

Hi ,

The facts you need to know...*

- The best customers outspend others by ratios of 16 to 1 in retailing, 13 to 1 in restaurants, 12 to 1 in airlines, and 5 to 1 in hotels and motels.
- Studies of customer dissatisfaction show that customers are dissatisfied with their purchases about 25% of the time but that the only about 5% complain. The other 95% either feel complaining is not worth the effort, or they do not know how or whom to complain. Of the 5% who complain only about 50% report a satisfactory problem resolution.
- 96% of dissatisfied customers don't complain they just stop buying. Of customers who register a complaint between 54 -70% will do business again with the organisation if their complaint is resolved. The figure goes up to a staggering 95% if the customer feels that the complaint was resolved quickly.
- On average a satisfied customer tells three people about a good product experience. The average dissatisfied customer gripes to 11 people.
- The average company loses 10% of its customers each year.
- A 5% reduction in the customer defection rate can increase profits by 25% to 85%, depending on the industry.

"Victory comes to the most persevering"

Napoleon

- A 2001 survey of 3,500 web shoppers found that 77% of online shoppers have at least once selected an item for purchase but failed to complete the transaction. Jupiter Media Metrix has reported that two thirds of web shoppers abandon shopping carts. Worse only 1.8% of visits to online retailers lead to sales compared with 5% of visits to department stores.
- In 2002 US businesses spent about \$482 billion on online transactions with other businesses. In 2002 consumers spent only \$71 billion on goods and services on line.
- Hewlett Packard (the largest computer hardware manufacturer in the world) has over 2.5 million pages on its website. Roughly 55% of the company's total sales come from the website.
- 80% of New Zealanders have access to the internet.
- A study by McGraw-Hill found that it takes four to four and half sales calls to close an average industrial sale.
- Direct mail consumers open and read 75% of the direct mail they receive, with the 35-49 age group opening and reading the highest percentage of direct mail received. However, according to the report's findings, consumer attitudes to unaddressed advertising mail, usually spurned as "junk", was in fact opened and read by 63 percent of consumers.

What percentage of consumers purchase as a result of receiving solicited personalised mail? 61 percent of female consumers and 60 percent of males
- More than 60% of people read the PS part of the letter.

"Intelligence lies in recognising opportunity"

Chinese proverb.

- In the 1990s Miller Brewing spent US\$1.5 billion on measured advertising

but still managed to lose market share.

- In an average supermarket which stocks 15,000 items, the typical shopper passes by some 300 items per minute. 53% of all purchases are made on impulse.
- Forrester Research estimates that 35% of all e-mail enquiries to companies don't get a response within 7 days and about 25% don't get a response at all.
- 70% of people use the internet when seeking local products and services.
- A study by Burston-Marsteller and Roper Starch Worldwide found that one influential person's word of mouth tends to affect the buying attitudes of two other people. The circle of influence, however, jumps to eight on line.
- Women control 81% of family purchasing decisions and 85% of them manage the household cheque book.
- An investment of \$1000 in every e-tail IPO (initial public offering – to be listed on the stock exchange) in the US, good or bad, would have increased about 35%. (Relating to the dotcom investors of a few years ago "theoretically" losing a great deal of their investment.)

"Why is it that with all the information available today on how to be successful in small business, so few people really are?"

Michael Gerber – author and entrepreneur.

- Franchising accounts for more than \$1 trillion of annual US sales and nearly one-third of all retail transactions, with the industry employing one in every 16 workers in the US.
- In grocery wholesaling the average profit margin is often less than 2%.
- In a study of 7,000 consumers in seven European counties, 60% said they were influenced to use a new brand by family and friends.
- A 2003 survey found that roughly 80% of the sample of consumers were very annoyed by pop-up ads, spam and telemarketing.
- The appeal of point-of-purchase advertising lies in the fact that numerous studies show that in many product categories consumers make the bulk of the final brand decisions in the store. One study suggested that 70% of all buying decisions are made in store.
- Cooper and Kleinschmidt found that the number one success factor (in developing successful new products) is a unique, superior product. Such products succeed 98% of the time, compared to products with a moderate advantage (58% success) or minimal advantage (18% success.)

"The trouble with facts is that there are so many of them"

Samual McChord Crothers- author

Your level of success is only limited by yourself.

Best wishes

Vaughan

t: 09 820 5004 f: 09 820 5004 e: vaughan@jvmarketing.co.nz

*All facts are provided from many and varied texts, books and articles too numerous to mention here. Please contact me directly if you wish to know the source (for reproduction purposes.)

