Churn Buster Cancel Flows

TESTING FRAMEWORK

This guide helps you get the most out of Cancel Flows. The analytics and features of Cancel Flows are designed to allow you to follow a specific methodology for closing gaps, gathering insights, and running ongoing tests as subscribers consider canceling their subscription.

Cancel Reasons Review

What is the top cancel reason as shown in <u>Offer Analytics</u>? (Make sure the Reason toggle is selected.)

- If "No Reason Chosen" or "Other" is a top cancel reason, revamp cancel reasons based on customer feedback.
- Export <u>Sentiment Analysis</u> and look at comments for "No Reason Chosen" or "Other" cancellations.
- Is there a need to adjust existing cancel reasons or add a new reason?

Do you have the right amount of cancel reasons? Generally between 5-10 cancel reasons is best. 7 is the sweet spot.

 Beyond 7 reason options, it's common to see the rate of customers who choose No Reason increase. Limiting the options gets you better data over time.

Sentiment Review

<u>Sentiment Analysis</u> can be used by retention teams to hone in on how customers speak about products or problems in their own words.

Look for patterns in negative sentiment. This can often point to ways to improve your overall subscription program, specific products, or the subscription management interface.

Positive sentiment could be used for testimonials or reinforcement about what's working well.

Offer Testing & Coverage

Ensure each cancel reason has at least one offer attached in the Cancel Flow Editor. For cancel reasons that don't have a clear correlating offer, use the same offer attached to your top cancel reason.

Offer acceptance rates depend a lot on which reason the offer is attached to. Offers should match the reason.

Examples:

- "Too much product" focus on helping them manage their subscription deliveries (reschedule, skip, education)
- "Too expensive" discounts are the top-performing offer type.
 - X% off 2 or 3 orders is a best practice to reinforce longevity with the subscription (instead of simply incentivizing them to stick around for another month).
- "Product dissatisfaction" swap, free gift, education
- "Service/subscription dissatisfaction" contact Customer Support

Active Tests

It's a best practice to have at least one active test running. Focus on the top cancel reason, since that is where the most volume goes and it can yield the biggest wins.

For example, if your top cancel reason is "Too expensive," you can test the
effectiveness of multi-order subscriptions with "25% off your next order" vs. "25%
off your next 3 orders"

Deep Dive: Segmentation & Targeting

A segmented cancel flow can be created to send a specific group of customers through an entirely separate flow.

• The most common use cases would be a specific product line that would benefit from separate reasons and offers, or treating new subscribers (e.g. subscribers with fewer than 2 orders) with a unique experience.

Specific offers in your default flow could also be targeted based on the same criteria.

Segmentation and targeting should be kept to a minimum to preserve the testing framework. The Churn Buster team can assist with assessing and implementing segmentation opportunities.