How CLV is really lost

CLV is not lost in churn, it is lost in small psychological frictions

Consider two "cancel subscription" screens (easy vs. difficult, but honest), big difference in retention and reactivation.

→ Same product, **totally different CLV**. Second option retains customers or postpones cancellation, without fooling them.

We're Sorry to See You Go

Thank You

We appreciate your time with us and feedback.

Yes, Cancel

We're Sorry to See You Go

What You Give Up

[ ] 1,000 Loyalty Points (10 Euro)
[ ] Priority Customer Care
[ ] Black Friday Wishlist

Downgrade   Pause   Yes, Cancel

Cognitive biases that eat (or grow) your CLV

This is how people actually decide, proven by ample studies / Behavioral Economics / Science

1

Loss aversion

We hate losing > we like winning

"If you downgrade or cancel now, you lose: zero ATM withdrawal fees in Romania, free transaction alerts, and your preferred FX rate."

2

Endowment effect

We overvalue what we already have

"You already have 127 points and 2 active vouchers in your account. You can use them on your next order – if you close the account, you'll lose them."

3

Status quo & default bias

We tend to stick with the default

"Recommended (pre-selected) plan: Standard – includes X, Y, Z. You can change your plan anytime."

4

Present bias

"Now" beats "Someday" almost every time

"Activate your account now and get a 5 GB bonus instantly, valid for 7 days."

5

Social proof

"People like me" is more persuasive than any slogan

"Over 23,000 customers in Bucharest chose this plan in the last month."

Behavioral Journey Map: 4 stages where CLV is decided

Onboarding → Usage → Renewal → Win-back

Onboarding – first 30 days

Goal: get clients to their "aha moment" fast.

Endowment effect: make what they already have feel tangible.

"You already have access to X features, Y benefits and Z rewards in your account. Start using them today – you'll only lose them if you cancel."

Simplify choices: 1–2 key actions, not 10 menus on day one.

Usage / Engagement

Goal: *build habits and reduce "silent churn".*

Sunk cost + Present bias: remind them of value gained, and give small wins now.

"In the last 3 months you've saved 214 RON and used the service 17 times. Keep this pace and you'll save even more next quarter."

Trigger quick, visible rewards (badges, perks, progress bars) vs. "long-term loyalty".

Renewal / Retention

Goal: make "stay" the natural, easy choice.

Loss aversion + Default bias.

"If you cancel now, you'll lose: your locked-in price, your current benefits package, and your accumulated rewards."

- Keep auto-renew as a clear default, but easy to change:

"Your plan will renew on [date]. You can modify or cancel anytime in 2 clicks."

Win-back / Re-activation

Goal: bring back the right ex-customers, not everyone.

Social proof + Present bias.

"Customers who returned to this plan saved on average 150 RON in the first 30 days. Reactivate now and get [specific, time-bound benefit]."

Don't send just a generic discount: offer a better-fit plan or a simpler way to use the product.

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Behavioral CX Playbook in 30 Days

From "we have ideas" to "we run experiments that move CLV".

Pick ONE critical journey

Don't boil the ocean. Start with the journey that hurts CLV the most:

- New customer onboarding
- First 90 days usage
- Contract renewal / plan change
- Win-back of recently churned customers

Ask your team: "If we improved just ONE journey by 10–15%, which one would change CLV the most?"

Map 3 key client decisions in that journey

For example, in onboarding:

- Do they log in in the first 3 days?
- Do they complete their profile / connect card / add first data?
- Do they reach the "aha moment" (first successful use)?

Deliverable: a simple list: Decision 1 → Decision 2 → Decision 3

Attach one key bias to each decision

Example mapping:

- Onboarding: Endowment effect ("this is already yours")
- Renewal: Loss aversion ("this is what you lose if you cancel")
- Win-back: Social proof + Present bias ("people like you came back and got X in 30 days")

Rule of thumb: 1 decision = 1 dominant bias you design for.

Design one small experiment per decision

Keep it light and shippable in weeks, not months:

- change the message framing (gain vs loss),
- change the order of steps (default first, options later),
- introduce a "Pause" or "Downgrade" option before full cancel,
- add a simple progress bar or usage recap.

Tie each experiment to ONE CLV-related metric

1. % customers active after 30 days
2. % who reach "aha moment"
3. % renewals on first attempt
4. % reactivated within 60 days

Key principle: "If we can't link it to behavior that extends the relationship or increases value per customer... it's not a Behavioral CX experiment, it's decoration."

Behavioral CX Lab

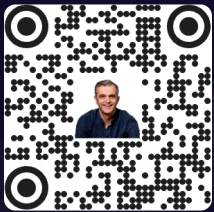How I can help your team make this real.

In a ½–1 day workshop, together we can:

- pick 1–2 critical journeys (onboarding, renewal, win-back);
- identify 3–5 key client decisions in each journey;
- map the relevant cognitive biases for those decisions;
- turn them into a prioritized backlog of experiments linked to retention / CLV.

You walk away with:

1. a shared map of the journey through the lens of real human behaviour;
2. a clear, testable set of Behavioral CX experiments for the next 30–90 days;
3. a common language between CX, marketing, product and management about "which changes actually grow CLV, and how we'll know."

Which journey in your CLV would you choose first to redesign through Behavioral CX?

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