HOW DO B2B SaaS COMPANIES UNDERSTAND CHURN?

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Understanding Churn: Key Findings

A clear majority of CS teams (75%) at B2B SaaS companies make a point of reaching out to churned customers to understand why they left, according to IcebergIQ's benchmarking survey of 178* CS professionals in May 2024. However, only 24% feel "extremely" or "very" confident that they are getting the true reasons for churn, and 47% wonder what they could have done to prevent it from happening.

75%
of CS teams engage with former customers, either directly or via a third party

24%
are "extremely" or "very" confident they understand churn reasons

47%
wonder: "What could we have done differently to prevent churn?"

51%
say their biggest challenge is convincing customers to give feedback

82%
of those who reach out directly to former customers do so by calling

18%
of those who reach out directly to former customers do so by survey

*178 responses includes 131 complete responses and 38 partial responses over a two-day period at Gainsight's recent Pulse 2024 conference in St. Louis, as well as nine responses from other sources (LinkedIn, Slack CS Collective).

Do you talk to your churned customers to find out why they left?

75%

of CS teams engage with former customers, either directly or via a third party

- Yes — 75.3%
- No, but we plan to do so in future — 8.4%
- No — 11%
- Unsure if we do this or not — 5.3%
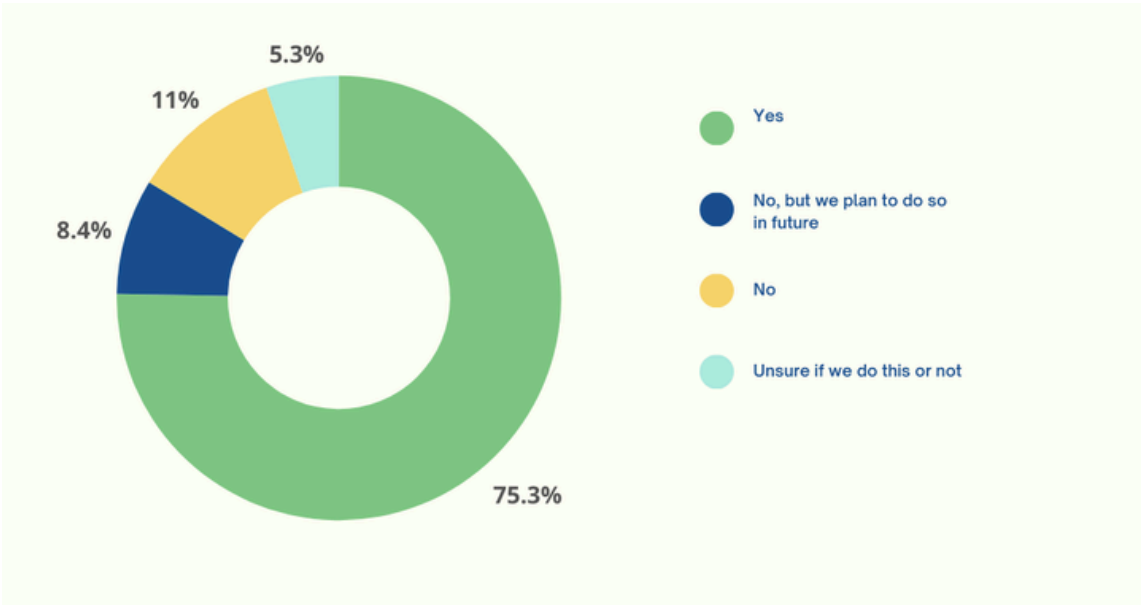
A significant 75% of respondents engage directly with churned customers to understand their reasons for leaving. Results were fairly consistent across different company sizes.

Benchmarking Insight: The majority of CS teams, regardless of size, engage in churn analysis. Teams not conducting such analysis are in the minority. Most teams (90%) conduct in-house analysis, and 10% use third-party services.
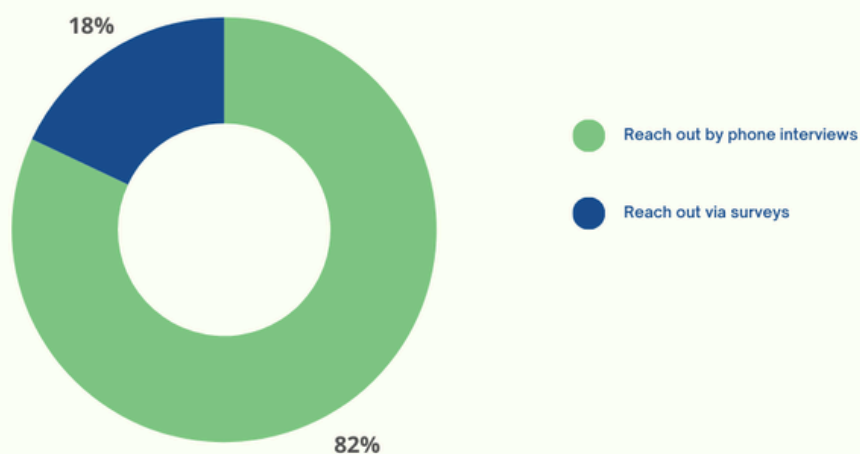
What is your preferred way to engage with former customers?

82%

of those that reach out directly do so by calling

18% do so by survey

Reach out by phone interviews

Reach out via surveys

18%

82%

Of respondents who reached out to their customers directly, most preferred speaking to them rather than sending a survey.

Along with calls and surveys, common supplementary data sources for understanding churn included:

- 91% - account notes
- 80% - customer metrics (e.g., CSAT, usage data)
- 70% - support tickets
- 56% - contract details

Benchmarking Insight: CS teams use phone interviews, account notes, and customer metrics as primary sources for churn insights.

How confident are you that you are uncovering the true reasons for churn?

24%

feel "extremely" or "very" confident" they understand churn reasons

12%

24%

Extremely or very confident

Somewhat confident

Not so confident

64%
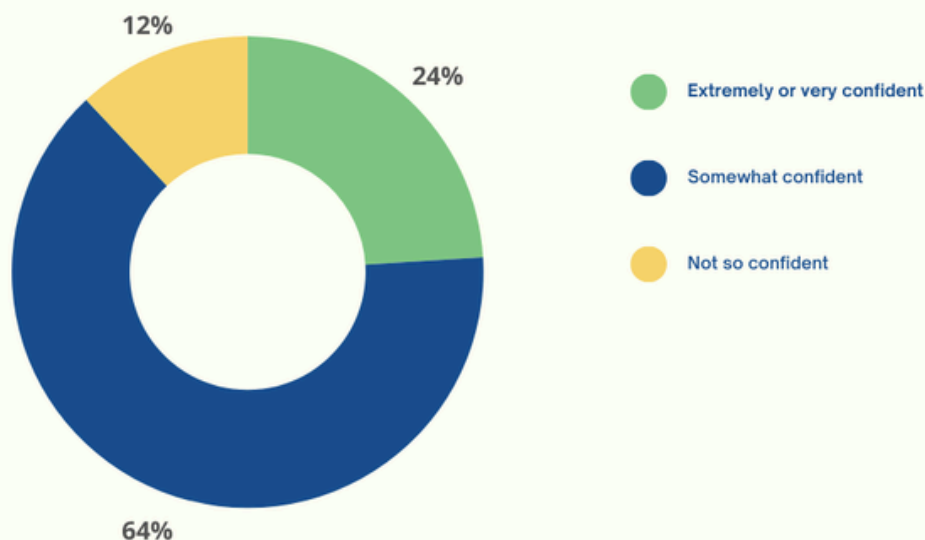
Despite efforts, only 24% of teams feel "extremely" or "very confident" in their understanding of churn reasons.

Benchmarking Insight: If you are uncertain you're getting the full story of why a customer churned, you are not alone.

IcebergIQ Insight: Understanding churn is challenging but essential, because accurate insights are crucial for strategic decision-making.
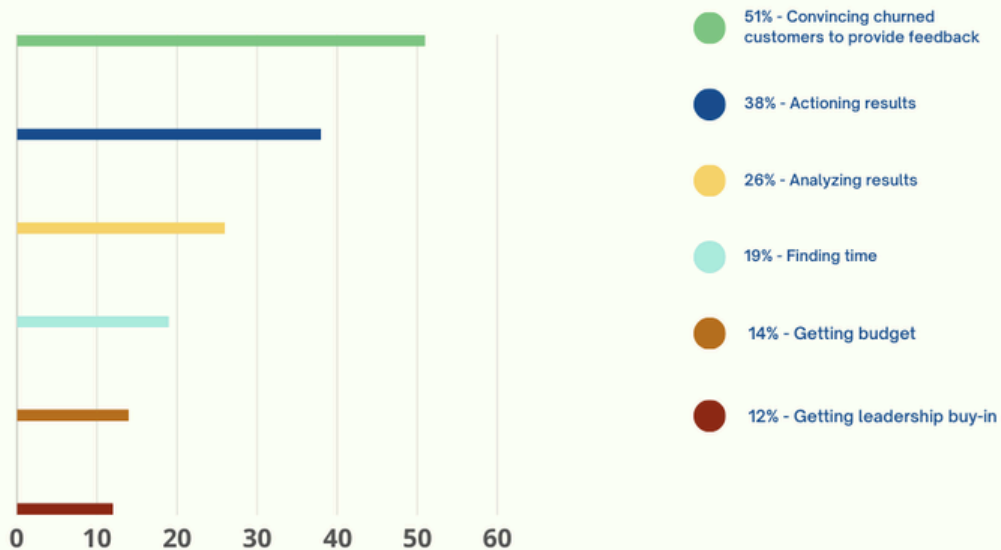
What are your top challenges for learning about churn?

51%

say the biggest challenge is convincing customers to give feedback

Respondents selected up to two options.

- 51% - Convincing churned customers to provide feedback
- 38% - Actioning results
- 26% - Analyzing results
- 19% - Finding time
- 14% - Getting budget
- 12% - Getting leadership buy-in

Respondents struggled most with convincing former customers to participate, but actioning and analyzing results were also noted.

Benchmarking Insight: Conducting churn analysis in-house requires significant time and resources, starting with the first step in the process – successfully scheduling interviews.
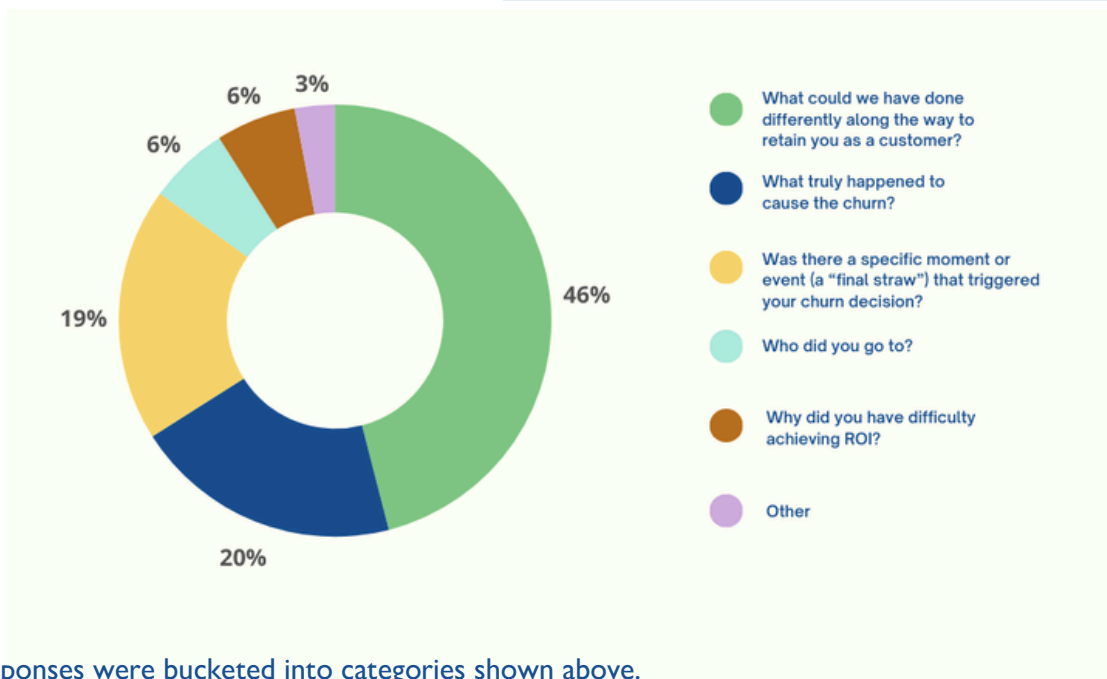
IcebergIQ Insight: Working with a third party frees CS teams to put their time where it is most valuable – actioning insights. For example, IcebergIQ handles booking interviews, conducting them, and analyzing findings.

What do you wish you could ask a churned customer?

47%

wonder: "What could we have done differently to retain you?"

Responses were bucketed into categories shown above.

Almost half of respondents wanted to know what they could have done differently to prevent churn. They also wanted to know what had truly happened, and if a specific event was a trigger.

Benchmarking Insight: Pinpointing the exact cause of churn can be complex due to hidden dissatisfaction, a complex customer journey, or multiple contributing factors to the decision.

IcebergIQ Insight and a Best Practice Gap: Only 6% of respondents wondered about customers' ability to achieve value. However, a perceived lack of value or ROI is a critical churn driver, according to 2023 research by IcebergIQ.

Questions? Contact Us

If you have questions or comments about this survey, or you would like to discuss how to understand and manage churn, please reach out to info@icebergiq.com.

About IcebergIQ

IcebergIQ specializes in win/loss and churn analysis for leading B2B SaaS companies. By gathering candid feedback from our clients' customers via in-depth, conversational interviews, we identify themes and trends to help shape our clients' go-to-market and retention strategies.

Our Services

Win/Loss Analysis

Churn and Retention Analysis

Health Checks

Case Studies

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Upsell / Cross-Sell Studies