

Customer retention 'a priority' during downturn

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Companies are prioritizing customer retention in the face of the economic downturn, with 34% rating it as their main current concern while only 8% are focusing on customer acquisition, according to a survey of European businesses by predictive analytics software firm SPSS.

The result is a dramatic turn-around from previous years, when 40% of businesses rated customer acquisition as their main concern.

Due to the current economic climate, customer attrition is high. As acquiring customers is often much more costly than retaining them, businesses have been forced to address the need to hold on to and grow existing customers, rather than constantly seek new sales.

"The shift in the market is not surprising," said Haydn Lewis, SPSS vice president for EMEA. "In the past few years, companies have been stuck in a cycle of customer acquisition and loss. Previously, customers were much more loyal to one brand but this has recently been replaced by a constant search for the cheapest deal. Analyzing customer feedback can help determine what makes someone switch suppliers, and then prevent it from happening in the future."