

# Capstone Project Public Summary

## Details

Title: Analysis of Customer Churn in SaaS

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School: CEU Department of Economics and Business

Program: MS in Business Analytics

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## Abstract

This project is an analysis of customer churn for a software product.

I completed it as my Capstone Project for MS in Business Analytics degree at CEU Department of Economics and Business in Budapest, June 2020.

This public document summarizes the project's description, project background and my motivation, describes the product, states the key problem and project objectives, explains the method of approach, discusses challenges throughout the process and lessons learned.

The summary also touches upon findings, conclusion, and future steps.

## Motivation and Background

The team who is developing the product wants to improve customer retention rate and is interested in learning about customer behavior and performance from data.

My project was aimed at exploring customers by looking at their behavior and performance through key metrics.

Defining metrics was one of the objectives of this project that I was curious about as product analytics and software products are among the areas of my keen interest.

## Product

The product is a referral hiring platform that leverages the social and professional networks of company's employees to match top talent from employee network to company's open job positions.

Candidates who match open positions get into company's hiring pipeline through referrals from company's employees.

Product category: SaaS, B2B.

Customers are companies that purchased subscription to use the product.

## Key Problem, Objectives, and Method of Approach

The key problem of the project is to learn about the behavior and performance of churning versus retaining customers from data.

Objectives include:

- Selecting a sample of customers to explore
- Defining metrics to compare customer behavior and performance
- Finding difference/similarity patterns between churning and retaining customers

As an outcome, it is desired to identify possible problem areas for churn.

The method of approach is through explorative analysis that compares/contrasts the behavior and performance of churning and retaining customers.

Selecting a sample, defining metrics, and the decision-making throughout the analysis are based on the general intuition of the product as well as my personal experience and understanding of the product.

## Challenges and Lessons Learned

The project was challenging because products are complex and have different features that might be customized for users.

It was not an easy task to define metrics that would explain difference or similarity patterns, as each company might have a use case that is hard to measure by general approach.

My strategy was to define product's value, user personas, and how the product works from onboarding to success through engagement.

Afterwards, I grouped the metrics into groups and started checking if they are possible problem areas by comparing the metric results of customers.

An important lesson for me was that it is crucial to consult with people who have been in communication with customers I'm exploring, especially for software B2B, as there might be customization of product features that the analyst might not be well aware of.

## Findings, Conclusion, Future Steps

A possible area for churn was identified, however, my conclusion needs to be validated further with additional data. It was communicated to the team as a recommendation.

Due to confidentiality reasons, detailed findings cannot be shared in this document.

## Thank-you Note

Special thanks to my project supervisor Eszter Somos for her support and feedback during the project's implementation process.

Thank you for giving me direction and valuable advice during the whole process.