Keep Your Customers Satisfied

We have all seen the statistics:

1. Acquiring a new customer can cost as much as 10 times more than whatever it normally takes to keep a customer satisfied
2. Most companies lose at least 10% (and some 30%) of their customers every year
3. The longer a customer stays with your company, the higher your profit margin from that customer will be
4. Reducing your customer defection rate by just 5% can add another 25% onto your bottom line

So if we've all heard it, why aren't we more aggressive in our customer satisfaction efforts? Probably because we don't really believe the statistics. If we did, we wouldn't be reducing product size, while we increase prices. We wouldn't be creating complicated and confusing buying models. Instead we would be developing and engaging in loyalty inducing programs that don't tie consumers to us, but rather make them want to buy from us. We'd achieve this through quality products, excellent service, fulfilled promises, transparent marketing and reasonable pricing.

If you're playing the game by only thinking about how to grow your market share (even at the expense of your existing customer base) you are making a mistake. If your customer satisfaction rate starts to tumble, you can bet your drop in market share isn't far behind.