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FOUNDER & CEO,
CHURNRX

What KIND of Churn Do YOU Have?



#CS100SUMMIT

History of Strategy

Best Product



- Best Features
- Lowest Price
- Transactional

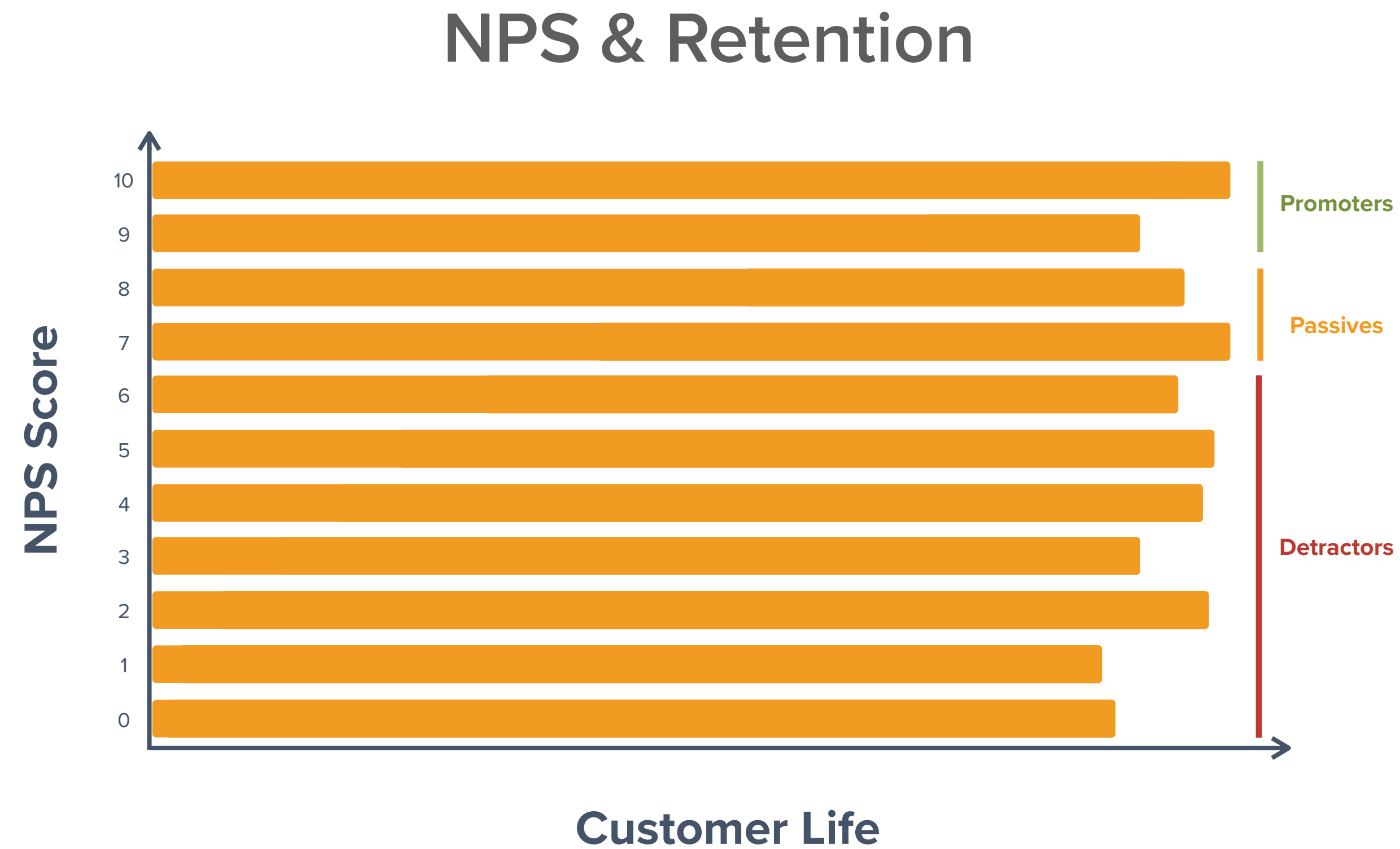
Customer Experience



- Delivery
- Satisfaction
- Recurring



Customer Experience \neq Retention



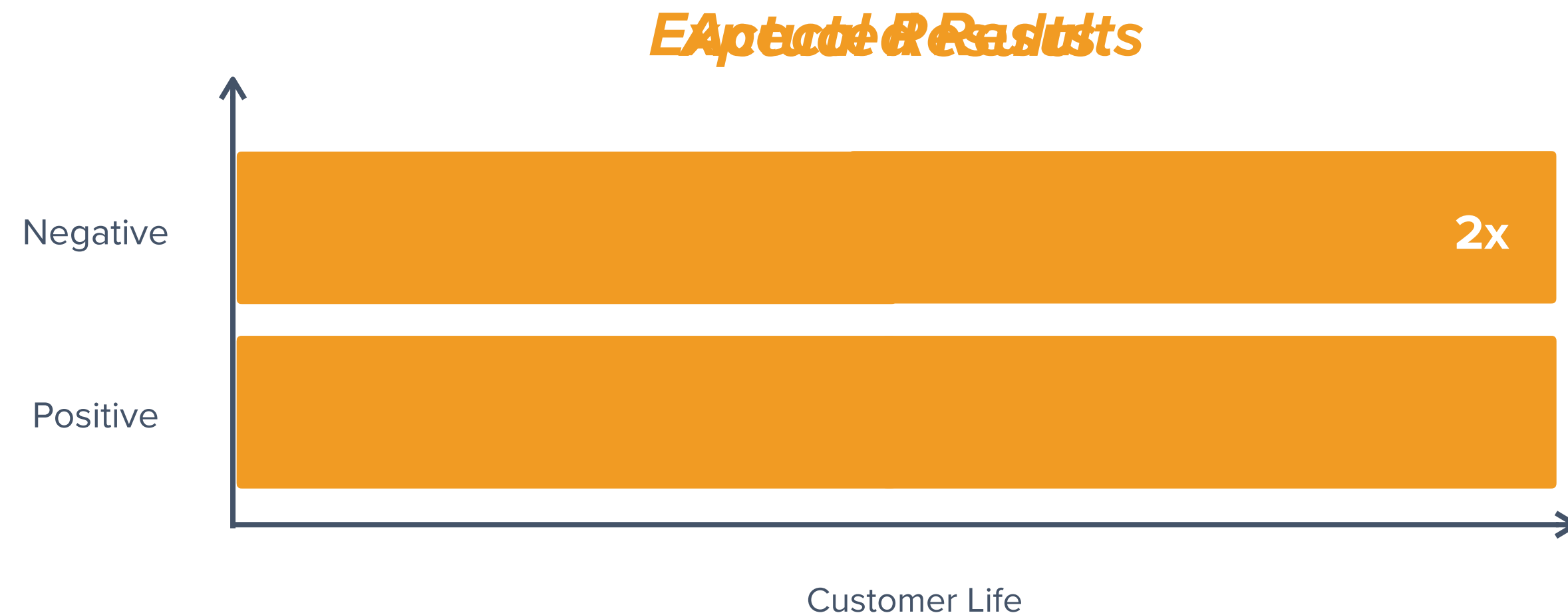
Data Points = 133k | Correlation [r] = .0106

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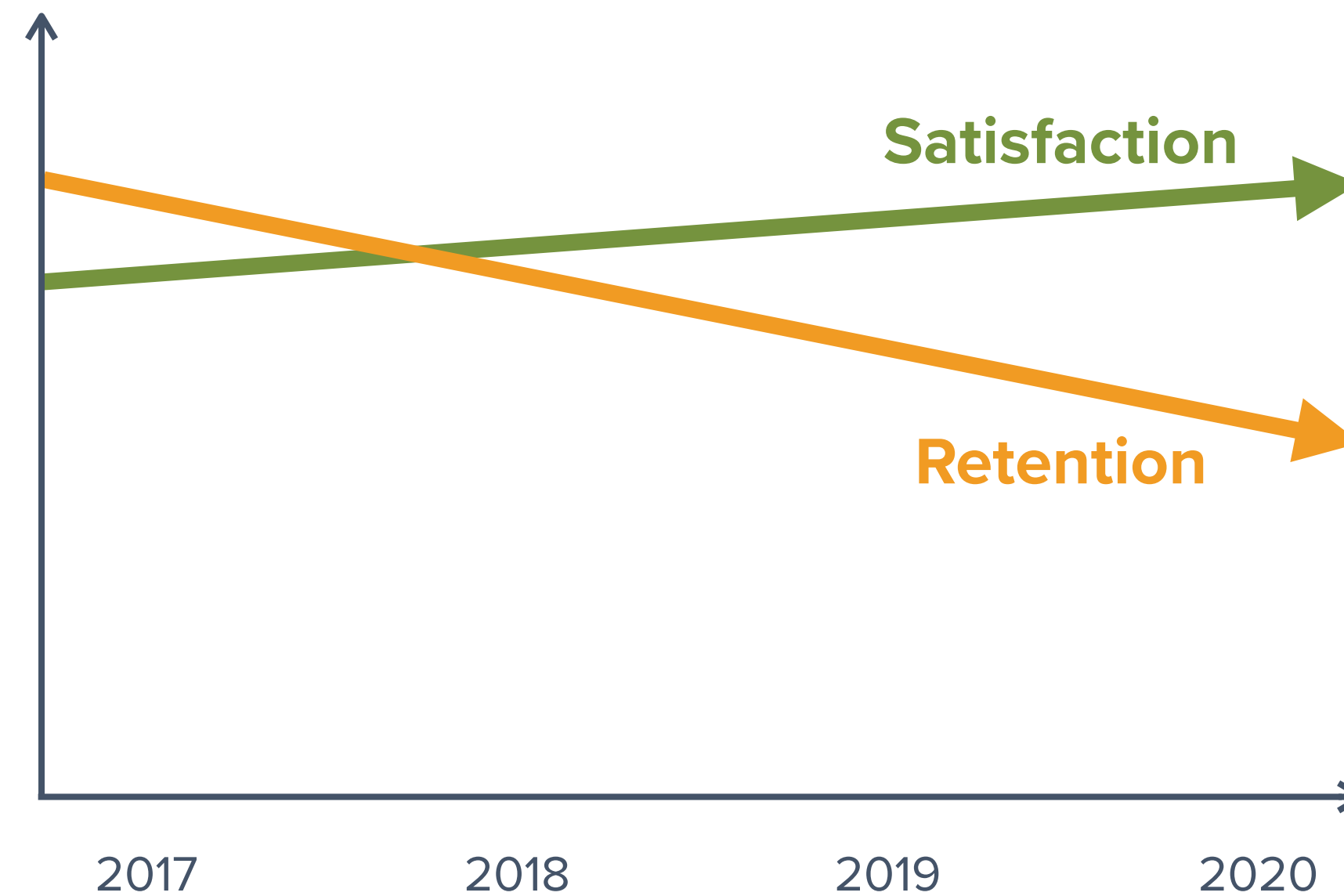
Customer Experience \neq Retention

Negative Experiences & Retention



Customer Experience \neq Retention

Satisfaction vs Retention



Data Points = 8k

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Customer Results Drive Retention

Customers with
Measurable Results

6_x

Stay Longer



History of Strategy

Best Product

- Best Features
- Lowest Price
- Transactional

Customer Experience

- Delivery
- Satisfaction
- Recurring

Customer Results

- Customer Objectives
- Measured Results
- Expansion

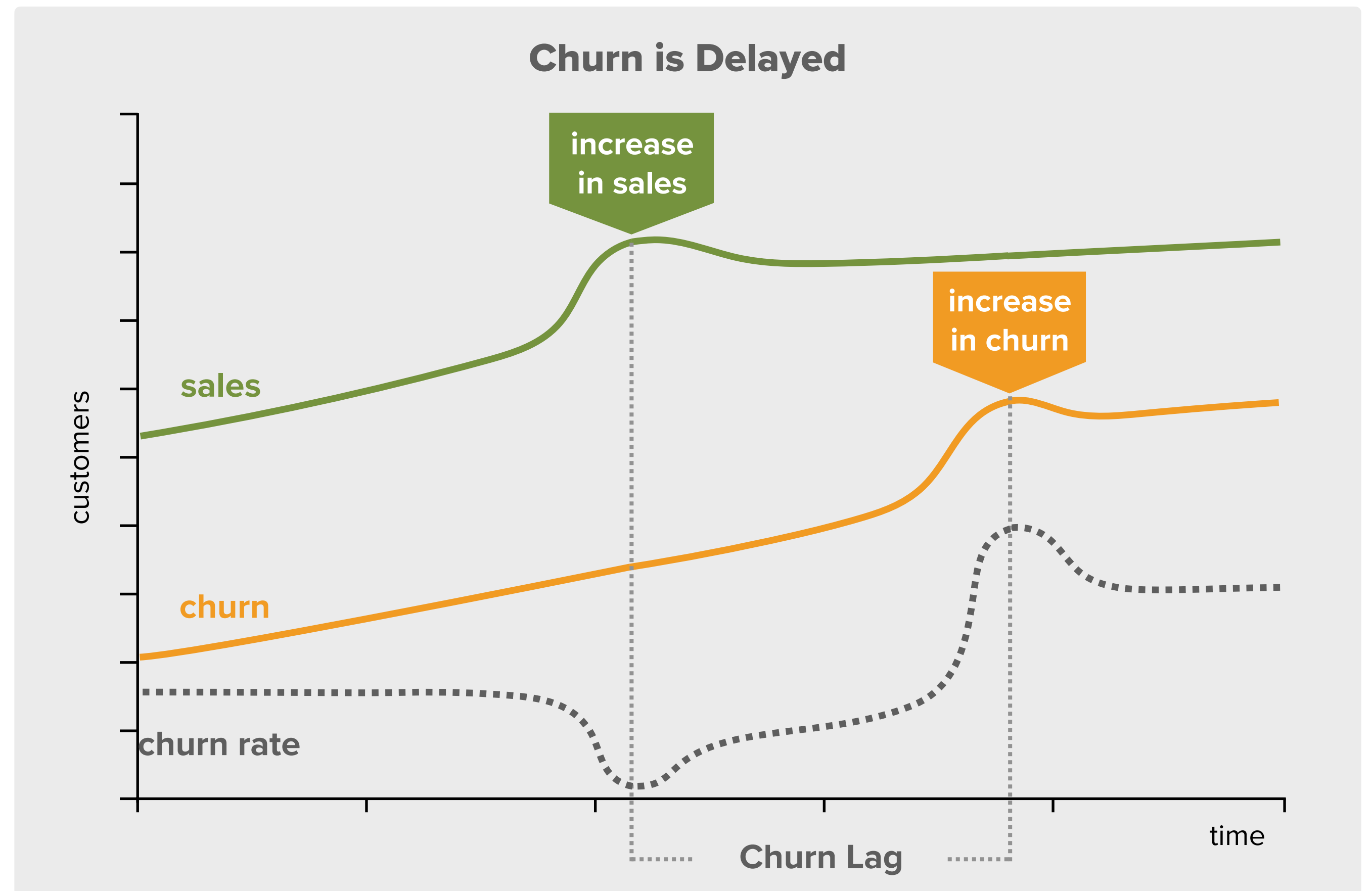


The 3 Laws of Customer Retention

- 1 Customers stay to get results.
- 2 Customers get results because they change their behavior.
- 3 Customers change their behavior because they know why and how to change.

Churn Rates are **Distorted**

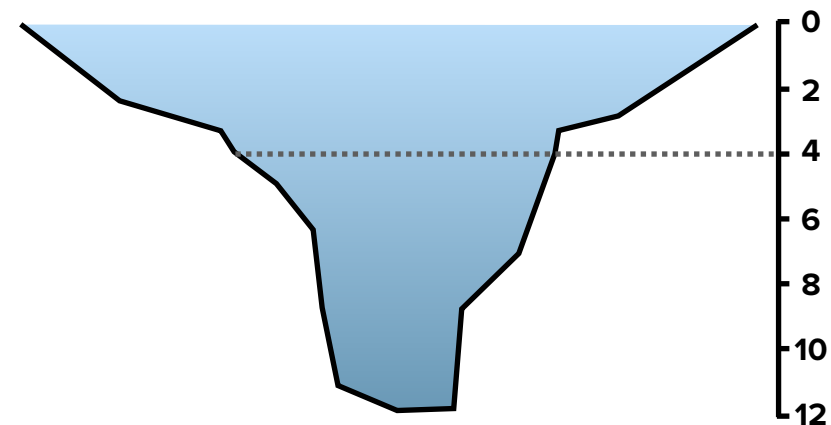
- The Denominator Problem
- Churn is Delayed
- Churn Rates are NOT a good measure of churn



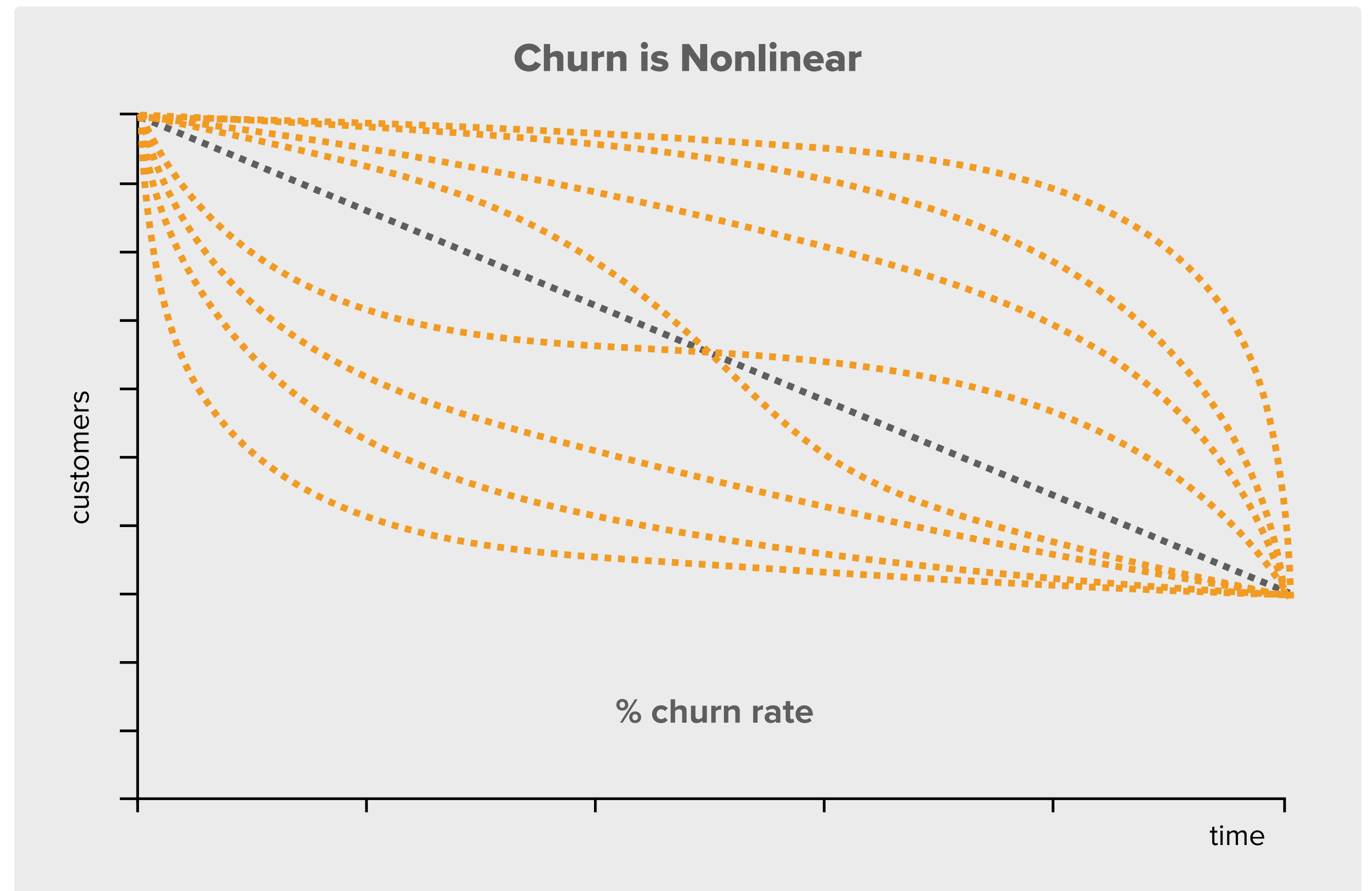
Churn Rates are **Meaningless**

- Churn is NOT Linear
- Visualize Using Cohorts
- The Shape is The Story

***Never cross a river
that's on average
4 feet deep.***



Nassim Taleb



3 TYPES OF CHURN

3 Types of Churn

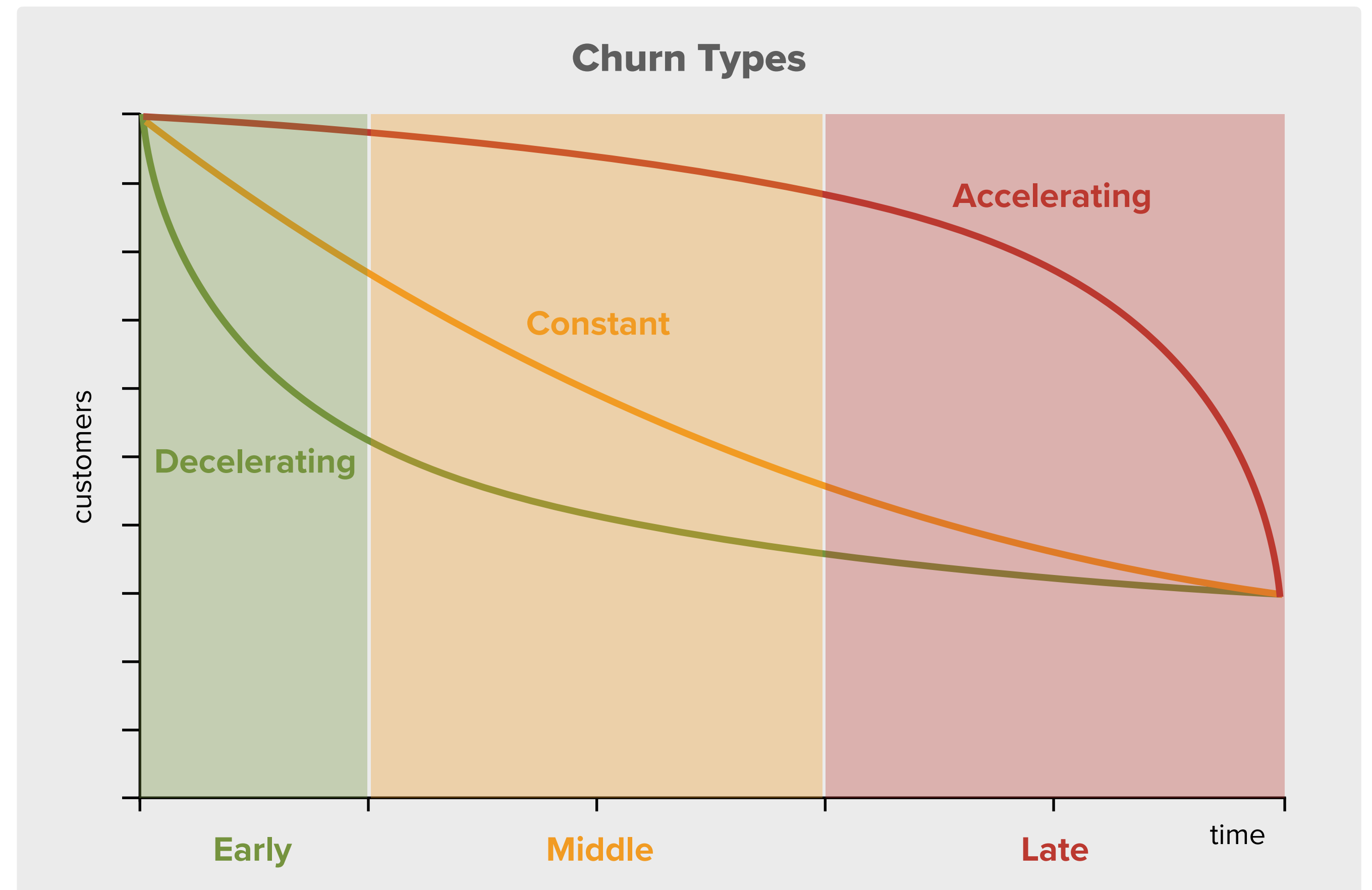
1. Decelerating

2. Accelerating

3. Constant

3 Laws of Customer Retention

- 1 Customers stay to get results.
- 2 Customers get results because they change their behavior.
- 3 Customers change their behavior because they know why and how to change.



First Results

- Customer Fit
- Behavior Δ

Good Results

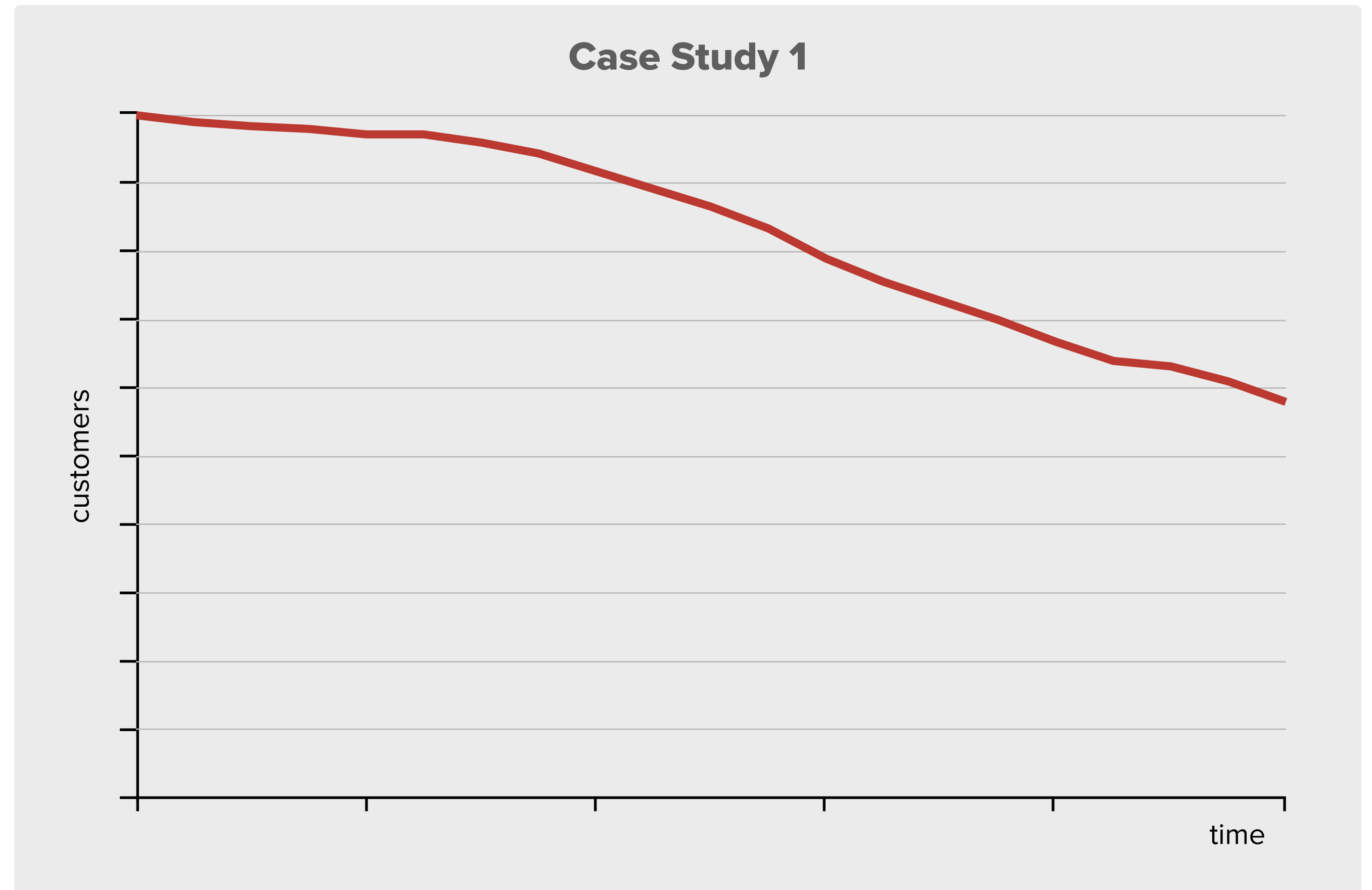
- Business Results
- Measured Results

Future Results

- Durable Value
- Expansion

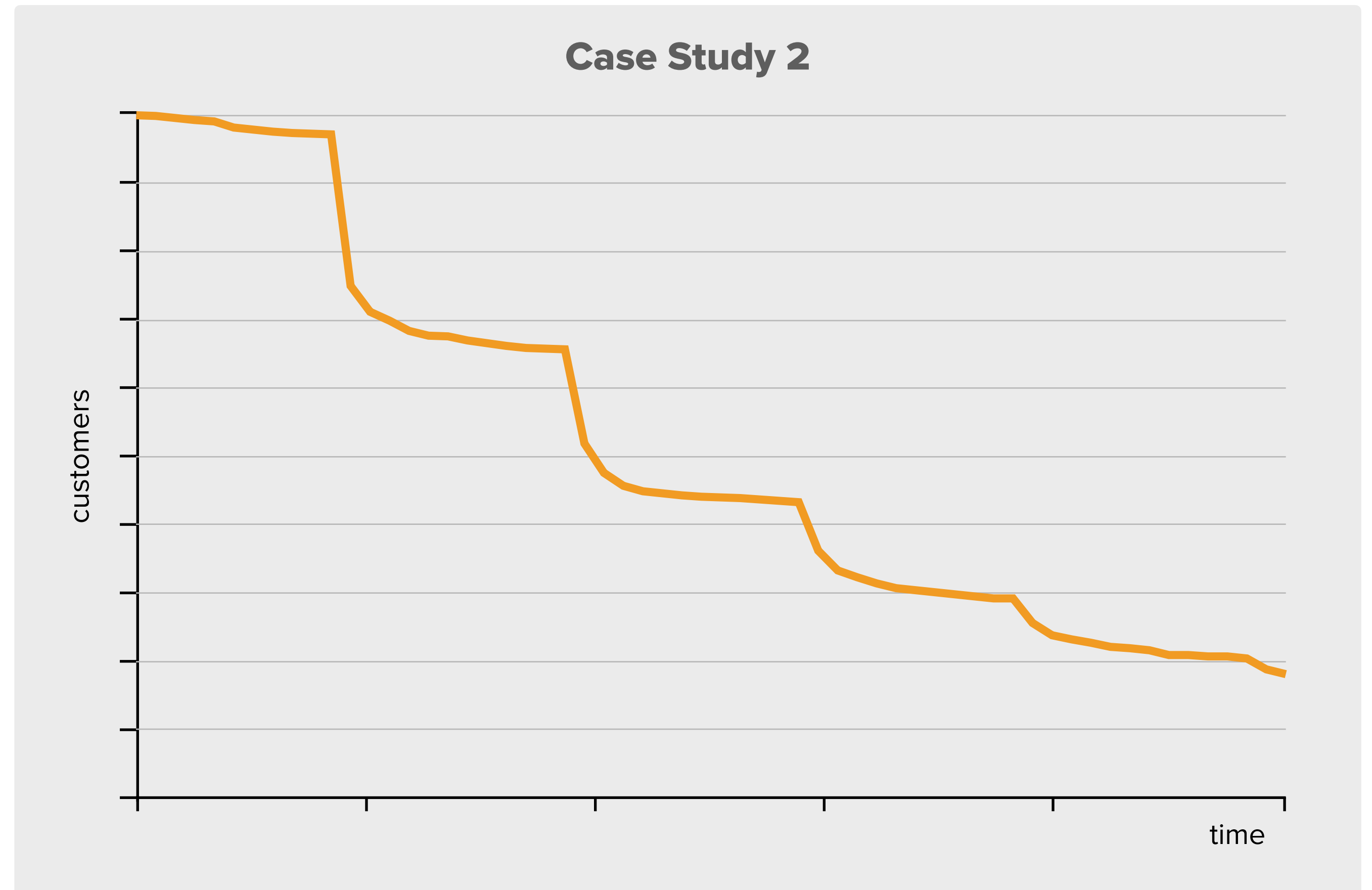
Case Study 1: **Accelerating Churn**

- SaaS Company
- Monthly Contracts
- **Diagnosis:**
Lack of Future Results
- **Prescription:**
 - 1) Durable Results
 - 2) Expansion



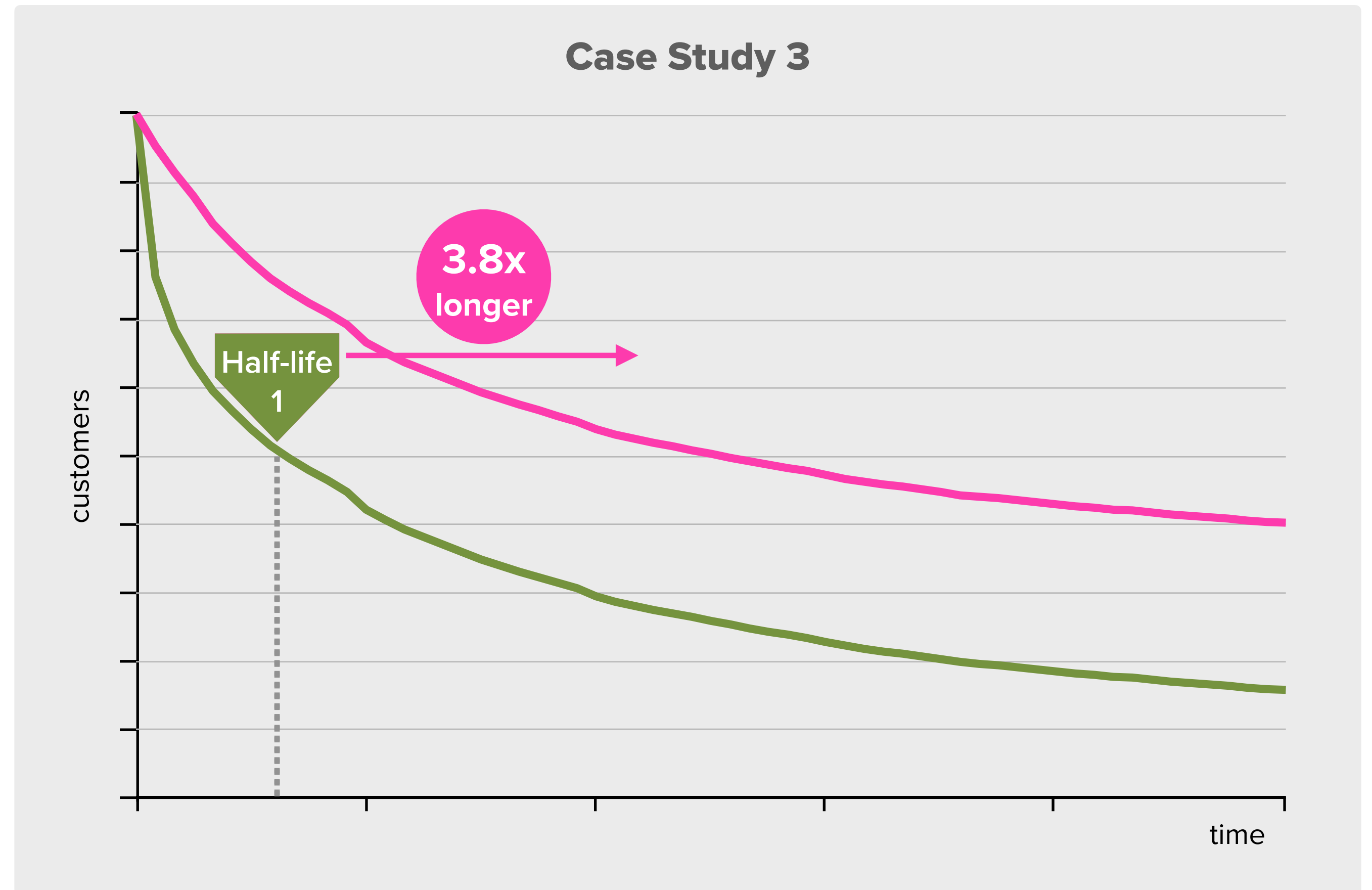
Case Study 2: **Constant Churn**

- SaaS Company
- Annual Contracts
- **Diagnosis:**
Lack of Results
- **Prescription:**
 - 1) Business Results
 - 2) Measure Results



Case Study 3: Decelerating Churn

- SaaS Company
- Monthly Contracts
- **Diagnosis:**
Not Achieving First Results
- **Prescription:**
 - 1) Customer Fit
 - 2) Behavior Δ



The Prescription for Churn

- ① Customer Experience → Customer Results
- ② 3 Laws of Customer Retention
- ③ Solving Churn is simple: What kind do you have?



What Kind of Churn Do You Have?

Churn Type Analysis

CODE: CS100-22

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