

Why Are Your Customers Leaving?

Smart marketers know that it takes much less money to retain a current customer than to acquire a new one. Too often, marketing efforts become overly focused on new customer acquisition. The key is to strike the right balance.

Customers will leave. It is inevitable. And they will need to be replaced with new business. The most effective marketing organizations craft a continued, deliberate effort to retain profitable customers for as long as possible.

What happens to an organization's customers? A study by *US News and World Report* found some interesting annual statistics.

- » **4% will relocate or change ownership**
- » **5% will form other friendships or business relationships**
- » **9% will switch because your competitor outdoes you**
- » **14% will leave because they are dissatisfied with your product or service**
- » **68% will leave because your organization seems like it doesn't care about their business**

The takeaway? While there is some attrition that may be beyond your control, the overwhelming majority of customers who may exit a business relationship could be retained!

Addressing this point is absolutely critical to business success! Maintaining and improving these fragile and important relationships is a company-wide effort, of course, but it's marketing's responsibility to lead it.

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