SiteWatch®
Automatic Recharge Module®

Why do customers quit a monthly pass program?

If you've been running an unlimited monthly pass program for any length of time, you probably already have a good idea why customers quit your program. However, if you are new to monthly passes or are considering adding them to your customer loyalty offerings, you'll want to know what to expect.

In working with a number of our ARM® users, I've seen customers drop monthly passes anywhere in the range of 2% to 8% of the total per month. Why the broad range?

1. Retrying a credit card once versus retrying for two weeks will retain fewer customers.
2. Training your cashiers to check card expiration dates can catch problems before they occur.
3. Having your self-pay terminals prompt for a new credit card when there is a problem reduces attrition.
4. Offering a retention bonus to a customer may get them to change their mind.

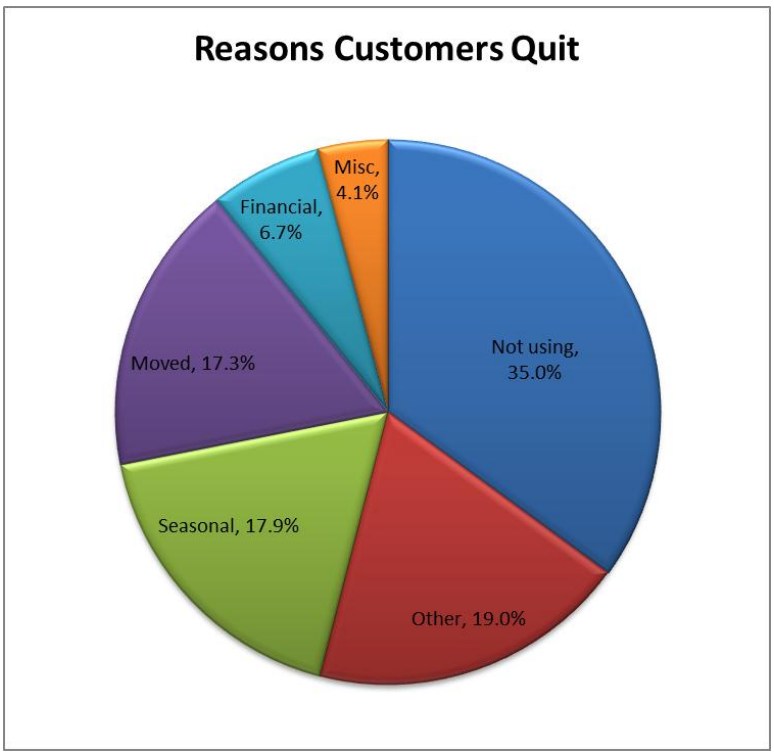
The first three items are the most common methods I've seen in use and seem to be the most effective.

So, what causes a customer to leave a monthly pass program? You have voluntary and involuntary reasons. In the chart below for one user that we analyzed, customers whose accounts were "Uncollectible" left involuntarily; meaning, 60% of those lost were kicked out because their account was unpaid.

The rest (40%) of the customers lost during the year left of their own accord. They were "Terminated" (quit the program in the middle of the month) or "Discontinued" (asked to not renew at the end of their paid month).

This user of the SiteWatch Automatic Recharge Module that we analyzed also collects reasons for customer quitting. When a customer indicates that they want to quit, the cashier will ask for a reason and log that in the SiteWatch system. This user is gracious enough to let DRB Systems share that information with the car wash industry.

Because the cashiers were using SiteWatch to track the reasons, we are able to see that about a third of the customers cited "not using the program" as the reason for quitting.



The next largest segment is "Other". Unfortunately, we don't have any additional information on this group of responses to try to understand that that means.

The other large segments include folks dropping because they used the monthly pass for seasonal cleaning only, they moved away or they could no longer afford the program.

The final segment quitting the monthly pass program comprises miscellaneous reasons such as "upset with the carwash", "had a vehicle problem", "confusing program" and "not a good enough value".

If you wanted to summarize the reasons customers quit, you might say that 1/3 say they are not using the program, 1/3 say it was seasonal or they moved, and the final 1/3 had some other reason.

One final comment about these customers is that 1 out of 5 of those who quit voluntarily eventually rejoins the program. When they do, it is an average of 81.7 days later. If you are a glass-half-empty type of person, you might say that if someone voluntarily drops from the program, odds are high they won't rejoin. It doesn't mean you lose them as a customer – we don't have statistics on that – but you nearly always lose them as a monthly pass customer.

Harold Guthrie, denizen of the digital world, is the DRB Systems numbers guy. A graduate of the University of Akron with a degree in mathematics, Harold toiled for IBM before he came to our company in 1994.

A consummate numbers guy, he has conducted numerous engineering studies on a wide variety of SiteWatch products. When it comes to figuring out the meaning of figures, Harold is clearly our number one choice. He can be reached at 800-336-6338.