

CUSTOMER RETENTION

Why It's Important and What Keeps Customers Coming Back

When it comes to running a successful small business, attracting new customers is only half the battle. It's equally, if not more, important to retain your existing customers.

Why? For one, it's cheaper to retain your existing customers. On top of that, the average customer spends 67 percent more in their third year as a customer of your business than they do in their first year.

WHY IT'S IMPORTANT



It's 6 - 7 times more expensive to acquire a new customer than to retain an existing one.



Boosting retention by 5% can increase profits between 25-95%.



Businesses lose \$1.6 trillion per year when customers move away from them.

78% of happy customers are willing to tell family and friends about your business.



WHAT KEEPS CUSTOMERS COMING BACK

1 SHARED VALUES



84% of customers list shared values as the biggest driving factor behind brand loyalty.

Research states that a strong **emotional connection** with a brand is a stronger driver of loyalty than factors like "value" and "effectiveness."

2 CUSTOMER SERVICE



Efficient, courteous customer service is important for customer retention.

3 out of 5 customers will switch brands to get a better customer experience, and 86% of buyers will pay more for a better customer experience.

3 CUSTOMER ENGAGEMENT



Customer engagement leads to customer retention. Highly engaged customers buy 90% more often and spend 80% more per transaction.

A customer who is "totally satisfied" delivers 2.4 times as much revenue as one who is "somewhat satisfied."

4 LOYALTY PROGRAMS



Americans hold 2.2 billion loyalty program memberships. They hold enough memberships that every two people in the world could have one.

Loyalty program members spend between 21-18% more per year than non-loyalty program members.

Learn more about how SpotOn can help you retain customers with our groundbreaking marketing and loyalty tools. www.SpotOn.com/software



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