



Understanding The “Why” Behind Customer Churn

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One of the biggest goals that I see companies set is reducing customer churn, and considering that it's far cheaper to keep existing customers than to acquire new ones, this goal only makes sense. Experience programs are powerful tools when it comes to reducing churn, but much like everything else having to do with Experience Improvement (XI), they require continuous effort and fine tuning if brands want to reduce churn. Today, we're going to talk about how to make churn reduction your ongoing goal.

YOU MAY BE HEARING, BUT ARE YOU LISTENING?

Hearing your customers and listening to them are two different things. It's easy to set up a listening post on social media or another channel, but quite another to gather feedback, internalize it, and put it toward transformative change. This also means truly listening to both solicited and unsolicited feedback, as well as both structured and unstructured data.

Customers provide feedback because they expect that the company to whom they're submitting it is listening to them. Customers also give feedback because they want to be heard and to make a difference with a brand. They may want to reward a brand and its staff for a great experience, to report a bad experience or broken journey touchpoint, or discuss more fundamental issues that might cause them to seek out the competition.

In other words, a listening program can help lower and even prevent customer churn, which is why setting such an initiative up is a great first step toward that goal. Brands can use listening programs to reduce churn by truly absorbing feedback, understanding its sentiments, and creating action plans that may include employee coaching, fixing journey touchpoints, and other measures that help customers see they're being listened to. This, in turn, keeps those individuals from going to other brands and reduces churn.



WHY DO CUSTOMERS LEAVE?

Creating a listening program or brushing up an existing one are great ways to reduce customer churn, but sadly, having such an initiative isn't always enough. Many customers don't take time to provide feedback that might otherwise save an at-risk relationship. Other times, they may simply not know how to submit feedback in the first place and leave all the same.

There are countless reasons why customers leave brands behind, some of which are completely beyond your organization's control. Sometimes, customers simply stop needing a product or service. Other times, especially recently, they may no longer be able to afford what your organization provides or have moved to an area where it's unavailable. None of this is to say that listening programs aren't worth pursuing in order to reduce churn—just that churn is an unavoidable frustration for any brand no matter how powerful its experience program or product offering.

With that in mind, brands should focus on using experience programs to manage the churn they *can* control. Poor service experiences, fraud, better competition, and lack of responsiveness are all churn catalysts that can be controlled and influenced with the right experience initiative. As annoying as uncontrollable churn can be, *preventable* churn is 10 times more painful for any organization.

One of the best ways to gather intel on preventable churn is by asking for feedback from customers who have already left your brand. This method, called win/loss research, focuses on understanding the *why* behind both controllable and uncontrollable churn, and can also be a great source of information on the competition as your customers discuss why they went to another brand instead. Attrition customer experience (CX) provides meaningful insights into how to better support continuous improvement processes and retention goals.

DON'T WAIT UNTIL IT'S TOO LATE

Talking to customers who've already left your brand is all well and good, but as I said at the beginning, it's also important to save at-risk individuals *before* they leave. Listening to current customers can help you understand whether they're happy and determine which actions to take if they're not, but it can be hard to know whether the experience they're talking to you about is the one that risks ending their relationship with your organization.

The reason why I'm talking about at-risk customers *after* discussing learning from attrited customers is because understanding why these individuals leave can help you retain future business. Your listening approach should also support identifying at-risk customers and efforts to retain them. In short, listening from both existing and attrited customers allows organizations to work upstream and do a better job of retaining at-risk individuals.

REDUCE CHURN THROUGH CONTINUOUS CHANGE

A solid customer base is a precious asset, especially in uncertain times. Brands can better retain customers and reduce churn by listening to current feedback, soliciting opinions and intelligence from past customers, leveraging employee feedback, and tying it all together to create a holistic picture of strengths and weaknesses. Additionally, sharing all of that information with the wider organization, not just a customer experience team, is a must to ensure focus on continuous improvement.

Though gathering and sharing data is of vital importance, brands can only actually reduce customer churn if they take action on what they see. Hearing and listening are two different things, and customers wouldn't submit feedback if they didn't expect to be listened to. Brands must honor that commitment by taking *action* on what they learn from current and former customers, then creating meaningful, continuous change that reduces churn and ushers in a better experience for all.

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