

Churn Monster Playbook

Your definitive guide to fighting customer churn.



Every SaaS and subscription business has Churn Monsters in its closet. At first glance, they might look harmless. Trust us, though: they'll eat away at your retention until you and your customer success team identify them and take the appropriate action.

In this playbook for CS professionals, you'll discover a new way to think about the causes of churn in your accounts. You'll meet 16 different Churn Monsters, and learn how to handle them. You'll also see how ChurnZero, your platform and partner for customer success, can help.

Happy Churn Monster fighting!



What is customer churn?

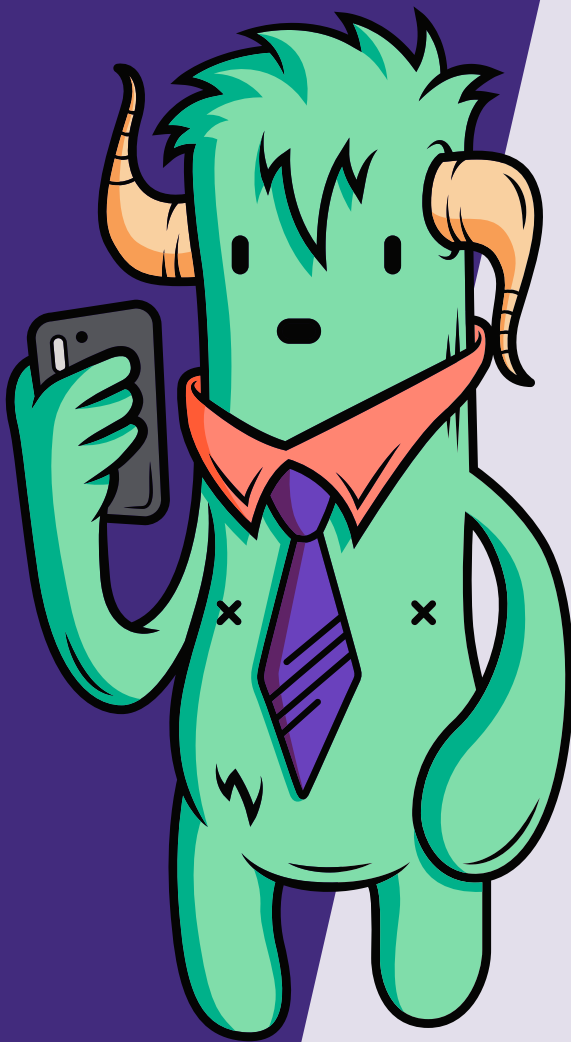
Customer churn is when a recurring customer or subscriber stops doing business with your company.

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%.

Churn Monster

Disengaged



Characteristics

Your customer initially showed interest in a product or service but has since ceased regular use or interaction. They might not log in much anymore or they've cut back on how they use the service. Basically, they're not finding the same value in it that they used to, which often signals they might cancel or not renew their subscription.



Combat tips

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

Offer 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 features that they most likely don't know about that could pique 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.

You can also automate campaigns based on these alerts to get customers back on track.



Characteristics

A customer who previously had the budget to buy your products or services is now facing budget cuts due to changes in their business. As a result, they are being asked to reduce expenses.



Combat tips

Revisit the primary pain points that led them to purchase in the first place and highlight how your product or service has addressed those issues. Quantify wherever possible.

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.

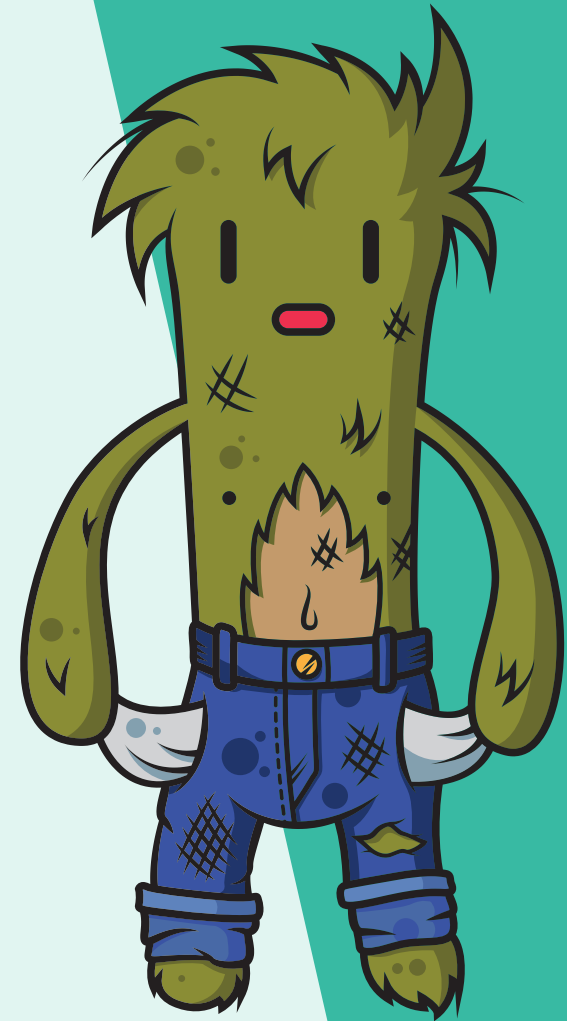


ChurnZero boost

ChurnZero provides dashboards and renewal forecasting tools that detail the impact of CS efforts on customer accounts and show how at-risk customers may impact renewals.

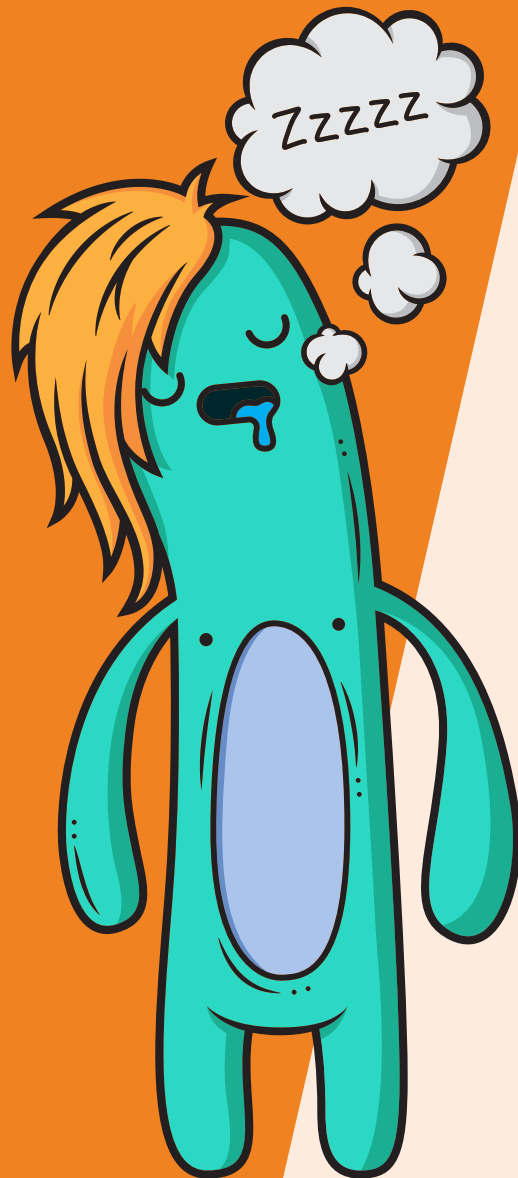
Churn Monster

Cash Strapped



Churn Monster

Slacker



Characteristics

Your customer has stopped actively engaging with the tool. Often feeling overwhelmed, lacking time, or not seeing immediate results, they reduce their usage significantly. This may stem from their struggle to integrate the tool into their daily workflow, their inability to understand the tool, or their lack of time to learn how to get more value.



Combat tips

Uncover the true cause of the 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.

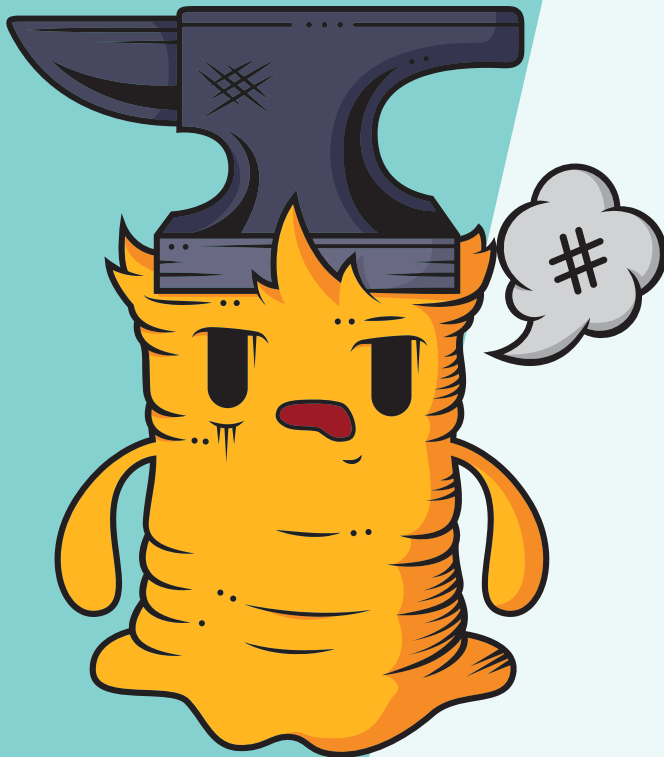
Help them break overwhelming tasks into smaller parts to make them seem more approachable. Acknowledge successes along the way.



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 through one-to-one communications or automated plays that engage and educate customers on how to get the most value out of the software.

Churn Monster Victim



Characteristics

A customer is experiencing recurring product issues—whether real or perceived—leading to ongoing frustration and potentially long-term trust erosion. The constant troubleshooting diverts focus from achieving goals, complicating customer success efforts to maintain satisfaction and prevent potential churn.



Combat tips

Listen carefully to what the customer has to say about the issue they are experiencing and work with them to resolve the issue.

Ask follow-up questions to help identify the full scope of the problem so you can better troubleshoot.

Escalate as needed. Work with the customer to reach a satisfactory solution. If this solution requires development time, be sure to provide the customer with regular status updates until the fix has been deployed.



ChurnZero boost

Customer health scores are uniquely built with factors such as engagement frequency, product usage, customer sentiment, and so much more to track both the areas of success and the likelihood of not renewing.



Characteristics

Your customer is overworked and unable to prioritize effectively. Their hectic schedule leads to sporadic and unfocused use of your product, undermining its perceived value and preventing them from getting the full potential out of the software.



Combat tips

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

Assure the customer that you are there to help them. Based on your knowledge of the account, help them prioritize the tasks that will help them lessen their workload. Coach the customer towards these high-ranking goals and objectives.

Continue to monitor the account. Schedule regular meetings to help them as needed.



ChurnZero boost

Turn data insights into proactive and effective engagements with plays. Automatically target contacts with in-app messages and send relevant touchpoints based on their usage (or lack thereof) to boost their adoption of your product and services.

Churn Monster

Manic



Churn Monster

Abandoned



Characteristics

A customer who needs support or guidance feels that you have neglected them, and now feels helpless or unmotivated.



Combat tips

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

If you notice it's been a while since you've connected with a particular client, take a look at their account and conduct an audit of their product usage, engagement, and satisfaction. Put together a success plan that includes needed support and schedule a meeting to walk through it with them.

At the end of every meeting, be sure to get your next engagement scheduled while that customer is top of mind so you maintain regular communication with the customer.



ChurnZero boost

ChurnZero provides automated and manual ways to ensure you maintain communications with a customer. You can schedule engagements based on changes in product use, health scores, and satisfaction, schedule monthly check-ins, and provide in-app announcements congratulating them on milestones or anniversaries to keep customers engaged.



Characteristics

Your customer is stuck in a certain phase of their lifecycle, such as implementation or onboarding.



Combat tips

Map out the ideal customer journey so you are able to monitor and track each account's 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 holding up the process will be key to working with the customer to overcome them.

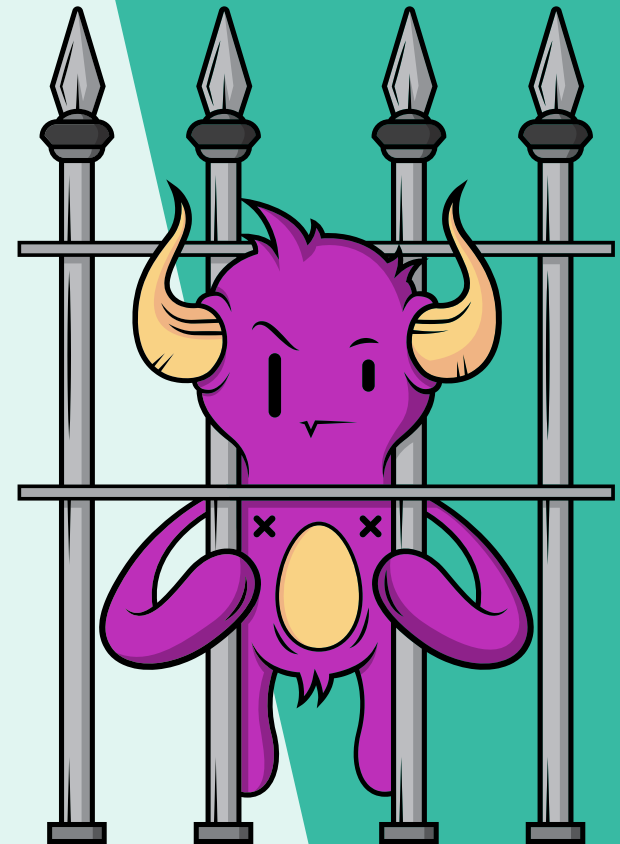
Identify a champion on the customer side, who will be your liaison in helping to move their internal teams forward in the journey.



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.

Churn Monster Stuck



Churn Monster

Ghosted



Characteristics

Your customer has ceased all communication and has stopped responding to your attempts to contact them.



Combat tips

Keep communicating with the customer, but do not mention their lack of response, as that may make them defensive. Vary your contact attempts. Switch up the day of the week and the time of day, as you may be reaching out to them at the wrong time.

Throw a Hail Mary. If it's been way too long, send a handwritten note with a gift to their office.



ChurnZero boost

In-app communications and automated emails give you other alternatives for reaching your customers. Our usage trend analysis can also identify users and accounts with declining engagement.

This will allow you to re-engage them before they ghost on you.



Churn Monster Cheater



Characteristics

Your customer is being lured away from your product by a competitor who is presenting a more attractive deal or features that better meet their needs evolving needs. The allure of improved functionality or cost savings can tempt customers to switch, especially if they perceive it as a chance to gain more value or solve existing pain points more effectively.



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.

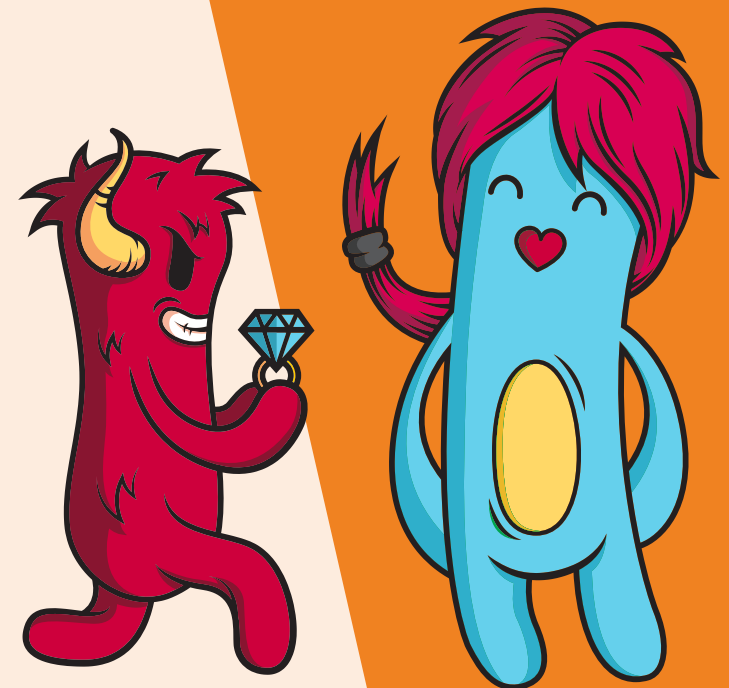
Know your customer and their goals and challenges, and make sure they understand your unique value proposition. If you are a trusted resource, it's going to be hard to walk away from that.

Conduct competitive intel, so when a customer reveals they are thinking of switching you can discuss the options and implications.



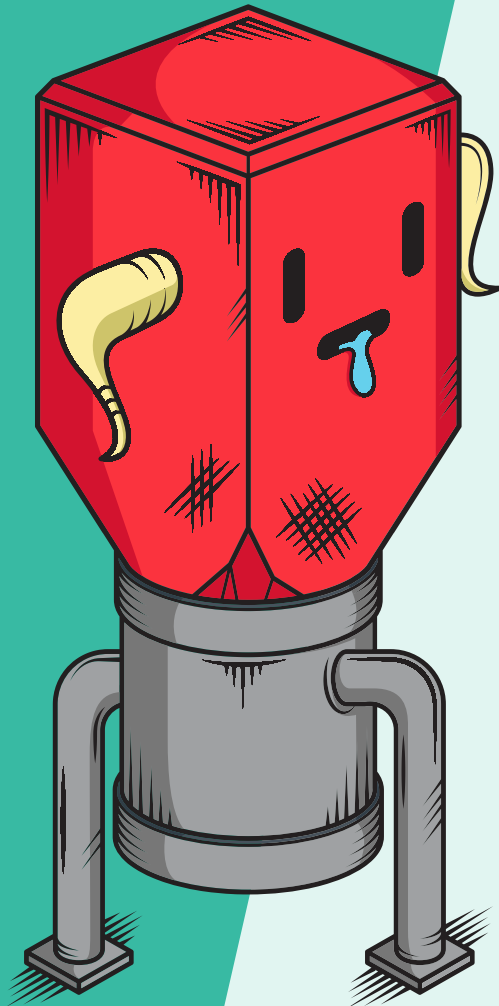
ChurnZero boost

ChurnZero provides tools for you to survey customers using NPS, CSAT, CES, and custom surveys to get the feedback you need.



Churn Monster

Bad Fit



Characteristics

A bad-fit customer is a customer who is not likely to be successful with the product or service being offered. They may not have the resources, skills, or desire to use the product or service, or the product or service may not meet their needs. These customers may struggle to realize the full benefits of the product, leading to dissatisfaction and a higher likelihood of churn.



Combat tips

The first step is identifying a bad-fit customer as early in the process as possible. Don't jump to conclusions; instead, get a better understanding of who is a stretch-fit customer (a customer who requires more attention and customization when it comes to product offerings, services, and support) and who is really a bad fit.

Be honest with the customer so that both parties understand their expectations and can make informed decisions about the next steps.

Sometimes, it's in everyone's best interest to let a bad-fit customer churn as they can be a drag on growth and resources, and can negatively impact employee morale and your external reputation.



ChurnZero boost

ChurnZero's account segments are a powerful tool for easily grouping customers together who share attributes and/or behaviors (i.e., bad-fit customers). Tagging your bad-fit customers will allow you to adjust your engagement strategies since their likelihood to churn is high.

Churn Monster

Acquired



Characteristics

A customer whose company has been acquired makes many things uncertain about the future. The new company could already be using your competitor's products. They will likely review their strategies or shuffle budgets. Typically, mergers include a shake-up of your current contacts.



Combat tips

As soon as you hear of a merger or acquisition, proactively reach out to your day-to-day contacts to check in and assess the situation. 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 potential threats, there can also be opportunities; try to get an introduction to new players on the team who might influence decisions to position yourself as a resource in the transition.

Stay on top of changes in the process of billing and renewals. 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

ChurnZero 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. Our AI tool can also create detailed briefs of an account so you can understand all activity easily.

Churn Monster

Championless



Characteristics

Your champion, or main point of contact on your customer's team, has left their company for a new role.



Combat tips

Often 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 alert 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 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.

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 lets you track product usage and account activity to create more meaningful segments based on behavioral data. For example, set an alert for account users who have been deleted, possibly signaling a departure. Or create contact profiles to easily identify new champions.



Characteristics

A customer, or more typically an entire market segment, is affected by an external, unpredicted event with widespread impact. Examples include the financial crisis of 2008, COVID-19, and the banking crisis of early 2023.



Combat tips

Be proactive with customers impacted by the Black Swan event. This will help direct your plan of action and 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 spending, be willing to work with the client to make concessions rather than forcing them to cancel their subscription.



ChurnZero boost

Use ChurnZero segmentation and automation to identify and support the customers most affected by an emergency. Update health scores to focus on impacted verticals and short-term churn factors. Send automated emails and in-app messages to communicate effectively during this critical time.

Churn Monster

Black Swan





Characteristics

The customer you're coaching feels like they already know the topic, but their knowledge of best practices is inaccurate. This hinders progress, and increases the chance of mistakes.



Combat tips

Offer personalized training that enhances the customer's knowledge without making them feel inadequate. Focus on advanced features and best practices to fill in knowledge gaps.

Instead of correcting, engage the customer with, "Let's see how your idea works with our tool." This approach validates their input while steering them towards more effective usage.

Schedule regular meetings to provide continuous support and feedback. These discussions can focus on progress, new features, and tailored usage tips, helping the customer refine their skills.

Express yourself with clarity and decisiveness, and support your opinion with facts, case studies, and other relevant data.

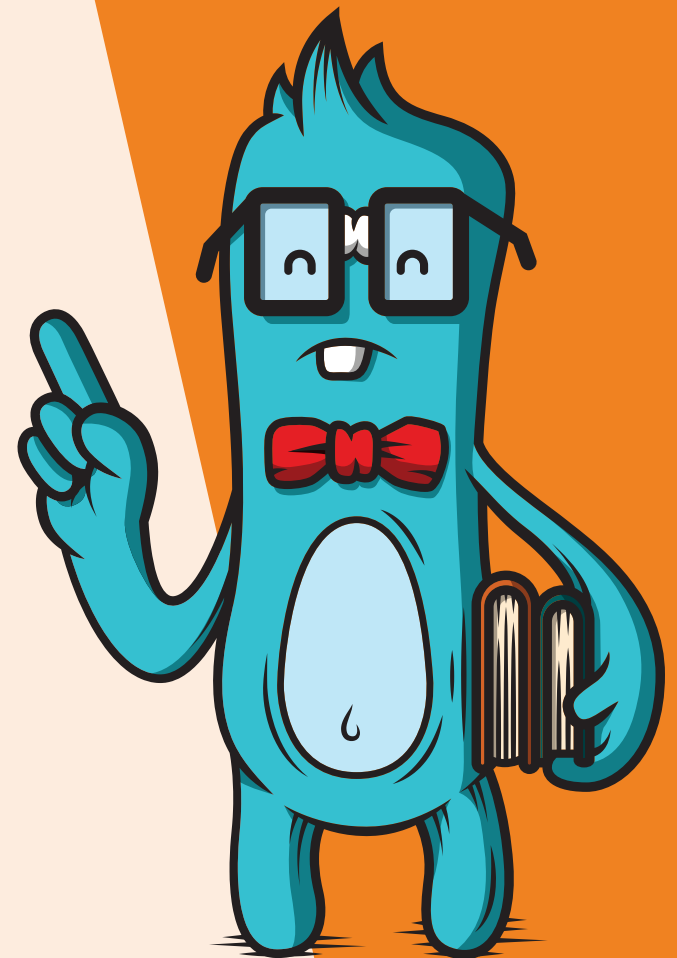


ChurnZero boost

ChurnZero provides automated digital engagement tools, including multi-step guides that integrate into your product's web interface and direct your users through specific features or content.

Churn Monster

Know It All



Churn Monster

Unlucky



Characteristics

A customer who bought your product with the best of intentions of being successful in utilizing and adopting it has 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.

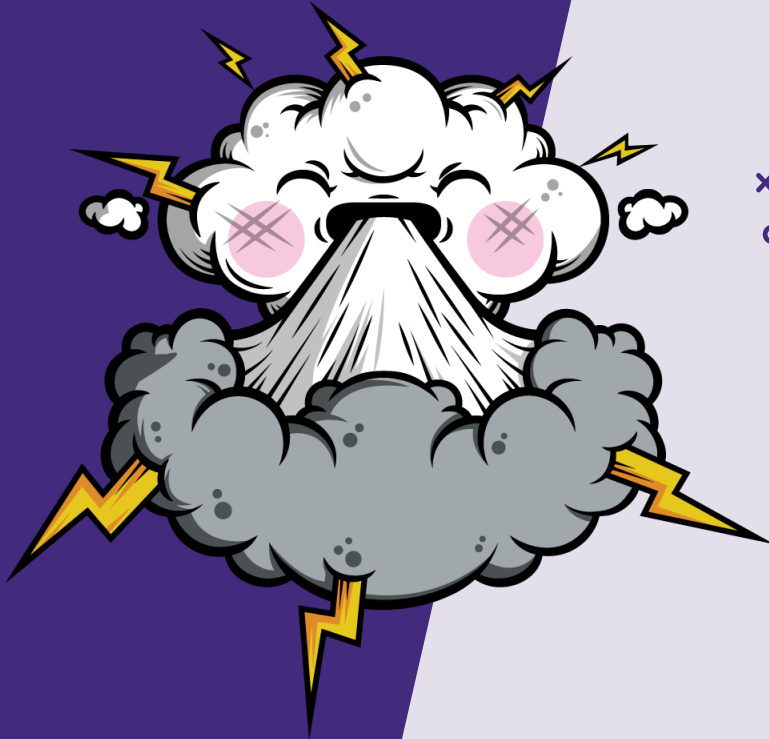


ChurnZero boost

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.

Churn Monster

Headwinds



Characteristics

Your customer is struggling to navigate difficult times, like a long economic downturn. This often occurs after a Black Swan event, and lasts longer than the initial shock.



Combat tips

Stay focused. Managing customers effectively is a must in an economic downturn. Every account matters.

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

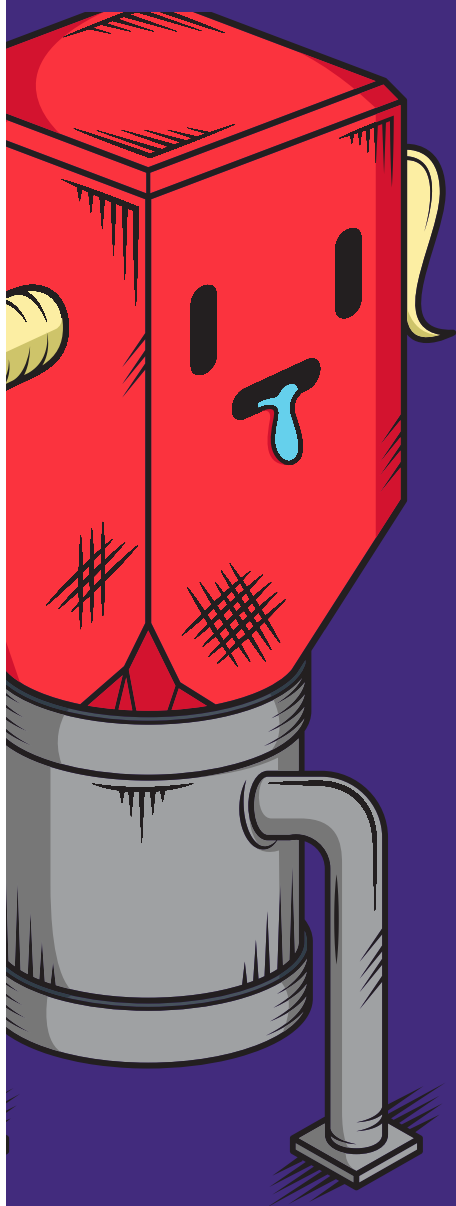
Adapt to their needs and be creative. Some customers may need more flexible terms to remain customers.

Revisit goals to ensure value. The goals the customer was working toward in an economic boom may be completely different in a downturn. Find out what their business needs.



ChurnZero boost

Use ChurnZero segmentation to prioritize support to those customers most affected by the downturn. Update health scores to focus on impacted verticals and short-term churn factors.



Ready to fight customer churn?

Every organization has its Churn Monsters. If you're struggling to keep up with yours, you're not alone. ChurnZero, the platform and partner for customer success, helps the world's best CS teams manage their monsters to reduce churn, increase product adoption, expand accounts, and build more revenue.

For more information on the impact ChurnZero can help you make, visit churnzero.com.

