

# Q1 2026: Churn Is Still Not a Customer Success Problem

Retention: The Real Measure  
of Business Health

# TL;DR — (For a Fast Read, the Complete Analysis Follows)

**Churn Is Not a Customer Success Effort Problem.**

It's a data > context > action > outcomes problem.

**For Context:** Sturdy analyzes the inbound/outbound context of customer interactions, identifies risks and opportunities, measures the actions taken to resolve these issues, and interprets which actions deliver the best results.

**Scale:** 47 million+ inbound and outbound account conversations across email, Slack, phone/video calls, chat, and tickets.

**Where Churn Actually Lives:** Product (28%) · Customer Experience (26%) · Sales & Marketing (25%) · Billing & Procurement (10%) · Onboarding (7%) · Structured Churn Issues (4%).

**Surprise: Negative sentiment does not correlate with higher churn** in B2B companies. No, this doesn't mean you can make customers unhappy. We hypothesize that businesses can identify and respond to negative sentiment somewhat effectively. Yet they do a poor job at much riskier signals.

### The Worst Churn Signals:

- Contract Request + Executive Change Within → **78% churn**
- Overpromise + Stalled Onboarding → **63% churn (Doubled No Start Rate)**

**What Separates Top Teams:** They standardize responses to high-risk signal combinations (who decides, what happens in 24–72 hours, and which interventions have worked before).

**Bottom Line:** Visibility is step one. Durable retention comes from SOPs that turn signals into a shared operating rhythm — clear ownership, repeatable responses, and faster upstream decisions.

In B2B SaaS and Services, churn is still too often treated as a downstream Customer Success problem. When retention slips, CS is expected to fix it—despite having limited control over what was sold, how the product works, how pricing is structured, how the solution is packaged, and how decisions are made upstream.

It's convenient. It's also flawed.

In earlier editions of this report, we challenged the idea that Customer Success owns retention. With over 500,000 views and thousands of comments, the response was clear. The argument resonated because it matched what teams experience in practice. Post-live teams don't fail from lack of effort. They fail because they do not control the decisions that ultimately determine outcomes.

This third edition goes deeper. We analyzed over 47 million real account conversations across email, calls, chats, and tickets, capturing more than 100 million signals. These signals were then paired with data from core systems like CRMs to understand not just what went wrong, but where risk actually originates.

The data shows that churn is rarely caused by a single team. It is the cumulative result of decisions made across Product, Support, Sales, Marketing, Finance, and Customer Success—made without a shared, current understanding of what accounts are experiencing.

## Risk Isn't Hidden. It's Scattered.

What makes this report practical is that the underlying data already exists in every business. Accounts are telling teams what's blocking them every day, but that information is fragmented across systems and roles—product sees one set of inputs, account teams another, and leadership only summaries after the fact.

This isn't about assigning blame. It is about shining a light on the need for collective accountability by showing how retention breaks down when the humans responsible for outcomes lack the speed of intelligence required to act.

## What We'll Break Down

- The signals and combinations most strongly correlated with retention
- Why sentiment alone is not a decisive churn indicator
- How often those signals are missed
- What becomes possible when teams share the same, real-time account reality



# Retention Breakdown: Where the Risk Actually Lives

Before looking at the metrics, it's important to understand how to read them.

This analysis is based on continuous, in-language signals from real account interactions—not straw polls, surveys, or churn-reason fields. That distinction matters.

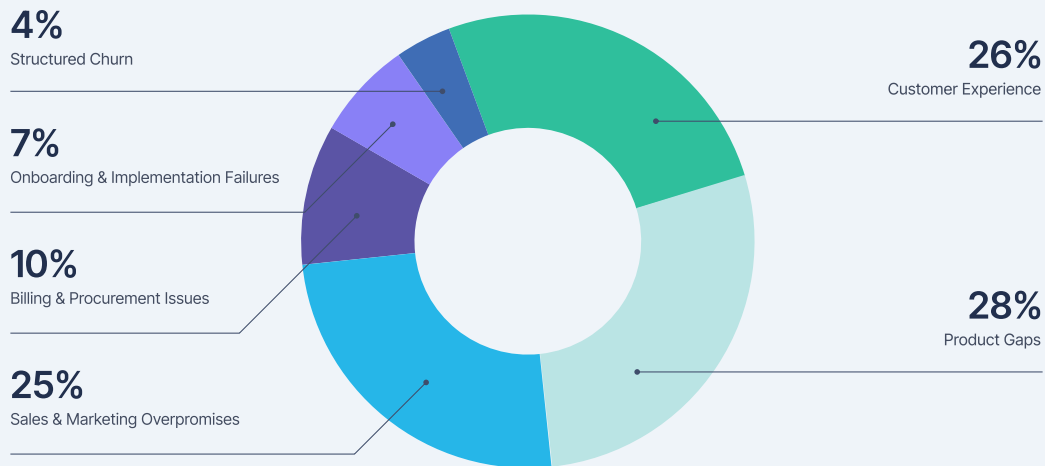
Some drivers of churn surface early and explicitly. Others accumulate quietly across channels and are under-represented when measured only by stated churn reasons.

Onboarding failures, for example, rarely announce themselves months later as implementation breakdowns. They appear as confusion, stalled execution, or value issues, and later reappear downstream as product gaps, underutilization, and silence. The root causes are the same, even if the language pattern changes.

The same is true for competition. Accounts don't churn because a competitor exists; competitors win when friction goes unresolved or expectations are not met. Additionally, context resembling "I saw that your competitor has this feature," is one of the strongest churn signals in almost every data set.

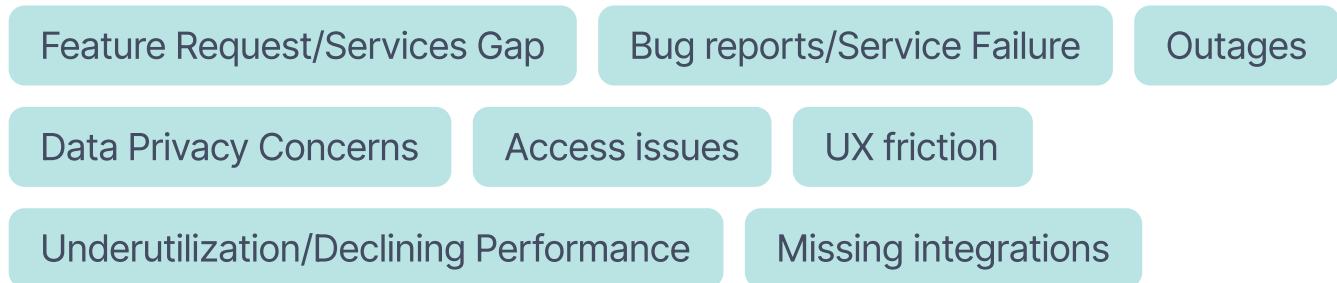
With that context in mind, the results below reflect where risk emerges and compounds.

## The Six Retention Risk Clusters

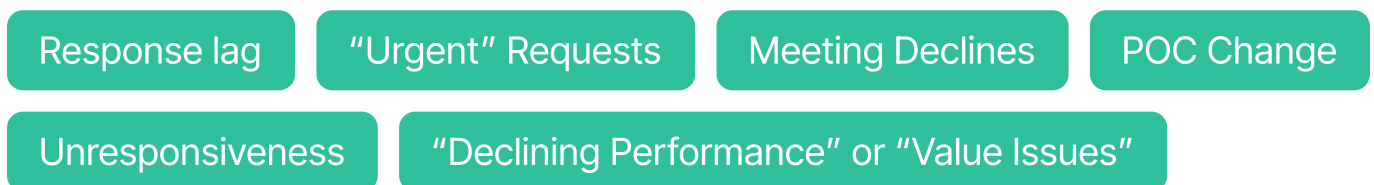


**Note:** Every business is different. Where possible, we have tried to group signals into similar contextual themes across broad industries like SaaS and Professional Services. For example, with "Feature Request/Services Gap" we're combining the risk context for Software and Services offering. Some signals, like "Response Lag" will make sense to every business context. Others, like "UX Gaps" are only relevant to certain industries, but for those industries they are severe enough to mention.

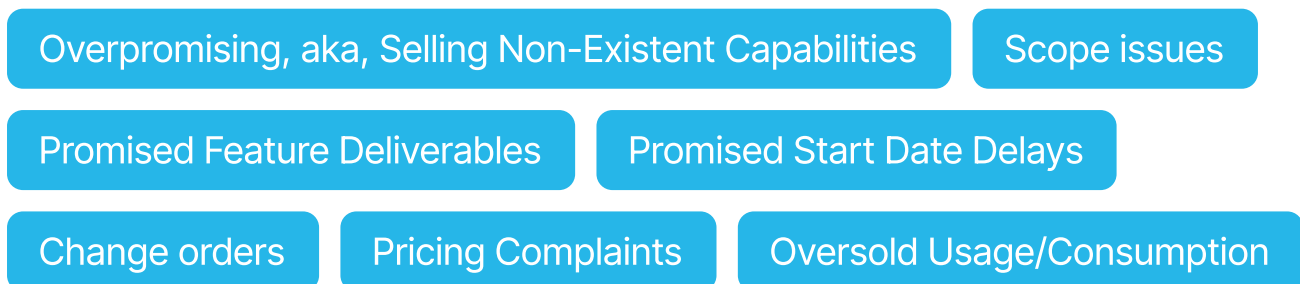
## 28% Product Gaps



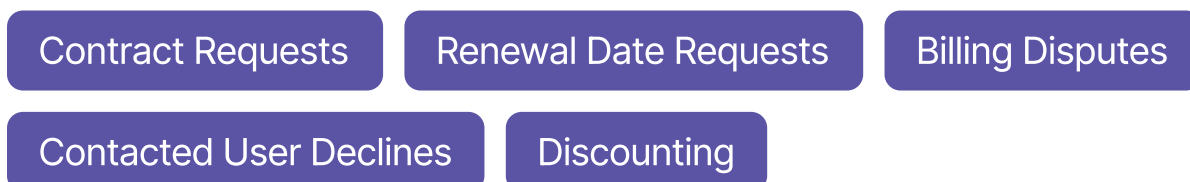
## 26% Customer Experience



## 25% Sales & Marketing



## 10% Billing & Procurement Issues



## 7% Onboarding & Implementation Failures

Security/InfoSec Issues

Go-live blockers

Delayed kick-off

Timeline drift

Scope creep

Approval lag

## 4% Structured Churn

Executive/Buyer/POC change

Competitor mention

Acquisition or merger

Budget Cuts

Market Factors

# Sentiment Is a Weak Leading Indicator

One of the most counterintuitive findings in this data is that unhappy accounts do not churn at a meaningfully higher rate than accounts that explicitly express positive sentiment.

Sentiment reflects how someone feels in a moment. Churn reflects whether outcomes are being achieved over time and whether existential factors are in play. Relying on sentiment alone creates false confidence and causes teams to miss stronger signals hiding in plain sight.

# When Signals Combine: Real Recipes for Churn

Individual signals matter. But churn is rarely triggered by a single event. The highest-risk accounts are defined by specific combinations of signals that, when they appear together, dramatically increase the likelihood of unwanted churn.

## Contract Requests Are Rare and Dangerous

A contract request is not the most common signal in this data, but it is the strongest. When an account asks to review contract terms, explore exit clauses, or renegotiate structure, nearly 50% of the time it leads to churn.

On its own, a contract request doesn't mean an account is leaving. But when it appears alongside other signals—underutilization, value issues, unresolved product gaps, or executive change—it often signals the beginning of the end.

**Spotlight:** When Contract Request and Executive Change signals fire within ~30 days of one another, accounts churn **78% of the time**.

## Overpromise + Stalled Onboarding

Overpromising is the highest-risk signal during professional services, onboarding, and implementation. When expectations are set ahead of delivery capacity, early friction compounds quickly.

Accounts may stay polite or even positive, but confidence erodes as timelines slip and value realization slows. By the time dissatisfaction is voiced, the relationship is already damaged.

**Spotlight:** Signals related to misaligned expectations during a stalled or Delayed Onboarding program churn at 63% a **(Doubled No-Start Rate)**.

## The Signals Teams Commonly Miss

Some of the highest-correlation churn signals are also the least identified:

- Executive change—especially when the new sponsor has a different mandate or vendor preference
- Underutilization—usage plateaus or language indicating the account “needs to get back in the system.”
- Prolonged silence—no communication at all

These signals rarely trigger alarms because they don’t sound urgent. But in combination, they are among the most reliable predictors of churn.

# How Retention Risk Breaks Down by Industry

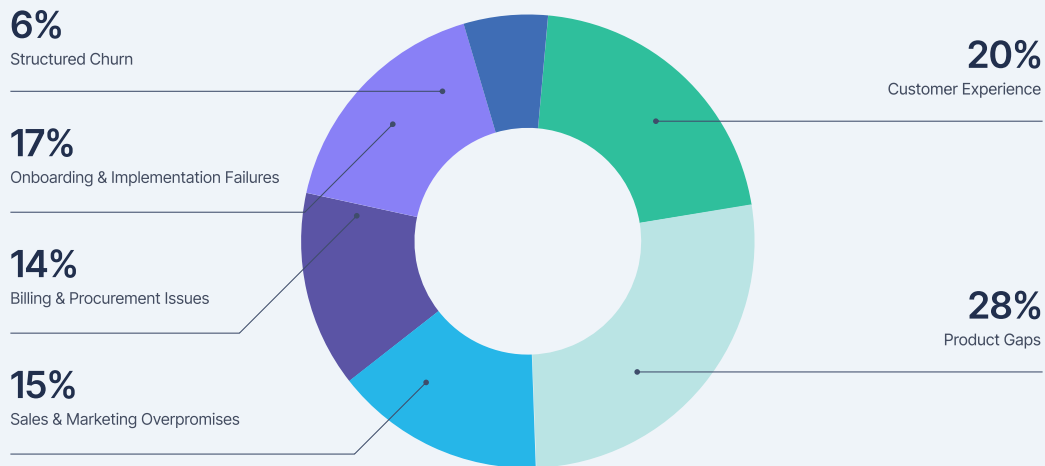
Category labels remain consistent across industries; descriptions reflect how the same signals surface differently based on delivery model and operating environment.

Industry doesn't change retention risk much in B2B businesses. The aggregate pattern is consistent. The ownership isn't. By industry, retention risk is concentrated in different areas, such as Product, Support/Delivery, Sales, or Finance, depending on how the work is sold and delivered. Same signals. Different starting point.

This industry view is scoped to the set of industries currently represented in the Sturdy dataset.



## B2B Software and Technology

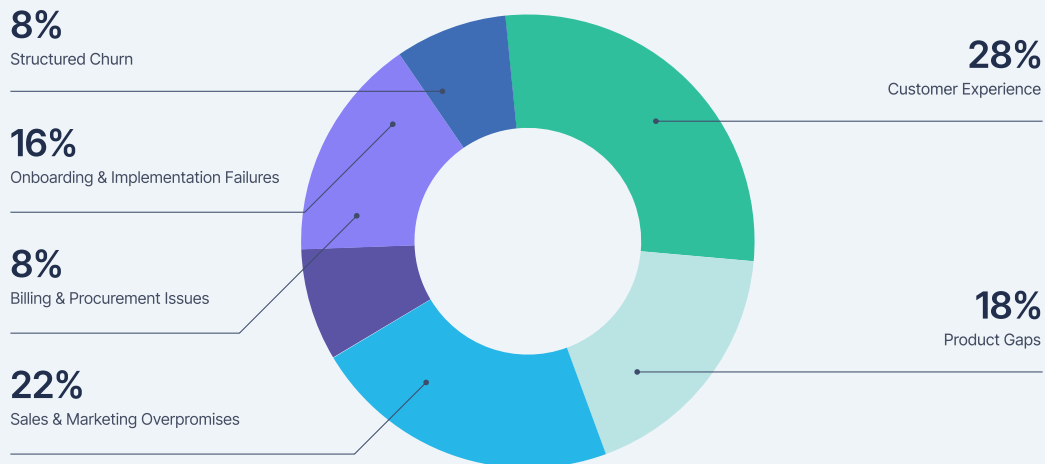


## TL;DR — Most Retention Risk Concentrates In Three Places:

- Product gaps in a competitive, maturing market, especially as new AI-native alternatives, raise expectations and shorten patience for missing features, broken workflows, and integration debt.
- Customer experience breakdowns such as slow replies, stalled escalations, and “we’re looking into it” loops that signal the vendor can’t deliver reliably.
- Billing and procurement friction — contractual rigidity, renewal mechanics, and value-to-outcome scrutiny that surfaces when results aren’t clear, or confidence is already slipping.

None of these are effort problems. They're decision problems. Churn follows when the teams who own product, support, and commercial terms don't share the same account reality early enough to act.

## Marketing & Advertising Services



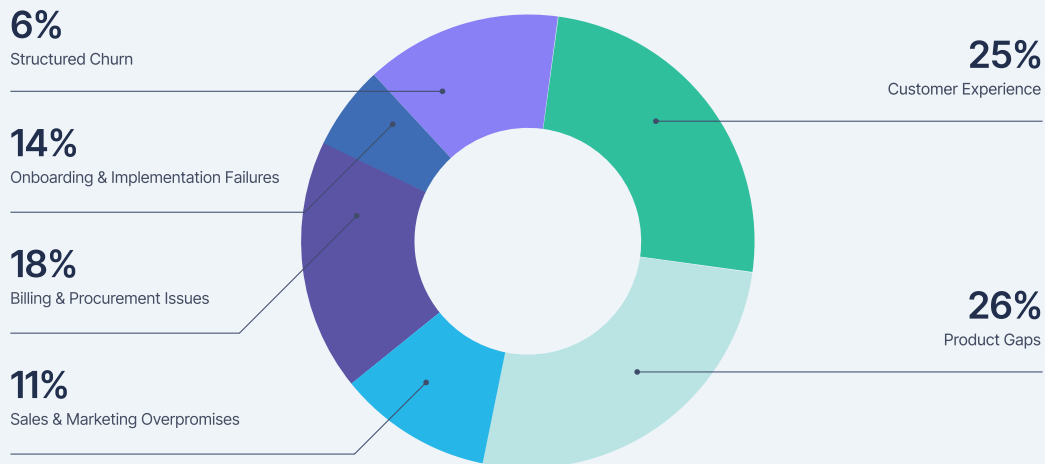
### TL;DR — Retention Risk In Marketing & Advertising is Driven by Expectation Collapse:

- Customer experience breakdowns (28%) + Sales & Marketing overpromises (22%) account for ~50% of all risk signals.
- Product (service) gaps (18%) reflect delivery quality and speed more than tooling limitations.
- Onboarding and stalled go-live issues (16%) show how quickly misalignment compounds early.

Marketing services teams can show performance charts, but they don't have the same telemetry a software vendor has—no usage exhaust, no feature adoption, no in-product early warnings. Outside of performance, the leading intelligence comes from the back-and-forth: context, tone, urgency, and friction.

Accounts churn when promised outcomes don't align with realized results and teams fail to reset expectations fast. When responses slow, ownership is unclear, or progress is explained after the fact, trust deteriorates. Billing and procurement friction (8%) typically surfaces late, once confidence has already slipped and value is under scrutiny.

## Healthcare / Medical Devices & Equipment

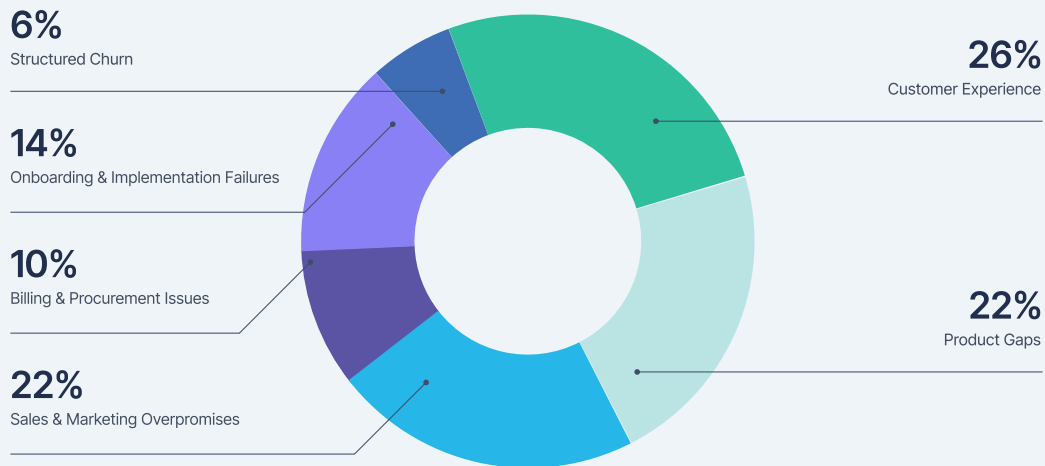


### TL;DR — Retention Risk In Healthcare and Medical Devices is Driven by Product Gaps Inside Real Operational Workflows:

- Product performance & gaps (26%) show up as reliability issues, downtime, integration failures, data accuracy concerns, and workflow friction.
- Customer experience breakdowns (25%) matter because when performance slips, response time and clarity determine whether the relationship stabilizes or unwinds.
- Billing & procurement issues (18%) surface once performance confidence drops; contracts and pricing become enforcement mechanisms when operational value is harder to defend.

Retention improves when Product, Support, and Implementation teams share a real-time view of performance signals inside the account and can make earlier decisions about remediation, prioritization, or replacement—before procurement frames the relationship as expendable.

## Professional Services



## TL;DR — Retention Risk in Professional Services is Driven by Product Gaps and Delivery Performance:

- Service gaps (22%) show up as missed milestones, rework, unclear deliverables, and progress that doesn't translate into outcomes.
- Customer experience breakdowns (26%) surface first in the back-and-forth: delayed responses, shifting timelines, unclear ownership, and repeated explanations without forward movement.
- Sales & Marketing overpromises (22%) compounds delivery risk when scope, timelines, or outcomes are set ahead of capacity.

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Delivery & scope creep (14%) is the hinge point—change orders, expanding requirements, and unmanaged dependencies. Billing & procurement friction (10%) typically shows up after confidence is already weakened, when value-to-outcome and rates come under the microscope.



# From Signals to Standard Operating Response

In the next section, we focus on what separates organizations that analyze churn from those that prevent it. The difference isn't better dashboards or more processes. It's whether teams have a standard way to respond when specific signal combinations appear—and clear ownership over the decisions that follow.

The final insight is operational. Knowing which signals matter is the start, but it is not enough on its own. Organizations that reduce churn standardize their responses when specific contextual signal combinations appear. Think action.

This is where most teams fail. The signals are visible, but the response is inconsistent, delayed, or owned by the wrong function. Risk is reported, acknowledged, and discussed, but rarely acted on consistently with real-world learnings from past successes.

A standard operating response does three things:

1. Defines which signal combinations require escalation (not every signal, only the ones that materially change retention outcome)
2. Assigns clear ownership the moment those combinations appear (who must decide and act, not who must investigate)
3. Codifies which decisions actually reduce risk, based on evidence (when possible)

## For Example:

- Underutilization + unresolved product gaps should trigger a product prioritization or scope reset decision, not another success check-in.
- Contract request + executive change should trigger an executive-level retention escalation within hours, not weeks.
- Perceived performance decline + slow response patterns should force an immediate recovery plan or expectation reset before trust collapses.

This is the difference between reacting to churn and systematically preventing it. Dashboards without action don't change outcomes. Playbooks without specific adaptive learning and recommendations don't either. What changes outcomes is enabling a human-in-the-loop to make a specific decision earlier, because ambiguity has been removed, and the core remedy is prescriptive.

The data shows the signals. The advantage comes from understanding what they mean together, in the broader context, and from acting before accounts reach the tipping point.

# Example: Make Pricing Risk Addressable — Not Negotiated

(A concrete pattern — how SOPs change the response)

In a recent account review, a pricing issue surfaced, but it wasn't new or unfamiliar.

The account had received a routine price increase. Soon after, they requested a copy of their contract. Historically, this signal triggered a familiar response: escalation to Customer Success, internal debate about discounting, and a reactive justification of the price.

## Negotiate.

But this time, the signal was viewed in context, and a narrative emerged.

Across email, calls, and support interactions, the account had already been expressing underutilization, value issues, and response lags. Those signals had appeared before in other accounts. The organization had successfully navigated this pattern in the past, but that experience lived in people's heads and scattered anecdotes, not in a repeatable standard operating response.

When those signals were correlated together, the pattern was clear:

- Price increase acknowledged
- Contract request submitted
- Language signaling declining usage and questionable ROI
- Value conversations shifting from outcomes to cost defense

This wasn't a pricing problem. It was a value recovery problem that pricing exposed.

Because the organization could recognize this pattern—and match it to prior successful interventions—the response changed. Instead of defaulting to discounting, leadership engaged a cross-functional group across Customer Success, Support, and Finance to act on what had worked before:

- Triage the account based on similar, successfully recovered situations
- Apply a proven action plan focused on usage recovery and value alignment
- Reset the commercial conversation around outcomes, not concessions

The price didn't change immediately. The response did.

What made this possible wasn't better intent or more effort. It was the ability to identify recurring signal patterns, learn from past successful resolutions, and operationalize that judgment across teams—so the right decision could be made early, and consistently.

Pricing didn't cause the churn risk.

It exposed whether the company could reuse proven responses before the account decided.

# The Real Conclusion

At this point, the pattern should be unmistakable.

Churn is not random. It is not sentiment-driven. And it is not the result of insufficient effort from Customer Success.

Churn is the predictable outcome of decisions made too late, by the wrong teams, without shared, account-level intelligence.

The data exists. The signals exist. They show up as underutilization, stalled delivery, performance drift, contract requests, pricing pressure, silence, and executive change. Individually, they look manageable. In combination, they define risk.

Most organizations don't lose accounts because they lack data. They lose them because risk shows up early, but action shows up late. The people who can fix the problem aren't seeing the same patterns in time to decide. Ambiguity accumulates. Decisions lack context. By the time alignment happens, the relationship is beyond repair.

This is why retention keeps getting pushed onto Customer Success. Not because CS owns the outcome, but because CS is the clearinghouse of ambiguity.

The organizations that outperform on retention do not work harder. They operate differently. They standardize their responses when specific signal combinations appear. They assign ownership early. And they reuse what has already worked instead of renegotiating the same problems repeatedly.

Operational retention is not a philosophy. It is a capability:

- Fewer surprises
- Earlier escalations
- Fewer post-mortems that start with “we should have known.”
- Confident decisions made while recovery is still possible

Retention does not improve because teams care more. It improves when decision-makers can see clearly, earlier.

As growth slows, competition intensifies, and pricing pressure increases, this shift becomes unavoidable. The companies that continue to scale will not be the ones with better intentions. They will be the ones who can recognize risk patterns early, apply proven responses consistently, and act before accounts reach a point of no return.

At this point, anything else is malpractice.

Churn is not a Customer Success problem. It is an intelligence and decision-timing problem.

# About Sturdy

Sturdy is what leaders put in place when they want to actually reduce churn—not track it, score it, or run the same retention theater for another year.

It sits across the systems teams already use—CRM, email, tickets, chat, calls—and assembles a single, shared account reality from what accounts actually say and experience. Not summaries. Not opinions. **Receipts and context.**

Sturdy does not replace CRMs or CSPs. It makes them usable when timing matters. It removes ambiguity by showing what is happening, why it is happening, and which responses have worked before in similar situations—so decisions don't have to be relearned every time.

Instead of pretending a static dashboard, a data-starved health score, or a stale playbook is “account truth,” Sturdy makes four things true:

- Decisions move upstream—to the teams that actually control outcomes
- Escalations happen while recovery is still possible, not after the relationship breaks
- Accountability becomes specific (who decides what, when), not “CS owns retention.”
- Past wins stop living in people's heads and become repeatable responses

Sturdy is the infrastructure layer for operational retention—built for leaders who want to solve churn, not explain it after the fact.

[Learn More](#)