

CUSTOMER RETENTION ANALYSIS

Submitted by:

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What is customer retention?

Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives. It is important to remember that customer retention begins with the first contact a customer has with a company and continues throughout the entire lifetime of the relationship.

Customer Retention Benefits

While most companies traditionally spend more money on customer acquisition because they view it as a quick and effective way of increasing revenue, customer retention often is faster and, on average, costs up to seven times less than customer acquisition. Selling to customers with whom you already have a relationship is often a more effective way of growing revenue because companies don't need to attract, educate, and convert new ones.

Companies that shift their focus to customer retention often find it to be a more efficient process because they are marketing to customers who already have expressed an interest in the products and are engaged with the brand, making it easier to capitalize on their experiences with the company. In fact, retention is a more sustainable business model that is a key to sustainable growth. The proof is in the numbers: according to studies done by Bain & Company, increasing customer retention by 5% can lead to an increase in profits of 25% – 95%, and the likelihood of converting an existing customer into a repeat customer is 60% – 70%, while the probability of converting a new lead is 5% – 20%, at best.

How to Improve Customer Retention

Obviously, established companies and organizations need to focus on customer retention. More important, companies are finding that customer profitability tends to increase over the life of a retained customer, so employing customer retention strategies is a worthwhile use of company

resources. We have compiled some of the more successful customer retention strategies and techniques and outline them here, for your convenience:

Set customer expectations

Become the customers' trusted advisor

Use relationships to build trust

Take a proactive to customer service

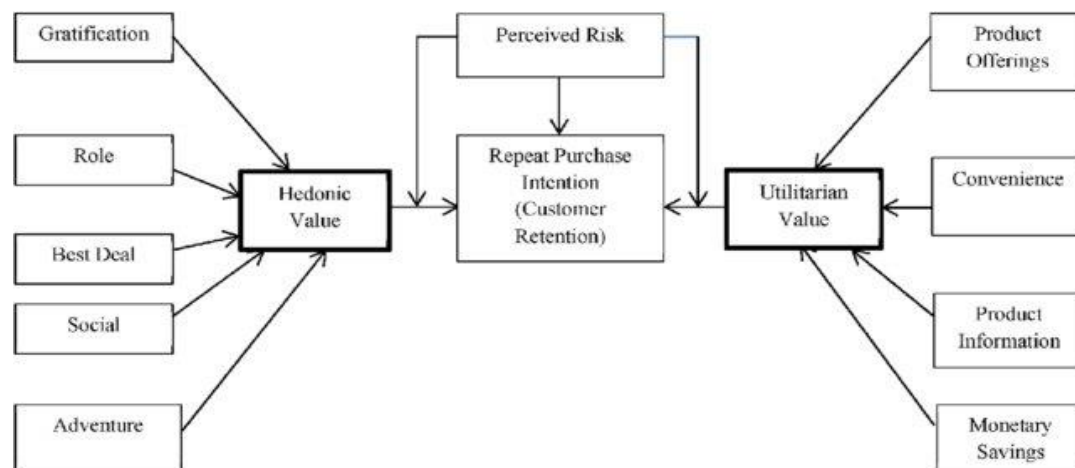
Use social media to build relationships

Go the extra mile

Make it personal

E-retail factors for customer activation and retention: A case study from Indian e-commerce customers

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 customer satisfaction.



OBSERVATIONS:

With the help of graphics representation, we are getting some important observations from over dataset, which are as follows:

Gender of respondent

Majority, 81 of the customers are from age group 31-40 years, 79 from 21-30 years, 70 from 41-50 years, 20 from less than 20 years and 19 from 51 years and above.

Which city do you shop online from?

Delhi	58
Greater Noida	43
Noida	40
Bangalore	37
Karnal	27
Solan	18
Ghaziabad	18
Gurgaon	12
Merrut	9
Moradabad	5
Bulandshahr	2

What is the Pin Code of where you shop online from?

201308	38
132001	19
201310	18
110044	16
173229	9
173212	9
250001	9
122018	8
560037	8
132036	8
560010	8
110011	7
110008	7
201306	7
110014	6
110018	6
201008	5
201009	5
201305	5
201312	5
244001	5
530068	5
201005	4
110009	4
110042	4
110039	4
110030	4
201304	4
122009	4
201303	4
560018	4
201001	4
560003	4
560002	4
560013	3
203001	2
203207	1
560001	1
203202	1

Since How Long You are Shopping Online ?

Above 4 years	98
2-3 years	65
3-4 years	47
Less than 1 year	43
1-2 years	16

How many times you have made an online purchase in the past 1 year?

Less than 10 times	114
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31-40 times	63
41 times and above	47
11-20 times	29
21-30 times	10
42 times and above	6

How do you access the internet while shopping on-line?

Mobile internet	142
Wi-Fi	76
Mobile Internet	47
Dial-up	4

What is the screen size of your mobile device?

Others	134
5.5 inches	99
4.7 inches	29
5 inches	7

What is the operating system (OS) of your device

Window/windows Mobile	122
Android	85
IOS/Mac	62

What browser do you run on your device to access the website?

Google chrome	216
Safari	40
Opera	8
Mozilla Firefox	5

After first visit, how do you reach the online retail store?

Search Engine	87
Via application	86
Direct URL	70
E-mail	18
Social Media	8

The content on the website must be easy to read and understand

Strongly agree (5)	164
Agree (4)	80
Strongly disagree (1)	18
Indifferent (3)	7

Information on similar product to the one highlighted is important for product comparison

Strongly agree (5)	116
Agree (4)	92
Indifferent (3)	43
Dis-agree (2)	18

Complete information on listed seller and product being offered is important for purchase decision.

Agree (4)	101
Strongly agree (5)	87
Indifferent (3)	52
Dis-agree (2)	18
Strongly disagree (1)	11

All relevant information on listed products must be stated clearly

Agree (4)	132
Strongly agree (5)	107
Strongly disagree (1)	18
Dis-agree (2)	12

Ease of navigation in website

Strongly agree (5)	141
Agree (4)	105
Strongly disagree (1)	18
Dis-agree (2)	5

Loading and processing speed

Strongly agree (5)	115
Agree (4)	112
Dis-agree (2)	18
Strongly disagree (1)	12
Indifferent (3)	12

User friendly Interface of the website

Strongly agree (5)	189
Agree (4)	45
Strongly disagree (1)	18
Dis-agree (2)	12
Indifferent (3)	5

Convenient Payment methods

Strongly agree (5)	159
Agree (4)	80
Dis-agree (2)	30

Trust that the online retail store will fulfill its part of the transaction at the stipulated time

Strongly agree (5)	141
Agree (4)	86
Disagree (2)	30
indifferent (3)	12

Empathy (readiness to assist with queries) towards the customers

Strongly agree (5)	194
Agree (4)	42
Strongly disagree (1)	18
indifferent (3)	15

Being able to guarantee the privacy of the customer

Strongly agree (5)	185
Agree (4)	58
indifferent (3)	26

Responsiveness, availability of several communication channels (email, online rep, twitter, phone etc.)

Strongly agree (5)	149
Agree (4)	94
indifferent (3)	15
Strongly disagree (1)	11

Online shopping gives monetary benefit and discounts

Strongly agree (5)	105
Agree (4)	85
indifferent (3)	50
Strongly disagree (1)	18
Dis-agree (2)	11

Enjoyment is derived from shopping online

Strongly agree (5)	86
indifferent (3)	75
Agree (4)	59
Strongly disagree (1)	30
Dis-agree (2)	19

Shopping online is convenient and flexible

Strongly agree (5)	146
Agree (4)	78
indifferent (3)	33
Dis-agree (2)	12

Return and replacement policy of the e-tailer is important for purchase decision

Strongly agree (5)	198
Agree (4)	51
Dis-agree (2)	20

Gaining access to loyalty programs is a benefit of shopping online

Strongly agree (5)	115
indifferent (3)	64
Agree (4)	64
Dis-agree (2)	15
Strongly disagree (1)	11

Displaying quality Information on the website improves satisfaction of customers

Strongly agree (5)	133
Agree (4)	80
indifferent (3)	56

User derive satisfaction while shopping on a good quality website or application

Strongly agree (5)	175
Agree (4)	86
Dis-agree (2)	8

Easy to use website or application

Amazon.in, Flipkart.com, Paytm.com, Myntra.com, Snapdeal.com	64
Amazon.in, Flipkart.com, Myntra.com, Snapdeal.com	44
Amazon.in, Flipkart.com	44
Amazon.in	29
Amazon.in, Flipkart.com, Paytm.com, Snapdeal.com	22
Amazon.in, Paytm.com, Myntra.com	20
Amazon.in, Flipkart.com, Myntra.com	19
Paytm.com	12
Flipkart.com	8
Amazon.in, Paytm.com	

Visual appealing web-page layout

Amazon.in, Flipkart.com	87
Amazon.in	44
Amazon.in, Flipkart.com, Paytm.com, Myntra.com, Snapdeal.com	36
Amazon.in, Paytm.com, Myntra.com	20
Amazon.in, Myntra.com	15
Flipkart.com, Myntra.com	15
Myntra.com	15
Amazon.in, Flipkart.com, Myntra.com, Snapdeal.com	14
Flipkart.com	12
Amazon.in, Flipkart.com, Paytm.com, Snapdeal.com	11

Reliability of the website or application

Amazon.in	61
Amazon.in, Flipkart.com	50
Amazon.in, Flipkart.com, Paytm.com	36
Amazon.in, Paytm.com, Myntra.com	35
Amazon.in, Flipkart.com, Snapdeal.com	18
Flipkart.com	15
Myntra.com	15
Amazon.in, Flipkart.com, Myntra.com, Snapdeal.com	14
Amazon.in, Flipkart.com, Paytm.com, Snapdeal.com	13
Paytm.com	12

Limited mode of payment on most products (promotion, sales period)

Snapdeal.com	87
Amazon.in	62
Flipkart.com	31
Amazon.in, Flipkart.com	29
Paytm.com	25
Paytm.com, Snapdeal.com	15
Amazon.in, Paytm.com	13
Myntra.com, Snapdeal.com	7

Website is as efficient as before

Amazon.in	94
Flipkart.com	47
Amazon.in, Flipkart.com	45
Amazon.in, Flipkart.com, Paytm.com	25
Amazon.in, Paytm.com	18
Paytm.com	15
Myntra.com, Snapdeal.com	14
Snapdeal.com	11

Which of the Indian online retailer would you recommend to a friend ?

Amazon.in	79
Amazon.in, Flipkart.com	62
Flipkart.com	39
Amazon.in, Myntra.com	30
Amazon.in, Paytm.com, Myntra.com	20
Amazon.in, Flipkart.com, Myntra.com	15
Amazon.in, Paytm.com	13
Flipkart.com, Paytm.com, Myntra.com, snapdeal.com	11