## **Optimizing Customer** Success Initiatives with **Laser-Focussed KPIs**





## **Revenue Metrics**

These metrics quantify the revenue contribution of customer success teams.



### **Renewal Rate** It measures the percentage of total revenue generated by customers who renew their

subscriptions at the end of each period. It is an indicator of the value they derive. The higher the renewal rates, the better your products are meeting customer needs.

Renewal Rate

Revenue from customer who renew Total customers up for renewal

100

It determines how effectively an organization upsells or cross-sells products and services from its portfolio. It is usually expressed as a percentage of a company's monthly

**Expansion Rate** •

**Expansion Monthly Recurring Revenue** (MRR) Rate

New revenue from upsells & cross — sells in a given month Revenue generated at the end of the previous month

recurring revenue that comes from the current customer base.

X 100

**Account Retention Rate** 

of time. The higher the account retention rate, the happier is your customer base.

It measures the number of accounts that are successfully retained over a given period

Account **Retention Rate** 

at the end of a given period

**Total number of customers** 

during that period Number of customers at the beginning of that period

New customers acquired

100 Х

**Customer Churn Metrics** 



### These metrics quantify the rate at which customers stop using a product or services.

**Customer Churn Rate** 



# that stop doing business with an organization over a given period of time.

Customers at the beginning of month — Customers at the end of month

Also known as attrition rate, customer churn rate quantifies the number of customers

Customers at the beginning of month

100 Х

**Churn Rate** 

Customer

MRR Churn Rate

lost from canceled contracts.

An acronym for Monthly Recurring Revenue, MRR quantifies the total monthly revenue

**MRR Beginning of Month** 

(MRR Beginning of Month - MRR End of Month)

100

**MRR Churn Rate** 

It quantifies the percentage of total monthly revenue lost from canceled contracts, modified by any additional revenue inflow from upgrades or service expansions from the existing clientele.

Net MRR Churn Rate

f Sum (Downgraded MRR + Canceled MRR  $\,-\,$  Expanded MRR) **Net MRR** 

churn rate

MRR at the Beginning of the Month

100 Х

## Customer and revenue churn are not always the same. Let's say there are 8500 (7000 basic + 1500 premium) customers at ABC Pvt. Ltd. Each basic customer pays \$300 a month whereas a premium customer pays \$1,200

**The Churn Conundrum** 

a month. At one point, 350 basic and 150 premium customers opted out. Using the abovementioned formulae, the Customer Churn Rate would amount to 5.88%, whereas the MRR Churn Rate would be 7.31%.



**Customer Satisfaction Metrics** 

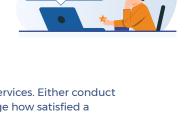
These KPIs help you gauge how customers feel

about your product and brand.

customer is with your business.

CSAT Score

It estimates customers' happiness level with your products and services. Either conduct an end-of-interaction survey or track customer sentiment to gauge how satisfied a



<u>●</u> \*\*\*\*

**Net Promoter Score** • NPS is the leading metric for quantifying customer satisfaction and loyalty. It takes the

Number of promoters — Number of detractors

**Number of positive responses** 

**Total responses** 

CSAT score a step further and helps you ascertain the number of customers who are likely to recommend your brand.

X 100

**NPS Number of respondents** 

It helps you to evaluate your customers based on different metrics (suitable to your company) to ascertain whether the accounts are healthy or at risk of churn.

Customer Health Score = Total action value #1 + Total action value #2 + Total action value #3 + ...... Total action value #n = Action impact X Action occurrence in a specific period of time

ıstomer Health Score

**Customer Onboarding Metrics** 

100

**Product Adoption Rate** 

It ascertains the number of customers who adopt your product and become regular users.

These metrics help you quantify product usage and adoption, thereby understanding how much value customers are receiving from your product.

**New Active Customers Product Adoption Rate** Χ **New Customers** 

It quantifies the number of customers that are highly engaged or spending more time

**Daily Active Users** Х 100 Monthly/Weekly Active Users

**Product Stickiness** 

**Product Stickiness** -

with the product on a daily basis.

Sources

https://www.metabeta.com/articles/stickiness/ https://www.profitwell.com/recur/all/customer-health-score/

www.searchunify.com

https://www.drift.com/blog/customer-success-metrics/ https://www.apty.io/blog/product-adoption-rate

+1 650 603 0902

info@searchunify.com