



Why Businesses Lose Customers and What You Need to Do About It

It's a fact that customers leave us for a variety of reasons that are out of our control: some die off, others move away, and typically there is nothing we can do about that. However, some customers leave for reasons that are within our control. There are ways you can prevent customer loss.

- Make them your number 1 priority
- Be Consistent
- Don't deploy high pressure sales
- Prevent high staff turnover

Number 1 Priority

Sometimes we forget that our customers are the reason why we are in business. We get too focused on our plans for expansion, changes, and profits (among other things), causing our relationships with our customers to flounder. Customers know when they are not appreciated and tend not to shop with us. What to do about it? We need to ensure that our staff are continually focused on adding value for our current customers and treating them like royalty. If you have a database, you need to check it regularly to see who has stopped buying from you and follow up. Maybe our customer has gone out of business and no longer needs our product; perhaps it's another reason, but if we don't ask we will never know. Some of the greatest businesses have had their best ideas from dissatisfied customers. Will you be one of them, or will you let your customers just drift away? Inconsistencies

The first time a customer engages with us sets a lasting impression. If we wow them with great service the first time they come, and do something different the next time, we are inconsistent. If our service from one sales staff is different from another (because of our failure to implement systems that work), we have a problem. Every time your staff communicates with your customer, it should have the same tone and manner that you have taught them. If there are differences in the delivery of the service model or product, you have a problem. What to do about it? You need to develop systems that reflect what you expect in terms of the approach to each of your customers. You need to be consistent in the training of those systems with each and every employee, so they know what is expected and the consequence for underperforming.



High Pressure Sales

I remember one year, the day before Christmas, I received a phone call from a sales rep from one of our key suppliers.

“Hi Dave, how are you doing?”

“Merry Christmas, Jim. What’s up?”

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“Dave, I am just calling you to tell you that you need to spend another \$3000 before the end of the week.”

“Why is that, Jim?”

“Well, sales have been slow and the sales manager is on my case. I have to get my sales up. I need you put in an order today. You just haven’t bought enough from us this year.”

At this point the call went from bad to worse and, after a heated exchange, I hung up on Jim. Needless to say, I didn’t place the order and I made it a point of dropping our purchases by 25% the following year as a result of this poor customer experience. Jim eventually apologized for the call, and I realized what incredible stress he had been under, but that was beside the point. The point is that we could have easily stopped buying from them all together, and I would have felt justified.

Have you ever bought something and felt pressured? What kind of taste did that leave in your mouth? What were the chances that you would buy from that individual or even the business that person represented? Unlikely, right? What to do about it? If you are putting pressure on your sales staff to get sales under any condition, you might have a problem with your sales model. Any company that encourages their staff to be dishonest, or has staff that replicates dishonesty that they see in you, is in trouble. You are bound to lose customers that you will never regain.

High Staff Turnover

Consistency in business is essential. You need your customer to be able to count on you, and you need to know that the money you have invested in your staff training is going to be put to good use. Your customers build relationships with your staff, so having a high turnover is frustrating to your customers and costly to you. What to do about it? Having a hiring system that results in great staff for your company is essential. Training these staff and providing them with a safe environment where they feel adequately challenged and fairly compensated can mean all the difference between you having customers for a long period of time or those same customers drifting off to your competition. Lost customers = Lost profits!



Repeat Customers

If you can, find out how you can contact some of the customers who have not bought from you for a period of time. This may be 6 weeks, 6 months, 1 year, or longer depending on your sales cycles. Survey them to find out the reasons that they are not buying from you. Write down 4 questions you could ask them that would help you figure out why you are losing customers:

1.

2.

3.

4.

If you could use your database and send out an offer to customers who have not bought from you for a period of time, what kind of offer would you give that would be an incentive for them to come back? List 3:

1.

2.

3.