

Customer Retention

Submitted by:

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ACKNOWLEDGMENT

I am using this opportunity to express my gratitude to everyone who supported me throughout the course of this project. I am thankful for their aspiring guidance, invaluably constructive criticism and friendly advice during the project work. I am sincerely grateful to them for sharing their truthful and illuminating views on a number of issues related to the project.

I wish to thank, all the faculties in data trained academy as this project utilized knowledge gained from every course that formed the Data science program.

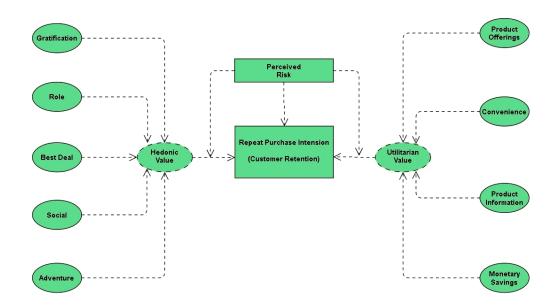
INTRODUCTION

Objective of the study

The objective of the project is to apply analytical skills to give findings and conclusions in detailed data analysis of E-retail factors for customer activation and retention.

Business Model

Customer satisfaction has emerged as one of the most important factors that guarantee the success of online store; it has been posited as a key stimulant of purchase, repurchase intentions and customer loyalty. A comprehensive review of the literature, theories and models have been carried out to propose the models for customer activation and customer retention. Five major factors that contributed to the success of an e commerce store have been identified as: service quality, system quality, information quality, trust and net benefit. The research furthermore investigated the factors that influence the online customers repeat purchase intention. The combination of both utilitarian value and hedonistic values are needed to affect the repeat purchase intention (loyalty) positively. The data is collected from the Indian online shoppers. Results indicate the e-retail success factors, which are very much critical for



Literature Survey

Hedonic and utilitarian shopping values

A consumer's behaviour is a result of motives, attitudes and values and may manifest into purchase and consumption behaviour. Westbrook and Black (1985) posit that some shopping motives are utilitarian in nature whereas others are hedonic. The utilitarian and hedonic values have been the focus of much interest and research (Hirschman and Holbrook, 1982; Batra and Ahtola, 1991; Babin et al, 1994; Wang et al, 2000; Millan and Howard, 2007; Teller et al, 2008). Consumer values have been broadly termed as utilitarian (Bloch and Bruce, 1984; Batra and Ahtola, 1991; Engel et al, 1993; Babin et al, 1994) which are more task oriented in nature and hedonic which are related to entertainment and fun-seeking behaviour (Bellenger et al, 1976). Bloch and Richins (1983) postulate that hedonic values are characterized by heightened arousal, excitement, adventure and entertainment. Shopping

behaviour provides excitement whereas the consumer interacts with the store environment and gives cues while they examine products (MacInnis and Price, 1987) that may be perceived as enjoyment.

Consumers with strong hedonic values may not be satisfied with the functional aspects of shopping and may look for pleasurable stimulants (Fischer and Arnold, 1990; Wang et al, 2000). The hedonic values are related to gratification of the senses enhanced through experiences of pleasure, entertainment, fantasy and playfulness (Hirschman and Holbrook, 1982; Babin et al, 1994). The consumer values have been defined in terms of being intrinsic and extrinsic; the extrinsic values are related to the functional attributes of shopping, and are mainly 'utilitarian' in nature. The intrinsic values signify the 'enjoyment, fun and leisure' motives (Babin et al, 1994). The utilitarian values are based upon rational and analytical information processing whereas the hedonic values comprise of arousal of the senses (Holbrook and Hirschman, 1982; Hirschman, 1983; Fischer and Arnold, 1990) and self gratification.

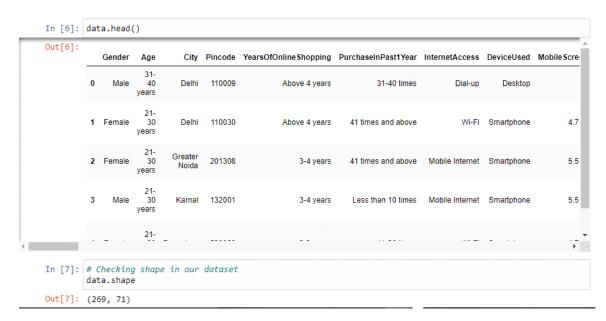
The traditional shopping behaviours of product acquisition and consumption may no longer explain the shopping 'experience' the consumers seek when they go to a store or a mall. They look beyond mere assortment of products and functional attributes. Babin et al (1994) state that most consumption activities must combine both utilitarian and hedonic attributes and their absence may not reflect the totality of shopping experience (Bloch and Richins, 1983). Research in the past few years has recognized the pivotal role hedonic values play in shopping and how they add to the emotional value (Langrehr, 1991; Babin et al, 1994; Roy, 1994).

EDA Steps

- 1. Checking the missing values
- 2.Checking for numerical columns

- 3. Checking for the distribution of numerical variables
- 4. Checking for Categorical variables
- 5. Types of categorical variables
- 6.detecting outliers

Analytical Problem Framing



Data Preprocessing

Replacing columns

'FrequentDisruptionInMovingFromPageToPage', 'WebsiteEfficieny',

'IndianOnlineRetailerToRecommend'],

Dealing with null values

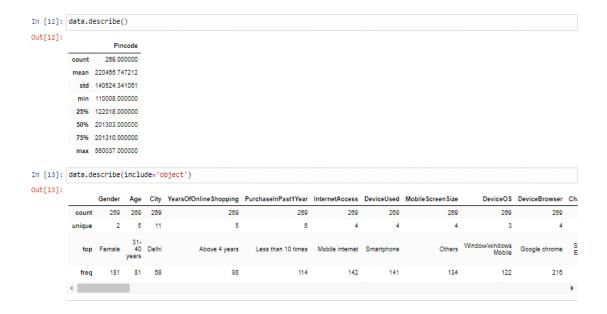
dtype='object')

Out[16]: sns.heatmap(data.isnull()) Out[16]: canding:smaller Out[16]: canding:smaller Out[16]: <a

No null values present

Data Info And Description

	columns (total 71 columns):		
_	Column	Non-Null Count	Dtype
0	Gender	269 non-null	
	Age	269 non-null	object
	City	269 non-null 269 non-null	object
	Pincode		
	YearsOfOnlineShopping	269 non-null	
	PurchaseInPast1Year	269 non-null 269 non-null	object
_	InternetAccess		
	DeviceUsed	269 non-null	
_	MobileScreenSize	269 non-null	
-	DeviceOS	269 non-null	
	DeviceBrowser	269 non-null	
	Channel	269 non-null	
	ReachStore	269 non-null	
	ExploreTime	269 non-null	
	PaymentOption	269 non-null	
	AbandonProduct	269 non-null	
	WhyAbandon	269 non-null	object
_	WebsiteContent	269 non-null	
	ProductComparison	269 non-null	
	PurchaseDecision	269 non-null 269 non-null	object
	RelevantInfoOnListedProducts		
	NavigatingWebsite	269 non-null	
	Speed	269 non-null	
	UserFriendlyInterface	269 non-null	
	ConvinientPaymentMethods	269 non-null	
	Trust	269 non-null	
	Empathy	269 non-null	object
	GuarnteePrivacy	269 non-null	
	CommunicationChannelsAvailability	269 non-null	
	BenifitsAndDiscounts	269 non-null	
	Enjoyment	269 non-null	
	Flexibility	269 non-null	-
	ReturnAndReplacementPolicy	269 non-null	
	LoyalityPrograms	269 non-null	object
34	DisplayQualityInformation	269 non-null	
		269 non-null	_
36	NetBenefit	269 non-null	object
	UserSatisfactionAndTrust	269 non-null	
	WideVarietyOfProducts	269 non-null	_
	ProvisionOfReleventInformation	269 non-null	
40	MonetaryCavings	269 non null	object



Data Visualization

Univariate Analysis

We will use a single characteristic to assess practically all of its attributes in a univariate analysis.

```
']: # Let's Plot countplot for each columns to check unique values counts.
sns.countplot(data['Gender'].palette='Br8G')
data['Gender'].value_counts()

']: Female 181
Male 88
Name: Gender, dtype: int64
```

Solan

Moradabad

Gurgeon

Ghaziabad Bulandshahr

Noida

30

```
.]: # Ploting catplot for column 5 Since How Long You are Shopping Online ?
sns.catplot(x='YearsOfOnlineShopping',y= data.index,data=data, palette='CMRmap_r',aspect=2.5)
data['YearsOfOnlineShopping'].value_counts()
      2-3 years
3-4 years
                                       65
47
      Less than 1 year
                                        43
      1-2 years
                                        16
      Name: YearsOfOnlineShopping, dtype: int64
        250
        200
        100
         50
                                                                 3-4 years
                                                                                              2-3 years
YearsOfOnlineShopping
                                                                                                                                                                                1-2 years
                                                                                                                                       Less than 1 year
```

From above catplot we can say that we have some fixed amount of people who do online shop regularly also they are the customers who already shopping from more then 4 years, also very less people who recently doing online shopping.

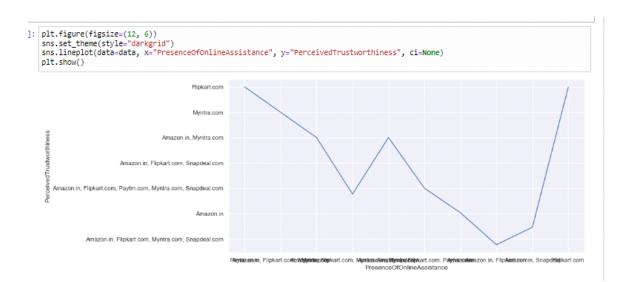
```
]: sns.swarmplot(x= 'ShoppingAndRoles',
                 y= data.index, data= data)
   data['ShoppingAndRoles'].value_counts()
]: Agree (4)
                               88
   indifferent (3)
                               88
   Strongly agree (5)
                               38
   Strongly disagree (1)
                               33
   Dis-agree (2)
                               22
   Name: ShoppingAndRoles, dtype: int64
    250
    200
    150
    100
     50
      0
         Agree (4)Strongly agree (6#ifferenSt@ngly disagreeD@lagree (2)
```

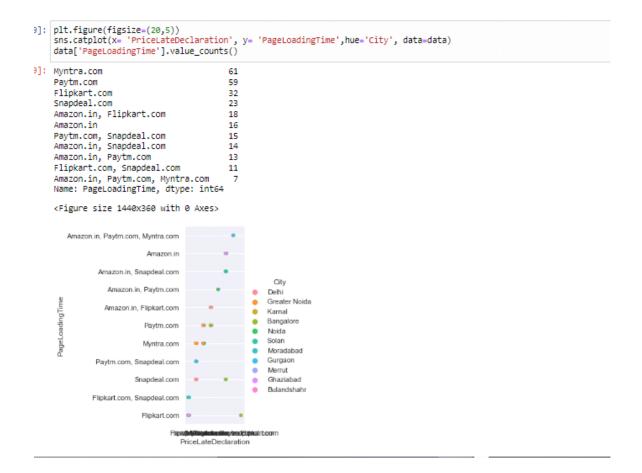
ShoppingAndRoles

```
i]: x = data['Completedescriptionofproducts'].value_counts([0])
     x.plot(kind = 'pie', figsize = (5,5), fontsize=10, autopct = '%.2f')
data['Completedescriptionofproducts'].value_counts()
:]: Amazon.in, Flipkart.com
                                                                                                     100
      Amazon.in
                                                                                                      43
     Amazon.in, Flipkart.com, Paytm.com
                                                                                                      24
     Amazon.in, Filpkart.com, Myntra.com
Amazon.in, Flipkart.com, Myntra.com
Amazon.in, Flipkart.com, Myntra.com, Myntra.com, Snapdeal.com
Amazon.in, Flipkart.com, Myntra.com, Snapdeal.com
                                                                                                       20
                                                                                                      15
                                                                                                      15
14
      Snapdeal.com
                                                                                                      12
     Flipkart.com, Snapdeal.com
Flipkart.com
                                                                                                      11
      Amazon.in, Flipkart.com, Snapdeal.com
     Name: Completedescriptionofproducts, dtype: int64
                                                                        Amazon.in, Flipkart.com
                                                                                       Amazon.in, Flipkart.com, Snapdeal.com
                                                                                     Flipkart.com
       Amazon.in, Flipkart.com, Page
                                                                                    Flipkart.com, Snapdeal.com
                                                                                Snapdeal.com
               Amazon.in, Paytm.com, Myntra.com
                                                                   Amazon.in, Flipkart.com, Myntra.com, Snapdeal.com
Amazon.in, Flipkart.com, Paytrn.com, Myntra.com, Snapdeal.com
                       Amazon.in, Flipkart.com, Myntra.com
il. v = data['FastLoadingWehsiteSneed'] value counts([A])
```

Bivariate Analysis:

Bivariate analysis is when we compare data between two attributes that are precisely the same.





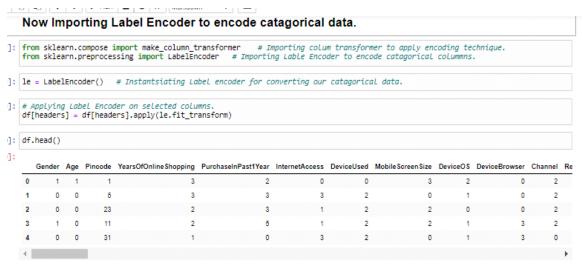
Multivarite Analysis:

We shall compare more than two variables in the multivariate analysis.



Using of Label Encoder to encode catagorical data:

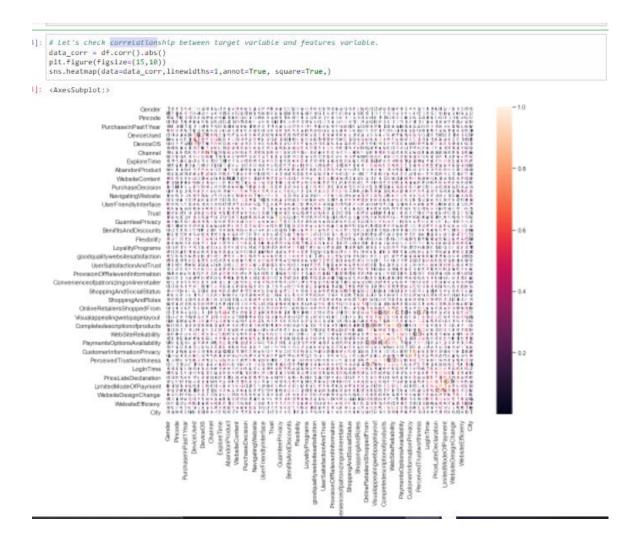
It is used to convert



Now we can see all the catagorical columns in our dataset are conveted into Numeric value.

Correlation:

- Correlation: correlation between the available features and customer retention will be evaluated using the Pearson Coefficient Correlation (default correlation method) to identify whether the features have a negative, positive or zero correlation with regards the customer repurchase chances.





unique values and their correspending counts of each column:

```
1 100
 9
     43
    24
20
15
15
14
12
 4
 5
 10
 9
      8
 8
 6
 Name: Completedescriptionofproducts, dtype: int64
 -----
 0
    51
    44
 1
    30
 2
    30
 5
    30
 4
    25
 6
    25
    14
 8
 Name: FastLoadingWebsiteSpeed, dtype: int64
 0 61
    35
    18
    15
    15
    13
    12
 Name: WebSiteReliability, dtype: int64
 0 66
 3
    47
 1
    37
    30
    25
 8
 5
    20
    15
 6
    15
    14
 Name: CompletePurchaseQuickness, dtype: int64
 -----
   65
40
 1
 2
```

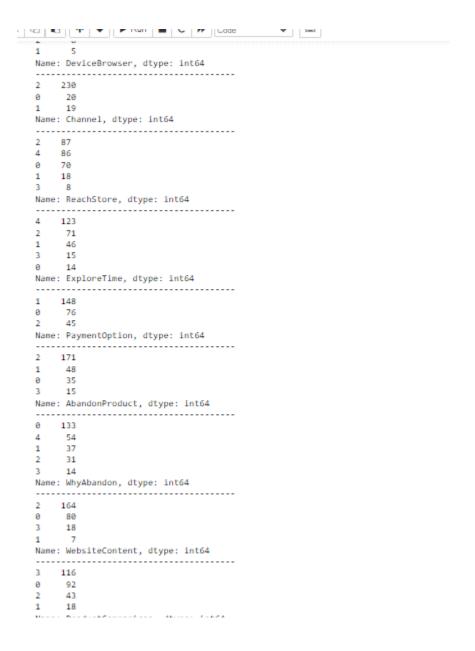
```
3 33
1 22
Name: ShoppingAndRoles, dtype: int64
Θ
   149
1 82
2 38
Name: ValueForMoneySpent, dtype: int64
   32
1
   29
27
6
8 20
0 16
Θ
    12
3
Name: OnlineRetailersShoppedFrom, dtype: int64
-----
   64
44
44
29
4
1
3
Θ
5
7
   22
20
2
    19
9
    12
8
6
Name: Easytousewebsite, dtype: int64
   87
1
Θ
    44
   36
20
3
6
   15
15
8
9
   15
4
Name: Visualappealingwebpagelayout, dtype: int64
Θ
     43
    20
6
     15
    15
     14
    13
```

```
1 5
    Name: ProvisionOfReleventInformation, dtype: int64
    2 148
    Name: MonetarySavings, dtype: int64
    2 77
1 54
    Name: Convenienceofpatronizingonlineretailer, dtype: int64
        101
        59
        54
50
    2
    1
    Name: ShoppingAndAdventure, dtype: int64
    4 100
        59
48
33
29
    Θ
    2
    3
    1
    Name: ShoppingAndSocialStatus, dtype: int64
    -----
    4 101
        65
    2
        63
22
18
    Θ
    1
    Name: ShoppingAndGratification, dtype: int64
    Θ
       88
    4
    2
        38
    Name: ShoppingAndRoles, dtype: int64
    1 82
2 38
    Name: ValueForMoneySpent, dtype: int64
        82
       44
       32
29
    1
    5
```

```
20
Name: ReturnAndReplacementPolicy, dtype: int64
2 115
9
    64
4
  64
1 15
3 11
Name: LoyalityPrograms, dtype: int64
1 133
Θ
    80
    56
Name: DisplayQualityInformation, dtype: int64
2 175
Θ
   86
1
Name: goodqualitywebsitesatisfaction, dtype: int64
2 164
0 54
3 40
1 11
Name: NetBenefit, dtype: int64
  117
Θ
   18
Name: UserSatisfactionAndTrust, dtype: int64
2 111
Θ
    94
   57
Name: WideVarietyOfProducts, dtype: int64
-----
2 135
Θ
    98
   31
Name: ProvisionOfReleventInformation, dtype: int64
2 148
0
    75
```

```
1 30
3 12
Name: Trust, dtype: int64
1 194
0 42
2 18
3 15
Name: Empathy, dtype: int64
3 15
Name: Empathy, dtype: int64
1 185
0 58
    58
26
Name: GuarnteePrivacy, dtype: int64
1 149
0 94
0 94
3 15
2 11
Name: CommunicationChannelsAvailability, dtype: int64
0 85
4 50
3 18
      11
Name: BenifitsAndDiscounts, dtype: int64
 1 19
Name: Enjoyment, dtype: int64
0 /6
3 33
1 12
Name: Flexibility, dtype: int64
2 198
0 51
      20
Name: ReturnAndReplacementPolicy, dtype: int64
     64
64
15
```

```
3 116
0 92
2 43
1 18
    Name: ProductComparison, dtype: int64
       101
    3
        87
        52
18
    1
    4
        11
    Name: PurchaseDecision, dtype: int64
    0 132
       107
18
12
    3
    1
    Name: RelevantInfoOnListedProducts, dtype: int64
    2 141
    0 105
3 18
    3
    Name: NavigatingWebsite, dtype: int64
    3 115
0 112
       18
12
    1
    Name: Speed, dtype: int64
    Θ
       18
        12
    Name: UserFriendlyInterface, dtype: int64
    2 159
0 80
         30
    Name: ConvinientPaymentMethods, dtype: int64
    0 86
1 30
3 12
    Name: Trust, dtype: int64
    -----
    1 194
```



```
26
    1
1
1
27
28
32
Name: Pincode, dtype: int64
1
    65
    47
Θ
Name: YearsOfOnlineShopping, dtype: int64
    63
47
29
Θ
    10
1
      6
Name: PurchaseInPast1Year, dtype: int64
2 142
  76
47
3
1
Θ
Name: InternetAccess, dtype: int64
2 141
1
     86
0 30
3
    12
Name: DeviceUsed, dtype: int64
-----
3 134
   99
29
2
Θ
Name: MobileScreenSize, dtype: int64
2 122
    85
62
0
Name: DeviceOS, dtype: int64
0 216
Name: DeviceBrowser, dtype: int64
2 230
n 20
```

```
i]: #unique values and their corresponding counts of each column:
for col in df.columns:
    print(df[col].value_counts())
       print('----')
   Name: Gender, dtype: int64
   0
       79
   2
       70
       20
   3
      19
   Name: Age, dtype: int64
   23
       38
   11
        19
   24
        18
   8
        16
   30
        9
   14
        9
        9
   13
   38
        8
   12
        8
   35
        8
        8
7
7
   10
   22
   Θ
   2
         6
   4
         6
   29
        5
   17
   18
   21
   31
   25
   34
   33
         4
   19
   5
         4
   6
         4
   20
   1
         4
         4
   16
```

```
Name: CompletePurchaseQuickness, dtype: int64
     39
10
Name: PaymentsOptionsAvailability, dtype: int64
     36
Name: Speedyorderdelivery, dtype: int64
     25
     18
10
     15
     14
Name: CustomerInformationPrivacy, dtype: int64
Name: CustomerFinancialInformationSecurity, dtype: int64
```

Correlation values with our target variable

Age 0.309575

Channel 0.215928

City 0.173871

ShoppingAndRoles 0.167532

WideVarietyOfProducts 0.144087

GuarnteePrivacy 0.135745

NetBenefit 0.112002

Convenience of patronizing on line retailer 0.105267

Speedyorderdelivery 0.101356

ShoppingAndGratification 0.079476

NavigatingWebsite 0.078981

AbandonProduct 0.078278

Gender 0.077876

Empathy 0.075615

MobileScreenSize 0.062622

LogInTime 0.062336

DisplayQualityInformation 0.056794

Trust 0.049143

Enjoyment 0.043482

LoyalityPrograms 0.036268

InternetAccess 0.017990

DeviceOS 0.015316

FastLoadingWebsiteSpeed 0.015289

UserFriendlyInterface 0.013640

YearsOfOnlineShopping 0.013315

WebsiteDesignChange 0.007841

Flexibility 0.004376

ShoppingAndSocialStatus -0.004694

PageLoadingTime -0.005474

DeviceBrowser -0.012791

MonetarySavings -0.021391

WhyAbandon -0.026906

LimitedModeOfPayment -0.030008

DeviceUsed -0.051741

ConvinientPaymentMethods -0.052107

PresenceOfOnlineAssistance -0.058209

OnlineRetailersShoppedFrom -0.068387

ExploreTime -0.071392

ReachStore -0.083088

ValueForMoneySpent -0.087458

DisplayGraphicsTime -0.096575

PaymentsOptionsAvailability -0.097651

RelevantInfoOnListedProducts -0.100875

ProductComparison -0.107277

CompletePurchaseQuickness -0.107802

WebsiteEfficieny -0.124076

FrequentDisruptionInMovingFromPageToPage -0.127148

LongerDeliveryPeriod -0.130651

WebsiteContent -0.139930

ProvisionOfReleventInformation -0.144277

WebSiteReliability -0.146351

PurchaseDecision -0.147507

IndianOnlineRetailerToRecommend -0.152028

BenifitsAndDiscounts -0.159635

Easytousewebsite -0.160976

CustomerInformationPrivacy -0.164571

PerceivedTrustworthiness -0.169235

Varietyofproductonoffer -0.177938

CommunicationChannelsAvailability -0.190372

CustomerFinancialInformationSecurity -0.192403

Completedescription of products -0.195169

PaymentOption -0.199719

UserSatisfactionAndTrust -0.206904

PriceLateDeclaration -0.209112

Visualappealingwebpagelayout -0.223378

goodqualitywebsitesatisfaction -0.226581

Speed -0.261066

Pincode -0.304554

ReturnAndReplacementPolicy -0.310908

ShoppingAndAdventure -0.318657

See screenshot below for all correlations:

```
]: # To display all value of rows
   pd.set_option("display.max_rows", None)
# Let's calculate the featues Correlation values with our target variable.
   df.drop('Target',axis=1).corrwith(df.Target ).sort_values(ascending=False)
                                                0.309575
]: Age
   Channel
                                                0.215928
   city
                                                0.173871
   ShoppingAndRoles
                                                0.167532
   WideVarietyOfProducts
                                                0.144087
   GuarnteePrivacy
                                                0.135745
   NetBenefit
                                                0.112002
   Convenienceofpatronizingonlineretailer
                                                0.105267
   Speedyorderdelivery
                                                0.101356
   ShoppingAndGratification
                                                0.079476
   NavigatingWebsite
                                                0.078981
   AbandonProduct
                                                0.078278
   Gender
                                                0.077876
   Empathy
                                                0.075615
   MobileScreenSize
                                                0.062622
   LogInTime
                                                0.062336
   DisplayQualityInformation
                                                0.056794
   Trust
                                                0.049143
   Enjoyment
                                                0.043482
                                                0.036268
   LoyalityPrograms
   InternetAccess
                                                0.017990
   DeviceOS
                                                0.015316
   FastLoadingWebsiteSpeed
                                                0.015289
   UserFriendlyInterface
                                                0.013640
   YearsOfOnlineShopping
                                                0.013315
   WebsiteDesignChange
                                                0.007841
   Flexibility
                                                0.004376
   ShoppingAndSocialStatus
                                               -0.004694
   PageLoadingTime
                                               -0.005474
   DeviceBrowser
                                               -0.012791
   MonetarySavings
                                               -0.021391
   WhyAbandon
                                               -0.026906
   LimitedModeOfPayment
                                               -0.030008
   DeviceUsed
                                               -0.051741
   ConvinientPaymentMethods
                                               -0.052107
   PresenceOfOnlineAssistance
                                               -0.058209
   OnlineRetailersShoppedFrom
                                               -0.068387
```

DeviceUsed	-0.051741
ConvinientPaymentMethods	-0.052107
PresenceOfOnlineAssistance	-0.058209
OnlineRetailersShoppedFrom	-0.068387
ExploreTime	-0.071392
ReachStore	-0.083088
ValueForMoneySpent	-0.087458
DisplayGraphicsTime	-0.096575
PaymentsOptionsAvailability	-0.097651
RelevantInfoOnListedProducts	-0.100875
ProductComparison	-0.107277
CompletePurchaseQuickness	-0.107802
WebsiteEfficieny	-0.124076
FrequentDisruptionInMovingFromPageToPage	-0.127148
LongerDeliveryPeriod	-0.130651
WebsiteContent	-0.139930
ProvisionOfReleventInformation	-0.144277
WebSiteReliability	-0.146351
PurchaseDecision	-0.147507
IndianOnlineRetailerToRecommend	-0.152028
BenifitsAndDiscounts	-0.159635
Easytousewebsite	-0.160976
CustomerInformationPrivacy	-0.164571
PerceivedTrustworthiness	-0.169235
Varietyofproductonoffer	-0.177938
CommunicationChannelsAvailability	-0.190372
CustomerFinancialInformationSecurity	-0.192403
Completedescriptionofproducts	-0.195169
PaymentOption	-0.199719
UserSatisfactionAndTrust	-0.206904
PriceLateDeclaration	-0.209112
Visualappealingwebpagelayout	-0.223378
goodqualitywebsitesatisfaction	-0.226581
Speed	-0.261066
Pincode	-0.304554
ReturnAndReplacementPolicy	-0.310908
ShoppingAndAdventure	-0.318657

Observations

- Female customer often prefer to purchase more as compared to Male customer
- People between 21 to 50 years of age tends shops more.
- Dataset appears to have approximately 67% of Female respondents & 32 % of Male
- Delhi has maximum count which means in Delhi the online purchase is high.
- Mobile screen size has maximum count for others, and 2nd most count is for
 5.5 which is the most used screen size.
- Customers with OS windows/windows mobile are more in number, as it's the most common OS.
- Most of the customers uses chrome browser, which seems to be best in market and easy to use.

- Most of the customers used Search engine to reach there favorite online store for the first time, as search engine shows variety of similar product from n-number of sites.
- After first visit most of the customers are reaching the online store through Search engine, Via application and Direct Url.
- Most of the customers are exploring the e-retail store more than 6 mins before making purchase decision (checking all info and deciding which one to buy usually take time).
- Maximum customers are using credit/debit cards for there payment(most convenient and easy to use).
- Amazon and flipkart is performing best in all given parameter

CONCLUSION

After the detailed analysis of problem I found the following conclusions:

- Frequency of Females shoping is high so making them satisfied will help the sellers to get more business.
- Loyal customers prefer buying and tend to spend more money on shopping in your store. Statistics show that engaged consumers purchase more frequently. It is necessary to hear customer feedback because most of them are valuable feedbacks.
- Sometimes customer feedback is the best marketing strategy. They are frequent customers so they will know which areas of your business may well be improved. If their feedback is approved, they will extremely excite and support your company with their best ability.
- It found that Amazon and Flipkart are standing best out in the market by using ethical, reasonable business strategies
- The repeat purchase intention (loyalty) positively, Structural equation model has been presented on the primary data collected from the Indian online shoppers.
- Here as an conclusion part I found that using dead old strategies for retailers will effect customer retention.