GO-TO-MARKET & PRICING

A relationship can be ending before churn is recorded

Churn is an endpoint label. Track stress, resource loss, coping, and switching signals as a path before the renewal record changes.

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PUBLISHED
29 August 2026

READING TIME
8 min

WORDS
1,692

https://isoglu.com/insights/journal/relationship-ending-before-churn/

CONTENTS

MANAGEMENT SUMMARY

Churn is usually recorded at a renewal or cancellation event. The relationship can begin to dissolve earlier, through lost resources, weaker usefulness, reduced trust, coping behaviour, or preparation to switch. Research on salesperson changes in B2B logistics finds a specific revenue pattern in one European firm: resale revenue fell 28.8%, new-sale revenue rose 52.2%, and total revenue fell 6.8%. Research on salesperson-owned loyalty shows that customer relationships can shift and carry financial risk beyond the account's current status. A randomized telecom experiment also warns that a proactive retention recommendation can increase churn. These are bounded findings, not a universal churn model. This literature review treats dissolution as a time-ordered path and supplies an illustrative signal log without using private customer or employer data.

Keywords: Relationship dissolution · B2B retention · Churn timing · Salesperson-owned loyalty · Customer switching

Churn is an endpoint label. A B2B relationship can begin to dissolve earlier, through lost resources, weaker usefulness, reduced trust, coping behaviour, or preparation to switch. The renewal record tells you that an endpoint occurred. It does not tell you when the relationship changed direction.

This distinction is not a license to invent a churn score. It is a reason to preserve a path of signals before the endpoint is known. A signal can be wrong, and a renewal can still happen. The record becomes useful when it states both the interpretation and what would disconfirm it.

How does key personnel turnover reveal hidden structural account risk?

Schmitz and colleagues study salesperson change with a difference-in-differences design covering 2,040 B2B customers of a European logistics firm (Schmitz et al., 2020). In that setting, salesperson change is associated with a 28.8% decline in resale revenue, a 52.2% increase in new-sale revenue, and a 6.8% decline in total revenue (Schmitz et al., 2020). The pattern is specific to the study and its design. It is not a portable forecast for any account team.

The result does something more useful than provide a number. It separates revenue tied to an existing relationship from revenue created through new sales. A relationship can be fragile in one direction and productive in another. If the dashboard stores only total renewal status, it loses that distinction until the account is already at its endpoint.

Palmatier, Scheer, and Steenkamp study salesperson-owned loyalty in industrial buyer-salesperson dyads and follow up with buyers (Palmatier et al., 2007). Their results show that loyalty can shift and that the salesperson relationship accounts for meaningful variation in latent financial risk. The study does not say every relationship belongs to a salesperson. It shows why relationship ownership is an evidence question rather than a field to assume away.

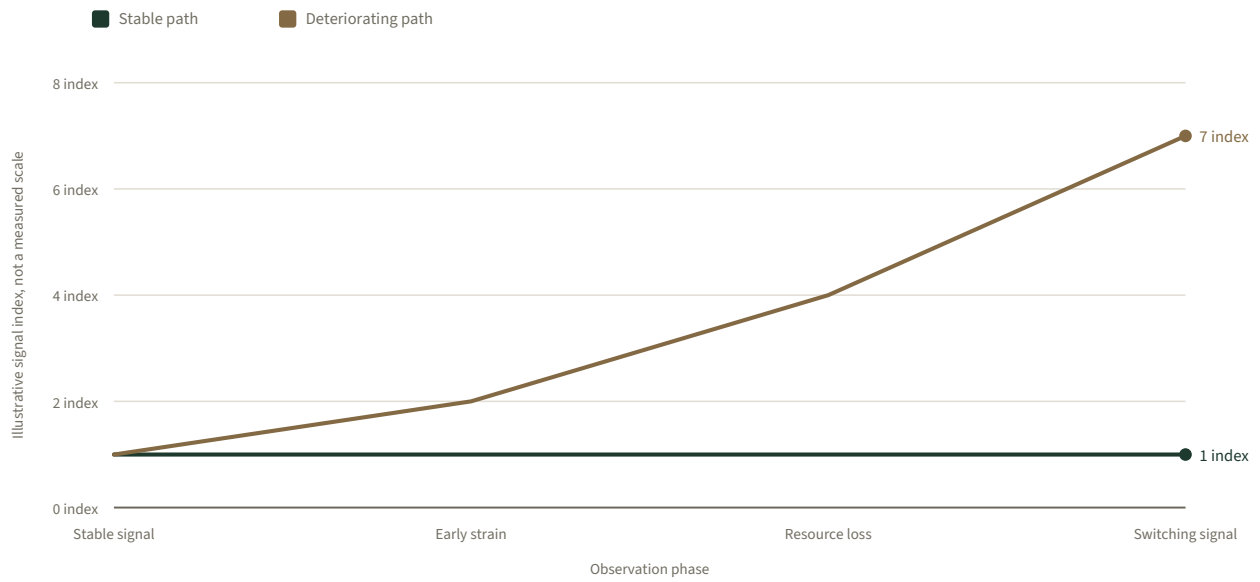
Why does relationship dissolution begin long before formal contract cancellation?

The early signals are not necessarily negative sentiment. A buyer may keep renewing while moving work to another provider. A user may keep using the product while building a workaround. A sponsor may keep the contract while reducing access and internal advocacy. These are hypotheses about a path, not facts to assert without local evidence.

Ascarza, Iyengar, and Schleicher provide a sharp warning about intervention. In a randomized telecom field experiment, a proactive plan recommendation increased churn in the tested setting (Ascarza et al., 2016). The intervention was intended to prevent churn. Its effect shows why a signal or treatment cannot be judged only by its stated purpose.

Steinhoff and colleagues find that B2B SaaS add-ons can have different relationships with outcomes during onboarding and after onboarding (Steinhoff et al., 2025). Their data cover 74,871 contracts at one global provider and are observational. The study does not create a general SaaS rule. It does show why timing and relationship phase belong beside the churn label.

Figure 1 A path can move before churn is recorded



Author-generated illustrative model. Stable path values are [1, 1, 1, 1]; deteriorating path values are [1, 2, 4, 7] across four observation phases. The index has no empirical unit and is not a customer score.

Why must commercial teams distinguish behavioral dissatisfaction signals from root causes?

The literature gives several reasons to be cautious. A salesperson change can expose relationship dependence, but it can also coincide with a territory change or a strategic shift. A retention recommendation can increase churn in one experiment, but that does not make intervention generally harmful. An onboarding effect can differ from a post-onboarding effect, but that does not identify the mechanism in every subscription business.

The safe record therefore has three layers. First, record the observed signal and date. Second, record the interpretation as a hypothesis. Third, state the next observation that would make the hypothesis weaker. A relationship log that has only a risk label is an assertion machine. A log that has a signal and a disconfirmation path can support learning.

How should account management maintain an auditable relationship dissolution log?

Choose one relationship and write four dated observations, without using a private example in the published article. For each observation, record what resource or value event changed, who noticed it, what alternative explanation remains, and what would distinguish the explanations. Keep the renewal status in a separate field.

If the endpoint changes, preserve the earlier path. If the endpoint does not change, do not erase the strain signal. The point is not to predict churn with false precision. It is to know whether a renewal is evidence of a healthy relationship, a temporary continuation, or simply a record that has not reached its endpoint.

Why is contract renewal an uninformative proxy for underlying relationship health?

A renewal date tells the organization that a contract continued at a particular decision point. It does not show whether the relationship was healthy throughout the period before it. The account may have renewed while reducing usage, transferring work to an alternative, or depending on one person whose position later changed.

This is a timing problem. If every relationship that has not churned is placed in the same healthy category, the system treats unresolved paths as evidence of stability. The distinction is especially important when the organization is deciding whether to intervene. A signal before renewal can be useful without being a prediction, and a renewal after the signal can be informative without proving that the signal was false.

The safer record keeps the endpoint and the path in separate fields. Preserve the date of the signal, the resource or value event it concerns, and the renewal outcome. Do not replace the earlier record with the later label.

Where do organizational relationship assets actually reside across enterprise accounts?

The salesperson is one possible carrier of relationship knowledge, but the relationship can also depend on users, sponsors, implementation routines, shared records, service habits, and a history of solved problems. Palmatier and colleagues show why salesperson-owned loyalty is an evidence question: the salesperson relationship can account for meaningful variation in latent financial risk in their industrial-buyer study (Palmatier et al., 2007). The result does not mean that every relationship is salesperson owned.

Schmitz and colleagues' disruption study separates resale, new-sale, and total-revenue effects after a salesperson change (Schmitz et al., 2020). The separation suggests a useful diagnostic question: which part of the relationship can travel through the organization, and which part is attached to a person or an unrecorded routine?

That question is not answered by adding more contact names to a CRM. It requires recording where the value event happens and who can reproduce it. A relationship with many contacts can still be fragile if the decision history and operating knowledge remain concentrated in one place.

Why do retention signals require competing causal hypotheses before intervention?

A drop in usage, access, or resale can be a dissolution signal, but it can also reflect seasonality, a product change, a territory move, a budget freeze, or a reporting break. Ascarza and colleagues' randomized telecom experiment shows the other danger: a proactive retention recommendation increased churn in the tested setting (Ascarza et al., 2016). An intervention can change the path it is intended to protect.

Steinhoff and colleagues find that the relationship between B2B subscription add-ons and outcomes can differ during onboarding and after onboarding in their single-provider observational setting (Steinhoff et al., 2025). Timing and phase therefore belong in the interpretation. A signal that means one thing during adoption may mean something else after the operating routine is established.

The review should list at least one alternative explanation before an action is chosen. Then state which observation would distinguish the alternatives. If no such observation exists, the action may still be justified as protection, but it should not be described as a proven churn intervention.

How does structured relationship logging enable disciplined commercial intervention?

For each observation, record the date, relationship resource, value event, signal, working interpretation, alternative explanation, intervention, and result. Keep the intervention separate from the signal so the organization can see whether its response changed the outcome. Record the phase of the relationship as well, because onboarding, steady use, renewal preparation, and post-sale recovery can carry different mechanisms.

The log should also say what not to do. If a signal is weak and the intervention is intrusive, a small learning action may be safer than a broad retention campaign. If the relationship is highly person-dependent, the first intervention may be to distribute knowledge rather than to intensify a discount. If the signal disappears, preserve that result without declaring the original hypothesis true.

This keeps the organization honest about timing. It can intervene earlier, but it cannot call an earlier signal churn merely because it appeared before the endpoint.

Where are the empirical boundaries of B2B relationship dissolution models?

The held studies support relationship dependence, intervention risk, timing, and phase-specific effects. They do not support a universal churn score, a claim that salesperson change causes the same revenue pattern everywhere, or a measured interpretation of the illustrative lines. Dissolution is a path to investigate, not a label to apply earlier with confidence.

The timing question connects to renewal as no proof of prevented churn and the asset that can leave, where the recorded event is separated from the relationship mechanism that precedes it.

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END OF ESSAY

HOW TO CITE THIS ESSAY

Isoglu, S. (2026, August 29). A relationship can be ending before churn is recorded. Sinan Isoglu. https://isoglu.com/insights/journal/relationship-ending-before-churn/

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