

At a SaaS company, you live and die by your ability to keep nearly every new user you acquire.

While new business is great, if 50% of your new customers aren't still with you after a year, then you have a problem. You'll struggle to gain profitability, investors won't want to touch your business that loses half its customers annually, and your company will eventually sink.

Sounds like a bad outcome for everyone involved. And, since reducing churn can have a very positive impact on a business (for every 1 percentage point increase in revenue retention, a SaaS company's value increases by [12% after five years](#)), it's prudent to take steps to reduce this killer of so many SaaS companies.

So, what can cause high churn for companies? There are a number of possibilities, but these are the top 6 (in no particular order):

1. Your product does not reach product/market fit, and you keep acquiring customers that aren't a fit for your business.
2. Customers do not discover the value.
3. Customers do not fit the price.
4. Users are unable to get set up correctly.
5. Your competitors offer a better product.
6. Your customer success team (which plays a critical role in reducing churn) is understaffed and/or can't resolve support issues.

Fortunately, a number of these causes can be prevented. In this guide, I'll provide a background on the first 4 and show you how you can use Kissmetrics to gather insights that may help reduce churn.

The 2 reasons for churn that we won't cover (customer success team is understaffed and competitors offer a better product) really can't be solved with any analytics tool.

A customer success team plays a critical role in a SaaS company's success ([this post covers it](#) quite well) and should not be viewed as a support center. The customer success team is the first touchpoint for customers and is responsible for handling support tickets and managing upsells. Any company that puts this department on the back burner will pay the price in frustrated customers and perpetually high churn.

The issue of competitors offering a better product is usually addressed by pivoting the product. This is done by iterating until the company finds a good market for the product (which we cover in the first section). And, let's face it, any company that doesn't offer a clear differentiation from the current solutions on the market won't have a very strong footing. Too many similar products in a small market means that only a few businesses can survive in that market.

Now, let's get into how you can use the data you'll find in Kissmetrics to help reduce churn.

CHURN REASON #1: PRODUCT DOES NOT REACH PRODUCT/MARKET FIT

“Product/market fit means being in a good market with a product that can satisfy that market.”

-Marc Andreessen

Finding product/market fit is the most important job of a startup. It sets the foundation for a company, and it must happen before you are positioned to grow.

The problem is that product/market fit is not obvious. No customer cancels because “You don’t have product/market fit.” You have to do some research yourself to know where you stand.

Generally, you know you’ve reached product/market fit if at least 40% of your customers say they would be “very disappointed” if they could no longer use your product.

You can discover this by sending out a one-question survey. The question is:

How would you feel if you could no longer use this product?

- a) Very disappointed
- b) Somewhat disappointed
- c) Not disappointed

You’ve hit product/market fit if more than 40% say “very disappointed.” Ignore those in the other 2 categories. They are your “nice to have” people, but you can’t build a business with a “nice to have” product. Most of those people will eventually cancel. You need customers who view your product as a “must have.”

HOW KISSMETRICS CAN HELP

A big step toward knowing who those habitual users are is finding the users who use your product the most (more than any other users). This is where Kissmetrics comes into play.

Identifying Your Habitual Users - Finding Your 40%

Your user engagement may be all over the place. Some users may log in to your product every day, some a couple of times a week, and others a couple of times a month.

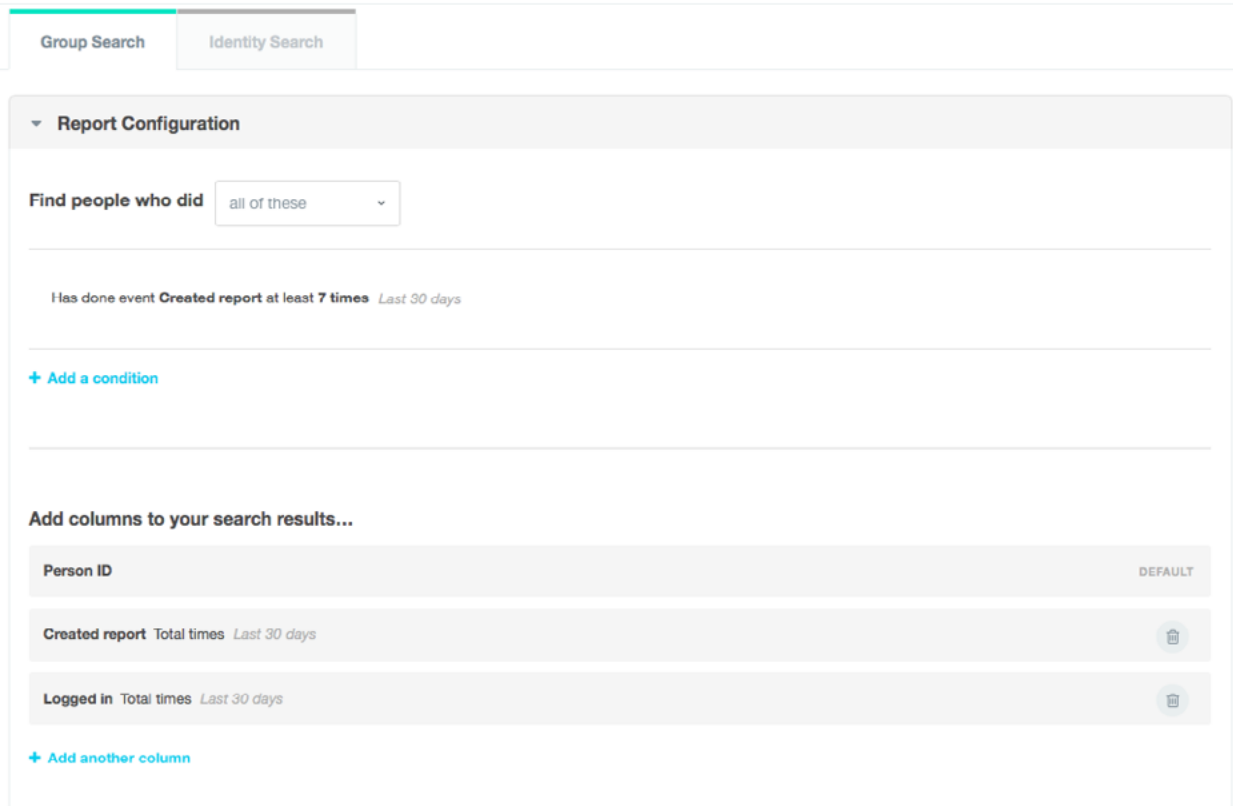
The people who use your product on a more frequent basis than other groups of users are your power users. These are your must-have customers. They value your product and bring their peers on board, too.

You need to know who these people are so you can talk to them and get feedback. You want to discover what they like and don’t like about your product, what problems they solve using your product, what their business challenges are, what frustrations they’re having, etc.

These are also the best candidates to give feedback on new feature releases. If you have a new feature but aren’t certain if it’s ready to release to your entire customer base, you can keep it limited to your power users. Gather feedback from them and iterate based on what they say. See what their priorities are before you finalize your product roadmap.

Using the Kissmetrics People Search, you can find people based on criteria you set. For example, at Kissmetrics, we have an event called “Created Report.” This event triggers (predictably enough) any time a user creates a report. If we want to find our power users, we look for anyone who created a report at least 7 times in the last 30 days. We can add other data to our report, too, such as how many reports they created or how many times they logged in.

Here’s how our criteria would look in People Search:



The screenshot shows the 'People Search' configuration interface. At the top, there are two tabs: 'Group Search' and 'Identity Search'. Below the tabs is a 'Report Configuration' section. It starts with a dropdown menu labeled 'Find people who did' set to 'all of these'. Below this is a condition: 'Has done event Created report at least 7 times Last 30 days'. There is a '+ Add a condition' link below the condition. Further down is a section titled 'Add columns to your search results...'. It contains three rows of columns: 'Person ID' (marked as 'DEFAULT'), 'Created report Total times Last 30 days', and 'Logged in Total times Last 30 days'. Each of the last two rows has a trash icon to its right. At the bottom of this section is a '+ Add another column' link.

Again, we are looking for:

- People who created a Kissmetrics report at least 7 times in the last 30 days, and
- The number of times each one of those people created a report in the last 30 days, and
- The number of times each one of those people logged in.

Let's click Search and get our list:

942 people in your search results Export...

Identity	Total times of Created report <small>Last 30 days</small>	Total times of Logged in <small>Last 30 days</small>
[blurred]	14	3
[blurred]	15	1
[blurred]	11	36
[blurred]	10	13
[blurred]	9	33
[blurred]	15	4
[blurred]	15	16
[blurred]	40	58
[blurred]	15	65
[blurred]	9	2

Showing 10 1-10 of 942

1 2 3 4 5 >

The left side (the blurred out section) is a list of email addresses of customers who created a report at least 7 times in the last 30 days. The two columns on the right tell us how many times those customers created a report and how many times they logged in.

With this People Search report, we see each customer who fits our criteria, and we can send them an email to learn how they're using the product and what problems it solves for them. After talking to customers, we'll spot trends and commonalities.

For instance, if your product is something similar to Evernote and you discover that many of your habitual users use the product because they like the ability to view notes from any device, you can then route that back into your marketing messaging.

Or, if you discover that your power users like your product because it helps them stay organized and on top of day-to-day tasks, you can highlight that benefit – a less-cluttered, more productive day. With this messaging, you're more likely to bring in similar users who have the same needs and the same habits.

CHURN REASON #2: CUSTOMERS DO NOT DISCOVER THE VALUE

Your product may have lots of value for the right customer, but if it takes them a while to discover it, you'll be dead in the water. It's a cancellation waiting to happen.

To combat this, trendy Silicon Valley product managers have coined the term "the **aha moment**." It's where the user says to herself "This is why I signed up for this product!" And "This product helped me [enter value proposition]." Aha moments are one step toward getting users hooked.

It's your job to bring new users to this aha moment as soon as possible. It usually takes place during the onboarding process.

Here are a few example "aha" moments for successful products:

- Square - The first time a business swipes a customer's credit card
- Uber - The first time a person gets picked up and arrives safely
- Spotify - When a person has the entire discography to all their favorite artists
- Airbnb - When a person finds a place they'd love to stay (or, when their listing gets reserved)
- Codecademy - When a person completes their first coding lesson

Notice how these aha moments happen quickly after a customer starts using the product? A new user won't stay around forever. You'll need to get them hooked soon. If it takes 3 months to discover the aha moment, you should send that customer a Thank You card for sticking with you.

Much like television show producers know a viewer can easily change the channel on the remote, a product manager needs to know that leaving your product for good is as simple as closing a tab and canceling a payment.

But the job isn't done when they reach the aha moment. Users need to keep rediscovering the value of the product (why they're using it). These are the **golden moments**.

With Netflix, you've reached a golden moment when you've discovered a great new show or movie to watch.

Facebook golden moments occur when you see your friend's engagement announcement, see photos of your brother's newborn, and reconnect with old classmates.

Kissmetrics golden moments are when you discover a fixable drop-off in your funnel, run an A/B test with a winning variant, and improve your overall conversions and revenue.

You probably already know what your aha moment is. It's essentially the first time a user discovers your value proposition. The golden moments occur when they rediscover the value of your product. It's when they can justify the price of your product, the time they spend using your product, etc.

HOW KISSMETRICS CAN HELP

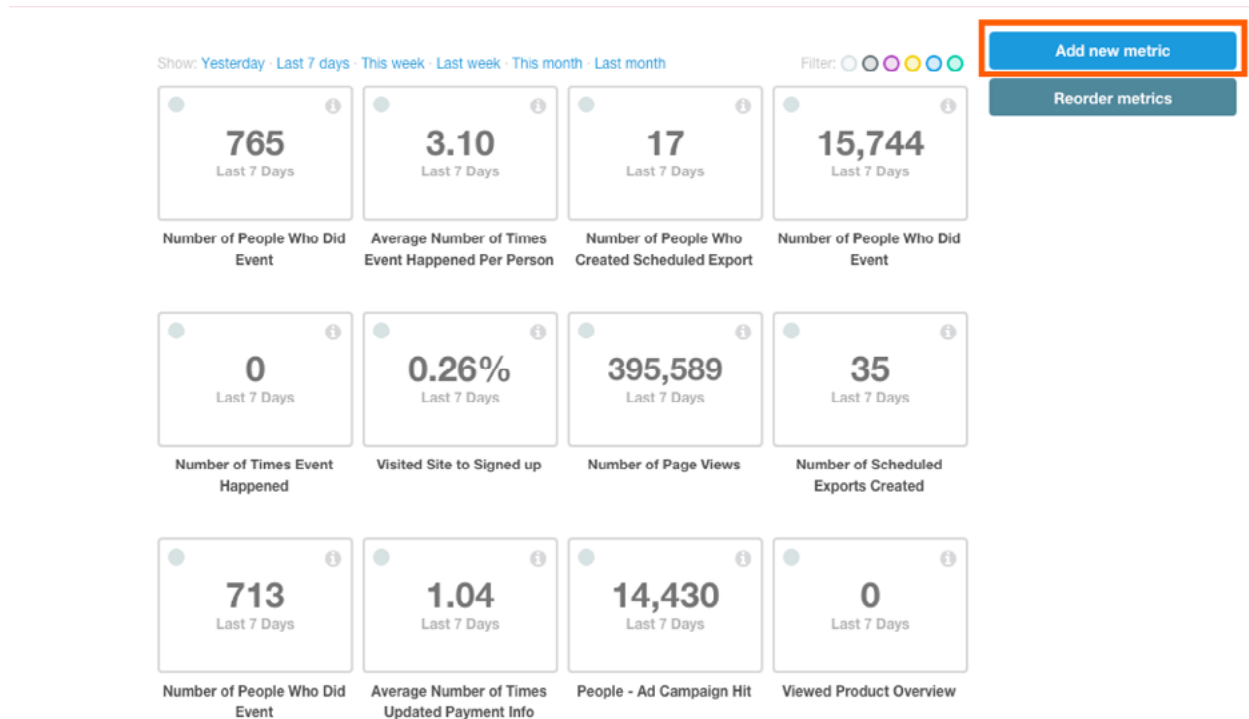
If you know what your aha moment is, you can track it in Kissmetrics. We'll show you exactly how long it takes people to reach the aha moment.

Finding the Average Amount of Time It Takes Users to Reach the Aha Moment

Let's say your product is an email marketing tool similar to MailChimp. You've done your user research and you know the first aha moment is when a new user sends their first email. Given that your free trial is 14 days, you know you have to get them to send that first email within a couple of weeks. Ideally, the sooner the better.

With Kissmetrics, you can set up an event that triggers when a person signs up and another event that triggers when they send their first email. You can then track the average duration between these two events. Here's how:

1) On the Metrics Dashboard, click "Add New Metric":



2) Select the “Average Time Between Events” metric:

Create new metric

Select your metric type from the following list:

- Number of People Who Did Event**
Example: *27 people did Signed Up event*
Each person is counted a maximum of 1 times, even if they completed this event multiple times.
- Number of Times Event Happened**
Example: *“Add to Cart” event was done 1,321 times.*
Counts each time the event was completed, regardless of the number of people involved.
- Average Number of Times Event Happened Per Person**
Example: *“Logged In” was done 18.4 times per person*
Number of times an event was done, divided by number of people who completed the event.
- Conversion Rate**
Example: *2.5% conversion rate between “Viewed Home” and “Signed Up”*
Calculates conversion rate between two specified events. You can make it a repeatable event (product purchases for example) or a non-repeatable event (like an account signup).
- Average Time Between Events**
Example: *2 days between “Viewed Plans” and “Signed Up”*
Calculates time elapsed between completion of first event and second event, divided by number of people who completed both events.
[Continue with this metric](#)
- Average Times an Event Happens Before Conversion Event**
Example: *“Visited Site” was done 3 times on average before “Signed Up”*
Calculates the average number of times an event occurs before a conversion event.

You will be given this form to complete:

Average Time Between Events

Metric name:

Time to Reach Aha Moment

Metric description:

Calculates the average amount of time between two configured events for a given time range. - [Edit](#)

First Event:

This conversion funnel starts when a person does:

Signed up


Conversion Event:

This conversion funnel ends when a person does:

Sent email

Filter Property (Optional):

Choose a property and property value that you want to use to filter this metric's results.

Select a Property... 

Note: the condition in the filter applies for all time and **not** for the time you select in the Metric.

Time frame:

Use first occurrence. Use the time when the person first does the first event ever. Useful for one-off events or events with more than a day between them (time to signup/upgrade/cancel).

Only look at time frame of the calculation Only look at people who did both events within the time frame of the calculation (the value for *yesterday* will only include people who did both events *yesterday*). Useful for repeatable events or events less than 24 hours from each other (time from viewed cart to checkout).

3) We'll name our events and select the first event and conversion (last) event. In our example, we'll use "Signed up" and "Sent email." We'll also select the time frame. In our example, we'll choose "Use first occurrence."

Average Time Between Events

Calculates the average amount of time between two configured events for a given time range.

Metric name:

Average Time Between Events

Metric description:

Calculates the average amount of time between two configured events for a given time range. - [Edit](#)

First Event:

This conversion funnel starts when a person does:

Select an Event... ▼


Conversion Event:

This conversion funnel ends when a person does:

Select an Event... ▼

Filter Property (Optional):

Choose a property and property value that you want to use to filter this metric's results.

Select a Property... ▼ 

Note: the condition in the filter applies for all time and **not** for the time you select in the Metric.

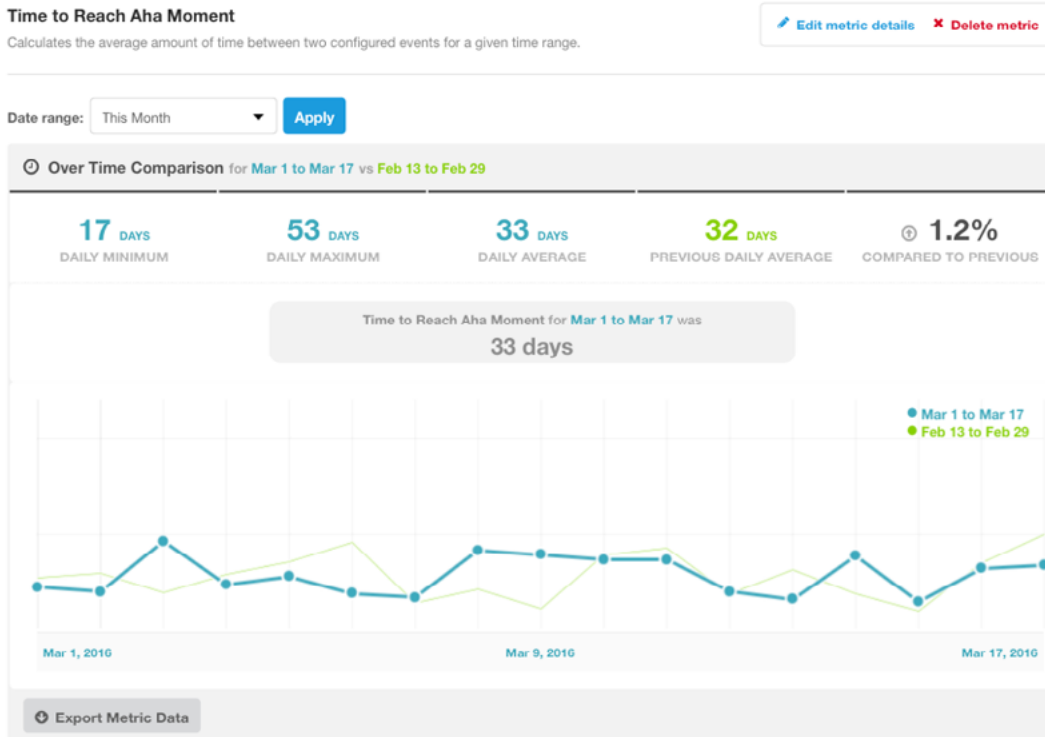
Time frame:

Use first occurrence. Use the time when the person first does the first event ever. Useful for one-off events or events with more than a day between them (time to signup/upgrade/cancel).

Only look at time frame of the calculation Only look at people who did both events within the time frame of the calculation (the value for *yesterday* will only include people who did both events *yesterday*). Useful for repeatable events or events less than 24 hours from each other (time from viewed cart to checkout).

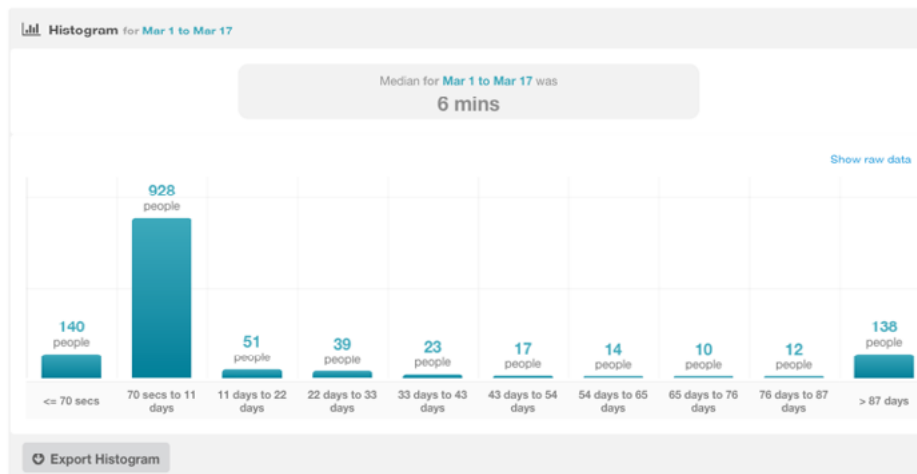
This report will include only people who have done both “Signed up” and “Sent email.” If they only signed up and never sent an email, they won’t be included in this calculation.

We’ll save our metric and get our data:



We get a graph of our data, as well as a metrics breakdown. Across the board, we can see that it takes too much time for new users to reach the aha moment.

Let’s take a look at the histogram, so we can see if a few outliers are throwing off the calculation.

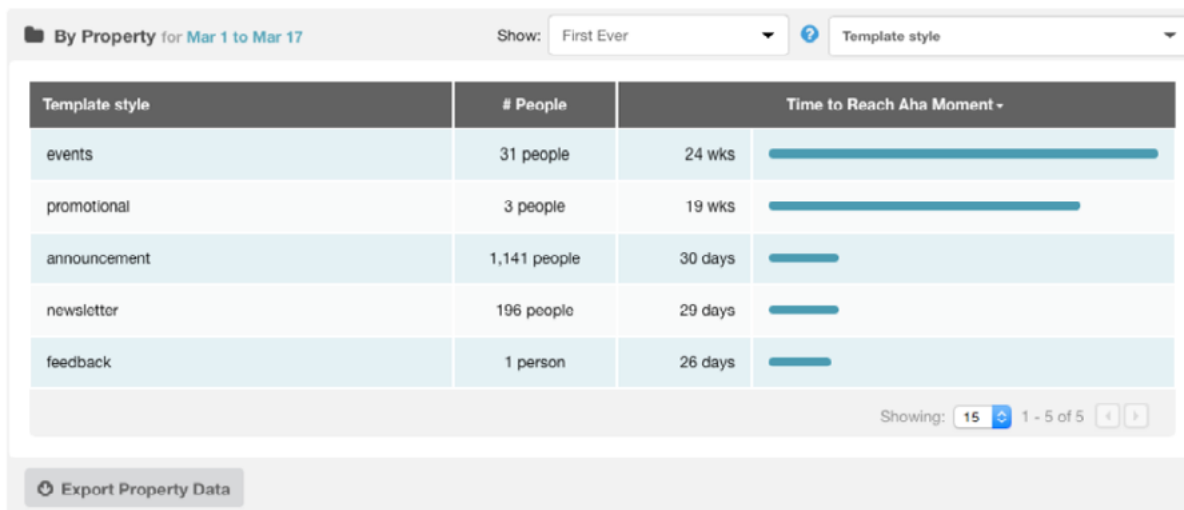


This paints a much different picture. We can see that the bulk of people send their first email within 11 days.

There's still a problem here, as over 200 people take 20 or more days to send their first email.

Let's take a look at some additional information.

We have five templates that users can choose from for their emails: newsletter, promotional, events, announcement, and feedback. Let's see which ones people choose first:



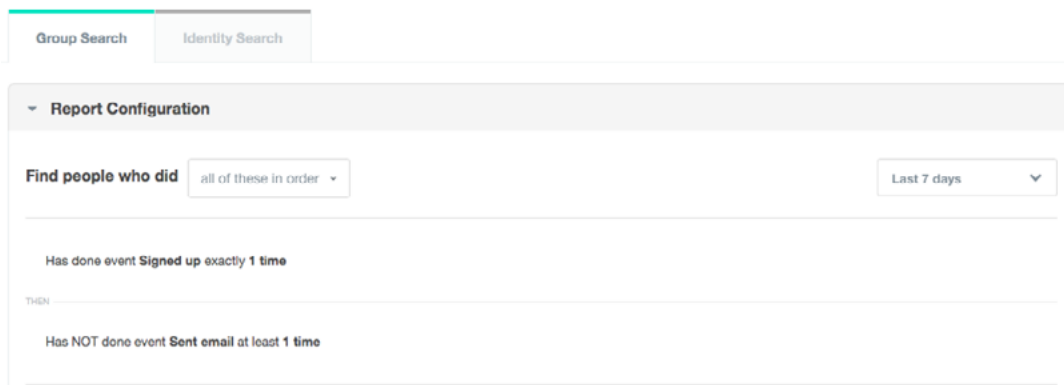
Template style	# People	Time to Reach Aha Moment
events	31 people	24 wks
promotional	3 people	19 wks
announcement	1,141 people	30 days
newsletter	196 people	29 days
feedback	1 person	26 days

We can see that the largest number of people (1,141) first use the announcement template, and on average it takes them 30 days to do so. This is much too long. We'll need to find ways to get our new users to send that first email earlier.

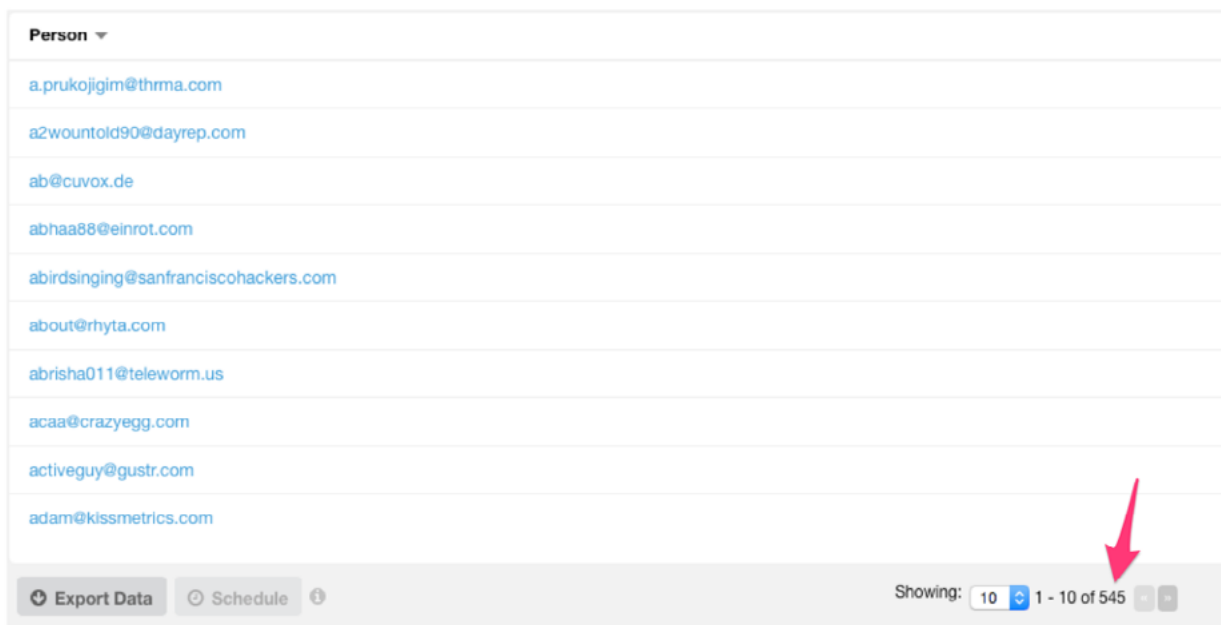
Reaching the People Who Haven't Hit the Aha Moment

We'll want to find the people who have not reached the aha moment. They're not a lost cause. We can reach out to them, discover what caused the stumble in onboarding, and get their feedback for improvements. Plus, if we can still get them to discover the aha moment, they will realize the product value.

For that, we'll use the People Search report. Here's what our search criteria looks like:



We are searching for the people who have signed up within the last 7 days but have not sent an email yet. We'll click Search and get our data:



Person ▾
a.prukojigim@thrma.com
a2wountold90@dayrep.com
ab@cuvox.de
abh88@einrot.com
abirdsinging@sanfranciscohackers.com
about@rhyta.com
abrisha011@teleworm.us
acaa@crazyegg.com
activeguy@gustr.com
adam@kissmetrics.com

Export Data Schedule ⓘ Showing: 10 1 - 10 of 545

These 545 people are a big opportunity. We can send an email out to all these people to get them re-engaged. We can also add them to a retargeting list and/or use a product like Qualaroo which can send nudges within the app.

Even if we can get only 5% of them to send an email, we'll have a much better chance of longer term success.

Discovering How “Sticky” Your Product and Features Are

Low product usage means that customers are not seeing the value of the product and will eventually cancel. This is where the Kissmetrics Cohort Report can help.

In essence, a cohort is a group of people who share a common characteristic or experience within a defined period of time. The Cohort Report allows you to track their behavior over time. You'll typically use this to track how your acquisition and retention are performing.

Let's first track login retention.

Login Retention

There are two parts to this. The first is tracking login retention right after signup, and the next is tracking login retention once people have been customers for a while.

Here's how this looks in the Cohort Report (actual data will vary, of course):

Signed up between **September 2, 2014 - November 30, 2014**

Signed up		Logged in by Days												
Time	People	1	2	3	4	5	6	7	8	9	10	11	12	> 12
Week of Sep 2, 2014	913	84.7%	4.9%	4.6%	5.8%	3.4%	2.8%	3.4%	4.3%	3.1%	2.4%	2%	3.3%	13%
Week of Sep 9, 2014	954	86%	7.1%	5%	5.9%	4%	4%	3.8%	3.4%	2.8%	2.4%	0.9%	2.5%	11.6%
Week of Sep 16, 2014	996	84.4%	5.5%	4.1%	4.4%	3.1%	3%	2.9%	3.1%	2.8%	2.2%	2%	2.3%	10.9%
Week of Sep 23, 2014	951	84.8%	6.4%	5.7%	6.1%	4.2%	3.5%	4.5%	4.1%	2.5%	2.1%	2%	2.8%	11%
Week of Sep 30, 2014	891	89.8%	7.7%	4.2%	4.7%	3.5%	3.3%	2.2%	3.1%	2%	1.5%	1%	2.4%	7.9%
Week of Oct 7, 2014	949	86.9%	7.1%	6.2%	4.3%	3.4%	3.8%	3.2%	2.4%	2.7%	2.1%	2.5%	2%	10.2%
Week of Oct 14, 2014	1,166	88.6%	6%	5.1%	4.7%	3.5%	2.3%	2.7%	2.7%	1.7%	1.5%	1.1%	1.6%	8.9%
Week of Oct 21, 2014	1,134	89.4%	7.1%	5.1%	4%	3.3%	3.3%	5.4%	4.1%	3.2%	2.5%	2.6%	3.5%	9.6%
Week of Oct 28, 2014	1,607	85.4%	4.1%	4.5%	3%	2.1%	3.2%	2.9%	2.1%	2.4%	1.8%	1.6%	1.7%	6.3%
Week of Nov 4, 2014	1,168	87.7%	5.4%	3.9%	4.4%	2.7%	2.6%	2.7%	2.7%	1.5%	1.7%	1.4%	2.2%	5.3%
Week of Nov 11, 2014	1,101	86.6%	5.8%	4.7%	3.9%	2.7%	3%	2.4%	2.5%	1.5%	1.2%	1.5%	1.8%	3.2%
Week of Nov 18, 2014	1,116	89.8%	4.7%	3.5%	3.5%	3.5%	3%	3%	2%	1.2%	1%	0.9%	0.6%	0.5%
Week of Nov 25, 2014	889	91.9%	3.5%	2.5%	3%	1.1%	1.3%	0.2%	-	-	-	-	-	-

Export Data Display: Showing: 1 - 13 of 13

Again, we're grouping people who have signed up *and* logged in.

On the left, we see the people who have signed up, sorted by week. The right shows us when those people logged in. We can see that the majority (84-92%) logged in the same day. Fortunately, this doesn't seem like too much of a problem. People sign up and log in shortly thereafter.

If your data is a little more scattered and it shows people logging in days after signing up, then you know you have a problem with your initial onboarding.

Now, let's look at data after the signup, the customers who have logged in and logged in again. This is great for gauging product retention.

Product Retention

Here, we can look at product retention segmented by channel. In the report below, we can see that some of the top-performing channels are referrals (people who came to our site via another site), email, and social. There isn't one particular channel that sticks out as being ineffective at bringing our best customers. Keep in mind that we can segment this data by virtually anything. Since marketing activities and messages seem to change as often as the seasons, we can segment the data by month to see how our various marketing messages impact user retention.

This is how long it took people who **Logged In** to come back and do **Logged In** between **December 1, 2014 - May 31, 2015**

Logged In		Logged In again by Weeks												
Property	People	1	2	3	4	5	6	7	8	9	10	11	12	> 12
Direct	4,324	63.6%	34%	24.1%	20.1%	22.5%	22.2%	19.1%	20.7%	14.2%	15.4%	15.7%	14.8%	36.7%
Organic	4,149	61.7%	31.5%	19.5%	18.1%	24.2%	22.1%	22.1%	26.2%	18.8%	20.8%	19.5%	16.8%	36.2%
Social	3,144	67.4%	43.8%	30.6%	29.2%	22.2%	23.6%	16.7%	14.6%	11.1%	10.4%	9.7%	9%	17.4%
Paid	2,899	58.2%	29.1%	20.3%	15.2%	10.1%	15.2%	11.4%	11.4%	13.9%	6.3%	8.9%	12.7%	24.1%
AdWords	2,688	52.6%	29.5%	16.7%	17.9%	16.7%	20.5%	12.8%	12.8%	19.2%	10.3%	17.9%	19.2%	38.5%
Referral	2,101	81.1%	49.1%	37.7%	22.6%	24.5%	9.4%	18.9%	15.1%	17%	15.1%	11.3%	3.8%	26.4%
Email	1,253	77.4%	37.7%	30.2%	26.4%	24.5%	13.2%	13.2%	26.4%	5.7%	7.5%	15.1%	5.7%	24.5%
None	924	75%	33.3%	37.5%	16.7%	20.8%	20.8%	16.7%	16.7%	12.5%	20.8%	8.3%	16.7%	37.5%

Export Data
Display: Percentage of people
Showing: 15
1 - 8 of 8

CHURN REASON #3: CUSTOMERS DO NOT FIT THE PRICE

Often, the primary reason customers cancel is they aren't using your product enough, and the cost just sets the cancellation over the edge. They may say something along the lines of "We don't use the product that often, and it costs too much for us right now."

In other words, that \$x amount of money they're saving every month is worth more to them than the product they don't use. Cutting prices may save some accounts, but others may cancel even if you slash your prices to barely make a profit. Most customers will happily pay for a product regardless of price if they are getting a ton of value out of it. It's just a matter of prioritization for them.

And then, of course, there are customers who truly just run out of money. Your product may be enormously useful to them, but they just don't have the money to pay for it. For these cases, it's worthwhile to see if there are commonalities among the businesses that cancel, as this may reveal that you are targeting the wrong customers.

The first step is to identify where these customers come from. Let's get into that now.

HOW KISSMETRICS CAN HELP

This can all go back to acquisition. If you take all these cancellations together and do a little data digging, you may be able to spot trends that can help reduce churn in the future.

Spotting Trends Along the Data

The first step is to load the Cohort Report and find the people who have signed up and then canceled.

Here's what our report setup looks like:

Report Configuration

Show me people who did Signed up

then came back and did Subscription canceled

in this date range Last 12 Months

Advanced options

Show behavior for Signed up based on Time when people did the event Segment people belong to

Segment people based on their First Channel: Origin

Show how long it takes for people to come back as Monthly* buckets
*Monthly buckets use 30-days as the definition of one month.

Limit report to people who did Subscription canceled For the first time On a recurring basis

Run report
Save report

Keep in mind that these events “Signed up” and “Subscription canceled” are not automatically tracked in Kissmetrics, but they can be tracked with some help from a developer.

Here’s our data:

This is how long it took people who **Signed Up** to come back and do **Subscription Canceled** between **March 1, 2015 - February 29, 2016**

Property	Signed Up People	Subscription Canceled by Months												
		1	2	3	4	5	6	7	8	9	10	11	12	> 12
Organic	2,519	0.60%	0.16%	0.04%	0.04%	0.08%	0.12%	0.16%	0.12%	0.04%	0.32%	0.16%	0%	0.91%
Direct	1,712	0.82%	0%	0.12%	0.18%	0.18%	0.29%	0.12%	0.29%	0.41%	0.23%	0.18%	0.06%	1.8%
Unknown	807	0.74%	0.12%	0%	0%	0%	0%	0.12%	0.50%	0.87%	1.6%	1.5%	0.37%	5.6%
Referral	760	0.66%	0.26%	0.39%	0%	0.13%	0.13%	0.13%	0.13%	0%	0.13%	0.13%	0%	1.3%
None	163	1.2%	0%	0%	0.61%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Paid	91	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1.1%	0%	1.1%
Social	88	0%	0%	0%	0%	0%	0%	0%	0%	0%	1.1%	0%	0%	2.3%
Email	60	0%	0%	1.7%	0%	0%	0%	0%	0%	1.7%	0%	0%	0%	1.7%

Export Data Schedule Display: Percentage of people Showing: 15 1 - 8 of 8

It looks like a good chunk of cancellations happen in the first month of the customer signing up. This is a big red flag. The customer was interested enough to sign up, but then canceled soon after. It’s important to gather feedback from these former customers to understand the reasons for cancellation. It may be that the product didn’t meet their needs, marketing over-promised on their message, or there was a poor onboarding experience.

A few of the channels (paid, social, email) have pretty low churn rates, although this may just be because a smaller customer base came from these channels. If you run this report and the data makes it clear that certain channels or marketing campaigns are bringing customers that have higher churn rates than others, then you’ll know you need to cut off those campaigns and/or modify your message.

Here are a few other segmentation ideas:

- When a person first signs up, do they get a call from a salesperson, are they taken to a demo, or do they get access to the product? If you’re tracking all these options, you can segment the data to see if one leads to higher retention.
- Are you a freemium SaaS company that isn’t exposing people to the full feature set? If so, you may have trouble getting them to upgrade to premium or even stay on as a user if they aren’t aware of the full capabilities of your product.
- If you’re A/B testing your onboarding flow, did one variation lead to more cancellations than the other? Keep in mind, Kissmetrics integrates with a [number of A/B testing tools](#) and you can use the [A/B Test Report](#) to track the results along your entire funnel.
- If you offer different plans, you can segment the Cohort Report by plan type (you’ll just need help from a developer to create this), and then you can see if any one of your plan types leads to higher cancellation rates.

CHURN REASON #4: USERS ARE UNABLE TO GET SET UP CORRECTLY

Products that require more extensive setup may experience a lot of churn for that very reason. The more help required from peers or unrelated departments to set up, the more likely a customer will churn.

If, on the other hand, your product is like Slack, in which little setup is required and minimal learning is necessary, then few customers will give this as a reason for canceling.

Here are some ways to alleviate churn for this reason:

- Employ extensive hand-holding during the onboarding process. New customers will need help, and a dedicated support agent needs to be there for them every step of the way.
- Get the new customer to small wins early after signup. Even if your product needs additional setup before it's "complete," it's important for the customer to see the value early in the onboarding process. For an analytics company like Kissmetrics, this means customers need to see their data and get a few metrics set up. They'll add more metrics and reports later on, but it's important to get some set up early so they can start developing insights.
- Be honest and set expectations from the start. The last thing you want is a customer who thinks they can get everything set up in 5 minutes only to realize after signing up that it may take 5 weeks. That's a sure-fire way to frustrate a customer and increase the odds of a cancellation.
- Extend the free trial length. If your free trial is only 7 days but it takes 30 days to get set up, you'll end up with a lot of customers who will never convert to paying.

It's also important to find out who the "champions" of your product are. These are the customers who take your product into the organization, sell it to the rest of the company, and get all their coworkers on board. Segment your cancellations by role. If the CMOs are the primary users of your product, do they have higher cancellations? Or is it a sales guy? Doing this data digging can lead to some important insights.

HOW KISSMETRICS CAN HELP

Since an inability to get set up most often occurs because the customer could never graduate from the "onboarding" phase, it's best to break down the onboarding phase into steps.

Knowing Who Your Product Champions Are

Often, in SaaS, it's not an entire company that signs up for a product, but rather one or a few people who bought the product. To keep those people as customers, you're relying on them staying at the company. As soon as they're gone, so is your account with them.

Some SaaS companies may have a more difficult time with this. Storage and sharing solutions (such as Box) require that the company (or at least a department) use the product. In this case, if a few people leave the company, it won't matter much since everyone else is using the product.

But many SaaS companies aren't that fortunate. Those companies will need to discover who their product champions are. They can do this through customer interviews and by spotting trends in data. Here's how to do the latter in Kissmetrics.

The first thing to do is require a property for the role of the person signing up for your product. You can do this in a drop-down menu as part of your signup flow. The person signing up will select an option, and Kissmetrics will register it as a property, and it will be tied to that person signing up.

You can look at a number of reports to get valuable data:

- A metric segmented by job role will show you who is most frequently signing up. You can also use a metric for logins, segmented by job role, to see which of your customers are using the product most often. It's important to note, however, that if 90% of your customers have the same job role, this will seriously skew the data.
- A signup funnel will show which job roles most often lead to sign up and which ones don't.
- A cohort looking at people who signed up and then canceled, segmented by job role, can show you which job roles are the worst fit for your business. A note of caution: when setting up this report, you should segment it by first ever job role; otherwise, the data may be skewed if a different person cancels.

It will likely take a fair amount of time to get reliable data. Decisions shouldn't be made over a month of data, but rather multiple months and possibly even years. Once you believe you have reliable data with a large number of people, you can then begin to make some solid data-backed decisions.

Identifying Where Customers Get Stuck During Onboarding

We've discussed how to do this [in a blog post](#). Here's the gist of it:

1. Create a Funnel Report that will show each step of your onboarding flow.
2. View data retroactively or view data going forward. This will depend on whether you have changed your onboarding flow. For example, if you changed your onboarding in March, you won't want to view retroactive data from before March as that will skew the data and mix the results.
3. Identify where users are getting stuck:

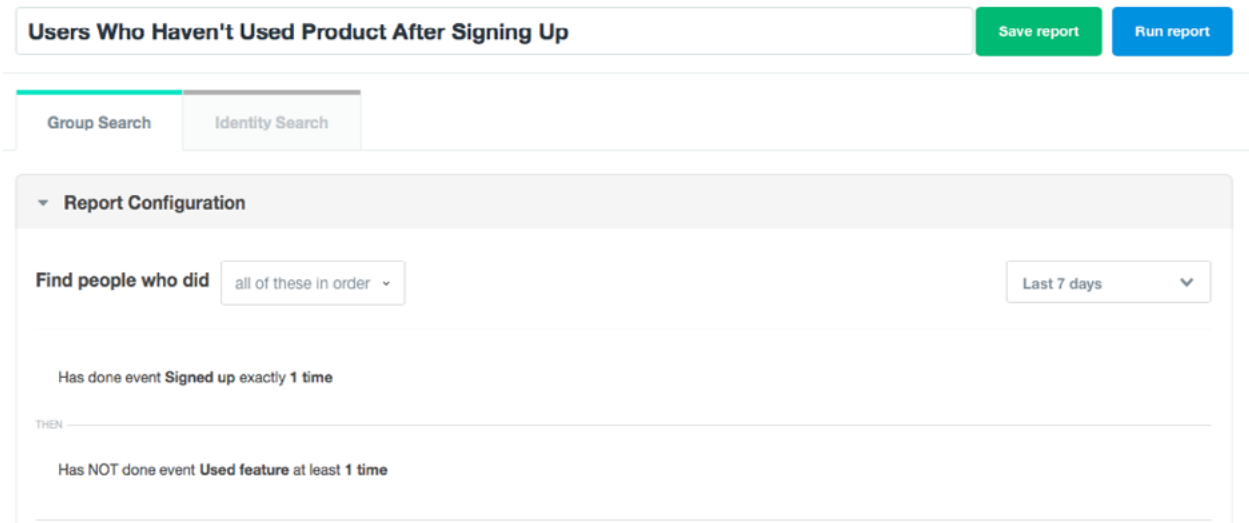


In this funnel, the biggest drop-off is after the first step. This is a big issue since so many people leave the flow just after they start. If this was your onboarding flow, you'd need to examine the "Entered Onboarding Flow" page, come up with some hypotheses (and user feedback) for why people are getting stuck, and then create variation pages to help them move past this step. You can A/B test this until you've found a winner. Then move on to the next onboarding step and keep refining and optimizing until your entire flow is performing better.

Finding People Who Signed Up But Have Not Used a Feature

If you get users who have signed up for your product but haven't used it, chances are they got stuck somewhere along the path and quit trying to get it working. With the Kissmetrics People Search, you can find who these people are and then email them to get feedback and try to get them re-engaged with your product.

Here's what our search criteria looks like:



The screenshot shows the Kissmetrics People Search interface. At the top, there is a search title "Users Who Haven't Used Product After Signing Up" and two buttons: "Save report" (green) and "Run report" (blue). Below the title are two tabs: "Group Search" and "Identity Search". The main section is titled "Report Configuration" and contains the following settings:

- Find people who did:** all of these in order (dropdown menu)
- Date range:** Last 7 days (dropdown menu)
- Criteria:** Has done event **Signed up exactly 1 time**
- THEN**
- Criteria:** Has NOT done event **Used feature at least 1 time**

We can set the date range to whatever we wish – today, yesterday, last 7 days, last month, last year, etc. It's best to keep it relatively close to the day you'll be creating the list of people. You'll be emailing (or calling) them asking if they're having any issues, so if they signed up 3 months ago, they probably won't be too open to giving feedback.

We can run the report, grab the list of people, and send them an email to receive feedback on where the roadblocks were, whether anything unexpected came up during the onboarding process, and any suggestions they might have for how we can remedy any of those issues.

You can also do this if you have an event for when a new user installs something or completes a part of the onboarding process. For example, at Kissmetrics, users need to install the JavaScript snippet before they can get any use out of Kissmetrics (the only way for us to receive data is with that JavaScript snippet). We have an event for when the user installs the JavaScript. It gets triggered when we receive data from that account. So, we can run a report to find users who have signed up but have not sent us any data. We can then reach out to them to see if there are any issues.

CONCLUSION

Customer churn is like punctured holes in a ship. If enough holes develop, the ship (and thus, the company) will sink. If you can patch the holes by reducing churn, you'll be setting yourself up to succeed.

Of course, some customer churn is inevitable. Some churn may be because you didn't live up to expectations, and some may have nothing to do with you.

But, the first step toward reducing churn is to identify the common causes of it, and then form an action plan to help reduce it. We've shown you how you can use Kissmetrics to do a little data digging and identify any trends among subsets of churned customers.

WANT TO LEARN MORE?

Our reports will show you exactly how customers and prospects are interacting with your product. Get the insights you need to help you find more of the right customers and build the best product.

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