



## THE GREAT DEBATE:

# Customer Acquisition vs. Retention

## How to Balance?

Should you concentrate on gaining new customers, or put all your energy into keeping the ones you already have? The truth is that a balance between the two is required.

Here are some ideas to help you walk that fine line.

## Did you know..?



### 40%

It is estimated that nearly 40 percent of an e-commerce business's revenue comes from repeat customers.\*



### 20 hours

The average small business owner spends approximately 20 hours a week on marketing.\*\*

### < 20%

Research shows that businesses have a 60 to 70 percent chance of selling to an existing customer, compared to a less than 20 percent chance for a new customer.\*\*\*



### 60%

According to some experts, a well-established business should concentrate about 60 percent of its marketing resources on customer retention. On the other hand, new businesses should devote the bulk of their efforts to acquisition.\*\*\*\*

### Customer Acquisition

### Customer Retention

#### Benefits of Customer Acquisition

- Grow your customer base
- Offset customers lost to attrition
- Access more opportunities for internal investment
- Execute marketing plans easier



#### Benefits of Customer Retention

- Loyal customers can recommend you to others
- Customer retention tends to be less costly
- Direct marketing methods reach them faster
- Frequent customers provide you with more feedback



#### Channels Used to Gain New Customers

- Print advertising
- Direct mail
- Social media outreach
- Radio and television ads
- Search engine marketing
- Email



#### Channels Used to Keep Customers

- Loyalty programs
- Focused email marketing
- Attentive customer service
- Customer engagement surveys
- Print/direct mail advertising
- Text messaging



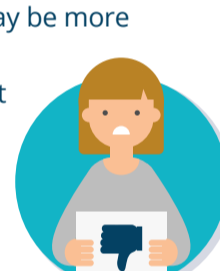
#### Dangers of Focusing Too Much on Acquisition

- More expensive than retention typically
- New customer pool may be limited depending on your market
- Business type may be better suited to repeat customers
- Existing customers may feel neglected and drift away



#### Dangers of Focusing Too Much on Retention

- Business growth may stagnate without new customers
- Customer replacement may be more difficult if you lose any
- Less room to grow without new revenue streams
- Traditional marketing efforts may be ignored



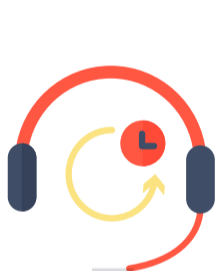
#### Critical Items to Focus on for Acquisition

- Use content marketing to build your brand and be recognized as an authority in your field.
- Find out who influences your customers and work on connecting with those influencers.



#### Critical Items to Focus on for Retention

- Collect metrics that matter, such as your repeat customer rate and their purchase frequency.
- Invest in customer support initiatives such as online chat to help resolve issues quickly.



## How to Get It Done

### Customer Acquisition

- Define your target market
- Personalize your messaging
- Acquire customers by networking or advertising
- Leverage social media
- Make every customer experience exceptional
- Use a multi-touch approach

### Customer Retention

- Know your customers
- Personalize offers
- Ask for feedback, act on findings
- Offer customer service "surprises"
- Respond quickly to inquiries or complaints
- Use marketing automation to re-engage customers

## Tips for Balancing Acquisition With Retention



#### Concentrate on quality.

Attract new clients and encourage existing ones to stay with exceptional service and products.



#### Engage with current customers.

Make your existing customer base feel valued by asking them to spread the word about you through online reviews.



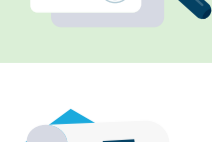
#### Embrace online marketing.

Use social media to connect with new customers and focused email to reconnect with existing ones.



#### Evaluate your customer base.

Dive into your data to find out which of your current customers are really worth holding onto and which are not.



#### Get personal.

Send handwritten notes to existing customers for effective marketing that helps build strong word of mouth.

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