

Behavioral Analysis & Churn Drivers

2.1 Behavioral Analysis Overview

This chapter focuses on identifying the behavioral triggers and operational friction points that contribute to customer attrition. By analyzing the correlation between service quality, product categories, and logistical factors, we can pinpoint the root causes of churn beyond simple financial metrics.

2.2 Impact of Service Friction: The Complaint Factor

A critical discovery in this analysis is the high correlation between customer complaints and churn probability:

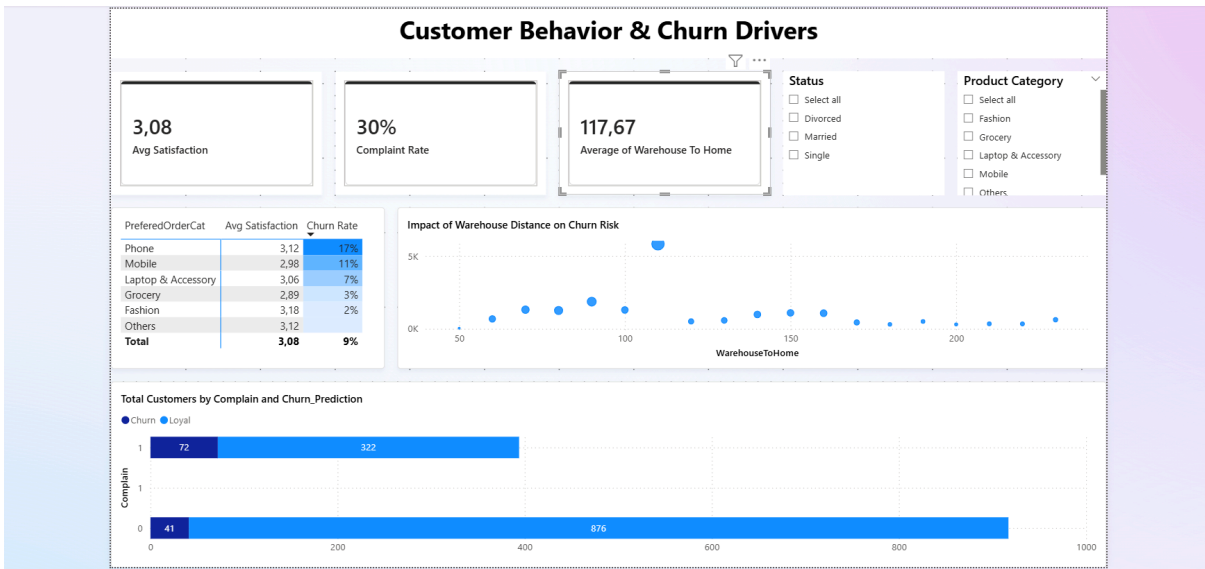
- **Complaint Rate:** The platform maintains a **30% Complaint Rate**, which serves as a leading indicator for potential churn.
- **Churn Correlation:** Visual data confirms that customers who have registered a complaint exhibit a significantly higher churn rate compared to those with a seamless experience.
- **Prioritization:** Addressing unresolved complaints is identified as the most effective immediate lever for reducing attrition.

2.3 Performance Metrics by Product Category

Product categories exhibit varying levels of stability and risk:

- **High-Volatility Categories:** The **Phone** category shows the highest vulnerability with a **17% Churn Rate**, followed by **Mobile** at **11%**.
- **Satisfaction Benchmarking:** While the overall **Average Satisfaction Score is 3.08**, categories like **Grocery** show higher stability (3% Churn) despite slightly lower satisfaction, suggesting that necessity-based goods have higher retention.

2.4 Logistical Impact: Warehouse Proximity



Operational efficiency, specifically the distance from the warehouse to the customer, plays a role in customer perception:

- **Distance Metric:** The average distance is recorded at **117.67 units**.
- **Risk Trend:** The analysis indicates that as distance increases, there is a subtle but measurable rise in churn risk, likely due to longer delivery lead times or higher shipping costs.