



New Posts  
+4 posts this hour

Most Popular  
Highest-Paid Models

Lists  
Top-Earning Tennis Star Vegas' DJ Wars

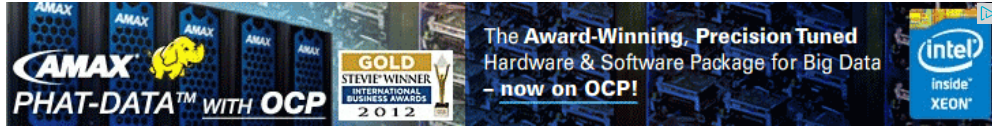
Video



Get 2 FREE issues of Forbes!

Log in | Sign up | Connect

Help



**My Say**, Contributor  
Quality advice and insight from experts in various disciplines.  
[Follow](#) (169)

ENTREPRENEURS | 5/14/2013 @ 2:50PM | 1,415 views

# Can Big Data Cure Your Churn Rate?

[Comment Now](#) [Follow Comments](#)

The following guest post is by Dane Atkinson, founder and CEO of *SumAll*, a data connection service that visualizes and analyzes information.

From smartphones and e-mail to social media sites, today's consumers have a variety of communication channels available to them anytime, and anywhere.

In fact, social media platforms, such as [Facebook](#) FB +1.78%, Twitter and Instagram, have sparked a dramatic increase in the rapid rate of business and purchase decision, as well as increased expectations in customer service. As a result, business leaders are realizing that the communications efforts that resonate best with today's savvy consumers are not only personalized and relevant, but designed and delivered in ways that truly stand out from the crowd.

Churn rate (*sometimes referred to as attrition rate*) is a term that gets thrown around a lot in relation to customer behavior. The short definition: the "number of customers who stop doing business with an organization over a specific time period."



Dane Atkinson, CEO, SumAll



THE POWER TO PREDICT WHO WILL  
CLICK, BUY, LIE, OR DIE

Understanding your company's churn rate is a crucial first step in identifying any leaks in your ship. With this knowledge, you can begin to patch up any cracks, retain more customers, and eventually increase your revenue in the process.



## Most Read on Forbes

[NEWS](#) [People](#) [Places](#) [Companies](#)

**The 5 Must-Have Qualities Of The Modern Employee** +47,646 views

**Top 100 Inspirational Quotes** +40,231 vi

**16 Things You Should Do At The Start Every Work Day** +38,839 views

**Report: Google Cofounder Sergey Brin, Wife Anne Wojcicki Have Split Up**  
+31,293 views

**Why Micro-Location iBeacons May Be Apple's Biggest New Feature For iOS 7**  
+29,930 views

[+ show more](#)



**My Say**  
Contributor  
[Follow](#) (169)

This blog features contributors who don't regularly write for Forbes but who have timely insight on starting, running and expanding small businesses. Coverage ranges from finance and technology to policy and legal issues.

*The author is a Forbes contributor. The opinions expressed are those of the writer.*

### MY SAY'S POPULAR POSTS


**The Most Annoying, Pretentious And Useless Business Jargon** 633,602 views

## Forbes

### Goldmine for Startups

 **Martin Zwilling**  
Contributor

### 7 Tips of the Chief Customer Officer

 **Christine Crandell**  
Contributor



### Microsoft Dynamics *Voice*: When Banks Use CRM Technology, Customer Service Improves

 **Chad Hamblin**  
@Microsoft Dynamics

churn rate, and tips to keep it low:

- Make a distinction between current customers and former customers. This largely depends on the business type (i.e., subscription versus retail business). If your business is subscription-based, for example, it's immediately apparent when a customer stops subscribing. With retail, however, customers may make purchases during the holidays only, or purchase durable goods without being considered churned, despite the lack of purchases.
- Remember: Churn can be an indication of a number of factors, including customer dissatisfaction, high prices, poor marketing, or just a natural part of the customer life cycle.
- Spend some time thinking what makes a solid, long-term customer. Know the real values they ascribe to your service (prices, free shipping, product array) and use a laser focus on these factors.
  - Ask outgoing customers to tell you why they cancelled or want to switch to a competitor. Then, use this data to better understand your current customers, and decide if you need to make any necessary adjustments.
  - Engage customers through regular email marketing and social media. This is a good way to keep them up-to-date with your latest offerings, as well as build brand loyalty.
  - Try ad retargeting. This can be an effective approach in winning back former customers by reminding them about your quality services and/or products.

#### New Posts

+4 posts this hour

has made one purchase from a specific store, there is a 27 percent chance that he or she will make another purchase from that same store. In addition, the research results showed that with three purchases, a customer is twice as a likely (54 percent) to purchase from that same store again in the future.

#### Most Popular

Highest-Paid Models

#### Lists

Top-Earning Tennis Star

#### Video

Vegas' DJ Wars



8 Major Mistakes Entrepreneurs Will Make In 2013  
51,972 views

How To Haggle For Anything 46,914 views

MORE FROM MY SAY

The key to successfully keeping your company's churn rate to a minimum lies in data and analytics. By mining and analyzing data, business leaders can gain better insights into their customers' needs, preferences and likely behaviors. This valuable information enables the development of strategy, and that strategy enables clear, effective communications and offers that customers will ultimately value and prioritize when making choices about which company to patronize.

Big data can be leveraged by business owners to understand customers' sentiment and needs before they evolve into issues that lead to churn. Big data also can be used to understand the reasons for past churn by looking for patterns and abstracting the information to reasons they became churn issues. Here are some ways to identify your company's

## Who Just Made A Billion Dollars?

Track the biggest winners and losers among the 50 richest people on the planet.

[See who's up and who's down »](#)



**New Posts**

+4 posts this hour

**Most Popular**

Highest-Paid Models

**Lists**

Top-Earning Tennis Star

**Video**

Vegas' DJ Wars



data. In fact, one business recently reported that nearly one-third of its users open its daily email digest email multiple days per week.

- Email allows companies to reach users in very precise ways. For example, Amazon tracks what products a user has been looking at online and follows up several days later with similar products in a targeted email.
- With the popularity of social media today, consumers have one more, very powerful platform to talk about your company's products and/or services. Social media can be a great vehicle to spread your company's messages and share content. It's also a way to connect personally to people, on a one-to-one level, and immediately turn fans of your brand into loyal advocates.

There's no denying that customer churn can slow the growth of a company over time. It's an issue every company struggles with on a regular basis. However, with the right tools in place, it's possible to keep churn rates to a minimum.

Remember: Returning customers are a company's most valuable resource — they spend more, and spend more often. This is the real value of reducing churn.

Transforming the information you have about your customers into knowledge can grow your business and create even more loyal customers. And big data can help ensure that, through every customer interaction, a company is doing its best to be as personal and relevant as possible at the point of immediate need.

**See Also:**

[Big Data Solutions](#)

[Big-Data Analytics](#)

[Database Management Tools](#)

[Cloud Storage Solutions](#)

[Portable Hard Drives](#)

[Data Recovery Services](#)

[Customer Service Tips](#)

[Online CRM Applications](#)

[Comment Now](#)   [Follow Comments](#)

[Print](#)

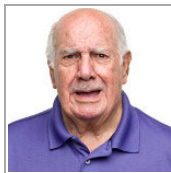
[Report Corrections](#)

[Reprints & Permissions](#)

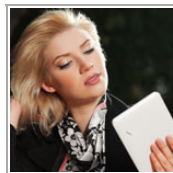
**From Around the Web**



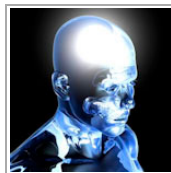
How to Speed Up Your PC - Tricks Manufacturers Hate



Billionaires Dump Stocks. Prepare For Unthinkable.



How New iPads are Selling for Under \$40



How to Exercise Your Brain to Make It Strong



Video

Vegas' DJ Wars



New Tech Lets You Speak a Language in 10 Days

How Cruise Lines Fill All Those Unsold Cruise Cabins

Tricks Car Insurance Agents Don't Want You to Know

#1 Golf Distance Killer: Fix it Right Now!

ADVERTISER VIDEO

# Post Your Comment

Please **log in** or **sign up** to comment.



Enter Your Comment

Forbes writers have the ability to call out member comments they find particularly interesting. Called-out comments are highlighted across the Forbes network. You'll be notified if your comment is called out.

# Inside Forbes



New Posts  
+4 posts this hour

Most Popular  
Highest-Paid Models

Lists

Top-Earning Tennis Star Vegas' DJ Wars

Video



## Secret To Unleashing Genius: Top Innovative Companies

Salesforce founder Marc Benioff knows the importance of building creative capabilities in others.



Madonna Tops List Of The Top-Earning Celebrities



Facebook Denies Requests More Than Google



see photos

The Top Earning Players In Tennis 2013



Real-Time Billionaires

### Channels

- Business
- Investing
- Technology
- Entrepreneurs
- Op/Ed
- Leadership
- Lifestyle
- Lists

### Company Info

- Forbes Careers
- Advertising Information
- Forbes Press Room
- Forbes Newsfeeds
- Investment Newsletters
- Reprints & Permissions
- Terms and Conditions
- Privacy Statement
- Contact Us
- Sitemap
- Help

### Affiliate Sites

- Forbes China
- Forbes India
- Forbes Israel
- Forbes Mexico
- Forbes Middle East
- Forbes Poland
- Forbes Romania
- Forbes Russia
- Forbes Ukraine
- RealClear Politics
- RealClear Markets

### Forbes Conferences

- Forbes Asia's Power Business Women
- Forbes Women's Summit
- Global CEO Conference
- Forbes Healthcare Summit
- Forbes CMO Summit
- Techonomy
- Forbes Innovators

### Publications



- Free Trial Issue
- Subscriber Services
- Buy Back Issues

### Data Partners

Market Data by Morningstar



**New Posts**  
+4 posts this hour

**Most Popular**  
Highest-Paid Models

**Lists**  
Top-Earning Tennis Star

**Video**  
Vegas' DJ Wars



2013 Forbes.com LLC™ All Rights Reserved