



Client Retention VS Client Loyalty

No one can argue that client retention is one of the most critical aspects of business.

However, how do you *really* know that your key clients will still be with you in 2012 *and* beyond? Measuring retention does not provide any certainty. *Knowing* that you have loyal clients provides far more certainty – along with many other benefits. In short, having loyal clients removes the guess-work and waiting for the retention figures to be released.

So, how can businesses be certain of loyalty as part of improving retention?

Consider these facts*:

- A 5% increase in customer retention can increase business profits by 25% to 125%
- Organisations focused on customer retention can grow at 6 times the average pace
- The 80:20 rule holds true: Typically, B2B derives 80% of its revenues from 20% of its customers.

Informed business leaders know that client retention is essential to the growth of their business.

Wise leaders ask:

“How healthy are our key client relationships?”

Very Wise leaders ask:

“How can I ensure client loyalty?”

***Sources:**

1. “Leading on the Edge of Chaos”, Emmett C. Murphy and Mark A. Murphy, 2003
- 2 & 3 <http://www.circle-research.com/b2b-marketing-research/case-studies/b2b-marketing-research-articles.php>