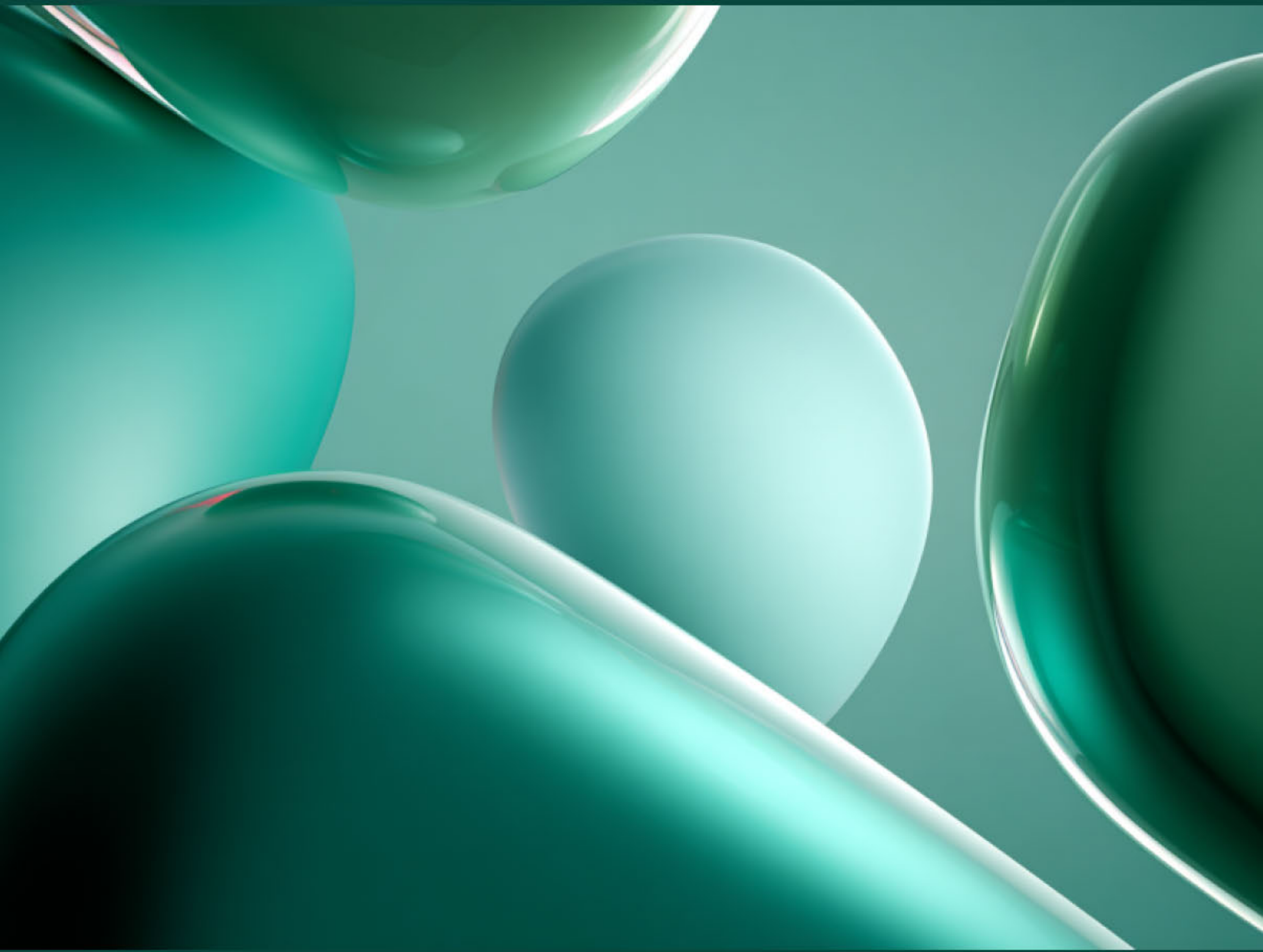


# The state of churn and retention in B2B organizations

2026 Report



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# 1 | Introduction: The retention imperative

Client retention is a critical factor for long-term business success, yet many organizations struggle to maintain engagement beyond the first few months. With acquisition costs rising and competition intensifying, businesses are shifting their focus toward optimizing retention strategies, improving onboarding experiences, and investing in seamless client engagement solutions.

This study examines the state of client retention across industries, uncovering the key factors influencing client longevity and the technologies shaping engagement efforts. **The data reveals that churn is most concentrated within the first 90 days of the client relationship**, highlighting the importance of early engagement and a structured onboarding process. The most common drivers of churn include communication breakdowns, service quality concerns, onboarding challenges, and competitive pressures.

In response, organizations are prioritizing regular check-ins, personalized onboarding, and value-added services to strengthen client relationships. Technology is also playing an increasing role, with client self-service, automation, and integrated engagement tools emerging as critical components of modern retention strategies. Businesses leveraging seamlessly connected systems, where client interactions, workflows, and data remain unified, report stronger retention outcomes. **This reflects a broader shift, where 49% of organizations list system integration as a top priority for digital transformation, alongside process digitization (51%) and automated workflows (43%).**

This study explores the latest trends in churn and retention, highlighting key challenges, the most effective strategies, and the role of technology in driving client loyalty. The insights provide a clear picture of how businesses are working to improve retention and where opportunities for growth remain.

## 2 | The breaking current: The critical onset of churn

Client churn remains one of the most pressing challenges for businesses, as high acquisition costs and increased competition make it more critical than ever to retain existing clients. Yet, despite best efforts, many organizations struggle to sustain long-term engagement, **with nearly one-third of businesses losing 30-40% of their clients annually**. This level of client turnover forces companies into a constant cycle of replacement rather than sustainable growth, putting pressure on both revenue and operational efficiency.

One of the most revealing findings in this study is that churn is heavily concentrated in the early stages of the client relationship, **with 43% of all churn occurring within the first 90 days**. This indicates that while businesses may successfully attract clients, many fail to establish a strong enough foundation for long-term loyalty. **While onboarding challenges (45%) and communication breakdowns (51%) are major contributors to churn, technology gaps, including the inability to seamlessly integrate client engagement platforms (48%), further intensify retention issues**. By understanding when and why churn happens, businesses can take a more proactive, data-driven approach to retention, ensuring that clients see continuous value well beyond onboarding.

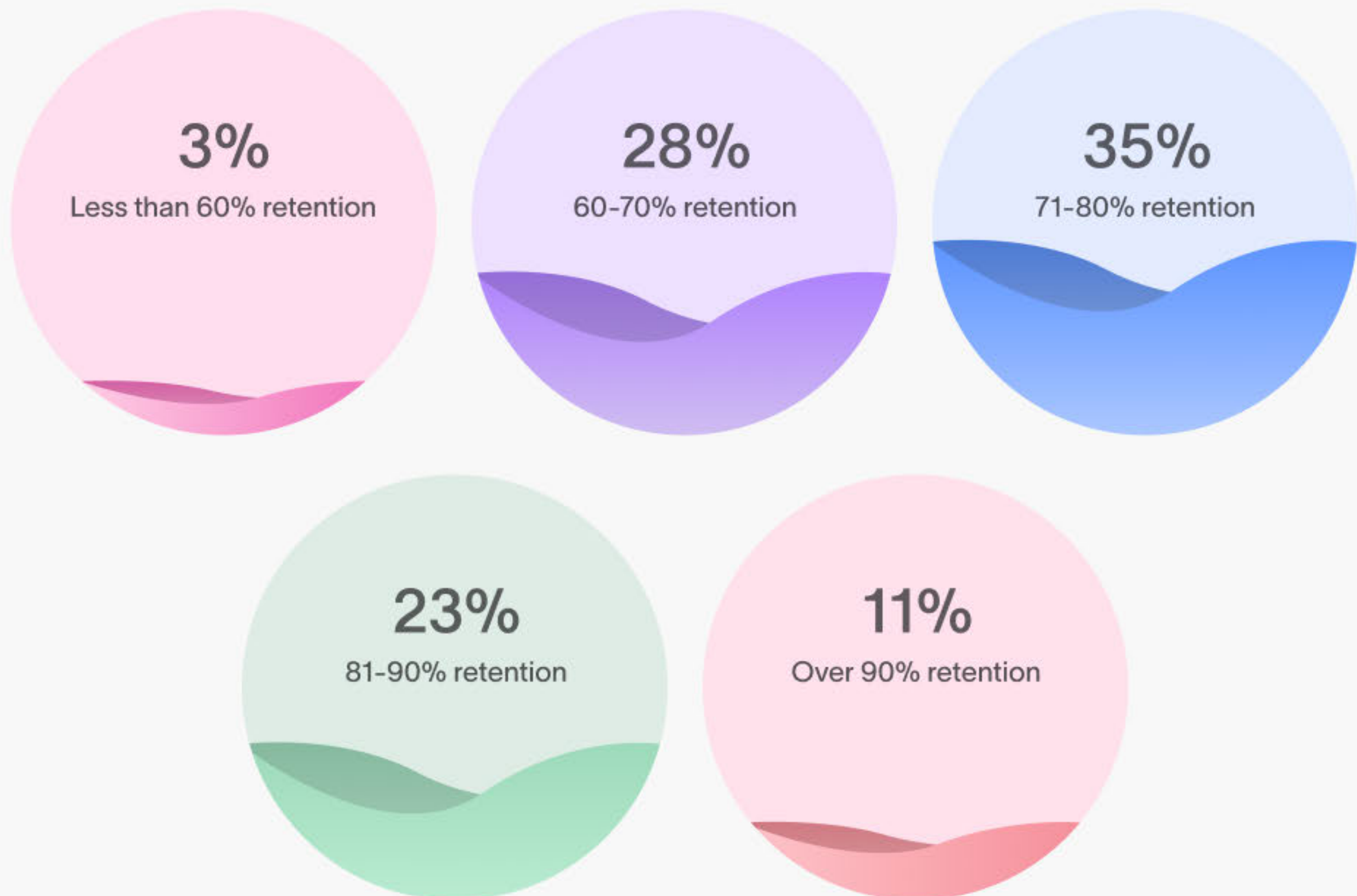


## Understanding client attrition

Client retention remains a persistent challenge for businesses, with many struggling to sustain long-term engagement. **The data reveals that while 34% of organizations report a retention rate above 80%, a significant 28% experience retention rates between 60-70%,** indicating a sizable portion of businesses are losing nearly a third of their client base annually.

This distribution suggests that most businesses are hovering around industry-average retention rates, **with only a small percentage achieving best-in-class retention above 90%.**

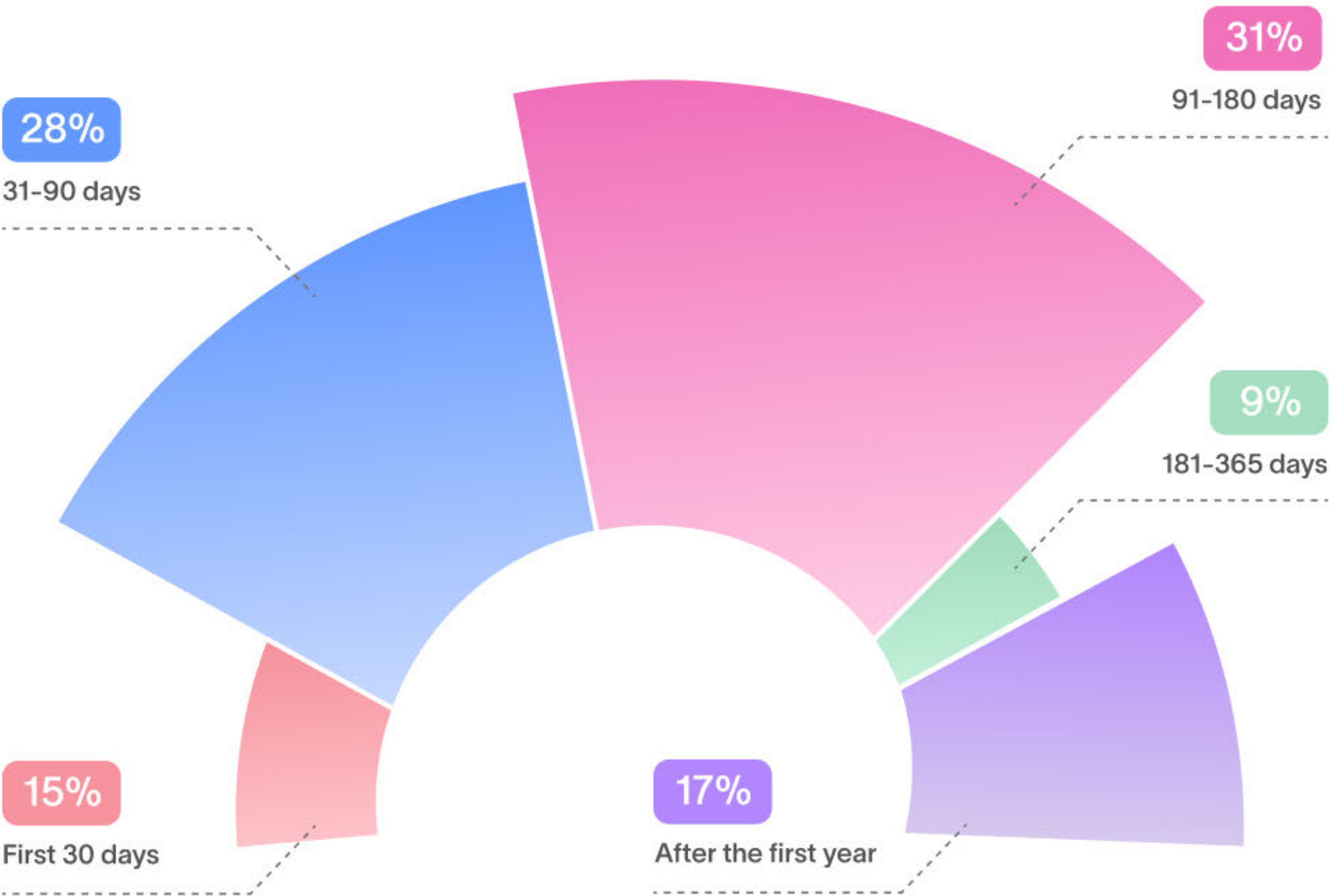
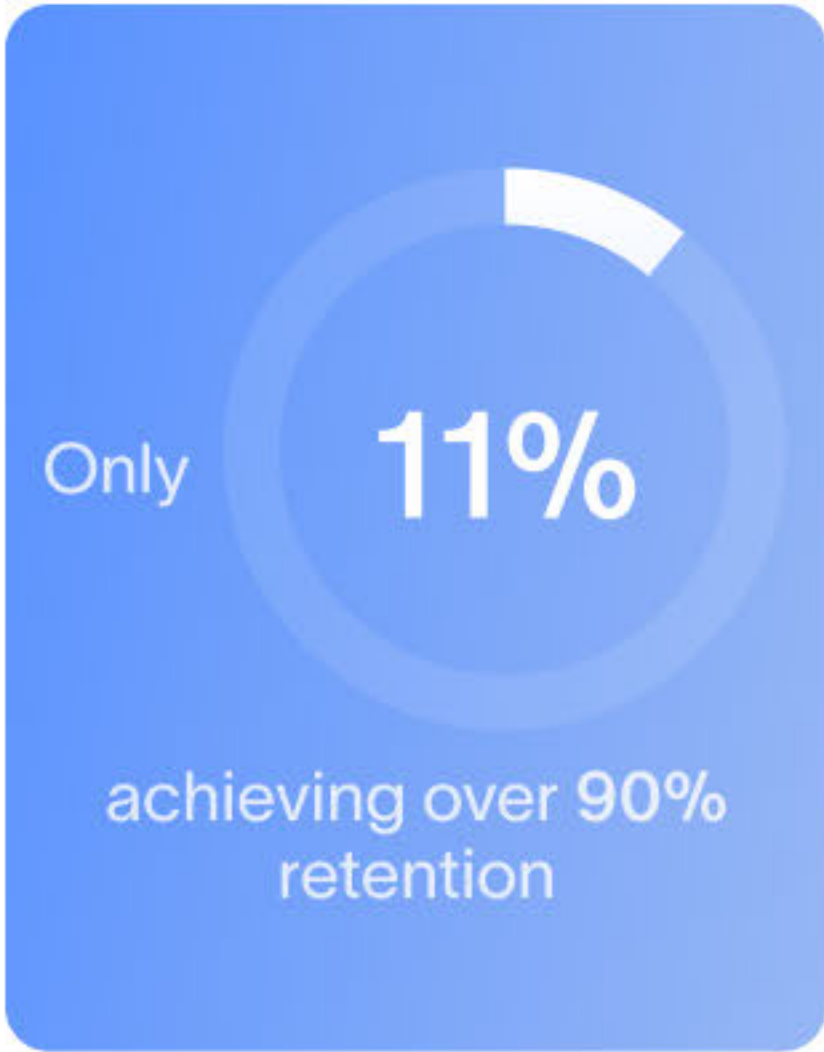
### Retention rate breakdown



# When churn happens

The first 90 days of the client relationship emerge as the most volatile period, with 43% of all churn occurring within this window. This early-stage churn underscores the importance of effective onboarding, proactive communication, and seamless client engagement.

The fact that churn peaks between 91-180 days (31%) suggests that while businesses may successfully onboard clients, long-term engagement often weakens, leading to client dissatisfaction or disengagement.

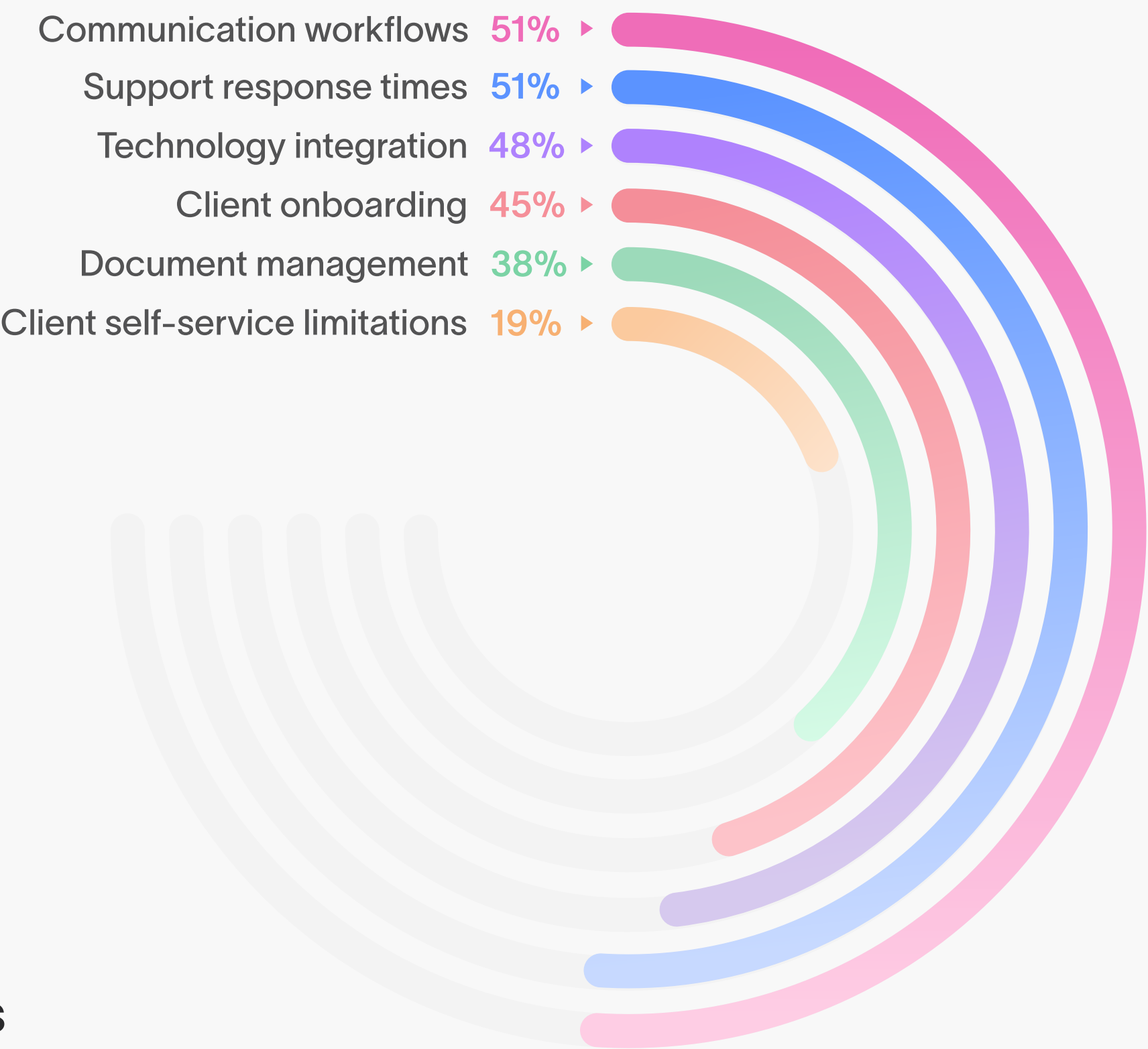




# The leading causes of churn

When asked about the top reasons for client churn, organizations consistently pointed to external competition, price sensitivity, and engagement breakdowns as primary factors.

In addition to these churn factors, businesses acknowledge that aspects of their retention processes, such as communication, support response times, technology integration, and client onboarding, still need significant improvement. These process gaps continue to hinder retention, underscoring the importance of strengthening communication, onboarding, and technology integration to improve long-term client engagement.



Retention process gaps

# 3 | The undertow: The fiscal toll impact churn

Client churn is a direct hit to a company’s bottom line. As businesses expand their client base, the cost of losing customers compounds quickly, leading to hundreds of thousands, if not millions, in lost revenue annually. **The data reveals that nearly half of all organizations estimate their churn-related losses at \$500,000 or more per year**, underscoring the financial urgency of improving client retention. For companies on the higher end of the spectrum, **these losses can exceed \$5 million annually**, making churn one of the most significant barriers to sustained profitability.

Beyond revenue loss, churn increases operational inefficiencies by forcing companies into a constant cycle of client replacement. While acquisition is necessary for growth, studies have long shown that retaining an existing client is far more cost-effective than acquiring a new one. Yet, many businesses continue to allocate more resources toward acquisition than retention, despite the financial benefits of long-term client relationships. This misalignment in investment is evident in retention technology spending, where **only 28% of companies invest more than \$1,000 per client annually, a fraction of what is typically spent on acquisition efforts**. Businesses that fail to close this gap risk falling into a churn-replacement loop, continuously losing revenue to preventable client departures.

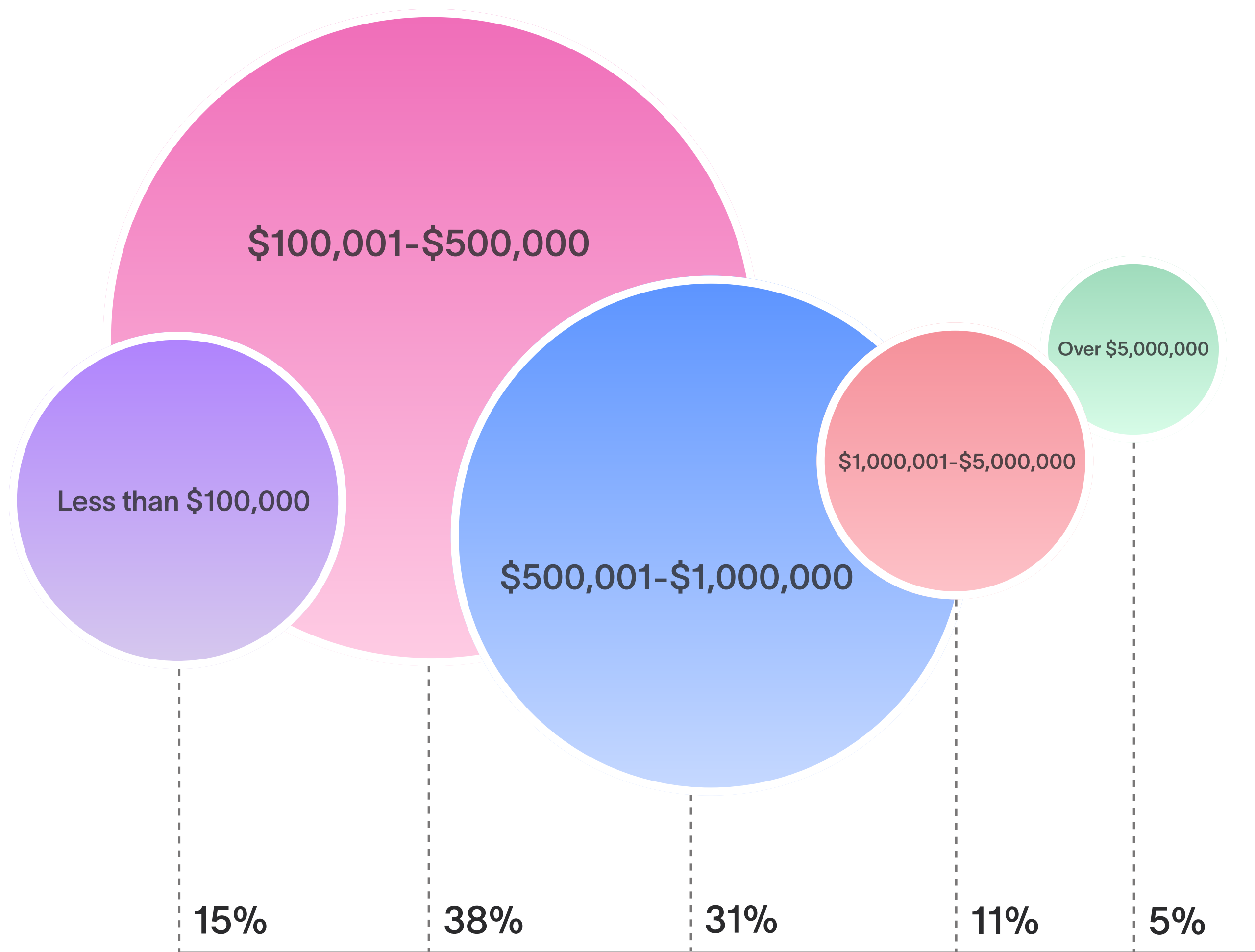




# The financial cost of churn

Client churn represents a significant financial burden for businesses, with organizations experiencing millions in lost revenue annually due to client attrition. While the impact varies by company size, the data reveals that **nearly 50% of businesses estimate their annual churn-related losses to be \$500,000 or more**, highlighting the direct financial consequences of failing to retain clients.

## Estimated annual cost of client churn

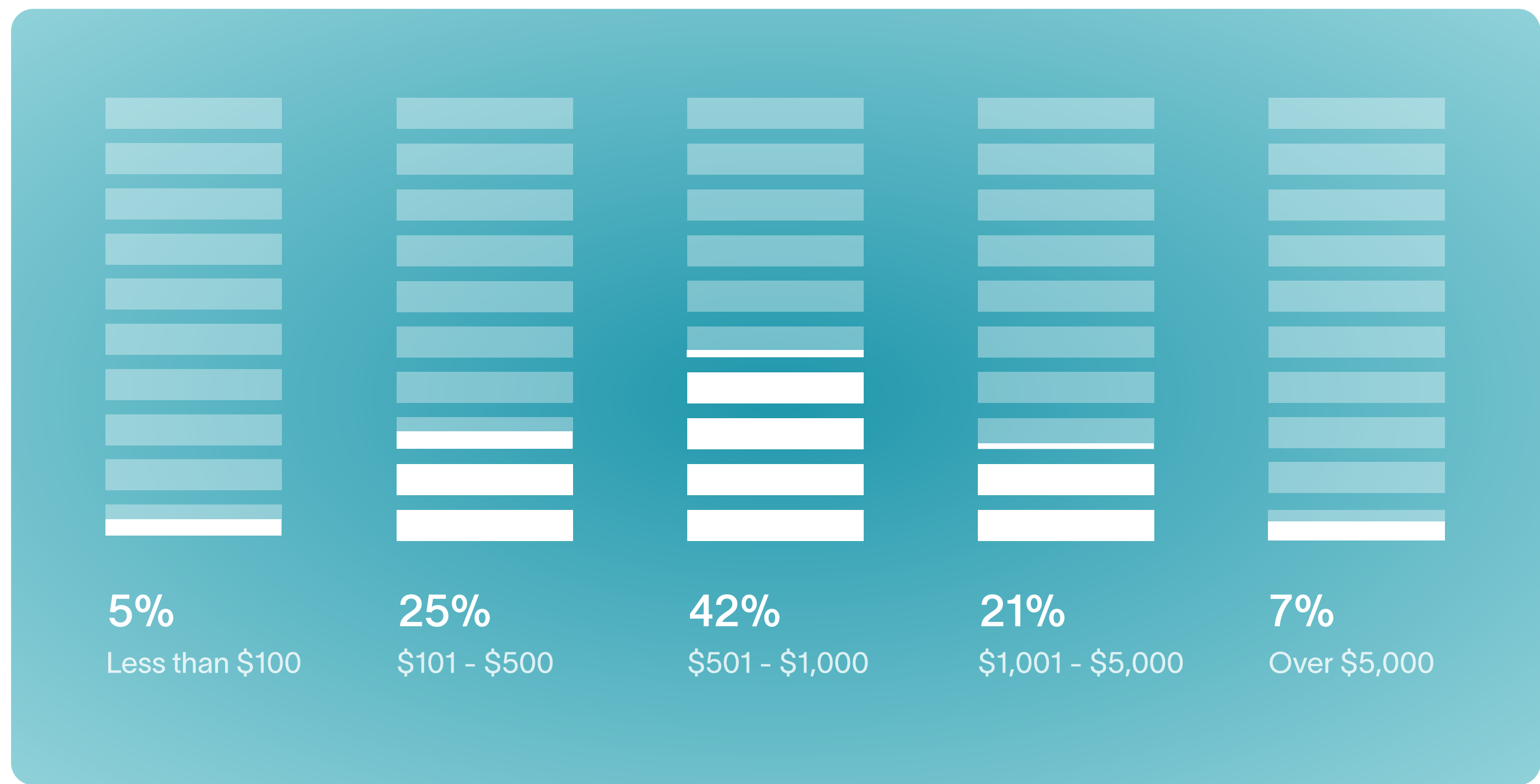


# The revenue impact of churn

The financial strain of churn is particularly pronounced for larger companies, where the sheer volume of lost clients can quickly compound into millions in annual revenue erosion. However, even mid-market companies report substantial losses, reinforcing the need for effective retention strategies across all business sizes.

**A major factor amplifying the cost of churn is the imbalance between acquisition and retention costs.** Acquiring new clients is significantly more expensive than retaining existing ones, yet many organizations continue to allocate more budget toward customer acquisition than retention initiatives.

## Annual retention technology investment per client



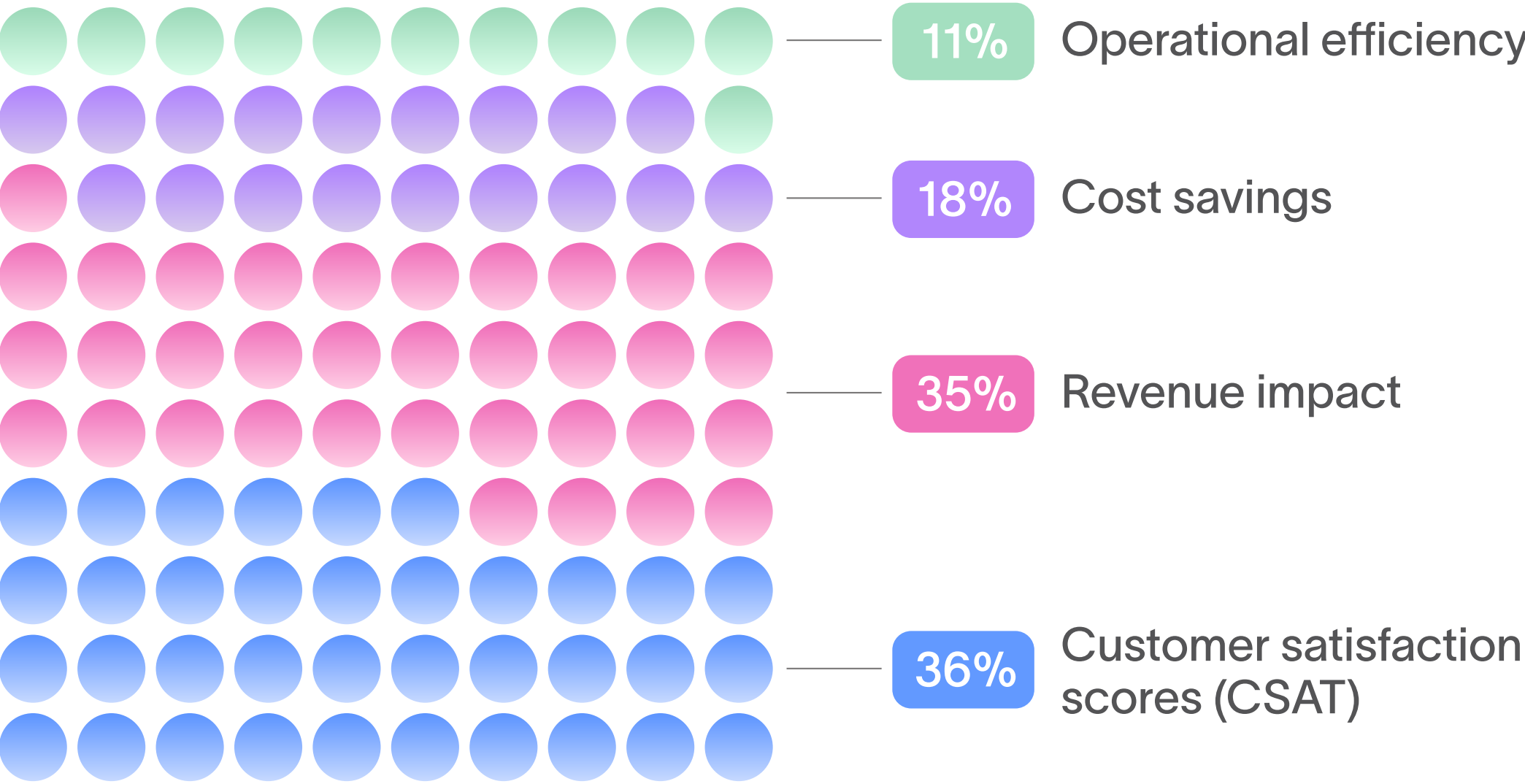
# Retention vs acquisition

Despite the well-documented cost efficiency of retention, many businesses still struggle to prioritize it over acquisition. Organizations investing heavily in client engagement, automated workflows, and proactive retention programs tend to experience higher lifetime value per client and stronger revenue stability, reducing the long-term impact of churn.

Businesses that effectively measure the ROI of their retention strategies focus on key performance indicators such as Customer Lifetime Value (CLV), Net Revenue Retention (NRR), and expansion revenue. **Among organizations that actively track retention ROI, 36% emphasize customer satisfaction scores (CSAT), 35% measure revenue impact, 19% track cost savings, and 11% monitor operational efficiency.**

These findings reinforce the financial necessity of reducing churn. As retention strategies evolve, businesses that shift their focus toward long-term engagement, proactive client success, and integrated retention technologies will see greater revenue stability and a higher return on investment compared to those relying solely on acquisition.

## How businesses measure retention success





## 4 | Convergence: Strengthening retention

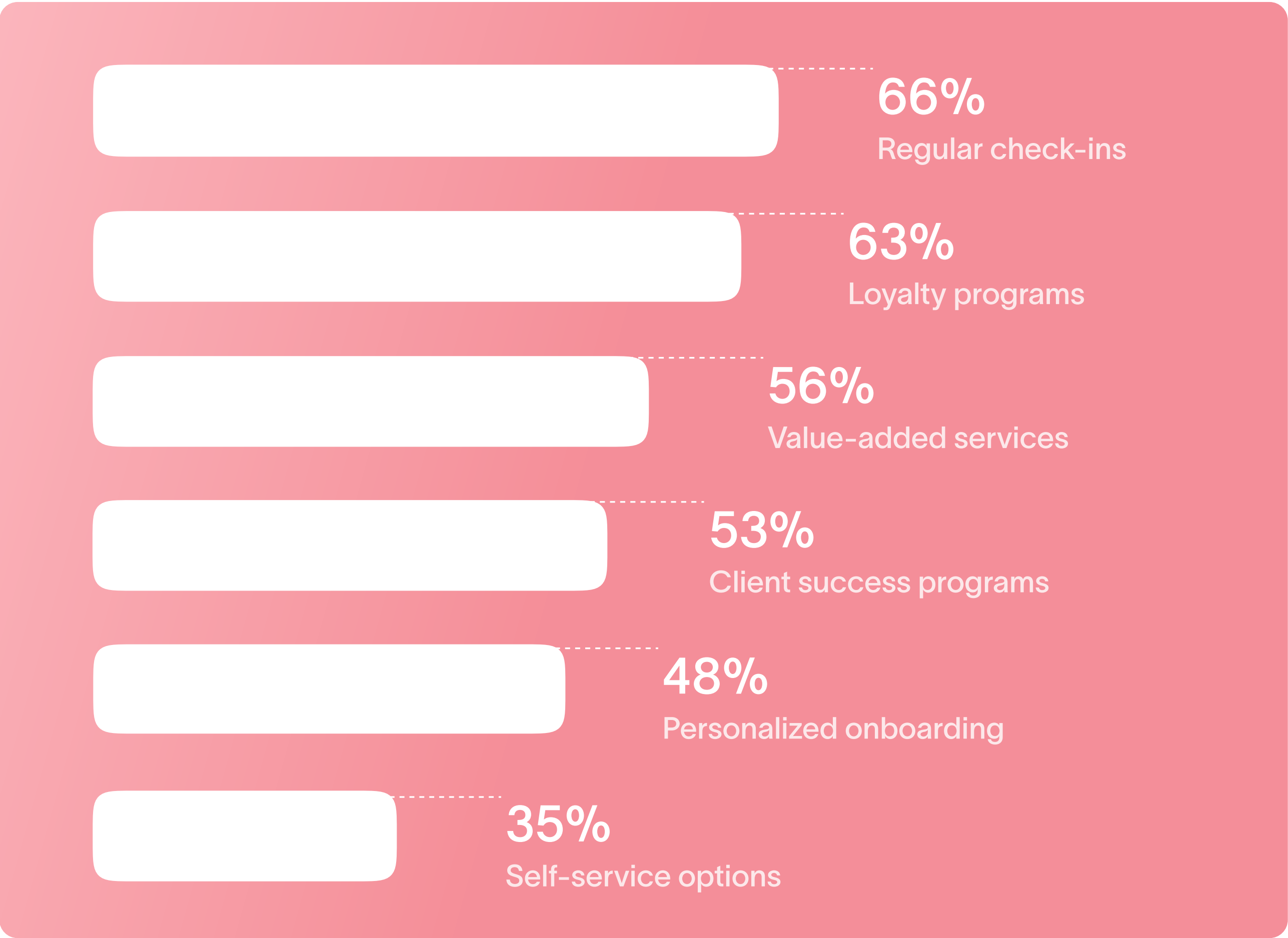
Businesses that implement structured, proactive retention strategies see far better outcomes in reducing churn than those relying only on reactive measures. **The data highlights that regular check-ins (66%), loyalty programs (63%), and value-added services (56%) are among the most effective strategies for reducing client attrition.** These efforts help businesses reinforce long-term relationships by maintaining ongoing engagement, offering additional value beyond core services, and ensuring that clients feel supported at every stage of their journey. **Client success programs (53%) and personalized onboarding (48%) further strengthen retention by establishing clear expectations early on and providing structured, ongoing guidance.**

A key takeaway from the data is that businesses focused on proactive engagement tend to experience stronger retention than those that wait until issues arise before taking action. **Lack of ongoing support (29%) and communication breakdowns (38%) are two of the most frequently cited churn factors,** reinforcing the idea that retention is built on continuous, structured interaction rather than reactive problem-solving. As companies refine their retention strategies, many are moving toward digital-first engagement models, with **95% of businesses conducting at least half of their client interactions through digital channels such as client portals, mobile apps, and video conferencing.** This shift reflects the growing importance of automation and self-service tools in maintaining engagement, reducing friction, and ensuring that businesses can scale their client relationships without compromising the quality of service.

# Retention strategies that work

Successful retention strategies are proactive, structured, and continuously refined. The data highlights a clear trend: businesses that prioritize personalized engagement, consistent communication, and structured client success programs see higher retention rates compared to those that rely on reactive approaches.

Among these strategies, **regular check-ins stand out as the most widely adopted approach, with 66% of businesses citing them as a key factor in client retention.** Frequent engagement helps reinforce value, address concerns early, and strengthen long-term relationships. Additionally, **loyalty programs (63%) and value-added services (56%)** suggest that companies are focusing on ways to continuously deliver value beyond the core offering, further reinforcing client commitment.



## Proactive vs reactive strategies

**Businesses that implement proactive engagement models, such as structured client success programs (53%) and personalized onboarding (48%), are better positioned to retain clients over the long term.** Personalized onboarding ensures a smooth transition for new clients, reducing the risk of early churn, while client success programs establish an ongoing relationship that helps reinforce engagement at key touchpoints.

By contrast, companies that take a reactive approach to retention, like waiting for issues to arise before addressing them, are more likely to experience higher churn rates and weaker client satisfaction. **This aligns with data on client churn causes, where lack of ongoing support (29%) and communication breakdowns (38%) are leading factors.**

A teal-colored square with rounded corners. It features a large white percentage '53%' in the upper left. To the right of the percentage is a large, faint, light-teal circular graphic. Below the percentage, the text 'Businesses use structured client success programs.' is written in white.

53%

Businesses use structured client success programs.

A blue-colored square with rounded corners. It features a large white percentage '48%' in the upper left. To the right of the percentage is a large, faint, light-blue circular graphic. Below the percentage, the text 'Leverage personalized onboarding to reduce churn' is written in white.

48%

Leverage personalized onboarding to reduce churn



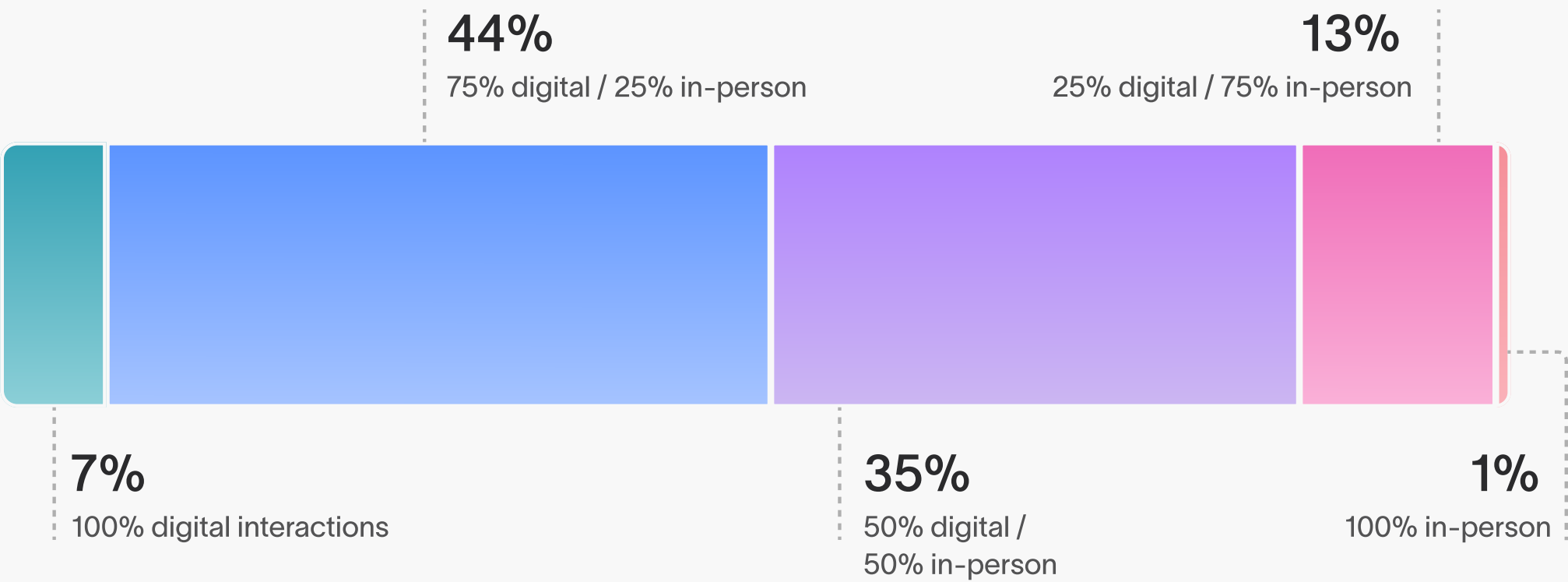
# Evolving engagement models

As businesses recognize the importance of continuous client engagement, many are shifting toward digital-first strategies that prioritize efficiency and accessibility.

**With 86% of businesses conducting at least half of their client interactions digitally, the role of self-service, automation, and real-time engagement tools is becoming increasingly critical.** Client portals, mobile apps, and video conferencing are among the most effective digital retention channels, enabling businesses to maintain a consistent presence with clients without adding operational overhead.

Ultimately, companies that move beyond transactional engagement and focus on long-term relationship building are better positioned to reduce churn, increase client lifetime value, and strengthen overall retention.

## How companies are engaging with clients



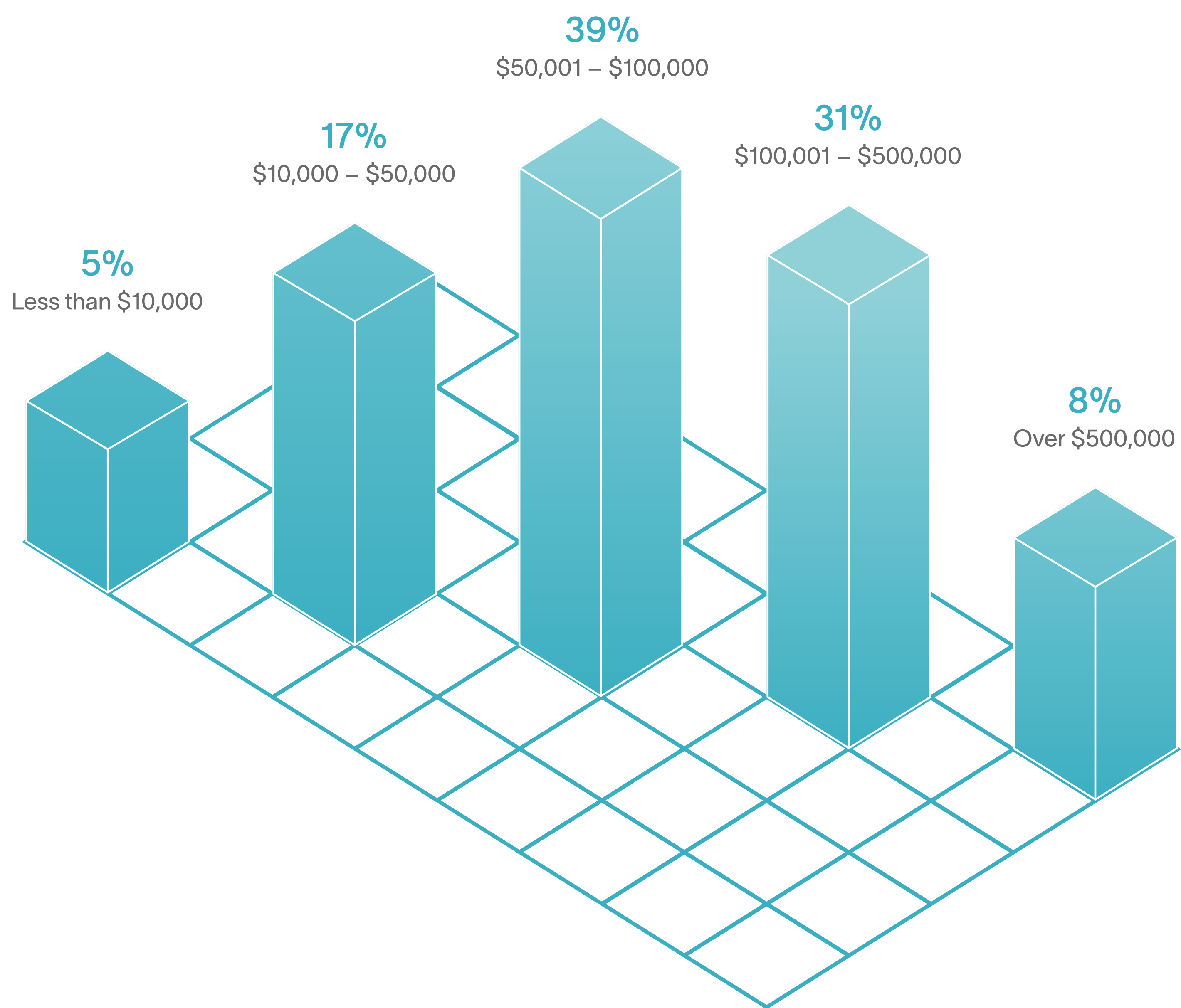
## 5 | Estuary: Technology shaping retention outcomes

Technology has become a cornerstone of client retention efforts, enabling businesses to streamline engagement, track client health, and automate critical touchpoints. With churn representing a major financial risk, organizations are increasingly investing in retention-focused technologies such as CRMs, analytics platforms, and client communication systems. The data reveals that **nearly 70% of businesses allocate at least \$50,000 annually toward these solutions, yet only a small percentage exceed \$500,000 in spending**, suggesting that many companies may still be underinvesting in scalable, long-term retention infrastructure. As client expectations shift toward faster, more personalized digital interactions, businesses that fail to adopt modern engagement technologies risk falling behind their competitors.

Beyond traditional communication platforms, companies are turning to automation, self-service, and AI-driven engagement strategies to enhance efficiency and reduce churn. **While task management, secure messaging, and document collaboration are widely adopted, the low utilization of self-service options (23%) indicates an opportunity for businesses to further optimize retention strategies through digital convenience.** As organizations refine their retention efforts, the adoption of automated workflows, predictive analytics, and integrated engagement platforms will continue to shape how businesses nurture long-term client relationships and prevent attrition.

# Tools driving client retention

Technology is playing an increasingly critical role in client retention, with businesses investing in automation, analytics, and digital collaboration tools to improve engagement and reduce churn. **The data shows that companies are allocating significant budgets toward retention technologies, with 39% spending between \$50,000 and \$100,000 annually, and an additional 31% investing between \$100,001 and \$500,000.** Despite the financial burden of churn, **only 8% of businesses exceed the \$500,000 mark in retention technology investments,** suggesting that many organizations may still be underinvesting in scalable solutions.





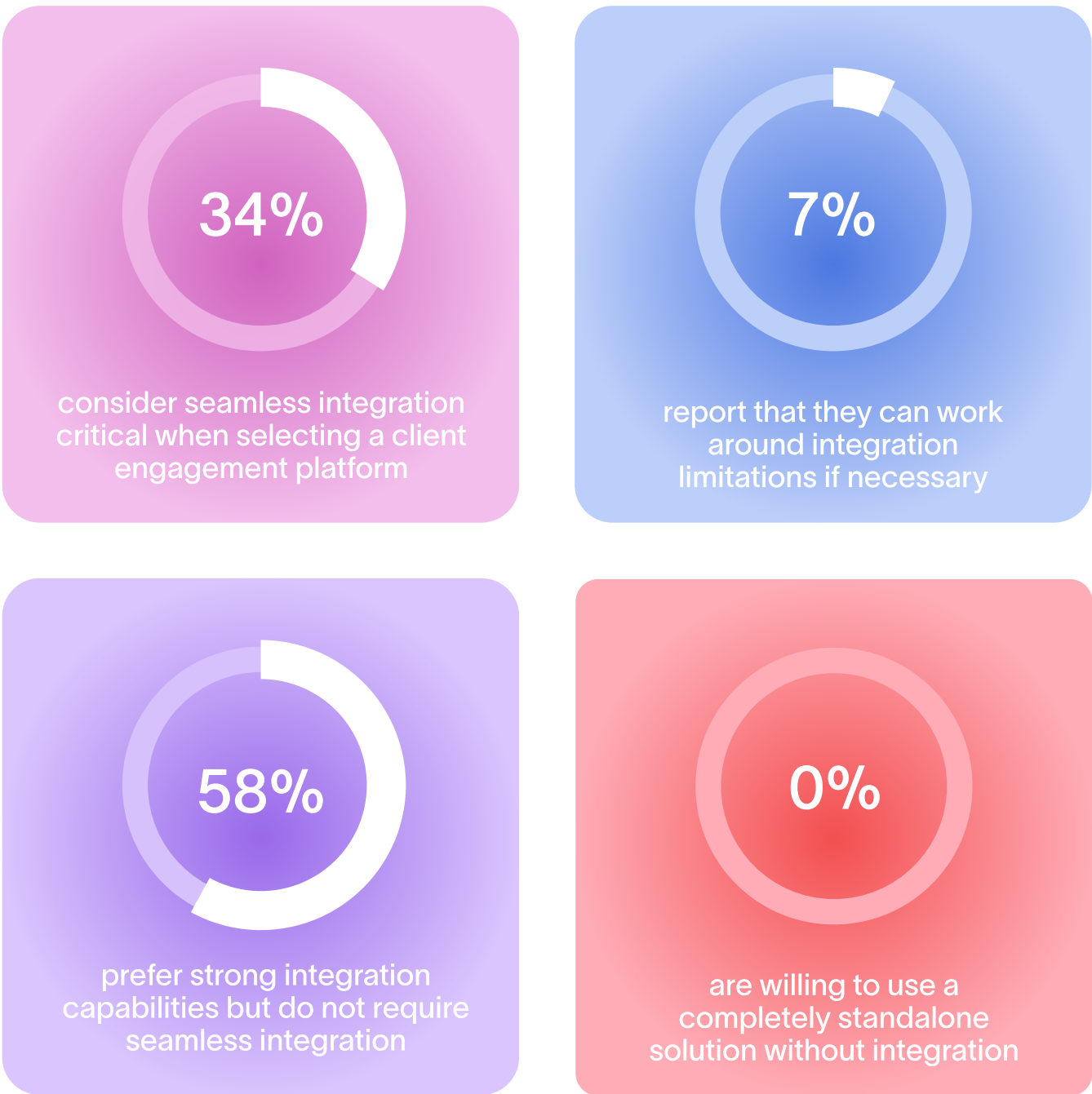
# The most commonly used retention tools

To improve retention, businesses are leveraging a variety of digital tools to streamline communication, track engagement, and automate workflows. **CRMs (56%), client communication platforms (56%), and analytics software (59%) are among the most widely used technologies,** reflecting the need for businesses tzo monitor client health and proactively address engagement risks.

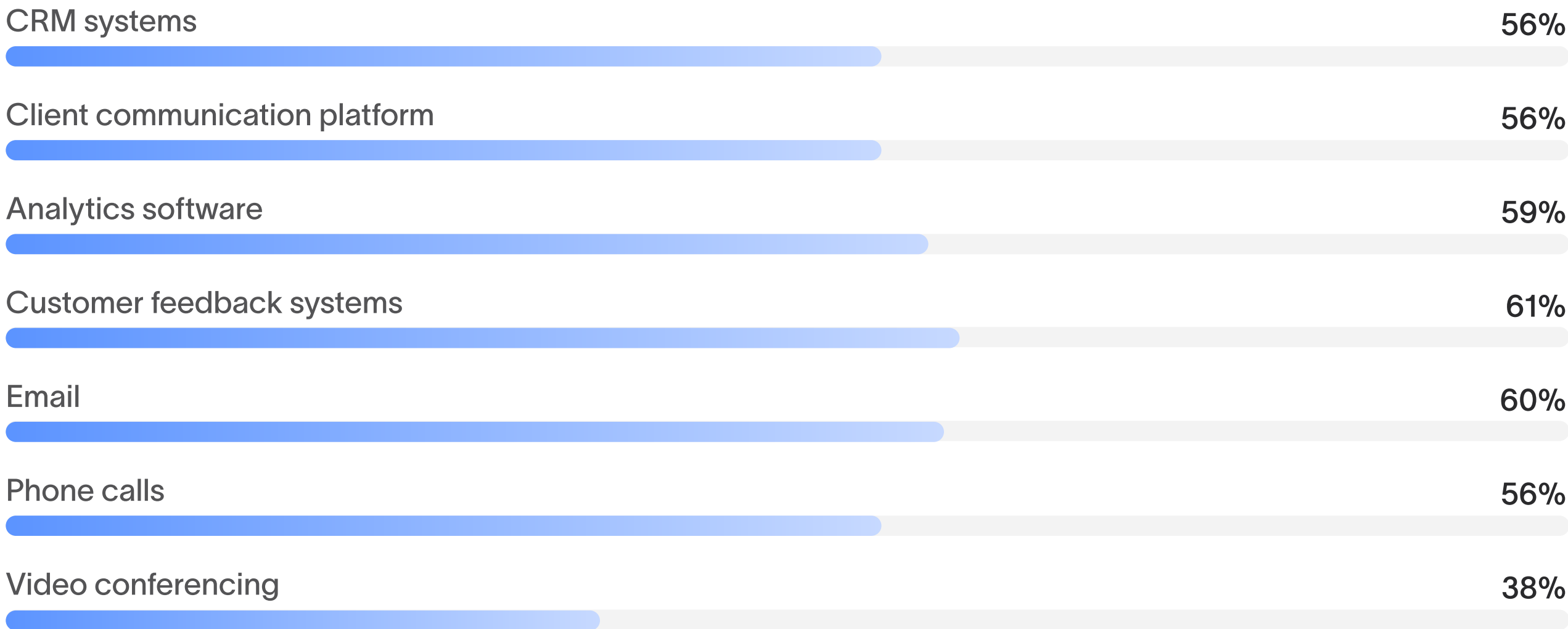
Beyond selecting the right tools, system integration is a top priority for businesses investing in retention technology. **The data shows that 34% of organizations consider seamless integration critical when selecting a client engagement platform,** while 58% prefer strong integration capabilities but do not require full seamlessness. Another 7% report that they can work around integration limitations if necessary, and **none are willing to use a completely standalone solution without integration.**

This reinforces the industry-wide shift toward connected, end-to-end engagement ecosystems, where disjointed workflows and fragmented data can lead to client frustration and higher churn.

## Integration importance



## Most widely used retention tools

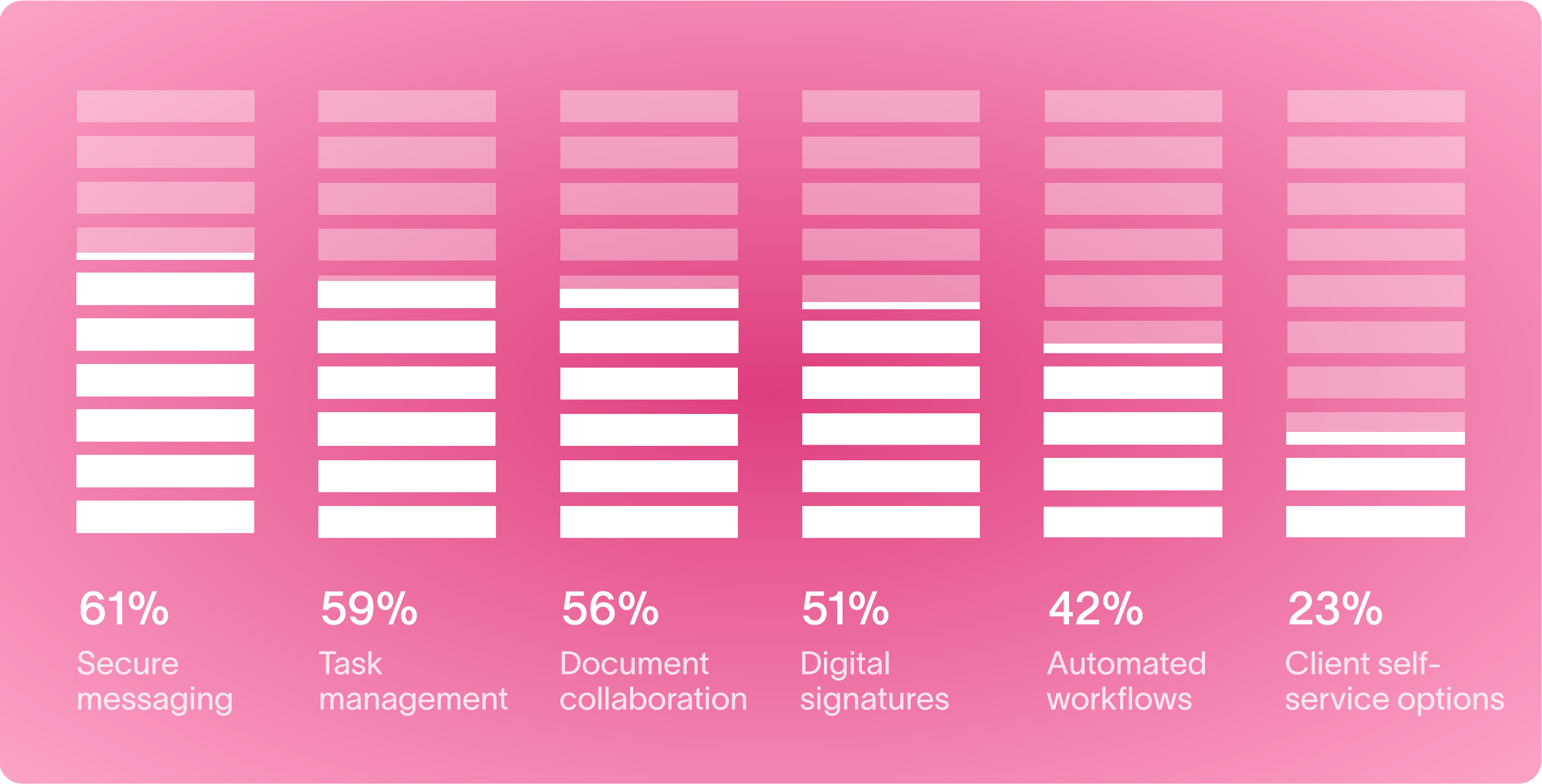


# The impact of automation, self-service and AI on retention

As client expectations evolve, businesses are increasingly turning to automation, AI, and self-service tools to create seamless, scalable retention strategies. They are redrawing the map of what’s possible in client retention. The data shows that companies deploying digital self-service and automated workflows are better equipped to deliver consistent client experiences while reducing reliance on manual processes.

Despite the growing adoption of automation, **only 23% of businesses currently leverage self-service capabilities, suggesting a major opportunity for improvement.** As businesses look to scale retention efforts while maintaining personalization, AI-powered analytics, automated client engagement workflows, and integrated communication platforms will likely continue to shape the future of client retention.

## Key features driving digital client engagement



## 6 | The digital tributary: Engagement channels driving client loyalty

Digital engagement is the foundation of modern client retention strategies, with businesses relying on technology-driven interactions to maintain relationships, reduce friction, and enhance accessibility. The data reveals that **86% of companies conduct at least half of their client interactions digitally**, emphasizing the growing demand for seamless, scalable engagement models. While digital channels provide efficiency, their effectiveness depends on how well businesses integrate them into their client experience strategy. A disjointed or impersonal digital experience can lead to frustration, disengagement, and ultimately, churn, forcing companies to rethink how they structure and optimize client interactions.

The choice of digital channels also plays a critical role in client satisfaction and retention. The data highlights that email (71%), client portals (59%), and mobile apps (57%) are among the most effective engagement methods, allowing companies to streamline interactions while offering self-service flexibility. However, despite the advantages of digital engagement, poorly executed digital experiences remain a major factor in client attrition. **Nearly 40% of businesses report that at least 21% of their churned clients left due to digital friction, indicating that while technology enhances engagement, its success depends on delivering an intuitive, responsive, and personalized experience.** Businesses that fail to optimize their digital client interactions risk losing clients to competitors offering more seamless engagement models.

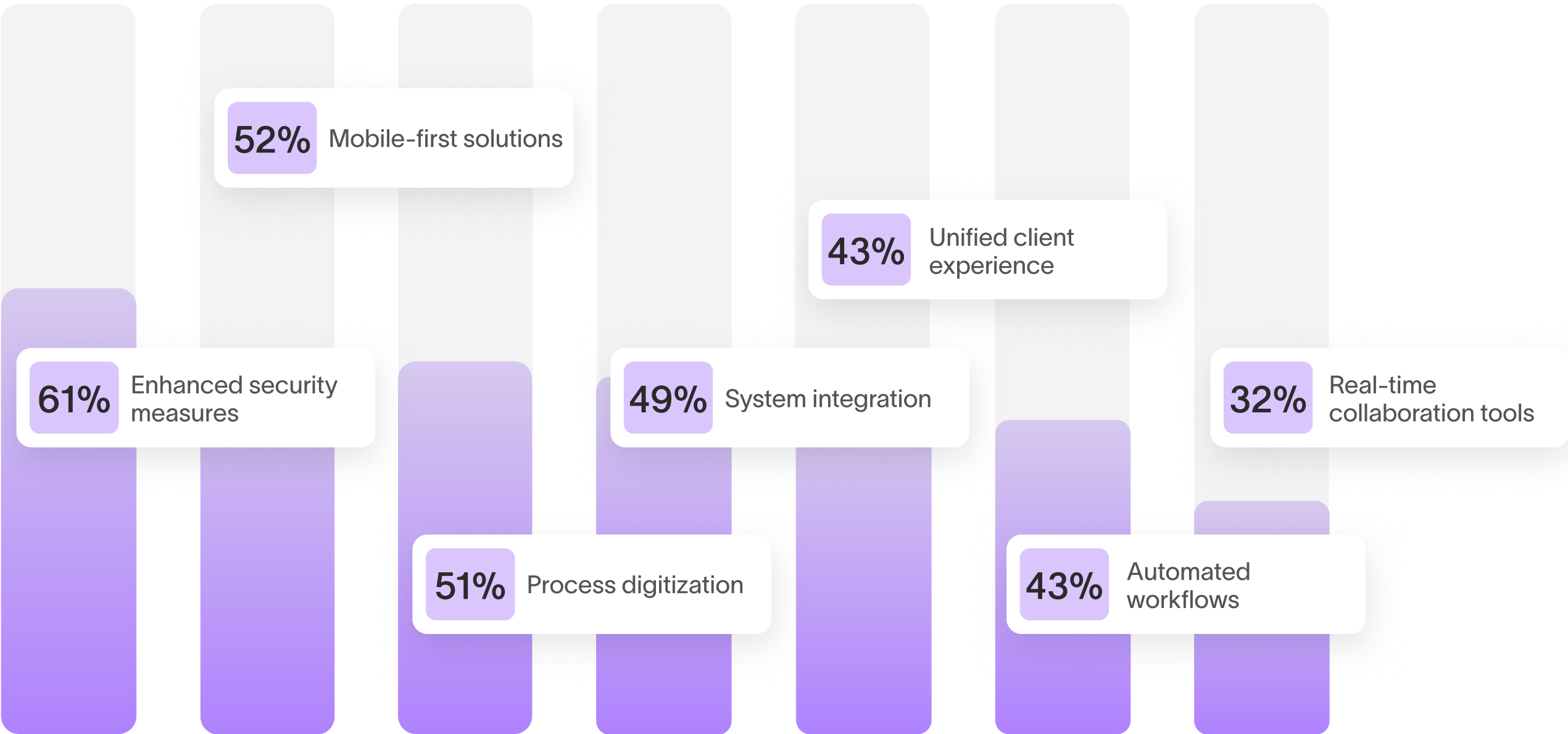


# Digital engagement and the client experience

The shift toward digital-first client engagement is reshaping how businesses approach retention. **With the majority of companies conducting at least half of their client interactions digitally, organizations are leveraging technology to provide faster, more seamless, and scalable engagement models.** Digital interactions reduce friction, improve accessibility, and allow businesses to maintain continuous client relationships without the constraints of in-person communication. However, the quality of these digital experiences plays a critical role in client satisfaction and long-term retention: when engagement is inefficient or fragmented, it can drive clients toward competitors.

To strengthen digital engagement, **businesses are channeling investment into areas such as security, mobile-first design, process digitization, and system integration.** Many are also advancing unified client experiences, automated workflows, and real-time collaboration. These priorities highlight a broader movement toward seamless, technology-driven engagement models that reduce friction and ensure long-term client relationships.

## Digital transformation initiatives businesses are investing in to enhance client engagement



## 7 | Gauging depth: Measuring and improving retention performance

Retention success isn't just about keeping clients, it's about maximizing their long-term value and engagement. To do this, businesses rely on key performance metrics that provide quantifiable insights into client satisfaction, loyalty, and revenue impact. The data highlights that **Customer Satisfaction Scores (65%), Customer Lifetime Value (64%), and Net Revenue Retention (44%) are among the most commonly used indicators**, allowing businesses to track how well they retain clients, how much revenue they generate over time, and whether engagement efforts are driving sustained business growth. These metrics provide a foundation for data-driven retention strategies, helping businesses proactively address risks and optimize client relationships.

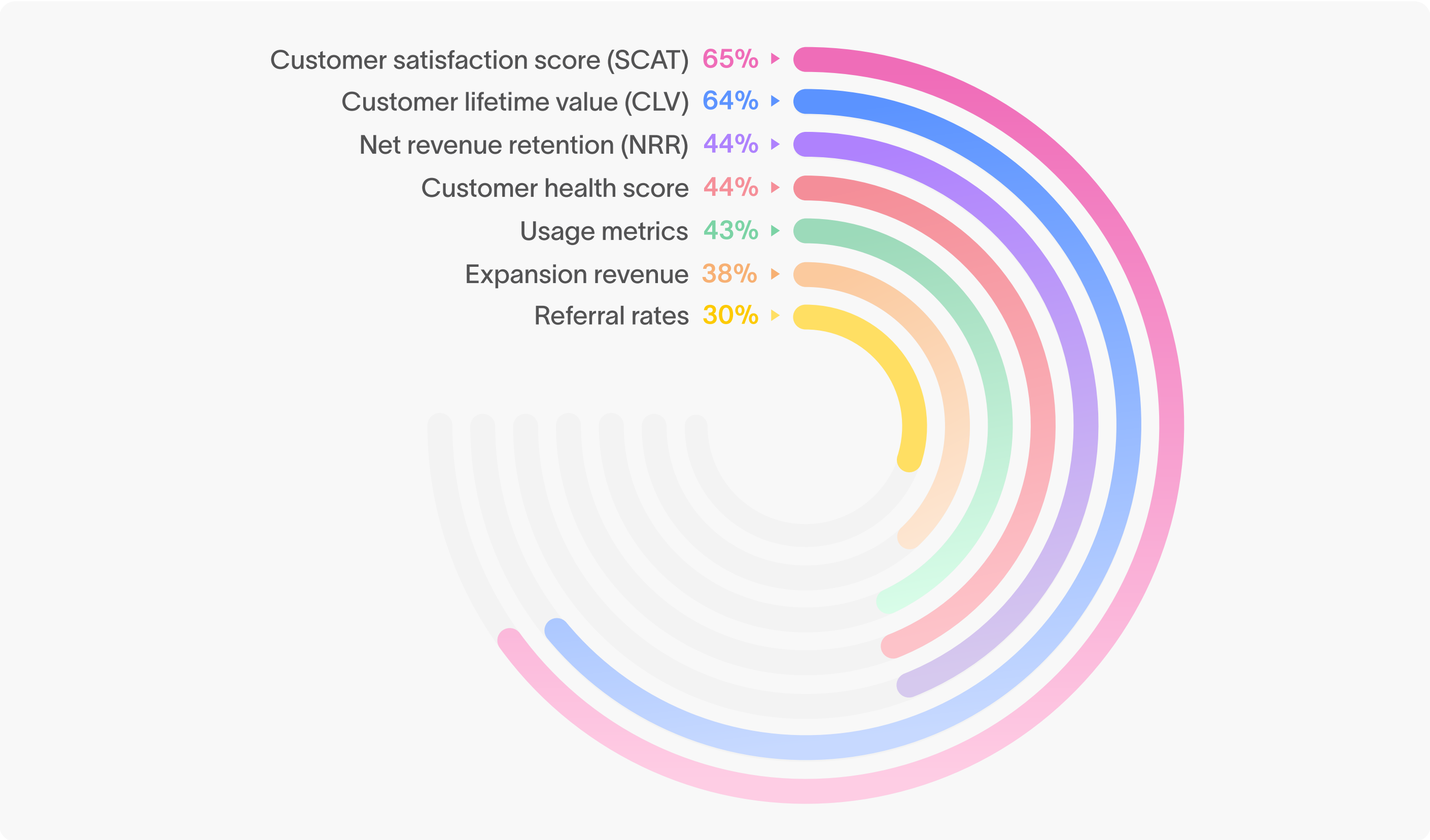
Beyond tracking client value, businesses must also monitor engagement levels to prevent churn before it happens. The study reveals that **76% of organizations rely on digital platform analytics to track engagement, while 68% use CRM systems to gain deeper visibility into client interactions**. However, 6% of businesses report not tracking engagement at all, indicating potential blind spots in their retention strategies. Additionally, as security and compliance become increasingly tied to client trust, **businesses are prioritizing end-to-end encryption (70%) and multi-factor authentication (69%) to protect client data. With 29% of companies reporting that security concerns frequently impact retention, the role of compliance and data protection in client loyalty is stronger than ever**. Businesses that effectively track, measure, and secure their client relationships are best positioned to drive long-term retention and sustainable growth.

# Measuring and improving retention performance

Successful retention strategies rely on more than just client interactions, they require clear, measurable indicators of engagement, satisfaction, and long-term value. Businesses use a range of key performance metrics to assess their retention efforts, ensuring they are not only keeping clients but also maximizing their revenue potential. The data reveals that **Customer Satisfaction Scores (CSAT) (65%), Customer Lifetime Value (CLV) (64%), and Net Revenue Retention (NRR) (44%)** are the most commonly used metrics for evaluating retention success.

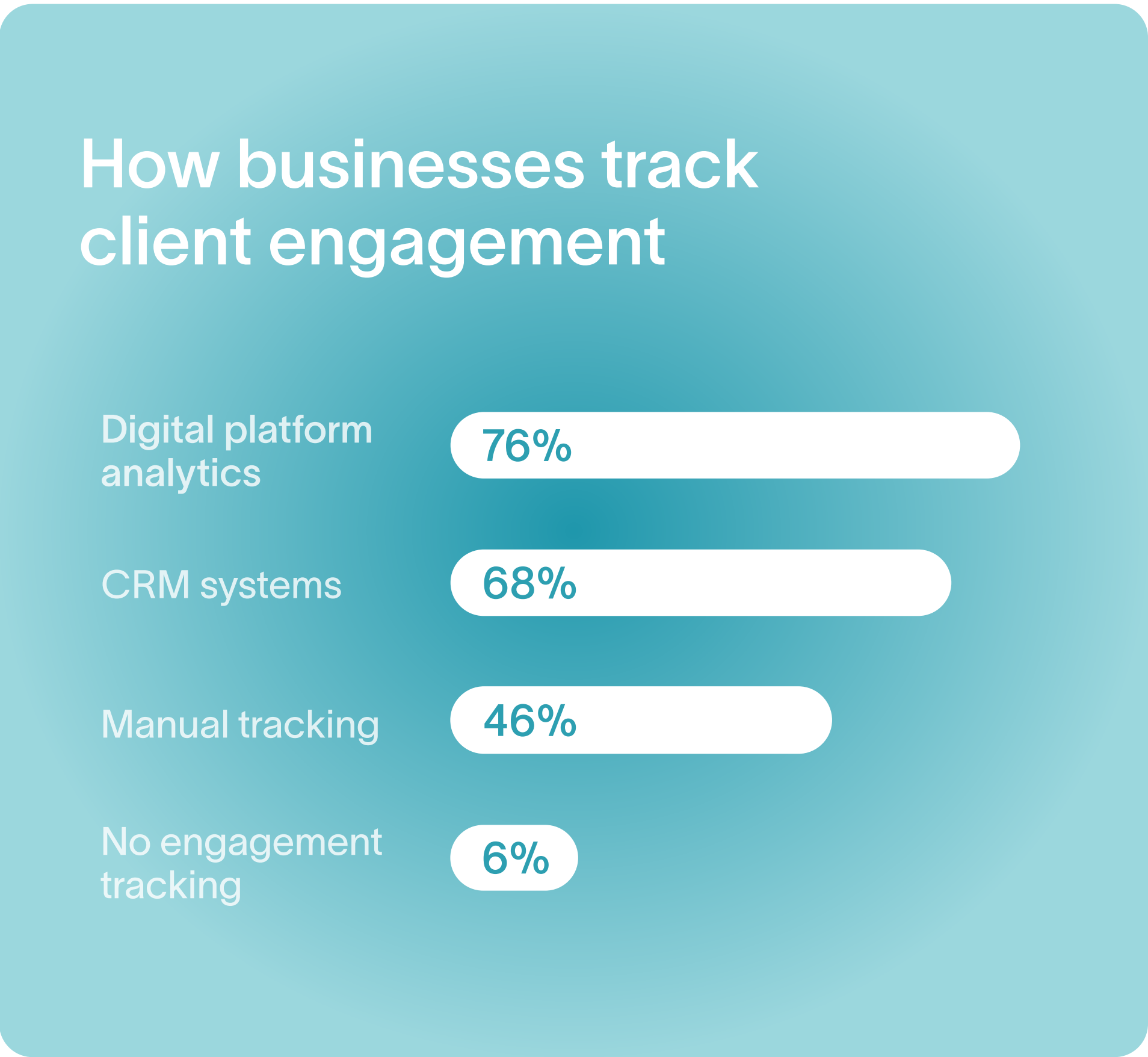
These indicators help businesses understand how satisfied clients are, how much value they generate over time, and whether retention efforts translate into sustained revenue growth.

## Key metrics for measuring retention performance



# Tracking client engagement

Measuring client engagement levels allows businesses to identify churn risks early, strengthen ongoing relationships, and personalize outreach efforts. The data shows that **76% of businesses use digital platform analytics to track engagement, while 68% rely on CRM systems to monitor client interactions.** Despite these advancements, 6% of businesses report that they do not currently track engagement levels, highlighting a gap in proactive retention strategies.



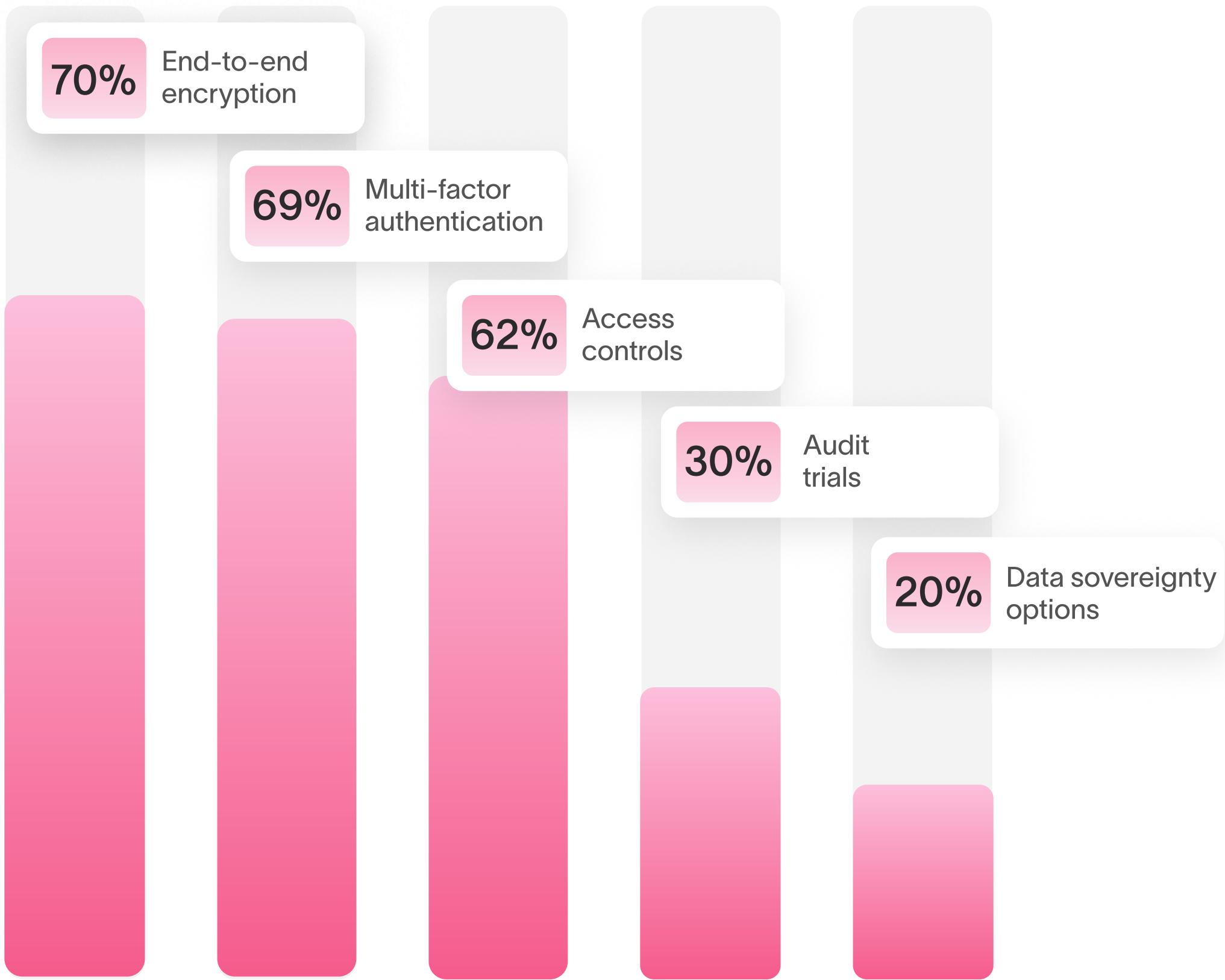


# The role of security and compliance

As businesses increasingly rely on digital platforms for client engagement, security and compliance have become critical components of retention. Clients expect secure, encrypted communication and strict data protection measures, and organizations that fail to meet these expectations risk losing trust, and ultimately, clients. The data highlights that **70% of businesses prioritize end-to-end encryption, while 69% implement multi-factor authentication**, reinforcing the idea that security is no longer just a compliance requirement, but a key retention strategy.

Additionally, **58% of businesses integrate compliance management into their engagement platforms**, ensuring that client data is handled securely and in alignment with regulatory standards. Given that **29% of businesses report security concerns frequently impact client retention**, companies that invest in robust security frameworks and compliance tools will have a competitive edge in maintaining long-term client relationships.

## Most Important Security Features for Client Retention



## 8 | Confluence: The future of client retention

Retention strategies are evolving as businesses look for more efficient ways to maintain client relationships and reduce churn. The increasing use of automation, integrated engagement platforms, and data-driven insights is reshaping how organizations approach client retention. **With 43% of churn occurring in the first 90 days, early engagement remains a priority, but long-term retention depends on continuous value delivery and proactive support.** Businesses that streamline workflows, personalize interactions, and create frictionless digital experiences will be better equipped to sustain client loyalty.

Technology is at the center of this shift. Companies are prioritizing AI-driven engagement, system integration, and security enhancements to improve retention outcomes. As more businesses adopt digital-first client interactions, seamless communication and real-time support will play a larger role in retention strategies. This section explores the key trends shaping the future of client retention and how organizations can adapt to stay competitive.

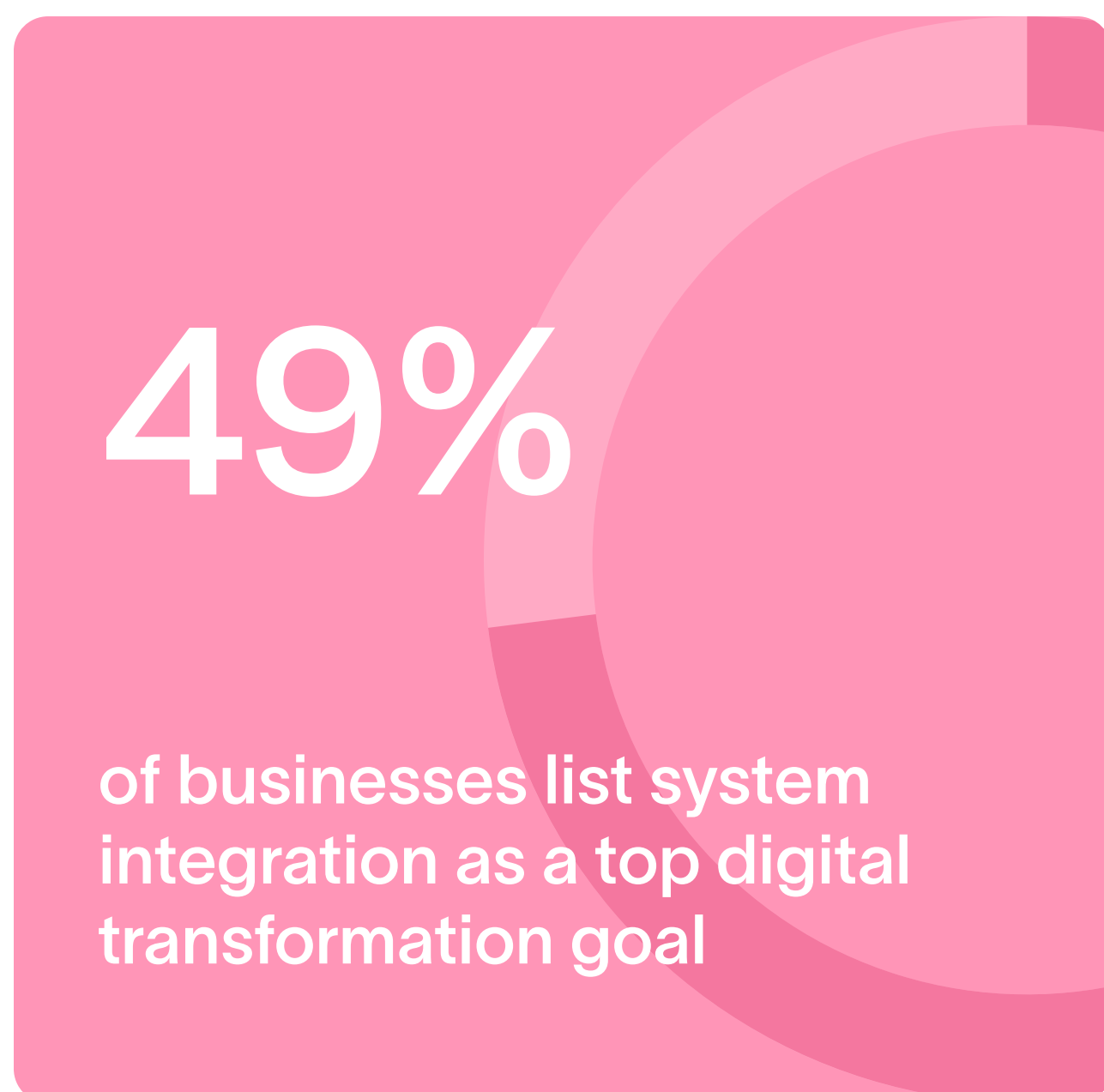
# The future of retention

Technology will increasingly shape retention, with automation, unified client experiences, and proactive engagement models defining the next five years.

Automation is set to expand, as **43% of businesses already use automated workflows and 35% deploy self-service tools**. AI-driven engagement, predictive analytics, and automated check-ins will help organizations address risks before churn occurs. At the same time, **49% of businesses prioritize system integration**, signaling a shift toward unified platforms that replace fragmented tools with seamless, end-to-end experiences.

Digital-first engagement is already dominant, with **95% of companies conducting at least half of their interactions online**. Mobile apps, portals, and video conferencing will grow further, while security remains critical. **70% of organizations prioritize encryption and 69% multi-factor authentication**.

Personalization will separate leaders from laggards. Tailored onboarding, loyalty programs, and industry-specific services are increasingly vital, especially given that **43% of churn occurs in the first 90 days**. Measurement will also become more sophisticated, moving beyond churn rate to metrics like Customer Lifetime Value (CLV), Net Revenue Retention (NRR), and client health scores.



## 9 | Conclusion: Streamlining the client journey

This study underscores the urgency of retention in a competitive landscape. Organizations that invest in structured, proactive efforts see stronger engagement, reduced churn, and higher long-term value.

The data highlights several priorities. **Early engagement is critical, with 43% of churn occurring in the first 90 days**, making structured onboarding and automated check-ins essential. Differentiation is key, as **54% of churned clients leave for competitor offerings**, showing the need to demonstrate ongoing value.

Technology is a major enabler, with unified platforms, automated workflows, and digital-first interactions driving scale. Security and compliance are also non-negotiable. **70% of businesses now prioritize encryption and other safeguards to build trust**. Finally, retention requires continuous improvement through tracking key metrics, adapting strategies, and refining client experiences.

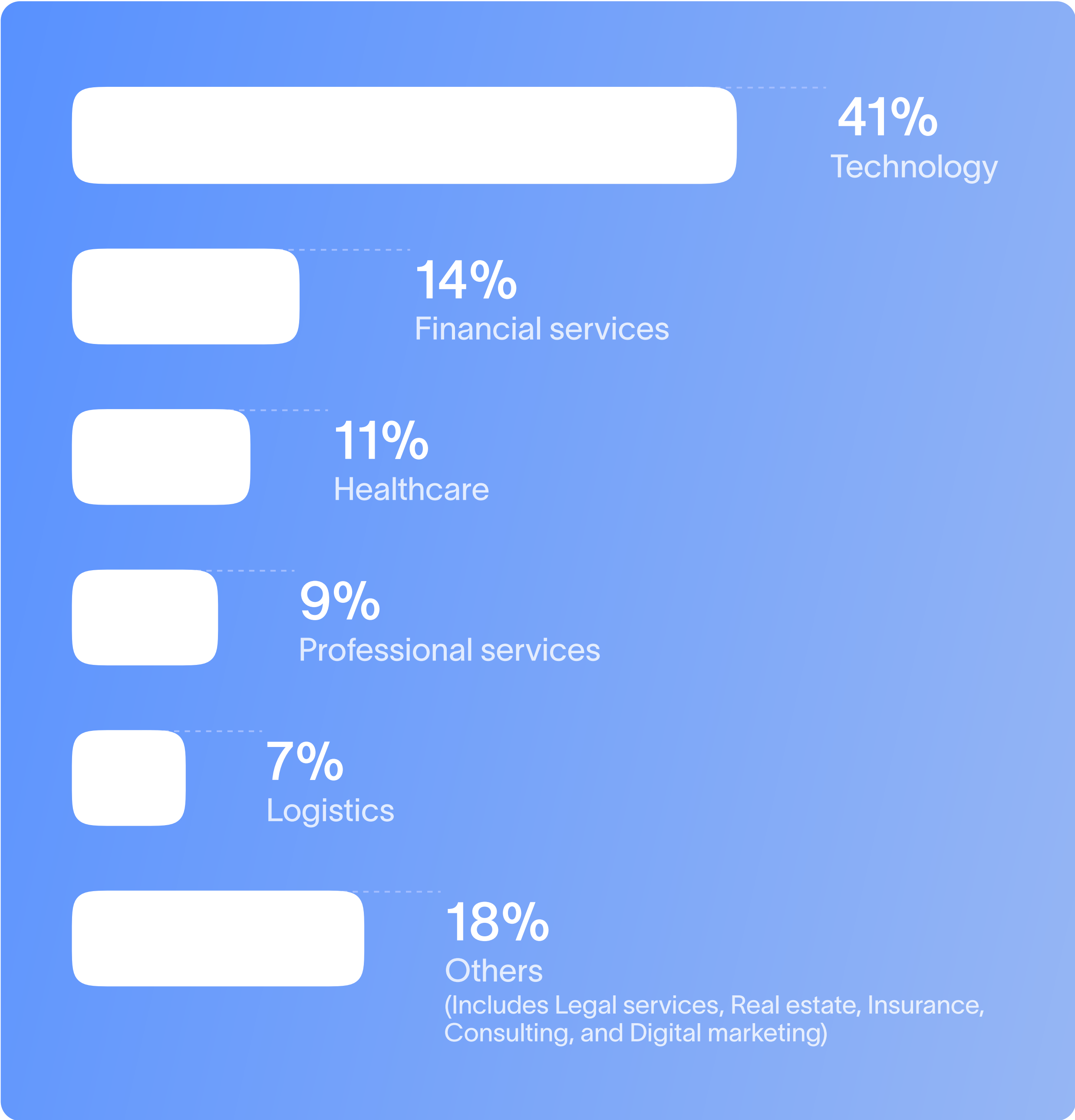
To act on these insights, businesses should audit their retention strategies, strengthen onboarding with proactive touchpoints, and leverage automation and AI for predictive engagement. Integrated systems can streamline communication and workflows, while frictionless digital experiences through portals and mobile apps improve satisfaction. Reinforcing security with multi-factor authentication and compliance frameworks strengthens trust, and tracking metrics such as Customer Lifetime Value (CLV), Net Revenue Retention (NRR), and client health scores provides a clearer measure of retention success.

Retention demands a proactive approach built on early engagement, differentiation, technology, and continuous refinement. Companies that strengthen onboarding, embrace automation, and unify client systems will be best positioned to build lasting relationships and drive sustainable growth.

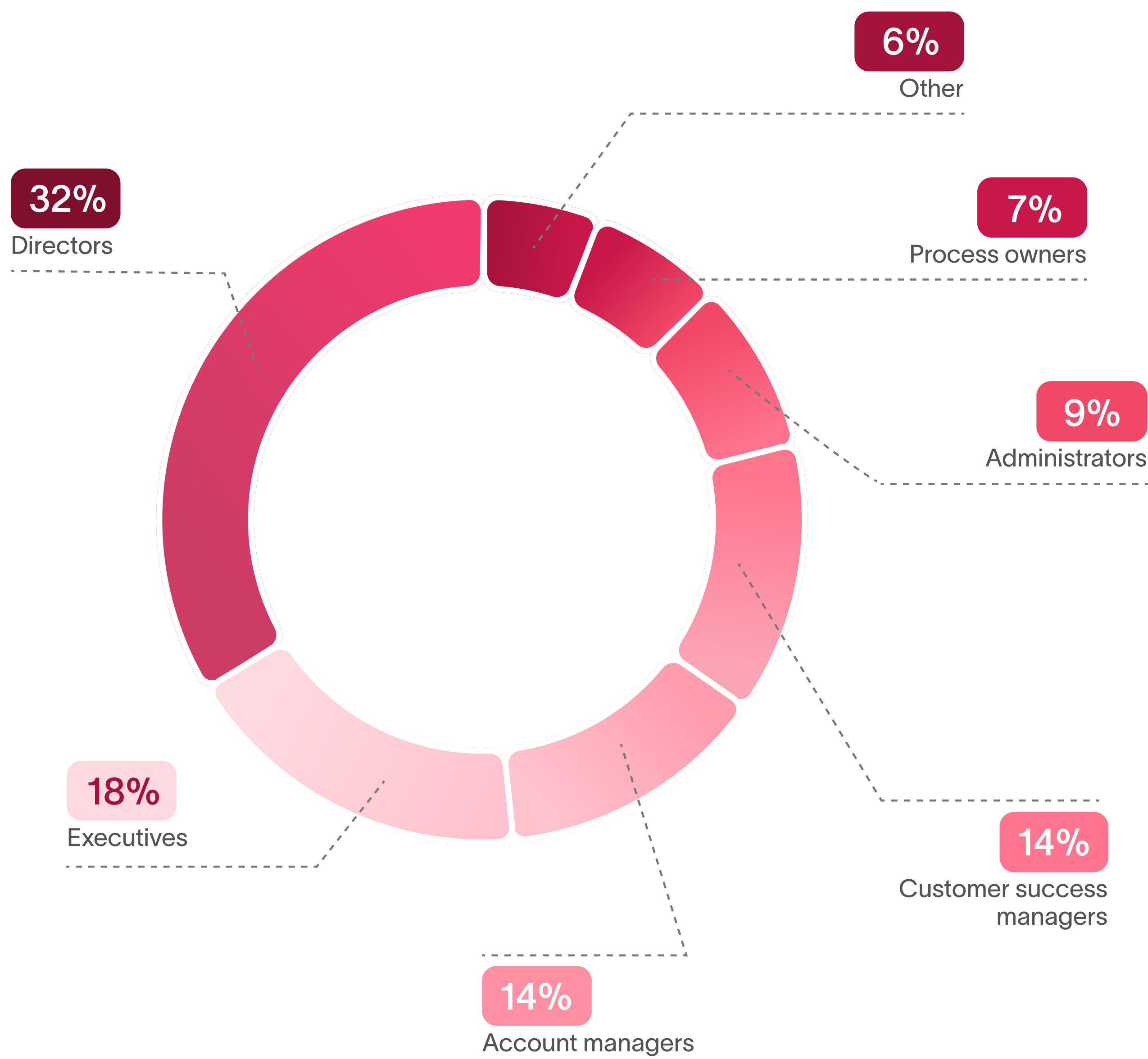


# 10 | Appendix

# Industry represented



# Roles in retention efforts

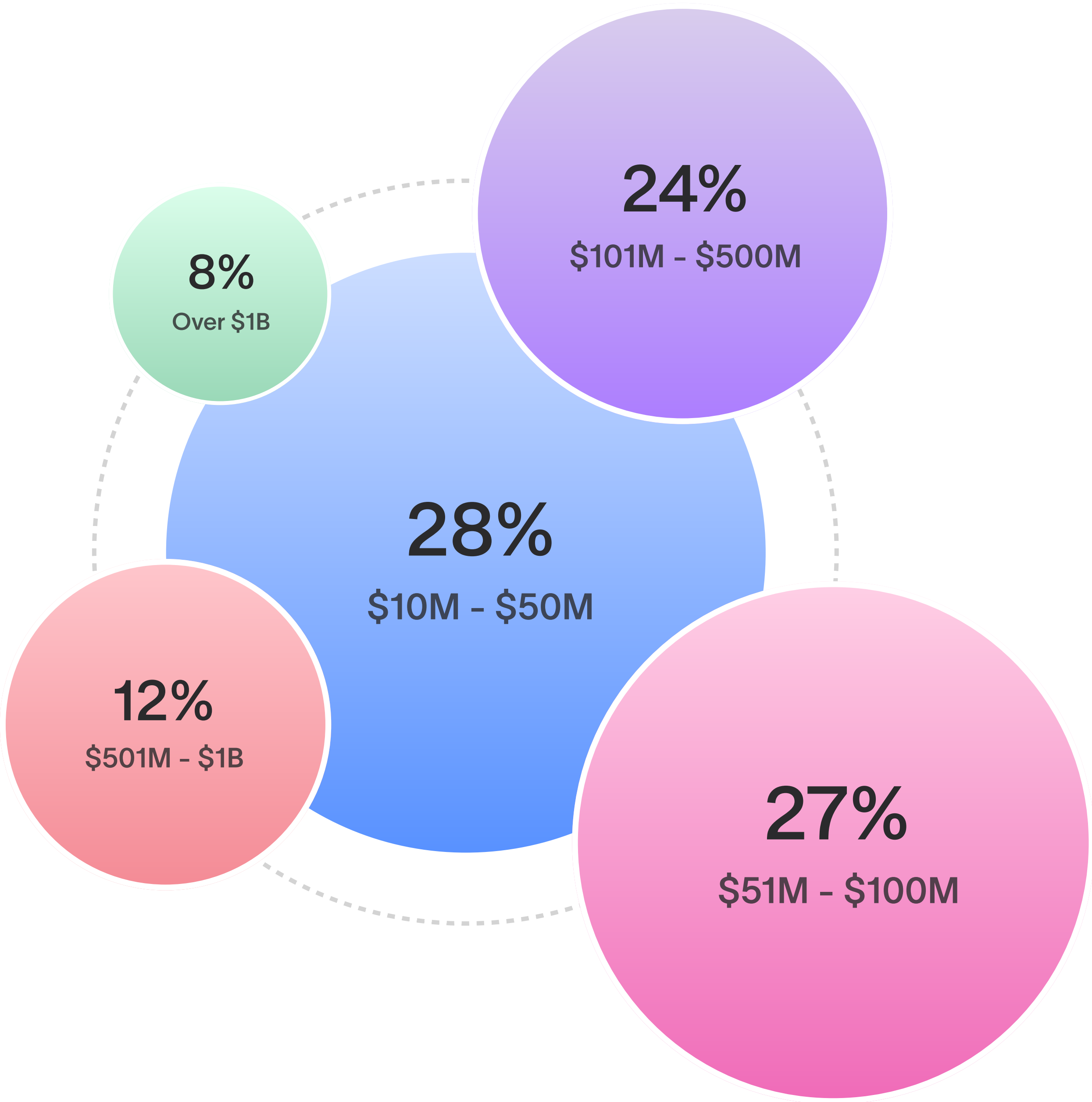


# Company size (full-time employees)





# Annual revenue



# Client volume

**32%**  
501-1,000

**30%**  
1,001-5,000

**18%**  
Over 5,000

**17%**  
101-500

**3%**  
Less than 100  
clients annually

