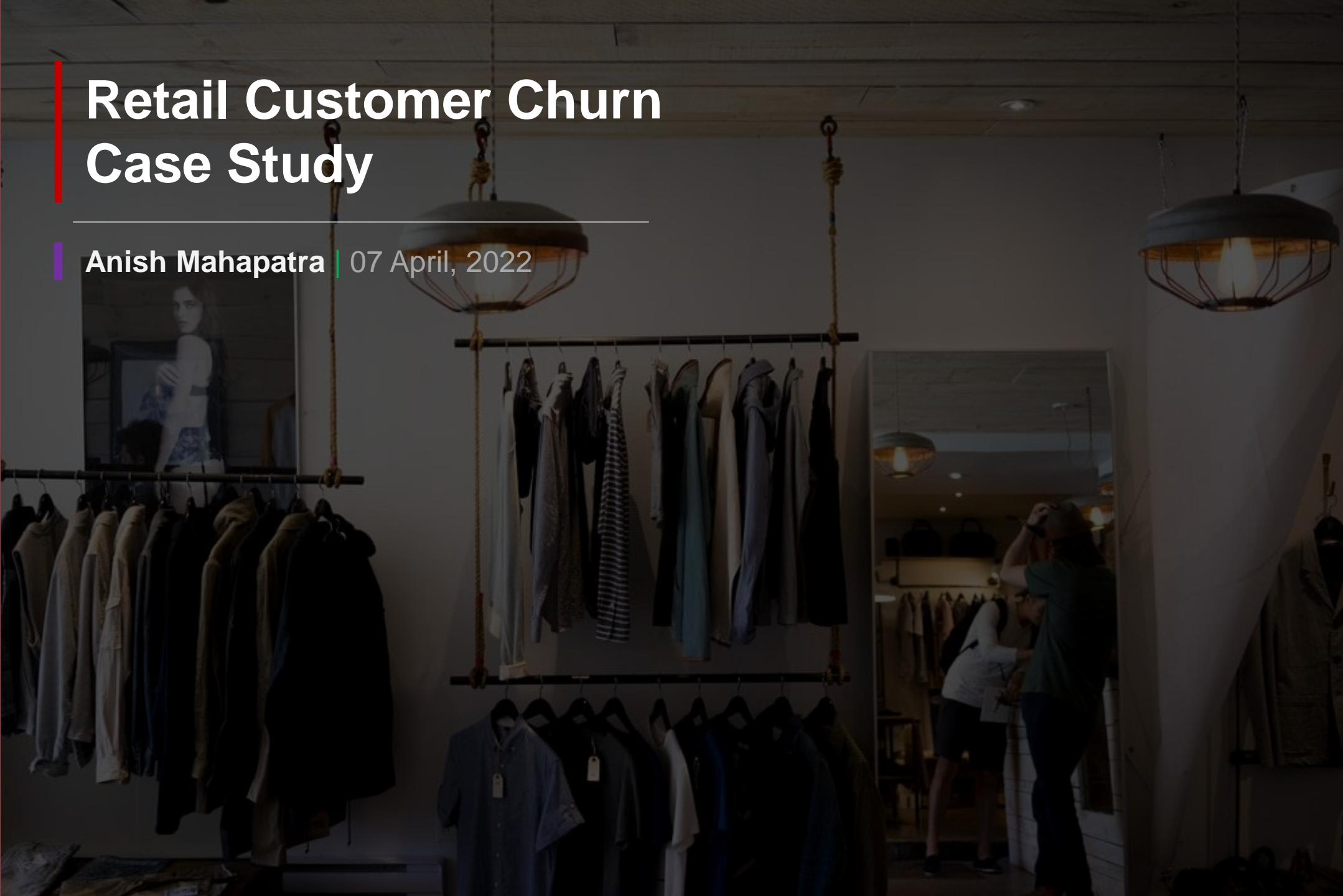


# Retail Customer Churn Case Study

Anish Mahapatra | 07 April, 2022



# Agenda

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01 Use-case analysis

02 Representation of problem

03 Analysis of hypotheses

04 Proposed Architecture and approach

05 Possible Solutions

06 Key Takeaways

# Retail Loyalty Use-Case



## Current State

- **Stakeholders and Roles & Responsibilities**

The customer relationship management team of a retail giant is responsible to retain customers and build loyalty to prevent customer churn

- **Current Scenario**

The customer churn rate might endanger future growth as the customer acquisition rate in the retail market is high

- **Expectations**

The team would like to identify the customers that are most likely to churn, especially in the upcoming quarter to sustain market presence



## Desired Future State

- **Outcomes**

The team has knowledge of ways to reduce the customer churn rate by x%

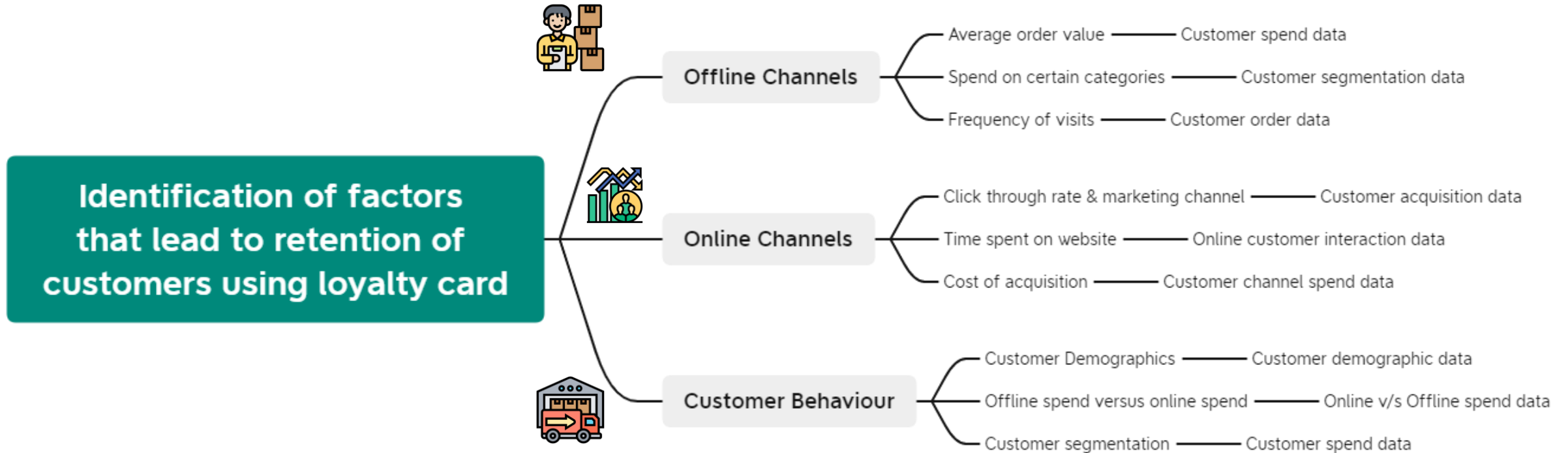
- **Behaviour**

Using the acquired knowledge, the team has been able to develop strategies to reduce customer churn rate and increase customer loyalty

- **Insight**

The customer base has increased and the company has differentiated itself in the market

# Representation of Hypotheses



# Analysis of Hypotheses

01



## Customer Engagement

At what level is the customer engaged with the business, how to further engage the customer

02



## Loyalty level of customer

Frequency of visits and how long the customer has been with the brand

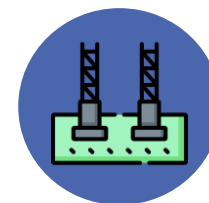
03



## Regular Spend v/s Holiday Spend

What is the reason they are spending?  
Holiday, Anniversary, Regular, Family, Bachelor – how to offer customized options

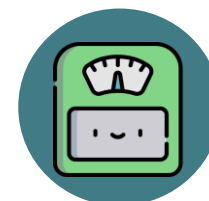
04



## Average Order value & other KRA

What are the success metrics for a business to measure customer loyalty?

05



## Customer Sentiment

Is the customer happy with the service, what is the CSAT score and what is the reason?

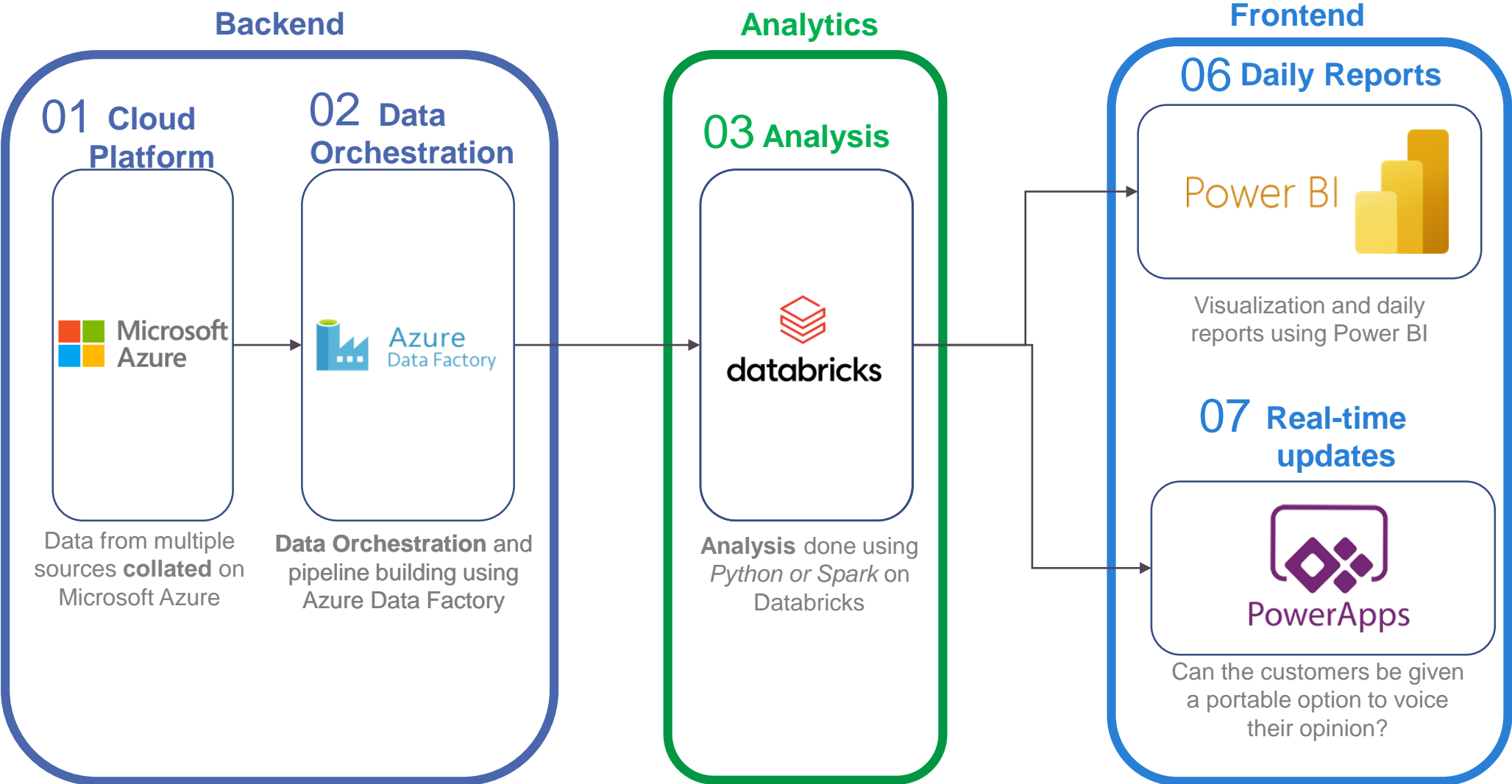
06



## Customer lifetime value

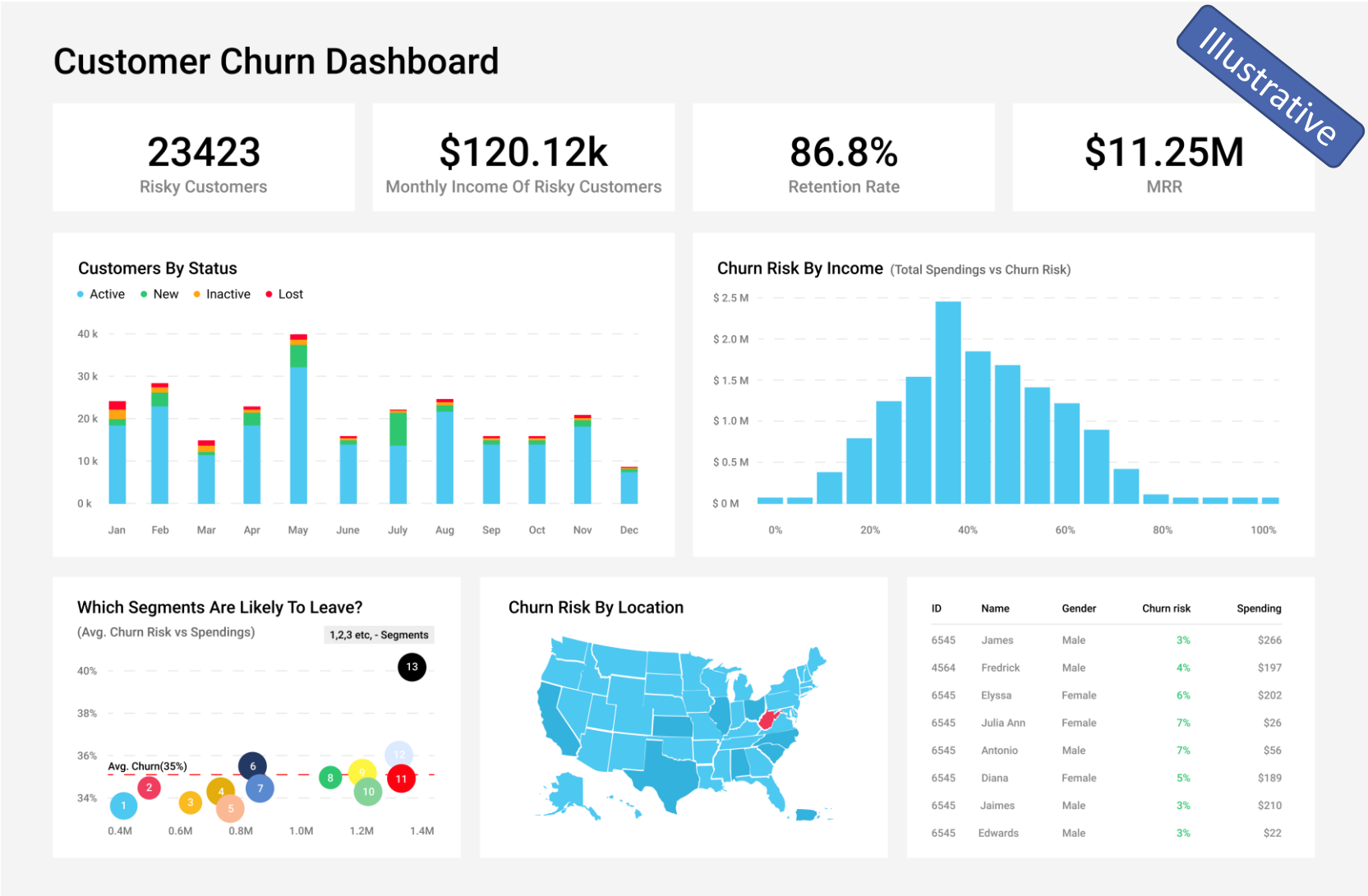
What is the customer lifetime value – how to set up & distribute the loyalty card and the corresponding points?

# Proposed Architecture



\* The same can be replicated for Google Cloud Platform / Amazon Web Services stack

# Dashboard

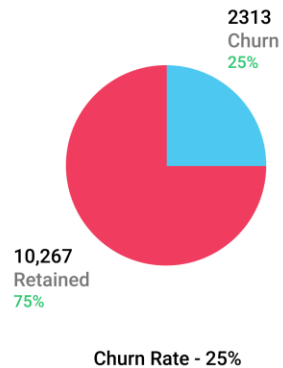


# Dashboard

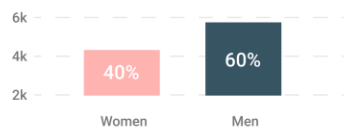
## Churn Analytics Dashboard

Illustrative

### Churn Vs Not Churn

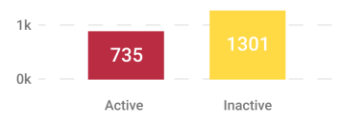


### Gender Share



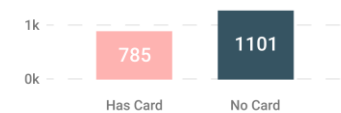
### Active To Churn

Inactive Clients Have Higher Churns



### Card To Churn

Credit Card Holders Have Higher Churns



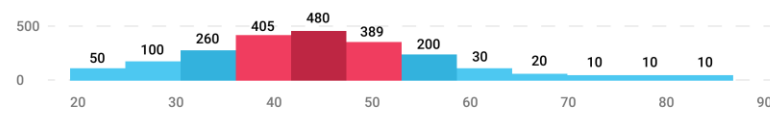
### Churn By Country

France, Germany Have Higher Churns



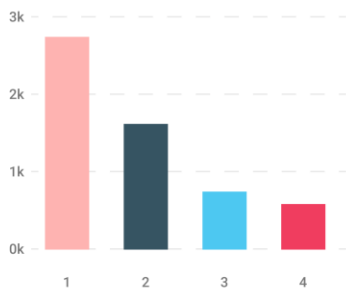
### Churn By Age Range

Age 35-55 Have The Higher Churn



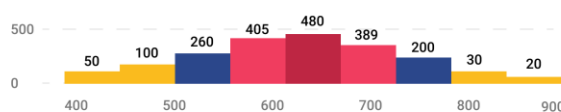
### No. Of Products To Churn

Client Has 4 Products Of Lowest Churn, Whereas 2 Product Is Showing Highest Churn



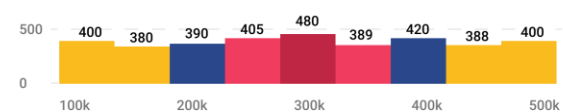
### Credit Score To Churn

Credit Score 600-700 Has The Highest Churners



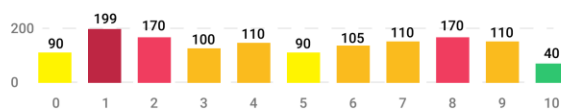
### Salary To Churn

Salary Shows No Impact On Churn



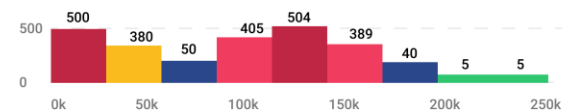
### Tenure To Churn

1 Year Tenure Shows Highest Churn, 10 Years Tenure Shows The Lowest



### Balance To Churn

30k,90-140k - Highest Churns & 60k-90k,200k-250k - Lowest Churns





# Possible solutions to reduce customer churn

Phase I: Data Gathering → Phase II: Customer Segmentation → Phase III: Target Marketing



# Key Takeaways

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01 The approach to move from current state to desired future state

02 Representation and analysis of the hypotheses

03 Proposed architecture

04 Possible solution implementations for the platform

# Split Shipments Case Study

Anish Mahapatra

## Discussion Session



# Retail Customer Churn Case Study

Anish Mahapatra | 07 April, 2022

Thank you.



# Questions

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- 01 What are the channels that the retailer is looking to do customer retention?
- 02 What are the best and worst selling products of the retailer and why?
- 03 Who is the competition and what are the various strategies being implemented across various channels?

- 04 What is the type of campaigns being run?
- 05 What is the current technology stack being leveraged to manage, store and analyze data?
- 06 What are some of the ways that the business has tried to optimize customer retention strategies?