



THE TOP 5 PRE- AND POST-SALE SCENARIOS THAT NEGATIVELY IMPACT CUSTOMER RETENTION

Did you know it costs 5X as much to acquire a customer than it does to retain one? Also, did you know that by increasing customer retention rates by as little as 5%, you can increase profitability anywhere from 25% to 95%, depending on the industry.

Then why do so many organizations continue to take their eyes off the customer retention ball, as long as the sales pipeline is full of first-time prospective customers? After all, the longer customers continue to do business with you, the more likely they are to refer your products and services to other companies and become loyal and retained customers. Who doesn't want a loyal customer base?

Even companies who enjoy a 95% rate of customer retention can positively impact their profitability by doing a few more things "*remarkably well*" rather than "*good enough.*"

Here are the top 5 pre- and post-sale scenarios that I have identified which negatively impact customer retention the majority of the time.

Do any of the following scenarios sound familiar? Chances are, you've tried to do something about it, but none of your "fixes" have worked. That is because a blended approach to Customer Retention is both an Art Form and a Strategy. [Contact me](#). Let's get to work on continuously improving your organization's customer retention strategy and execution.

Scenario 1 - Failure to understand Customer Context. Customer context is critical to business outcome not only when acquiring customers but also retaining them. Root causes for the problems you identify during the discovery process can have really big contexts, if you take the time to look for them. Customer context includes all the variables, stated or not, that influence not only buyer behavior but post-sale end user behavior as well. If left undiscovered, these variables can stall or derail the initial sale, and sabotage successful post-sale deployment of products and services. Implementation and usage failures often become major factors influencing the decision to renew a contract or not.

Scenario 2 - Poor Product or Service Fit. When sales people are in a rush to make their numbers, or customer service people are pressured to provide incentives to prevent customer defection, they do not take the time to understand customer context. The result can be poor product fit. The customer is left with a product or service which falls short of expectations. Another factor contributing to poor product fit is lack of innovation. Customers expect your products and services to become *better and better* the longer they do business with you. When products do not scale to meet expanded customer requirements, those products and services easily become redundant or obsolete and are eliminated.

Scenario 3 - Over-promising and under-delivering. When employees are pressured to meet productivity KPIs and revenue quotas, they are tempted to take shortcuts. As a result, sales people and customer service representatives can over-promise the capabilities of a product or service. Often the agreed-upon price point is not adequate to deliver against these specifications. As a result, a high-quality product or service is not able to be delivered within budget and in a timely manner. Consequently, your organization's credibility is impacted and rate of customer retention declines.

Scenario 4 - Customer abandonment. When sales people are responsible for customer acquisition only, the care and feeding of newly-won clients become the responsibility of everyone else in the organization. The sales person, who developed the initial relationship with the buyer, now abandons that customer. The post-sale implementation specialists, for both the seller's and buyer's organizations, often are not part of the customer acquisition process. As a result, they lack insight regarding the customer's context for initial purchase. As they compare and contrast what was contractually agreed upon, they identify a gap between sales fantasy and customer success reality. The resulting costly rework and delays in time to completion erode profitability and impact rate of customer retention.

Scenario 5 - Just-in-Time Renewal Syndrome. Even though sales people often are guilty of abandoning their customers post-sale, sales people emerge from the woodwork at contract renewal time. Their strategy is to upsell and cross-sell that customer to increase contract value and commission. Except the sales person once again fails to take the time to discover the customer's experience post-sale. As a result, the sales person is surprised when the customer defects to a competitor. There is no room for sales complacency, even if your product lifecycle extends into decades or the customer signs a multi-year contract. Maintaining a just-in-time renewal strategy, often by resorting to occasional "*just checking in*" tactics, makes your organization vulnerable to customer defection.

Are you ready to take the next steps to turn around ineffective, legacy customer retention practices? Then you will find my blended customer acquisition and retention approach engaging, productive and effective.

Let's get started! My contact information is below my signature. Set up an appointment. Let's discuss your business case. I look forward to speaking with you.

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