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The CMO's subscription churn checklist

For businesses that offer services by subscription, retention is the new growth.

To improve retention, first break down the drivers, and then handle them one by one. Start by distinguishing between active and passive churn. Passive churn is when a billing issue or processing issue leads to the loss of a subscriber. Active churn is when the subscriber chooses to cancel.

Below you'll find proven tactics for overcoming passive and active churn. The first two factors are passive, and the rest contribute to active churn.

1. Review each **churn factor** and corresponding **retention booster**.
2. Add a check for every retention-boosting practice you've got covered.
3. And make a plan to adopt practices you're not currently following.



Churn factor: **Billing issues**

Retention booster:

Did you know that billing issues are one of the largest single causes of churn? You likely use basic retry logic and account updater to recover failed transactions. [Advanced recovery algorithms](#) help you recover about 30% more terminally failed transactions than basic approaches alone.



Churn factor: **Choose not to fix billing issues**

Retention booster:

After a decline that updaters and basic retries can't resolve, don't be too quick to ask the subscriber fix the billing issue by providing a valid payment. Many subscribers will choose not to fix the problem. Busy subscribers may even feel pestered. Data-driven approaches to resolving billing issues, [like retry logic that takes day of the week into account](#), can help you avoid asking a subscriber for help.



Churn factor: **Not using service enough to justify spend**

Retention booster:

"I don't use that much" is a top contributor to active churn. You tackle this problem by keeping subscribers engaged. First, monitor every user for changes in behavior. Then, apply targeting strategies so that personalized suggestions engage users. Keeping engagement high [reduces cancellations by as much as 25%](#).



Churn factor: **No longer need / use the service**

Retention booster:

Some services stop being useful. Even satisfied subscribers should cancel those. Think: Canceling a dating service after it helps you meet your soulmate. But many services thrive on continued engagement – those service must avoid falling into the "never use" category. See "Not using service enough" for ideas to prevent zero engagement before it's too late.



Churn factor: **Too expensive**

Retention booster:

You could offer a little discount to subscribers who ask (many services do). But don't. Find out why they think your service is too expensive, and [address the root cause](#). That might be as simple as pointing out a high-value feature they didn't know about or explaining any savings that come with seasonal or annual subscriptions.



Churn factor: **Not using at the moment**

Retention booster:

Offer the option of pausing subscriptions. Do you already do that when asked? Go further by adding a [pause button](#) to your cancellation page.



Churn factor: **Competitor costs less**

Retention booster:

Make sure subscribers know why your service is worth more. To do that, encourage subscribers to engage with the features that set your service apart. Use targeted one-click options that [guide users to your high-value features](#) with custom overlays, inline content, and invisible experiences.



Churn factor: **Annual membership too expensive**

Retention booster:

You won a subscriber with a great deal on an annual membership. Now, they don't want to renew at full price. Offer another discount, but this time make it smaller – something like 12 months for the price of 10. Or offer seasonal memberships with a discount similar to your annual discount. [Seasonal options](#) are an especially good fit for services with annual memberships that exceed \$200.



Churn factor: **Getting competing service in a bundle**

Retention booster:

You may find yourself competing with bundled offers from tech giants. Subscribers may see so much value in bundles that they switch. Think you can't compete with bundles? Wrong. You can create your own [bundled services or join with complementary services to deliver must-have value](#).



Churn factor: **Too many subscriptions**

Retention booster:

If subscribers leave your service because they have too many subscriptions overall, [turn to bundling](#) by partnering with other services. Your subscribers get multiple services for one price. And you gain allies in the fight against subscription fatigue.



Churn factor: **Privacy concerns**

Retention booster:

Empower your subscribers with granular (and easy) control over their privacy settings. When you adopt best-practice-based user journeys, you'll gain a more [user-focused approach to all settings](#).



Churn factor: **Confusing user experience**

Retention booster:

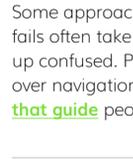
Start with smooth onboarding. Poor onboarding not only lowers conversion, but it also primes people who do convert to view glitches negatively. After onboarding, [the entire account management experience](#) should be seamless. Remove unnecessary or redundant steps. Make it obvious how families can share services. Parental and privacy controls should be just as clear.



Churn factor: **Confusing "personalization"**

Retention booster:

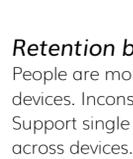
Some approaches to personalization make the user experience worse. These personalization fails often take the form of too-frequent changes to the subscriber experience. Subscribers end up confused. Personalization should leave subscribers feeling they have more – not less – control over navigation, settings, and content. Make personalization user-centric, with [one-click actions that guide](#) people to data-driven suggestions and personalization options.



Churn factor: **Not consistent across devices**

Retention booster:

People are more likely to [stay with a service that offers a good experience](#) – across all the user's devices. Inconsistent sign-on experiences are one of the most common experience problems. Support single sign-on, social sign-on, and third-party IDs like those from Apple and Google – across devices. *Tip: Check with your product team instead of assuming they have this covered.*



Churn factor: **Limited parental controls or family sharing**

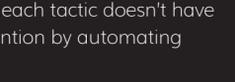
Retention booster:

Enable easy-to-use parental controls. Too often parental controls make it hard for parents to both enjoy age-appropriate content and protect their children. That's why services that need [parental controls should enable multiple users per account](#).

Check every box to increase retention

Once you understand the key drivers of churn, saying "check" to each tactic doesn't have to be complicated. Vindicia delivers a complete approach to retention by automating practices that cut active and passive churn.

[Learn more about how Vindicia can help](#) you overcome churn so you can keep subscribers and their revenue longer.



And [talk to us](#) about getting started.

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