

# Shocking: 70 Percent of Customers are Lost from Neglect

Have you ever been taken for granted? Can you describe the emotion? Does it make you feel unimportant, small, resentful, angry, and indifferent?

The reality is, and the data tells us, that almost 70% of customers are lost because of neglect. Not prices, not products, not the economy, not aggressive competitors. Neglect! They feel taken for granted and unimportant.

Often when customers defect to a competitor we fail to face the real reason. When you ask your customer directly why they left, more often than not, they respond with a litany of “logical” reasons because it is difficult (and painful) to articulate the emotion of neglect. In other cases, post modern surveys ask only about the rational reasons for defecting rather than the emotional reasons.

Organizations also, more often than not, accept the excuses of their account managers, customer success reps, and salespeople for the reason the client moved to a competitor. They’ll tell you it was price, product, service, or an unscrupulous competitor – but you’ll never hear, “I just didn’t pay enough attention to the customer and make them feel important and like we cared. So they moved on to someone else who loves them more than me.”

This leaves executives chasing expensive pricing, product, and service fixes instead of focusing on improving the customer’s emotional experience which almost always delivers a higher return on investment.

## Neglect Creeps Up on Customer Relationships

Neglect happens slowly. It creeps up on customer relationships. It happens when businesses get into the habit of fighting fires rather than preventing them.

The cure is a system that proactively engages customers. Some organizations set up monthly or quarterly account reviews that focus on account updates and problem solving. Others set aside time each day to proactively reach out to customers by phone or e-mail. This daily focus is powerful because the cumulative impact of touching a few customers each pays off over the long-term. Those calls and e-mails keep you connected to your clients and let them know you care.

## Protect Your Turf

A simple, regular, inexpensive phone call check-in goes a long way. I do more business with Sondra, an account manager for a company that sells my company digital advertising than I do with all of her competitors combined. Her product is not superior—quite honestly; she and all her competitors are about the same. Since we pay by monthly credit card billing, it is easy to forget about our account. Sondra doesn't forget about us, though. She checks in with us every week. Sometimes by phone, other times by e-mail. There is nothing special about what she does. *How are you doing? How can I help you? I have an idea; can we schedule a call? Have a great weekend?* Yet her regular contact ensures that we never forget about her and her company and when we have additional budget to spend on advertising, she always gets it.

*Sondra understands that you've got to protect your turf.*

Devin, on the other hand, was devastated as he reluctantly called his boss with the news that he'd lost a top ten account. He knew that with this loss, his job was on the line. Earlier that day his customer emailed to let him know that they were not going to renew their contract and were going with one of his competitors. Devin explained to his boss that the competitor had promised significant service improvements and a big price decrease and that the buyer was convinced that making the switch would save lots of money. "With our pricing the way it is," Devin whined to his manager, "my hands are tied."

The truth that Devin kept from his boss was that he hadn't spoken to this customer in over six months. Since the customer never called or complained, Devin assumed they were happy. He figured the contract would just automatically renew and roll over. But while Devin neglected the relationship, his competitor filled in the emotional gap.

## An Onslaught of Relentless Competitors

This same scenario plays out again and again across the business landscape. It is the reality of the hyper-competitive marketplace. You must retain customers against an onslaught of competitors that relentlessly pound on the door. When you fail to proactively manage your customer relationships, those competitors slip through the cracks and encourage buyers to consider other options. Aggressive competitors don't miss an opportunity to topple embedded, long-term relationships. The battle never ends and vigilance is the key to protecting your turf. Losing your customer base can be catastrophic. Customers are essential to the survival of your organization.

## Take Nothing for Granted – Keep Your Fingers on the Pulse of Your Customers

You and your team must take consistent daily action to protect your turf. You must take nothing for granted. Every customer and every relationship is at risk. Hoping for the best is a losing strategy. You must take systematic action to shore up and strengthen

your relationships and reinforce the value of your product or service. You must respond swiftly to any real or perceived service issue no matter how small. And you must get proactive in meeting with your customers to learn about their business issues, uncover problems, and proactively suggest ways to solve those problems.

I'm not saying this is easy. One of the hardest things to do is keep your fingers on the pulse of your customer base. It is made even harder by the fast pace of twenty-first-century business. Strong, trusting relationships are the key. Devin was unaware that he was in trouble until it was too late. However, had he been managing the relationship, it is highly likely that he would have been given a heads up that would have allowed him a chance to save the business.

## A Systematic Approach to Account Management and Customer Success

The key to protecting your turf is a systematic approach to account management. Start with ranking and segmenting your customers based on revenue and profit contribution. Once you know where your customers rank by revenue and profit contribution, take a closer look at how often and in what ways you are connecting with them.

- How often are you contacting them through phone, e-mail, regular mail, or face-to-face interactions?
- How are you using social media to remain in their bubble of familiarity?
- What are the objectives of those interactions?
- Are some customers getting lots of attention while others are getting none? Why?
- Where do these customers rank on your list?
- Based on segmentation what might be a more impactful proactive outreach process?

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Take an honest approach. Keep it real. Make an effort to view your account management activity through your customer's eyes.

- Do your relationship-building efforts cause your customer to want to buy more from your company? Where is the evidence?
- Does your customer feel like really care about them? How do you know?
- Do you really understand your customer's business problems and unique situation? If not, what needs to change?

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Based on your analysis, develop a more systematic approach to contacting and building relationships with your customers. Decide on the frequency, objective, and methods for staying connected. You may be constrained by budget cuts and travel restrictions so be prepared to get creative. Then execute your plan. Staying connected will put your finger squarely on the pulse of your highest value customers while they're *still* customers.

