Subscription Pricing

Marketing

Recurring revenue, and the metrics that govern it.

Average customer lifetime is the reciprocal of the churn rate per period.

$$\text{Lifetime} \approx 1 \div \text{churn} \cdot \text{LTV} = \text{ARPU} \div \text{churn}$$

5% monthly churn	20 months average life
2% monthly churn Two and a half times.	50 months
Annual plans	Lower churn, higher upfront cash

THE COMMON MISTAKE

× Chasing acquisition while churn is high

✓ Fixing churn first

Filling a leaking bucket faster costs more each month. Reducing the leak improves every future cohort.

Net revenue retention above 100% means existing customers grow enough to offset churn entirely.