

CUSTOMER RETENTION

Definition & Framework

1. EXECUTIVE DEFINITION

Customer Retention refers to an organization's ability to retain and re-engage profitable customers over time, thereby securing future revenue without relying exclusively on new customer acquisition.

2. STRATEGIC VISION

Customer Retention is not about observing the past—it is about **anticipating value loss, identifying weak signals of disengagement, and triggering actions before churn becomes irreversible**.

3. CUSTOMER RETENTION AND ADJACENT METRICS

- **Retention:** Strategic objective (revenue continuity)
- **Churn:** Warning signal (ongoing loss)
- **CLV (Customer Lifetime Value):** Economic impact (future value)
- **RFM / Cohorts:** Activation levers

A Data Analyst does not confuse these metrics—they orchestrate them.

4. COMPONENTS OF MATURE CUSTOMER RETENTION

A mature retention approach relies on five pillars:

1. **Value-based segmentation:** Identify critical customers
2. **Temporal dimension:** Analyze cohorts and trends
3. **Predictive detection:** Anticipate at-risk behaviors
4. **Actionability:** Trigger targeted interventions
5. **Clear ownership:** Defined and assumed responsibility

5. CONCEPT OF OWNERSHIP

Owning Customer Retention means being **accountable for future revenue stability, proactive churn risk detection, automated alert systems, and translating insights into business decisions**.

It is not monitoring a metric—it is **ensuring it remains within strategic targets**.

6. BUSINESS PURPOSE

Mature Customer Retention reduces acquisition dependency, increases customer lifetime value, stabilizes growth, and secures margins.

7. SUMMARY

Customer Retention = Future revenue secured through action.

It is a **decision-driving metric**, not a report.

A **responsibility**, not a dashboard.

This definition serves as the foundational reference for the Customer Retention Ownership System repository.

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