There is no question that the COVID-19 pandemic will change the way our world operates. Some startups will be hit harder than others and will need to pivot their business operations entirely. Others will thrive and accelerate their growth. But now, more than ever, every company needs to prioritize customer retention. No matter their size, businesses need to strengthen relationships with customers so that they remain loyal through - and beyond - this crisis.

The Zendesk for Startups team recently partnered with fintech unicorn Brex to discuss how COVID-19 is impacting startups. The duo then collaborated to produce guidance on building and maintaining a customer retention strategy, creating a system to measure customer satisfaction, investing in data to delight customers, and establishing an omnichannel communication approach.

Customer Service Guide for Startups: Optimizing the Omnichannel Experience

Every business works hard to attract customers through a combination of marketing, social media, and brand strategies. With so much time, effort, and money invested in gaining customer trust, it makes sense that companies would want to keep it.

Every customer counts when you're growing your business. That's why having a strong focus on customer retention is essential, whether you're just starting out or have been running your company for years.

Summary

01

Customer retention matters

Many businesses underestimate the importance of maximizing customer lifetime value. Startups, in particular, need to focus on achieving sustainable growth. Remember that retaining a customer you already have is cheaper than acquiring a new one. In fact, according to the Harvard Business Review, acquiring a new customer can be anywhere from 5 to 25 times more expensive than retaining an existing one.

So how can a startup improve its customer retention? The key is to examine the entire customer journey. A customer journey includes everything the customer thinks and feels when they first encounter your brand. Understanding that journey requires a level of empathy that only the most successful startups will embody and exhibit.

At Brex, Director of Customer Experience Lucas Parelius explains, "Here, empathy involves empowering our team to advocate for each individual customer's situation." Incorporating processes and procedures that encourage the team to advocate for the customer, when warranted, Brex relies on the logical or rational option for its customer. This requires an organic customer focus rather than an overly prescriptive environment.

In creating a seamless experience that considers a customer's entire experience and makes them happy every step of the way, you'll have a much better chance of retaining them. If your startup falls short of customer expectations, you risk losing those customers before you even have an opportunity to improve. If the product doesn't work, your customer service team doesn't respond to customers' queries in a timely fashion, or your customers don't see the real value of your product, your company likely won't maintain a strong customer base.

02

Create a system to measure customer satisfaction

Entrepreneurs often focus on factors like team, product, and market fit when building their business. While these factors are essential, startups must not overlook the fact that customer acquisition costs might be higher than expected. And sometimes, more resources are required to monetize those customers.

Focusing on customer satisfaction from day one can save your business money, and avoid headaches when it comes to customer churn. By acting early and maximizing resources, you can provide an effortless experience for your customers, addressing each of their needs. Doing so requires devising a strategic set of processes that help you gather feedback, diagnose problems, and act fast to proactively solve them. Measuring and addressing customer satisfaction is critical to company success.

Brex has incorporated processes that encourage its cross-functional teams to understand and advocate for each customer's situation. To measure the health of its customer base, Brex uses a Net Promoter Score (NPS) to track customer feedback. "We actually have an NPS channel on Slack," says VP of Marketing Elenitsa Staykova, "which is open to the whole company, and everyone is encouraged to join." Employees can see NPS reviews in real-time, and read both positive and constructive customer feedback. "I start and finish my workday on the NPS Slack channel, and it really helps me stay close to customers and understand first-hand how they experience the product," she says. Brex teams have also built a Customer Health Score, which can predict churn and help manage retention.

Ready to start? The following steps can help create a system for measuring customer happiness:

Step 1 | Define stakeholders and ownership. Decide who will handle the process of measuring customer satisfaction, and who else needs to be involved. Determining stakeholders and team ownership will help ensure processes run smoothly and everyone knows their responsibilities.

Step 2 | Establish a timeline. Find a regular cadence for gathering, analyzing, and acting upon customer feedback. Whether weekly, monthly, or quarterly, consider whether you have everything you need to meet the timeline.

Step 3 | Assess resources. Evaluate your tech stack and build an architecture that allows you to monitor, scale, and improve your customer journey.

Step 4 | Gather feedback. Talk to your customers to understand their satisfaction level and frustrations. Consider launching automated or intuitive feedback mechanisms, and listen to suggestions and complaints.

Step 5 | Create an action plan. What's the point of collecting feedback if you don't act on it? Commit to responding to or addressing the feedback you receive, and be prepared to make changes or adjustments in the way you operate.

Step 6 | Streamline customer communication. Create a regular communication plan with your customers, and determine which tools are necessary to maintain that level of communication. Proactively inform customers of the actions you will take based on their feedback, and make this an opportunity to strengthen customer relationships. Ensure the plan is communicated across the entire business, as well, to ensure consistency in voice and message.

Step 7 | Measure success. Be transparent with your plans to measure the efficacy of any behaviors or modifications. Define what success will look like, and what your achievable goals are.

Deciding who will own the process of measuring customer satisfaction will depend on how your startup is structured. Responsibility can fall to the CEO, CCO, CMO, or other leaders in the company, but regardless of ownership, customer experience is ultimately everyone's job. Determining the frequency at which to review feedback and apply improvements to the customer journey is also imperative. As your startup grows, priorities can shift. And while the process owner may be the last to notice, your customers will be the first to retreat. Establishing and enforcing regular check-ins will ensure your customers always remain Priority No. 1.

As it pursues its mission to help startups build successful and sustainable businesses, Zendesk has created a tech stack guide with recommendations for improving customer experience, as well as advice on gathering and implementing customer feedback.

03

Offer an omnichannel experience

From the moment they land on your website, beyond conversion, and throughout the post-sales process, customers will approach engagement and communication very differently. When building your company, you may spend hours considering your product, market fit, and building a world-class team. But the truly successful startups will focus first and foremost on their customers' experiences. After all, without customers, does your product even matter?

When implementing a first-class customer experience, acknowledging different engagement styles is critical. People prefer to interact in various ways, and it is your job to provide enough options and avenues to accommodate those styles.

An omnichannel experience gives customers a variety of simple yet effective ways to engage with your product and service teams according to their schedule and preference. When channels are interconnected, customers can continue conversations with agents seamlessly, putting time back in their day and increasing agent productivity. In other words, it's a win for everybody.

To demonstrate respect for customers' time, Brex created a feature in their system that shows when there is a lag in response time. If the wait is longer than one minute, customers are given the option to send Brex customer experience associates an email straight from the chat window. This system eliminates large chat queues, maintains transparency and communication, and improves the overall customer experience.

If your agents cannot properly address a customer's needs in one channel, or easily integrate it with the rest of your support suite, you are better off without that channel altogether. A single well-oiled channel is more effective than several disjointed or poorly functioning ones.

“The ability to integrate all communication channels into a single, unified platform was absolutely crucial for us. Having everything in one place means the [customer support] teams are no longer constantly switching between different platforms. They have more control over customer data–and, as a result, the customer experience.”

- Kevin Miodek
Head of Customer Support and Operations

Your old friend, email.

Although there are many ways for customers to contact you for support (email, chat, messaging, phone, and so on), for both customers and agents, email notifications and email-based conversations are at the core of the customer service interaction.

Because emailing is so easy, a shared customer service email account can quickly become inundated. This can be chaos for teams who are trying to manage multiple users in the same account, resulting in slow response times, missed messages, or duplicated efforts—all of which diminish customer satisfaction.

Keeping email under control is imperative to providing a good customer experience. As your business grows, you might consider adding a software platform to help manage email, sometimes called help desk software or customer support software.

A more robust customer support software solution for email ticket management offers the advantages of automated workflows, real-time collaboration, and performance analytics.

Enabling email support integration as a Help Desk solution can help your company:

Save time. When you implement a robust customer support tool, you can automate workflows to save your team time.

Understand context. Many customer support software products categorize tickets based on product, department, priority, or other relevant factors. These inputs provide valuable context for your team, and can offer situationally appropriate support to improve customer satisfaction.

Never miss an email. When using shared tools like Microsoft Office, customer emails are bound to slip through the cracks. Customer support software updates in real time and keeps your team accountable to existing target response times or service level agreements.

Track results with data. By organizing and tagging emails when they first arrive in your queue, you are effectively creating customer support data. Your team can mine that data for insights about your customers and your service environment. These insights can inform staffing decisions or even influence product developments.

Email is a traditional route for many customers, an obvious choice because it is familiar and doesn't require a large or immediate investment of time. And many people simply prefer to not engage directly with other humans when they are troubleshooting an issue. The case for email is a valid one. But there are times when a company must focus its attention on those avenues that will maximize efficiency and efficacy.

As volume increased following the initial COVID-19 outbreak, Brex realized it needed to prioritize its own channels. "We found that focusing on live channels - chat and phone - had the most meaningful and positive impact on the customer experience," Parelius says of Brex's COVID-19 CX strategy. Since emailing rarely necessitates an immediate response, live channels were expected to be fully staffed first. "Chat is especially useful because agents can handle multiple chats at a time, which boosts the number of customers an agent can serve, optimizing productivity," says Parelius. "Prioritizing efficiency and customer experience is critical to customer retention."

Rather than overwhelming customers with too many channel choices, consider the natural journey your customers might take, and simplify channels for them at particular touchpoints. Don't forget to take into account your available resources and cross-functional assets, and how you can make the most of each to build customer loyalty.

Adapting its customer experience across all departments, Brex established a cross-functional team from marketing, sales, business development, finance, and operations to gather feedback and address customer challenges. "As soon as COVID-19 started," recalls Staykova, "a small group of us sat down to figure out what tangible value we could offer customers to help them weather the economic storm." Within four days, the company had launched a brand new credit card rewards program, incorporating the option to earn points on remote collaboration tools like Slack and Zoom, and food delivery like DoorDash and UberEats. The pivot reflected the new environment, and demonstrated Brex's commitment to serving its customers' needs in evolving climates.

Staykova adds, "We've seen tremendous adoption of our remote rewards program - a sign that our customers see the value in it, too. This type of cross-functional collaboration is helping us build long-lasting relationships with customers, and making a real difference in their lives and businesses."

Brex has also taken customer feedback beyond the chat box. "When the CARES Act was signed, we knew our customers would have questions, and we wanted to help them access the funds as quickly as possible," says Staykova, signaling a rising trend toward exceptional customer service. "We studied the program and proactively shared ways our customers could apply for SBA loans through our partners."

To reinforce its focus and optimize customer success, Brex has also implemented safeguards for its customers. "In an effort to avoid declined transactions, we have begun calling the administrators of accounts that are close to their limits," says Parelius. "We then offer various solutions to avoid hitting that limit."

Empathy goes a long way in creating a seamless customer experience, and a combination of robust channel options and organizational strategy can have a great impact on retention.

Although email remains a popular way to contact customer support, new channels are emerging all the time, giving customers more freedom to choose what works best for them. For example, Millennials and Gen Z report using messaging almost as much as email for customer support issues. Live chat and social media messaging are also popular among this key demographic, although fewer than 30% of companies offer either, according to the Zendesk Customer Experience Trends Report 2020.

As your business continues to grow, you may want to expand your support environment to accommodate more than just email. Adding new channels like social media or live chat is easier than you might think, and you could gain a competitive advantage by adopting them early.

To offer live channels or not to offer live channels?

Many businesses now view every customer interaction as part of a single, continuous conversation taking place across several different channels. However, some customers prefer personalized experiences, live interaction, and rapid responses. With a rise in new and emerging support channels like social messaging apps and SMS, startups may question which channels to open and how to provide an omnichannel experience using limited resources.

Before opening a new communication channel, be sure that you have the resources to manage it. Then be sure the chain adds value to your customers, instead of over-complicating the experience for them.

If you aren't offering support for a particular channel, make that very clear to customers so they know what to expect when they seek help through that channel. Who wouldn't get frustrated requesting help through a website's live chat, only to be instructed by the agent to call customer service?

Create personalized experiences with social messaging.

Social messaging has fundamentally changed the way we interact with friends and family in our personal lives. Odds are good that you've heard of Facebook Messenger, Whatsapp, WeChat, Line, or Snapchat. Maybe you're even an avid user of a few.

Messaging is a quick and easy way for customers to begin a conversation. And messages via an app or social media can be sent asynchronously, much like an email, at a convenient time. Enabling social messaging as a part of your customer service strategy is an excellent way to improve customer experience. It also creates more meaningful relationships with your customers by meeting them where they are and providing an effortless and accommodating experience.

Seventeen percent of people between the ages of 18 and 24 already resolve their issues with a company through social messaging apps, and this is expected to become more mainstream in the coming years. If your startup currently has a young and mobile-first user base, you should consider enabling social messaging as part of your omnichannel approach.

Social messaging can benefit your company by:

Providing convenience. Unlike live chat, people don't expect an immediate reply to the message. Messaging is designed to create continuous and convenient digital relationships with customers.

Improving CSAT. Agents can pick up a conversation where a customer left off, which creates an experience that is both personal and effortless. According to Zendesk Benchmark 2020 data, third-party messaging has a customer satisfaction rating of 98%, the highest of all different channels.

Reducing operational overhead. As you introduce automation and chatbots, you can drive customers to self-serve and take action on their own, which will ultimately lead to savings on operational resources.

PAYJOY

"When we implemented the WhatsApp integration, things escalated quickly. Our SLA (service level agreement) of 24 hours dropped to 6 hours and then, through more training with the reps or agents, it went down to one minute. WhatsApp is one of the best communication bases we have with customers today."

- Oswaldo Romero Carranza
Customer Service Manager at PayJoy

Ready to start? Consider these steps when enabling social messaging in your startup:

Step 1 | Choose the messaging app.
Learn which messaging apps your customers use most. If you aren't sure, simply survey them.

Step 2 | Define the goals.
Determine the goals of these channels, establish how they will interact with other channels, and decide how you will measure their success.

Step 3 | Provide a seamless experience.
Pick a tool that enables your agents to provide support from the same platform, and one that allows integration of the messaging apps with the channels that you have already opened.

Step 4 | Create an escalation path.
Define a process that your agents will follow in case they need to move the conversation to another channel or get help from another team.

Step 5 | Establish support flows.
Automate conversational flows that would lead customers to self-serve and save operational resources.

Help me now! Let's chat.

Choosing the right channel depends on the nature of your business and your current resources, as well as your goals. The value of live channels for specific customer segments or issue types has become apparent in recent years, and companies are realizing the benefits of providing support through these options.

Live chat can benefit your company by:

Enhancing customer engagement. Offering the ability to engage with customers in real-time, agents will know exactly where customers are struggling, and can quickly problem-solve on their behalf.

Boosting agent productivity. With the rise of A.I., some companies choose to deploy chatbots to answer repetitive, frequently asked questions instantly. A.I. frees up agents to help other customers with more complex issues.

Reducing operating costs. Chat is one of the most efficient support channels, allowing agents to handle multiple conversations at once — a feature not possible via phone. Increased efficiency and agent productivity translate to a lower cost per contact for your organization.

Upleveling customer satisfaction. Seconds matter. And chat satisfies a customer's demand for immediate answers without the need to jump through hoops. Chat usually offers faster resolution rates, which generally leads to higher customer satisfaction.

Increasing sales conversions. Some businesses use chat to engage customers during the checkout process in an effort to prevent cart abandonment. Chat can also help to autofill a form if customers are lingering on specific questions.

Ready to start? The following considerations may be helpful when implementing chat:

Step 1 | Align chat goals with business objectives. Depending on your business objectives, you can choose a set of metrics to help you measure success with chat. Some parameters to consider include:

- Chat Rating: Allows customers to rate a chat (positively and negatively), which will help you monitor the CSAT of your support operation.

- Average Wait Time: Indicates how long, on average, your customers wait to be served.

- Average Chat Duration: If your goal is to reduce the overall support cost, then keep a close eye on the average chat duration of your agents. Keep in mind that agents will frequently handle more than one chat at a time.

- Agents Logged In and Serving: This is useful to track agents' shifts, as well as plan future schedules. You can also use it to minimize agent overlap and costs.

Step 2 | Manage customer experience and chat volume. Once you have your key success metrics, it's time to think about the customer's experience. Optimize the user experience by managing where, when, and how to make chat available on your website. Not only will this affect your CSAT, but it will also impact your chat volume. The average web page receives between 5 and 15 chats for every 100 visitors, but this number can be influenced by a variety of factors, including:

- Chat widget location
- Number of individuals with access to the page
- Length of time the page is available
- Whether the chat is proactive or reactive

Step 3 | Determine your staffing requirements. As a small business, you must maximize your resources, so it is essential to consider how many chat agents you require for your support team. Every business may have a different way to calculate this, but to help you out, Zendesk has outlined some issues to consider, and created a staffing calculator to assist in crunching the numbers.

Step 4 | Find the right tools for support. Consider a tool you can easily integrate with existing support channels, and monitor all channels from one place. The Zendesk platform allows your agents to easily navigate between serving chat, phone calls, emails, and social media messages.

Step 5 | Build escalation paths. In most cases, chat agents can solve a customer's problem on the first try. But if the agent needs to move the conversation to another channel, or needs to pass it to another team, it is a good idea to have a plan for escalation.

Step 6 | Monitor success metrics. Once the chat is up and running, it is crucial to monitor analytics and data regularly to improve and iterate.

Fullscript enabled live chat as part of their omnichannel strategy. They like that the Zendesk Chat widget allows agents to see which web page a customer is on, and how long they've been there, which opens up opportunities to reach out proactively.

Fullscript™

"We wanted to standardize and use a solution that was going to be super reliable and that would grow with us. We see loads of opportunities for using Zendesk."

– Marcus Sinclair
Head of Customer Success

Your customers want to call you.

Even with the rise of bots and new app messaging, sometimes customers just want to dial a number to connect with another human – to get help with urgent or complex issues. Many consumers appreciate companies that invest in providing quality telephone support.

When customers just need to talk to someone, they don't want to waste their time waiting in line to get an answer or being passed to different departments, often forcing them to give the same information over and over again. They likely feel the same way about trying to navigate an interactive voice response (IVR) menu. Patience for response times is shortening, according to Zendesk Benchmark data from 51% of respondents who expect a response in under five minutes on the phone.

Unfortunately, most companies don't have an integrated solution for phone support. Most agents can't track calls or multiple customer touch points. Agents have to manually create separate tickets, and often answer the phone with no customer context.

When a company is thinking about phone support, the first thing that comes to mind is usually a large room full of agents and headsets. But this image differs from reality, especially when you are just starting out. The reality might more closely resemble several individuals frantically trying to fix their customers' problems while juggling multiple lines. Phone support may be considered an expensive channel when it comes to agent time, but there are smarter ways to make this channel work with limited resources. For example, if you have access to integrated insights, you can better understand how to staff each channel, how many calls agents take, and how ticket volume from your phone channel compares to other channels. And when agents can provide phone support from the same platform they use to manage all other channels, agents can focus on resolving issues instead of navigating workflow.

Based on the nature of your business, or on the complexity of your customers' issues, consider enabling phone support and integrating it with the rest of your channels. With integrated phone support, customer service teams can manage all support channels from a single, centralized support system.

Enabling integrated phone support can benefit your company by:

- Increasing CSAT. In many cases, the phone provides the path of least resistance. It's the quickest way to solve issues. When done well, it results in satisfied customers who remain loyal and help to promote your brand and build your business.

- Providing proactive customer experience. The phone support channel allows for strategic troubleshooting. If an agent notices that a customer is struggling or awaiting a solution via another channel, they can proactively call them to offer help solving complex problems.

- Improving customer relationships. When customers seek help over the phone, agents can resolve complex issues faster and deliver personalized support. If your agents have access to the full customer history, automatic ticket creation, and call recording, agents can focus on conversations instead of workflows, ultimately creating long-lasting relationships with your customers.

Ready to start? If you are rolling out a new call center, consider the following:

Step 1 | Define business goals and success metrics. Determine what you want to accomplish with this new channel, who you are serving, what type of phone support you will offer, and what hours support will be available. It is also essential to set the metrics that you will be monitoring to measure success. For more details about important call center metrics, you can read this Zendesk blog post.

Step 2 | Choose your VoIP phone system. You have two options for a VoIP (Voice over Internet Protocol) based phone system: integrated with a customer service software platform (like Zendesk Talk), or not integrated. The latter refers to systems that provide businesses with the digital equivalent of the general office phone system or conferencing services.

Customer service integrated VoIP systems work in tandem with customer service platforms by linking calls to a single customer data and ticketing system.

Step 3 | Define your phone channel customer experience and support workflow. Configure the experience for customers (e.g. how they'll navigate the IVR, how long they'll wait on hold before being sent to voicemail, etc.). You must also define your support workflows for call routing.

Step 4 | Set up a failover system. It's an unfortunate fact that VoIP systems sometimes go down for short periods. To keep your phone support up and running during these outages, it's a good idea to set up a failover system. A failover system can be as simple as setting up another phone line to switch over to in the event of an outage.

Step 5 | Train agents to troubleshoot situations. The customer experience must be easy to manage, but your agents must also be well-trained to interact directly with customers who are frequently frustrated or flat out angry. Make sure you train your agents to handle all personality types to ensure optimal customer experience.

Step 6 | Test your phone channel before you roll it out. Implement the channel in phases to allow agents to monitor any issues before going fully live.

Step 7 | Go live. When you're ready to take your phone channel live, announce the new support option via the channels you use to communicate with your customers. Ensure that your support number is displayed prominently on your website and social media channels.
Build a smart self-service experience.

When defining your customer service strategy, the goal is to maximize your resources by opening channels that provide support to more than one customer at the same time. With growth comes more customer requests, but those requests don't have to overwhelm your support team.

With a typical channel mix of 49% Chat, 33% Email, and 18% Phone, Brex has recently prioritized revamping its Help Center. Parelius notes, "We have a goal of 4xing our Self Service Score, training our NLP model to accurately suggest articles so customers can self-serve if they wish, and making our Help Center more prominent in our mobile app and dashboard." The goal is to empower its customers by equipping them with the tools necessary to troubleshoot common issues. Your customers don't want to wait. Offering them great self-service solutions shows them that you value their time as much as they do.

When implemented correctly, self-service options can resolve and deflect many common or straightforward questions, freeing up resources to address major issues, and giving time back to your customers. Businesses can also harness the power of peer-to-peer support with community forums, empowering its users to guide each other using their own experiences.

Self-service solutions have become the norm for startups in the present-day landscape. As recently as several years ago, more than 70% of customers expected a company to have a self-service option. In addition, high-performing companies are 76% more likely to offer self-service, according to Zendesk Benchmark data.

That said, while self-service is now the norm, good self-service is not a guarantee. Companies must focus their efforts on ensuring that fast and effortless self-service options are followed by seamless conversation and integrated solutions.

Self-service can benefit your company by:

Enhancing empathy toward the customer
Lowering support costs
Driving better customer satisfaction (CSAT) scores
Improving agent efficiency

Ready to start? Consider the following steps when implementing self-service solutions:

Step 1 | Start with goals. Define what it is you hope to achieve. Is your purpose to reduce the number of support tickets submitted to your team? Or is it merely to foster relationships and engagements among your customers and employees? Consider how a Help Center might impact customer retention.

Step 2 | Build a solid foundation. Commit the necessary resources to build your Help Center; namely, people and technology. Employing the right tools is critical for your team to efficiently manage the content and guide your customers to your support portal.

Step 3 | Include the appropriate content. Keep it fresh and relevant—that can often mean removing outdated articles and updating help cards. Your Help Center is only useful if it provides the answers your customers need. Make sure to include the most relevant content, use the same language that you use in your product, and track what your customers search for the most. Use the Help Center data and feedback to update and create new content regularly.

Step 4 | Measure for improvement. Begin measuring your Help Center's performance from day one. This information will help you determine the effectiveness of your Help Center, and identify areas in need of improvement. Keep track of things like:

- Community analytics and statistics
- Resolution times
- Percentage of issues resolved by staff vs. issues solved via the Help Center

Step 5 | Optimize for all devices. Mobile is not an "option." According to a new report from SimilarWeb, mobile web traffic has jumped 30.6% since 2017, while desktop traffic dropped 3.3%. It is essential to provide a seamless experience so that your customers have the same level of service, whether they're visiting your help center on a laptop, tablet, or phone.

Step 6 | Focus on the user experience. Provide straightforward navigation to the things that matter most. Create a visually appealing platform, giving customers a place where they will want to spend their time. Consider, if possible, adding videos, webinars, and images alongside text. You can test what works better for your customers, and adjust accordingly.

Using the Zendesk Guide, Finalcad built out its help center, which contains help articles in 10 of the 30 languages supported by the customer team.

04

Measure Success

Once you've enabled the optimal channels for your company, determine if the solutions you've launched are taking your company in the right direction.

Below are some essential metrics to consider when measuring success. Remember that some parameters may need to be adjusted based on the nature of your business:

Customer Happiness Metrics

Customer Satisfaction Score (CSAT)
Helps companies measure how well their agents and the customer service organization satisfy their customers.

Net Promoter Score (NPS)
Gauging brand loyalty rather than the success of a particular interaction, the NPS is measured by asking customers a single question, using a 0-10 Likert scale: "How likely are you to recommend [BRAND] to a friend?"

Customer Retention Metrics

Lifetime Value (LTV)
The sum you expect your customers to pay you throughout their relationship with your company, averaged across all users or segments of users.

Churn rate
Percentage of customers lost during a period of time.

Customer Retention Rate
The rate at which we keep your customers.

Retention Efficiency
Allows you to see how much you are spending to keep your customers happy.

For companies that sell subscription products or services, additional metrics include:

Customer Health Score
The process of scoring customers based on the likelihood of an outcome the company considers essential.

Customer health scoring enables companies to predict how their relationship with a given customer may change in the future.

B2B companies primarily use this score.

This is a great article on how to calculate your customer health score.

Gross Renewal Rate
Helps companies measure the percentage of customers who renew their subscriptions at the end of each subscription period.

Useful for businesses with a subscription model, and it makes it easy to spot trends and growing issues.

Net Renewal Rate. Provides companies with a picture of how much their existing customer base is growing, net of any churn.

What is your North Star Metric?

The North Star Metric is, simply, an exercise in streamlining the overall company strategy into terms everyone can remember, understand, and apply. The metric you choose should be customer-focused rather than revenue-focused, and should reflect use of your product. While it applies to the long-term growth of your company, you may have to reassess its elements if you materially change your product offering.

It is critical for you as a leader to define your North Star Metric, and it should be one you can use to forecast a repeat customer.

Every business has a unique set of metrics that the CEO and the board are always looking into. For Spotify, it is time spent listening; for Uber it is a specific number of rides per week; and for Netflix it is a monthly retention percentage. Define yours, and continuously monitor it with your leadership team.

The North Star Metrics of some well-known brands include:

NETFLIX	Monthly retention %
amazon	# of purchases per month
Uber	# rides per week
airbnb	# of nights booked
HubSpot	# of weekly active teams
Spotify	Time spent listening
LinkedIn	Daily Active Users
BREX	Monthly Payment Volume (GMV)
zendesk	Tickets created & solved in-trial

Use data to improve churn risks and milestones.

Customer churn is one of those metrics that every company must learn to live with, even if it evokes fear of failure. The reasons a customer would want to churn (to end or suspend their service) are complicated and varied. It could be anything from an ongoing problem with your product to a lack of focus on customer service. Or a customer might churn for reasons beyond your control. Their business may have restructured and your product doesn't fit anymore, or they may be going through a cost reduction exercise.

Churn often happens because customers' expectations are not met. You have a chance to mitigate issues as soon as you identify them. Learning what you can control to avoid churn and analyzing the data surrounding those reasons can lead you to the right steps to prevent it. According to the Zendesk Customer Experience Trends 2020, companies that leverage the most customer data — those in the top 25% of managing data relative to other similar companies — see 36% faster resolutions and a 79% reduction in wait times.

Here are some tips for using data to reduce churn:

Measure your churn rate and adjust

In addition to retaining current customers, one way for your company to improve its churn rate is to earn new customers.

Analyze churn-related feedback

Gathering feedback and understanding the root cause of churn is necessary for improving churn rate. Analyze all valuable feedback you gather from trends, problems discovered by your customer service representatives, comments left on social media, and the reaction from other professionals at industry events or community forums.

Implement a customer churn survey

To get to the bottom of why a customer chose to leave, create a customer churn survey. This can be executed in different ways, including within the user interface during the cancellation process or as a follow-up email request after the customer has canceled. From the survey data, you can create a detailed report of your churn activity and likely causes.

Implement a churn-reduction strategy

From the results of the customer churn survey and feedback, you should have enough insights to create an actionable strategy for reducing customer churn. This data can support things like:

- Training opportunities: Provide better answers to customers who reach out so you can decrease the total time to resolution and provide a better experience.

- Product road map influence: Data gleaned from support agents can lead to product roadmap changes, while creating opportunities for proactive engagement with customers. By sharing your findings with the entire organization, you can influence changes in your product.

- Improved onboarding materials: After analyzing feedback, you might realize customers were frustrated with the onboarding process or couldn't find enough help online. These insights could help improve your onboarding experience and identify which articles you can add to the Help Center.

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Checklist

Let's review the initiatives your company can implement to retain and build long lasting relationships with customers:

1. Acknowledge that customer retention matters

2. Create a system to measure customer satisfaction

3. Offer an omnichannel experience, and select your channels with purpose

4. Define your metrics

5. Use data to improve the experience

6. Check out the Zendesk channel mix template here

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