



# **CUSTOMER RETENTION STRATEGY**

## **NANDINI SONI**

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# OVERVIEW

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A SaaS company that provides project management solutions reported an unexpected decrease in customer retention—from 80% to 65% during the last year. Customers have expressed many complaints, including sluggish customer service response times, unfulfilled feature requests, and confusing pricing schemes, which have contributed to this reduction.



# PROBLEMS ANALYSIS

01

The turnover rate has increased by 5% over the last two quarters, indicating customer loss.

02

Only 40% of consumer feature requests have been answered, leaving users dissatisfied.

03

Average response times have increased to 48 hours, significantly hurting the user experience.

04

The Net Promoter Score (NPS) has plummeted from 45 to 30, indicating a decrease in customer loyalty and satisfaction.

05

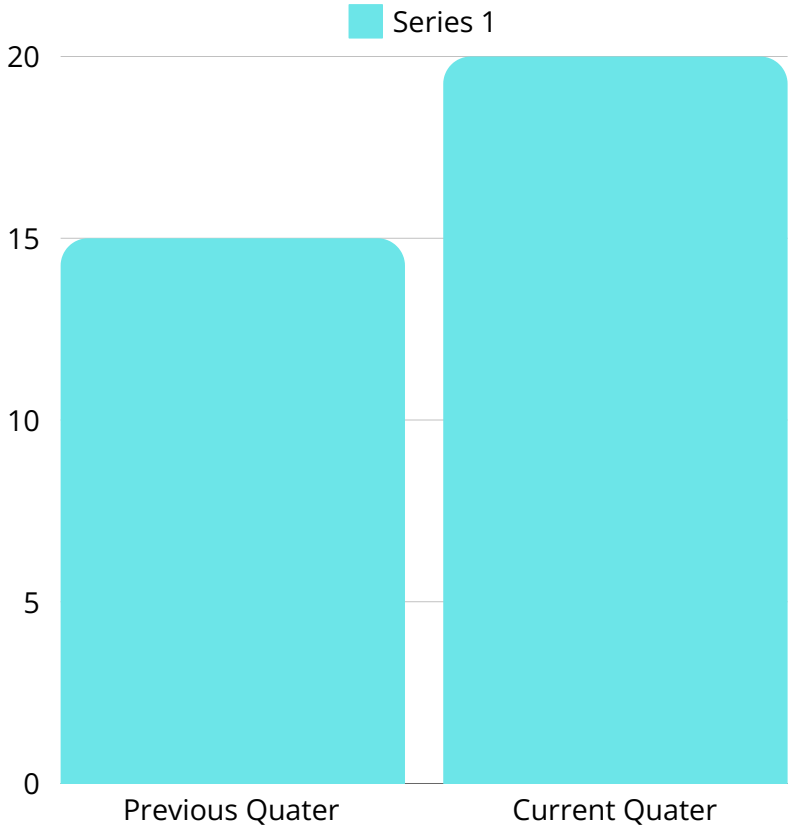
There is no systematic method for collecting, analyzing, and acting on consumer input.



# Statistical Data

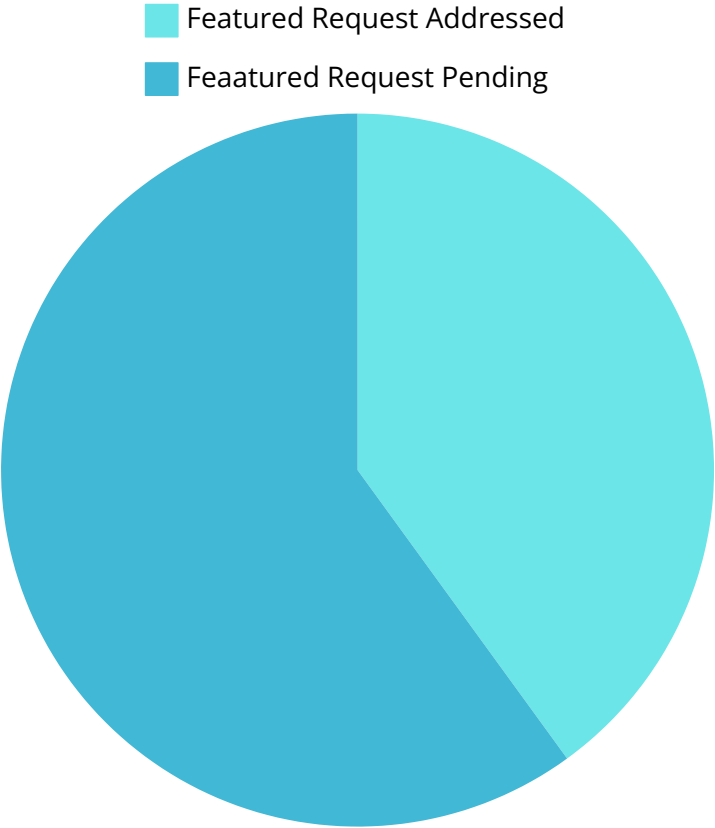
01

Increased Churn Rate



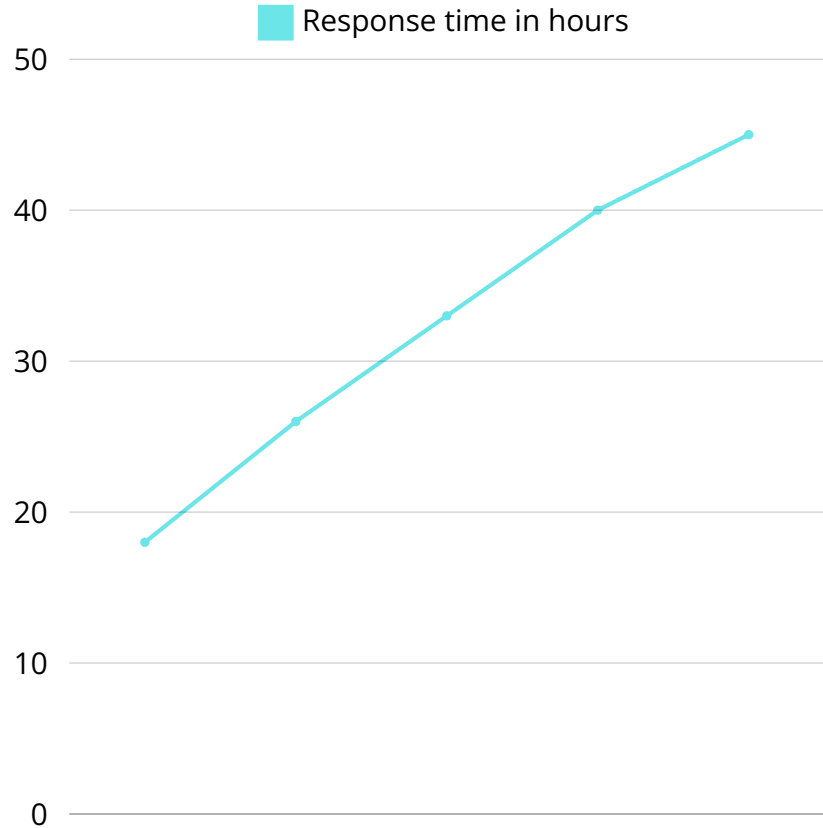
02

Feature Rate



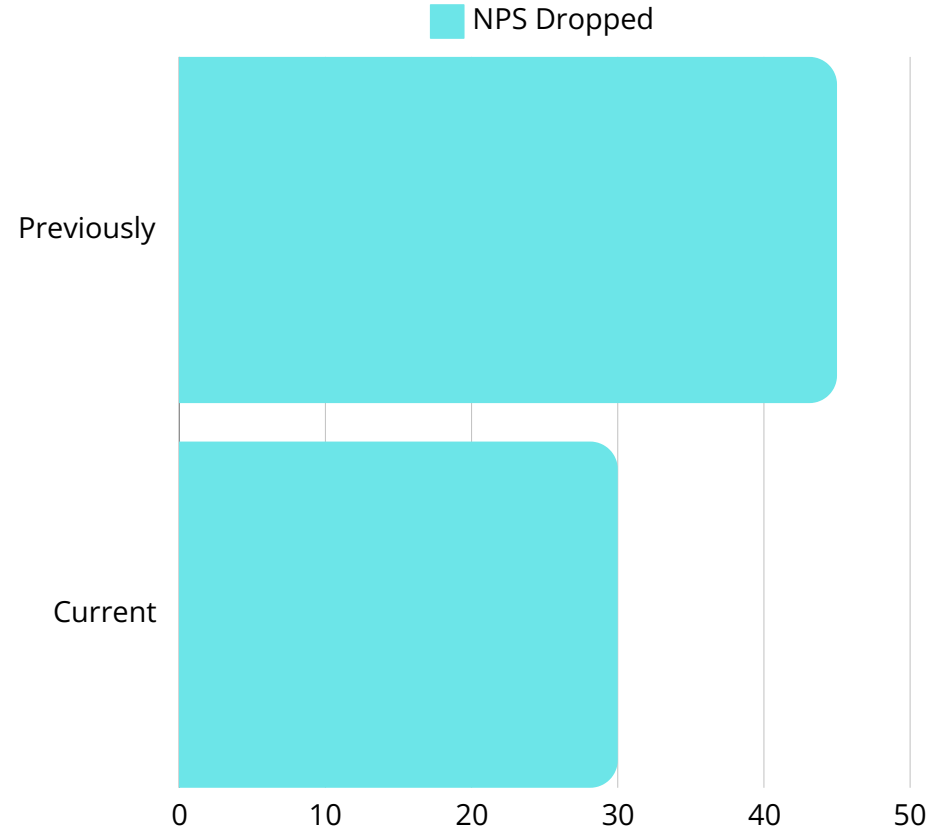
03

Customer Support



04

NPS Decline





# Step-by-Step Action Plan and System Design

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01

**Gathering and  
Prioritizing Customer  
Feedback**

03

**Pricing Model  
Adjustments**

02

**Increasing Customer  
Support Efficiency and  
Effectiveness**

## 01- Gathering and Prioritizing Customer Feedback

### Goal

Create a methodical strategy for gathering client feedback so the business can handle issues and unfulfilled demands successfully.

### Action Plan

- Customer Surveys- Survey customers every three months. Incorporate qualitative (open-ended) and quantitative (such as rating scales) inquiries.
- Customer Advisory Boards (CABs): Create a CAB with valuable, recurring clients.
  - Utilize their knowledge to inform support requirements and product features.
- In-App Feedback Mechanism: Use a "thumbs up/down" system to allow users to provide feedback straight from the product.
- Automated Feedback Collection: Use in-app prompts or automated emails following important touchpoints, such as product updates or customer service exchanges.

### Prioritization

- Feature Requests: Match input to business goals.
- To prioritize, use a weighted scoring model that includes factors like severity, frequency, and potential return on investment.
- Support Issues - Sort reoccurring problems and themes into categories.

## 02- Improving Customer Support Efficiency and Effectiveness

### Goal

The objective is to increase customer happiness, decrease customer attrition, and improve response times to improve customer support.

### Action Plan

The first step in the action plan is to support staffing and training.

Employ additional support personnel or provide training to present staff.

1. Establish a tier-based support structure, such as basic and advanced technical assistance.
2. AI and Automation - Implement AI-powered chatbots for routine questions (such as billing and troubleshooting).
  - AI can be used to classify tickets, which will lessen agent burden and speed up response times.
3. The third step is to define service level agreements (SLAs) for response and resolution timeframes.
  - Within the upcoming quarter, try to cut the response time from 48 hours to 12–24 hours.
4. Self-Help Resources - Improve the FAQs and knowledge base to enable users to handle problems on their own.



## 03- Optimized Pricing Model

### Tiered Pricing

To accommodate varying consumer segments and use levels, provide tiered pricing plans

### Contractual Discounts


To encourage long-term commitments, offer discounts for yearly contracts.

### Usage-Based Pricing

To provide flexibility and transparency, take into account a usage-based pricing model.

### Transparent Pricing

Clearly communicate the value proposition of each pricing tier and the benefits of upgrading.



# KPIs and Metrics to be tracked regularly for Success

## Sales KPI's

Conversion rate, Customer Retention Rate, lead velocity, Churn Rate, Customer acquisition cost, Customer lifetime value, average deal size.

## Marketing KPI's

ROI on campaigns, social media engagement, traffic sources, email open rates.

## Customer Service KPI's

Customer satisfaction (CSAT), Net Promoter Score (NPS), average resolution time.

## Operational KPI's

Productivity rates, supply chain efficiency, cost per unit, time to market.

## KPIs Tools

CRM, HubSpot - To Increase CRR from 65% to 80%  
ChurnZero - To Reduce Churn Rate by 5%  
Pendo, Mixpanel - To 60%-70% adoption.



# Insights and Expected Results



Customer Retention



Customer Satisfaction



Long-Term Impact



# Insights and Expected Results

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- By systematically responding to feedback, enhancing assistance, and modifying prices, we anticipate a considerable reduction in churn and a gradual increase in customer retention over the following year.
  - With faster response times, improved product features, and transparent pricing, customer satisfaction (CSAT and NPS) should rise, resulting in more loyalty and fewer defections.
  - Developing a culture of constant feedback and improvement will not only stabilize retention but also drive future growth by improving the customer experience, cultivating long-term relationships, and developing brand advocates.
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