

All of my work with small and medium sized firms is based on a number of clear business facts, no fluff no b.s just facts.

When thinking about growing a small firm, or marketing a small business of any kind these are the facts that need to be considered. All of your activity needs to be dealing with or improving based around these business development facts.

1. Price is not the main reason for customer churn, it is actually due to the overall poor quality of customer service – *Accenture global customer satisfaction report 2008*.
2. A customer is 4 times more likely to defect to a competitor if the problem is service-related than price- or product-related – *Bain & Company*.
3. The probability of selling to an existing customer is 60 – 70%. The probability of selling to a new prospect is 5-20% – *Marketing Metrics*.
4. For every customer complaint there are 26 other unhappy customers who have remained silent – *Lee Resource*.
5. A 2% increase in customer retention has the same effect as decreasing costs by 10% – *Leading on the Edge of Chaos, Emmet Murphy & Mark Murphy*.
6. 96% of unhappy customers don't complain, however 91% of those will simply leave and never come back – *Financial Training services*.
7. A dissatisfied customer will tell between 9-15 people about their experience. Around 13% of dissatisfied customers tell more than 20 people. – *White House Office of Consumer Affairs*.
8. Happy customers who get their issue resolved tell about 4-6 people about their experience. – (USA Research) *White House Office of Consumer Affairs*.

9. 70% of buying experiences are based on how the customer feels they are being treated –*McKinsey*.

10. 55% of customers would pay extra to guarantee a better service – *Defaqto research*.

11. Customers who rate you 5 on a scale from 1 to 5 are six times more likely to buy from you again, compared to ‘only’ giving you a score of 4.8. – *TeleFaction data research*.

12. It takes 12 positive experiences to make up for one unresolved negative experience –*“Understanding Customers” by Ruby Newell-Legner*.

13. A 5% reduction in the customer defection rate can increase profits by 5 – 95% – *Bain & Company*.

14. It costs 6–7 times more to acquire a new customer than retain an existing one – *Bain & Company*.

15. eCommerce spending for new customers is on average £24.50, compared to £52.50 for repeat customers – *McKinsey*.

Everything we do for small firms revolves around one or more of these key business facts.

When you are ready to move forward and deal with these areas please get in touch.

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