

# CUSTOMER WINBACK

BENCHMARK STUDY

2023



# OVERVIEW

This study offers customer winback benchmarks, expert insights and case studies.

The study's core finding is that winback delivers significant revenue at a very low cost.

**\$485k**

SMB Winback Revenue

**\$5k**

SMB Campaign Cost

**32X**

Winback ROI



## WHAT PERCENTAGE OF PAST CUSTOMERS TYPICALLY RETURN?

The study reported that on average, 26% of past customers returned as the result of winback campaigns.

The majority of study participants reacquired between 20% and 35% of their past customers and a study conducted by Marketing Metrics / Ipsos Loyalty had similar results. They reported the probability of winning back a past customer at 20% - 40%.

**2X**  
**CUSTOMER**  
**LIFETIME**  
**VALUE**

# WHAT'S THE VALUE OF A RETURNING CUSTOMER?

Most study participants reported that after a customer was reacquired, lifetime value doubled or more.

The study found that:

- 49% of returning customers generated about the same revenue after they were won back as they did during their "first lifetime",
- 4% generated less and
- 47% generated more revenue the second time around.

A winback study featured in the Harvard Business Review (March 2016) corroborates these findings. It found lifetime value more than doubling.

*"Second-time customers in the study had an average lifetime value of \$1,410, versus just \$1,262 during their initial run with the service."*

# WHAT WAS THE COST OF WINNING BACK PAST CUSTOMERS?

Winback campaigns fell into three cost categories.



NO HARD COSTS

## 1 - No Hard Costs

Over half of the study participants (53%) reported no hard costs as winback was done by email and phone with existing staff.

## 2 - Low Hard Costs (Under \$5K)

About a third employed low cost outreach vehicles such as direct mail and campaign costs for this group totaled less than \$5K.

OVER \$5K

UNDER \$5K

## 3 - High Hard Costs (Over \$5K)

The remaining 13% had significant hard costs which came in the form of additional staff, meals, entertainment and travel.

**\$242K**  
YEAR ONE SALES

**\$485K**  
TOTAL CAMPAIGN SALES

## HOW MUCH REVENUE DID THE AVERAGE CAMPAIGN GENERATE?

The average winback campaign generated \$242,700 in the first year for small and medium size businesses (SMBs). Reacquired customers stayed for an average of two years which put total campaign revenues at \$485,400.

Larger organizations generated winback sales in the millions.

Note: This study focused on winback for companies with two hundred or fewer employees, but a small number of larger organizations also participated in the study.



# WHAT'S THE ROI OF A WINBACK CAMPAIGN?

**32X**  
HARD COSTS OVER \$5K

**182X**  
HARD COSTS UNDER \$5K

**EXTREME**  
NO HARD COSTS

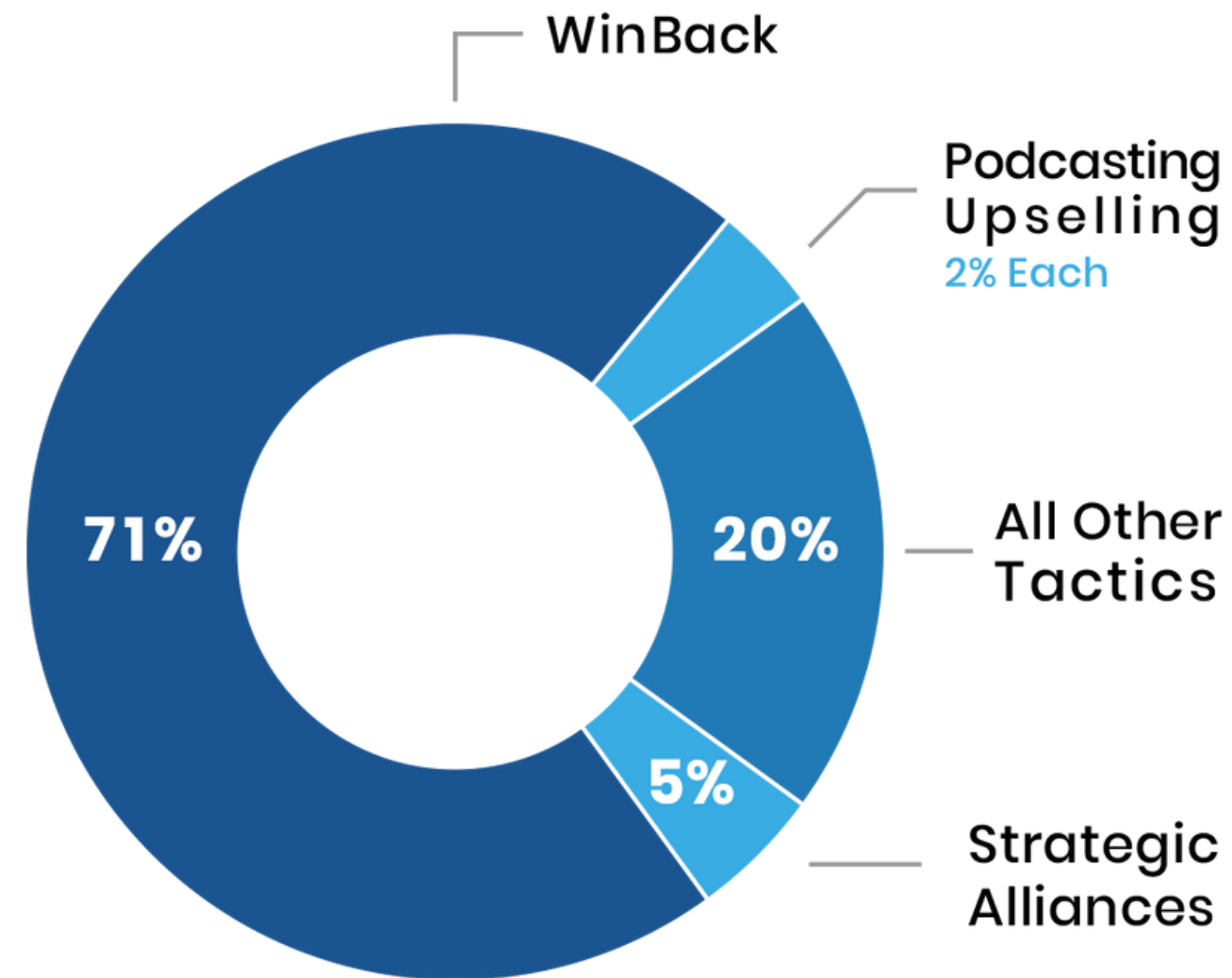
The typical campaign delivered a high ROI due to the combination of low campaign costs and significant revenue generation.

Companies with higher campaign costs (over \$5K) averaged a 32X ROI and those with lower costs (under \$5K) averaged a 182X ROI.

Companies without hard costs generated an extremely high ROI. It can't be quantified since the investment side of the ROI equation is zero, but clearly it's much higher than the 182X ROI reported by the "Low Cost" group.

Note: ROI was calculated on first year sales only. Also, even though many participants reported "No Hard Costs" there was an opportunity cost, e.g. staff could've been selling to new prospects, and that has an impact on ROI.

# HOW DID WINBACK ROI RANK AGAINST OTHER MARKETING STRATEGIES?



Over 71% of study participants reported that winback delivered the best ROI of any marketing tactic they'd implemented.

Strategic alliances came in second at 5% with podcasting and upselling each garnering under 2% of the votes.

Note: All participants did winback campaigns but may not have used all the other tactics, so the data could be slightly skewed in favor of winback.



**70%**  
**SHORTER SALES CYCLE**

# HOW LONG ARE SALES CYCLES?

On average, study participants reported sales cycles as 70.4% shorter when selling to past customers vs when selling to new prospects.

In other words, they closed about 3 winback customers in the time it took to win one new customer.

Some of the reasons given for the shorter sales cycles include: time is saved because prospects already know you, so relationships don't need to be built, they just need to be rekindled. And you don't need to spend a lot of time educating prospects on your product since they've already used it.

Note: Most study participants were SMBs so this benchmark doesn't shed light on sales cycle lengths for larger organizations..

# INSIGHTS

Three of the exceptional sales / marketing leaders interviewed for this study offered insights into these core winback questions.

**WHY DOES WINBACK WORK?**

**HOW DO WE FULLY MONETIZE  
CUSTOMER RELATIONSHIPS?**

**HOW DO WE OPTIMIZE WINBACK FOR  
DIFFERENT TYPES OF CUSTOMERS?**

# INSIGHTS

Andrew Loos

Andrew offers us insights into why winback works in terms of human psychology. He currently runs two companies, Honor & Impact and Transcend, and has helped create marketing programs for clients such as Kellogg's, Pepsi and LYFT. Andrew is also the co-author of several John Wiley & Sons textbooks including “Applied Marketing”.

Jon LoDuca

Jon brings a unique perspective to winback and its role in fully monetizing client relationships. For two decades Jon has helped optimize growth for 400 of the top 1% income-earning entrepreneurs.

Bryan Mattimore

Bryan gives us a window into how client reactivation works in the gig economy. He's one of America's top experts in applied creativity and his innovation projects have led to over \$4 billion in new sales.

# HUMAN PSYCHOLOGY AND WINBACK

*"I often draw a parallel between a business relationship and that of a personal relationship, I honestly don't think they're as different as people see them."*



**Andrew Loos**

Managing Partner at  
Honor & Impact

As humans we're naturally attracted to the new, and often a client is lost for no other reason than they'd like to experience a new vendor. At the other end of the spectrum, a client could leave because of a negative experience.

In both cases the key to winning them back is the same ... wait a few months and then reach out. By simply letting time pass, human psychology steps in and helps us in two ways:

1. The new vendor loses their aura of "new and better."
2. With the passage of time negative feelings soften, and oftentimes even heal.

There's another big benefit to giving a lost client space. They'll see if the new vendor can actually deliver the goods.

# HUMAN PSYCHOLOGY AND WINBACK

Andrew Loos checks in after 4 to 6 months because for his business, that gives the client enough time to know if they are truly happy with the new vendor.

“A lot of times, this benefits us greatly. We’ll discover after checking that past clients are, in fact, not satisfied with their new partner and now see the value we brought to the table in much better focus.”

Andrew went on to say “We also found that most past clients aren’t necessarily going to pick up the phone, call us and say they want to come back. We have to check in with them.”



**Andrew Loos**

Managing Partner at  
Honor & Impact

# FULLY MONETIZING CLIENT RELATIONSHIPS

*“If you want to grow 10% you actually need to do 14% because while you're busy growing, you're going to lose 4% out the back door.”*



**Jon LoDuca**

Founder at PlaybookBuilder

These days companies need to run really hard just to generate net new business. Why? Because they not only need to find new clients, they also have to beat the attrition rate.

Combating the problem starts with fully monetizing existing client relationships.

That means more than upselling and cross-selling. You need to reduce attrition by creating truly great customer experiences and you also need processes to win past clients back.

But many people believe that when a client leaves, they're gone for good and there's no point in trying to get them back. But the fact of the matter is that many will return if approached well and that alone will take you a big step closer to full client monetization.



# CLIENT REACTIVATION IN THE GIG ECONOMY

*"Gig oriented firms reactivate clients while companies with longer term relationships win clients back, and that difference impacts how you approach past clients."*



**Bryan Mattimore**

Co-Founder, Growth Engine  
the Innovation Agency

The way to leverage existing client relationships in the gig economy is similar to the way that you do it for companies that have ongoing client relationships. They both require strategies for re-engaging and reactivating past clients, but there are also significant differences.

For businesses with ongoing relationships the name of the game is to win back those who went to a competitor. In the gig economy, the client wasn't lost, the job was simply completed. So one strategy to reacquire past clients is to offer a new product or service.

This means you need to create especially powerful re-engagement messaging because you not only need to sell a brand-new service, you also need to demonstrate that it's in your wheelhouse.

# CLIENT REACTIVATION IN THE GIG ECONOMY

Businesses with ongoing client relationships don't have these issues because they're selling the same service again and again.

Having an existing relationship makes account access easier and since you've seen inside these companies you can usually find viable opportunities to sell other services. But it's also challenging because clients tend to think of you for just one thing.

Study participants told us that in the gig economy, successful client reacquisition campaigns depend heavily on very personalized and highly relevant messaging. The messaging was often centered around a specific client pain point and delivered insights into solving the issue that, like breadcrumbs, led back to the new service being offered.



**Bryan Mattimore**

Co-Founder, Growth Engine  
the Innovation Agency

# CLIENT REACTIVATION IN THE GIG ECONOMY

The messaging also included a high level of personalization and Bryan Mattimore took it one step further, he made the messaging hyper-relevant by going beyond the general needs of the company.

“The CEO, the CMO, the brand manager and so on, they all have different responsibilities within the firm and your message needs to be aligned with the needs and interests of their title and areas of responsibility.”

Creating highly customized messaging requires considerable time and effort, but it delivers results. Bryan sent a mailing out to 40 past clients just before our interview and in very short order he received 16 responses and booked six meetings.

Note: Gig and longer-term businesses leverage client relationships differently in a number of other ways and future articles will address this topic in depth.



**Bryan Mattimore**

Co-Founder, Growth Engine  
the Innovation Agency

# CASE STUDY 1

## THE MOST SUCCESSFUL NEW SALES INITIATIVE OF THE YEAR (\$100K/WEEK)

from Jeb Blount

Jeb Blount is one of the world's most respected sales thought leaders and a master at reactivating past customers. In this segment, Jeb shares the story of how he helped a client generate \$100K per week strictly by reactivating past customers.

Jeb is the CEO of Sales Gravy Inc. and SalesGravy.com is the most visited sales specific website on the planet. Jeb is also the author of 13 books including: Virtual Selling (John Wiley & Sons 2020) and Fanatical Prospecting (John Wiley & Sons 2015).

# THE MOST SUCCESSFUL NEW SALES INITIATIVE OF THE YEAR (\$100K/WEEK)

One of Jeb Blount's clients wanted to set up an outbound prospecting team to call and reactivate dormant customers.

While Jeb was training the team he observed that the reps hesitated and agonized even though they weren't going to be calling strangers, they were going to be calling people who'd done business with their organization before.

This is how Jeb tells the story, "So I demonstrated by grabbing the list, picking up the phone, and dialing numbers.

The customers who answered the phone were receptive, and other than being initially irritated at being interrupted, took time to talk to me about their next buying window. Over the course of 25 dials, three of these former customers indicated that they were ready to buy again.



Jeb Blount  
Sales Thought  
Leader



# THE MOST SUCCESSFUL NEW SALES INITIATIVE OF THE YEAR (\$100K/WEEK)

Once the reps learned how to interrupt those inactive customers and initiate sales conversations, they became phenomenally successful, going on to produce, as a team, \$100,000 each week in sales.



Jeb Blount  
Sales Thought  
Leader

This, by the way, became my client's most successful new sales initiative of the year, and they have expanded the outbound team and are now attacking the entire database.”

Note: This story was shared by Jeb Blount and excerpted with permission from his bestseller, *Fanatical Prospecting: The Ultimate Guide to Opening Sales Conversations and Filling the Pipeline by Leveraging Social Selling, Telephone, Email, Text, and Cold Calling*. (Wiley, September 2015)



# CASE STUDY 2

## INCREASING CUSTOMER RETENTION FROM 85% TO 97%

from Tom Williams

In this case study Tom Williams shares the story of a winback campaign where he and the EVP of Sales won back 90% of past customers and how he used the insights from the winback campaign to increase retention from the 80-85% range all the way up to 97%.

Tom Williams is a sales thought leader and co-authored with Thomas Saine two highly influential sales texts, *Buyer-Centered Selling: How Modern Sellers Engage & Collaborate with Buyers* and *The Seller's Challenge: How Top Sellers Master 10 Deal Killing Obstacles in B2B Sales* which is one of the very best books on the complex sale.

# INCREASING RETENTION FROM 85% TO 97%

A hospital services organization had a huge churn problem - they were losing 15 to 20% of their customers annually.

Tom Williams was brought in and with the help of the EVP of Sales, a customer winback program was created. They did a ton of research and eventually found the reason why so many people were leaving.

They used that insight to win back an astounding 90% of the lost customers.

What makes this story really spectacular is they followed up the winback with something very powerful. They took the insight discovered during the winback and applied it to current customers to reduce churn.

And again, they were hugely successful, churn was cut from 15-20% all the way down to 3%!



**Tom Williams**

Chairman & Founder  
Strategic Dynamics

# INCREASING RETENTION FROM 85% TO 97%

How did they do it? This is how Tom tells the story ...

The service was being sold to mid-level managers so they knew it's value, but the C-suite didn't.

When it came time to submit budgets, all the C-suite saw was the expense and not the value, so the service was often just deleted from the budget.

The mid-level managers wanted to hold onto their jobs, and so they thought, "If the boss doesn't want this and doesn't see any value in it, I'm not going to go fight it. This isn't a hill I want to die on."

So rather than fighting for the service, they just let the contracts go.



**Tom Williams**

Chairman & Founder  
Strategic Dynamics

# INCREASING RETENTION FROM 85% TO 97%

This situation made the winback pretty easy.

An account management program was set up for the largest and most important accounts.

Then all the sales representatives called into the C-suite and explained the value of the service and churn dropped to 3% within a year. That, along with 90% of the customers being won back made this an extremely successful initiative.

Tom summed up the winback like this ...

“It was super cool to watch this whole thing happen and to see the light bulb going on with each sales representative as they started to see the effects of their calls with the C-suite.

It was a beautiful thing to watch.”



**Tom Williams**

Chairman & Founder  
Strategic Dynamics

# CASE STUDY 3

## 173X ROI

from Ron Contorno

In this segment, Ron Contorno shares how he generated a 173X ROI with a winback campaign he created for the Detroit Tigers and a 181X ROI for the Texas Rangers.

Ron is the Founder of Full House Solutions, a full-service direct marketing agency with a client roster that includes more than 800 major and minor league sports and entertainment organizations.

# 173X ROI

The Detroit Tigers had a list of approximately 5,100 past clients that they wanted to win back.

The Tigers had already tried to connect using email and phone calls, and ended up bringing in Ron Contorno's team.

Full House Solutions worked with the Tigers to design a post card with a personalized “Welcome Back” message on their scoreboard and reasons why they should come back.



**Ron Contorno**  
Founder, Full  
House Solutions





# 173X ROI

And the results were amazing.

Ron and his team generated 522 group purchases (20,024 individual ticket sales). The total revenue was an impressive \$737,000 and the ROI was 173X.

And Ron generated an even higher ROI with a campaign for the Texas Rangers. That one delivered a 181X ROI on sales of \$200K.



**Ron Contorno**  
Founder, Full  
House Solutions



# CASE STUDY 4

## WINNING BACK CUSTOMERS YOU CAN'T AFFORD TO LOSE

from Jill Griffin

Jill Griffin is an NYSE Corporate Board Director, one of America's leading customer loyalty experts and a customer winback trail-blazer. Jill spent 3 years conducting in-depth research on winback and co-wrote *Customer Winback: How to Recapture Lost Customers -- And Keep Them Loyal* with Michael Lowenstein.

In this segment, Jill offers a process for winning back customers we can't afford to lose.

# WINNING BACK CUSTOMERS YOU CAN'T AFFORD TO LOSE

In *Customer Loyalty*, Jill shared this story about winning back a critically important account.

Early in my career, I was the Director of Marketing and Sales for a startup chain, Ameri-Suites Hotels (now Hyatt Place.) Competition was fierce and we lost the American Honda account for the property near the Dallas Fort Worth Airport.



**Jill Griffin**

NYSE Corporate  
Board Director

It represented \$40,000 in annual sales and we desperately needed that revenue. But we won it back and here's how we did it.

- 1) My ace sales rep asked the decision maker at Honda for a face-to-face meeting.
- 2) We expressed deep remorse, sincerely apologized and listed the mistakes we made.
- 3) Next, we asked this key question: "What can we do to win back your business?"
- 4) We listened closely and took careful notes as the Honda executive outlined the problems. He also told us not to call back until each of the problems had been corrected.

# WINNING BACK CUSTOMERS YOU CAN'T AFFORD TO LOSE

- 5) Then our hotel went to work and created a "to do" list complete with who would be responsible "to do" each task along with completion dates.
- 6) About 3 months later all the tasks were completed and a face-to-face meeting was requested.
- 7) We met with Honda, they reviewed every item (and more) and found that we met their requirements.
- 8) Then we asked for their business again and a week later Honda gave us a second chance.



**Jill Griffin**

NYSE Corporate  
Board Director

Please understand this:

- Recovery doesn't always happen quickly. Be patient with the customer. Be open. Remember some wounds heal slowly.
- Stay in touch with the lost customer.
- Make it super easy for the customer to come back to you. Avoid any "I told you so" stances.
- When the customer does return, earn his or her business every day.

# ABOUT THE STUDY

The data and insights presented in this study are based on survey results and interviews with founders, CEOs, CROs and others responsible for revenue who've done customer winback campaigns.

The study focused on SaaS, consulting, sales and training organizations with two hundred or fewer employees.

The author of this study is Dan Pfister, the founder of WinBack Labs, a research and advisory firm specializing in customer winback.