

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.



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

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

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



WHAT KEEPS CUSTOMERS COMING BACK

1 SHARED VALUES



64% 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 "ease" 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 **60%** more per transaction.

A customer who is "totally satisfied" delivers **2.6 times** as much revenue as one who is "somewhat satisfied."

4 LOYALTY PROGRAMS



Americans hold **3.8 billion** loyalty program memberships. They hold enough memberships that every two people in the world could have one.

Loyalty program members spend between **12-18%** 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