

# SUBSCRIPTION MANAGEMENT AND CUSTOMER RETENTION

As your subscription business grows, do you have the right tools and processes in place to secure future revenue from existing customers?

While good subscription management is a vital component of an agile SaaS/subscription model business, it's about more than just efficient business operations. Reducing manual administrative tasks, staying up-to-date on billing and financial reporting, having control over master

data, and ensuring access to individual customer information, can also help businesses improve sales and customer service activities that lead to better retention. How important is existing customers' satisfaction to SaaS and subscription business? Let's take a look:

## CUSTOMER RETENTION STATS



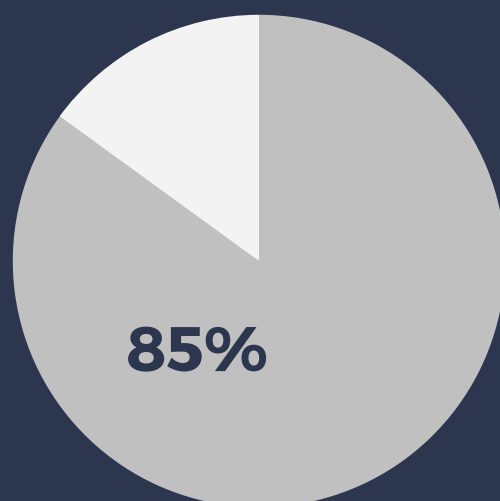
34% of churned customers leave because they are dissatisfied with service.



Companies that adopt new capabilities to be more agile, responsive and innovative are 3x more likely to achieve above-average revenue and profit growth



The average customer spends 67 percent more in their third year as a customer of your business than in the first year



85% of business leaders at top-performing companies believe that customer expectations are influenced by relevant, real-time and dynamic experiences

Sources: Accenture, AnnexCloud

Source: Accenture

## Median CAC spend for \$1.00 of ARR in SaaS

**\$1.15**

Acquire

Acquiring new customers is far more expensive on average than securing future revenue from existing customers. For high-touch sales, it can also be time consuming.

**\$0.57**

Upsell

While costing more on average than renewals, upsells can ensure higher customer lifetime values. Understanding usage ratings is crucial for this.

**\$0.15**

Renew

Personalized experiences, concierge customer service, and proper management of data can be a huge cost savings for businesses in securing future revenue.

Source: forEntrepreneurs