

Project Report On Customer Retention

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+ What is Customer Retention?

Customer retention is the ability of a company to retain its customers over a specified period. If a company has high customer retention, that means its customers continue to rebuy the same products, to resubscribe to the same services or, in some other way, continue buying from that company and also recommend others for the same.

Retention analysis (or survival analysis) is the process of analysing user metrics to understand how and why customers churn. Retention analysis is key to gain insights on how to maintain a profitable customer base by improving retention and new user acquisition rates. Your existing customer base already recognizes your brand and has decided to trust it.

New leads cost more to acquire their contact information and nurture them through the entire sales funnel because they haven't yet bought into (both figuratively and literally) your product.

+ Identify Why customers churn

1. An efficient retention analysis can help you understand at which point in their journey, your customers are more likely to churn.
2. By studying your existing customers' behavior and the retention rate fluctuations, you can find out which stage of the new user journey is highly volatile.

3. Once you have this information, you can adjust the marketing strategy to improve the retention efforts at the most vulnerable part of the customer's lifecycle and increase the number of users that stick with your product.
4. The key to identifying where customers churn is the continuous analysis of their behaviour, right from onboarding, with retention and churning intention.

Building Good Customer Experiences

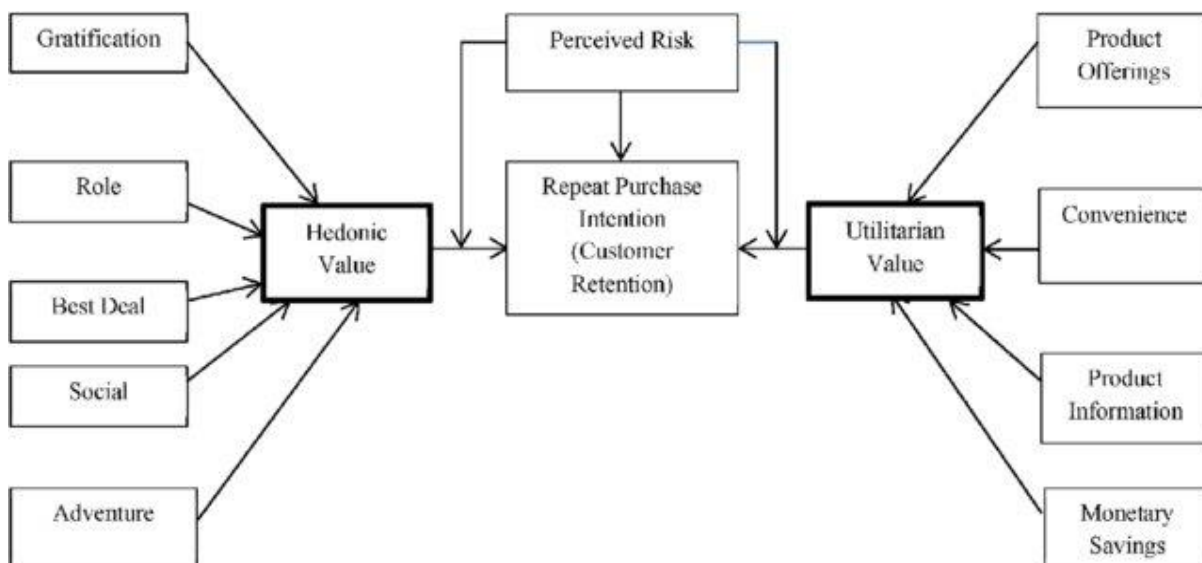
Delighting your customers through better customer experience leads to higher user engagement and overall higher customer satisfaction and growth.

Like setting customer expectations, delivering valuable content to your customer and prospect base keeps your brand top of mind. Email marketing is the backbone of customer engagement. Setting up regular nurture streams that communicate consistently to your customer keeps leads engaged until they are ready to make their next purchase.

The Importance of Excellent Customer Service

Excellent customer service at every communication point is also critical to establishing customer loyalty. A single poor customer service experience can sour even a long-term customer relationship and overshadow all previous great experiences. Remember, trust is hard to gain but easy to lose, especially when shoppers have many retail options online. Mistakes will happen. No system is fool-proof. Having an efficient and friendly customer service experience ensures your customer experience never tarnishes.

Offering flawless customer service is essential at all times, but especially when rectifying a mistake or solving a customer problem. How your customer support team handles this customer problem will determine how that customer feels about your company, possibly forever. Studies show that improving customer service KPIs, like response time, can significantly improve customer satisfaction. Tools like offering live chat on your website can streamline your buyer's experience and make them more likely to purchase.



Best E commerce companies in India considered in our Dataset:

In this project we are dealing with 5 sites mainly:



Some general observation when while doing Exploratory Data Analysis

1. Dataset have 269 rows and 71 columns
2. All the columns are of object datatype except for pincode column which is of int type.
3. There are no null values in the dataset.
4. All the columns are of categorical types. There are no identifier or constant columns.
5. Divided the whole dataset into categories and doing the exploratory data analysis ,such as:

a. Personal Detail:



- ✓ ' Gender of respondent',
- ✓ 'How old are you?',
- ✓ 'Which city do you shop online from?',
- ✓ 'What is the Pin Code of where you shop online from?',
- ✓ 'Since How Long You are Shopping Online ?',
- ✓ 'How many times you have made an online purchase in the past year?'

b. Customer's device detail:


- ✓ 'How do you access the internet while shopping on-line?',
- ✓ 'Which device do you use to access the online shopping?',
- ✓ 'What is the screen size of your mobile device?',
- ✓ 'What is the operating system (OS) of your device?'

c. Customer_activity before shopping

- ✓ 'What browser do you run on your device to access the website?',
- ✓ 'Which channel did you follow to arrive at your favorite online store for the first time?',
- ✓ 'After first visit, how do you reach the online retail store?',
- ✓ 'How much time do you explore the e- retail store before making a purchase decision?',
- ✓ 'What is your preferred payment Option?',

- ✓ 'How frequently do you abandon (selecting an items and leaving without making payment) your shopping cart?',
- ✓ 'Why did you abandon the , ?'

d. Services

- ✓ 'The content on the website must be easy to read and understand',
- ✓ 'Information on similar product to the one highlighted is important for product comparison',
- ✓ 'Complete information on listed seller and product being offered is important for purchase decision.',
- ✓ 'All relevant information on listed products must be stated clearly', 'Ease of navigation in website',
- ✓ 'Loading and processing speed', 'User friendly Interface of the website', 'Convenient Payment methods',
- ✓ 'Trust that the online retail store will fulfill its part of the transaction at the stipulated time',
- ✓ 'Empathy (readiness to assist with queries) towards the customers', 'Being able to guarantee the privacy of the customer',
- ✓ 'Responsiveness, availability of several communication channels (email, online rep, twitter, phone etc.)',
- ✓ 'Online shopping gives monetary benefit and discounts', 'Enjoyment is derived from shopping online',
- ✓ 'Shopping online is convenient and flexible',
- ✓ 'Return and replacement policy of the e-tailer is important for purchase decision', 'Fast loading website speed of website and application',
- ✓ 'Reliability of the website or application', 'Quickness to complete purchase',
- ✓ 'Availability of several payment options',
- ✓ 'Speedy order delivery', 'Privacy of customers  information',
- ✓ 'Security of customer financial information', 'Perceived Trustworthiness',
- ✓ 'Presence of online assistance through multi-channel'

e. Policies and commitments

- ✓ 'Offering a wide variety of listed product in several category',
- ✓ 'Provision of complete and relevant product information',
- ✓ 'Monetary savings',
- ✓ 'The Convenience of patronizing the online retailer',
- ✓ 'Shopping on the website gives you the sense of adventure',
- ✓ 'Shopping on your preferred e-tailer enhances your social status',
- ✓ 'You feel gratification shopping on your favorite e-tailer',
- ✓ 'Shopping on the website helps you fulfill certain roles',
- ✓ 'Getting value for money spent'

f. Website_Specification

- ✓ 'Easy to use website or application',
- ✓ 'Visual appealing web-page layout', 'Wide variety of product on offer', 'Complete, relevant description information of products',
- ✓ 'Fast loading website speed of website and application',
- ✓ 'Reliability of the website or application',
- ✓ 'Quickness to complete purchase',
- ✓ 'Availability of several payment options',
- ✓ 'Speedy order delivery',
- ✓ 'Security of customer financial information',
- ✓ 'Perceived Trustworthiness',
- ✓ 'Presence of online assistance through multi-channel'

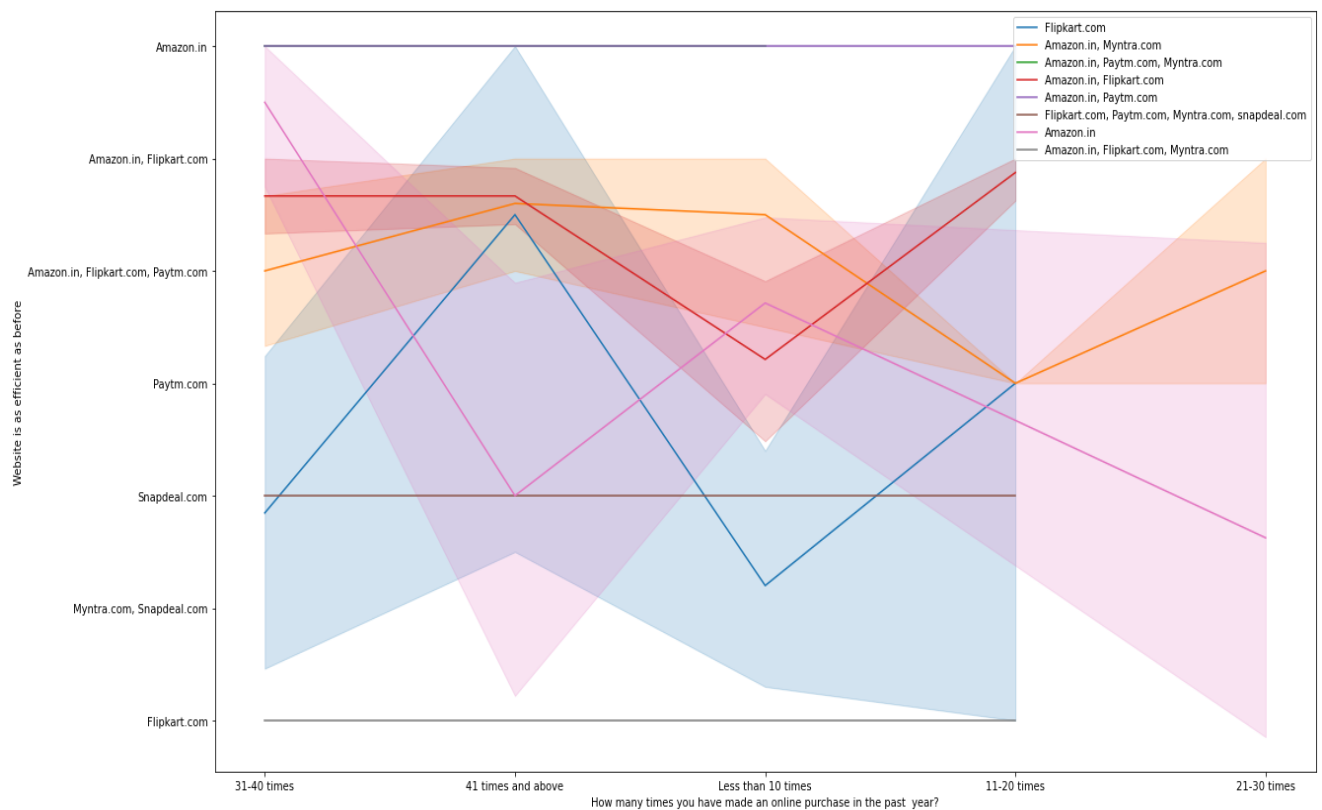
g. Feedback:

- ✓ 'Longer time to get logged in (promotion, sales period)',
 - ✓ 'Longer time in displaying graphics and photos (promotion, sales period)',
 - ✓ 'Late declaration of price (promotion, sales period)',
 - ✓ 'Longer page loading time (promotion, sales period)',
 - ✓ 'Limited mode of payment on most products (promotion, sales period)',
 - ✓ 'Longer delivery period', 'Change in website/Application design',
 - ✓ 'Frequent disruption when moving from one page to another',
 - ✓ 'Website is as efficient as before'
6. Customers who shop more than 41 times a year shop from all the online brands, some of the people who shop for 32-40 and less than 10 times a year exclude Myntra. People shop from Amazon and flipkart whatever be the case.
 7. Almost all the people who have shopped from amazon, flipkart and paytm are satisfied. People who shop from a more number of online brands doesn't seem to be satisfied.
 8. People shopping from amazon and paytm are getting benefits from the loyalty points, flipkart and Snapdeal also seem to give such benefits but people who shop from almost everywhere does not accept it.
 9. Highest number of people have been shopping online for above 4 years except for the age group below 20 years and above 50 years. People who are shopping online for 1-2 years does not include teenagers and elder people.
 10. Even though people who are shopping online for more than 3 years do not use the application rather use search engine and direct URL's in large number which indicates that online brands should update all their platforms rather than just application.
 11. **If we compare all sites, highest recommendation is for Amazon alone, then followed by Amazon and Flipcart, then amazon, flipcart, paytm depending on the efficiency of the website as before inspite of any kind of feedbacks(Positive or negative)**

Conclusion:

Final Observation

1. The cost of the product, the reliability of the E-commerce company and the return policies all play an equally important role in deciding the buying behaviour of online customers. The cost is an important factor as it was the basic criteria used by online retailers to attract customers.
2. The reliability and faith of the E-commerce company is also important, as it is even required in offline retail. It is important because customers are paying online, so they need to be sure of security of the online transaction.
3. The return policies are important because in online retail customer does not get to feel the product in person. Thus, he wants to be sure that it will be possible to return if they don't like the product.
4. Whereas, the logistics factor, which included Cash on delivery option, One day delivery and the quality of packaging plays a secondary role in this process though these are Must-be-quality. This is so because these all does not interfere with the real product and people believe that this is the basic value that E-commerce websites provide.
5. All the websites were not equally preferred by online customers.



6. **Amazon was the most preferred followed by Flipkart.** This can be explained easily by previous result that we got.
7. These two companies are most trusted in the industry and hence, have a huge reliability.
8. Also, the sellers listed on these websites are generally from Tier 1 cities as compared to Snapdeal and Paytm which have more sellers from tier 2 and 3 cities.
9. Also, these websites have the most convenient return policies as compared to others and also the time required to process a return is low for these.
