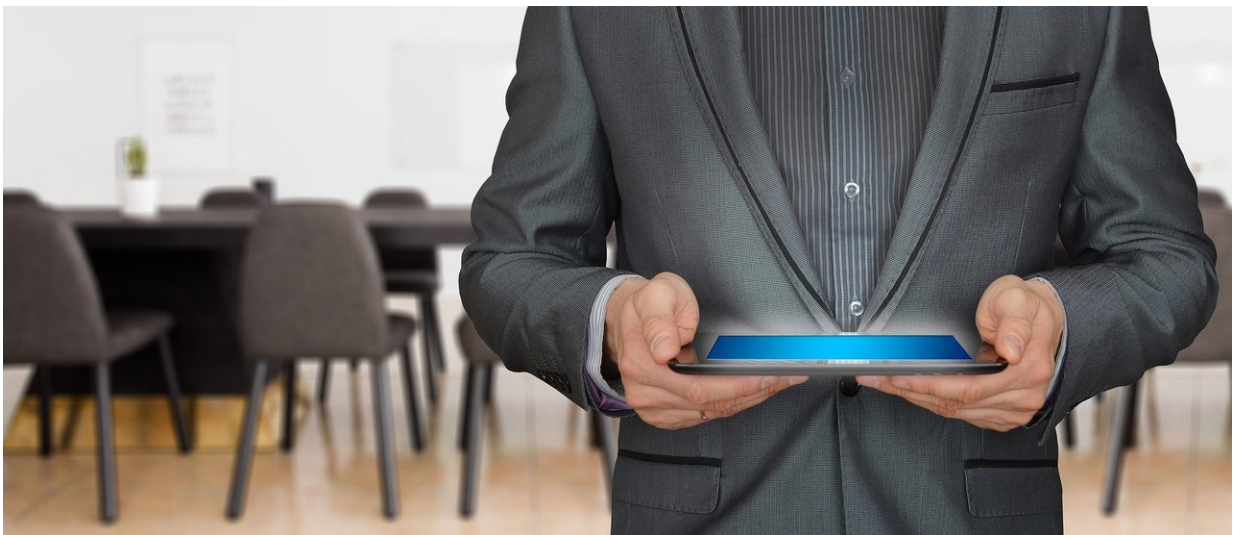


It's not you, it's me: How customers break up with sellers

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Companies invest billions each year in expensive customer service programs, sales forces, and sophisticated discounting programs such as Groupon to lure and retain customers only to find that churn remains one of their biggest and most expensive challenges. According to a new study, customers have a tendency to send clear signals before they "break up" with a company, but you have to know what to be monitoring, and the key to any relationship remains effective communication.

The study "Some Customers Would Rather Leave Without Saying Goodbye," which will be published in the INFORMS journal *Marketing Science*, is co-authored by Eva Ascarza and Oded Netzer of Columbia Business School, and Bruce G.S. Hardie of London Business School.

The study is unique in that it is one of the first to analyze "hybrid" settings, where customer could leave the service either by canceling their account/unsubscribing or by stopping to interact with the service. As a result, [firms](#) operating in these settings, face two different types of churners: "overt churners," who inform the firm about their disengagement with a company; and "silent churners" who tend to fade away more quietly simply by not making repeat purchases.

The authors analyzed customer behavior in two different (hybrid) contexts: a daily deal website and a performing arts organization. They separated overt churners from silent churners to understand and predict both types of churn and then explore possible levers to better manage the customer base.

"We have consistently found that overt churners tend to interact more, rather than less with a firm prior to disengaging with that firm," said the authors. "This means that they will open emails they receive and read communications from a [company](#), but it can be a mistake to assume that simply because a customer is engaged, he or she is satisfied and will not leave." In turn, the research found that while overt churners may engage with the firm by opening emails and reading them, they rarely click on links in the emails, which suggests that the content is not perceived as valuable to them.

"We have found that once a customer transitions into the "silently gone" state, the firm is highly unlikely to reengage the [customer](#) using previously used communication methods," said the authors. "However, a more proactive and customized [communication](#) reduces the possibility

that certain customers will leave silently".

More information: Eva Ascarza et al. Some Customers Would Rather Leave Without Saying Goodbye, *Marketing Science* (2018). [DOI: 10.1287/mksc.2017.1057](https://doi.org/10.1287/mksc.2017.1057)

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