Churn Management in Retail Industry -A systematic Review of literature

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Abstract. Retail industry is changing rapidly and characterized by huge competition from both domestic and foreign companies. Most of the companies produce identical goods and try to sell them at competitive prices. In this regard, finding new customers and make them a loyal one is one of the most difficult things for the retail sector. It costs five times more than keeping the old one. That is why, the concept of customer retention led to the emergence of a new term in the academic literature that is "Churn Management."

Churn prediction, or the task of identifying customers who are likely to discontinue use of a service, is an important and lucrative concern of firms in many different industries. The analysis of gaining, retaining, and maintaining customer trust is a highly topical issue in the e-commerce industry to mitigate the challenges of increased competition and volatile customer relationships as an effect of the increasing use of the internet to purchase goods. Even though online grocery retail is an industry that has been around for more than 15 years, only recently it is gaining significant exposure, with the rise of consumers' willingness to buy groceries online.

In particular, the use of intelligent data analysis, or data mining, for the analysis of market surveyed information can be of great assistance to churn management. In this paper, we provide a detailed review of recent applications of business analytics to churn, with a focus on computational intelligence methods. This is preceded by an in-depth discussion of churn within the context of customer continuity management. The most popular approach is then methodically organized and assessed. The author reviewed various empirical evidence from these models and completed a list of areas that require further investigation.

Keywords: Churn Management, Retail Industry, Customer Loyalty, Customer Relationship