2220 The Bathtub Problem

Product Book · https://kb.jeffreysummers.com/docs/2220-the-bathtub-problem/

Think of your Guest base as a bathtub. Marketing and promotions are the faucet — they pour new Guests in. Guest attrition is the drain — Guests who don't come back, who had a mediocre experience, who found somewhere else, who simply forgot about you.

Most operators spend their entire marketing budget on the faucet. More ads. More promotions. More deals. More water. And the whole time, the drain is wide open. Guests are leaving as fast as they're arriving — sometimes faster.

Pouring more water into a tub with the drain open is not growth. It's activity. Expensive activity that creates the illusion of progress while the business treads water.

Close the drain first. Then turn up the faucet.

Frederick Reichheld at Bain & Company found that a 5% increase in Guest retention increases profits by 25 to 95%. Acquiring a new Guest costs 5 to 25 times more than retaining an existing one. The math is not complicated. The priority is wrong at most operations.

The drain is your Guest experience. The seal is the relationship you build with the Guests already choosing you. No marketing investment outperforms closing that gap — and most operators have never run the math to find out what their open drain is actually costing them every year.