

E-COMMERCE CUSTOMER CHURN ANALYSIS AND PREDICTION

ABSTRACT

E-commerce has become a significant part of the retail industry. However, one of the biggest challenges for e-commerce businesses is customer churn. Customer churn is when a customer stops doing business with the company. It is a significant problem because it could be costly to acquire new customers. E-commerce businesses have relied upon Customer Churn Analysis and Prediction to ameliorate this challenge.

Customer churn analysis involves analysing customer data to identify patterns and behaviours that may indicate a customer is about to churn. This analysis can help businesses understand why customers are leaving and what they can do to prevent it. Customer churn prediction uses machine learning algorithms to predict which customers are most likely to churn in the future. This prediction can help businesses take proactive measures to retain those customers.

There are several methods for conducting customer churn analysis and prediction, including analysing purchase behaviour, customer engagement, and demographics. Machine learning algorithms such as Decision Tree Models, Logistic Regression Models, and Neural Networks could be used for predictions.

The benefits of customer churn analysis and prediction for e-commerce businesses are numerous. By identifying and retaining high-value customers, businesses can increase revenue and reduce costs associated with customer acquisition. Additionally, companies can use the insights gained from analysis and prediction to improve the customer experience, leading to increased customer loyalty and retention.

In conclusion, Customer Churn Analysis and Prediction are essential tools for E-commerce businesses looking to reduce customer churn and increased revenue. By analysing customer data and using machine learning algorithms, companies can gain insights into customer behaviour and take proactive measures to retain valuable customers.