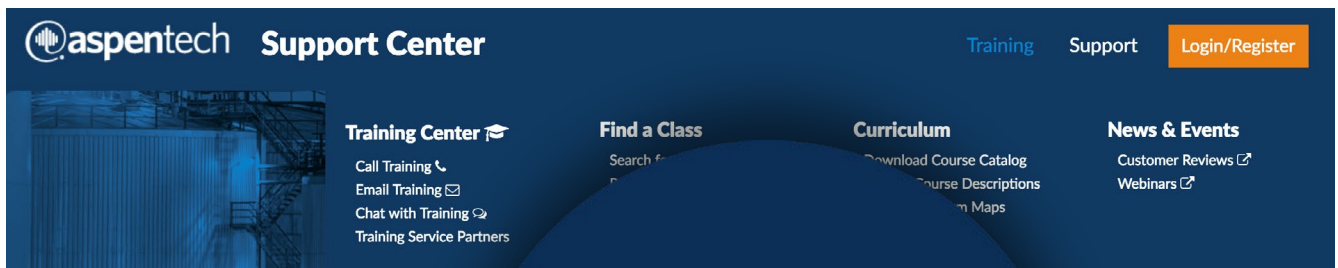
Create a thorough and helpful FAQ page or help resource section for those who prefer self-service.



Make it easy to reach a knowledgeable assistant via live chat, a support widget or phone number. Make sure such options are easily accessible across your website.



Offer user support by enabling interactive guidance and easy access to help resources right from your solution.



Note how the AspenTech support center offers its customers myriad training options including phone, email, chat and more.



4 Commit to customer success



Customer success is when your customer achieves their desired outcome through their interactions with your company."

Lincoln Murphy ([Sixteen Ventures](#))

Understand that customer service and customer success are not necessarily the same. Customer service is a function that doesn't always deliver a relationship building experience. A focus on customer success should cultivate enthusiastic clientele that renews, buys more over time and refers new customers.

Your focus on customer success should be proactive. Create a customer success team tasked with examining and refining the entire process and lifecycle. Require account managers to identify customers who aren't using the software frequently and work with them to identify their goals and needs.

Customer Success: Department Goals and Responsibilities

- ✓ Turn customers into advocates
- ✓ Increase customer retention
- ✓ Optimize customer lifecycle
- ✓ Manage customer support
- ✓ Up-sell/cross-sell
- ✓ Generate referrals
- ✓ Increase customer lifetime value
- ✓ Monitor product usage
- ✓ Track success metrics

More on that topic

As products increase in complexity, customer success as a department should come to the forefront. [The Complete Guide to Customer Success for SaaS Companies](#), an e-book from Process.st, offers goals and responsibilities.

5 Create a steady stream of helpful content

Setting up campaigns designed to educate users can do a world of good for retention. In addition to helping speed the onboarding process, a steady flow of useful tips is likely to help customers embrace your service over the long run.

Consider putting automation to work to power your efforts. When a customer completes a significant action with your software, you could have an email ready to send to them. For example, if a customer puts an endpoint protection in place (as a client of Palo Alto Networks would do), you could automatically deliver a guide or video about how to switch on additional safety measures.



6 Offer webinars

The more complex your software, the more users will want to show off presentations to discover its capabilities. Provide free webinars or training sessions to coach users on how to get more out of your platform. You'll increase the value of your service and create a deeper relationship with your customers.

Atlassian offers a steady stream of webinars and archives them for clients to watch on-demand.

A screenshot of a webinars page. At the top, the word "Webinars" is in a large, bold, dark blue font. Below it, a smaller line of text says "Check out some of our upcoming webinars, as well as some of our most popular webinars!". Underneath, there is a section titled "FEATURED" in all caps. This section contains three cards. Each card has a small illustration at the top, a title in bold, and a "Watch Now" button at the bottom. The first card has a white background and shows server racks; its title is "Atlassian for enterprises: Automating Data Center deployments". The second card has a blue background and shows a person at a computer; its title is "Automate your code from test to production with Bitbucket Pipelines". The third card has a white background and shows a person at a computer with a yellow umbrella; its title is "The top secrets to success for Project Administration in Jira Server".

7 Offer live, instructor-led training options



Product-centric customer education is a powerful tool to increase satisfaction and retention, as customers learn to get more value out of the products they buy from you."

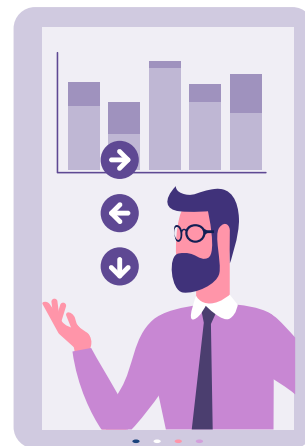
Gerardo A. Dada, VP product marketing and strategy,
SolarWinds

A serious remedy for churn, especially with complex solutions, is virtual instructor-led training (VILT).

Why virtual? Simple: Training that takes place in a traditional physical space can be limited, whereas VILT enables SaaS companies to provide interactive remote training at scale. It also enables attendees to learn from each other.

Why instructor-led? Again, simple: The effective transfer of information is immensely enhanced when teachers and students are able to interact.

Additionally, the live element of the training ensures the current version of the software is being used. And finally, with a cloud-based solution in place, training replicates real-world application of the software and participants gain immediate and invaluable hands-on experiences.



More on that topic

Learn more about the smart approach to cloud-based software training [here](#).

8 Maintain quality support

Churn is the unfortunate consequence of users experiencing a lack of service and support – and it only takes once to sour a customer. To maintain quality, always go above and beyond when it comes to customer service.



Follow-up promptly to help requests.



Ensure a satisfactory outcome by following-up to ensure resolution.



Keep your documentation up to date so customers know you're listening and don't become frustrated by having to repeat steps.

9 Provide payment options

One of the advantages of a SaaS solution is that customers can subscribe to your services monthly or annually. However, in the interest of retaining customers, you might explore additional options.

Enterprise SaaS solutions often call for customization, so it makes sense to offer value-priced yearly or multi-year contracts. Providing a discount for long-term agreements is a win-win for both the provider and customer. Customers receive a substantial discount and are likely to stick around longer.

What's more, you'll be able to plan ahead and make sure you win the renewal.

10 Thank customers in public and private

Go out of your way to foster goodwill with unsolicited expressions of appreciation for your customers. Happy customers share their experiences with colleagues.

Send an email or call to thank your customers and consider taking your appreciation a step further with small gifts, plaques or bonus offers. For that matter, in today's fast-paced world, taking the time to write a simple handwritten note can help you to stand out.

11 Launch a loyalty program

Take it from [Neil Patel](#), one of the world's foremost masters of SaaS marketing (and founder of several successful SaaS ventures):

"Loyalty programs work. You'll find that a simple loyalty program can keep customers coming back and sticking with you."

Neil points out this doesn't need to be expensive or complicated. Often, this can be accomplished with simple rewards like an occasional discount, gift card, bonus, even special "members only" content. Memberships to VIP panels where they can influence the product development roadmap can help users understand they are valued and gain buy-in.

You may also want to consider "gamifying" the experience. That is, add an element of fun, goal-setting and even competition by recognizing (and scoring) different activities. It just may inspire customers to use your software more often.

12 Build user communities

An online community is a group of people that interact and collaborate to achieve a common goal. A SaaS company that brings together engaged users can realize benefits across many business functions by providing a forum to share information and insights, especially when an internal expert monitors discussion and is quick to answer questions or concerns.

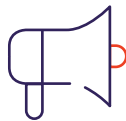


Customer service benefits

Increases satisfaction and retention rates

Less taxing demands on support staff and faster resolution

Knowledge sharing increases buy-in



Sales and marketing benefits

Improves campaign development

Shows customer advocacy

Yields market research and consumer intelligence



Product development benefits


Leads to more customer-driven product innovation and insights

Provides critical customer feedback


Sophos promotes a trio of exclusive features members of its user community gain access to.

Join the Community


Check out our product forums where you can browse a variety of topics, post questions, and get solutions for our entire range of Sophos products.



Discussion Forums



Advisory Articles



Product Information

[Join the Community](#)

13 Feature customers in your content



A community content strategy can establish your brand as an industry thought leader and strengthen your brand reputation and reach. Use community content to dive below your product's surface and show people what they could achieve with your platform."

~ Victoria Greene, from the Incredio blog

When you create content about—and with—your customers, everyone wins.

- Publish case studies.
- Interview customers for blog posts, videos and podcasts.
- Celebrate their accomplishments via social media.
- Include them in your value-added content (as we've done in this e-book).
- Invite them to participate in your webinars and speak at industry events.

14 Upsell and cross-sell solutions

Upselling your solutions can deepen the customer relationship and raise the lifetime value they receive from your company.

Remember, everyone appreciates a trusted source when it comes to purchasing. If you've proven yourself, you're the perfect solution. It's a great retention strategy and a win-win. After all, you'll be delivering more of the features and benefits your customers want.

You also want to cross-sell additional solutions to increase the value of your brand and achieve a larger footprint in the client's business.

15 Surprise your customer



Surprise gifts or delightful experiences are a powerful way of turning laissez faire users into passionate evangelists. Not only do you amp up your marketing, but you also improve your retention rate."

~ Neil Patel, [Crazy Egg blog](#)

Here's a big idea from the Crazy Egg blog:

Automatically upgrade your customer's account. This could be the ultimate appreciation gift and go a long way toward sustaining loyalty.

Imagine your customer suddenly receives an email or call to learn you've boosted their plan to a higher level with more powerful features. Doing so may cost you nothing, produce amazing retention and create enthusiastic brand advocates. Who doesn't like to be bumped up to first class?

16 Engage via social media

No brand is too big, technical or beyond making meaningful connections via social media. The more touch points you have with customers, the more likely they are to engage.

- Let customers know you are available via social channels. Inform them where and how to connect and engage with them there.
- When a customer follows you on social media, follow them back.
- Provide support via Twitter.
- Create private groups on LinkedIn or Facebook.

17 Reinforce security

Security has been, and always will be, a top concern for SaaS customers, especially enterprise ones. As such, it's on you to show how secure your platform is. By letting your customers know you're actively securing their data and protecting their privacy, you'll be reinforcing that they made the right decision.

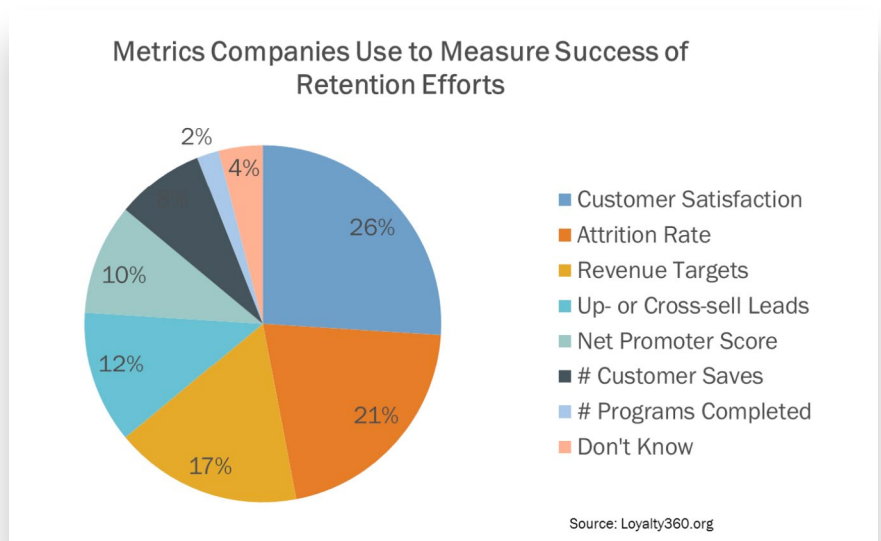
As you add pertinent new layers of security, tell your customers. So as to not invoke unnecessary alarm, don't go overboard by announcing minor developments. Just be transparent and make customers aware you are fully committed to delivering the highest level of security technology allows.

18 Keep an eye on user metrics

Signing up for a SaaS-based platform and putting it to use are two different things. You don't want users to lose interest and become inactive. Employers want to know there's value in your solution and users are validation.

Recognize that not everyone who signs up is going to quickly use and master your solution. Even so, take a proactive approach to this challenge. Offer a follow-up consultation, provide regular training updates to client companies, make sure you're visible and ensure your value is known.

SaaS brands track success differently. Determine key performance indicators to build retention strategies.

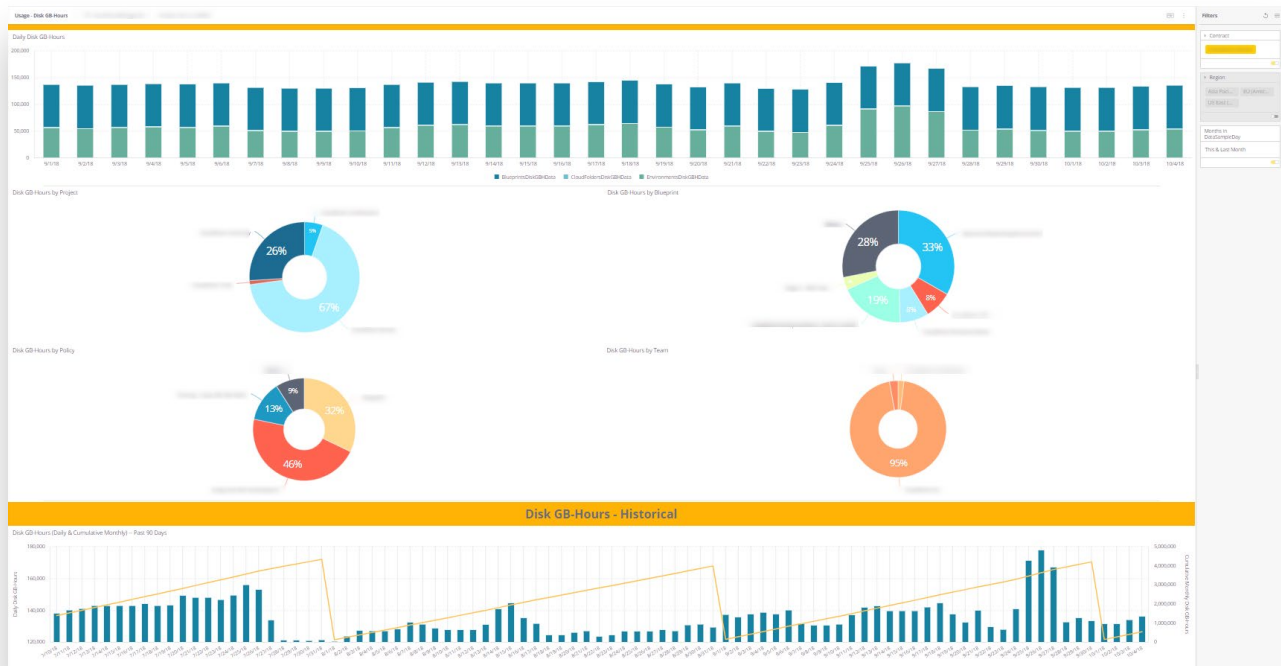


19 Provide analytics

You help yourself when you help your customers analyze and understand how they're meeting their goals with analytics on the use of and return-on-investment from your SaaS solution.

For example, Salesforce presents customers with analytics that reveal important metrics such as leads acquired per week, sources, as well as sales or pipeline status by salesperson.

Prebuilt visual dashboards that can show these details quickly communicate the most important. The best approach is to offer each customer a customizable dashboard enabling them to gather analytics at-a-glance, then drill-down into the measurements and KPIs they find most useful.



CloudShare dashboard analytics

20 Watch out for potential defectors

There are often warning signs before a customer unsubscribes. Work to avoid churn by taking a proactive stance.

Doing so requires your team receives early alerts based on pre-departure triggers. Develop a risk assessment process and early warning system based on critical metrics (e.g. login activity, adoption, customer satisfaction scores). Setup dashboards enabling reps to track critical renewal information.

The goal is to remain aware of which customers are (and are not) getting value. Escalate the customer case when usage dips and alert the players to take action.

21 Conduct exit interviews

Churn's not avoidable. As you've gathered from the many recommendations we've made thus far, there are a lot of ways you can put programs in place to increase customer retention, but some customers will inevitably move on. Even when a customer decides they must go, it could provide a learning experience. Some may be amenable to answering questions – so ask them..

At this point, refrain from making your goal to change their mind, but instead, aim to understand what went wrong. You'll gather invaluable information that might transform your approach and create more value for existing customers.

You could provide an exit survey or conduct a personal phone interview to find out the answers. Some brands use a comment box on the unsubscribe page that asks why users are leaving.

You don't need a ton of detail, you just need the right information in order to get a handle on issues and reduce churn.



CONCLUSION

Take a proactive approach to customer retention

Churn is a reality in the SaaS business. Minimizing it is crucial to the growth of your company and the most successful brands focus on customer value nurturing.

The process can't be left to chance – it should be a focus of your operation. Carefully consider the 21 customer retention strategies presented in this e-book and commit to taking immediate action on one or more and build from there.

The more you incorporate, the more you'll learn how to reduce the churn.



ABOUT CLOUDSHARE

CloudShare is a specialty cloud provider that helps software companies replicate complex on-premise IT environments in the cloud for training, PoCs (proof of concepts), and sandboxing for support and testing. CloudShare's specialized solutions help vendors of on-premise and SaaS applications grow revenues, increase efficiency and improve customer success.

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