



WEBINAR

Reduce Product Cancellations in a SaaS Recession



chameleon

+



ProfitWell

Our agenda for today

1. Impact of COVID on SaaS subscriptions
2. Reducing active churn
3. Reducing delinquent churn

Speaker introductions



Pulkrit Agrawal
Co-founder & CEO
Chameleon



Patrick Campbell
Co-founder & CEO
ProfitWell

COVID has created real changes in ways of working

1. Users are people first; health & wellness primary importance (> than product)
2. Lifestyles and working practices are changing
3. Lot of flux and uncertainty (jobs, workflows, budgets, planning)
4. Businesses are under cost-pressure

Let's review how this shows up in
SaaS subscription data from ProfitWell

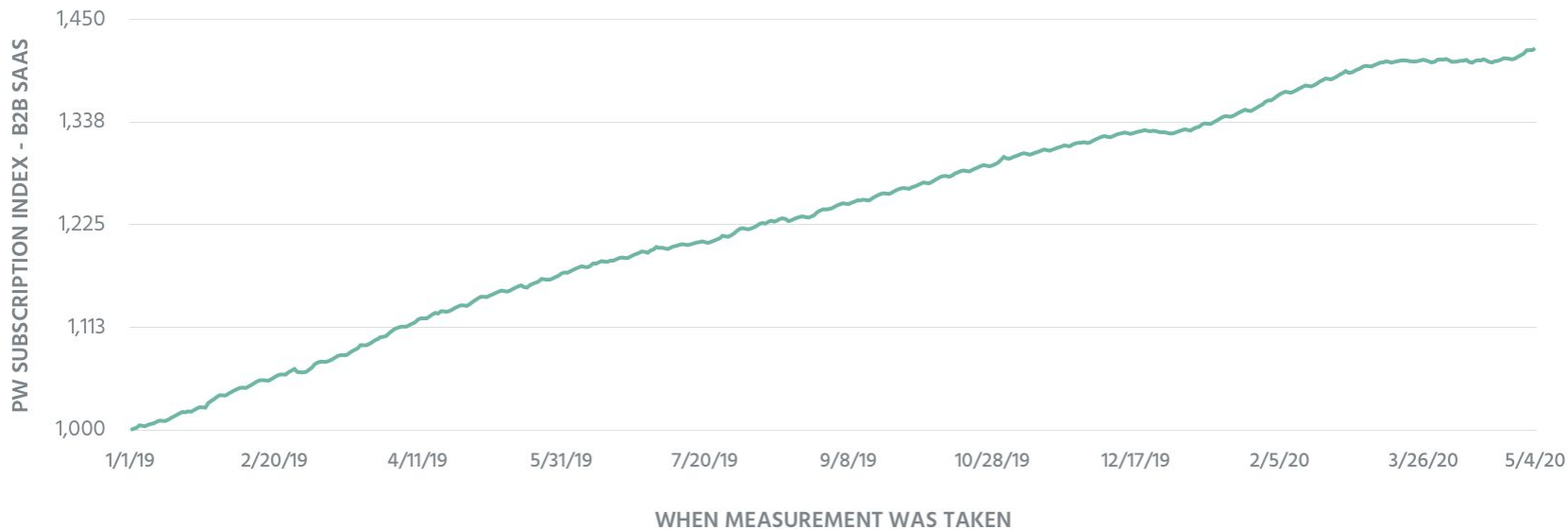
WHAT DID WE DO TO COME UP WITH THIS INDEX

- Took 15k+ Subscription companies and aggregated their growth, breaking it down on a daily basis
- Cleaned, took out outliers, and did some function fitting. Segmented the heck out of it.
- Broke this down as an overall growth index (aggregated MRR and tracked the same batch of companies over time)
- Broke down new revenue, loss revenue, and aggregate daily growth

PW SUBSCRIPTION INDEX

B2B SaaS PW Index

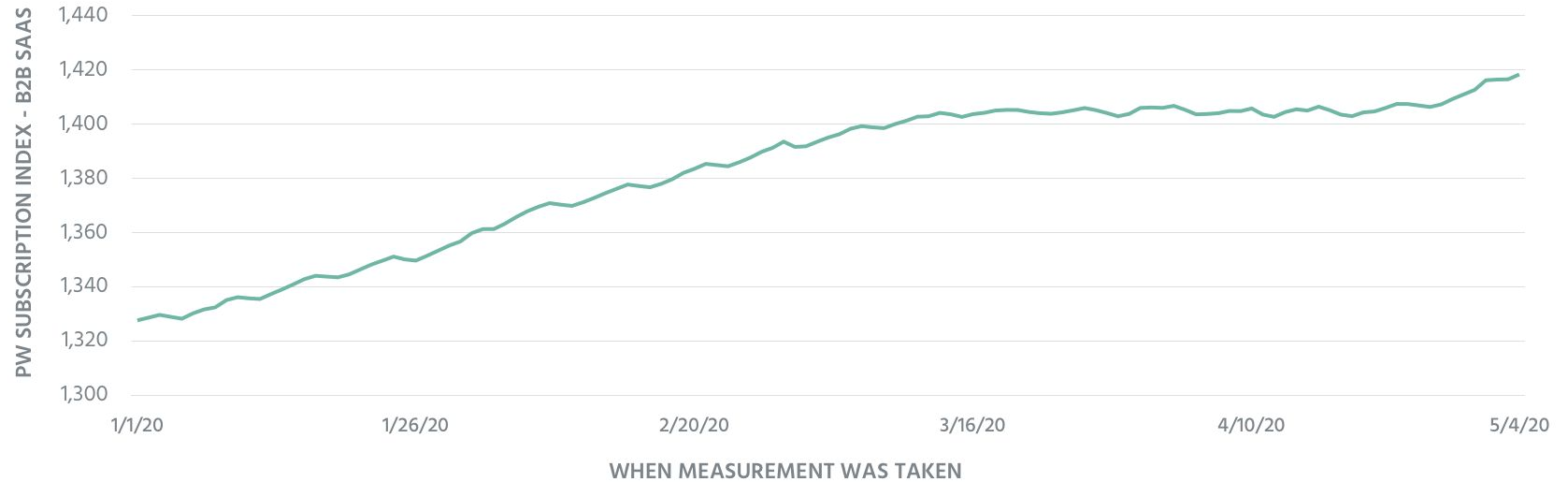
Here we're looking at an aggregate of all B2B SaaS companies on PW with their MRR tracked since January 1, 2019. Note that this mixes in companies of all sizes, types, etc - although outliers are removed.



PW SUBSCRIPTION INDEX

B2B SaaS PW Index

Here we're looking at an aggregate of all B2B SaaS companies on PW with their MRR tracked since January 1, 2020. Note that this mixes in companies of all sizes, types, etc - although outliers are removed.



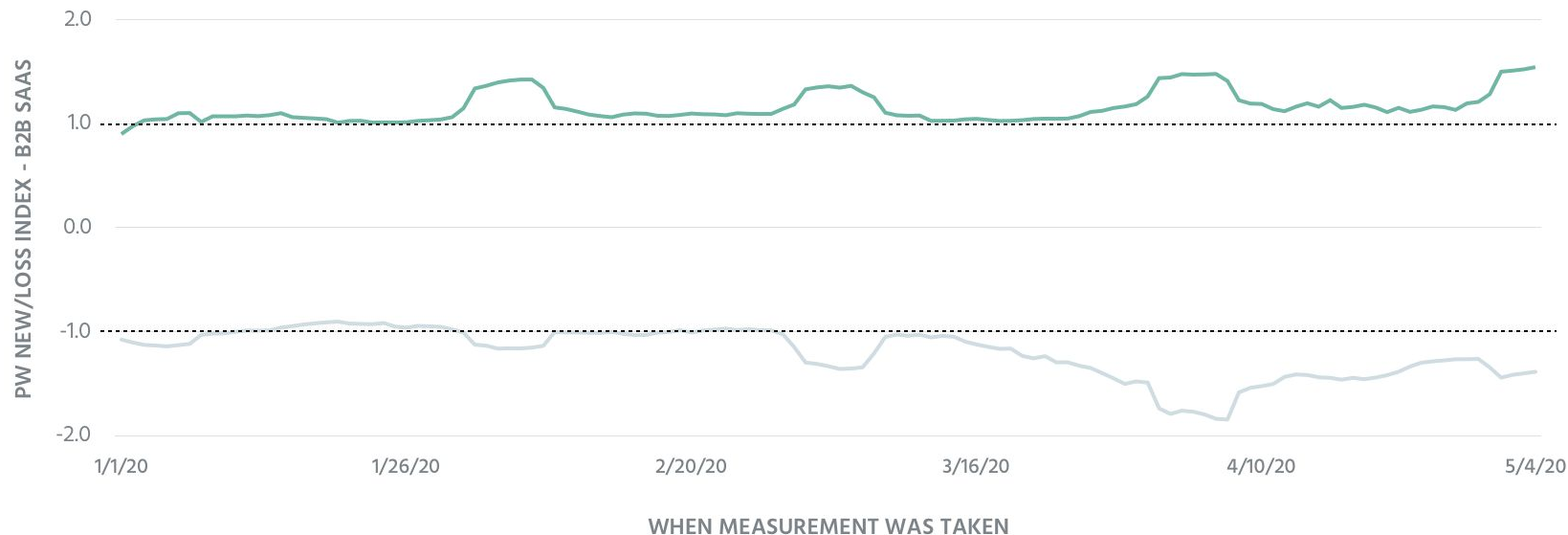
Let's dig deeper

PW SUBSCRIPTION INDEX

B2B PW New/Loss Index

Below you're looking at new revenue and lost revenue of all B2B SaaS companies on ProfitWell indexed since January 1, 2020. Note each data point is a seven day growth rate, which controls for seasonality.

— MRR Gain Index
— MRR Loss Index



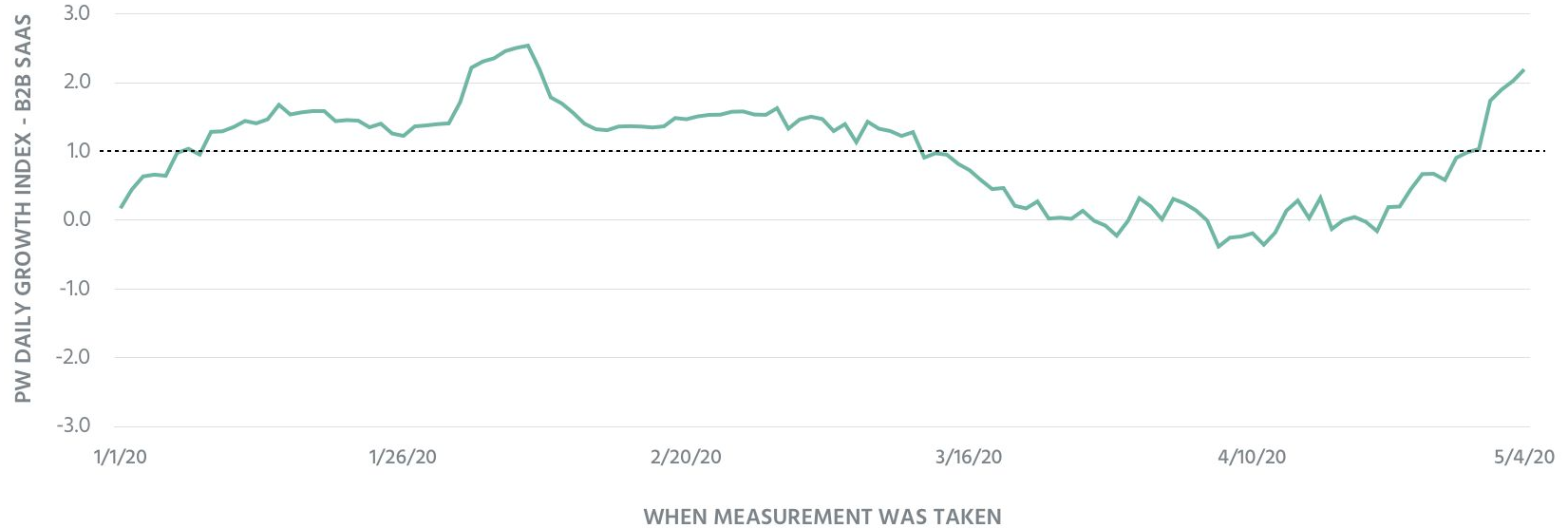
The background features abstract, flowing teal-colored lines that create a sense of movement and depth. These lines are composed of many thin, overlapping strokes, giving them a textured, almost ethereal appearance. They curve and swirl around the central text, framing it without being too intrusive.

This makes net not so good

PW SUBSCRIPTION INDEX

B2B PW Growth Index

Below you're looking at daily growth rates of all B2B SaaS companies on ProfitWell indexed since January 1, 2020. Note each data point is a seven day growth rate, which controls for seasonality.



Abstract teal wavy lines in the top right and bottom left corners of the slide.

Cool - what do you take from all of this?

Customer retention is **critical** at this time.

So how do we improve retention?

Three pieces to Retention

Retention Consists of Three Main Parts

Active Churn

A subscriber actively choosing to end their subscription due to some sort of dissatisfaction or lack of use.

Retention Consists of Three Main Parts

Delinquent Churn

A credit card failing due to expiration, limits, or technical issues with gateway or processing company (130+ reasons this happens).

Active Churn

A subscriber actively choosing to end their subscription due to some sort of dissatisfaction or lack of use.

Gross Churn

Retention Consists of Three Main Parts

Delinquent Churn

A credit card failing due to expiration, limits, or technical issues with gateway or processing company (130+ reasons this happens).

Active Churn

A subscriber actively choosing to end their subscription due to some sort of dissatisfaction or lack of use.

Expansion

A subscriber expanding the amount of revenue they're providing you through upsell/cross-sell or more usage.

Gross Churn

Let's review how we can prevent and deflect
active churn / product cancellations

3 key principles of product success

1. Know your customer
2. Understand product value
3. Connect customer to value

Principles (1/3): Know your customer

1. Know your customer →

2. Understand product value

3. Connect customer to value

- Which persona has strongest PM Fit?
- Do you know the value (CLV) for this?
- Is ICP / persona clearly defined?
- Are you capturing persona data? Can you target based on this data?
- Do you have quant data for engagement?
- Do you have qual data for intent?

Principles (2/3): Understand product value

1. Know your customer

2. Understand product value →

3. Connect customer to value

- Why do users come? Why do they stay?
- What are the key “aha” moments?
- What is your engagement metric?
- What actions (events) are tied to value?
- Can you identify which customers are not getting sufficient value today?
- Do you have a health dashboard?

Principles (3/3): Connect customer to value

1. Know your customer

2. Understand product value

3. **Connect customer to value** →

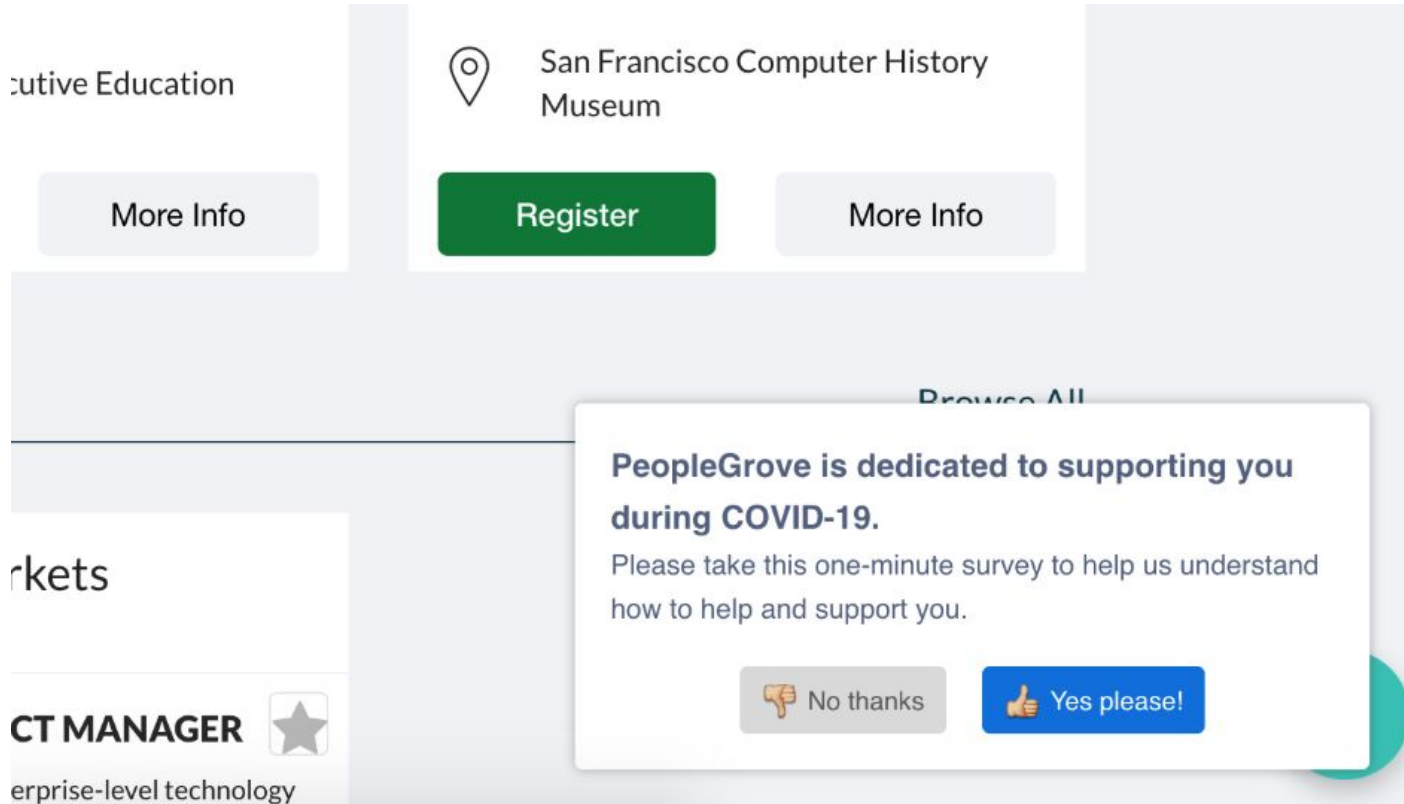
- What prevents people getting to “aha”?
- Behavior = Motivation - Friction
- What are users motivated by?
- Product friction can take many forms; where does it exist?
- What is the best content and channel to remove / reduce product friction?
- This might vary based on persona!

Now how can we apply these principles in our products to reduce cancellations?

1: Employ in-product feedback throughout the user lifecycle

- Qualitative feedback (semi-structured or free-form) indicates the WHY behind what users are and are not doing
- Surveys → microsurveys
- Email → in-product
- Ad-hoc → event triggered

PeopleGrove asked users how they wanted help



HubSpot collects sentiment during key flows

[Back to app listings](#)

Chameleon

[Preview](#) [Save](#) [Submit for review](#)

Listing info 1

App details 4

Pricing 1

Support info 1

Review info

Listing info

Name and categorize your app so users can find it.

App information

Public app name *

Chameleon

9/30

Company name *

0/40

Tagline *

113/70

Add some basic info

Fill out your app name and tagline. Your tagline is a quick description of what your app does. Your tagline will appear next to your app's name and be used to show your app in relevant search results.

For the connect button URL, enter the URL on your website where people will be sent to connect your app with HubSpot.

What do you think of the new app listing experience?

App icon

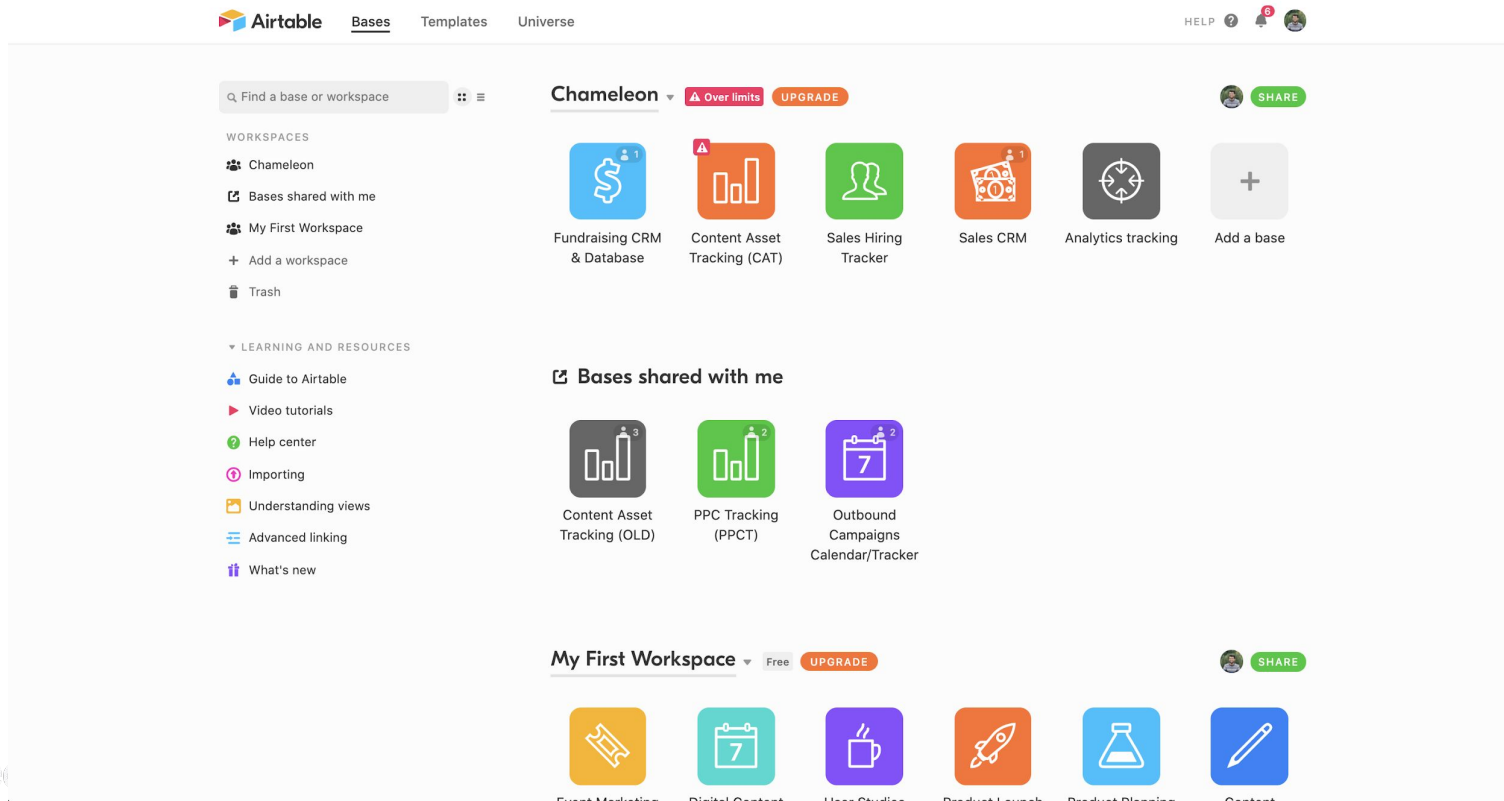
Upload your logo or icon

[Chat](#) [Help](#)

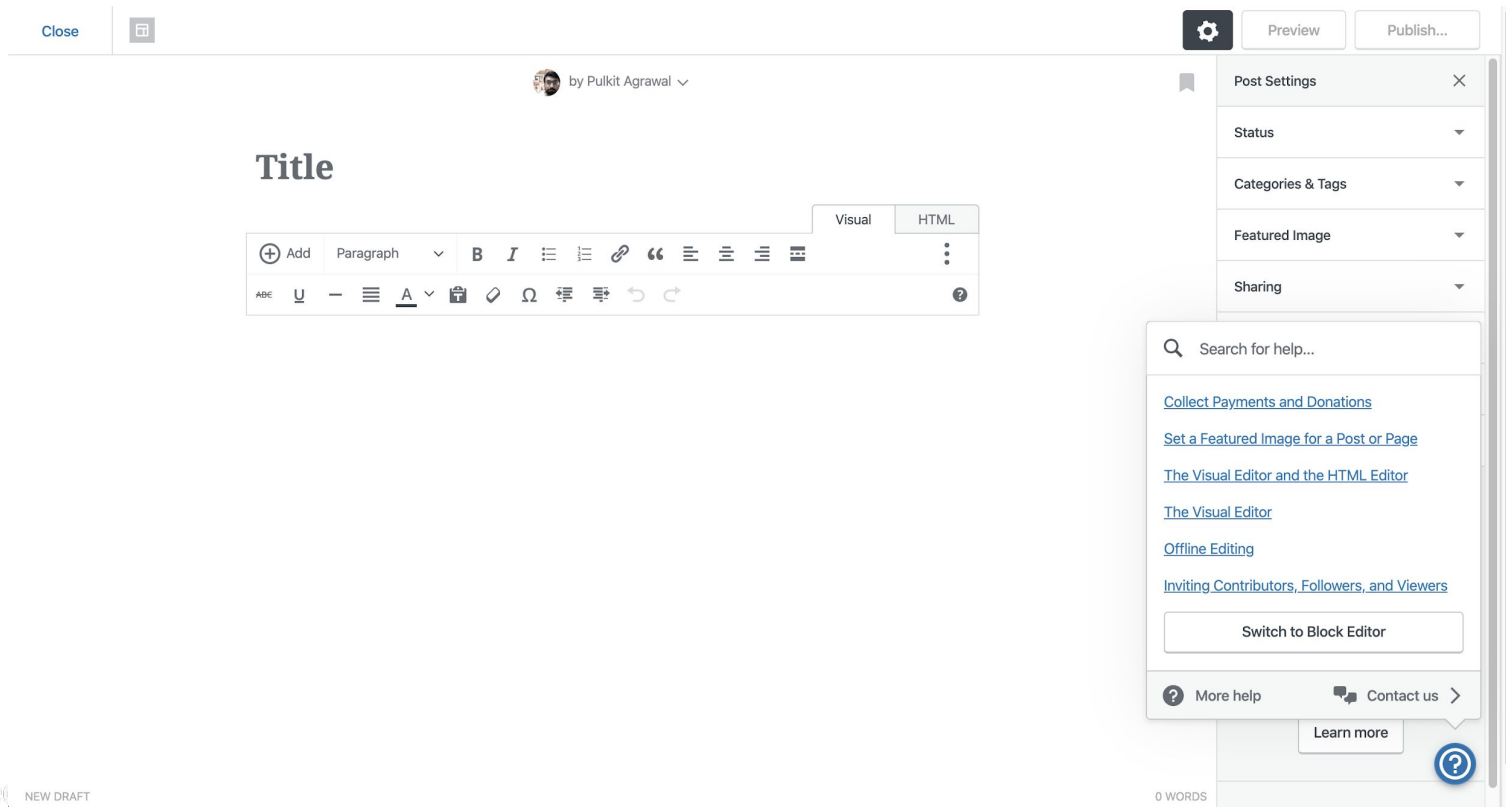
2. Proactively signpost value in the product

- It's not just about activating users, product tours or feature launches
- Self-serve learning is key
- You need to offer in-line education and in-product marketing (i.e. advertise your key features inside your product) to drive continued discovery

Airtable prioritizes learning resources in the nav



WordPress shows off key docs through a Launcher



Clearbit provides a self-serve log of product updates

The screenshot displays the Clearbit dashboard interface. On the left, a sidebar contains navigation links: Get Started, Usage, Demo, Batch, Team, Billing, API, and Support. A dropdown menu is open, showing a list of product updates:

- We've shipped a free [Company Name to domain API](#) 🚀
11/06/2017
- We've shipped our [Risk API](#) 🚀
07/19/2017
- We've released [Salesforce Lite](#), a free Chrome extension. 🚀
04/11/2017
- You can now do [dynamic web personalization](#) with [Reveal](#)! 🚀
04/06/2017
- We've added 130 new technologies to our [tracking](#)! 🚀

The main content area is titled 'Getting Started' and features a large blue hero section with the text: 'Use personalized chat to connect with more of your best fit leads'. Below this, it says 'Personalize your welcome message and only show your chatbot to qualified visitors.' and includes a 'REQUEST A DEMO' button. To the right of the hero section is a screenshot of a website with a chatbot overlay. The chatbot message from 'Mike Heller' says: 'Chameleon! Did you know we integrate with technology like HubSpot, Salesforce and Google Analytics?'. Below the chatbot is a text input field labeled 'Type your message...'. At the bottom of the dashboard, there is a 'Browse by Solution' section with four cards:

- Personalize your website and content**
Increase conversion by tailoring your content to each individual prospect
- Turn chat into a lead gen machine**
Surface live chat only to the most qualified site visitors
- Automatically enrich your CRM**
Never worry about data research or entry again
- Simplify sales prospecting**
Identify and target new accounts & contacts

In the bottom left corner, there is a 'Switch applications' button and a user profile for 'Brian Chameleon'. In the bottom right corner, there is a link to 'See more solutions'.

LivePlan offers additional value through webinars

LivePlan

test's Company

Account

Help

Invite Users 8+

PITCH

PLAN

FORECAST

BENCHMARKS

SCHEDULE


DASHBOARD

OPTIONS

1

Prepare a sensible financial forecast

2 min



Translate your business strategy into an easy financial forecast. Make sure your business is capable of turning a profit, and set good targets so you can reliably track your progress. No financial expertise is required. Just walk through the steps to estimate your revenue, plan hires, budget for your expenses, and so on. We'll take care of the rest, including generating your official financial statements.

Watch ▶

You can view the video later in the Help Center.

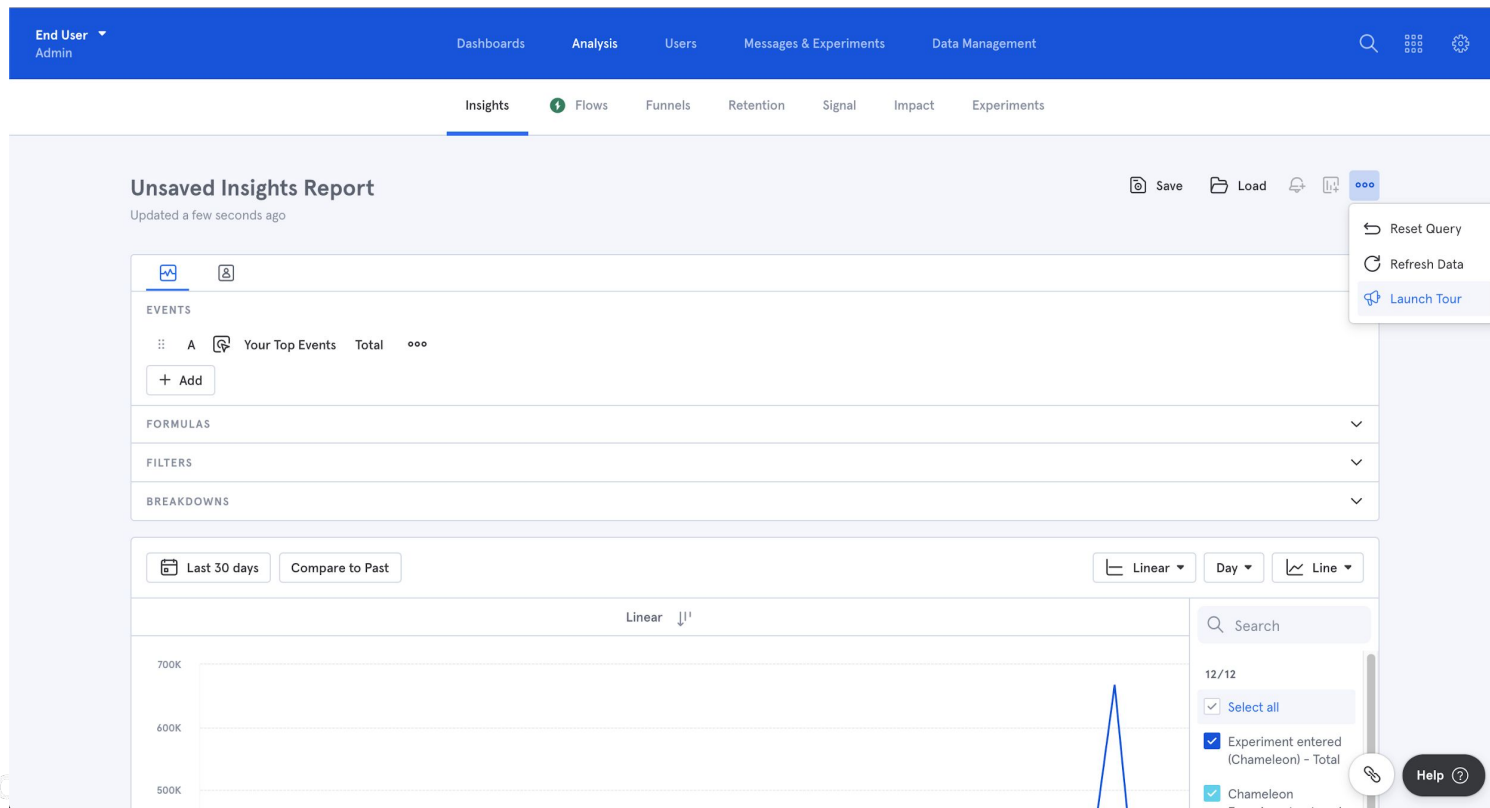
Get Started

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Help

Mixpanel offers self-serve learning with product tours



3: Deflection within cancellation flows

- Map the cancellation journey and all the decision points
- Understand the reasons for cancellation and mitigate against
- Offer a soft-landing where possible

TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

Want to leave

TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

Want to leave

- Take button off website
- Redo the flow

TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

Want to leave

Why?

- Take button off website
- Redo the flow

TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

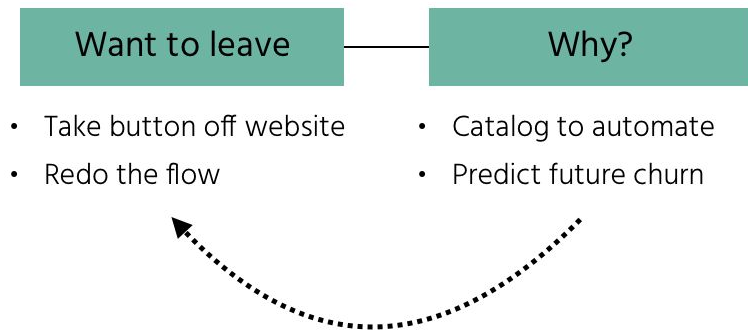
Want to leave

- Take button off website
- Redo the flow

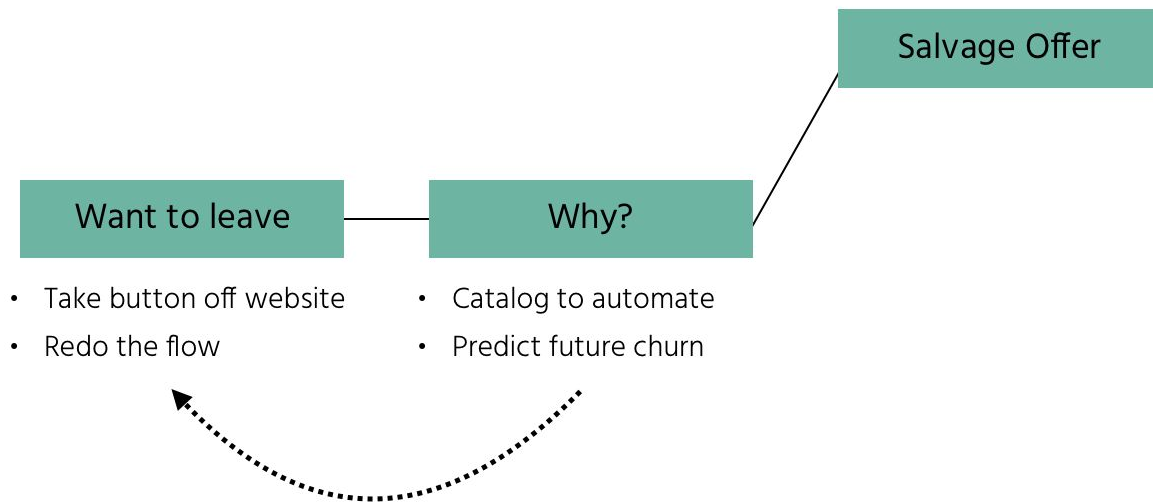
Why?

- Catalog to automate
- Predict future churn

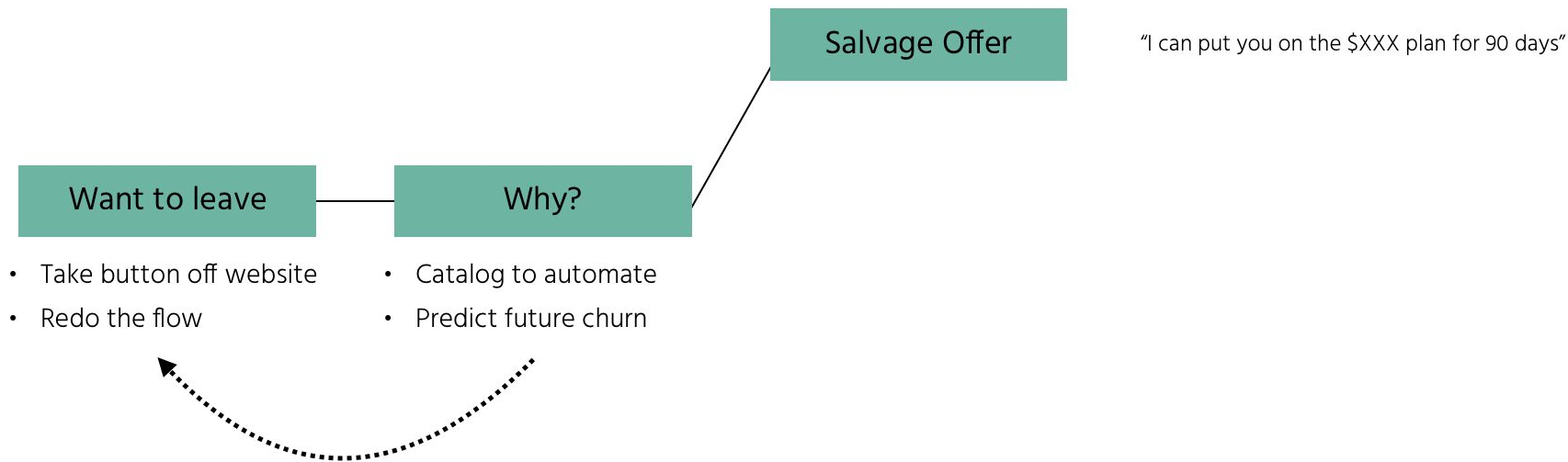
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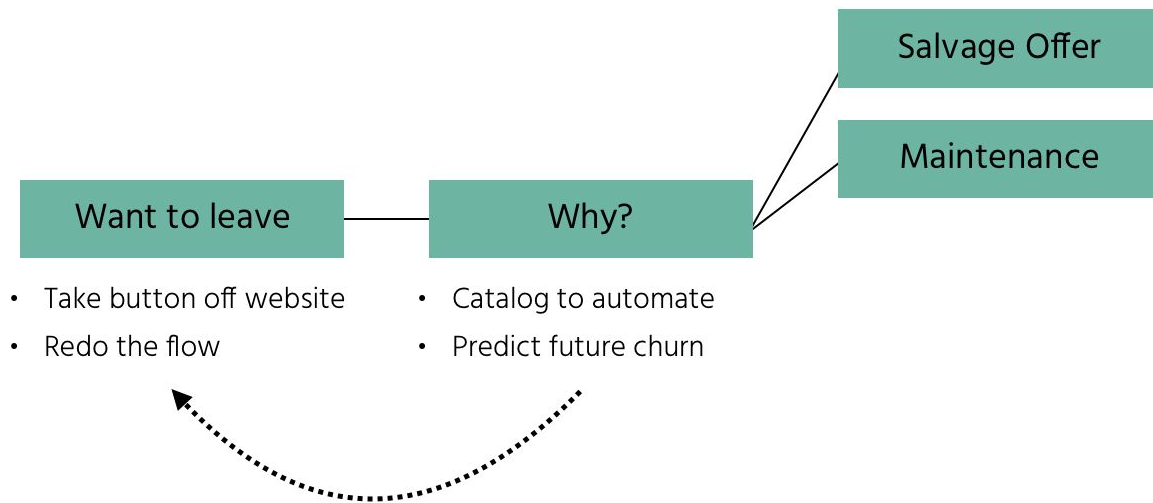
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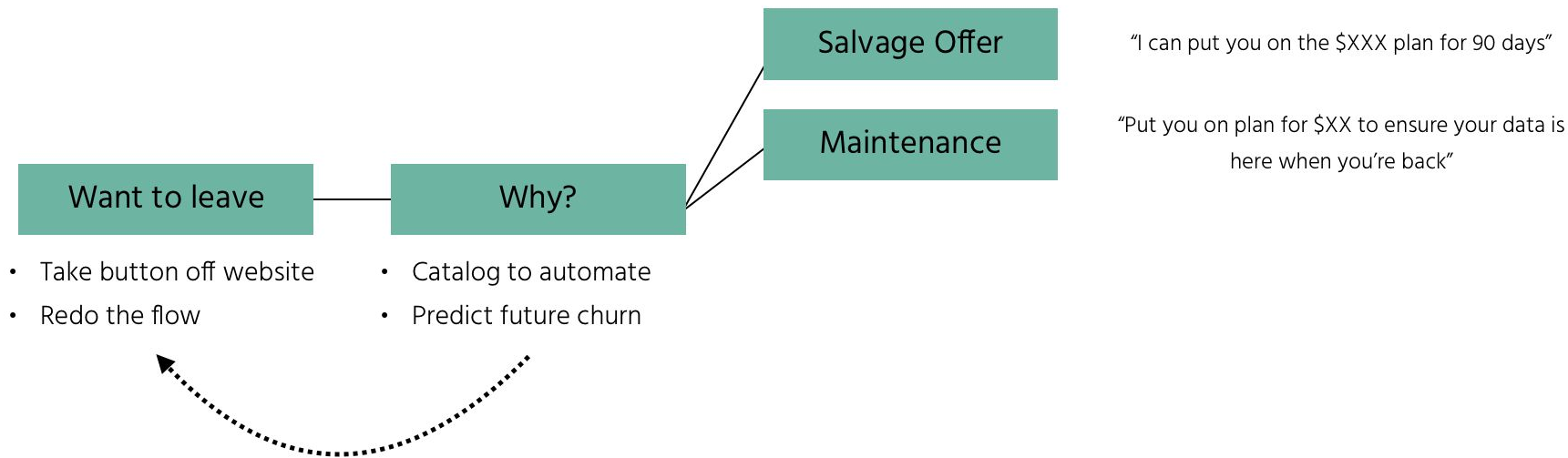


TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

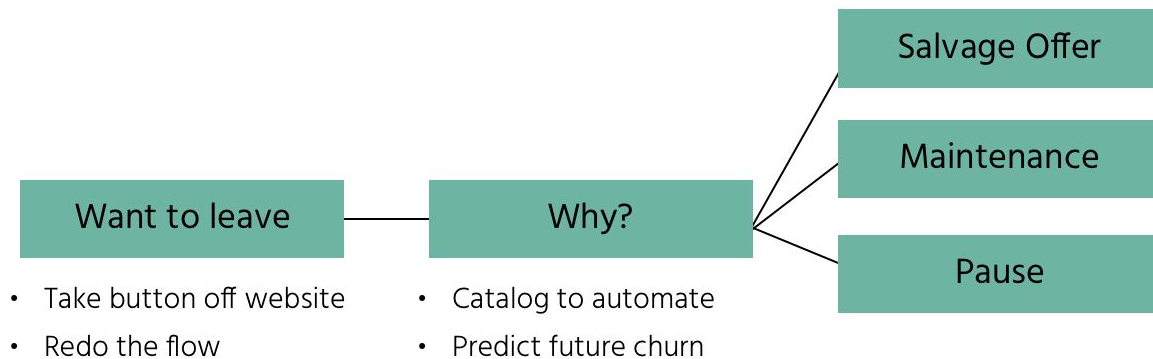


"I can put you on the \$XXX plan for 90 days"

TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE

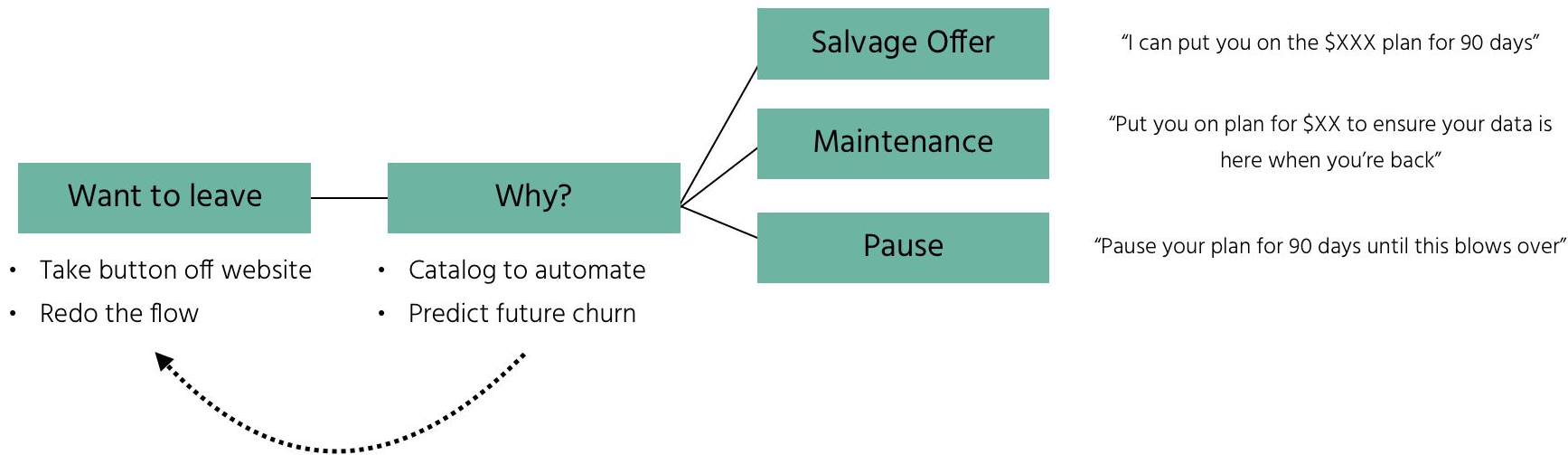


"I can put you on the \$XXX plan for 90 days"

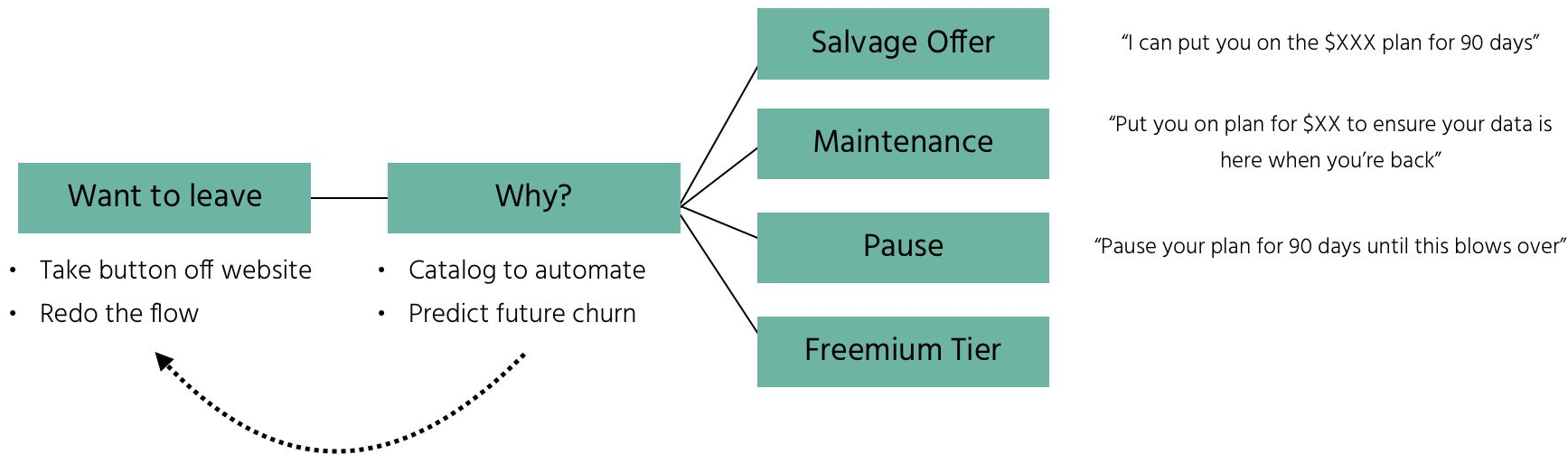
"Put you on plan for \$XX to ensure your data is here when you're back"



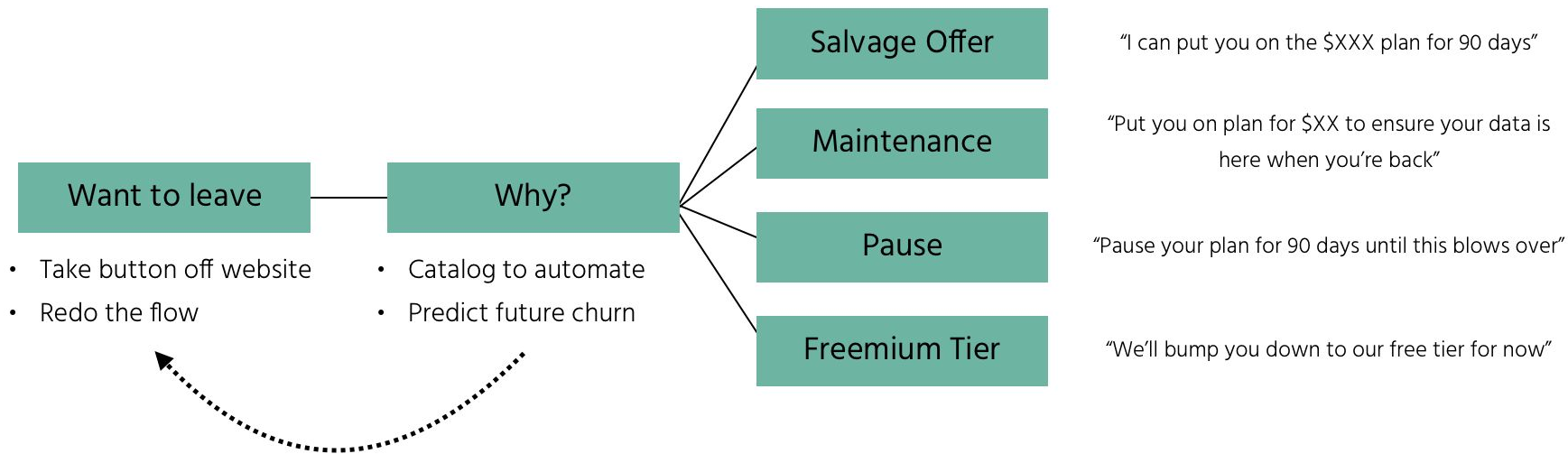
TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



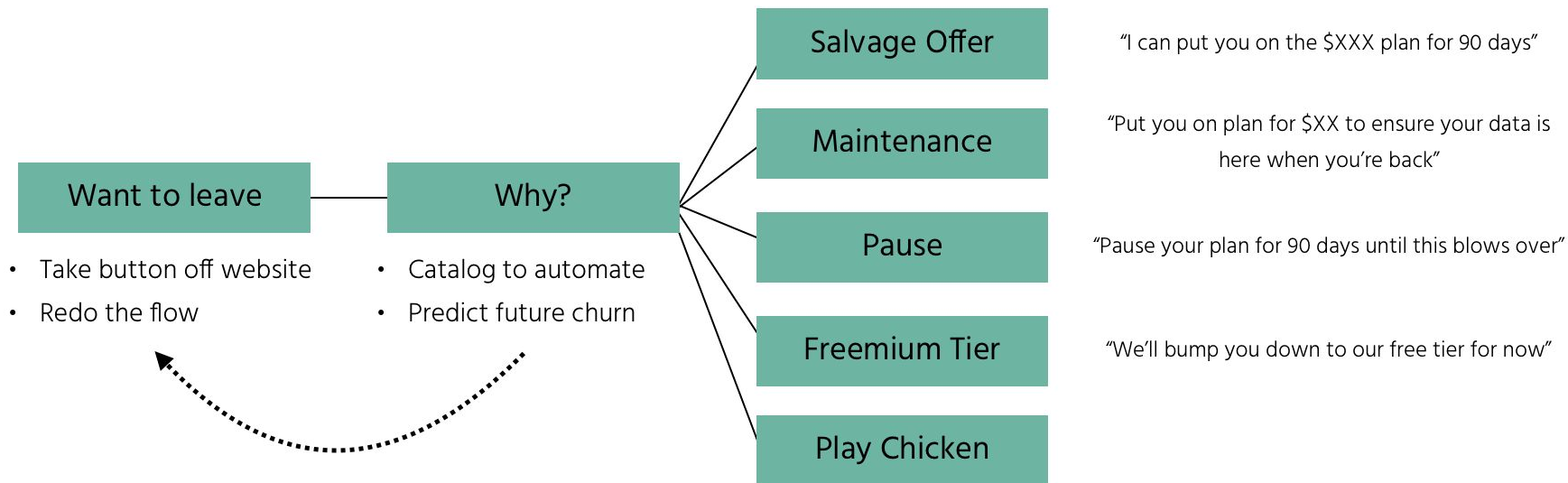
TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



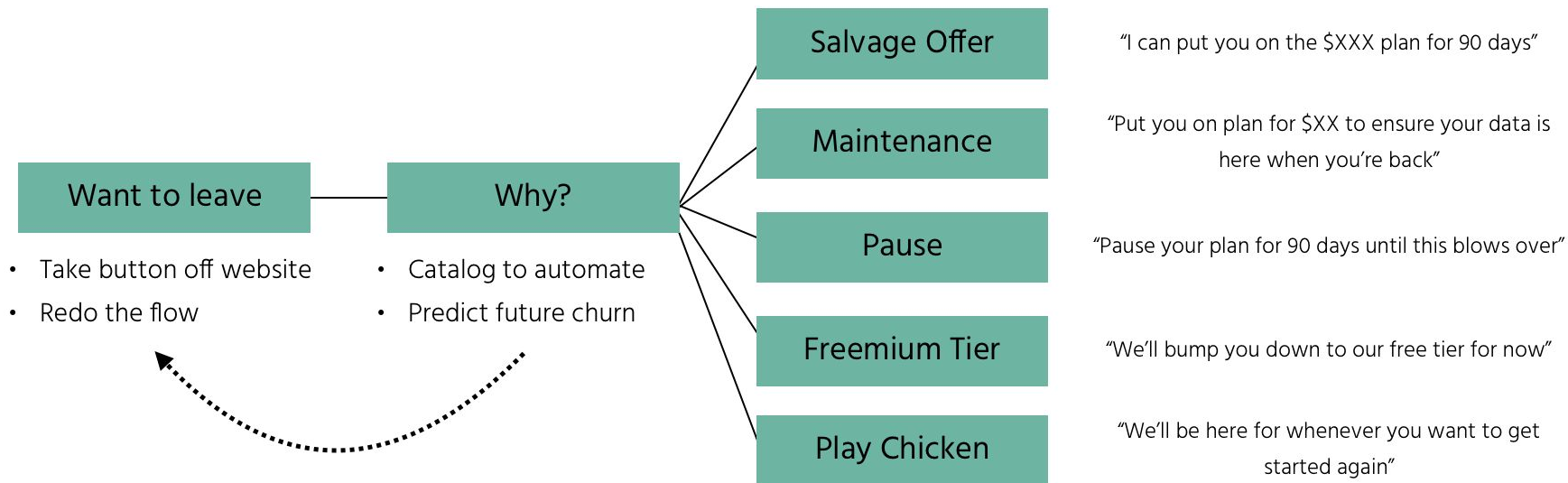
TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



TRIAGING CHURN TO LOSE AS LITTLE CUSTOMERS AS POSSIBLE



Abstract teal wavy lines in the top right and bottom left corners of the slide.

Optimize quarterly, annuals, or term.



30% lower churn than monthly

The background features abstract, flowing teal lines that create a sense of movement and depth. These lines are composed of many thin, overlapping curves that form a mesh-like pattern in some areas, particularly in the top right and bottom left corners. The overall color palette is a range of teal and light blue tones against a white background.

Longer term increases cash flow



Save money on your Blendjet subscription

ryan@blendjet.com to me

Tue, June 15, 04:21PM



Hey Steve,

Thanks for being a fan of Blendjet. You've been with us for quite a while and I'm hoping you have plans to use Blendjet for the next year.

Just wanted to let you know that you can get 2 free months on your subscription by upgrading to an annual plan (\$950.40). Just [click here](#) and we'll take care of the rest.

—

Ryan

Founder, Blendjet



Reply

Forward



BlendJet One JetPack FAQs Tips Recipes Team Contact 1-844-588-1555



Get 3 months free by switching to an annual plan for \$180.00/year.

CANCEL

CONFIRM

Questions? Contact Us

GET YOURS TODAY →



SAVE 10% OFF YOUR BLENDJET

Get 10% off your first BlendJet order.


Email

Get 10% OFF






Let's look at other examples of how companies are handling cancellation flows


Gusto proactively offers alternative payment options


 **mwc** ACCOUNTING


Q Search people





Pulkit Agrawal
Admin · Chameleon Intellig...


 Dashboard


 People


 COVID-19 **NEW**


 Run payroll


 Pay contractors


 Time off


 Benefits


 Stay compliant


 Reports


 Company details

 Refer & earn

 Documents


 Settings


 Help

 Change plan


Good evening, Pulkit

Here's what's going on with your team at Chameleon Intelligent Tech Inc.


 Payroll on AutoPilot® is activated and runs your payrolls for you, hooray! [Learn more.](#)

 **New COVID-19 resource added: Gusto payment options during COVID-19**
Visit the [COVID-19 resource center](#) to learn more.


Things to do

 **Select your WA PFML liability for 2020 by Mar 31**
Let us know if you're required to pay the employer portion of WA Paid Family and Medical Leave by Mar 31. If you don't respond, we won't withhold employer contributions.

Complete Q1 Filings
We need some information in order to file your quarterly forms. Please complete this by 4/7/2020.

 **Process any missed payrolls For Q1 2020**
Any payrolls missed with check dates on or before March 31st should be processed no later than April 5th at 4 PST.


Reminders

**Want \$100? Refer a friend**
Share Gusto and you'll both earn Amazon gift cards.
[Learn more](#)

<https://gusto.com/d/pulkit2> [Copy link](#)

Upcoming

Sunday, March 29
Payroll on AutoPilot



Harvest offers a compelling alternative to cancelling

[Time](#)[Expenses](#)[Projects](#)[Team](#)[Reports](#)[Invoices](#)[Manage](#)[Help](#)[Settings](#)**BB**[Benjamin](#) ▾

Experiencing financial hardship due to the COVID-19 pandemic? [We might be able to help.](#)



We'll miss you, Benjamin!

What would you prefer to do?

Put My Account On Hold

- We'll keep your account data for 6 months, free of charge.
- Reopen your account at any time during that window by upgrading to a new plan.

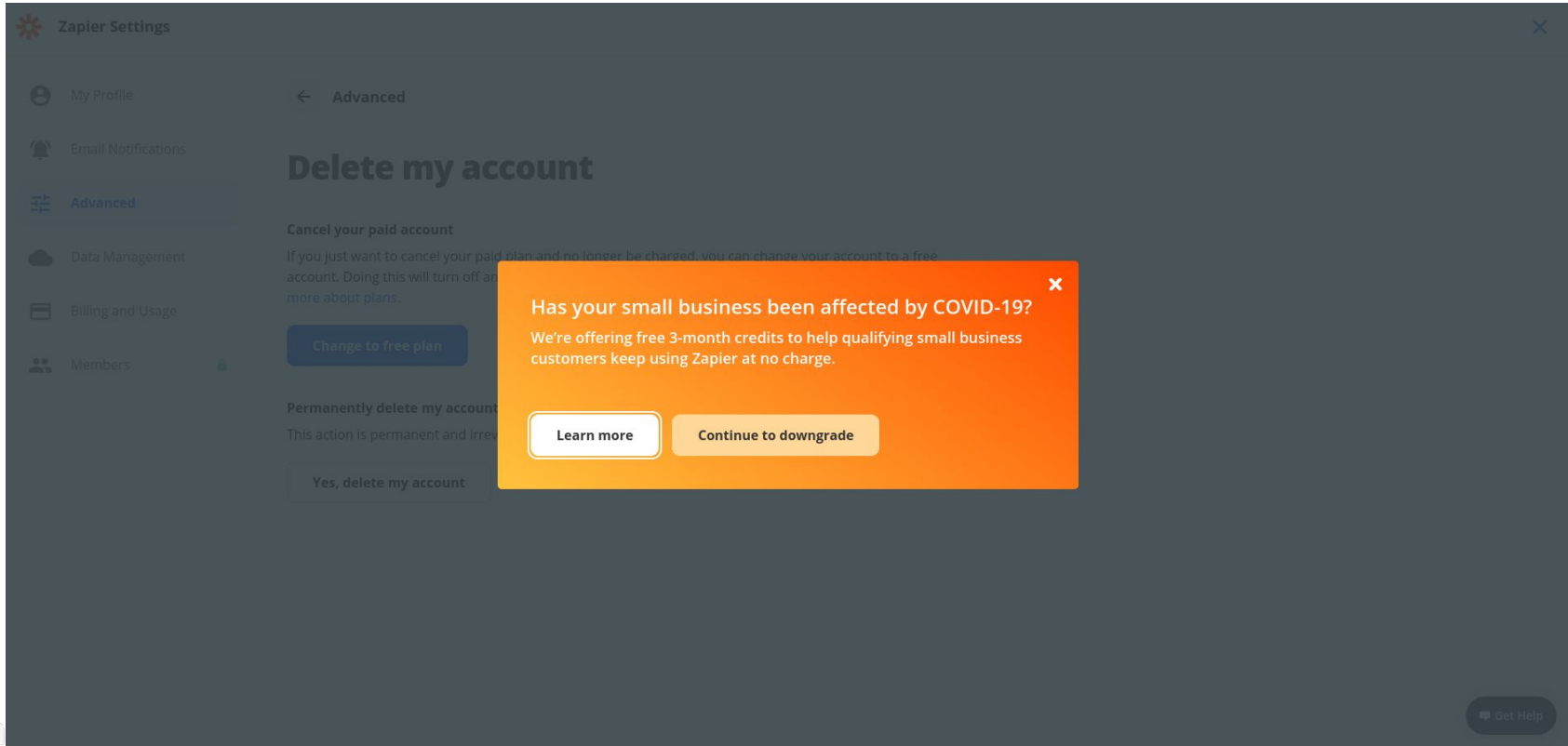
Close My Account

- Your account data will be permanently deleted now.
- There are no recovery options.

If you're having any trouble with Harvest, [please get in touch.](#)

We're here to help!

Zapier shows a high-contrast deflection modal



Ahrefs offers the option to chat

The screenshot displays the Ahrefs account settings interface. On the left, a sidebar lists navigation options: Me, Workspace, and Billing. The main content area is titled 'Billing' and includes tabs for Subscriptions, Invoices, and Payment methods. A modal window titled 'Cancel subscription' is open, featuring a red background with a speech bubble icon. The modal text asks 'Is something wrong?' and provides instructions on how to proceed with cancellation. A green arrow points to the 'Contact support' button within this modal. On the right side of the interface, a chat sidebar is visible, showing the user's name 'Pulkit Agrawal', a 'New conversation' button, and a search bar for finding answers.

Account settings

Billing

Subscriptions | Invoices | Payment methods

Active subscriptions

Item	Cancel date
Lite monthly plan	2020
+ Add more usage	
+ Add more projects	
+ Add more Site Explorer	
+ Add Rank Tracker	

[Change plan](#) [Show subscription details](#)

Cancel subscription

Is something wrong?

Before you cancel your subscription, talk to us and give us a chance to set things right.

[Contact support](#)

☐ By canceling my subscription, I agree to [terms and conditions](#)

☐ I agree that my account (including all projects and data) will be permanently deleted 90 days after my subscription expires

[Cancel subscription](#) [Keep subscription](#)

ahrefs

Hey Pulkit 🙌

Have a question about Ahrefs? Drop our Customer Success team a note and we'd be glad to assist! 😊

Your conversations [See all](#)

Updates 1d ago
New: Add keywords to Rank Tracker di...

[New conversation](#)

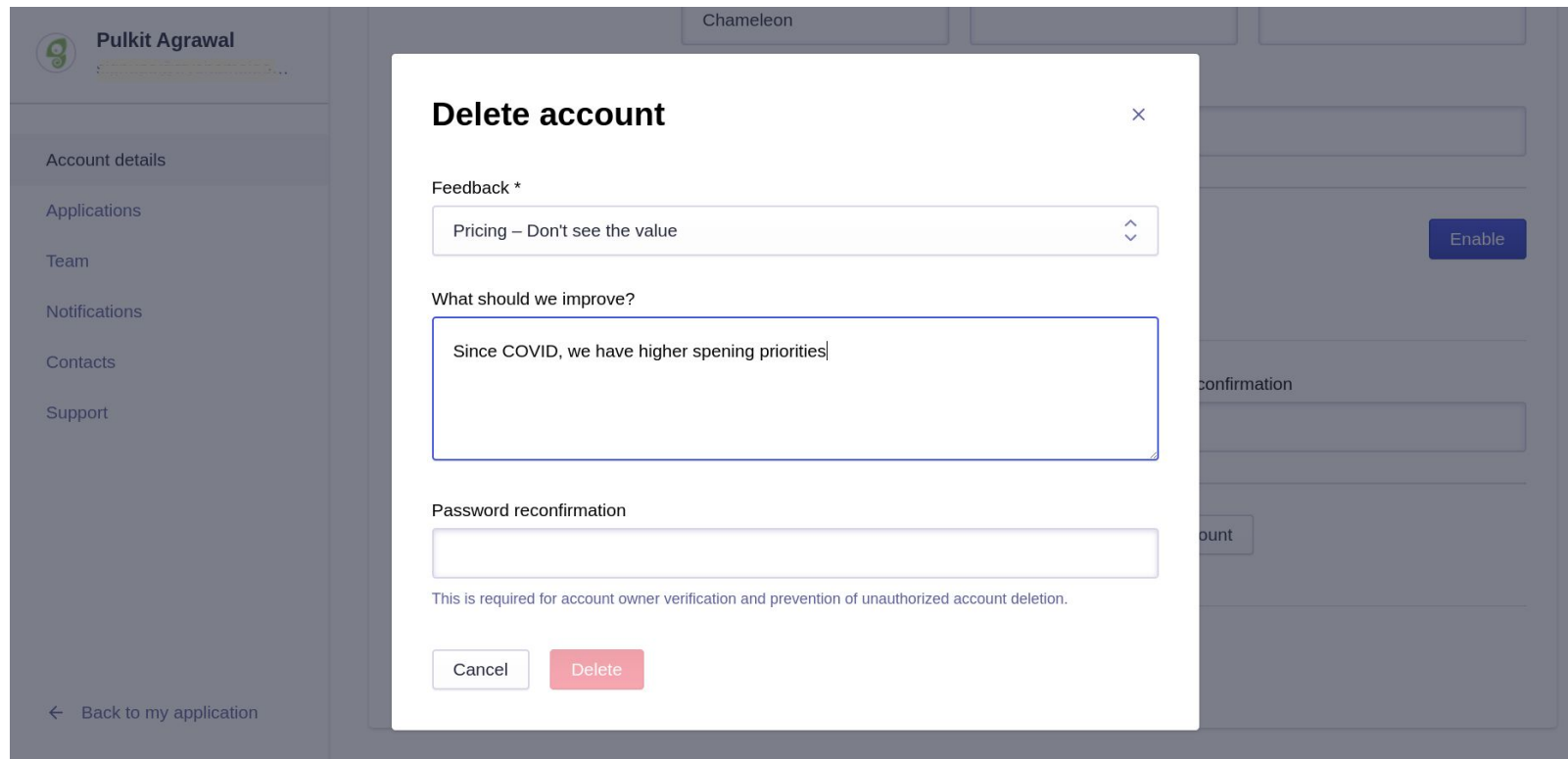
Find an answer yourself

Search for articles... [➤](#)

Content Explorer 2.0
by Ahrefs

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Algolia disables Delete until feedback is collected



The screenshot shows the Algolia account management interface. On the left is a sidebar with the user's name 'Pulkit Agrawal' and a list of menu items: 'Account details', 'Applications', 'Team', 'Notifications', 'Contacts', and 'Support'. At the bottom of the sidebar is a link '← Back to my application'. The main content area is titled 'Chameleon' and contains a 'Delete account' modal dialog. The modal has a close button (X) in the top right corner. Inside the modal, there is a 'Feedback *' section with a dropdown menu showing 'Pricing – Don't see the value'. Below this is a text input field with the placeholder 'What should we improve?' containing the text 'Since COVID, we have higher spending priorities'. Underneath is a 'Password reconfirmation' section with an empty text input field. A note below the password field states: 'This is required for account owner verification and prevention of unauthorized account deletion.' At the bottom of the modal are two buttons: 'Cancel' and 'Delete'.

Delete account

Feedback *

Pricing – Don't see the value

What should we improve?

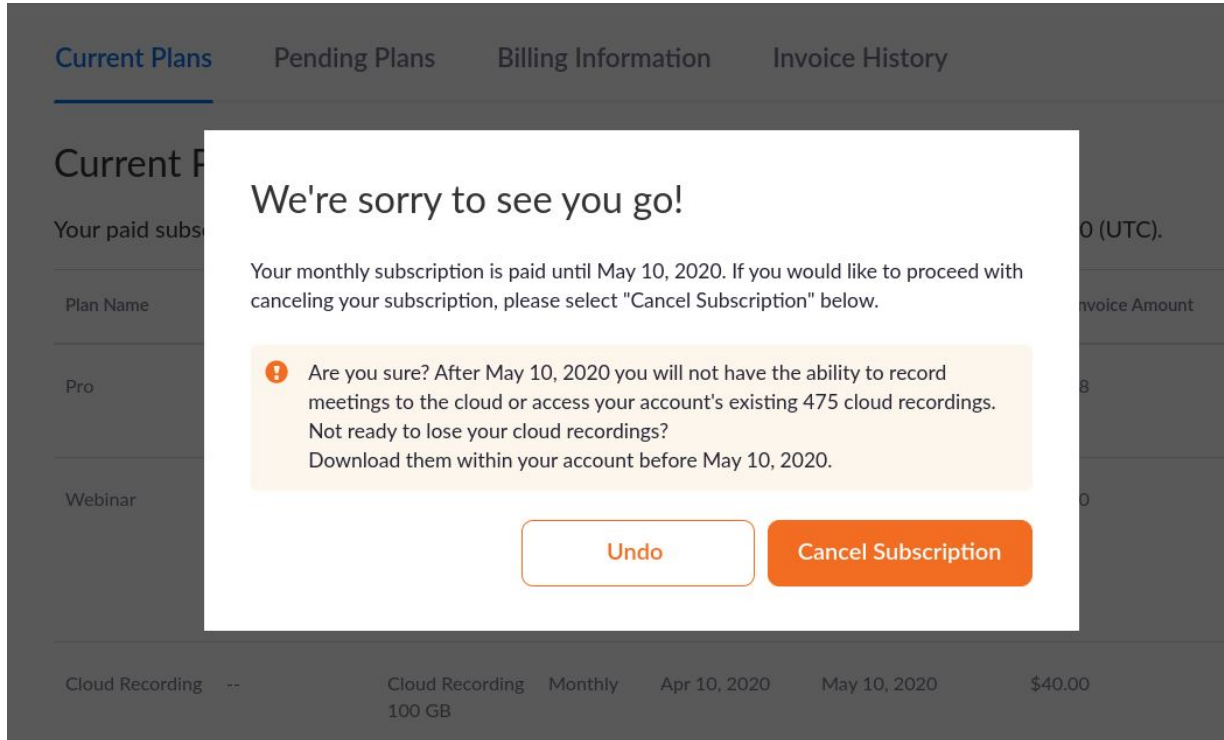
Since COVID, we have higher spending priorities

Password reconfirmation

This is required for account owner verification and prevention of unauthorized account deletion.

Cancel Delete

Zoom pulls in attributes from the user's account



The screenshot shows a web interface for managing a Zoom subscription. A modal dialog is centered on the screen, displaying a confirmation message. The background is dimmed, showing navigation tabs like 'Current Plans', 'Pending Plans', 'Billing Information', and 'Invoice History'. The dialog has a white background and contains the following text:

We're sorry to see you go!

Your monthly subscription is paid until May 10, 2020. If you would like to proceed with canceling your subscription, please select "Cancel Subscription" below.

! Are you sure? After May 10, 2020 you will not have the ability to record meetings to the cloud or access your account's existing 475 cloud recordings. Not ready to lose your cloud recordings? Download them within your account before May 10, 2020.

At the bottom of the dialog are two buttons: 'Undo' (outlined) and 'Cancel Subscription' (solid orange).

In the background, a table is partially visible with the following data:

Plan Name	Pro	Webinar
Cloud Recording	100 GB	
Monthly	Apr 10, 2020	May 10, 2020
		\$40.00

Now let's briefly look at delinquent churn
(payment failures)



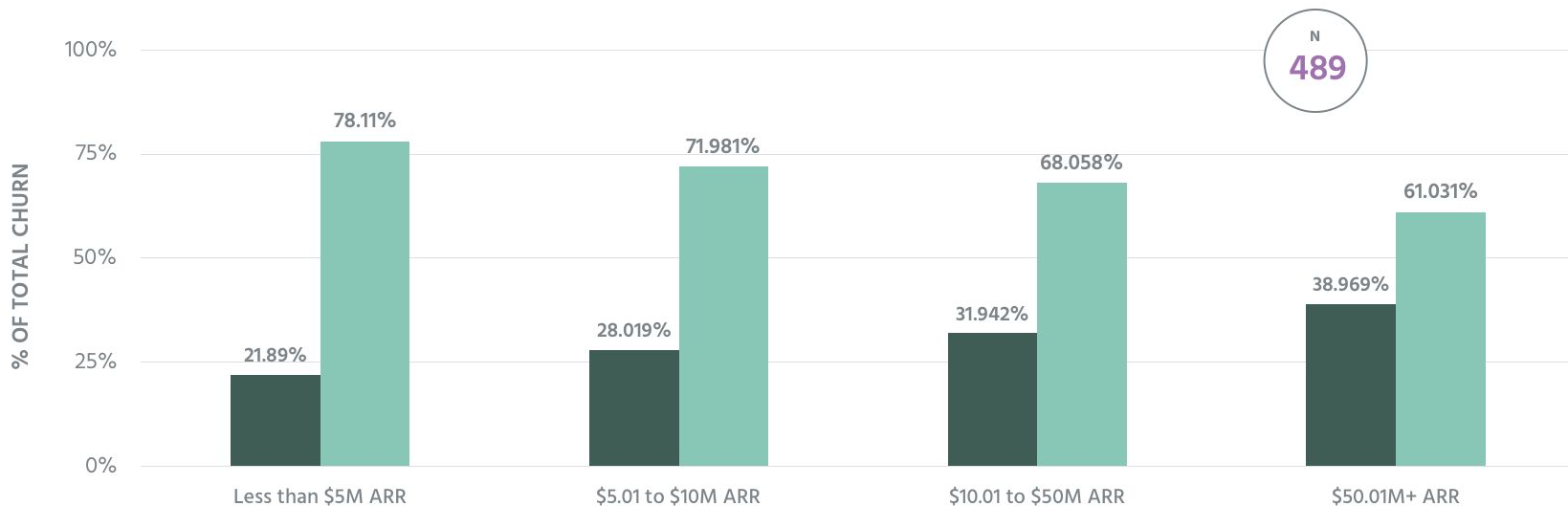
30-40% of your churn is from payment failures

CHURN BENCHMARKS

Delq churn accounts for 30-40% of churn in B2B

Delinquent churn accounts for 20-40% of overall churn in B2B and appears to grow significantly as a proportion of total churn as a company becomes larger. The recovery rate on this churn is less than 20%.

■ Delinquent Churn ■ Active Churn



N = Minimum of 489 companies per segment pulled from the middle 2/3 of companies in terms of churn. This, along with a dampening model was used to control for outlier spikes in churn rate.

Abstract teal wavy lines in the corners of the slide.

You need to treat these folks as a marketing channel.

The background features abstract, flowing teal-colored lines that create a sense of movement and depth. These lines are composed of many thin, parallel strokes that overlap to form a mesh-like texture in some areas. The lines curve and swirl, framing the central text.

It's a game of inches.

RETAIN

Reduce churn through targeted campaigns



+5%

EXPIRATION TRACKING

Utilizing historical and usage data, Retain monitors when the best time is to ask for an updated credit card from an expiring user.

POINT OF FAILURE



EMAIL AND IN-APP NOTIFICATIONS



LOCKOUT (OPTIONAL)



+5%

INTELLIGENT AT RISK
MONITORING



SMART RETRIES



NO SIGN-IN NEEDED FORMS

Abstract teal wavy lines in the top and bottom corners of the slide.

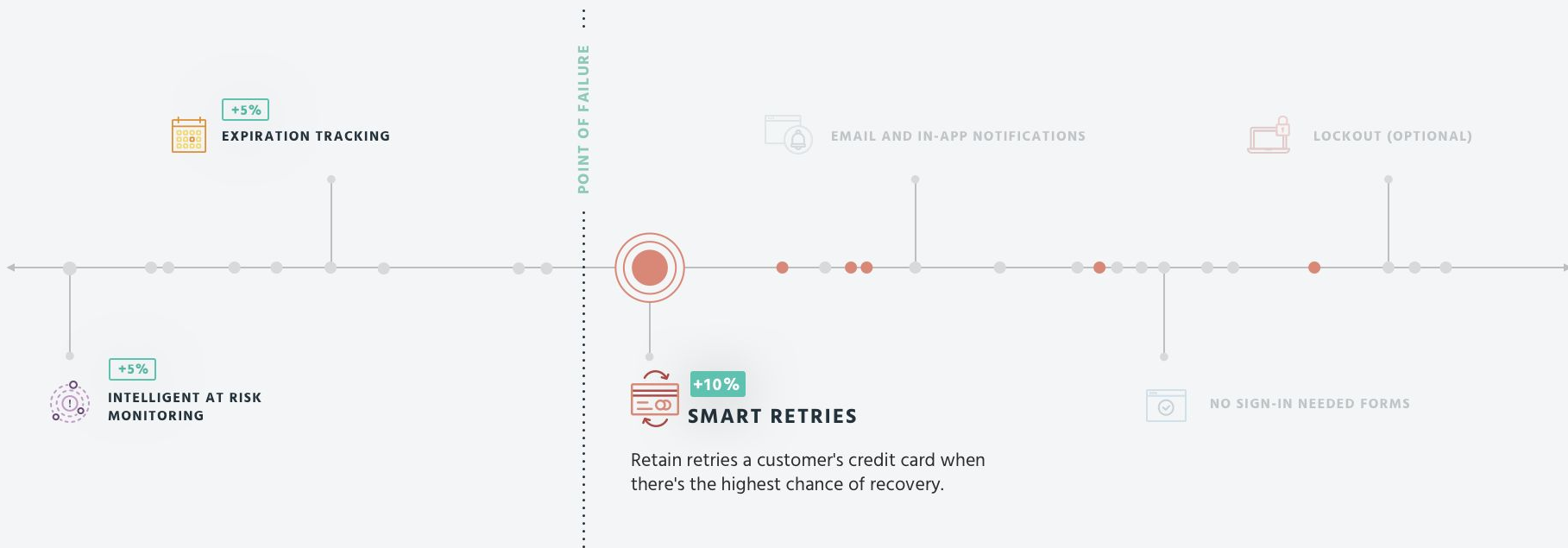
DO NOT do pre-dunning emails



+11-18% in active churn

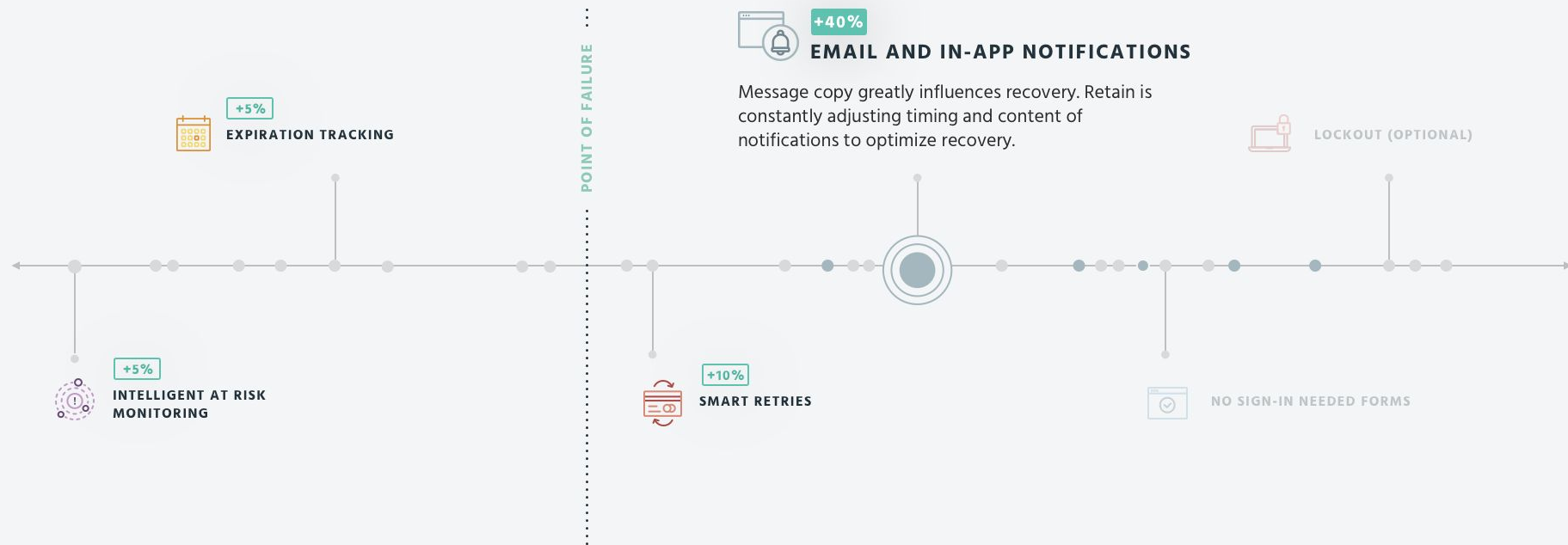
RETAIN

Reduce churn through targeted campaigns



RETAIN

Reduce churn through targeted campaigns





DO NOT use stylized emails

Collection Attempt 1/4

EMAIL SUBJECT PREVIEW

Uh-oh! Your payment for Meetup failed.

EMAIL BODY PREVIEW

Hey Hiro,

Looks like your Meetup subscription payment of \$99.99 didn't go through. [Please update your information here](#) and we'll give it another try!

Let us know if you have any questions. Happy to help.

--

Kate

Community Experience, Meetup



Collection Attempt 1/4

EMAIL SUBJECT PREVIEW

Uh-oh! Your payment for Meetup

EMAIL BODY PREVIEW

Hey Hiro,
Looks like your Meetup subscription
and we'll give it another try!
Let us know if you have any questions!
--
Kate
Community Experience, Meetup



EMAIL SUBJECT PREVIEW

2nd notice: Another unsuccessful payment for your Meetup subscription

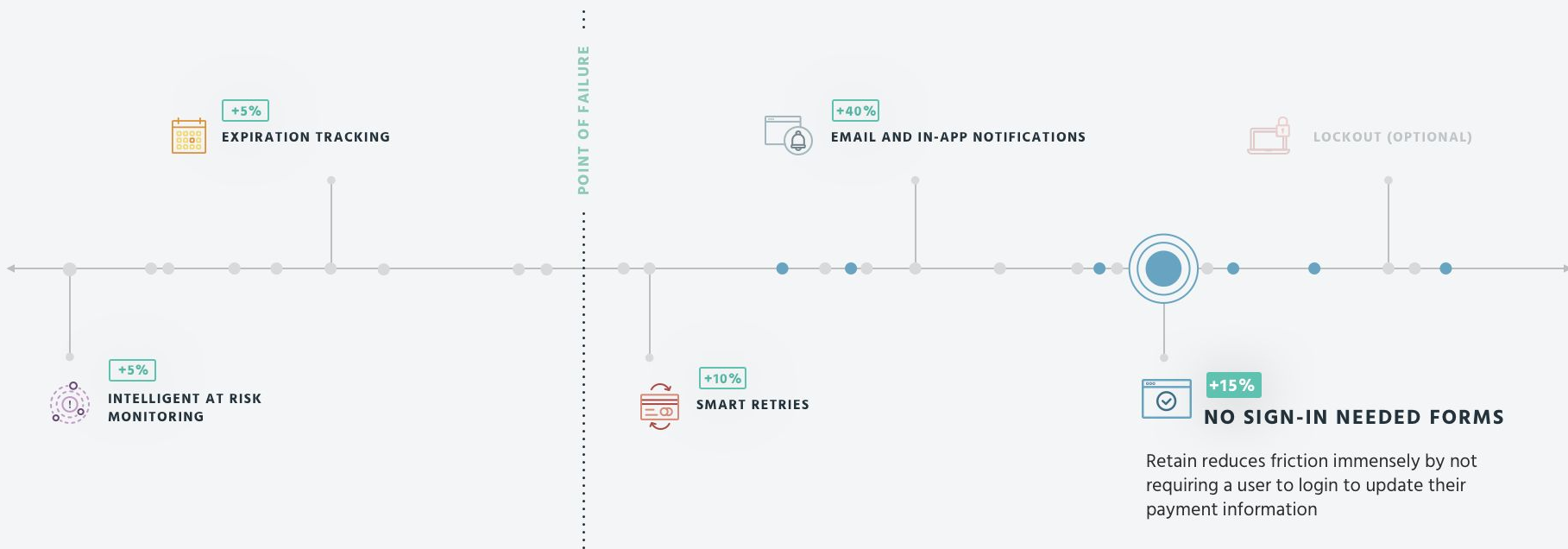
EMAIL BODY PREVIEW

Hey Hiro,
Just retried to process your \$99.99 Meetup subscription, but unfortunately it didn't go through. To prevent your subscription from lapsing, we need you to [update your information here](#).
Let us know if you have any questions, of course. Happy to help.
--
Kate
Community Experience, Meetup



RETAIN

Reduce churn through targeted campaigns





[Start a new group](#)

[Log in](#)

[Sign up](#)



\$99.99

Payment failed on 04/25/2019

NAME ON CARD

ZIP CODE

Full Name

XXXXX

CARD

 Card number

MM / YY CVC

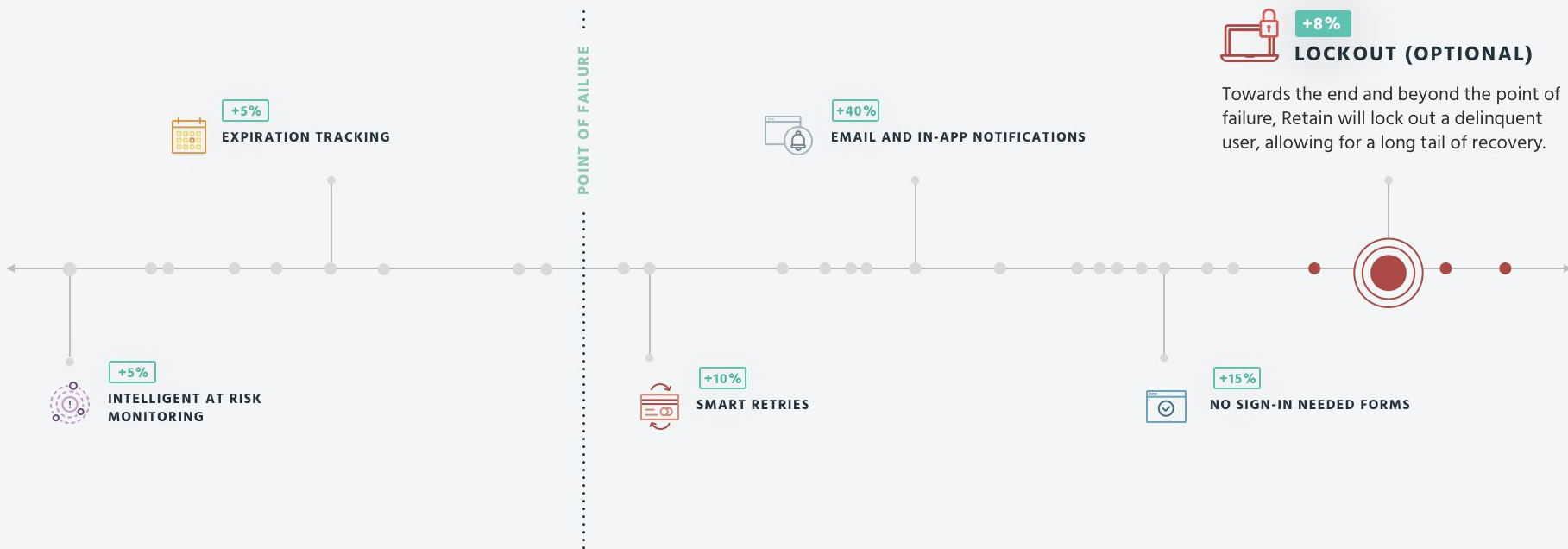


UPDATE AND SAVE

Meetup shares your payment information with our payment processor Stripe. Read Stripe's [Privacy Policy](#).

RETAIN

Reduce churn through targeted campaigns



Localized Collection Outreach +5%

We've crafted custom, localized outreach messages and displayed to the right customers at the right time.

Pre-Retain Notifications +5%

Target customers with credit cards that are about to expire. Notifications target customers that are already in the workflow.

Retain Notifications +20%

Prompt your customers to update their expiration date before their workflow.

Switch to annual billing prompt 5%

Allow your customers to seamlessly opt into annual billing.

Lockout 10%

When all Retain attempts fail, you will lock your customer out of the app to inform them of their cancelled account, and prompt them to contact support.



Your Account Has Been Suspended

Unfortunately, we were unable to charge the credit card on record after multiple attempts.

We saved your account and you can pick up where you left off by restoring your account below

RESTORE MY ACCOUNT

I am seeing this message in error

RETAIN

Reduce churn through targeted campaigns



+5%

EXPIRATION TRACKING

Utilizing historical and usage data, Retain monitors when the best time is to ask for an updated credit card from an expiring user.



+40%

EMAIL AND IN-APP NOTIFICATIONS

Message copy greatly influences recovery. Retain is constantly adjusting timing and content of notifications to optimize recovery.



+8%

LOCKOUT (OPTIONAL)

Towards the end and beyond the point of failure, Retain will lock out a delinquent user, allowing for a long tail of recovery.



+5%

INTELLIGENT AT RISK MONITORING

Retain scans card & transaction metadata and delivers pre-dunning notifications at just the right time to at-risk users.



+10%

SMART RETRIES

Retain retries a customer's credit card when there's the highest chance of recovery.



+15%

NO SIGN-IN NEEDED FORMS

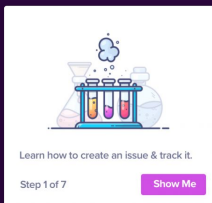
Retain reduces friction immensely by not requiring a user to login to update their payment information

...
POINT OF FAILURE
...

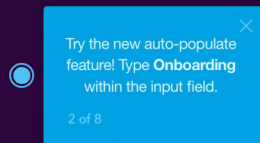
**Whoever holds on to the most
customers at the end of this wins**

Use cases Chameleon enables for our customers

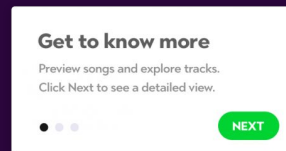
Onboarding & activation



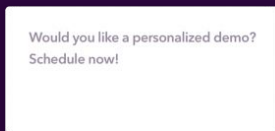
Feature launches



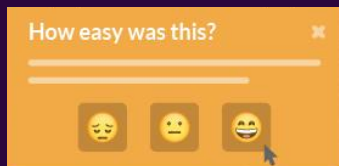
Passive learning



Self-serve support



Continuous feedback



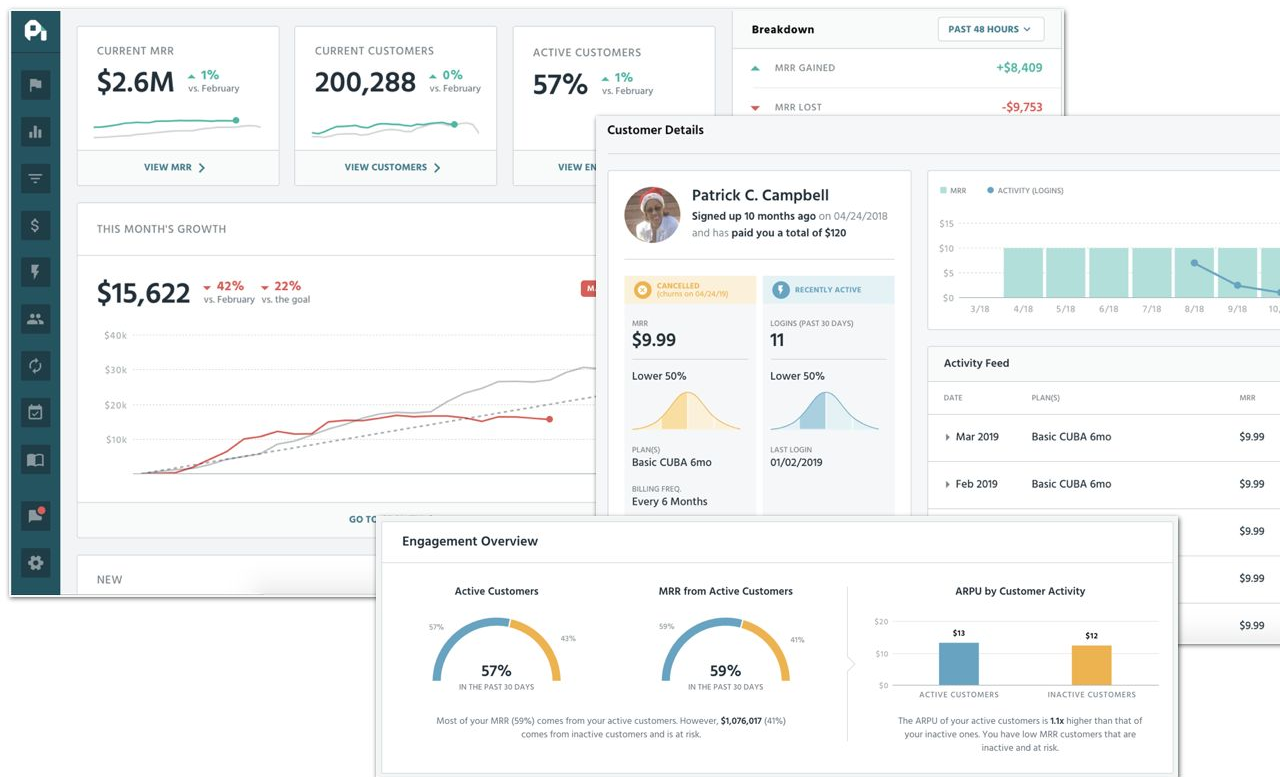
Other





PROFITWELL

Free financial metrics for
subscription businesses.





HubSpot

Adobe

Atlassian

PLURALSIGHT

WISTIA

lyft

LogMeIn

GUSTO

Questions and more info

- Email questions to pa@trychameleon.com; patrick@profitwell.com
- More examples at trychameleon.com/blog/reduce-customer-churn
- Data sourced from profitwell.com/index