

Subscribe Win-back Guide



# How to win back lost subscribers

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# Why focus on winning back subscribers?

This guide covers the challenges of winning back lost subscribers. There are many reasons why customers might leave your subscription and some of them have no intention of returning.

However, many subscribers churn for practical reasons or because the subscription doesn't fit the situation they are in now. Subscriptions like surprise boxes and beauty boxes might be canceled, because the subscriber wants to save money for a few months and doesn't feel the need to spoil themselves with monthly surprises.

Perhaps the wine subscription is canceled, because a couple is expecting a newborn and alcohol won't be relevant in the coming future. Or perhaps the favourite show on the streaming service has come to an end and the subscriber thinks that it's time to take a break from binge-watching.

The point being, even though subscribers might churn, it doesn't mean that they are never coming back. But sometimes, they need a little motivation to move into the habit of your subscription again.

Perhaps a little benefit can remind them why they fell in love with your subscription in the first place and rebuilding that relationship is your responsibility. In some, but not all cases, win back can actually be easier than acquisition. Restarting a conversation with a consumer who knows your product can be much more effective than reaching new leads through cold channels.

This guide provides a strategy for winning back lost subscribers and touches upon some of the pitfalls and benefits of this activity. It also helps you identify the subscribers that are most attractive to win back and who will be most likely to re-subscribe to your subscription service.



Acquisition



Onboarding



Retention



Churn



Win-back

# Segment customers in terms of win-back attractiveness

Are all lost customers equally desirable to win back? Do you actually want to win back all ex-customers? Intuitively the answer to these questions is no!

But how do you determine the desirability of your ex-customers, and how do you decide whether a particular ex-customer is really a win-back candidate? To answer this, you must segment your lost customers in terms of both their reasons for churning and their attractiveness as a customer

You need to learn why your customers have churned from your business, and you need to store that information at an individual customer level. This will help you decide whether trying to win back a given customer is worthwhile and how that customer should be approached.

In essence, customers who leave can be divided into five groups:



Those who are intentionally pushed away



Those who are unintentionally pushed away



Those who are pulled away



Those who are bought away



Those who move away

# Segment customers in terms of win-back attractiveness

We intentionally push customers away for different reasons – perhaps they don't fit our customer profile, perhaps we lose money on them. Or perhaps customers churn because they no longer need the product or service (moved away).

These customers might not be as easy or desirable to win back as customers that have left either because we didn't meet their expectations (unintentionally pushed away) or because they were pulled or bought away by our competitors. Knowing the reason for churn is likely to prove valuable in grading lost customers and determining their win-back attractiveness for the future.

Consequently, you need to record the reason for leaving whenever a customer leaves your business. One good way is to conduct an exit interview.



Phoning customers, sending them a questionnaire by e-mail, or having the reason for leaving built into the online cancellation flow shows them that you care about the relationship and are keen to understand why they left.

Not only will this provide valuable insight, it will also make the churning customer more enthusiastic next time you contact them.

Another important measure is the value of your lost customers. How much revenue did the customer generate, and for how long did they remain a customer for? These are some of the measures that can help you calculate the expected future value of a customer if you win them back.

Using both customers' reasons for leaving and their expected future value, you should be able to segment and grade your ex-customers and decide which of them are worth trying to win back and what priority to assign to different groups.

# Define and implement a plan to win back lost subscribers

Once you have decided which customers to win back, you should move on to defining and implementing your win-back plan. Your win-back plan should take into account a number of factors. You need to decide when and how often you will contact former customers, what message to send, and which sales channels to use.

When and how often you should contact your ex-customers will vary a great deal from business to business and industry to industry. Some companies and industries contact lost customers many times a year, while others take a more modest line. However, you should take into account your customers' buying habits and circumstances.

For instance, if you sell mobile telephone subscriptions, you will often find that customers who have churned immediately shift to one of your competitors, since customers commonly need one, and just one, mobile subscription. In designing your win-back frequency plan you should take into account the contract length that is normal for mobile subscriptions in your market.

If the normal contract length is one year, you might design your win-back plan so that you contact former customers eleven months after they have left you.

Whichever market you are in, you must aim to design a win-back frequency plan that best fits your customer's needs and the market you are in. Then you need to plan what message you will use when contacting your lost customers. Your win-back message might contain some or all of the following points:



Acknowledgement of the customer's past affiliation with your business



Discussion of improvements made since the customer left



Emphasis on the ease with which the customer can re-engage



Perhaps provision of a financial or other incentive for re-engaging

# Define and implement a plan to win back lost subscribers

The key thing here is that the churned customer should be recognised by your business as a former customer, one that you miss and will do all you possibly can to win back. Perhaps you will even be able to personalise your win-back message using the data you have about their history as a customer and their reason for leaving. If so, your win-back message will be so much more powerful. But even if your win-back message is standardised for all ex-customers, it is probably still an efficient means of winning back customers.

Lastly, you must decide which sales channels to use when contacting lost customers in order to win them back. In carrying out your win-back activities you will probably use some of the same sales channels you use when acquiring new customers. If you use e-mail marketing as a sales channel for prospective customers, it is very likely you will also find it profitable to use e-mail marketing for win-back activities.

However, you need to consider that when it comes to customer win-back it is important for your sales approach, and hence your use of sales channels, to be as personal as possible. Be careful not to spam your former customers with repetitive win-back messages via e-mail on a weekly or monthly basis just because it is cheap and easy to do.

Once you have implemented your win-back plan, you will find that some of your win-back initiatives are working better than others.

Some messages will perform better, some customer segments will have higher hit rates, and some sales channels will outperform others. You therefore need to constantly measure, evaluate, and refine your win-back plan to improve win-back results.

# Putting it all together

One question is how to measure the effect of your win-back initiatives. The most straightforward measure is hit rate: This is how many former customers you win back through a given activity. However, a more precise measure is the value of the win-back sale. An even more sophisticated measure is the lifetime value of the re-engaged customer. By calculating the value of the sale or the lifetime value of customers, you can compare these to the acquisition costs associated with your win-back activities and assess whether you are prioritising the right segments, the right messages, and the right sales channels.

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Constantly refining your win-back plan will help ensure that you get the most out of one of your most valuable assets – the customers you once had.

## Win-Back Activities

Segmentation



Prioritization

Timing



Dialogue

Acknowledgement



Incentives