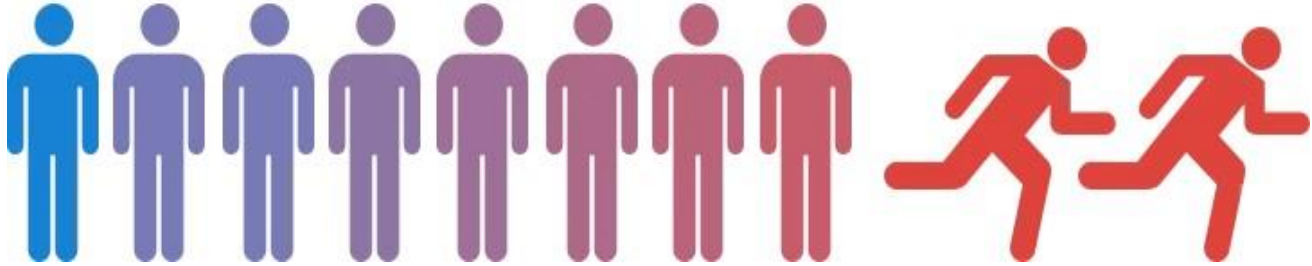


Customer Churn Analysis



Customer churn refers to the situation when customers decide to stop doing business with a company. This is a significant concern for businesses, as it hampers customer retention and overall success. In the fast-paced world of online retail, e-commerce companies face the challenge of retaining customers. To address this, identifying at-risk customers and implementing targeted retention strategies are crucial. This article presents a detailed analysis of a dataset from an online retail company, revealing valuable insights on customer churn. These insights offer essential guidance for decision-making, enabling proactive measures to reduce attrition and foster long-term loyalty.

Project Approach

I got this dataset from [Kaggle](#), and it contains information such as customers' personal details, satisfaction scores, preferred payment mode, days since the last order, and cashback amount.

I used “**MySQL (using Xampp)**” to clean and analyse this dataset, and performed visualizations using Microsoft Power BI. This analysis is divided into several stages: data cleaning, data exploration, an insight section, and recommendations.

Data Cleaning

Before embarking on any analysis, it is essential to ensure the dataset is clean and reliable. The data cleaning process involves handling missing values, correcting inconsistencies, and formatting the data for analysis. In this project, we carefully cleaned the dataset to ensure the accuracy and integrity of our findings.

1. Finding the total number of customers

```
SELECT DISTINCT COUNT(CustomerID) as TotalCustomer FROM ecomm
```

TotalCustomer
5630

there are 5,630 customers found in this dataset

2. Checking for duplicate rows

```
SELECT CustomerID, COUNT(CustomerID) as Duplicate FROM ecomm
```

```
GROUP BY CustomerID
```

```
HAVING COUNT(CustomerID) > 1
```

CustomerID	Duplicate
------------	-----------

The query returns an empty table, showing there are no duplicate rows.

3. Checking for null values

We start out by finding the null count of columns with null values present

```
SELECT 'Tenure' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE Tenure = ''
```

```
UNION
```

```
SELECT 'WarehouseToHome' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE warehousetohome = ''
```

```
UNION
```

```
SELECT 'HourSpendonApp' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE hourspendonapp = ''
```

```
UNION
```

```
SELECT 'OrderAmountHikeFromLastYear' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE orderamounthikefromlastyear = ''
```

```
UNION
```

```
SELECT 'CouponUsed' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE couponused = ''
```

```
UNION
```

```
SELECT 'OrderCount' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE ordercount = ''
```

```
UNION
```

```
SELECT 'DaySinceLastOrder' as ColumnName, COUNT(*) AS NullCount FROM ecomm
```

```
WHERE daysincelastorder = ''
```

<u>ColumnName</u>	<u>NullCount</u>
Tenure	264
WarehouseToHome	251
HourSpendonApp	255
OrderAmountHikeFromLastYear	265
CouponUsed	256
OrderCount	258
DaySinceLastOrder	307

The table showing some Null or Missing values in the dataset. So we have to fill these missing values.

4. Handling null values

In order to handle these null values, we will fill the nulls with the **mean value** of their respective columns.

```
UPDATE ecomm
```

```
SET Tenure= (SELECT AVG(Tenure) FROM ecomm)
```

```
WHERE Tenure = ''
```

```
UPDATE ecomm
```

```
SET Hourspondonapp = (SELECT AVG(Hourspondonapp) FROM ecomm)
```

```
WHERE Hourspondonapp = ''
```

```
UPDATE ecomm
```

```
SET OrderAmountHikeFromlastYear = (SELECT AVG(OrderAmountHikeFromlastYear) FROM ecomm)
```

```
WHERE OrderAmountHikeFromlastYear = ''
```

```
UPDATE ecomm
```

```
SET WarehouseToHome = (SELECT AVG(WarehouseToHome) FROM ecomm)
```

```
WHERE WarehouseToHome = ''
```

```
UPDATE ecomm
```

```
SET CouponUsed = (SELECT AVG(CouponUsed) FROM ecomm)
```

```
WHERE CouponUsed = ''
```

```
UPDATE ecomm
```

```
SET ordercount = (SELECT AVG(ordercount) FROM ecomm)
```

```
WHERE ordercount = ''
```

```
UPDATE ecomm
```

```
SET daysincelastorder = (SELECT AVG(daysincelastorder) FROM ecomm)
```

```
WHERE daysincelastorder = ''
```

<u>ColumnName</u>	<u>NullCount</u>
Tenure	0
WarehouseToHome	0
HourSpendonApp	0
OrderAmountHikeFromLastYear	0
CouponUsed	0
OrderCount	0
DaySinceLastOrder	0

Now that the null values have been replaced with their mean, so there are no more null values left.

5. Creating a new column from an already existing “churn” column

```
ALTER TABLE ecomm
ADD CustomerStatus NVARCHAR(50)

UPDATE ecomm
SET CustomerStatus =
CASE
    WHEN Churn = 1 THEN 'Churned'
    WHEN Churn = 2 THEN 'Stayed'
END
```

6. Creating a new column from an already existing “complain” column

```
ALTER TABLE ecomm
ADD ComplainReceived NVARCHAR(10)

UPDATE ecomm
SET ComplainReceived =
CASE
    WHEN Complain = 1 THEN 'Yes'
    WHEN Complain = 0 THEN 'No'
END
```

7. Checking values in each column for correctness and accuracy

After going through each column, we noticed some redundant values in some columns and a wrongly entered value. This will be explored and fixed.

7.1 Fixing redundancy in “PreferredLoginDevice” Column

```
SELECT DISTINCT(PreferredLoginDevice) FROM ecomm
```

<u>PreferredLoginDevice</u>
Mobile Phone
Phone
Computer

Notice that phone and mobile phone appear in the column, but they mean the same thing. So, we will replace the mobile phone with phone.

7.2 Fixing redundancy in “PreferredOrderCat” Column

```
SELECT DISTINCT(PreferredOrderCat) FROM ecomm
```

<u>PreferredOrderCat</u>
Laptop & Accessory
Mobile
Mobile Phone
Others
Fashion
Grocery

Notice that mobile phone and phone appear in the column, but they mean the same thing. So, we will replace the phone with mobile phone as the category name.

```
UPDATE ecomm
```

```
SET PreferredOrderCat = 'Mobile Phone'
```

```
WHERE PreferredOrderCat = 'Mobile'
```

7.3 fixing redundancy in “PreferredPaymentMode” Column

```
SELECT DISTINCT(PreferredPaymentMode) FROM ecomm
```

PreferredPaymentMode
Debit Card
UPI
CC
Cash on Delivery
E wallet
COD
Credit Card

Notice that Cash on Delivery and COD both appear in the column, but they mean the same thing. So we will replace COD with Cash on Delivery.

```
UPDATE ecomm
SET PreferredPaymentMode = 'Cash on Delivery'
WHERE PreferredPaymentMode = 'COD'
```

Data Exploration

1. What is the overall customer churn rate?

```
SELECT TotalNumberOfCustomers,
       TotalNumberOfChurnedCustomers,
       concat(CAST((TotalNumberOfChurnedCustomers * 1.0 / TotalNumberOfCustomers * 1.0)*100
AS DECIMAL(10,2)), '%') AS ChurnRate
FROM
(SELECT COUNT(*) AS TotalNumberOfCustomers
FROM ecomm) AS Total,
(SELECT COUNT(*) AS TotalNumberOfChurnedCustomers
FROM ecomm
WHERE CustomerStatus = 'churned') AS Churned
```

TotalNumberOfCustomers	TotalNumberOfChurnedCustomers	ChurnRate
5630	948	16.84%

The churn rate of 16.84% indicates that a significant portion of customers in the dataset have ended their association with the company.

2. How does the churn rate vary based on the preferred login device?

```
SELECT PreferredLoginDevice, COUNT(*) AS TotalCustomer,
SUM(Churn) AS ChurnedCustomer,
concat(cast(SUM(Churn)*1.0/ COUNT(*) * 100 AS decimal(10,2)), '%') as churnrate
FROM ecomm
group BY PreferredLoginDevice
```

<u>PreferredLoginDevice</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>churnrate</u>
Computer	1634	324	19.83%
Phone	3996	624	15.62%

The preferred login device appears to have some influence on customer churn rates. Customers who prefer logging in using a computer have a slightly higher churn rate compared to customers who prefer logging in using their phones. This may indicate that customers who access the platform via a computer might have different usage patterns, preferences, or experiences that contribute to a higher likelihood of churn.

3. What is the distribution of customers across different city tiers?

```
SELECT CityTier, COUNT(*) as TotalCustomer, SUM (Churn) as ChurnedCustomer,
Concat(cast (SUM(churn)*1.0/ COUNT(*) * 100 AS decimal(10,2)), '%') AS ChurnRate
FROM ecomm
GROUP BY CityTier Order BY ChurnRate DESC
```

<u>CityTier</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate_1</u>
3	1722	368	21.37%
2	242	48	19.83%
1	3666	532	14.51%

The result suggests that the city tier has an impact on customer churn rates. Tier 1 cities have a relatively lower churn rate compared to Tier 2 and Tier 3 cities. This could be attributed to various factors such as competition, customer preferences, or the availability of alternatives in different city tiers.

4. Is there any correlation between the warehouse-to-home distance and customer churn?

In order to answer this question, we will create a new column called “WarehouseToHomeRange” that groups the distance into very close, close, moderate, and far using the CASE statement.

Alter table ecomm

Add WarehouseTohomeRange_distance nvarchar(50)

```
UPDATE ecomm
```

```
SET WarehouseToHomeRange_Distance =
```

```
CASE
```

```
    WHEN WarehouseToHome <= 10 THEN 'very close distance'
```

```
    WHEN WarehouseToHome > 10 AND WarehouseToHome <= 20 THEN 'close distance'
```

```
    WHEN WarehouseToHome >20 AND WarehouseToHome <= 30 THEN 'moderate distance'
```

```
    WHEN WarehouseToHome > 30 THEN 'far distance'
```

```
END
```

Now Finding a correlation between warehouse to home and churn rate.

```
SELECT WarehouseToHomeRange_Distance, COUNT(*) AS total_customer,
```

```
SUM(Churn) AS churned_customer,
```

```
concat(cast(SUM(Churn) * 1.0/ COUNT(*) * 100 AS decimal(10, 2)), '%') AS ChurnRate From ecomm
```

```
group BY WarehouseToHomeRange_Distance
```

```
ORDER BY ChurnRate DESC;
```

<u>WarehouseToHomeRange Distance</u>	<u>total customer</u>	<u>churned customer</u>	<u>ChurnRate 1</u>
far distance	471	98	20.81%
moderate distance	872	176	20.18%
close distance	2318	408	17.60%
very close distance	1969	266	13.51%

The distance between the warehouse and the customer's home seems to have some influence on customer churn rates. Customers residing in closer proximity to the warehouse tend to have lower churn rates, while customers living at further distances are more likely to churn. This suggests that factors such as delivery times, shipping costs, or convenience may play a role in customer retention.

5. Which is the most preferred payment mode among churned customers?

```
SELECT PreferredPaymentMode,
```

```
COUNT(*) AS TotalCustomer,
```

```
SUM(churn) AS ChurnedCustomer,
```

```
Concat(cast(SUM(churn) * 1.0/ count(*) * 100 As decimal(10, 2)), '%') AS ChurnRate
```

```
FROM ecomm
```

```
GROUP BY PreferredPaymentMode
```

```
order BY ChurnRate DESC
```


<u>PreferredPaymentMode</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate_1</u>
Cash on Delivery	514	128	24.90%
E wallet	614	140	22.80%
CC	273	59	21.61%
UPI	414	72	17.39%
Debit Card	2314	356	15.38%
Credit Card	1501	193	12.86%

The most preferred payment mode among churned customers is cash on delivery. The preferred payment mode seems to have some influence on customer churn rates. Payment modes such as “Cash on Delivery” and “E-wallet” show higher churn rates, indicating that customers using these payment modes are more likely to churn.

6. What is the typical tenure for churned customers?

First, we will create a new column called “TenureRange” that groups the customer tenure into 6 months, 1 year, 2 years, and more than 2 years using the CASE statement.

```
Alter Table ecomm
```

```
Add Tenure_range nvarchar(50)
```

```
UPDATE ecomm
```

```
SET Tenure_range =
```

```
CASE
```

```
    WHEN Tenure <= 6 THEN '6 Months'
```

```
    WHEN Tenure > 6 AND Tenure <= 12 THEN '1 Year'
```

```
    WHEN Tenure > 12 AND Tenure <= 24 THEN '2 Year'
```

```
    WHEN Tenure > 24 THEN 'More then 2 years'
```

```
END
```

Finding typical tenure for churned customers

```
SELECT Tenure_range,
```

```
COUNT(*) AS TotalCustomer,
```

```
SUM(churn) AS ChurnedCustomer,
```

```
concat(cast(SUM(Churn) * 1.0 / COUNT(*) * 100 AS decimal(10, 2)), '%') AS Churn_rate
```

```
GROUP BY Tenure_range
```

```
order BY Churn_rate DESC
```

<u>Tenure range</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>Churn rate 1</u>
1 Year	1584	156	9.85%
2 Year	1467	95	6.48%
6 Months	2150	697	32.42%
More then 2 years	429	0	0.00%

This shows that customers who have been with the company for longer periods, specifically more than 2 years in this case, have shown a lower likelihood of churn compared to customers in shorter tenure groups.

7. Is there any difference in churn rate between male and female customers?

```
SELECT Gender,
COUNT(*) AS total_customer,
SUM(Churn) as churned_customer,
concat(cast(SUM(churn) * 1.0 / COUNT(*) * 100 as decimal(10, 2)), '%') as ChurnRate
FROM ecomm
GROUP by Gender
```

<u>Gender</u>	<u>total customer</u>	<u>churned customer</u>	<u>ChurnRate</u>
Female	2246	348	15.49%
Male	3384	600	17.73%

Both male and female customers exhibit churn rates, with males having a slightly higher churn rate compared to females. However, the difference in churn rates between the genders is relatively small. This suggests that gender alone may not be a significant factor in predicting customer churn.

8. How does the average time spent on the app differ for churned and non-churned customers?

```
SELECT CustomerStatus, round(AVG(HourSpendOnApp), 2) as avg_time FROM ecomm
GROUP BY CustomerStatus
```

<u>CustomerStatus</u>	<u>avg time</u>
Churned	2.96
Stayed	2.93

Both churned and staying customers have the same average hours spent on the app; this indicates that the average app usage time does not seem to be a differentiating factor between customers who churned and those who stayed.

9. Does the number of registered devices impact the likelihood of churn?

```
SELECT NumberOfDeviceRegistered,  
count(*) AS TotalCustomer,  
SUM(churn) AS ChurnedCustomer,  
concat(cast(SUM(churn)*1.0/count(*) * 100 AS decimal(10,2)), '%') AS ChurnRate  
FROM ecomm  
GROUP BY NumberOfDeviceRegistered  
order BY ChurnRate DESC;
```

<u>NumberOfDeviceRegistered_1</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate</u>
6	162	56	34.57%
5	881	198	22.47%
4	2377	392	16.49%
3	1699	254	14.95%
2	276	26	9.42%
1	235	22	9.36%

There seems to be a correlation between the number of devices registered by customers and the likelihood of churn. Customers with a higher number of registered devices, such as 6 or 5, exhibit higher churn rates. On the other hand, customers with fewer registered devices, such as 2 or 1, show relatively lower churn rates.

10. Which order category is most preferred among churned customers?

```
SELECT PreferredOrderCat,  
count(*) AS TotalCustomer,  
SUM(churn) AS ChurnedCustomer,  
concat(cast(SUM(churn)*1.0/count(*) * 100 AS decimal(10,2)), '%') AS ChurnRate  
FROM ecomm  
GROUP BY PreferredOrderCat  
order BY ChurnRate DESC;
```

<u>PreferedOrderCat</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate</u> <u>1</u>
Others	264	20	7.58%
Grocery	410	20	4.88%
Mobile Phone	2080	570	27.40%
Fashion	826	128	15.50%
Laptop & Accessory	2050	210	10.24%

The analysis suggests that different order categories have varying impacts on customer churn rates. Customers who primarily order items in the “Mobile Phone” category have the highest churn rate, indicating a potential need for targeted retention strategies for this group. On the other hand, the “Grocery” category exhibits the lowest churn rate, suggesting that customers in this category may have higher retention and loyalty.

11. Is there any relationship between customer satisfaction scores and churn?

```
SELECT SatisfactionScore,
count(*) AS TotalCustomer,
SUM(churn) AS ChurnedCustomer,
concat(cast(SUM(churn)*1.0/count(*) * 100 AS decimal(10,2)), '%') AS ChurnRate
FROM ecomm
GROUP BY SatisfactionScore
ORDER BY ChurnRate DESC;
```

<u>SatisfactionScore</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate</u> <u>1</u>
5	1108	264	23.83%
3	1698	292	17.20%
4	1074	184	17.13%
2	586	74	12.63%
1	1164	134	11.51%

The result indicates that customers with higher satisfaction scores, particularly those who rated their satisfaction as 5, have a relatively higher churn rate compared to other satisfaction score categories. This suggests that even highly satisfied customers may still churn, highlighting the importance of proactive customer retention strategies across all satisfaction levels.

12. Does the marital status of customers influence churn behavior?

```
SELECT MaritalStatus,  
count(*) AS TotalCustomer,  
SUM(churn) AS ChurnedCustomer,  
concat(cast(SUM(churn)*1.0/count(*) * 100 AS decimal(10,2)), '%') AS ChurnRate  
FROM ecomm  
GROUP BY MaritalStatus  
ORDER BY ChurnRate DESC;
```

<u>MaritalStatus</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate</u> <u>1</u>
Single	1796	480	26.73%
Divorced	848	124	14.62%
Married	2986	344	11.52%

Single customers have the highest churn rate compared to customers with other marital statuses. This indicates that single customers may be more likely to discontinue their relationship with the company. On the other hand, married customers have the lowest churn rate.

13. Do customer complaints influence churned behavior?

```
SELECT ComplainReceived,  
count(*) AS TotalCustomer,  
SUM(churn) AS ChurnedCustomer,  
concat(cast(SUM(churn)*1.0/count(*) * 100 AS decimal(10,2)), '%') AS ChurnRate  
FROM ecomm  
GROUP BY ComplainReceived  
ORDER BY ChurnRate DESC;
```

<u>ComplainReceived</u>	<u>TotalCustomer</u>	<u>ChurnedCustomer</u>	<u>ChurnRate</u> <u>1</u>
Yes	1604	508	31.67%
No	4026	440	10.93%

The fact that a larger proportion of customers who stopped using the company's services registered complaints indicates the importance of dealing with and resolving customer concerns. This is vital for decreasing the number of customers who leave and building lasting loyalty. The fact that a larger proportion of customers who stopped using the company's services registered complaints indicates the importance of dealing with and resolving customer concerns. This is vital for decreasing the number of customers who leave and building lasting loyalty.

14. How does the use of coupons differ between churned and non-churned customers?

```
SELECT CustomerStatus, SUM(CouponUsed) as SumOfCouponUsed
FROM ecomm
GROUP BY CustomerStatus
```

<u>CustomerStatus</u>	<u>SumOfCouponUsed</u>
Churned	1630
Stayed	8292

The higher coupon usage among stayed customers indicates their higher level of loyalty and engagement with the company. By implementing strategies to reward loyalty, provide personalized offers, and maintain continuous engagement, the company can further leverage coupon usage as a tool to strengthen customer loyalty and increase overall customer retention.

15. What is the average number of days since the last order for churned customers?

```
SELECT round(avg(DaySinceLastOrder)) AS Avg_day_last_order
FROM ecomm
WHERE CustomerStatus = 'churned'
```

Avg_day_last_order
3

The fact that churned customers have, on average, only had a short period of time since their last order indicates that they recently stopped engaging with the company.

16. Is there any correlation between cashback amount and churn rate?

First, we will create a new column called “CashbackAmountRange” that groups the cashbackamount into low (less than 100), moderate (between 100 and 200), high(between 200 and 300), and very high (more than 300) using the CASE statement.

```
ALTER TABLE ecomm
```

```
ADD CashbackRange nvarchar(50)
```

```
UPDATE ecomm
```

```
SET CashbackRange =
```

```
CASE
```

```
    WHEN CashbackAmount <= 100 THEN 'Low Cashback'
```

```
    WHEN CashbackAmount > 100 AND CashbackAmount <= 200 THEN 'Moderate Cashback'
```

```
    WHEN CashbackAmount > 200 AND CashbackAmount <= 300 THEN 'High Cashback'
```

```
    WHEN CashbackAmount > 300 THEN 'Very High Cashback'
```

END

Finding the correlation between cashback amount range and churned rate

```
SELECT CashbackRange,  
       COUNT(*) AS TotalCustomer,  
       SUM(Churn) AS CustomerChurn,  
       concat(CAST(SUM(Churn) * 1.0 /COUNT(*) * 100 AS DECIMAL(10,2)), '%') AS Churnrate  
FROM ecomm  
GROUP BY CashbackRange  
ORDER BY Churnrate DESC
```

<u>CashbackRange</u>	<u>TotalCustomer</u>	<u>CustomerChurn</u>	<u>Churnrate</u> 1
Very High Cashback	156	10	6.41%
Moderate Cashback	4305	814	18.91%
High Cashback	1157	124	10.72%
Low Cashback	12	0	0.00%

Customers who received moderate cashback amounts had a relatively higher churn rate, while those who received higher and very high cashback amounts exhibited lower churn rates. Customers who received lower cashback amounts also had a 100% retention rate. This suggests that offering higher cashback amounts can positively influence customer loyalty and reduce churn.

17. How many addresses do churned customers have on average?

```
SELECT round(AVG(NumberOfAddress)) AS avg_address_churned_customer  
FROM ecomm  
WHERE CustomerStatus = 'stayed'
```

avg_address_churned_customer
4

On average, customers who churned had four addresses associated with their accounts

Insight Section

- The dataset includes 5,630 customers, providing a substantial sample size for analysis.
- The overall churn rate is 16.84%, indicating significant customer attrition.

- Customers who prefer logging in with a computer have slightly higher churn rates compared to phone users, suggesting different usage patterns and preferences.
- Tier 1 cities have lower churn rates than Tier 2 and Tier 3 cities, possibly due to competition and customer preferences.
- Proximity to the warehouse affects churn rates, with closer customers showing lower churn, highlighting the importance of optimizing logistics and delivery strategies.
- “Cash on Delivery” and “E-wallet” payment modes have higher churn rates, while “Credit Card” and “Debit Card” have lower churn rates, indicating the influence of payment preferences on churn.
- Longer tenure is associated with lower churn rates, emphasizing the need for building customer loyalty early on.
- Male customers have slightly higher churn rates than female customers, although the difference is minimal.
- App usage time does not significantly differentiate between churned and non-churned customers.
- More registered devices correlate with higher churn rates, suggesting the need for consistent experiences across multiple devices.
- “Mobile Phone” order category has the highest churn rate, while “Grocery” has the lowest, indicating the importance of tailored retention strategies for specific categories.
- Highly satisfied customers (rating 5) have a relatively higher churn rate, highlighting the need for proactive retention strategies at all satisfaction levels.
- Single customers have the highest churn rate, while married customers have the lowest, indicating the influence of marital status on churn.
- Churned customers have an average of four associated addresses, suggesting higher mobility.
- Customer complaints are prevalent among churned customers, emphasizing the importance of addressing concerns to minimize churn.
- Coupon usage is higher among non-churned customers, showcasing the effectiveness of loyalty rewards and personalized offers.
- Churned customers have had a short time since their last order, indicating recent disengagement and the need for improved customer experience and retention initiatives.
- Moderate cashback amounts correspond to higher churn rates, while higher amounts lead to lower churn, suggesting the positive impact of higher cashback on loyalty.

Recommendations to reduce customer churn rate

1. Enhance the user experience for customers who prefer logging in via a computer. Conduct research to identify and address any issues they might be facing, making improvements to ensure a smoother and more enjoyable experience.
2. Tailor retention strategies based on the different city tiers. Understand the preferences and needs of customers in each tier to provide targeted offerings and incentives that resonate with them.

3. Optimize logistics and delivery to improve customer satisfaction. Focus on reducing delivery times, lowering shipping costs, and finding ways to make the process more convenient, especially for customers living further away.
4. Simplify payment processes, particularly for options like “Cash on Delivery” and “E-wallet.” Enhance security measures and offer incentives for customers to use more reliable payment methods such as “Credit Card” and “Debit Card.”
5. Improve customer support and complaint resolution. Address customer complaints promptly and effectively, providing satisfactory resolutions. Actively listen to customer feedback, make necessary improvements, and demonstrate a commitment to addressing their concerns.
6. Develop targeted retention initiatives for specific order categories, such as the “Mobile Phone” category. Offer exclusive discounts, rewards, or promotions to incentivize continued engagement and loyalty.
7. Ensure a consistent experience across different devices. Implement features like cross-device syncing, personalized recommendations, and easy account management to encourage usage and retention across multiple devices.
8. Proactively engage and reward satisfied customers across all satisfaction levels. Regularly communicate with them through personalized messages, exclusive offers, and loyalty programs to maintain their loyalty and reduce the risk of churn.
9. Consider increasing cashback incentives to retain customers, especially those who are more likely to churn. Conduct A/B testing to determine the most effective cashback levels that encourage higher customer retention rates.

By implementing these recommendations, this company can improve customer retention, reduce churn rates, and build long-term loyalty, leading to sustainable growth and success.

End