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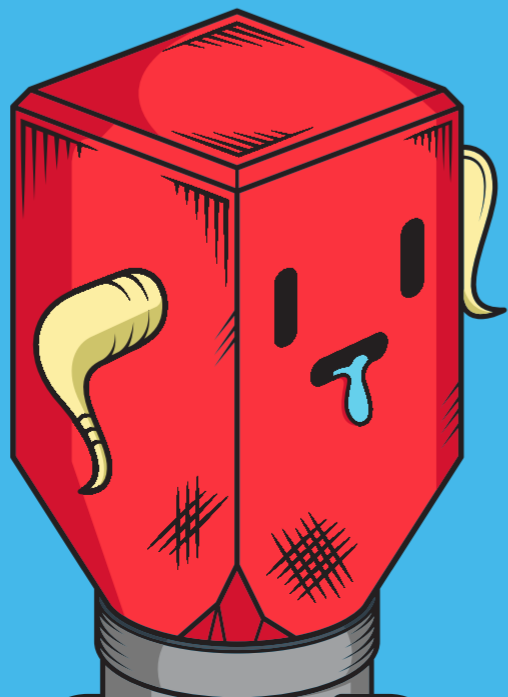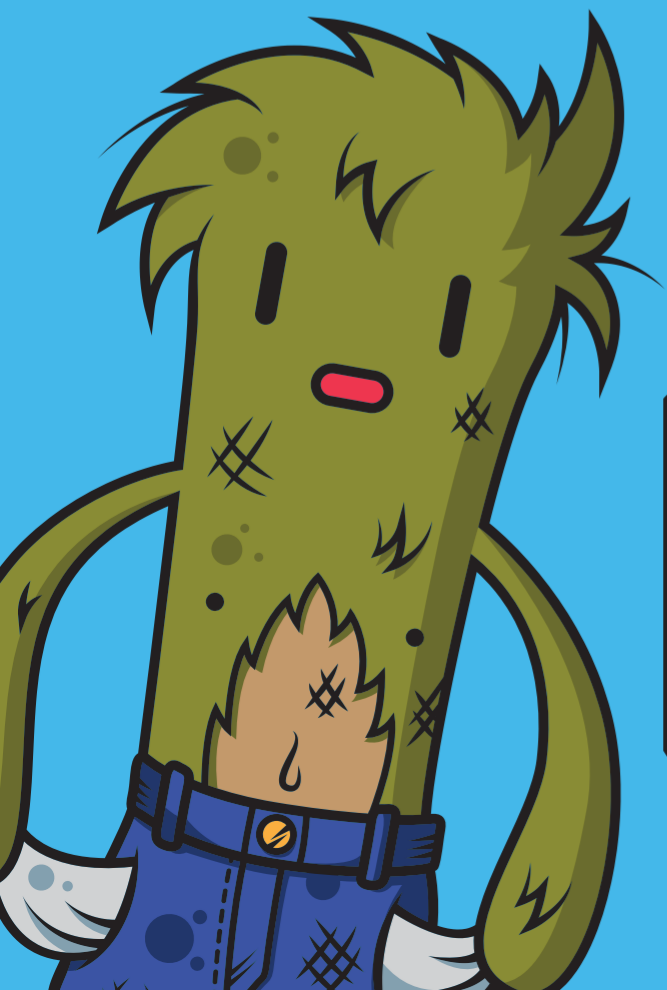
Churn Monster Playbook

Your Definitive Guide to
Fighting Customer Churn

If you are responsible for customer success and/or retention in your subscription model company, you have monsters in your closet. These churn monsters take big bites out of your customer base. Even superior products and smart growth strategies can be killed by out of control churn monsters. Fortunately, you don't need to be powerless in the face of this scary threat.

In this playbook, we will catalog the twelve common monsters that attack customer retention. For each churn monster, we will give a description of what its churn risk looks like, so you can easily identify it within your customer accounts. We will also give you actionable tips to help combat each churn monster, and insight into how ChurnZero can help.

Happy Churn Monster Fighting!

What is Customer Churn?

Customer churn is when a recurring customer or subscriber stops doing business with your company.

Scarily True Customer Churn Stats

- **It costs 6x more** to acquire new customers than it does to keep current ones.

- Reducing customer churn by 5% can **increase profits by 25-125%**.

- The probability of selling to an existing customer is 60-70%. **The probability of selling to a new prospect is 5-20%.**

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Disengaged

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🛍 Characteristics

Customer that used to care about their progress but no longer does. As a result, they have stopped taking part in day-to-day activities.

⊕ Combat Tips

- Set up automated alerts so you know when usage data is trending downward. Get involved before they become totally disengaged.

- Reach out offering a helping hand to get them back on track. Set small and attainable goals at first to build their motivation and confidence back up.

- Highlight new product launches or features that they most likely don't know about that could peak their interest.

🚀 ChurnZero Boost

Alerts help you proactively stay on top of changes to an account or contact by notifying you – inside ChurnZero, via email, or via text message – when important events occur.

Cash-Strapped

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Characteristics

Customer who once secured funds to purchase your products/services, but due to business changes their budget has since been cut, and they are being forced to reduce expenses and scale back resources.

Combat Tips

- Revisit their primary pain points that led to them purchasing in the first place and highlight how your product or service has since solved those problems.

- Help the customer put together a comprehensive business case to justify the renewal to their supervisor and finance department.

- Put together pricing/package options for the customer that include discounts and/or downgrade options to get them through the financial strain with a lower price point.

ChurnZero Boost

The ChurnZero dashboard lets you breakdown total contract value by churn risk for all your accounts to get a better understanding of how the loss of an at-risk customer or a lower contract value will affect your book of business.
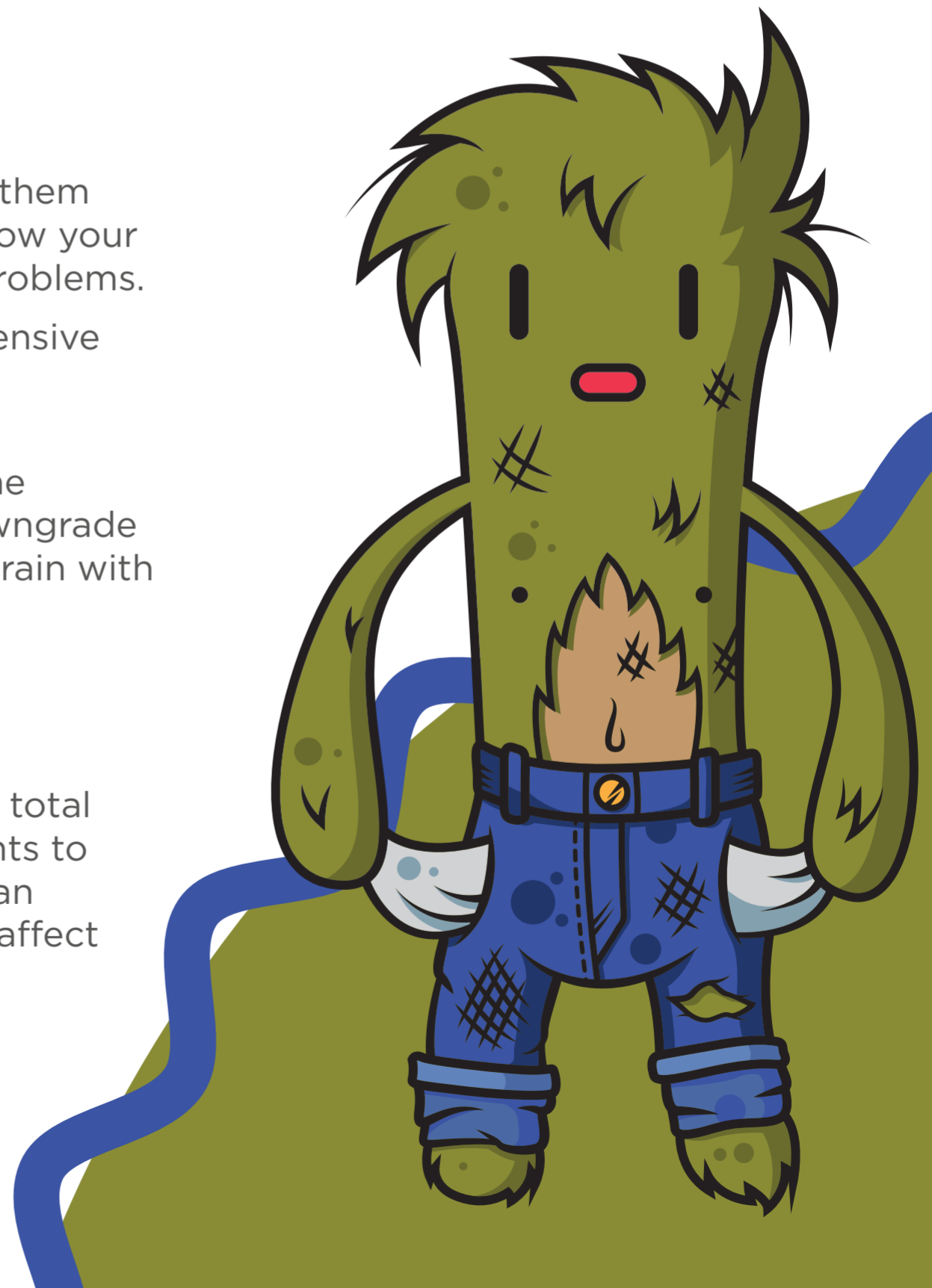
Slacker

📋 Characteristics

Customer who could receive value but is unwilling to put in the effort to either get started or continue using your product.

⊕ Combat Tips

- Uncover the true cause for the slacker behavior whether it's lack of time, being overwhelmed or other underlying reasons.

- Address the customer about their lack of progress and explain how doing XYZ can actually make their job easier.

- Help them break overwhelming tasks into smaller parts to make them seem more approachable. Be sure to praise them for these small successes along the way.

🚀 ChurnZero Boost

ChurnZero usage data lets you easily identify your strongest and weakest accounts based on their usage. This data will allow you to confidently engage with those accounts based on this information.

Zzzzz

Victim

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📋 Characteristics

Customer who is attempting to use your product to help them achieve a goal, however they are running into product issues.

⊕ Combat Tips

- Listen carefully to what the customer has to say about the issue they are experiencing. Once you have listened, immediately empathize with their position to let them know you have heard their problem and are going to work with them to resolve the issue.

- Be sure to ask lots of follow-up questions to help identify the full scope of the problem so you can better troubleshoot.

- Don't be afraid to escalate as needed. Work with the customer to come to a solution they are satisfied with. If this solution will require development time, be sure to provide the customer regular status updates until the fix has been deployed.

🚀 ChurnZero Boost

ChurnScores are customer health scores that give you a deeper understanding of your customers and their likelihood to not renew. The variables that you can use for the ChurnScores include event data, fields from your CRM or other sources like customer support tickets.

Manic

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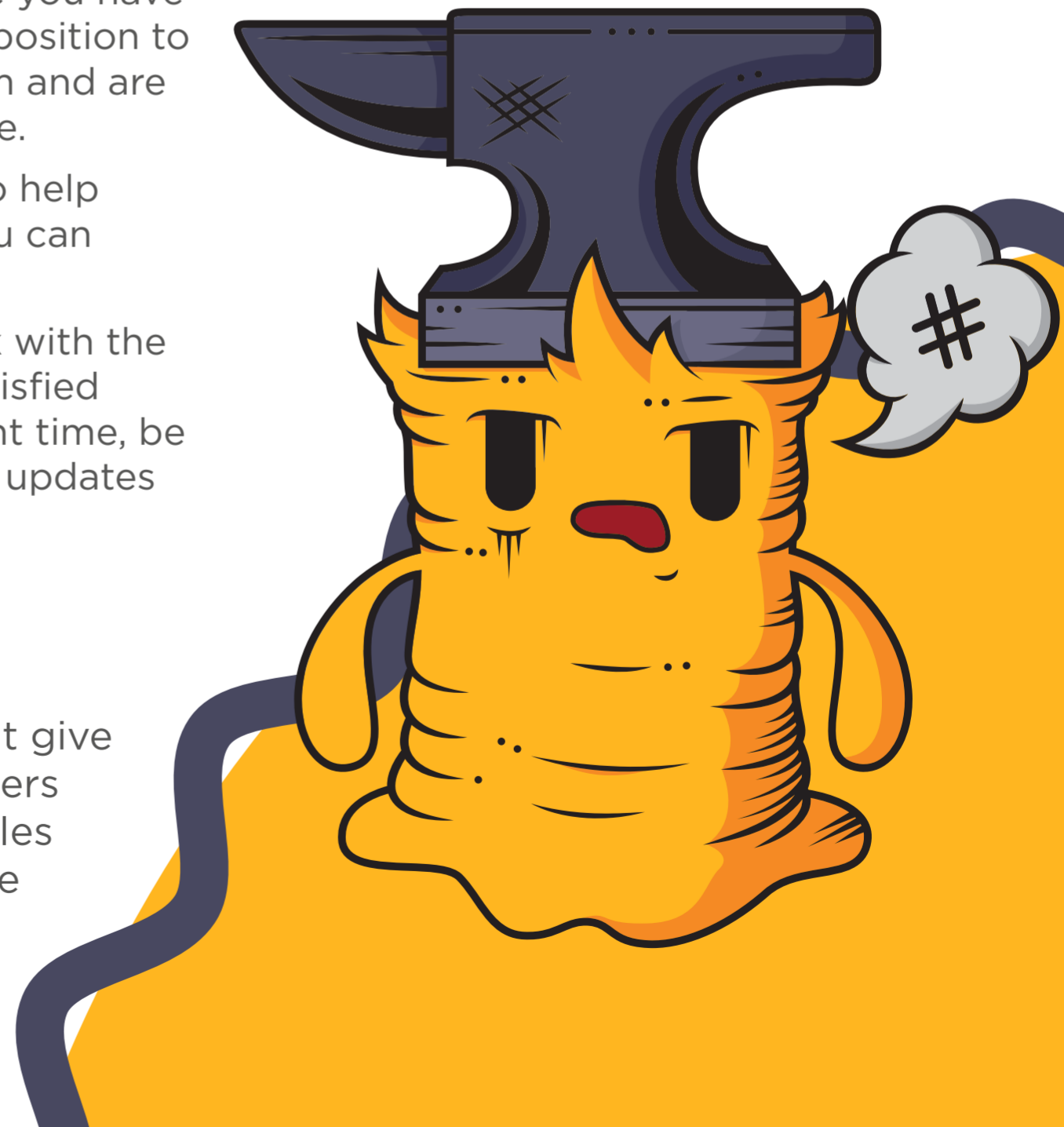
🛍️ Characteristics

Customer who is feverishly busy and seems to have a frantic work pace which results in an overall degrade of progress.

⊕ Combat Tips

- Try to determine the reason for the scatterbrained behavior. Is this a constant state for the customer or is it due to some current circumstances in their organization?

- Assure the customer that you are there to help them. Based on your knowledge of the account take the liberty of prioritizing the tasks that need to be done that will ultimately help lessen the workload in the long-run. Coach the customer towards these high-ranking goals and objectives.

- Continue to monitor the customer. Schedule weekly meetings to help keep them on task until hopefully they are able to slow down and/or multitask better.

🚀 ChurnZero Boost

Plays empower you to proactively engage with your contacts at the right times based on a variety of factors-everything from usage of your product (or lack thereof), to their point in the customer lifecycle, to their overall health as determined by their ChurnScore. Using Plays you can automatically target these contacts with relevant content and in-app messages that will help them get more value from your product and services.

Abandoned

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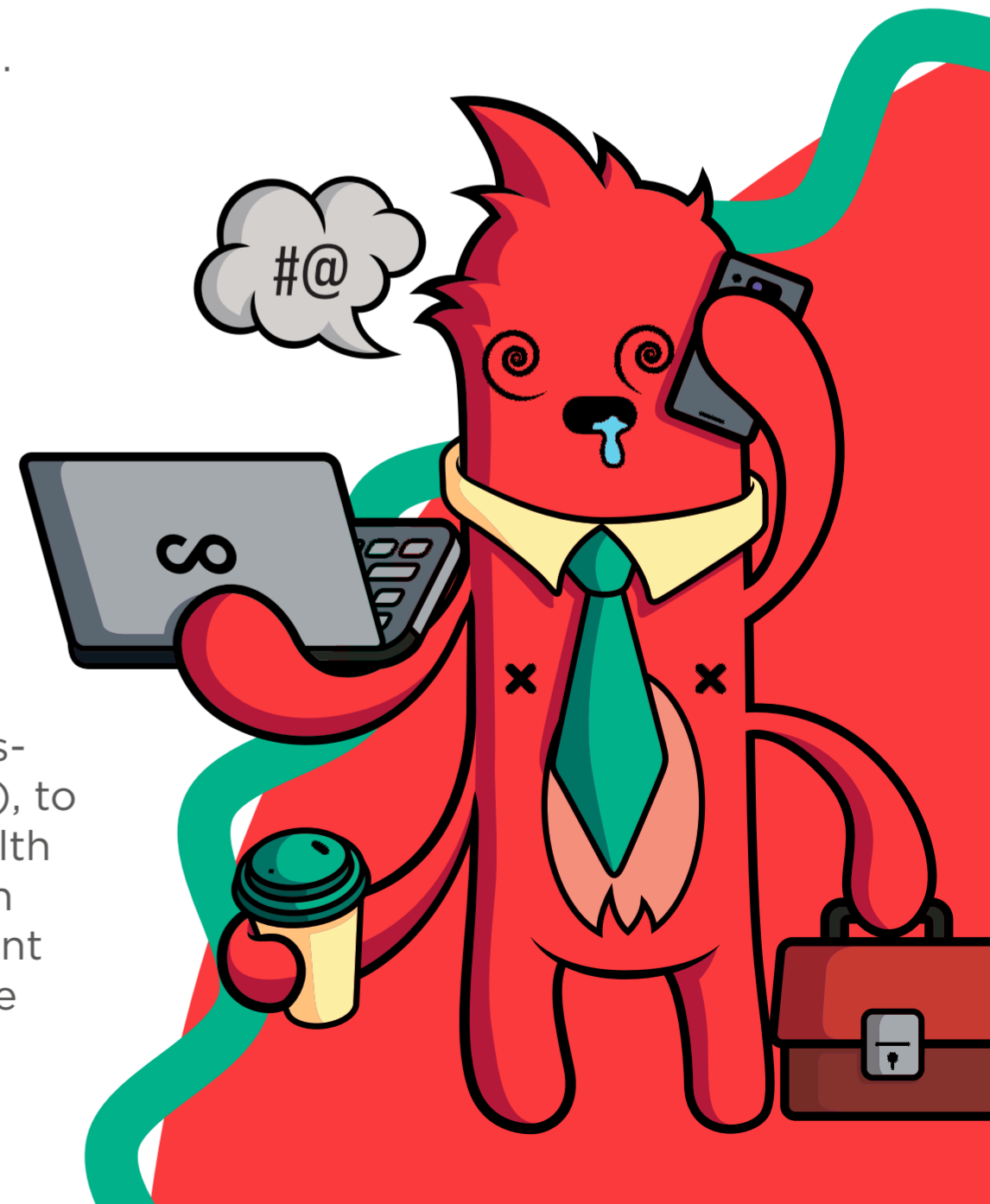
🛍 Characteristics

Customer who needs support or guidance but for whatever reason has unfortunately been neglected and is left feeling helpless.

⌖ Combat Tips

- Neglect usually happens slowly, and it creeps up on a customer relationship. Instead of focusing only on customers with fires, be sure to give attention to your other customers to help prevent them becoming an at-risk customer later down the road.

- If you notice it's been awhile since you've connected with a particular client, take a look at their account and conduct an audit of their utilization. Schedule a meeting to go over this account review with the customer. Put together a success plan that includes needed support and guidance to help them meet their gaps.

- At the end of every meeting with a customer, be sure to get something on the calendar for your next engagement while that customer is top of mind, so it's not accidently forgotten.

🚀 ChurnZero Boost

The ChurnZero Engagement section provides a review of the efforts and engagements you've done with your accounts, including in-app announcements you've posted, emails you've sent, tasks you've completed and activities you've logged. Leave no customer behind.

Stuck

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📋 Characteristics

Customer who is stuck at a certain phase in the lifecycle journey - implementation, on-boarding, training, product adoption, etc.
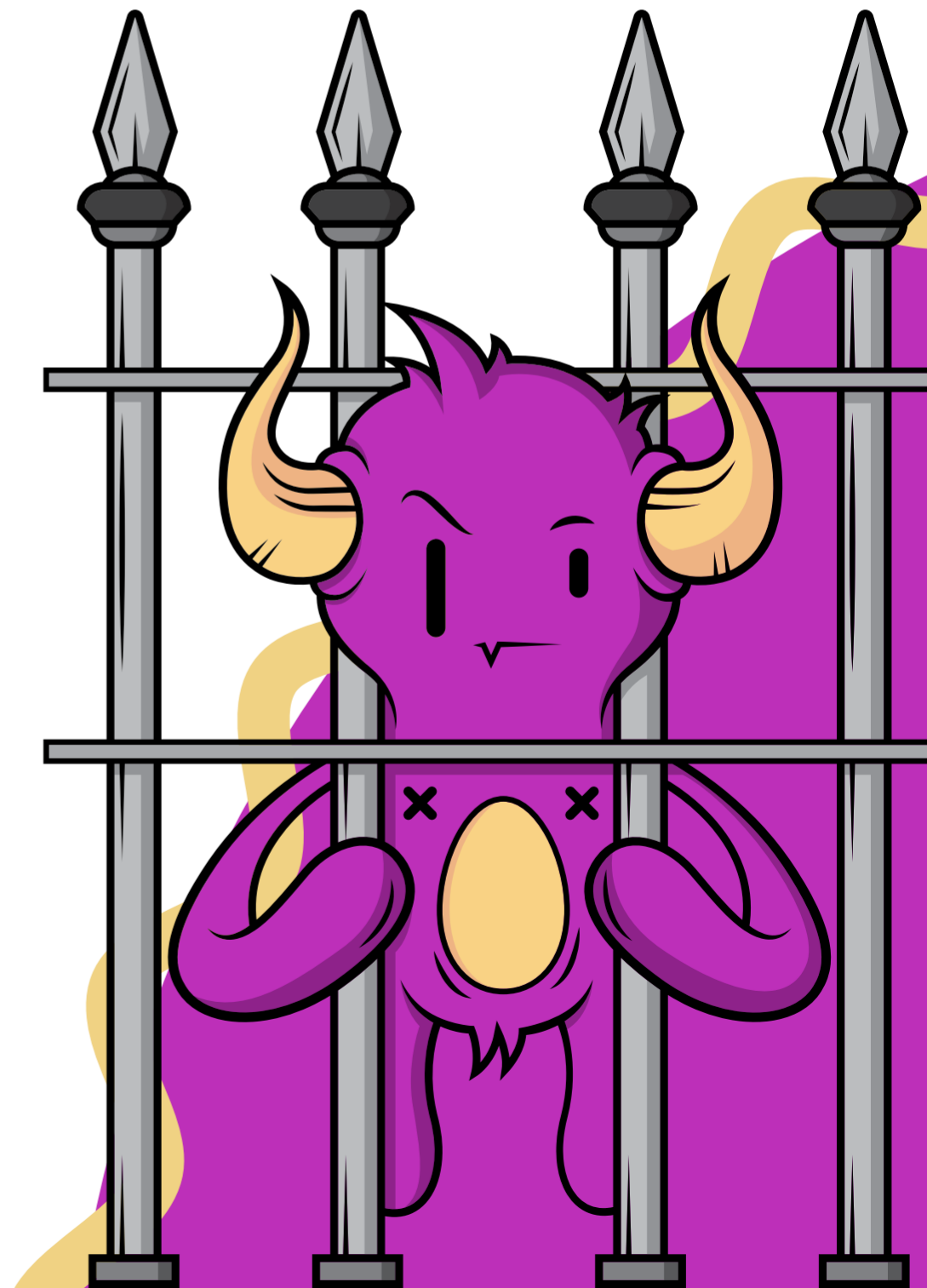
⊕ Combat Tips

- Map out the ideal customer journey so you are able to monitor and track each accounts' progress. Flag customers early on that seem to be falling behind so you can help keep them moving forward.

- Uncover the stalling point(s). Understanding the roadblocks that are holding up the process will be key in working with the customer to overcome them.

- Identify a champion on the customer side, who will be your liaison in helping to move their internal teams forward in the journey.

🚀 ChurnZero Boost

Journeys let you map out milestones and track the tasks and achievements that will drive the customer through each phase of the lifecycle in an organized and efficient manner. You can also set timelines for each milestone and for the journey overall, setting clear expectations for your processes internally and externally.

Ghosted

Characteristics

Customer who has ceased all communication and has stopped responding to your attempts to contact them.

Combat Tips

- Refrain from declaring your past attempts to contact them. By drawing attention to the customer's silence, you are only making them feel guilty, which isn't going to spur action, but make them want to continue their avoidance behavior.

- Vary your contact attempts. Switch up the day of the week and the time of day. It's possible you've been trying to get them on the phone during a time they have a standing meeting.

- Throw a Hail Mary. If it's been way too long, send a handwritten note with a gift to their office. Most likely they'll feel inclined to reach out to at least say thank you.

ChurnZero Boost

In-app communications and automated emails give you other alternatives for reaching your customers. Our usage trend analysis can also find users and accounts that are trending down in engagement. This will allow you to re-engage them before they ghost on you.

Cheater

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🛍 Characteristics

Customer who is actively being wooed by one of your competitors in attempts to steal their business.

⊕ Combat Tips

- Be great (i.e. provide value). The best way to keep a client for life, and to fend off the competition, is to be the best option.

- Know your customer and their goals and challenges, and make sure they understand your unique value proposition. If you are seen as a trusted resource, it's going to be hard to walk away from that.

- Conduct competitive intel, so when a customer reveals they are thinking of switching you know exactly how to stack up the reasons why that would be a poor decision.

🚀 ChurnZero Boost

NPS (Net Promoter Score) is a customer satisfaction benchmark that measures how likely your customers are to recommend you. If a customer falls into the passive or detractor segments, it's a signal that they could be at risk of switching to a competitor, and that you should reach out to change the mindset before it's too late.

Bad Fit

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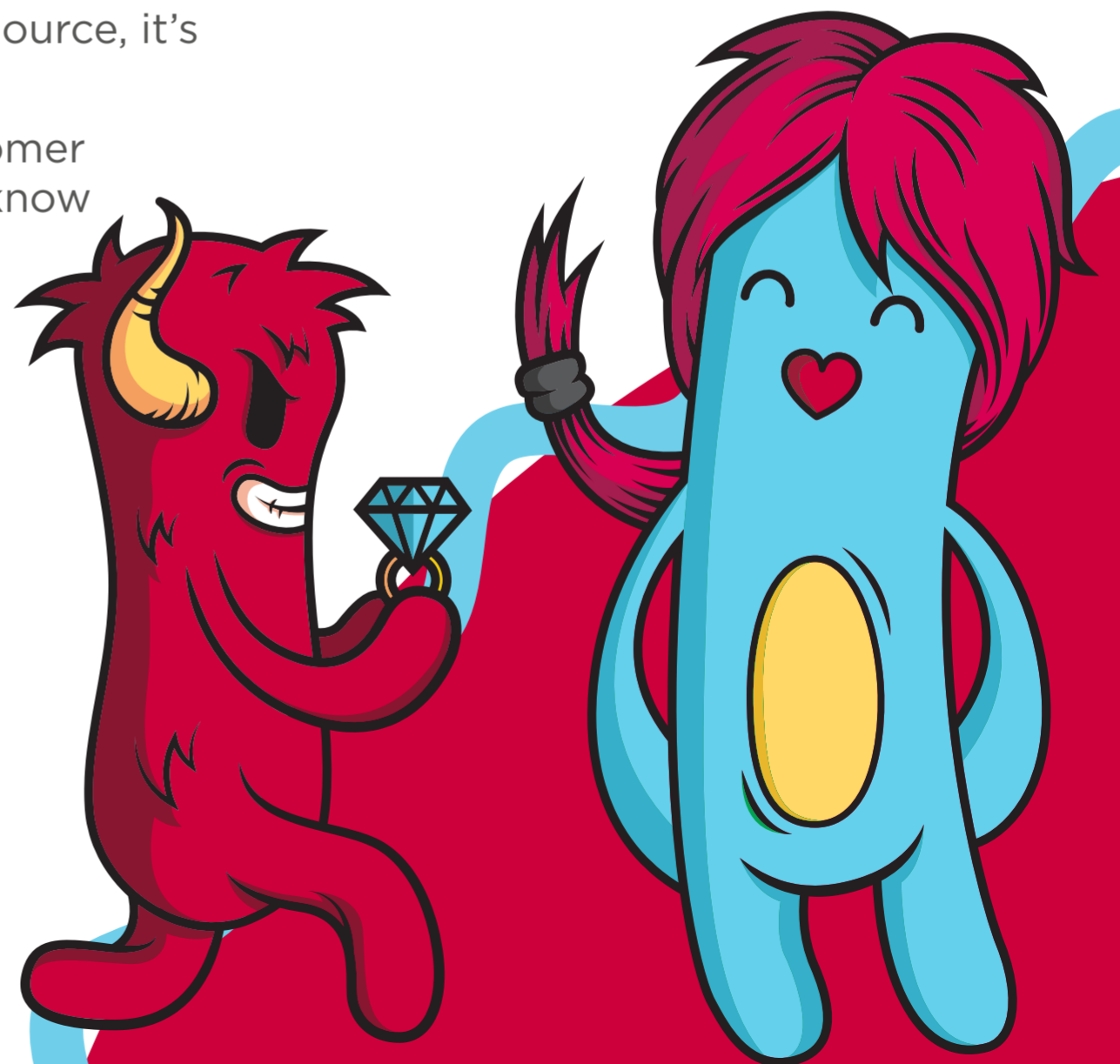
📋 Characteristics

Customer who is unable to receive value from your product or service due to a mismatch of current needs and offerings.

⊕ Combat Tips

- First step is identifying a bad fit customer as early on in the process as possible. Don't jump to conclusions but get a better understanding of who is a stretch fit customer and who is really a bad fit customer.

- Be as upfront and honest as you can with the customer, so expectations are understood and both parties can make informed decisions for next steps.

- Sometimes it's necessary to count your losses and let these bad fit customers churn. It's in everyone's best interest as they can be a drag on growth, a waste of resources, and harmful to employee morale and industry word-of-mouth.

🚀 ChurnZero Boost

ChurnZero's Account Segments are a powerful tool to let you easily group customers together that share attributes and/or behaviors (i.e. bad fit customers). Tagging your bad fit customers will allow you to adjust your engagement strategies to a low-touch model since their likelihood to churn is pretty much inevitable.
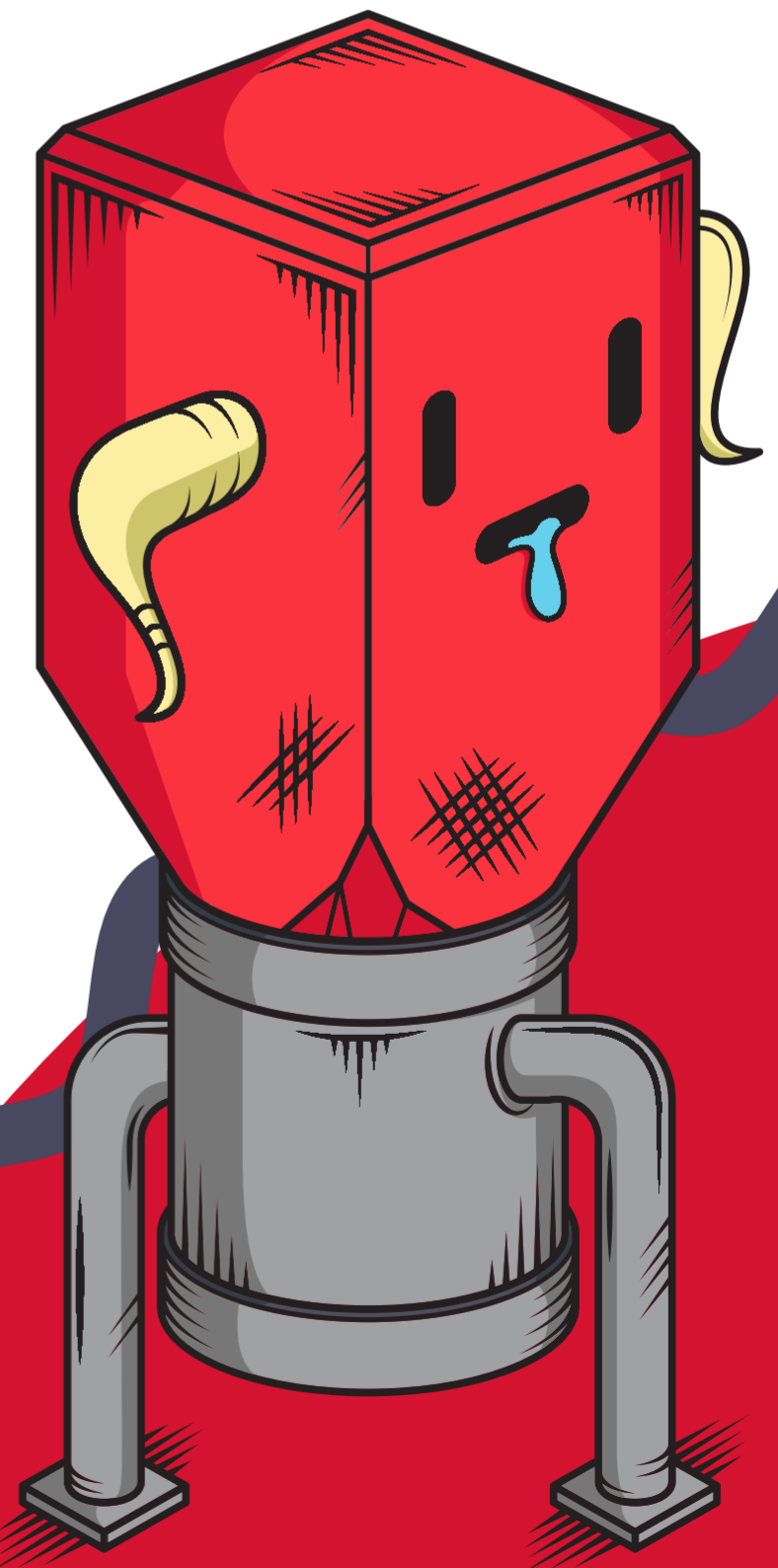
Acquired

📋 Characteristics

Customer whose company has been acquired making a lot of things uncertain about the future.

⊕ Combat Tips

- As soon as you get wind of a merger or acquisition, proactively reach out to your day-to-day contacts for more information to assess the potential threats at hand. There will be a lot of unknowns, but request that they keep you in the loop. Be sure to offer your assistance in this transition period.

- Just as there are threats there's potential for positives. Try to get an introduction to the new players on the team who might influence decisions, so you can position yourself for continued business.

- Find out who pays the bills now. Are there other business process changes like PO requests that you should now be aware of? Don't let a wrong invoice address be the reason why you aren't getting paid.

🚀 ChurnZero Boost

The Account Profile makes it easy to find everything about an account – from key details, to open tasks, to usage trends, to engagement with content – all in one place. This will be beneficial in understanding the current state of the customer going into this transition period. Also, automatically tagging key users within the new organization will be useful in identifying your allies early on.

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Championless

🛍 Characteristics

Customer who used to be your champion or main point of contact within the organization but has since left their role at the company.

⊕ Combat Tips

- Often times you won't receive any advance notice about a champion leaving until after the exit has taken place. Instead of waiting for someone else from the organization to get around to alerting you, set up your own alerts that will ping you if usage ceases for a contact.

- Check on LinkedIn to verify if your contact has in fact left the company. If so, send a message congratulating them on their new role and ask who the best person would be to connect with in their absence. (Also, you never know they could now be your new champion at another organization.)

- Reach out to the next point of contact to schedule a customized training session to help educate, engage, and inspire the remaining users to become your next champion(s).

🚀 ChurnZero Boost

ChurnZero Events are actions and activities that your users do inside your product. The tracking of these events allows you to create contact segments, account segments, alerts and tags based off deep behavioral data. For example, if you see that a user has been deleted, possibly signaling a departure, you could then set up an automated alert to start your investigation. You can also use contact profiles to easily help identify new champions and allies, so you are not left vulnerable to just one.

Black Swan

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🛍 Characteristics

Customer who is affected by an unforeseen and very unpredictable circumstance with potentially severe consequences and widespread impact. Some examples include a pandemic (COVID-19), a terrorist attack (9/11), or an abrupt financial crisis (Banking Crisis of 2008).

⊕ Combat Tips

- Be proactive with customers impacted by the Black Swan event. This will help direct your plan of action as well as express empathy.

- Pivot quickly, if needed, to address the customer's needs by providing relevant resources or timely product feature releases to help with issues at hand.

- If they are truly impacted financially and are being told to consolidate spend be willing to work with the client to make concessions versus them being forced to cancel their subscription.

🚀 ChurnZero Boost

Use ChurnZero segmentation to help prioritize support to those customers most affected by an emergency. Update health scores to focus on impacted verticals and very short-term churn factors. You can also use automated emails and in-app messages to communicate effectively to customers during critical time periods.

Churn Monster

# Know It All

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📋 Characteristics

Customer who behaves as if they know everything, and constantly presents their input as though they were professionally trained or have firsthand insights into subjects when it is evident that is not the case.

⊕ Combat Tips

- Use flattery. These types crave attention and as their CSM it will behoove you to let them know how much you value them as a customer.

- Give constructive feedback, but at all costs avoid arguing as it will only be counterproductive to the team.

- Express yourself with clarity and decisiveness. If the customer tries to intervene, re-state the plan as often as necessary.

🚀 ChurnZero Boost

ChurnZero Walkthroughs are multi-step guides that integrate into your product's web interface and direct your users through specific features or simply display content at the ideal time. This can be a sly way of getting information to your Know It All customer without the hassle.

Unlucky

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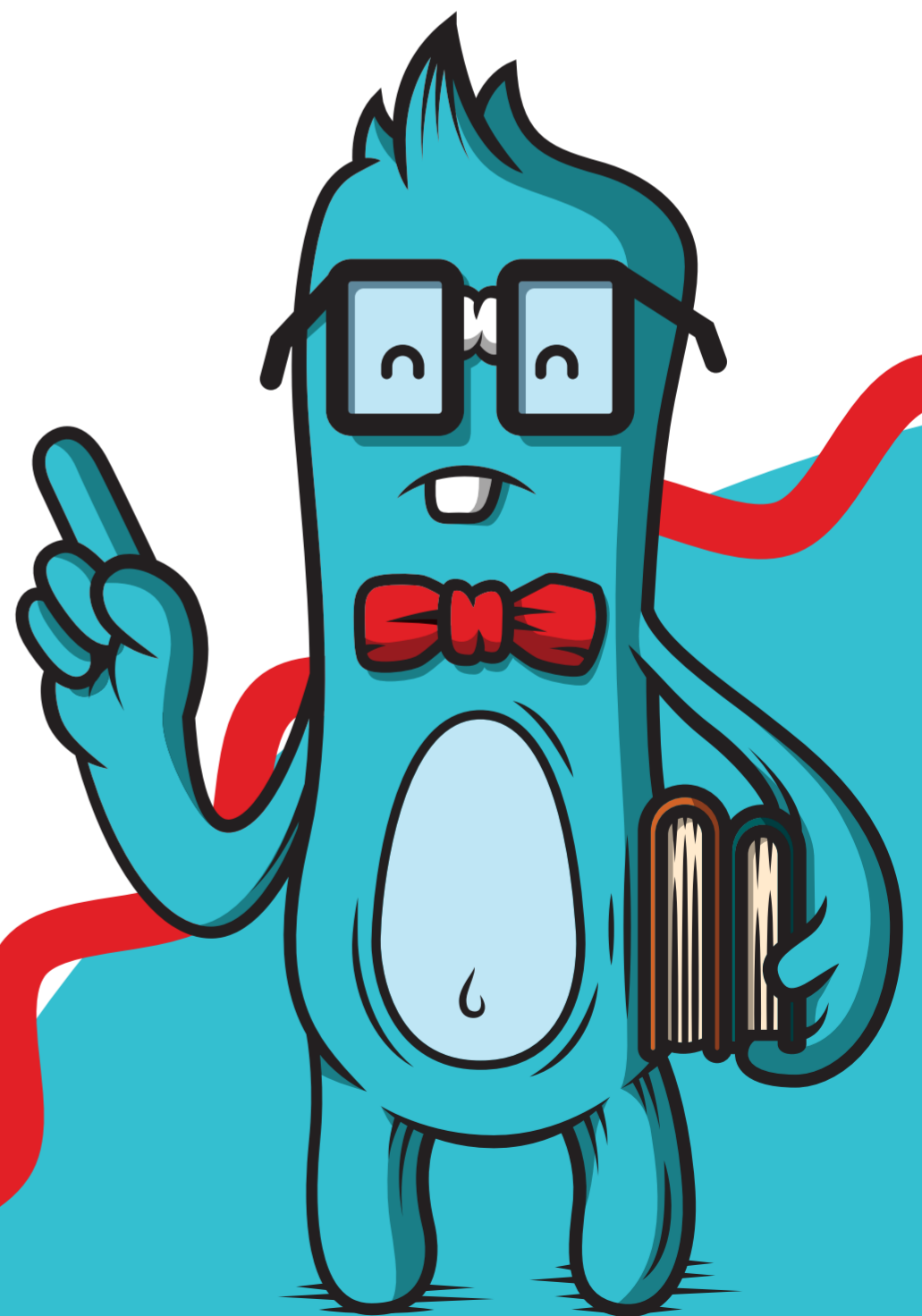
🛍 Characteristics

Customer who bought your product with the best of intentions of being successful in utilizing and adopting it but along the way they have been hit with misfortune and adversity making the likelihood of success much harder.

⌖ Combat Tips

- Remind the customer about the reasons they started the project to help them not lose sight of their objectives.
- Offer a "restart" (subscription adjustment, credits, etc.) and an agreement from both parties to double down efforts.
- If appropriate make it personal with a visit or video conference to give the customer confidence that you are right there with them.

🚀 ChurnZero Boost

Unluckiness will mean delays even if other metrics (NPS, relationship score, support tickets) look healthy. ChurnZero's Journey tracking will give you early access to when a customer falls off track. Luck will run out, get in front of it.

Ready to Fight Customer Churn?

If your organization is experiencing any of these churn monsters, never fear. Here's how ChurnZero, our real-time Customer Success Platform, can help you reduce customer churn, expand your current accounts, increase product adoption and optimize the overall customer experience.

Data
Understand how your customers are using your products and services in real-time

Health Scores
Assess a customer's likelihood to renew with customer health ratings and scores

Automation
Automate tasks and communications based on customers' engagement metrics

Alerts
Proactively stay on top of changes to an account or contact with real-time notifications

Segmentation
Segment your customers based on attributes or behaviors to prioritize efforts

Engagement
Connect with customers with in-app announcements as they are engaged

Net Promoter Score
Gauge customer loyalty with built-in NPS surveying and reporting

Customer Journeys
Map your customer's journey and track your accounts progress to success with completion

Analytics
Access in-depth insights about your accounts and their product usage, as well as engagement with contacts

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For more information on the impact ChurnZero can bring please visit us at **www.churnzero.net** or contact us at **(703) 721-4988**.