

Causes of Customer Churn and How to Address Them

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Attracting new customers is a costly business. Large businesses have whole sales teams dedicated to winning new customers and marketing departments with the sole goal of making their product or service offering irresistible. Smaller business and start-ups plough large chunks of their budgets into social media and digital marketing. It's draining on resources, and for a smaller business trying to get off the ground, can be the deciding factor on business survival.

The question then becomes, do you put the same amount of time, money and effort into keeping your hard for, and expensive to attract customers?

There are five common mistakes businesses make when it comes to customer churn, and we've got some useful tips to stop the churn, save you money and increase your profits.

Lack of perceived value

New customers often sign up to exclusive offers, flash sales and free trials. These marketing tools are a great way to garner new customers, but what happens afterwards? If the free trial is restrictive and underwhelming, or the product is poor quality or not quite as promised, you'll immediately turn the customer off. Take an objective look at what you are offering and ensure the customer feels that they have received excellent value for money and are valued as a new customer.

Weak branding/niche

Take a look at all of your marketing materials. What is your core message? Do you even have one? If logos aren't consistent across platforms, and the messages are different, cluttered, or confusing, your brand won't embed in the customer's mind. Customers are bombarded with thousands of messages every day, if you want yours to stick, then keep it clear, consistent and straightforward. For example; if you are a cleaner, like [Cleanfocus](#), be specific about where your speciality lies. Are you a green cleaner? Do you only clean commercial buildings and offices? Hone in on one particular target market and push the same message and company values consistently.

Poor online platform

We live in the digital age, and as physical shop fronts are closing across Australia, online businesses are booming. We order everything online, and if you want to keep your customers, it needs to be easy. If your online shopping carts are glitchy or your customer needs to jump through many hoops and clicks before the order is complete, they won't return. Is your site mobile friendly? How many clicks does the entire order process take? When they return to buy, is it easier? Do you remember who they are and offer suggestions or one-click to re-order? Do you offer an instant online quote? We all live busy lifestyles, so the moment a customer hits a roadblock or technical frustrations, they move on to somewhere else.

Lack of customer care/response

We don't like to be seen as a number, we want to be seen as individuals and we want to be valued. Whether it's at work, at home, or waiting in a phone queue for help, we want to feel like we matter. Mystery shop your own business as a customer with an issue or complaint and experience the process for yourself. How long does it take to get a response? How are your customer service teams trained? Does every customer get the same experience? Are there patterns in the complaints you get which can be fixed? If you provide a product or service online, think about a high-quality chat service which can fix common questions quickly and get your customer back to purchasing or ordering as soon as possible.

Lack of engagement

Once you win your customer, do you maintain the relationship? You've worked incredibly hard to win them, so keep up the momentum with regular updates, tailored to your customer's preferences. If you haven't done this before and don't have a strategy in place, take a look at businesses that do it well. Fabletics is a subscription service for activewear which tailor picks outfits in the sizes required and sends them each month. If you want to skip the purchase, you have to hop online and visit the site. The customer skipping gets to see these easy to purchase, ready to wear outfits and is more likely to buy something they like. YouFoodz also creates engagement and builds strong relationships with their customers through smart branding, marketing and regular deals which arrive via SMS with a one-click link straight to their meals. Think about the products and services you buy and why you go back to them time and again. Radio silence and sporadic messages leave your customers feeling cold.

The first step to halting customer churn is to look at what you have right now. Take a look at your customer list and find out who they are. What are their purchasing habits? What's your percentage of repeat customers vs one off? Are there any patterns you can pick up on? Once you know who your customers are, you'll find easy ways to build on that relationship and minimise customer churn.