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Unit 2: Discussion

Exploring EV Scooter Maintenance and Loyalty Programs

Hypothesis 1: Electric Vehicles (EVs) Have Higher Maintenance Costs in Their First Five Years Compared to Traditional Internal Combustion Engine (ICE) Vehicles

Rationale: Electric vehicles are often seen as cheaper to maintain because they don't have as many moving parts as gas powered vehicles. However, EVs can have special components, such as batteries and electrical systems, which might be more expensive to fix if something goes wrong. General understanding suggests that while EVs might cost less to maintain overall, during the first few years, the costs could be higher due to the need for specialized parts and services (Hanley, n.d.; York, 2023).

Example: A while back, I bought an electric scooter and was impressed with its technology and power. But one day, a rat chewed through some of the wires, and fixing it ended up costing me almost 6% of what I paid for the scooter. Plus, I had to wait for weeks to get it fixed because the parts were hard to find. This made me rethink if EVs really are cheaper to maintain in the early years.

Alternative Hypothesis (H1): There is no difference in maintenance costs between electric vehicles and traditional gas powered vehicles in their first five years.

Hypothesis 2: Offering a Loyalty Program Increases Customer Retention for Online Retail Stores

Rationale: Loyalty programs are a common strategy used by online stores to keep customers coming back. The idea is that if customers get rewards like discounts or free shipping, they are more likely to shop at the same store again. This is based on the general belief that when customers feel appreciated and rewarded, they tend to stay loyal to the brand (Shopify, 2022).

Example: Amazon's Prime program is a good example of how a loyalty program can make customers stick with a store. By offering benefits like fast, free shipping, Amazon encourages customers to return repeatedly. This shows how effective loyalty programs can be in keeping customers loyal (Taylor, 2021).

Alternative Hypothesis (H1): There is no difference in customer retention rates between online stores that offer loyalty programs and those that do not.

Conclusion: These hypotheses are drawn from both personal experiences and commonly accepted ideas in business. Whether dealing with the unexpected costs of maintaining an EV scooter or understanding how loyalty programs keep customers returning, these are important topics in today's business world.

References

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