**POV Customer Churn**

**Problem Statement**

An e-commerce retail store has been struggling with customer attrition.

They need an analytics solution that can track and find solution for customer retention strategy, including

* Indicate the rate of attrition of customers
* Analyze the retail market to identify new customer segments to target.
* Project rate of growth for focus customer segment

Customer churn is a major problem and one of the most important concerns for large companies. It can result in -

* The potential drop in revenue soon, impact on market shareholding
* damage to brand reputation
* Decline in stock price affecting future issues

Finding factors that increase customer churn is important to take necessary actions to reduce this churn.

And companies are seeking to develop models to predict potential customer churn and strategies for customer retention.

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**Reasons Behind Customer Attrition**

Let’s now focus on factors that encourage customers to leave. The possible reasons could be many, however, we believe this can be broadly divided into 4 categories-

1. **Customer Dissatisfaction**

According to research it’s been reported that only 1 out of 26 unhappy customers complain, and the rest simply leave. The reasons could be many including,  Lack Of Quality Support, Lack Of Quality Products, High Pricing of products making customers unhappy

 If your customers’ expectations for both your product *and* for their interactions with your company are met, you’ll have satisfied customers and a higher chance of referrals and repeat business.

**2.Customer Disconnect**

On of the surveys anecdotally reports that walk-ins in a restaurant will sit down and wait to be served if they get a friendly greeting within a minute of entering, whereas those who are not greeted will often leave within a minute or two.

In the digital age of e commerce business, your customers aren’t much different. Building a mutually beneficial relationship with them, where they are made to feel like their presence adds to the team’s success, can go a long way

Poor Customer experience, Lack of retention marketing are the key reasons to keep the existing customers dis-engaged

**3.Technology**

Technology Plays a very important role in customer churn specially in the e commerce business

Wrong selection of technology, Poor design of website, insecure transactions, improper usage of customer personal data  are the key attributes to customer attrition

**4.Ability to scale Bigger Better Faster**

Consumers expect progress in the form of new and expanding products, services. Your company will experience higher churn rates if your competitors offer something that does a better job of meeting your customers’ needs

In the last 2 years of pandemic this was highly evident that business which were not agile enough and could not quickly adapt to the changing times collapsed soon due to high customer churn

**Why Invest In Customer Retention?**

**#3**

**#1**

**#2**

Harvard Business Review has estimated that -

1. it costs 7 times more to attract a new customer than to retain a current one.

your online customer service channels must provide quick and intuitive service, and your contact center should provide customized, personal interactions.

1. Increasing retention rates by 5% can increase profits by 25-95%
2. Existing customers are **50% more likely to try new products** and **spend 31% more** when compared to new customers

**Customer Retention Strategy Using Artificial Intelligence**

**PREDICT TRACK ANALYZE**

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**Predict Customer Lifetime Value**

**Competitor Price Monitoring**

**Intelligent Demand Forecast**

**IMPROVE CUSTOMER EXPERIENCE**

**Unique Services & Offers**

**Personalized Product Recommendation**

**Enhance Product Catalogs**

**RETENTION MARKETING**

**Customer Feedback Loop**

**Customer Education Program**

**Intelligent Pricing**