



International
a gyro: company

CASE STUDY:

Lost Customer Research

Case study: Helping a leading tool manufacturer reduce customer churn

The Challenge

Our client, a tool manufacturer and distributor with over 100 years heritage, had been losing up to 10% of their customer base each year for the last three years. They wanted to understand why customers had defected and to develop a plan that would ensure customers stay happy and loyal in the future.



The Solution

We carried out two stages of the research. The first stage was qualitative, consisting of 20 depth interviews (45 minutes in length) with lapsed customers to get ‘beyond the superficial’ and really understand the triggers that had caused people to switch away from our client. These interviews helped us achieve the level of detail required for an accurate understanding of the market and enable us to develop the main questionnaire for stage two of the research. The second stage was a quantitative study speaking to 300 lapsed customers over the telephone to obtain insights and measures to help reduce customer churn and increase loyalty.



The Insight

We not only ascertained the key issues as to why customers were leaving, we were also able to benchmark how well our client was meeting expectations against their competitors. Through detailed analysis we were able to show how a certain customer segment was more likely to leave and thus put resulting actions in place to make sure greater retention occurred with this customer group. We developed an on-going, lapsed customer survey tracker to track the core metrics and create a feedback loop to our client so they were able to determine whether the reasons stated for leaving changed over time. Through this continued focus, we were able not only to help lessen defections but also to contribute to greater turnover and profits.