

## THE CHALLENGE OF RETAINING CUSTOMERS

By Rick Boxx

An article in the Harvard Business Review stated that on average, businesses lose 50 percent of their customers every five years, often due to poor customer service. Since both success and survival of most businesses is predicated on experiencing net revenue growth every year, constantly prospecting for new customers is critical – unless more can be done to retain existing customers.

Most leaders of both for-profit companies and non-profit organizations understand the cost of retaining an existing customer is far less than what it takes to acquire a new customer. Yet this reality is frequently overlooked, resulting in under-serving existing customers. Many leaders do not even have any specific knowledge or statistics on the volume of customers that leave their businesses in a typical year.

So-called “cold calling” is certainly one approach to building business and increasing a customer base, but this is hard work, requiring great patience and persistence. And even then, the percentage rate for attracting new customers can be low. So it makes sense to give primary attention to current customers, making certain they know how highly valued they are and how much you appreciate them.

The question is, how do we do this effectively?

A verse from the Old Testament of the Bible, Proverbs 27:23, suggests a good starting point: "Be sure you know the condition of your flocks, give careful attention to your herds." Imagine a shepherd given responsibility for the care, feeding and protection of a flock of sheep. He would watch them closely, striving to notice whenever they have needs not being met, or when they might be in discomfort or some kind of jeopardy. With that image in mind, consider yourself a “shepherd” of your customers.

How would you do that? To start, if you are not already doing this, start tracking the number of customers you lose each year. That might motivate you to find ways to keep them. You might follow up on past customers and ask why they chose to stop doing business with you.

You might conduct brief, random surveys of customers, asking them to describe their experience in doing business with you – what they liked, what (if anything) they did not like, what could be improved. If you receive a customer complaint, do everything you can to resolve the situation. Then follow up to see if what you did was satisfactory to the customer.

The so-called “Golden Rule” can serve as an excellent guideline – “So in everything, do to others what you would have them do to you” (Matthew 7:12). Jesus also said, “Love your neighbor as yourself” (Mark 12:31). With these in mind, think of the customer as “your neighbor.” If roles were reversed, and you were your own customer, how would you want to be treated? How would you expect to be treated? Are any of your current business practices something that, if you were the customer, would be unacceptable?

This is not to say we should not continue to pursue new customers. Some existing customers will leave no matter what we do or how well we serve them. But paying attention to the condition of our flocks, as the proverb advises, is one way to secure a stable future for our companies.

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#### Reflection/Discussion Questions

1. Do you know how many customers your business has lost in the past year – or the past five years? If so, what have you done about that? If not, why not?
2. Is your company or organization currently doing anything proactively to assess “the condition of your flocks,” as Proverbs 27:23 describes it? What could you be doing that you currently are not doing?
3. How might it help to do a role reversal, viewing yourself as a customer rather than the provider of your goods or services?
4. What, in your opinion, does it mean to do to others what you would have them do to you? What about Jesus’ command to “love your neighbor as yourself” – in trying to do this, would it make a difference in how you conduct business on an everyday basis? Why or why not?

NOTE: If you have a Bible and would like to read more about this subject, consider the following passages: Leviticus 19:13, Proverbs 11:14, 14:4, 15:22, 17:3, 17:10, 21:1; Luke 10:27-37