



## CUSTOMER RETENTION CASE STUDY

Submitted by:

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## **ACKNOWLEDGMENT**

Reference	:FlipRobo Technologies
Research Paper	:From FlipRobo Technologies
Data Sources	:Clint Database of FlipRobo Technologies
Professionals Help	: Ms. Sapna Verma, SME

# INTRODUCTION

In the last decade, online shopping has experienced an explosive growth due to the fact that it represents a more economic and convenient approach to purchasing in comparison to traditional shopping. Nevertheless, in the beginning, the transition from one to another, more modern purchase method, created a sense of concern among customers with respect to the following: leak of personal information, online fraud, inconsistency between the ordered product quality and the desired quality, unsuccessful shipping, etc. Today, these concerns are at a much lower level, as people recognized the advantages offered by online shopping. There are a number of reasons why people purchase via the Internet; for example, consumers can buy anything at any time without actually going to the store; consumers can stumble on the same product at a lower price by comparing different websites simultaneously; consumers want to avoid pressure felt when communicating face-to-face with the retailer; consumers want to avoid traffic jams that can occur on the way to the store, and so on and most important things Corona Pandemic. As we know the corona pandemic is not over yet and we always think stay home how much is possible.

- Problem Statement







## **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.

- **Conceptual Background of the Domain Problem**

It thus becomes obvious that domain knowledge is important both in the framework as well as the body of a data science project. It will make the project faster, cheaper and more likely to yield a useful answer.

-  Some concepts are as under that help to understand project and also get better result:
  -  Data Analysis.
  -  Precision
  -  Accuracy
  -  Representativeness: Does the dataset reflect all relevant aspects of the domain?
  -  Significance: Does the dataset reflect every important behavior/dynamic in the domain?

- **Motivation for the Problem Undertaken**

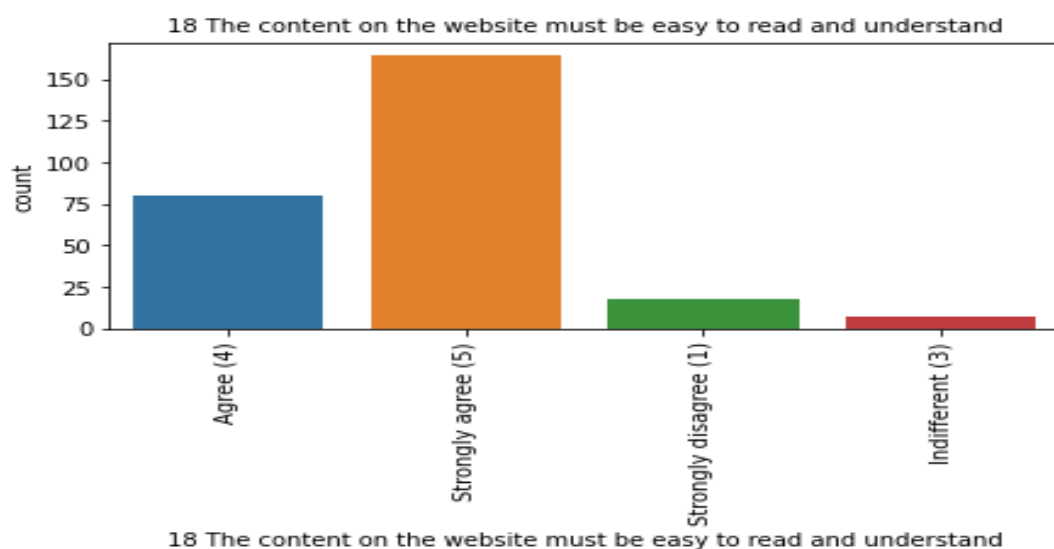
As we know, the Customer Retention case is a real world problem and all data which is I have, is totally based on real time information. Accordingly with the help of these data we will predict future outcomes and that is beneficial for our business. The real world problem is the only thing that motivate us lot.

# Analysis by Five main factors of Customer Retention and Customer Activation.

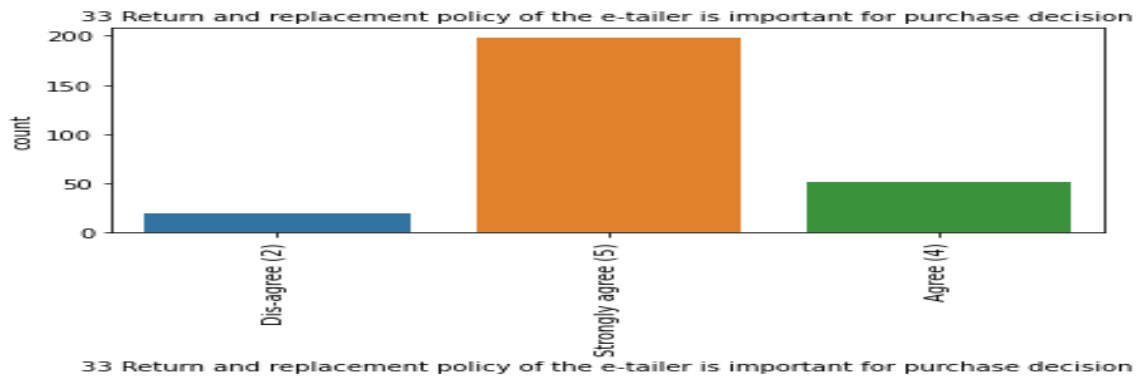
1. Service Quality, 2. System Quality, 3. Information Quality, 4. Trust and 5. Net Benefit.

## ✓ Service Quality:

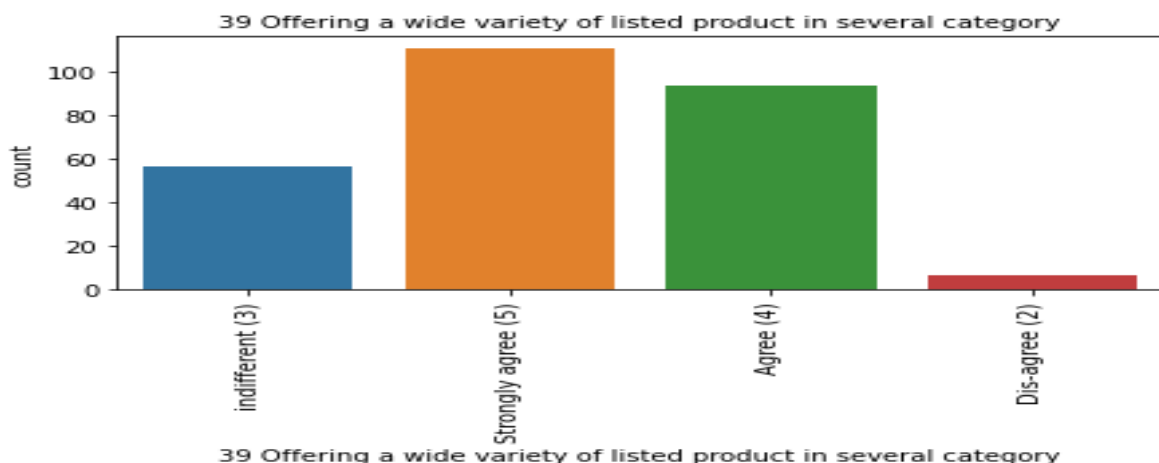
The quality of services in online commerce has a positive impact on customer satisfaction. The perceived product quality is defined as the consumer's judgment about a product's overall excellence or superiority. Conversely, a number of studies dealing with online commerce argue that the service quality has a positive influence on customer satisfaction. The quality of service determines whether the customers will develop strong and loyal relationships with online retailers. Online retailers that offer excellent service quality meet the expectations of their customers and thus improve their satisfaction.



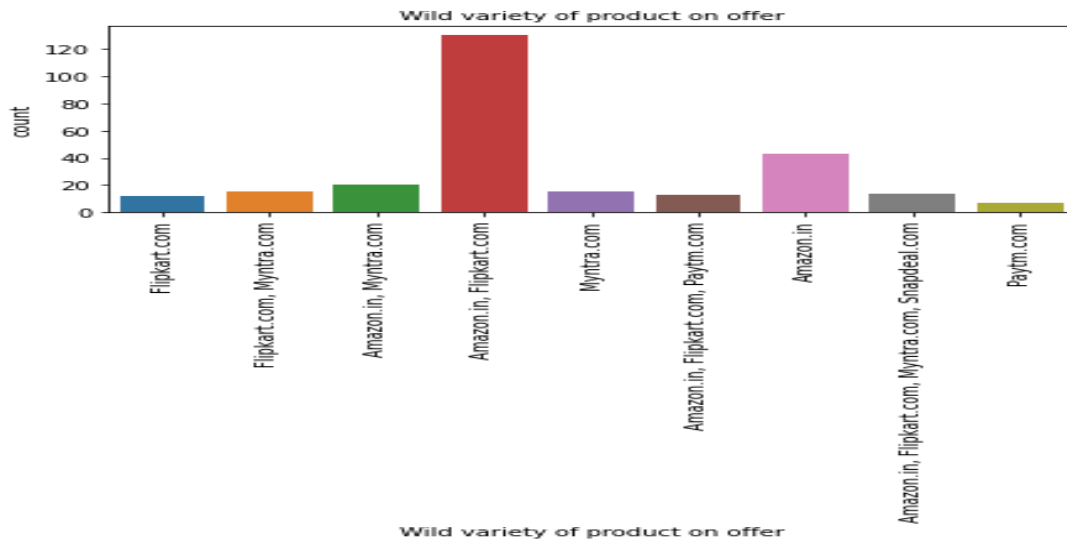
The customers are Strongly Agree about the content on the website must be easy to read and understand.



A customer-friendly return policy can play a critical role in wooing new customers and optimizing existing client satisfaction with your company. As you refine your e-commerce return policy, make sure that you clearly state all relevant information and post your policy in a highly visible location on your website. You should also include a summary of your return policy with each product shipment. Remember, how your e-commerce company treats returns should be part of a long-term strategy for developing loyal customers. According to above the customers are Strongly agree with Return and replacement policy of the e-tailer.



E-retails companies provide wide variety of listed product in several categories. It is big reason for customers who are diverting day by day towards online shopping. Ecommerce stores have many options for customers that's why Customer are Strongly Agree.



According to above the Amazone and Flipkart.com offering wild variety of products.



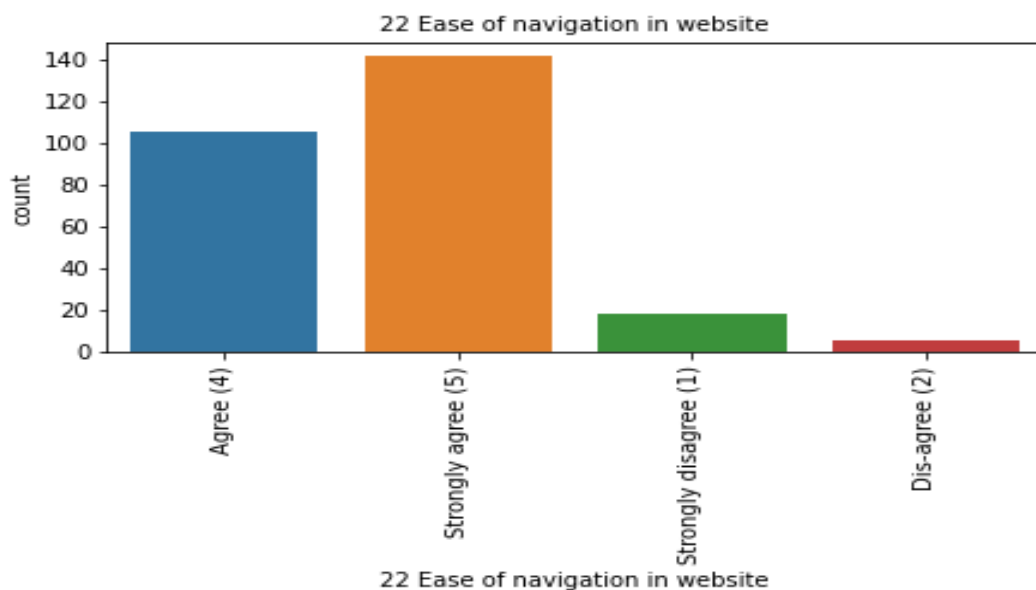
Shipping is a link in the supply chain that directly affects the consumer and triggers their satisfaction. Shipping presents a key activity in every process, and especially in online shopping.

It implies that the customer will receive the ordered product, which is well packed, and whose amount, quality and specification are in accordance with the order, as well as the set delivery time and place. The customer expects from the retailer to deliver the promised product in a trustworthy and appropriate manner. The customer believes to be entitled to receive the concrete product in the set time according to promised conditions. In, it is emphasized that the delivery service presents the most critical factor in fulfilling the e-customer's expectations and satisfaction. In online shopping, a reliable, safe and timely delivery is the basic and essential goal for online consumers. Consumers are inclined to buy a product from their homes, and thus require a secure, reliable, and fast shipment of the desired product to its destination. In online environment, a timely and reliable delivery plays a key role in meeting consumers' expectations and creating their satisfaction. The delayed delivery can make the customer feel dissatisfied.

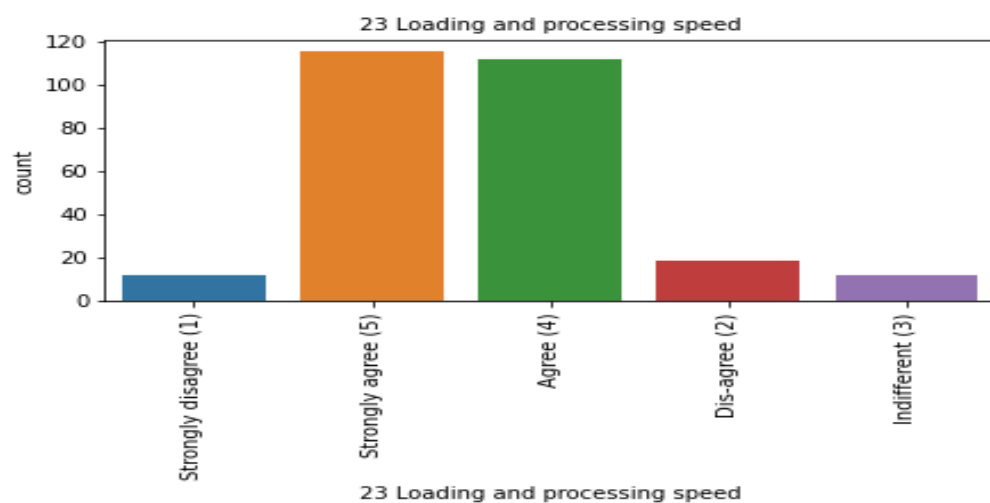
According to above details the customers are strongly agree with Trust that the online retail store will fulfill its part of the transaction at the stipulated time.

## ✓ System Quality:

These are the following points based on system quality of E-stores:



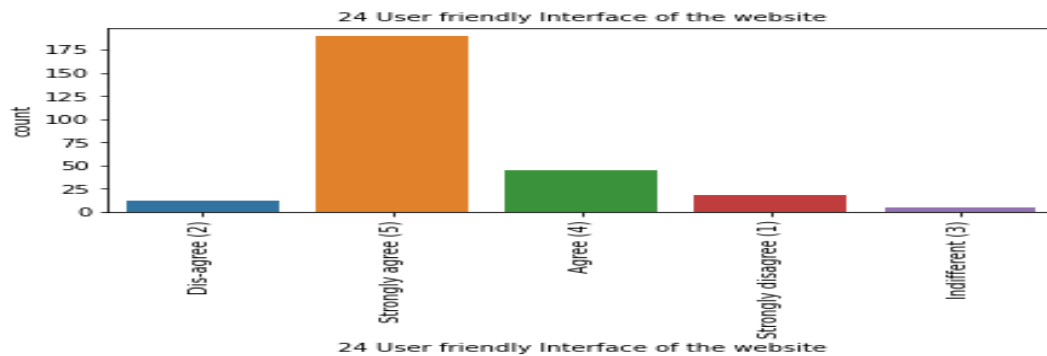
The Ease of navigation of website is a necessary need for customers and the maximum customers are strongly agree.



Website loading and processing speed is big factor for customers. If website speed is fast the customer take interest in it and try to spent more time on it.

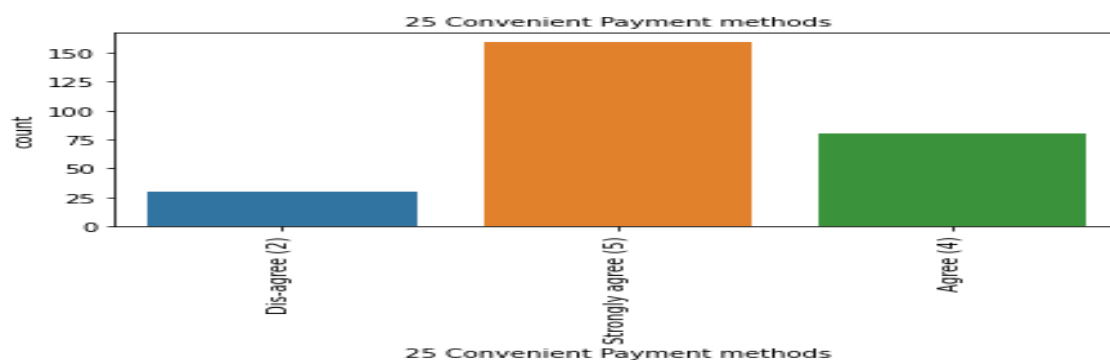


According to above maximum customers are Strongly agree with loading and processing speed of website.



All E-commerce store think about should customer satisfied so it is mandatory to make website user friendly, So that the Customers access and find the information they need quickly and easily on any device.

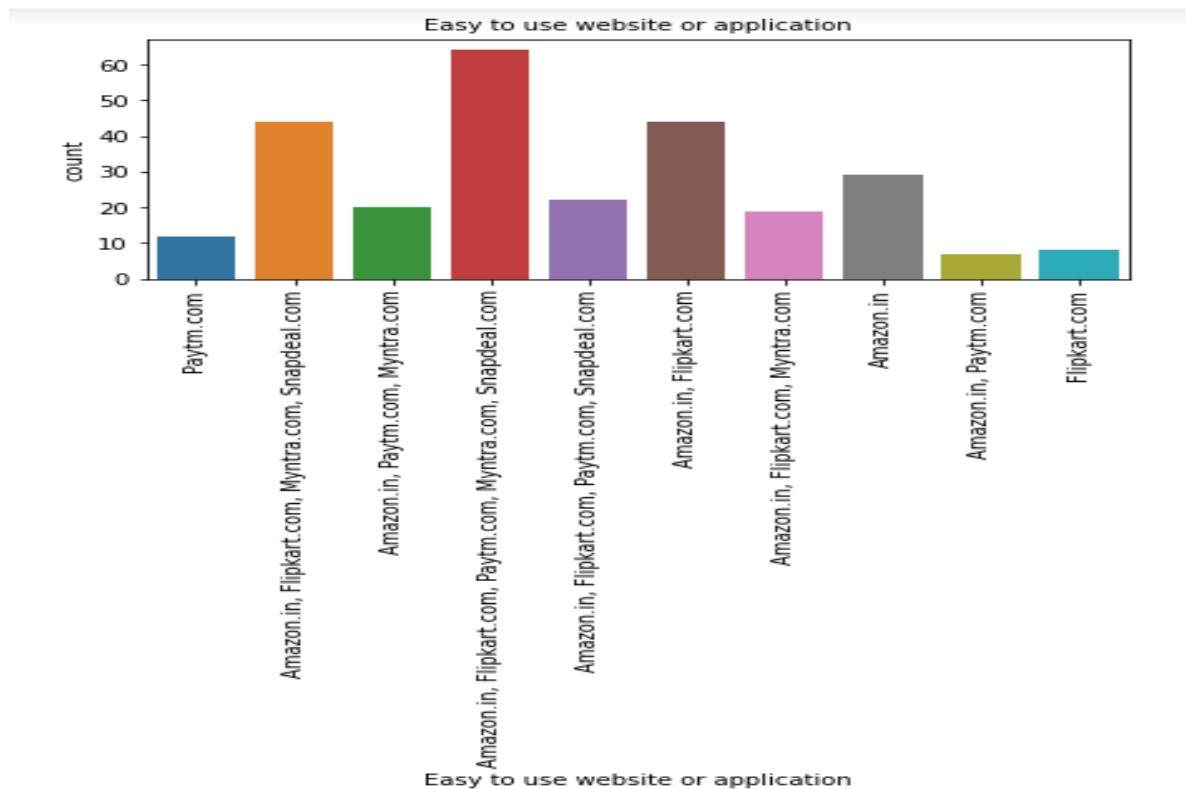
When it comes to money, everyone thinks that he is not cheated and he can make secure payments.



Security is considered to be an important factor perceived seriously by online purchase consumers. It is due to the fact that the issues of security and privacy play a crucial role in creating trust during online transactions.

Customers always prefer a straightforward and simple payment method and the simpler the method, the more satisfied the customer will be.

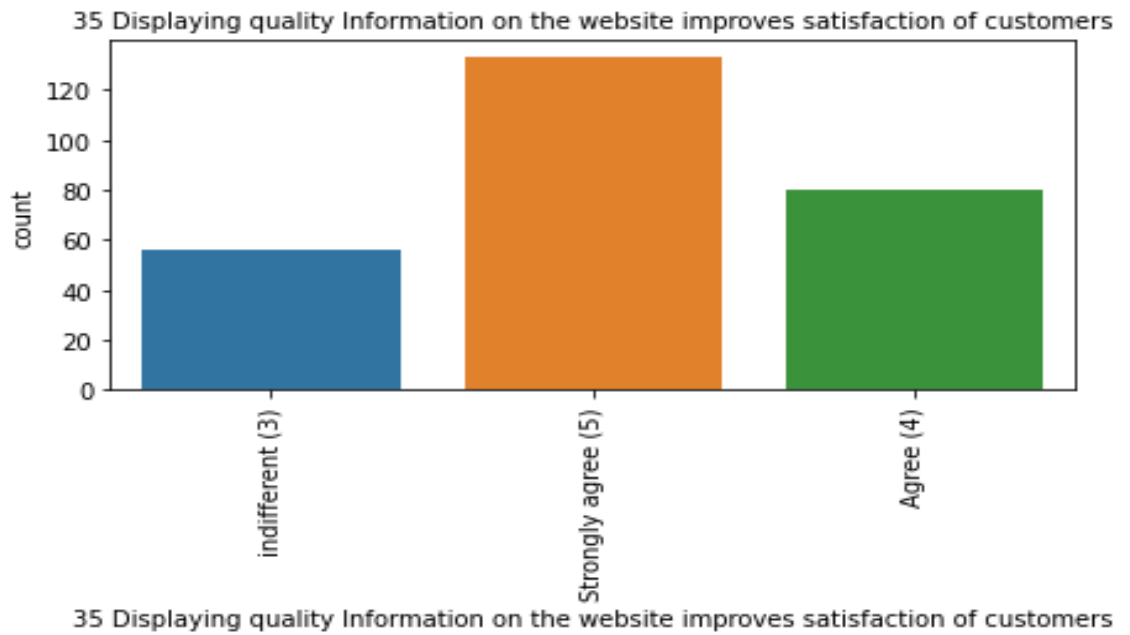
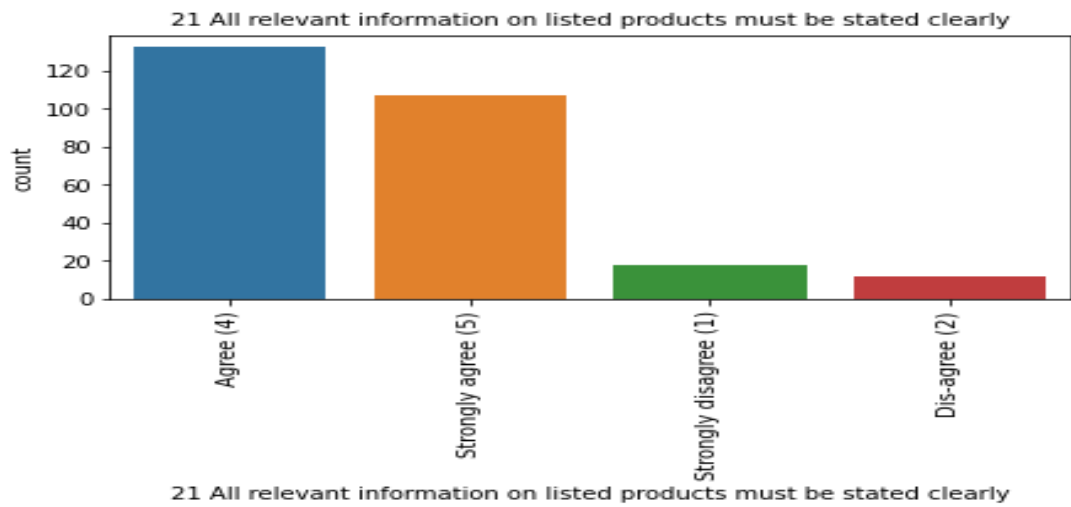
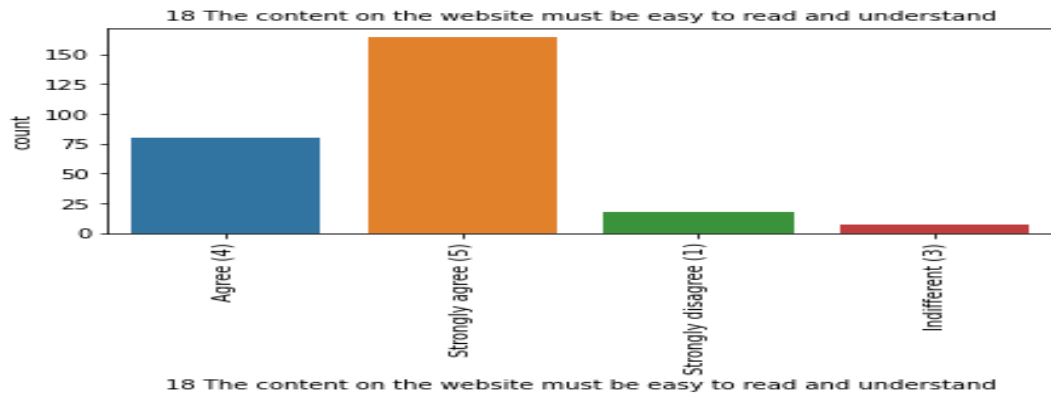
As we are getting above the customers are strongly agree with payment methods.

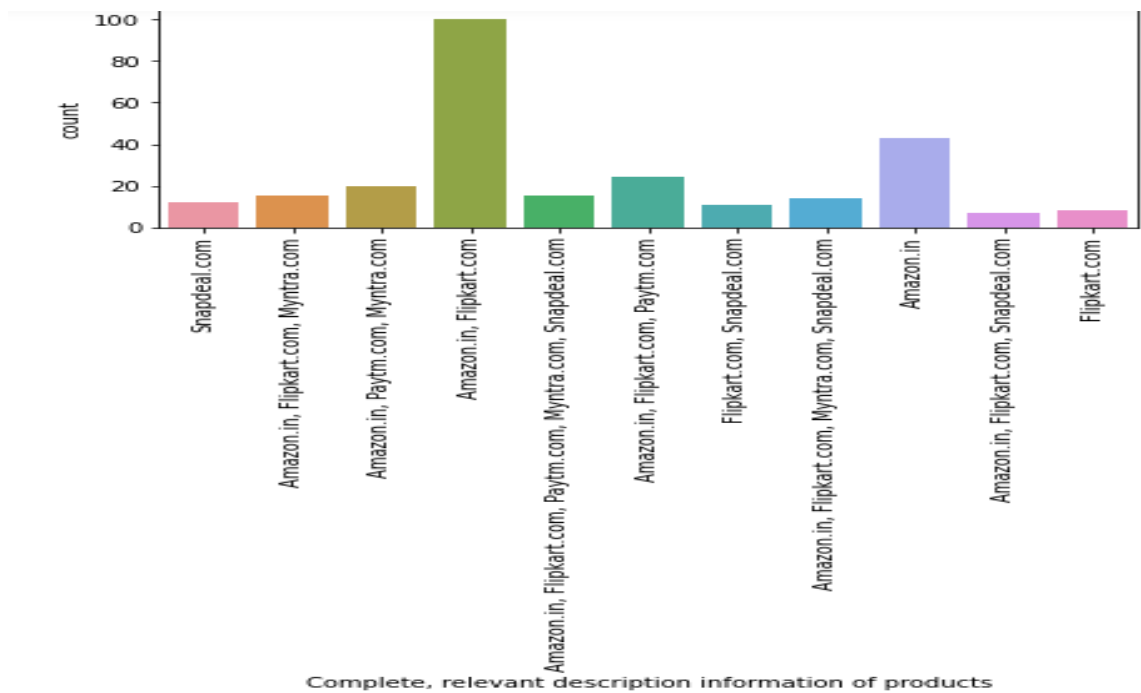


As we are getting from above all websites are easy to use except Paytm.com.

### ✓ **Information Quality :**

Shoppers expect online retailers to provide all relevant and accurate information about the product. Since online shoppers rarely have the opportunity to touch and feel the products before making a decision on a purchase, online retailers have to provide information regarding that. Consumers appreciate information that will meet their demands. A number of authors believe that the quantity and credibility of information are key elements in ensuring the quality of service in e-shopping. The quantity of information refers to the ability of accessing the adequate information during online shopping (e.g., price comparison), while the credibility refers to the degree of consumers' confidence in information provided by online vendors. Providing appropriate information can help online retailers to dispel concerns and fears of consumers towards a particular product or online shopping. Information availability has a positive impact on customer satisfaction.

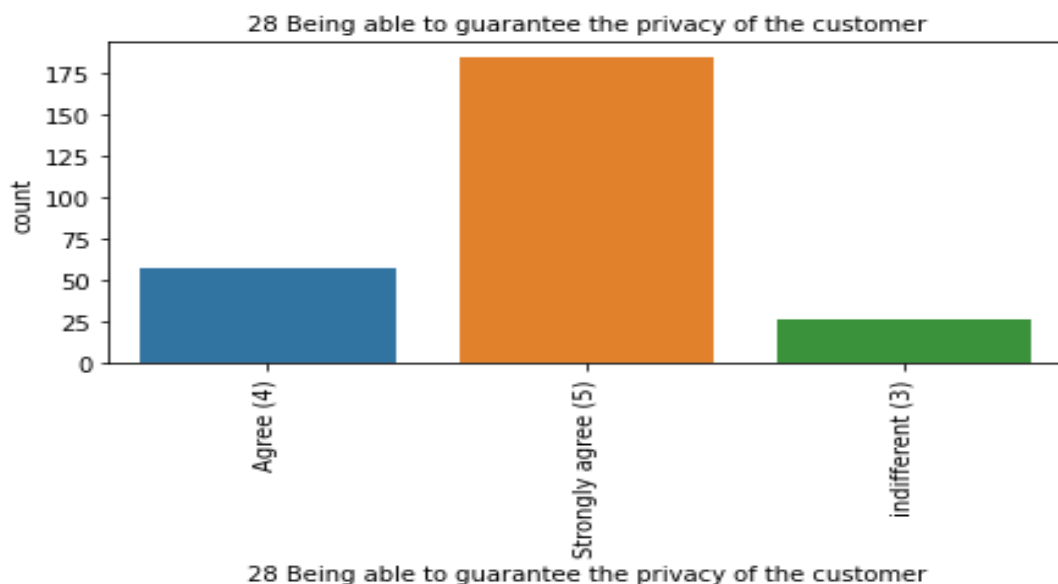


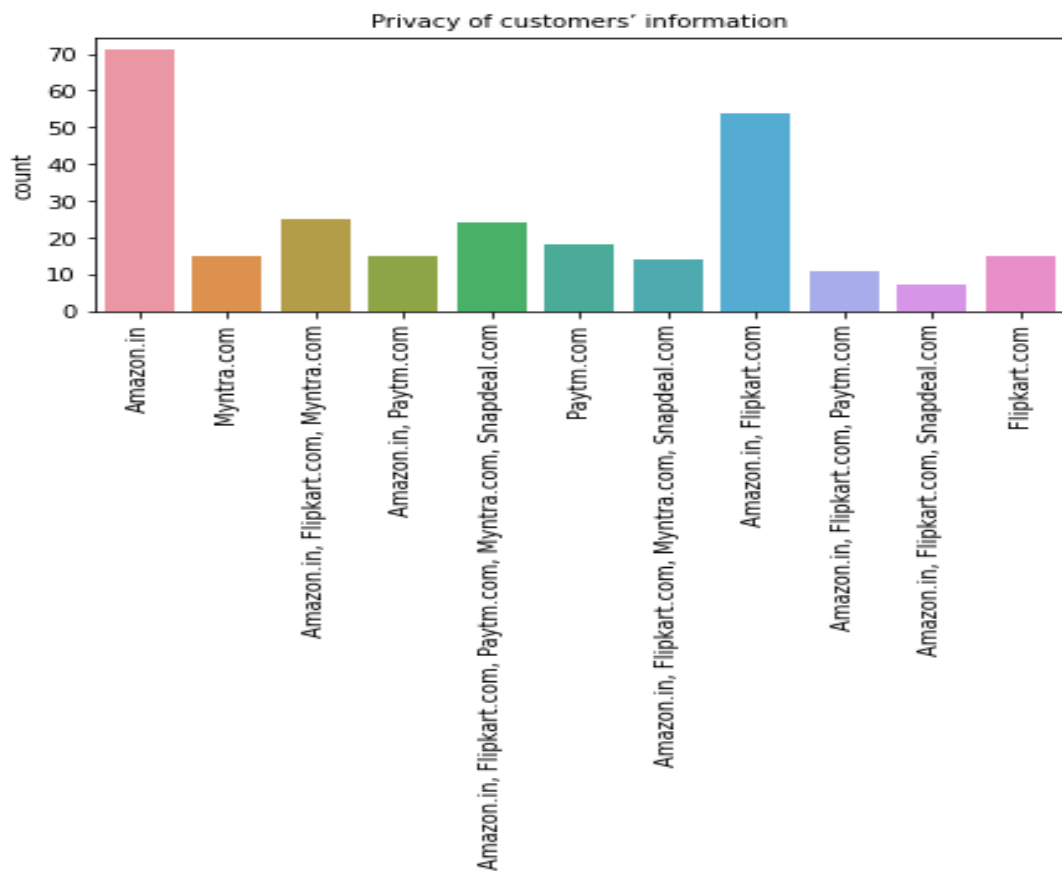
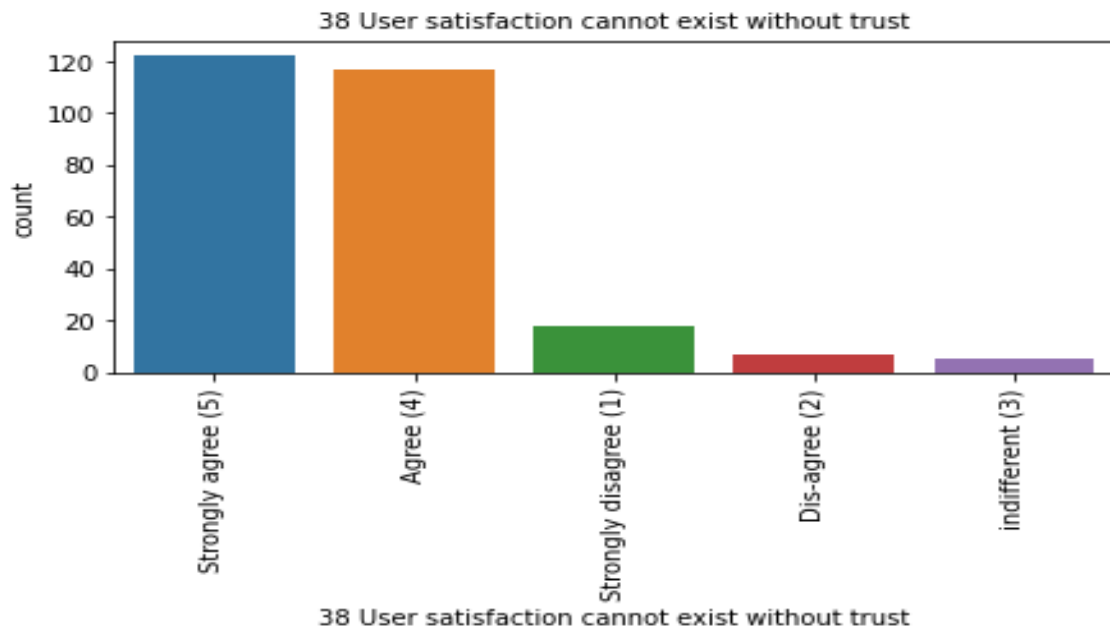


### ✓ Trust(Security):

Security is defined as the ability of the website to protect consumers personal data from any unauthorized disclosure of information during electronic transactions. Trust is considered to be an important factor perceived seriously by online purchase consumers.

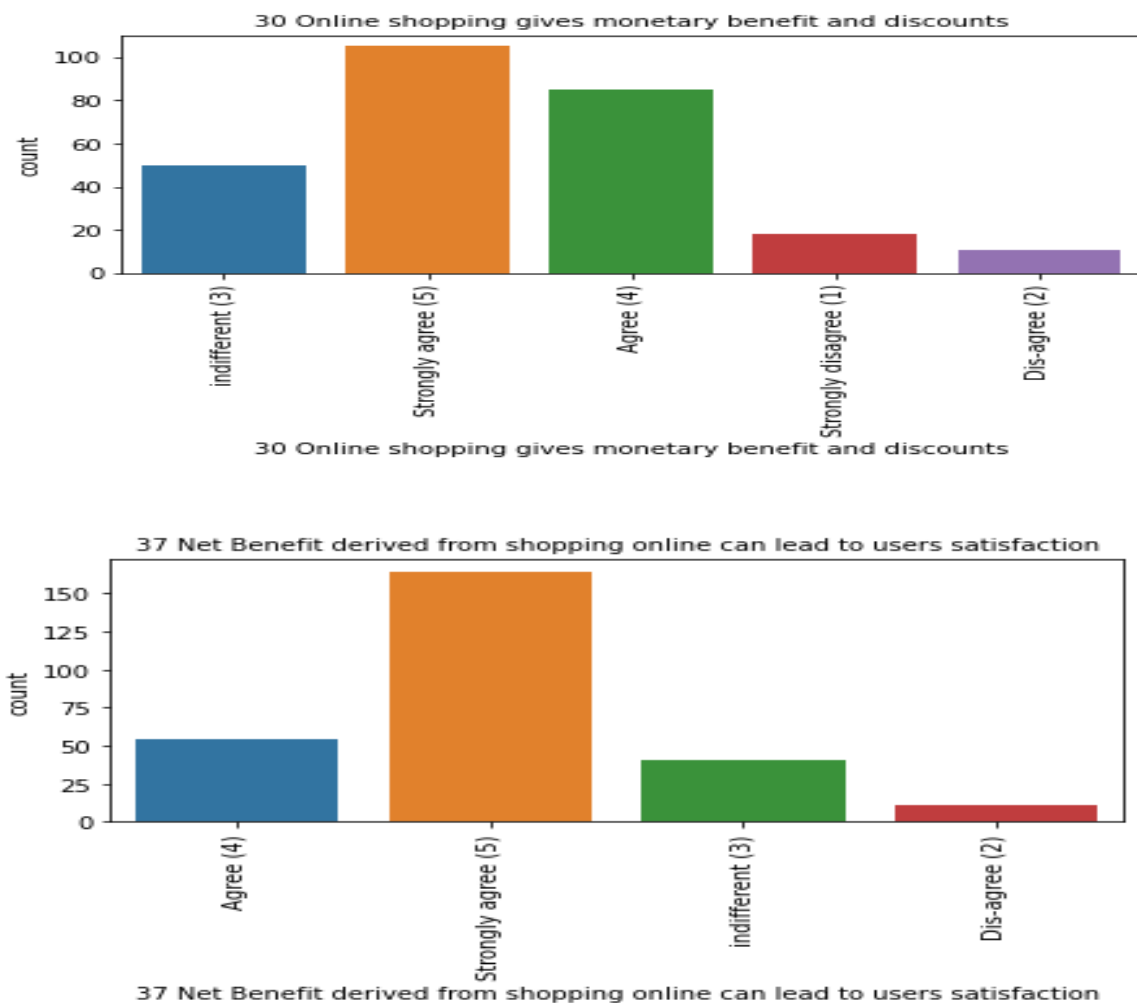
It is due to the fact that the issues of security and privacy play a crucial role in creating trust during online transactions. The willingness of consumers to visit online stores and purchase there is directly related to the consumers' confidence in providing personal information and credit card payments. Consumers tend to buy a product from a vendor whom they trust or a brand product they are familiar with. In online commerce, confidence is one of the most critical issues affecting the success or the failure of Internet retailers.





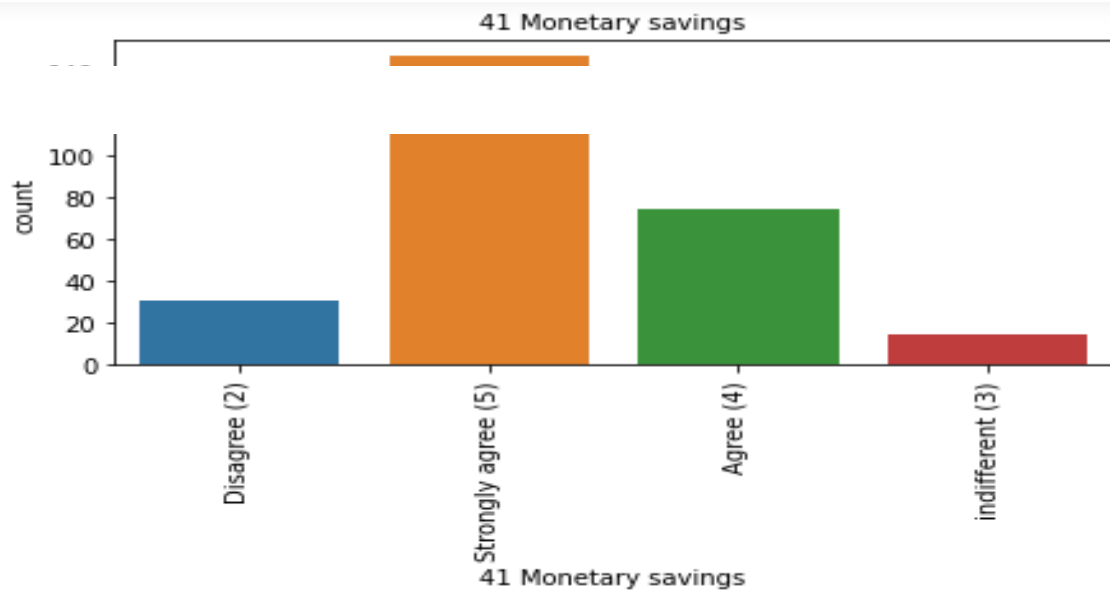
## ✓ Net Benefit:

Professional literature describes pricing as an important factor in customer satisfaction, due to the fact that consumers always direct their attention to pricing when assessing the product and service value. Pricing directly affects the perception on the transaction's delivered value and usability, and, consequently, customer satisfaction.



As we know customers always think about good product in affordable range.

Cheap deals and better prices are available online, because products come to you direct from the manufacturer or seller without involving middlemen. Plus, it's easier to compare prices and find a better deal. Many online sites offer discount coupons and rebates, as well. Not only are prices better, but you can save on tax as well, since online shops are only required to collect a sales tax if they have a physical location in your state. Factor in the saved expense of gas and parking and you have saved yourself a lot of money.



The easier price comparison is surely one of the reasons why shopping online can be considered as cheaper one. And in fact, that is quite true, since then you are on the web it is much easier to find the same product in a few different e-stores. And also find the best price for you too.

There are also thousands of online deals and coupons you can use to save money as well.

Product comes direct from manufacturers.

According to above countplot maximum customers in favour of E-commerce Stores are money saving.

# Data Preprocessing/Assumptions

## Apply Exploratory Data Analysis (EDA):

- ✓ Shape of Data: 269 Rows and 71 Columns.
- ✓ Data Types: All features are object data types except Pincode feature.
- ✓ Find data information.
- ✓ Apply Unique Values approach to find all features unique values.
- ✓ Find Null Values: There is no Null value.
- ✓ Data Cleaning: In our data some features headings not properly titled so that's why we are using rename approach to change title.

## Visualization

- ✓ Checking Null values by Heatmap.
- ✓ Analyzing all Features by Univariate Analysis.
- ✓ Analyzing all Features by Bivariate Analysis.
- ✓ Analyzing all Features by Multivariate Analysis.

## Encoding

- ✓ Our all features are categorical except one or two. We are encoding all features into numerical form to analysis the data Statistically.
- ✓ We are using Label Encoder for encoding.



## **Evaluation**

- Identification of possible problem-solving approaches (methods)

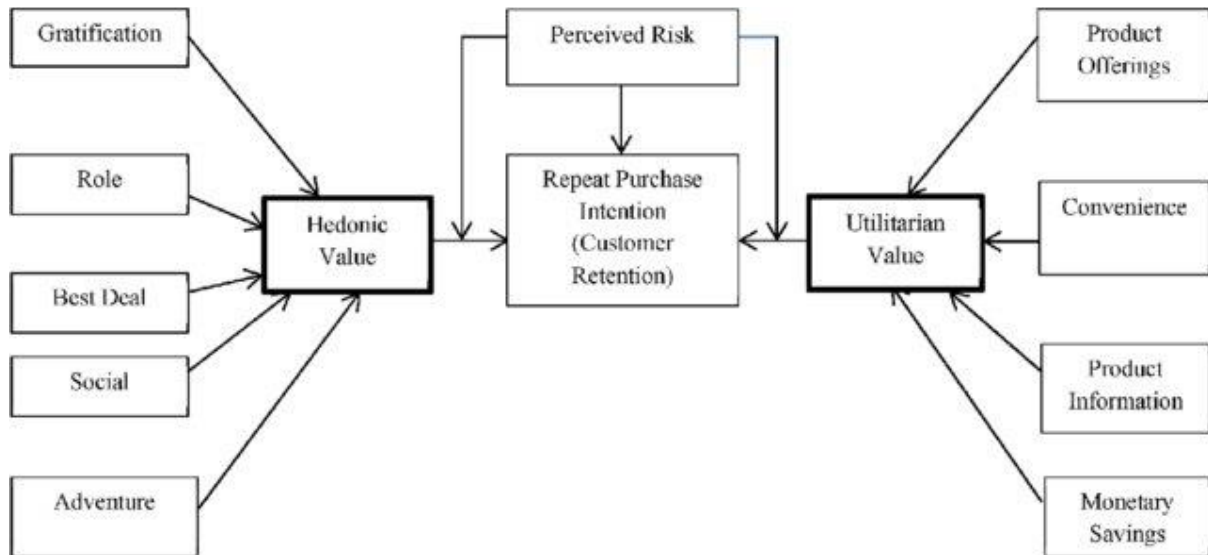
### **Statistical Approaches:**

- Statistical Summary: Summary provides information about statistical parameters of data i.e. Count, Mean, Standard Deviation, Minimum value, 25%, 50% 75% and Maximum Value. It helps to check data structure and try to understand chronology of data.
- Correlation: There are some columns have good relation as we are getting by correlation diagram but due to big data we are not able to visualize clearly.

### **Analytical Approaches:**

- In Exploratory Data Analysis we use Univariate Analysis, Bivariate Analysis, Multivariate Analysis.

## CONCLUSION



Due to technological innovation, the traditional mode of purchase has become inadequate for some individuals. People now prefer simpler modes for acquiring brands and reaching stores, and it can be stated that the Internet has fundamentally changed the consumers' ideas on convenience, speed, price, and product and service information. As a result, vendors have found a new approach to create value for customers and build relationships with them.

This study intended to reveal the scale in which the following variables – Service Quality, System Quality, Information Quality, Trust and Net Benefit - affect the dependent variable customer satisfaction. The results of this study confirmed that Service Quality, System Quality, Information Quality, Trust and Net Benefit presented significant predictors of customer satisfaction. These variables have a significant positive effect on customer satisfaction.

According, these five factors playing important role for customers.