

Targeting Would-Be Churners in Mobile Apps: Evidence from a Field Experiment

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Abstract

The app economy is becoming more and more competitive. For app companies, maintaining user traffic through user retention is critical. Accordingly, most studies on retention management in the literature focus on creating theoretical and empirical models to predict churn risk. However, little is known about whether proactive retention management should target likely churners with the highest churn risk. Combining a field experiment with machine learning techniques, we identify the predictors of the heterogeneous treatment effect of retention management strategy and demonstrate that targeting customers according to their sensitivity to the retention strategy is more effective than targeting customers according to their churn risk.

Keywords: proactive retention management, field experiment, machine learning