

Customer retention case study

Customer satisfaction is very important for any business to succeed in future.

Its importance for online market business carries a lots of values as belief and trust creation by any online industry is the prime criteria for its growth. thats why all online shops provides replacement gurantee now a days to attract more customer and creates more faith.

In this project, a dataset was provided containing the details of the participants of a survey, along with their online shopping experiences, preferences, and opinions regarding various ecommerce websites. The Dataset was first checked for null values, and then the various feature columns were analysed. Exploratory Data analysis was conducted to investigate the relationships that existed between the columns, using various visualization techniques. The dataset was worked with to study and understand how various Hedonic values, Utilitarian values in combination with several perceived risks helped to understand Customer retention and loyalty to various ecommerce websites.

- According to studies it is observed that repeat customer purchase resulting from a long standing loyalty positively affects an e-retailer growth and profitability.
- The motivation level of a Customer to shop from an e-retail vendor depends on various factors. They can be psychologically categorised into two broad categories: (a) Hedonistic (b) Utilitarian shopping values.
- Hedonistic values represent the excitement, and pleasurable experiences derived from shopping online.
- Hedonic shopping values are considered as the most vital factor for online customer satisfaction leading to customer retention. Hedonic shoppers prefer to shop on an e-retail store, which offers more than transaction related interactive controls (information, security, and privacy), but also the aesthetics, emotional value, sensual stimulation etc., which enhances the pleasure of e-retail shopping experience
- Utilitarian shopping values are those related to the level of fulfillment as a result of being able to achieve the shopping goals.
- The utilitarian shopping values are rational, goal oriented and effective decision-based, which improve the customer satisfaction. Utilitarian e-retail customers concentrate mainly on functions related to specific task, for example: price comparison features, customer review before making a purchase.

- Aside from Hedonic and Utilitarian values, certain perceived risks also influence the purchase decision of an online customer and therefore, these risks are also a crucial factor in determining the loyalty of a customer to an e-commerce brand.
- Online shopping has a more pronounced perception of risk than the traditional physical shopping store, because of temporal and spatial separation between the sellers and buyers.
- Risk could arise from an unpredictable event during a transaction or delivery period or at the end of a delivery and may not be pleasant to the online customer.

The individual columns of the dataset were first analysed to study their composition and then, with reference to the diagram and the theoretical background of the case study, the relationships between various columns were understood through data visualization using Countplots

- Based on the analysis it is observed that:
- Majority of the participants are female, comprising 67.29% of the total participants of the survey.
- Most of the participants hail from Delhi, Greater Noida, Noida, and Bangalore.
- Of those who hailed from Delhi and Noida, the majority were Male. While of those who hailed from Greater Noida, Bangalore and Karnal, Ghaziabad and Solan the majority were Female

The age distribution of the majority of the participants lies in the range of 21-40 years, with 59.48% of the total participants falling within that age range, while 26.02% of the participants belong to the age range of 41-50 years

- Majority of the consumers have been shopping for over 4 years and have made less than 10 purchases in the last 1 year.
- Smartphone and mobile internet are the most popular means of accessing ecommerce websites, with most common screen size being 5.5 inches or greater.
- Windows operating system is the most popular on Laptop/Desktop devices while android is the most popular OS on smartphone devices followed by iOS.
- Google Chrome is the most popular web Browser, especially on portable devices, followed by Safari.

- Search Engine is the most common means of arriving at the E commerce websites, followed by Application and Direct URL.
- Most consumers spend over 15 mins browsing an e-commerce website before making a purchase decision.
- Analyzing the opinions of the participants on the various features of the e-commerce websites reveals that Majority of the consumers strongly agree that:
- The content on the website must be easy to read and understand
- Information on similar product to the one highlighted is important for product comparison
- Complete information on listed seller and product being offered is important for purchase decision
- All relevant information on listed products must be stated clearly
- Navigation in website should be easy
- Loading and processing should be quick
- Interface of the website must be user friendly
- Convenient Payment methods should be available
- There is trust in the online retail store fulfilling its part of the transaction at the stipulated time
- There should be Empathy (readiness to assist with queries) towards the customers
- Online retail store should be able to guarantee the privacy of the customer
- There should be Responsiveness, availability of several communication channels (email, online rep, twitter, phone etc.)
- Online shopping gives monetary benefit and discounts
- Enjoyment is derived from shopping online
- Shopping online is convenient and flexible
- Return and replacement policy of the e-tailer is important for purchase decision
- Gaining access to loyalty programs is a benefit of shopping online

- Displaying quality Information on the website improves satisfaction of customers
- User derive satisfaction while shopping on a good quality website or application
- Net Benefit is derived from shopping online can lead to users satisfaction
- User satisfaction cannot exist without trust
- E commerce websites must Offer a wide variety of listed product in several category
- There should be Provision of complete and relevant product information
- Monetary savings must be considerable
- The Convenience of patronizing the online retailer
- Shopping on the website gives you the sense of adventure
- Shopping on your preferred e-tailer enhances your social status
- You feel gratification shopping on your favorite e-tailer
- Shopping on the website helps you fulfill certain roles
- Getting value for money spent is important
- Analyzing the Preferences and opinions of the participants regarding the e-commerce websites reveals that:
- Amazon.in, Flipkart.com, Paytm.com, Myntra.com, Snapdeal.com are the most popular e-commerce websites.
- Amazon.in, Flipkart.com, Paytm.com, Myntra.com, Snapdeal.com are the easiest to use websites and applications
- Amazon.in and Flipkart.com have the most visually appealing web-page layout.
- Amazon.in and Flipkart.com have the widest variety of products on offer
- Amazon.in and Flipkart.com have the most complete, relevant description information of products.
- Amazon.in, and Paytm.com have the fastest loading speed while Flipkart is regarded by very few as being quick to load
- Amazon.com, Flipkart.com, Paytm.com are considered quick to complete purchases.

- Amazon.in, Flipkart.com are regarded by most to have several payment options available
- Amazon.in is regarded to offer speedy order delivery by most.
- Amazon.in offers the most Privacy for customers' information.
- Amazon.in, followed by Flipkart.com, Paytm.com, Myntra.com, Snapdeal.com provide the best security for customer financial information.
- Amazon.in is perceived to be the most trustworthy website by the majority of participants.
- Amazon.in, Flipkart.com, Myntra.com, Snapdeal have the highest presence of online assistance through multi-channel.

Most people face longer time to get logged in during promotion, sales period on Amazon.in and Flipkart followed by Paytm and Myntra

- Amazon.in, Flipkart.com take the longest time displaying graphics and photos during promotion, sales period.
- Most people face Late declaration of price on Myntra and Paytm during promotion, sales period.
- Myntra and Paytm take the longest page loading time during promotion, sales period.
- Snapdeal.com and Amazon.in have the most limited modes of payment on most products during promotion, sales period.
- Paytm.com and Snapdeal.com have Longer delivery periods compared to others.
- Amazon.in and Paytm.com have had recent changes in website/Application design, as observed by the consumers.
- Most consumers face frequent disruption when moving from one page to another on Amazon.in, Myntra.com and Snapdeal.com.
- Most consumers are of the opinion that Amazon.in website is as efficient as before followed by Flipkart.com.

Most Consumers would recommend Amazon.in to a friend, followed by Flipkart

- Columns that represent abandoning shopping carts on e commerce websites, reasons behind abandoning shopping carts, Longer delivery period, Website disruption, Customer Data security, Trustworthiness etc. represent perceived risks

- While the Column representing the recommended e commerce brands represents customer loyalty / retention.
- The relationships between the columns representing the perceived risks and the column representing Customer retention were visualized and observations were made.
- Customers sometimes abandon their shopping carts on Amazon and Flipkart implying there is a low level of perceived risk for those websites. While some people frequently abandon their shopping carts on Amazon.in and Myntra.com and Paytm.com, which may indicate a higher level of perceived risk on those websites.
- Customers usually abandon their shopping carts on Amazon and Flipkart when they find a better alternative offer which implies that there is a greater importance for utilitarian value, While on Flipkart alone they mostly abandon due to lack of trust and on amazon alone, they abandon either due to Promo code not being applicable or Change in price.

Customers face longest delivery Periods when they purchase on Amazon.in, followed by flipkart.com and paytm, however Amazon.in is still the most preferred shopping website

- It is observed that those who prefer Flipkart.com, Paytm.com, Myntra.com and Snapdeal.com to Amazon.in do so because they face frequent disruption when moving from page to page on Amazon.in
- Those who prefer Amazon.in and Flipkart.com face longer page loading time during promotion and sales period on snapdeal.com and myntra.com
- Amazon.in has the highest trustworthiness as perceived by most consumers.
- Amazon.in, Flipkart.com, Paytm.com have the highest security for customer financial information.
- Amazon.in, Flipkart.com, Paytm.com maintain the greatest privacy for customer information.
- Customers who believe that user satisfaction can't exist without trust recommend Amazon.in and Flipkart.com
- Those customers who recommend Amazon.in and Flipkart.com the most trust that online retail stores will fulfill their part of the transaction at the stipulated time.

Concluding Remarks

In this way customers would purchase repeatedly on the basis of the judgment of value, which is necessary to help consumers to accomplish their goal of shopping. The major reason why Amazon.in and Flipkart.com dominate the E commerce market in terms of customer retention and brand loyalty is that they have dedicated all their resources to studying and understanding the various requirements of individual customers that play as important factors in fulfilling their hedonic and utilitarian needs while giving them a sense of trust in making purchases on their respective websites while at the same time giving them incentives in various forms(discounts,cashbacks loyalty programs etc) that keep them returning to make recurring purchases