

THE CHURN ANALYSIS

**Why Answering Service
Ententes Customers
Leave & How Central AI Wins**



Executive Summary: The Opportunity in Four Points

1

The Root Cause

79% of churn maps to just two problems:
Call Handling (incompetence) and Billing (predatory models).

2

The Vulnerability

Market leaders Ruby and Smith.ai are bleeding customers due to structural flaws they cannot easily fix.

3

The Mirage

Competitor ratings are artificially inflated. A mid-2024 surge of solicited reviews masks a 1.2–3.8 star organic reality.

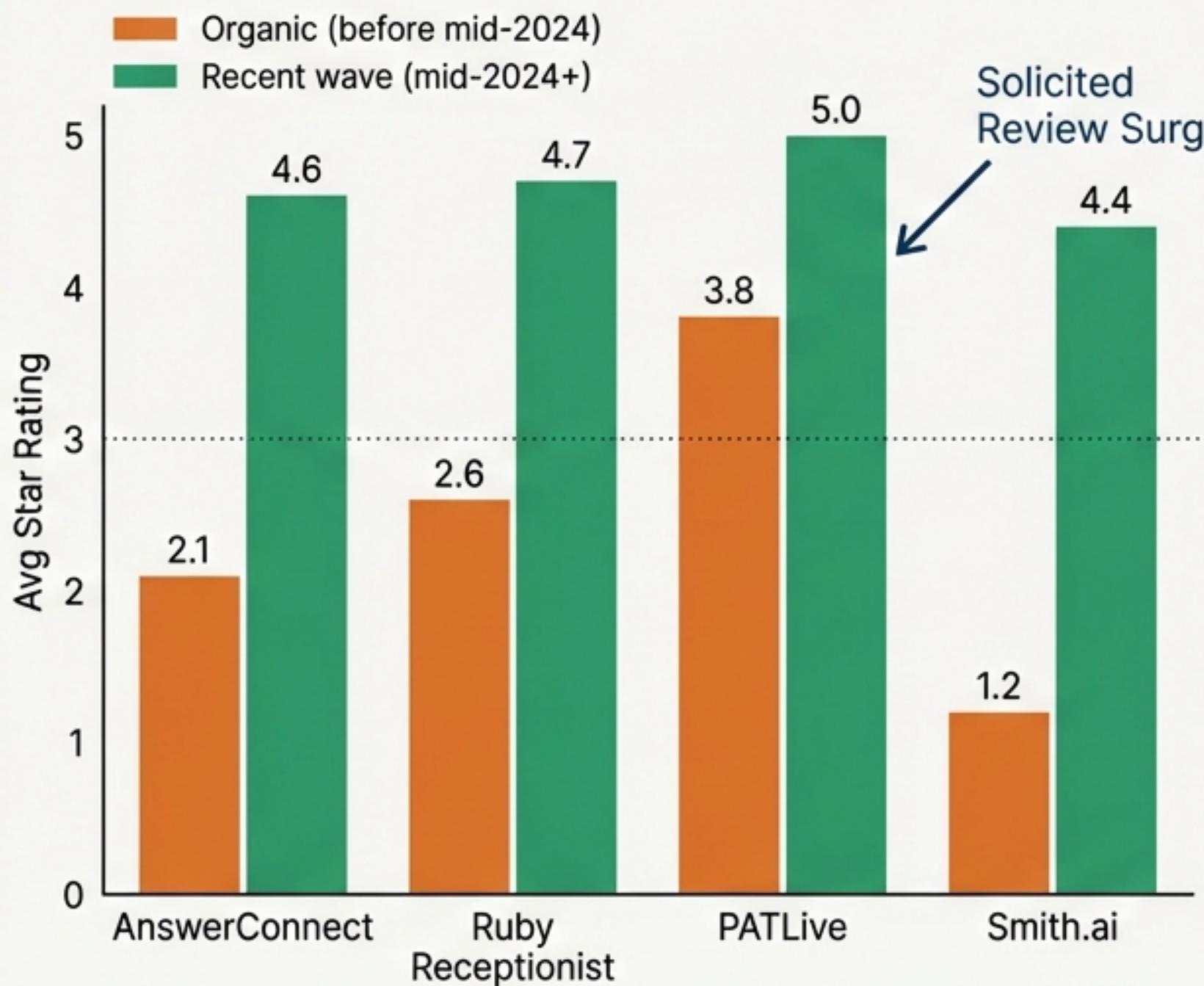
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The Winning Model

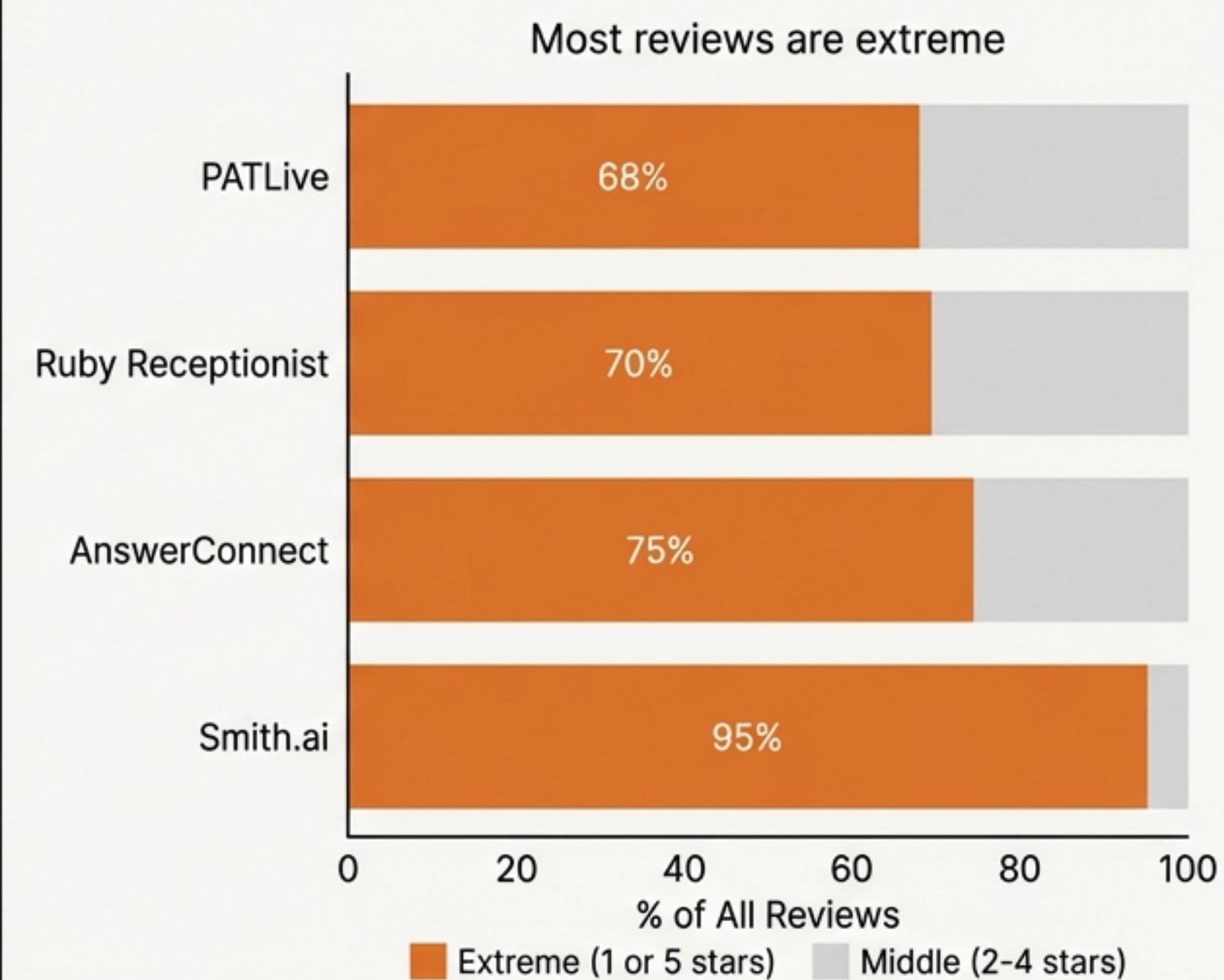
Success requires Flat-rate pricing + Configurable AI. This solves billing anxiety and script adherence simultaneously.

Competitor ratings are a mirage masking deep dissatisfaction

Unprompted vs. Recent Ratings Surge



Review Polarity Reveals Dissatisfaction



We analyzed the unfiltered voice of the customer



409 Reviews

Across 9 competitors
(Trustpilot & Reddit)



Filtering

Identified 154 specific
Churn Stories



Classification

Taxonomy of 11
failure modes

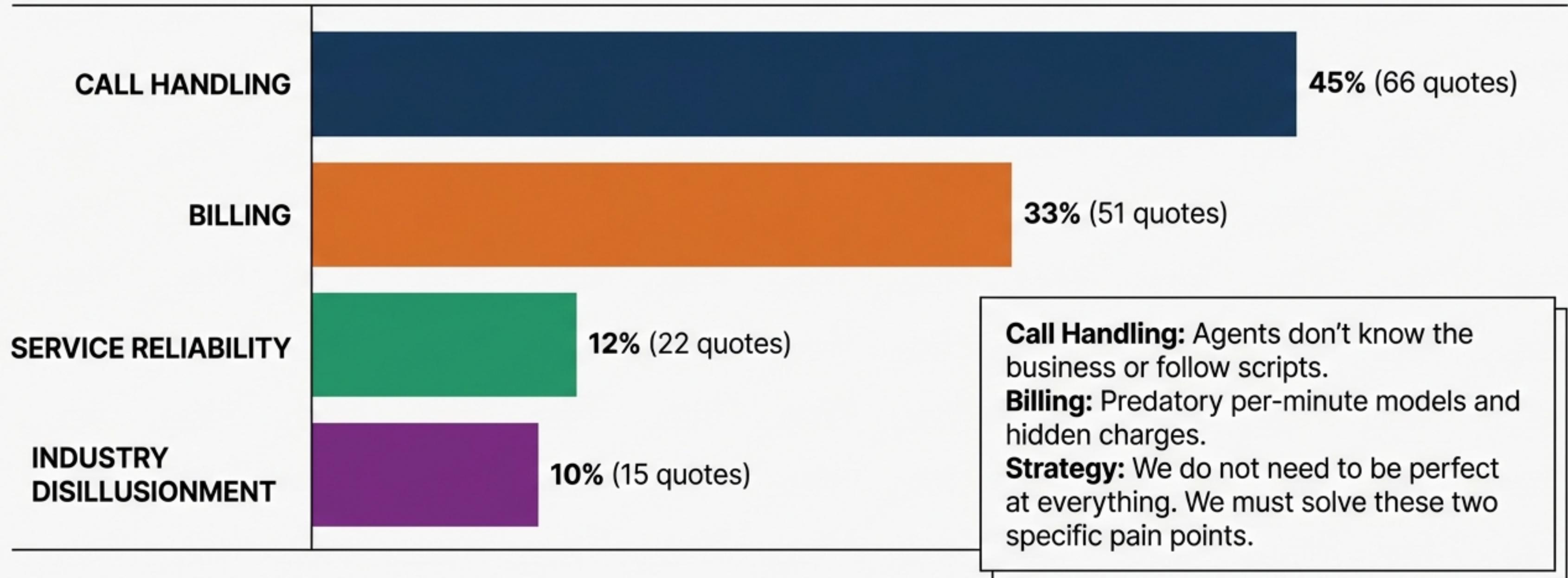


Validation

91% statistical
agreement between
independent
AI classifiers

This is not anecdotal. This is a quantified analysis of market failure.

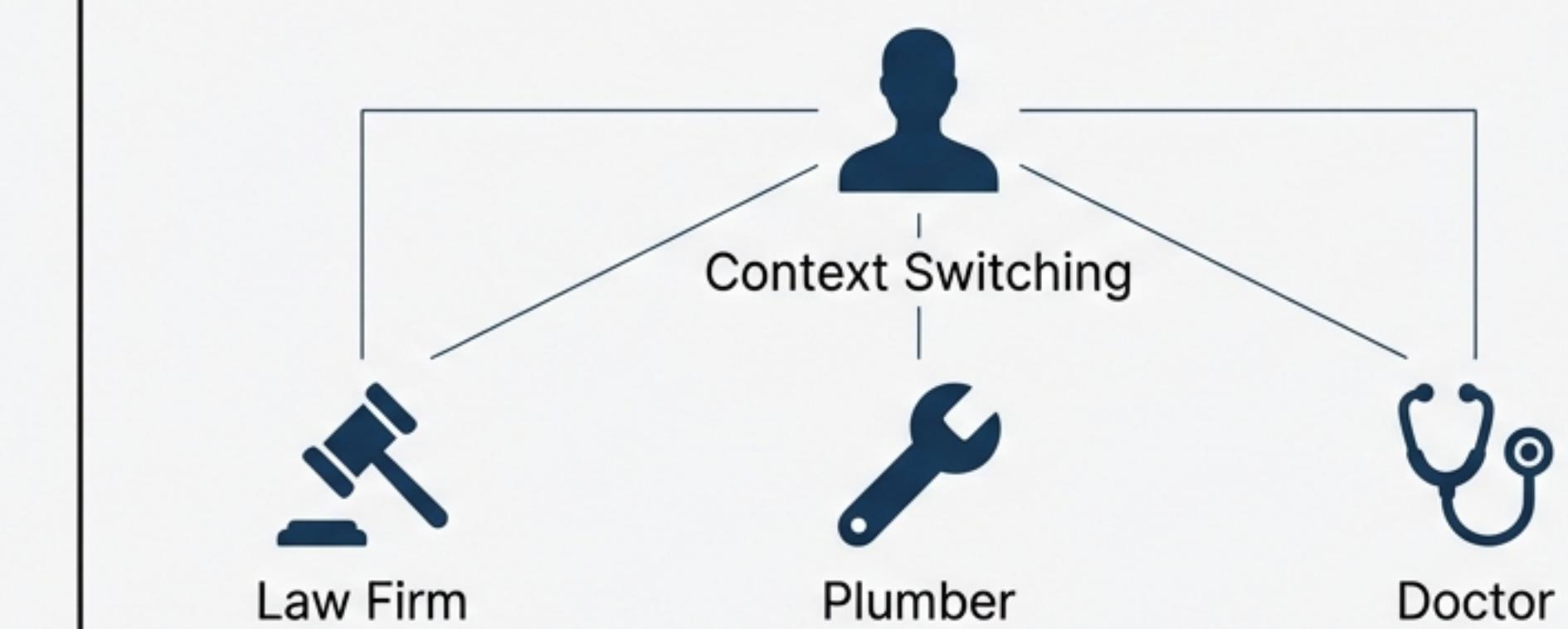
79% of churn is driven by Call Handling and Billing



The 'Human' Problem: Shared pools cannot master 200 different businesses

“

They have wasted our ad budget, lost customers for us, and wasted hours of our time.” — Smith.ai Customer



- Agents cannot memorize 200 unique scripts.
- **19%** of churn is “They don’t follow instructions”.
- The Fix: AI follows the script **100%** of the time.

The 'Business Model' Problem: Per-minute billing creates perverse incentives

INVOICE - REDACTED

Client: [REDACTED]
Date: Oct 26, 2023
Invoice ID: 928471

Spam Call processing: 120 mins @ \$1.25/min ...	\$150.00
After-call work: 45 mins @ \$1.25/min	\$56.25
Overage Minutes: 177 mins @ \$1.25/min ...	\$221.25
TOTAL:	\$427.50

PREDATORY



“

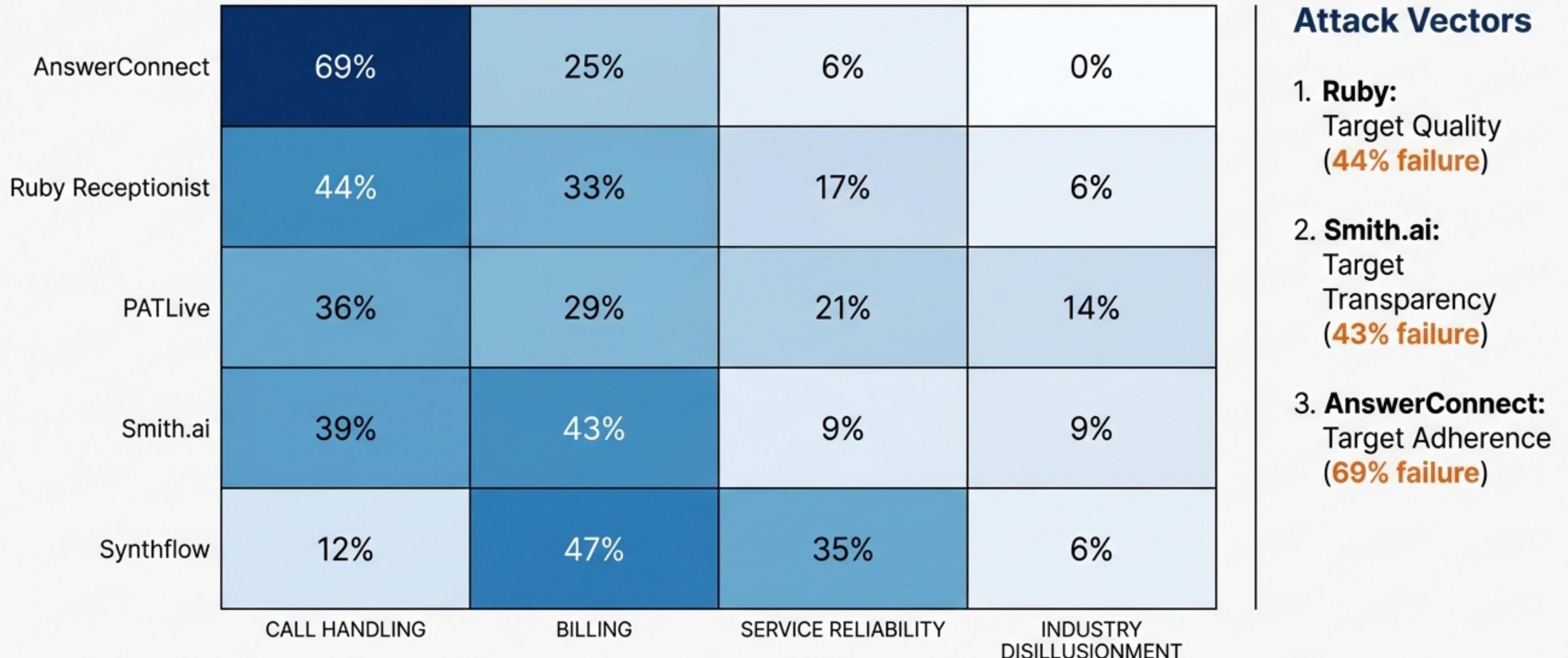
They charged me \$221 for overage charges for minutes I used that were included in my 200 minute plan.”

— Disgruntled Customer

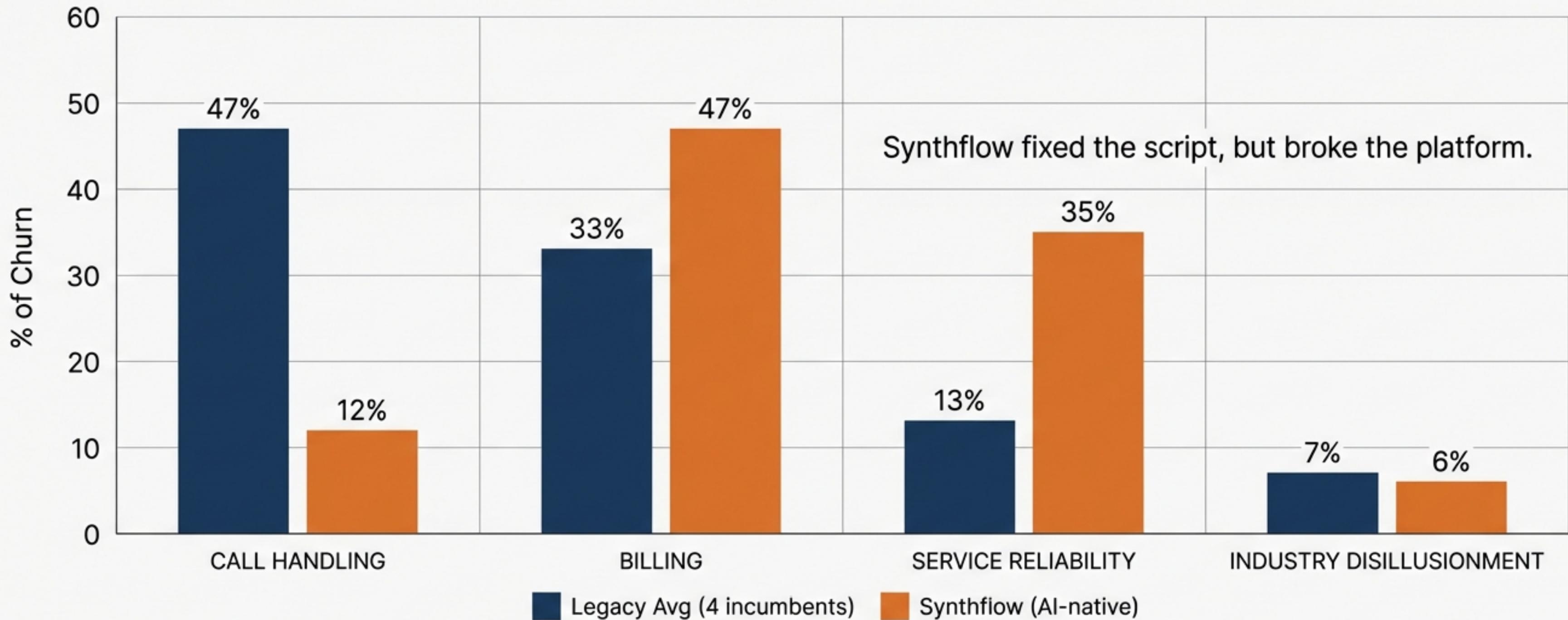
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The Innovator's Dilemma: Incumbents cannot switch to flat-rate billing without cannibalizing their own revenue.

Competitors fail in distinctive ways



AI-native solves call handling but breaks reliability

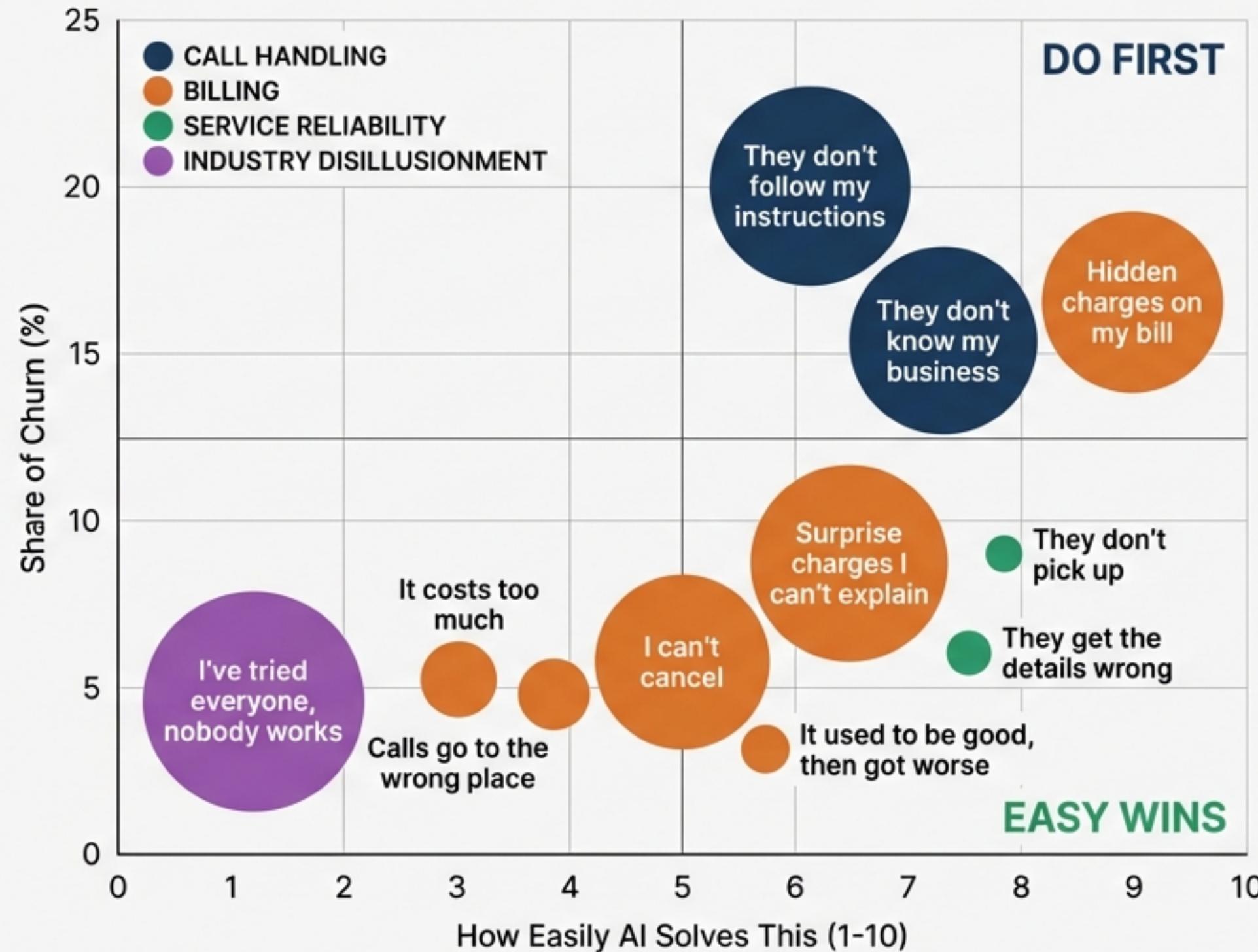


Key Lesson: We must be better than human without being unreliable software.

We build our moat around Structural Flaws, not Patchable ones

STRUCTURAL (Permanent)	PATCHABLE (Temporary)
Shared-pool limitations (Agents don't know business)	Tech Integrations (CRM)
Per-minute incentives (Revenue relies on long calls)	Review Scores (Solicitation)
Staff Turnover (30-45% annually)	

Product Roadmap: Prioritizing High Impact, High Feasibility



PO Requirements

1. Configurable Scripts (Solves 19% churn)

Configurable scripts "They don't follow my instructions" for high impact. They don't know my business' on-premise. They don't know my business.

2. Per-Client Training (Solves 16% churn)

Per client training + surprise charges for instructions churn, so high impact, churn due to hidden charges on my bill.

3. Flat Monthly Rate (Solves 14% churn)

Flat Monthly Rate is a incredible rate, and configurable scripts (solves 19% impact) churn is high feasibility, see in media monthly rate.

Pricing Strategy: Flat-Rate is a structural advantage

LEGACY

\$235 - \$2,800 / mo
+ Overage Anxiety

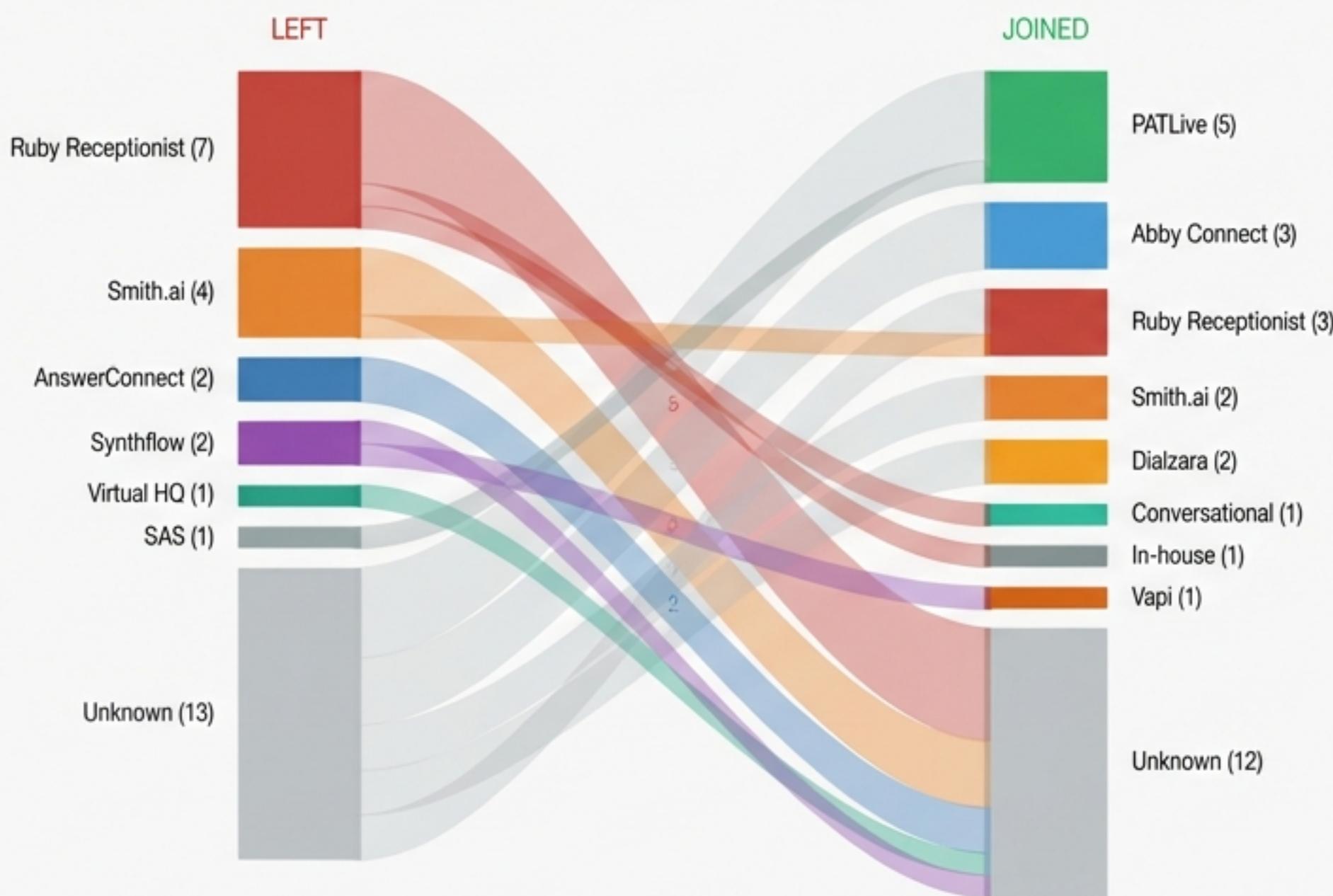
CENTRAL AI

\$99 - \$199 / mo
Flat Rate. No Surprises.

Price sensitivity is only 4% of churn. Billing Model anxiety is 33%.

Fairer, not just cheaper.

Targeting the Bleeding: A segmented attack plan



1. Ruby Churners

Pitch: **Quality & Script Adherence**

2. Smith.ai Churners

Pitch: **Flat Rate & No Surprises**

3. Synthflow Refugees

Pitch: Reliability & Support

The Financial Opportunity: A clear path to initial ARR

Market: 40k-60k SMBs
(Top 4 Incumbents)

Annual Churn:
6k - 15k Shoppers

Target Capture:
1-3% (Year 1)

\$107k - \$804k ARR Beachhead

Excludes new market entrants. Conservative estimate based on incumbent churn only.

The Window of Opportunity is Open Now

**Reliable
AI** + **Flat
Billing** → **Category
Leader**

-
- Incumbents are trapped by per-minute models.
 - VC-backed AI competitors (Synthflow) are currently broken.
 - Central AI must move now to claim the reliable, flat-rate position.
-

**We win by being better than humans at scripts,
and better than software at reliability.**