INTERCOM

The Customer Retention
Starter Kit
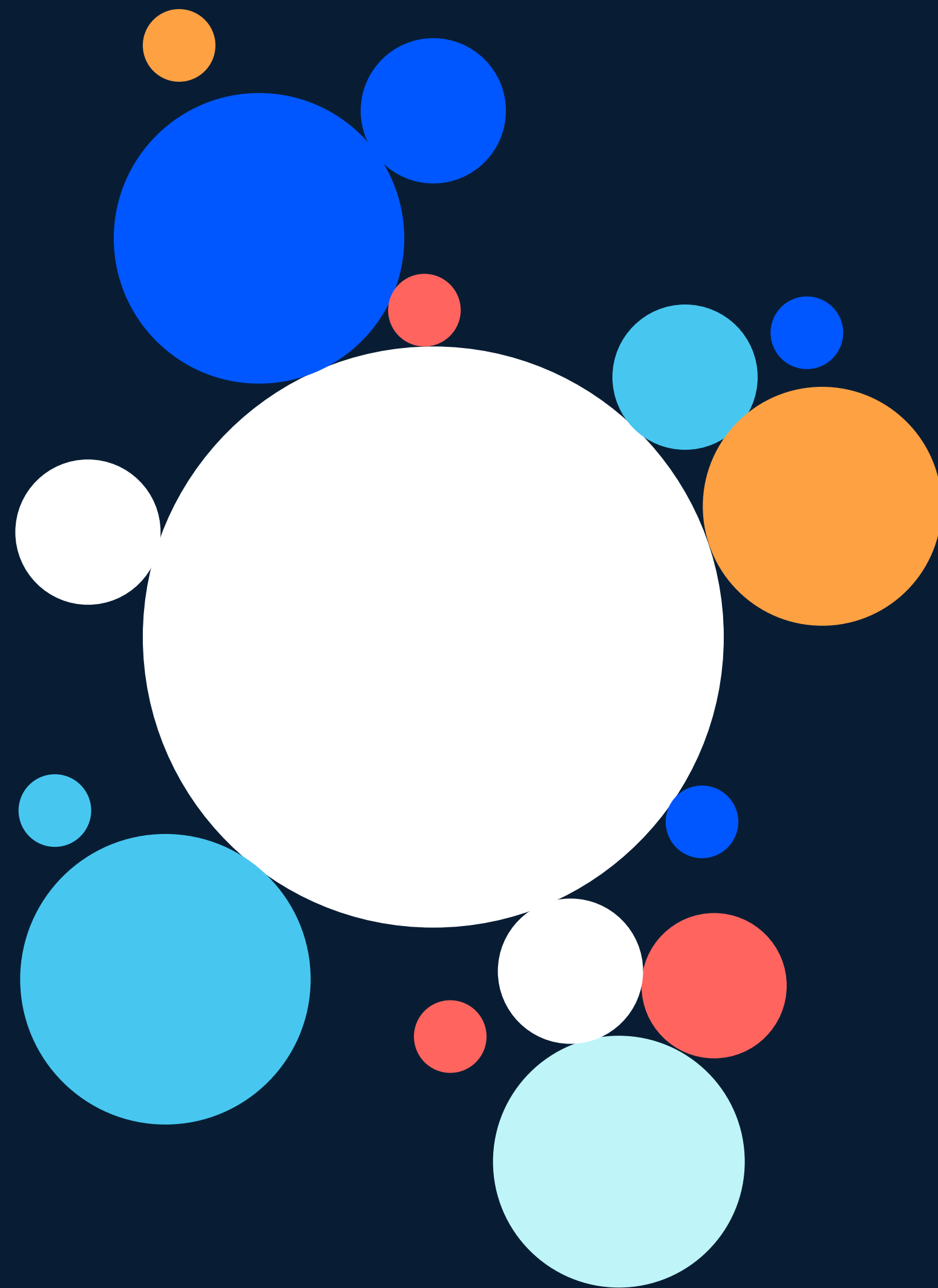
STARTER KIT

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1 Why customer retention matters

In today's digital age, engaging and retaining the customers you have is easier and more efficient than winning new ones. Retention is the new conversion – it's critical to long-term business success, especially during times of economic uncertainty.
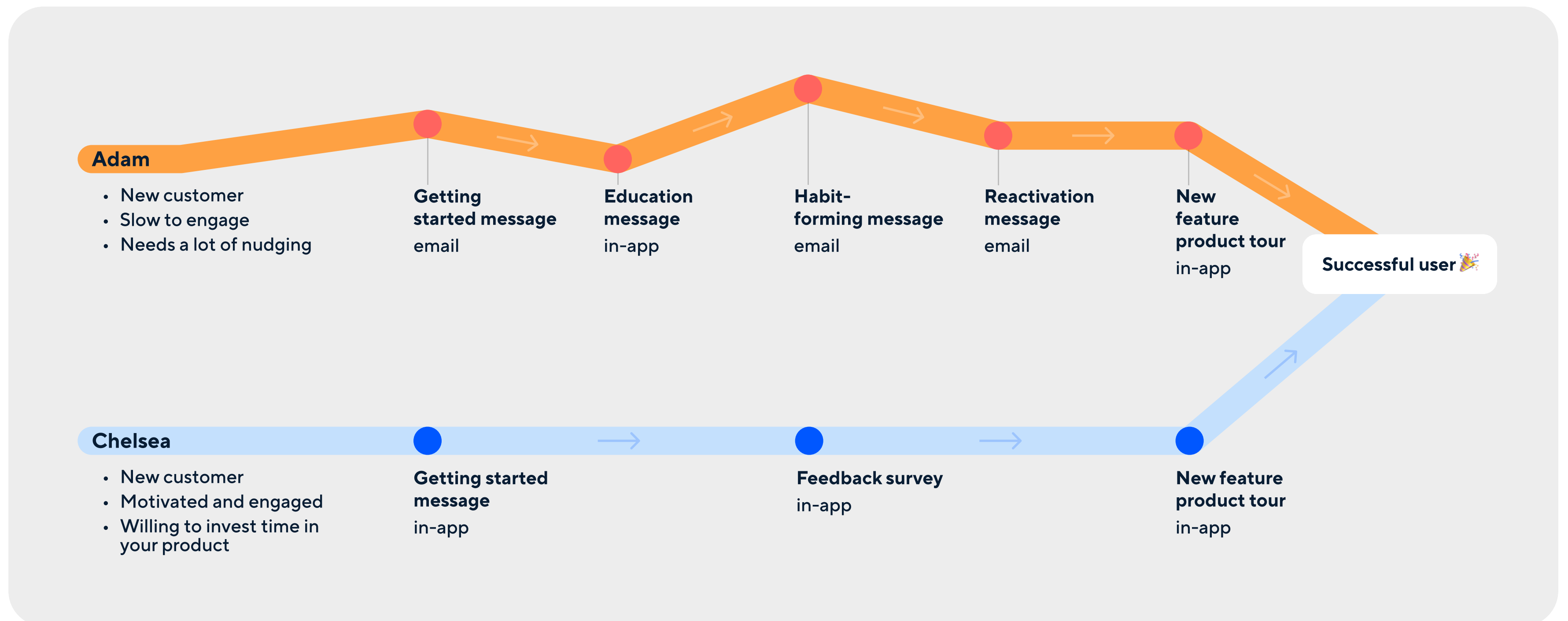
Poor retention, on the other hand, is the silent killer of online businesses. Modern customers who don't see immediate and ongoing value will kick the tires of a competitor's product and leave without saying goodbye.

But what's the secret ingredient for continuously winning long-term, loyal customers? Today's customers want and expect personalized, in-context communications. That means automatically sending the right message to the right person at the right time – while they're using your product, app, or website. In fact, a study from McKinsey revealed that 78% of customers are more likely to make repeat purchases from companies that personalize their communications. What's more, companies that prioritize personalization generate 40% more revenue than those that don't.

Adding in-context messaging to your tech stack unlocks new growth with existing customers without requiring heavy investment. Best of all, to create an impactful retention campaign you don't need a "retention hacker" or an engineer. With the right modern strategies and tools all you need is a few hours to create a series of engaging, sequenced, timely, and personalized messages. In this guide, we'll show you how to turn new signups into a series of churn-resistant power users.

2 # What a good customer retention campaign looks like

The key to a good retention campaign is being proactive. Rather than reacting to a customer disengaging from your product, you need to do the work of avoiding that disengagement in the first place. Providing customers with the information they need at the right time, based on their product or service usage (or lack thereof) is essential. Here's an example of how two different customers could experience the same campaign.

Adam
- New customer
- Slow to engage
- Needs a lot of nudging

Getting started message
email

Education message
in-app

Habit-forming message
email

Reactivation message
email

New feature product tour
in-app

Successful user 🎉

Chelsea
- New customer
- Motivated and engaged
- Willing to invest time in your product

Getting started message
in-app

Feedback survey
in-app

New feature product tour
in-app

3 Retention campaign best practices

> "Since we started using Intercom to onboard users and send success messages, we've seen our customer churn rate drop by 5 percentage points."

Biteable

Nick Sayers

Former VP of Customer Success at Biteable

Understand what inactivity looks like for your product or service

The first thing you should make a call on is what "slipping away" or "activity churn" means for your business. For example, seven days of inactivity would be worrying for a daily planner app. For a customer communications platform like Intercom, we'll message our users after 30 days of inactivity. Ask yourself, "Does a user of my product or service need to engage on a daily, weekly, or monthly basis to be considered active?"

Figure out what's causing churn

Many experiences can cause churn: the inability for customers to find the right feature, struggles to get set up, a poor customer service experience, or changing business needs. The best time to prevent churn is early on as it's often too late to win a customer back once they've left. Address the root cause by surveying customers who have churned. Doing so will help you identify trends and empower you to rectify underlying issues.

Show upfront value with in-app messages and product tours

The most effective way to engage customers is in the moment when they're most likely to take action – while they're using your product, app, or website. Sending well-crafted in-app messages and product tours in-context based on actions customers do or don't take will lead to "aha moments" that show your customers early and ongoing value. When customers experience upfront value, they'll spend more time with your product or service in the future. And more time spent = higher retention.

> "Since we implemented Intercom, we've seen our engagement rates rise by 25—30%, product activation has increased by 11% across the board, and its automation capabilities have helped us to scale our efforts without increasing headcount, which has saved us $1 million."

Amplitude

Craig Vincent

Head of Global Success Programs, Customer Success at Amplitude

Use email to re-engage inactive customers

No matter how good your product or service is, it's unlikely to become a core part of your customers' day-to-day lives overnight. But chances are they'll regularly use their email. If you notice periods of inactivity in those all-important first few days, you can send emails to customers who haven't taken key actions, encouraging them to do so.

Target customers in the right way

Retention isn't binary. There's a difference between someone who didn't convert after a 30-day trial and a year-long user who has started to slip away. A trial user might require more education on the value of your product, while a lapsing user might require a check in from an account manager. Don't let them both fall into the naive "we miss you" bucket. Treat and target them differently.

Be personal

The best behavior-based messages feel personal, not spammy. For example, you can trigger messages based on actions people take in your product or service (e.g. hasn't used feature X), the outcome of other messages (e.g. hasn't opened getting started message), or how much time has passed since an event (e.g. hasn't logged in for 14 days).

"No matter what your company does – even if your audience is behind a computer screen 24/7 – personalized communications is the key to keeping users loyal."

put.io

Hasan Yalcinkaya

Co-founder at Put.io

14%

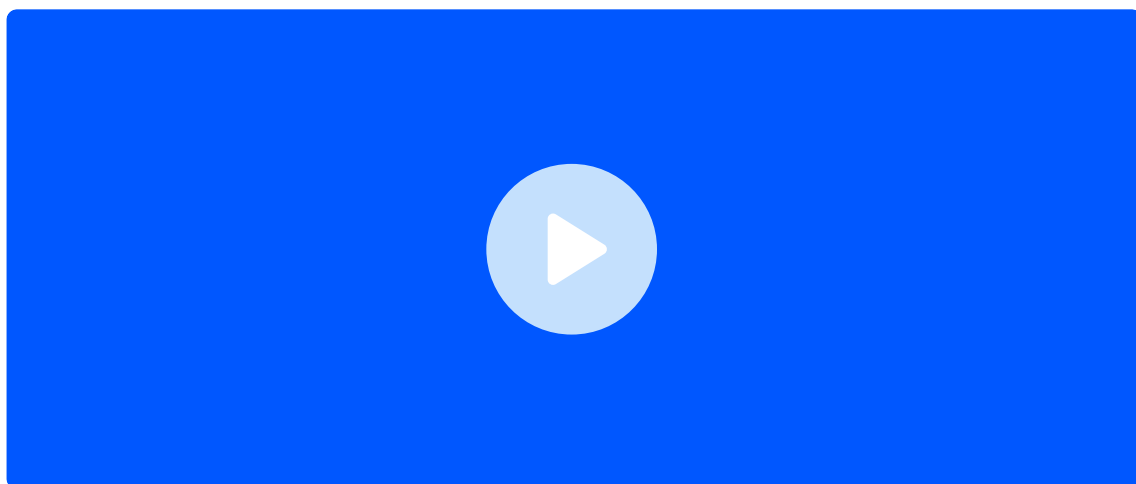Reduction in churn rate achieved by Put.io with Intercom

4 What messages should I send?

Ruairi from Examply

Hey Michaela,

We recorded this short demo showing how you can start creating projects and collaborating with teammates for maximum productivity. Let me know if you have any questions.

Getting started message – in-app and email

The seeds of churn are planted the moment you acquire a customer. Even after their initial onboarding, everything about your product or service is still unfamiliar, and you shouldn't expect new signups to figure it out on their own.

Many people will gravitate toward the one or two features of your product or service that resonate with them the most, but don't explore other features. That means they're likely missing out on some of the best parts of your product or service. In the first few days after signup, getting them to use those other features and discover new value works wonders for retention. You can do this in two ways:

- **Invite users to go through a product tour:** Show them how to use new features and help them get immediate value.

- **Invite signups to a webinar or demo:** Walk your customers through your key workflows and concepts (we've found that customers who attend a webinar are six times more likely to activate than those who don't).

👁 Pro tip

Should you send an email or in-app message? It depends on what your customers need – send an in-app message to engaged users who are actively logging in and an email to inactive users to prompt them to re-engage.

Education message – in-app

For every passionate user who will do everything they can to upskill on your product, you're going to have to teach some that are a little more reluctant. In educational theory, these people are referred to as "grazers." These are individuals that rely on being "fed" information to upskill them on a specific topic, including your product.

By proactively teaching people how to be successful with your product, whether it's an online banking account or a video creation software, over time they'll begin to master it. They'll learn the esoteric features and the keyboard shortcuts, and this deep knowledge will allow them to be drastically more productive using your product. When this mastery is achieved, the cost to the user of switching products becomes even higher – because they would have to go through all this learning again with a new product – making churn much less likely.

> "Intercom provides Angi with opportunities to engage our existing customers, onboard new ones, and educate them at the right time in the user journey. A big benefit is having another channel to reach our users through chat and in-product messages."

Karissa Luttrell
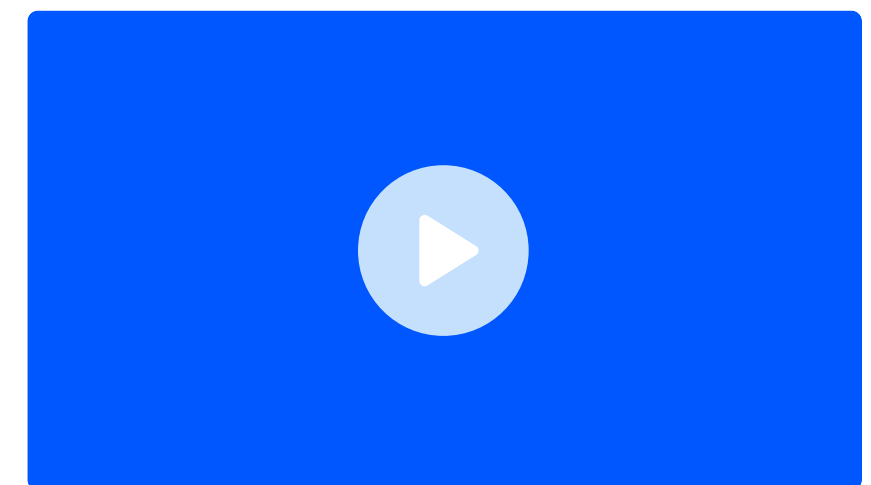Director of Product Marketing at Angi

👋 Amanda from Examply

Hi Billy,

Congratulations on creating your first vlog. 🎉

We've put together this short video to show you how to create quality vlogs even faster.

You'll learn how to optimize your lighting and sound quality and so much more. Click below to check it out.
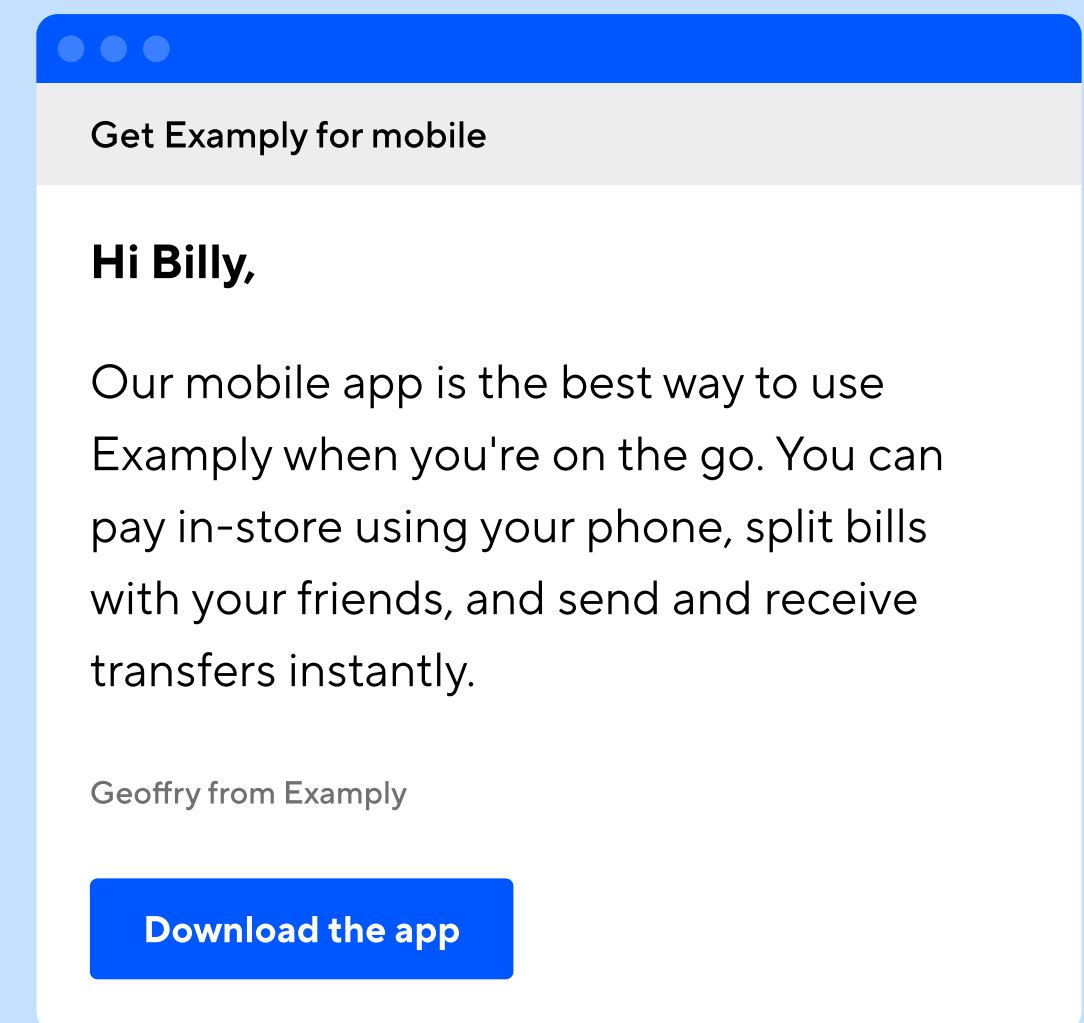
Amanda

Habit-forming message – email

The most successful internet businesses all have one thing in common – they create habits among their users. By getting new users to integrate your product across multiple platforms, including the mobile device they look at multiple times a day, you're increasing the likelihood your product will become a recurring part of their lives.

Here's how to make key habits stick:

- Identify the most important habits you'd like your users to adopt. For example, if your product is available across several platforms, send an email encouraging customers to download your mobile app.

- Make it clear why they should take this action – what benefits will they get from it?

- Make it easy to take action by providing a clear next step.

👁 **Pro tip**

Target with intention. It's a good idea to target users who have started using your app but who have since abandoned progress. For example, if you have a finance app, you can target those who signed up less than 30 days ago, who added their credit card details, but haven't made any transactions yet.

Get Examply for mobile

Hi Billy,

Our mobile app is the best way to use Examply when you're on the go. You can pay in-store using your phone, split bills with your friends, and send and receive transfers instantly.

Geoffry from Examply

Download the app

Feedback survey – in-app

Your customers want to feel heard, and they want to see their needs reflected in how you evolve your product or service. Using an in-app survey tool, you can ask them the right questions at the right time, like "Where are you getting stuck?" or "What would you love to see in our product or service in future?"

Getting timely feedback is invaluable and that can help you drastically improve your product or service. Just make sure to act on the insights you gather. And remember to follow up with customers and let them know when you release new features they asked for.

👁 **Pro tip**

Using a modern survey tool (like Intercom Surveys 😉) you can gather first-party data and use that data to further personalize your campaign messages based on your customers' requests. For example, you can ask customers what new features they'd like to see and share the top requests with your product team. Then, once a requested feature goes live, you can send customers who requested it a targeted message encouraging them to check it out.

Zara from Examply

Hi Eve 👋, we'd love to get your thoughts on Example Academy. Complete the survey below to tell us how we can improve our courses to better suit your needs.

How satisfied are you with Examply Academy so far?

| 1 | 2 | 3 | 4 | 5 |

1 - Not satisfied   5 - Very satisfied

What improvements or new lessons would you like to see in the future?

Enter text ...

Submit

New feature product tour – in-app

Customers don't forget to use your product or service, they lose interest in it. So you have to continue to motivate them throughout the customer journey. There are some features that will keep your customers from switching, or even bring them back.
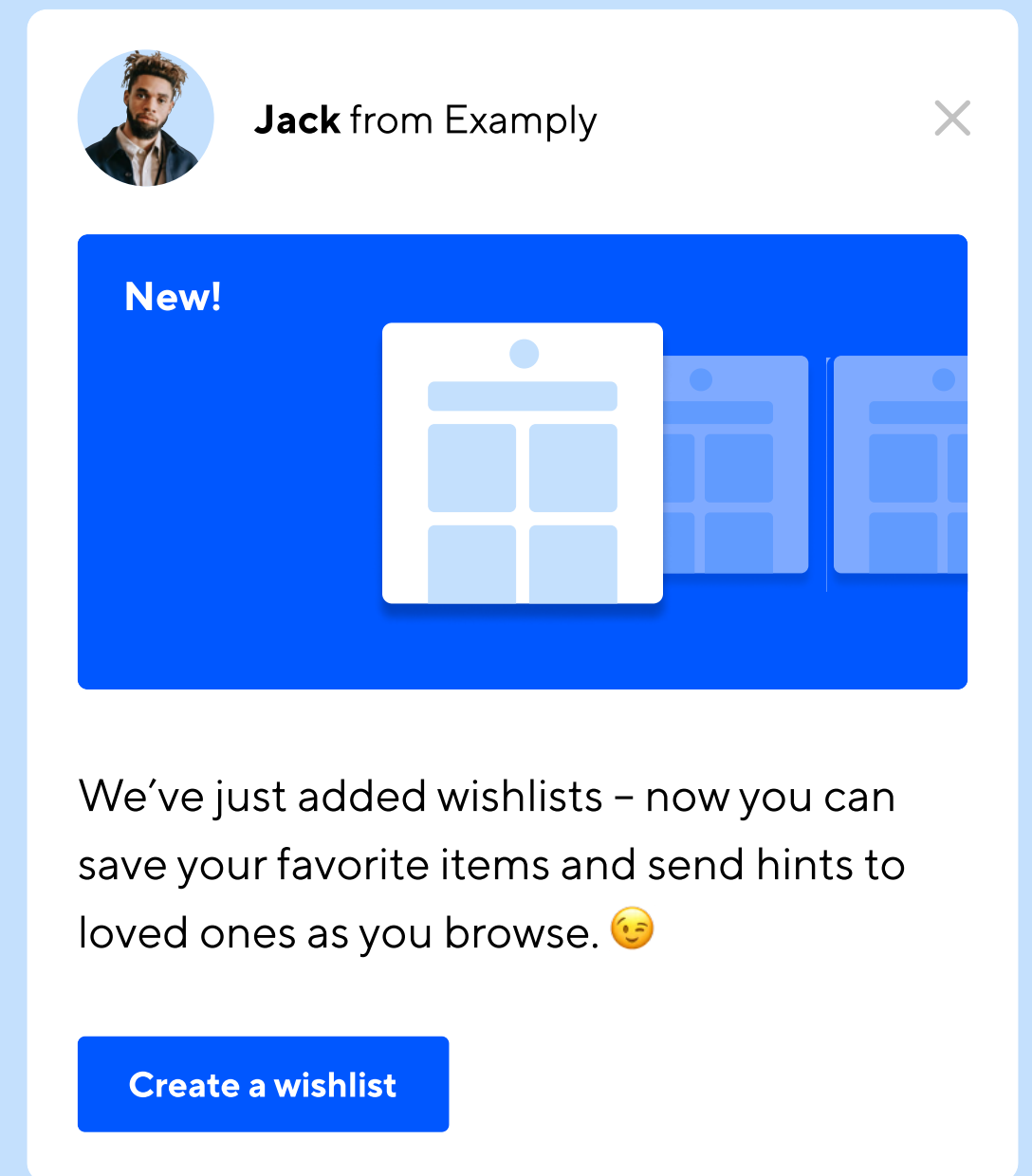
Regular users will be familiar with your product's or service's features, but when you add something that could help them do their jobs better, don't hesitate to let them know. Create a targeted product tour that points out the new feature, explains its value, and tells customers how to get started.

When putting together a product tour, consider the following elements:

- Keep the content brief and to the point.

- Tell users what the new feature and product tour will help them achieve. This will encourage them to click through and try it out.

- Use a GIF, image, or video to explain the new feature visually, and make the message more engaging.

◉ Pro tip

By offering churning customers a glimpse of what's coming down the line, you can also excite them about future releases. Things that inspire people to stick around are usually features which save time (e.g. better importing), increase adoption or efficiency (e.g. integrating with third parties), or offer additional value for no extra work (e.g. weekly automated reports).

Jack from Examply ✕

New!

We've just added wishlists – now you can save your favorite items and send hints to loved ones as you browse. 😉

Create a wishlist

"**Being able to help our customers understand all that Qonto can do is becoming increasingly important as we build and add more features to our product. Product Tours are really helpful in ensuring that clients benefit fully from Qonto's product.**"

✕ qonto

Martin Bouvier
Head of Onboarding at Qonto

Reactivation message – email

Don't take inactivity as a sign that people have lost interest forever. There are plenty of distractions from making the most of your product, especially if usage habits weren't firmly established.

You can offer one-time deals down the road or wait for a big product or company announcement to try to re-engage people. But even if you're months away from the next big feature, there's still valuable material you can offer dormant users, whether that's educational content like a discount, a paid survey, or even a quick recap of your latest releases. One of the most effective retention messages we've sent at Intercom listed out all of the features we added in the past 30 days to remind inactive customers of the value they're missing out on.

◉ Pro tip

Activity churn is where a customer is inactive for a while before they quit. It's important you act during this window, because once a customer is gone, they're very difficult to get back. Consider what "slipping away" means for your business (e.g. that could be 10, 20, or 30 days), then message inactive customers within that time period.

We've made some big improvements to Examply since you last logged in. 🚀

Hi Sam,

It's Sabrina here from Examply. I'm checking in because it looks like you haven't been up to much in Examply recently. If everything is fine, then there's no need to respond. But if you need some help, please do let us know. We're always here to help.

What's new since you left ...
Lots! 😄 Here are a few highlights:

💰 Automatically book meetings with your best leads

🤝 Convert your hottest leads right from Slack

 Schedule meetings with prospects faster and easier

We're confident you'll see big improvements since you last logged in. But if you won't be coming back, can you let us know what it was that made you quit?

All the best,
Sabrina

⑤ How to measure success

Your customer retention campaign can make or break your customer loyalty – and ultimately – your business. Measuring customer retention should be the north star of any business. You can calculate your customer retention rate over a specific period using this calculation:

> Divide these two:
>
> $$\frac{\text{Customers you have at the end of a period}}{\text{New customers/customers you started with during that period.}}$$
>
> Multiply your answer by 100 to express it as a percentage.

Of course, measuring one overarching metric is often not enough. We suggest having a scorecard of different measurements that evaluate the extent to which a customer is getting value from your product or service.

For example, at Intercom, we consider three key types of usage as indicators for the health of the customer relationship:

- How broadly a customer is using our product, particularly when it comes to the features that differentiate us from our competitors. For example, how many in-app messages are they sending?

- How deeply a customer is using the product, based on how many people at their organization are actively using Intercom.

- Lastly, we look at how many prospects and users our customers are talking to with Intercom.

These three elements should be replicable for your own product or service. Just think through the value that you're delivering to your customers, and make sure your metrics map to that value. If in doubt, talk to your product analytics or sales team to understand what motivates customers to buy your product or service. Armed with this knowledge, you'll be empowered to measure and showcase how your campaign is influencing your business's bottom line.

From acquisition and onboarding to loyalty campaigns, Stuart's marketing team makes the most of Intercom's Engage products to maximize the experience of their clients and drivers, seeing goal completion results of 60% and higher for many of these engagement campaigns.

stuart.

60%

Goal completion results achieved by Stuart with Intercom

6 Checklist for getting started

- [ ] Ensure customers are set up for success with a getting started message.

....

- [ ] Encourage repeat visits with a habit-forming message.

....

- [ ] Help customers upskill in your product with an education message.

....

- [ ] Unlock new value for customers with a new-feature product tour.

....

- [ ] Email inactive users to encourage them to log back into your product or service.

....

- [ ] Gather and act on feedback from customers with personalized surveys.

Build long-lasting customer relationships with Intercom

INTERCOM

Interested in creating a personalized, timely retention campaign that builds long-lasting relationships with customers?

See how Intercom can help →