PM High Council

Strategic advisory from product leadership

Problem Statement

Describe your product challenge in detail

Our churn is high. My team suggested making the 'Cancel Subscription' button harder to find—maybe burying it in the settings or requiring an email to support. It would definitely save short-term revenue. Should we do it?

Convene Council

Brian Chesky
Design & Experience

Absolutely not. Making it difficult for customers to cancel their subscription is a short-sighted approach that

Marty Cagan
Process & Empowerment

The suggestion to make the 'Cancel Subscription' button harder to find is a classic example of a feature team's

Elena Verna
Growth & Metrics

No, you should not make it harder for users to cancel their subscriptions. While it might seem like a quick fix to reduce

undermines trust and ultimately harms the brand. At Airbnb, we always focus on delivering exceptional experiences and building a long-term relationship with our users. Instead of creating friction, we should address the root cause of why people are churning.

Churn is a signal that something is not resonating with your customers. Instead of hiding the 'Cancel Subscription' button, let's dig into the reasons people are leaving. Are we not meeting their needs? Is the value proposition unclear? Are there usability issues? I recommend spending time talking to your customers, understanding their pain points, and reimagining the experience with an "11-star" mindset. How can we create a product so compelling that people wouldn't dream of leaving?

mindset, where the focus is on short-term output rather than long-term outcomes. This approach might temporarily reduce churn numbers, but it doesn't address the root cause of why customers are leaving.

Instead, I recommend adopting an empowered product team structure, where the focus is on solving the underlying problem that leads to high churn. Your team should be tasked with understanding the reasons behind the churn and then working on solving those customer problems. This means engaging in product discovery practices to uncover insights about customer behavior and needs.

Here's a recommended approach:

1. **Understand the Customer Problem**: Use qualitative

churn and save short-term revenue, this tactic could harm your brand reputation and damage long-term customer relationships. Instead, focus on understanding the root causes of churn and implementing sustainable solutions.

Here's what you should do:

1. **Analyze Churn Reasons**: Conduct exit surveys or interviews with users who cancel to understand the reasons behind their decision. Look for patterns and commonalities that you can address.

2. **Engagement Retention Metrics**: Focus on engagement retention as a leading indicator of churn. Analyze how often users interact with your product, which features they use most, and where they drop off. Use

Think about the emotional resonance of your product, not just the metrics. When we focused on making Airbnb an unforgettable experience rather than optimizing for short-term gains, we built a brand that people love and trust. That's what drives sustainable growth.

Sources

Brian Chesky's new playbook · 00:16:08

Brian Chesky's new playbook · 00:16:08

research methods such as customer interviews, surveys, and user feedback to identify why customers are churning. Look at quantitative data, such as usage patterns, to confirm these insights.

2. **Ideate Solutions**: Once you have a clear understanding of the problems, brainstorm potential solutions. These should be based on the needs and pain points identified during discovery.

3. **Prototyping and Testing**: Develop prototypes for potential solutions and test them with real users. This can involve A/B testing different product changes to see which ones effectively reduce churn.

4. **Iterate**: Use the feedback from testing to refine your solutions. This cycle of prototyping, testing, and

these insights to improve the product experience and increase engagement.

3. **Activation Metrics**: Identify the key actions that correlate with long-term retention and ensure that new users are effectively guided to complete these actions early in their journey. Improving activation can significantly reduce churn.

4. **Net Dollar Retention (NDR)**: Shift focus to enhancing your NDR by encouraging existing customers to expand their usage or upgrade. This requires providing ongoing value that aligns with their evolving needs.

5. **Growth Loops**: Focus on creating growth loops that drive retention and engagement. For instance, user-generated content or community-driven

iteration should continue until you find a solution that genuinely addresses the churn issue.

5. **Measure Outcomes**: Focus on outcomes, not output. The goal is to reduce churn by delivering real value to customers, not by making it harder for them to leave.

By focusing on genuinely solving customer problems, you'll likely see a more sustainable reduction in churn. This approach also aligns with the philosophy of being "missionaries, not mercenaries," where the team is committed to improving the customer experience rather than just meeting short-term business metrics.

Sources

Product management theater | Marty Cagan (Silicon Valley Product

features can increase stickiness and organic growth.

6. **Customer Success Initiatives**: Implement proactive customer success strategies to support users in realizing value from your product. Personalized onboarding, timely check-ins, and customer education can help in reducing churn.

Remember, the goal is sustainable, compounding growth. Short-term tactics like making cancellation difficult may provide a temporary revenue boost but will eventually harm your brand and your growth trajectory. Focus on delivering value and improving the user experience to achieve long-term success.

Sources

10 growth tactics that never work | Elena Verna (Amplitude, Miro, Dropbox,

Group) · 00:42:20

SurveyMonkey) · 00:18:33

Synthesis

Strategic recommendations balancing all perspectives

Points of Agreement

1. **Avoid Short-term Fixes:** All three advisors agree that making it more difficult to cancel subscriptions is a short-sighted tactic that could damage brand trust and long-term customer relationships.

2. **Understand Root Causes:** They all emphasize the importance of understanding why customers are churning by engaging in customer research, using both qualitative and quantitative methods.

3. **Focus on Long-term Value:** Each perspective highlights the need for delivering real, sustainable value to the customer to drive retention and reduce churn.

4. **Improve Customer Experience:** There is consensus on enhancing the overall customer experience and ensuring that it aligns with user needs and expectations.

Creative Tensions

1. **Design vs. Metrics:** Brian Chesky emphasizes the emotional and experiential aspects of customer retention, advocating for a transformative experience. In contrast, Elena Verna focuses on metrics like engagement retention and Net Dollar Retention to drive sustainable growth. The tension here lies in balancing the qualitative, emotional aspects of user experience with quantitative, metric-driven strategies.

2. **Empowerment vs. Process:** Marty Cagan stresses the importance of empowering product teams to solve customer problems through discovery and iteration, while Elena Verna emphasizes structured growth strategies and metrics. This creates a tension between giving teams autonomy to innovate and ensuring they remain aligned with growth objectives and metrics.

3. **Immediate vs. Long-term Initiatives:** While all perspectives agree on long-term value, there's a tension between immediate actions (like enhancing customer success initiatives) and long-term cultural or structural changes (like adopting an empowered product team structure).

Recommended Actions

1. **Conduct Comprehensive Customer Research:**
   - **Action:** Implement a robust research initiative combining qualitative methods (interviews, surveys) and quantitative analysis (usage patterns, engagement metrics) to uncover the reasons behind churn.
   - **Rationale:** This addresses the root cause of churn, a common point across all perspectives, and provides a foundation for informed decision-making.

2. **Enhance Product Experience:**
   - **Action:** Develop and test prototypes of new product features based on the insights gathered from customer research. Prioritize features that align with both emotional resonance and measurable engagement improvements.
   - **Rationale:** Balancing emotional design elements with engagement metrics can lead to a compelling product that retains users.

3. **Empower Product Teams:**
   - **Action:** Transition to an empowered product team model, where teams are tasked with solving specific customer problems identified through research. Provide them with the autonomy to test and iterate solutions.
   - **Rationale:** This approach encourages innovation and ensures solutions are customer-centric, aligning with Marty Cagan's empowerment focus.

4. **Implement Customer Success Initiatives:**
   - **Action:** Deploy proactive customer success strategies, such as personalized onboarding and timely check-ins, to help users realize the value of the product.
   - **Rationale:** These initiatives can immediately enhance user experience and retention, aligning with Elena Verna's emphasis on customer success.

5. **Develop Growth Loops:**
   - **Action:** Introduce features that naturally encourage user engagement and organic growth, such as community-driven initiatives or user-generated content.
   - **Rationale:** Growth loops can increase stickiness and contribute to long-term, sustainable growth, balancing the need for immediate retention improvements with strategic growth objectives.

By synthesizing these perspectives, the organization can create a balanced approach that addresses immediate churn concerns while also setting the stage for sustainable growth and enhanced customer trust.

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