

The Ultimate Guide to Customer Retention



What is Customer Retention?

Customer retention is your ability to focus on keeping the customers you already have happy and engaged with your brand over time.

This doesn't mean you stop trying to acquire new customers. After all, you can't retain a customer you don't have! Instead, you want to find a balance between acquisition and retention efforts that allows your business to grow sustainably over time.



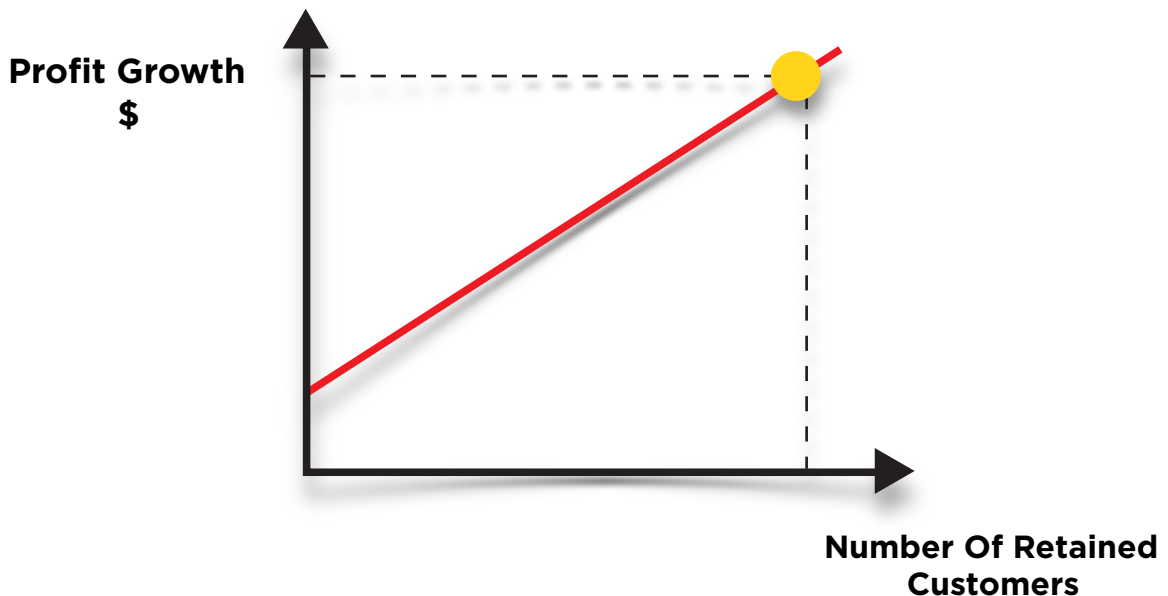
FACT: Research shows that up to 60% of NEW customers NEVER return!



In fact, repeat customers are responsible for over 40% of your revenue

How many % of your profit, do you reinvest to retain them?

Customer Retention is CRITICAL to ANY business strategy.



While the change doesn't happen overnight, even the smallest incremental lift in customer retention will start to show impressive results.

Increasing your retention rates by just 5% can increase your profits between 25%-95%
-Harvard Business Review

Have you been focusing on the right customers?

63% of businesses think that acquiring customers is the most important business goal, but does a focus on acquiring new customers really lead to a profitable business?

Lets look at the numbers.



Loyal Customers

- Have a greater lifetime value; loyal customers spend **10x** more than new customers
- **60%** to **70%** will buy from you again
- **50%** are more likely to try new products and services
- **65%** of loyal customers are enticed and interested by notifications on deals, coupons and promotions

New Customers

- Rarely come back again to spend in your store, mostly one time purchases
- **5%** to **20%** of new customers will buy from you again
- It costs **16x** more to nurture a new customer. The average conversion rate from promotions sent to new customers to a purchase is **< 1%**
- Are more price conscious; less than **20%** of them will return and pay full price for items.



Majority of Successful Businesses are successful because:

1. They invest in Customers retention strategies.
2. These Customers retention strategies drive repeat purchases!

AND ULTIMATELY, ENJOY INCREASED PROFITABILITY OF EACH CUSTOMER



TAKE ACTION : Building your Customer Retention Strategy and Increase your Profit per Customer

It's time to start thinking about ways you can improve your own customer retention!

We've highlighted ways to build a retention strategy that is just as unique as your business and the customers that fuel it.



Surprise your Best Customers by Digitally Rewarding them



**Six out of Ten customers cite surprise rewards as a reason they stay loyal with a brand
-AnnexCloud-**

Today, the era of digitalization, rewarding your customers digitally would put you in a better light against your competitors. Additionally emotional connection between the customer and brand can be nurtured by offering free products, value-based discounts with e-rewards.

Offer a reward for new members who join:

The most effective retention programs make it really easy for new members to see value early on. This reward can be used towards their very first purchase.

Award points when a customer makes a purchase:

showing your customers that you appreciate their investment in your brand will give them every reason to come back and make another purchase.

Celebrate birthdays with a reward

an exclusive reward is a great way to make your customers feel special and build on personalization offers.



Motivate your Customers to share your brand and products with a Referral Reward



74% of consumers identify word-of-mouth as a key influencer in their purchasing decision.

-Google-

Rewarding customers for taking valuable actions like referring their friends helps you add tangible value to your customer's buying experience.

Subscription Programs



70% of business leaders say subscription business models will be key to their prospects in the years ahead - Global Banking and Finance Review -

A subscription program is by far the most effective customer retention tool. A subscribed customer would be more likely to stick with your brand over time as they feel they have already invested money upfront. This will drive ongoing engagement with your brand, move more customers from one-time purchases to repeat purchases that you retain for a long period of time.



TADA

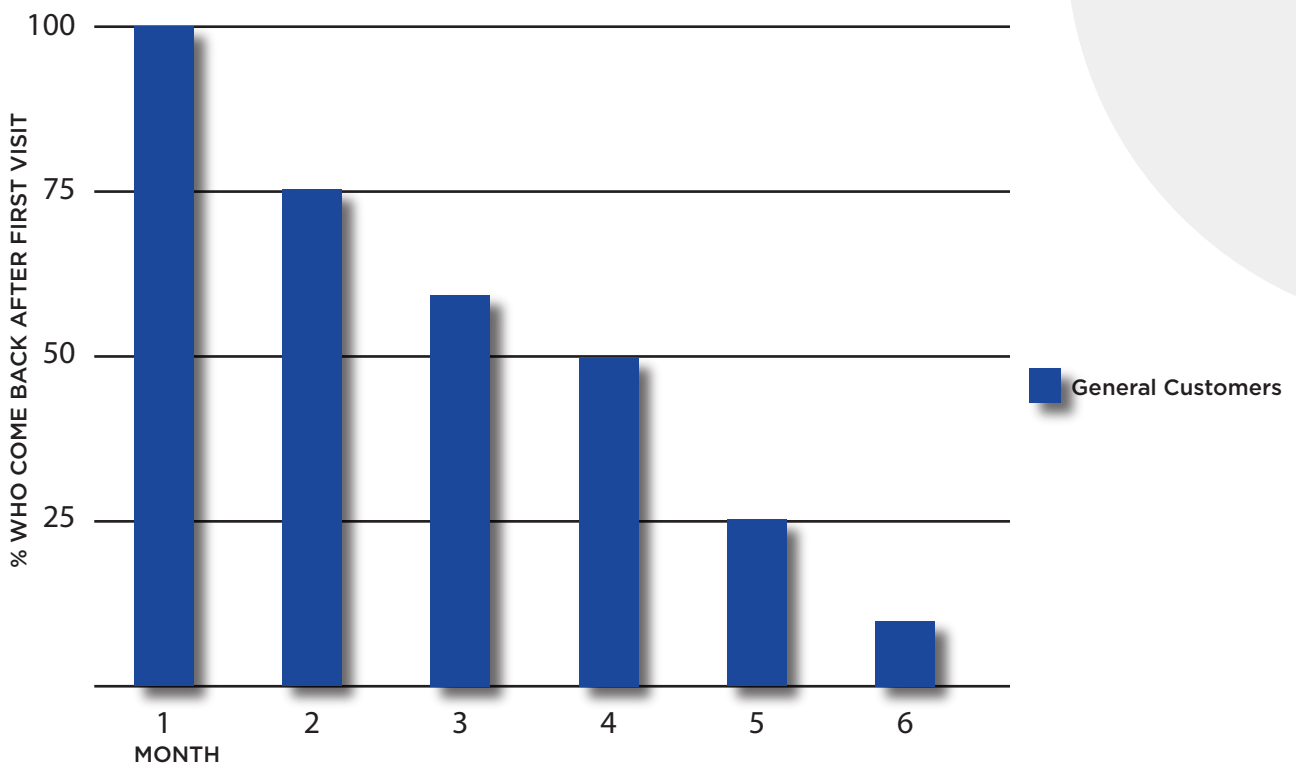
CUSTOMER RETENTION

BASICS



Retention Programs are Vital Because Customers Fade

% Who come back after first visit



1st Month : 100 %

2nd Month : 75 %

3rd Month : 60 %

4th Month : 50 %

5th Month : 25 %

6th Month : 10%

We Bring Back Lost Customers and Double your Profit per Customer

With the experience in launching customer retention programs for our clients, we've seen some really impressive retention improvements including:



Lift in average sales



Increased customer lifetime value



Higher repeat purchase rate



Let TADA do the work for you

We empower businesses from different industries to retain their customers and grow revenues for them. We are a leading customer retention platform that will increase the number of transactions your customers spend with you successfully.



Reach out to us today, and be on your way to higher retention rates, and higher profits.

It's time to get started with Customer Retention

It's hard to improve on your customer retention if you haven't measured it. In order to help you do that, we've outlined the most important stats that you need to know to get started.

- Average bill size
- Customer return rate in a given month/year
- No of transactions in a day
- COGS

To Calculate Current Profit per Customer

Average bill size x purchase frequency x Profit margin

Why it matters: this metric will help you understand the average profitability of your customers. This will help you plan to increase one or more of the criterias above. When this number is higher, it's a clear indication that retention is working.

**Talk to Our Growth Consultant
for your Free Business Assessment!**

TADA
#BeyondLoyalty

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