

# Why Customers Leave

We tend to insure almost everything in life: businesses, vehicles, buildings, people (i.e. life and health insurance, etc.) even our travels. Purchase an iPod, and the retailer will try to sell you insurance for it.

Why do we insure all these things, but all too often fail to insure the very thing that makes everything possible...our customers?

Author and lecturer, Tom Peters, in his landmark book, In Search of Excellence, demonstrated the value of "Customer Insurance." He found that it required ten times more capital to secure new business than it does to keep the business you already enjoy. Think of it as \$1.00 to get a new account and (only) 10 cents to keep an account you already have.

The unfortunate truth to all this is few businesses invest the money to keep their clients. Peters commissioned a study to find out why customers quit doing business with one company in favor of another competitive company. Here are the results:

- 1% Pass away
- 3% Move out of your market
- 5% Move the business to a friend or family member
- 9% Leave because of price
- 14% Leave because of a grievance that didn't get handled correctly or quickly enough
- 68% Leave because of indifference/ They feel their business is taken for granted

This study has been performed several times over the past 20 years and the numbers have not moved!

We all have little, if any, control over the first four points which fortunately only total 18%. We can, however, control the last two points which total 82%. The grievance issues are almost always a breakdown in communication and or a process, and are easily fixed if you act quickly. The 68% that leave because of indifference...**now this** is where Strategies can be of service to you and your firm!

We are armed with solid ideas that will help insure your customers' loyalty and retention. Invest a dime to save a dollar. Now that's great ROI!

## Customer Insurance-- Every business needs it. We've got it!

Contact your Strategies account executive and ask about our 80/20 Business Protector Program and our other customer retention ideas. We can help you nail down your competition's best prospects... *Your Customers.*

All the best to you and your business!

STRATEGIES, LTD.

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