

CUSTOMER CHURN ANALYSIS

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STAKEHOLDERS

Stakeholder #1

Product Development Team

Stakeholder #2

Supply Chain and Logistics Team

Stakeholder #3

Customer Advisory Groups

Stakeholder #4

Competitor Analysis Team

Stakeholder #5

Data Analysts and Data Scientists

Stakeholder #6

Customer Feedback and Surveys Team

OVERVIEW

01

Data Collection:

Gather relevant customer data, including transactions, behavior, and demographics.

02

Data Analysis:

Analyze this data to find patterns and predict which customers are likely to churn.

03

Churn Identification:

Identify the reasons behind customer attrition, such as product issues or poor user experience.

04

Retention Strategies:

Develop and implement strategies to retain customers based on analysis findings, including personalized offers and improved services.

INTRODUCTION

- Dataset from a leading online E-commerce company
- Customer retention vital in the competitive online retail space.
- Focused on understanding and tackling customer churn.
- Dataset analysis crucial for identifying churn factors.
- Aim to devise effective customer engagement and satisfaction strategies.

PROBLEM STATEMENT

01

Determine why some customers are leaving the online store.

02

Analyze the dataset to understand the reasons behind customer attrition.

03

Identify insights to improve customer satisfaction and retention.

04

Develop effective strategies to retain customers and prevent attrition.

OBJECTIVES



Identify Churn Drivers:

Determine the key factors and triggers causing customer churn within the e-commerce platform



Customer Segmentation:

Segment the customer base into distinct groups with similar characteristics and behaviors.



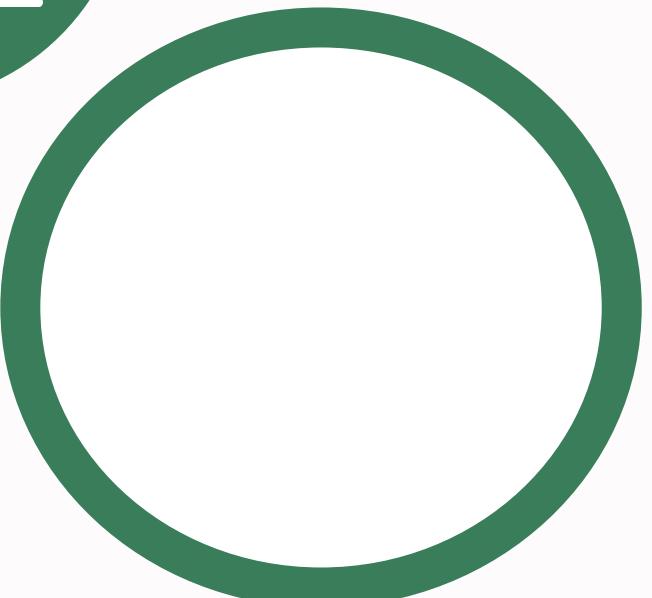
Retention Strategy Evaluation:

Evaluate the effectiveness of various retention strategies, such as personalized offers, email campaigns, and loyalty programs.



Enhanced Customer Loyalty:

Ensure customer retention, foster happiness, and build strong online store relationships.



STATISTICS

5630

Total Customers

4682

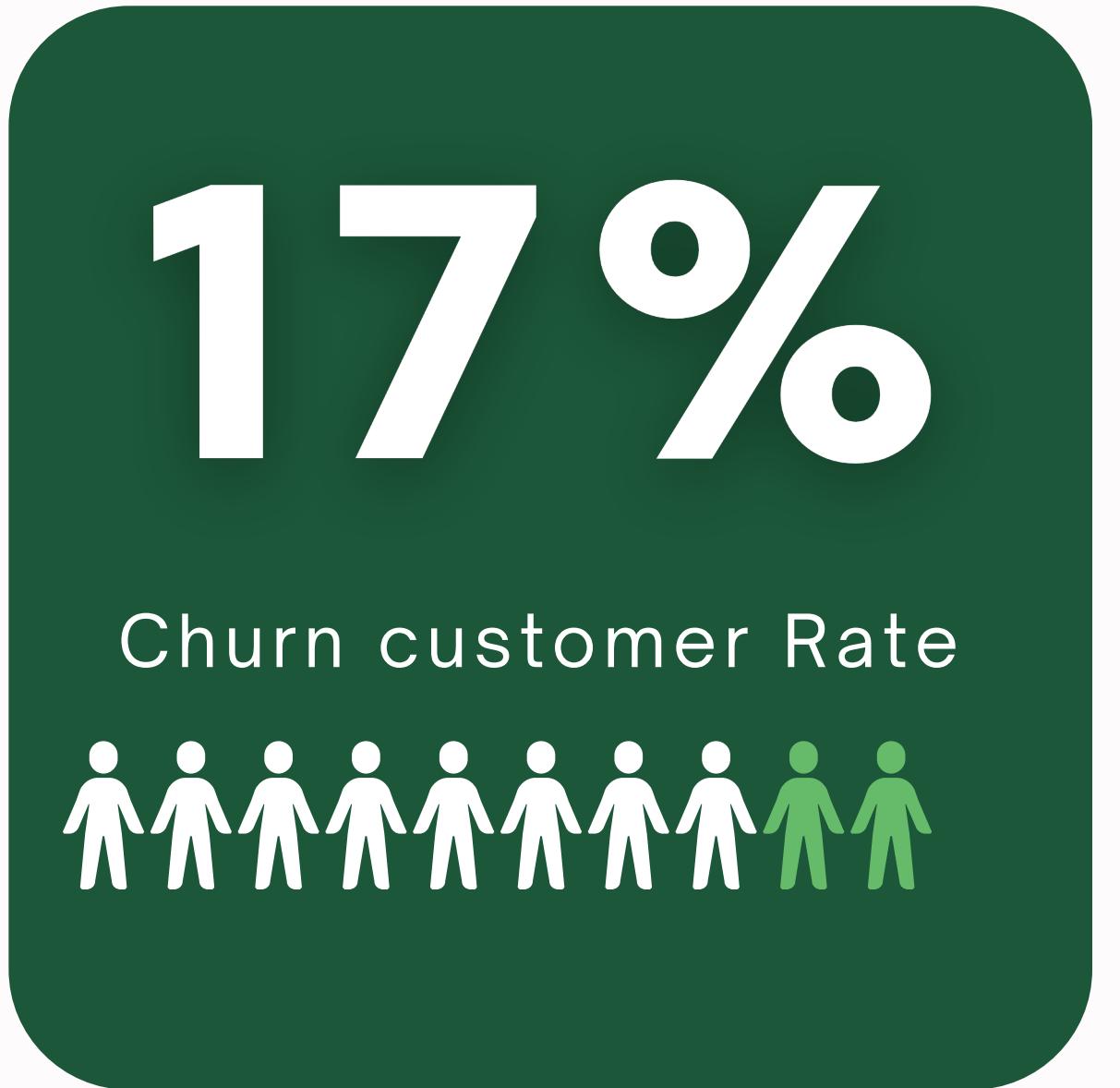
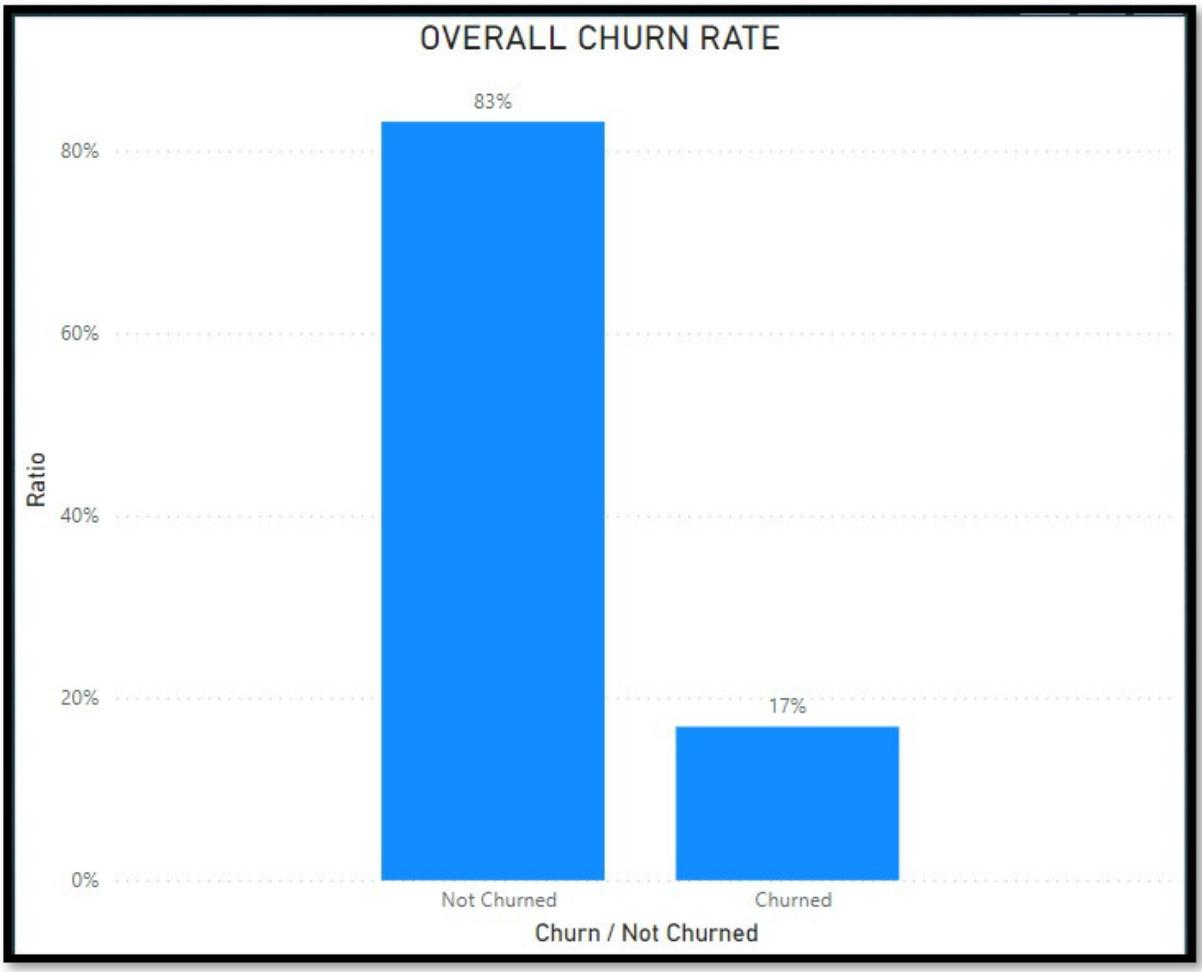
Retained
Customers

948

Churned
Customers

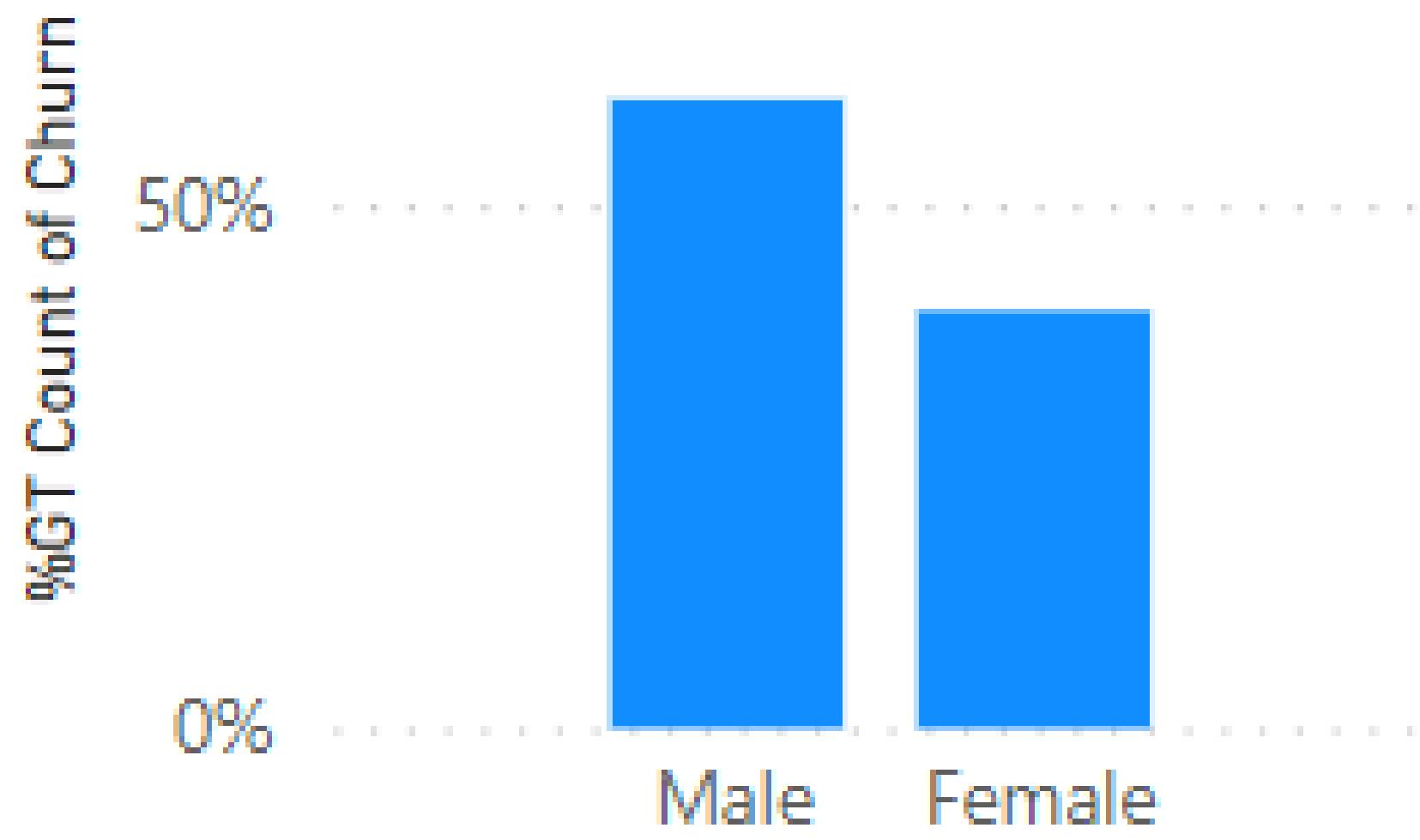
CUSTOMER CHURN

Customer churn, also known as the churn rate, represents the rate at which customers discontinue their association with a business relative to the total number of active customers.

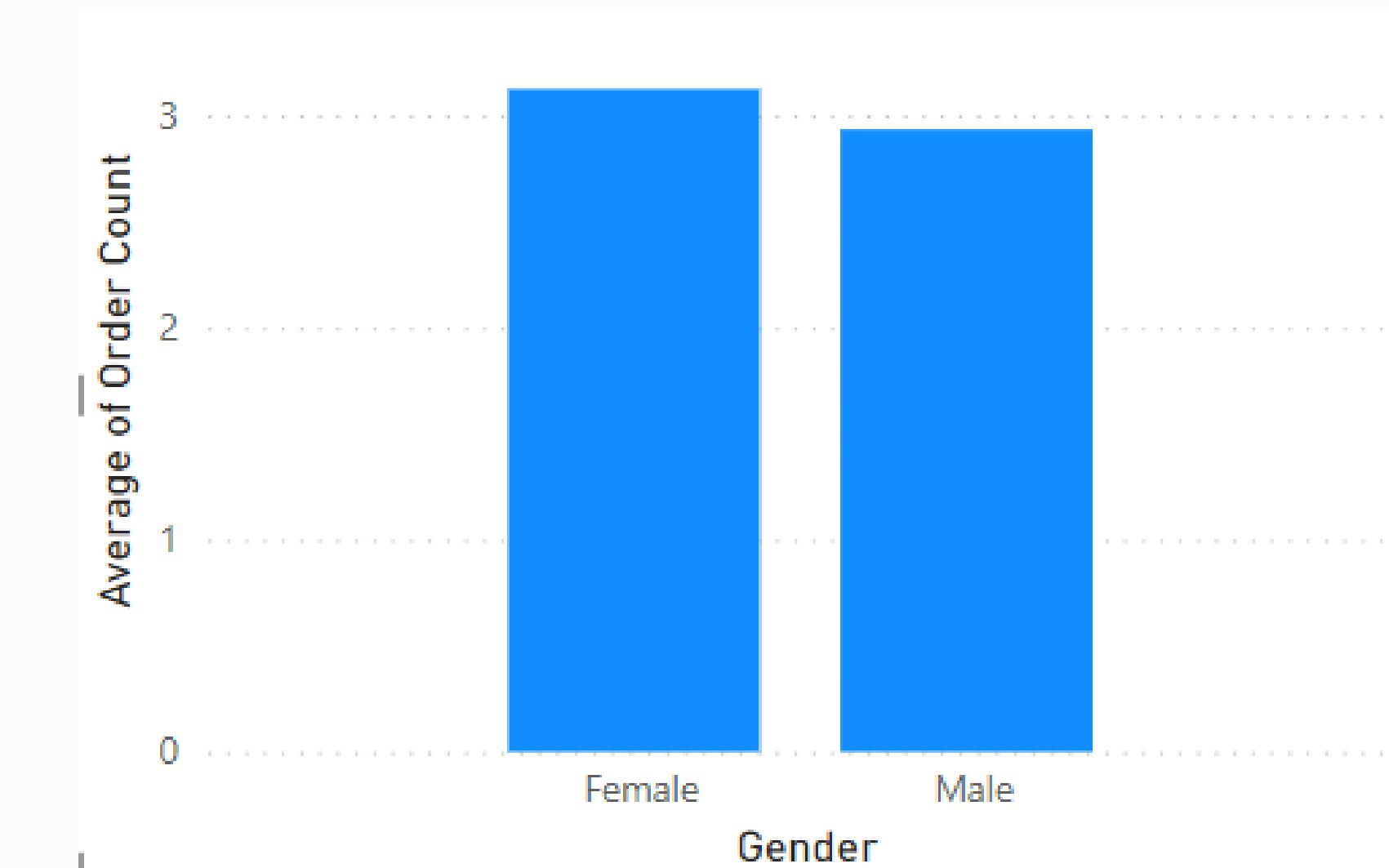


VISUALIZATIONS

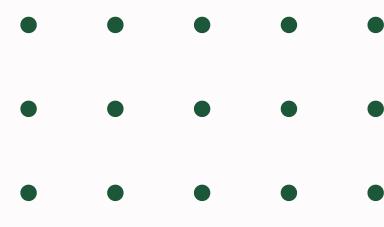
Gender Based Analysis



60.11% represents the male customers, while 39.9% corresponds to the female customers.

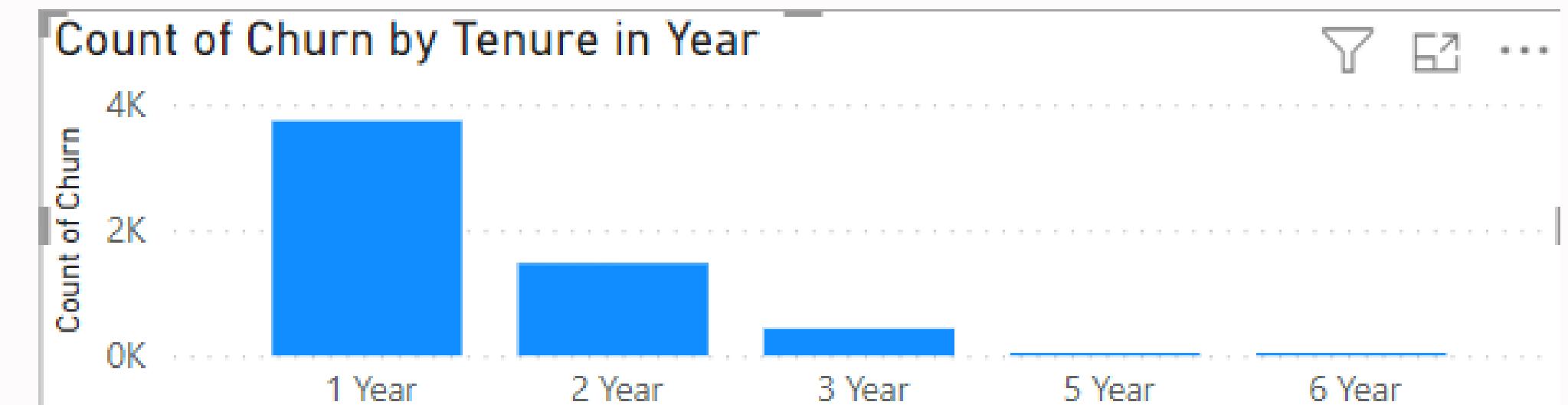
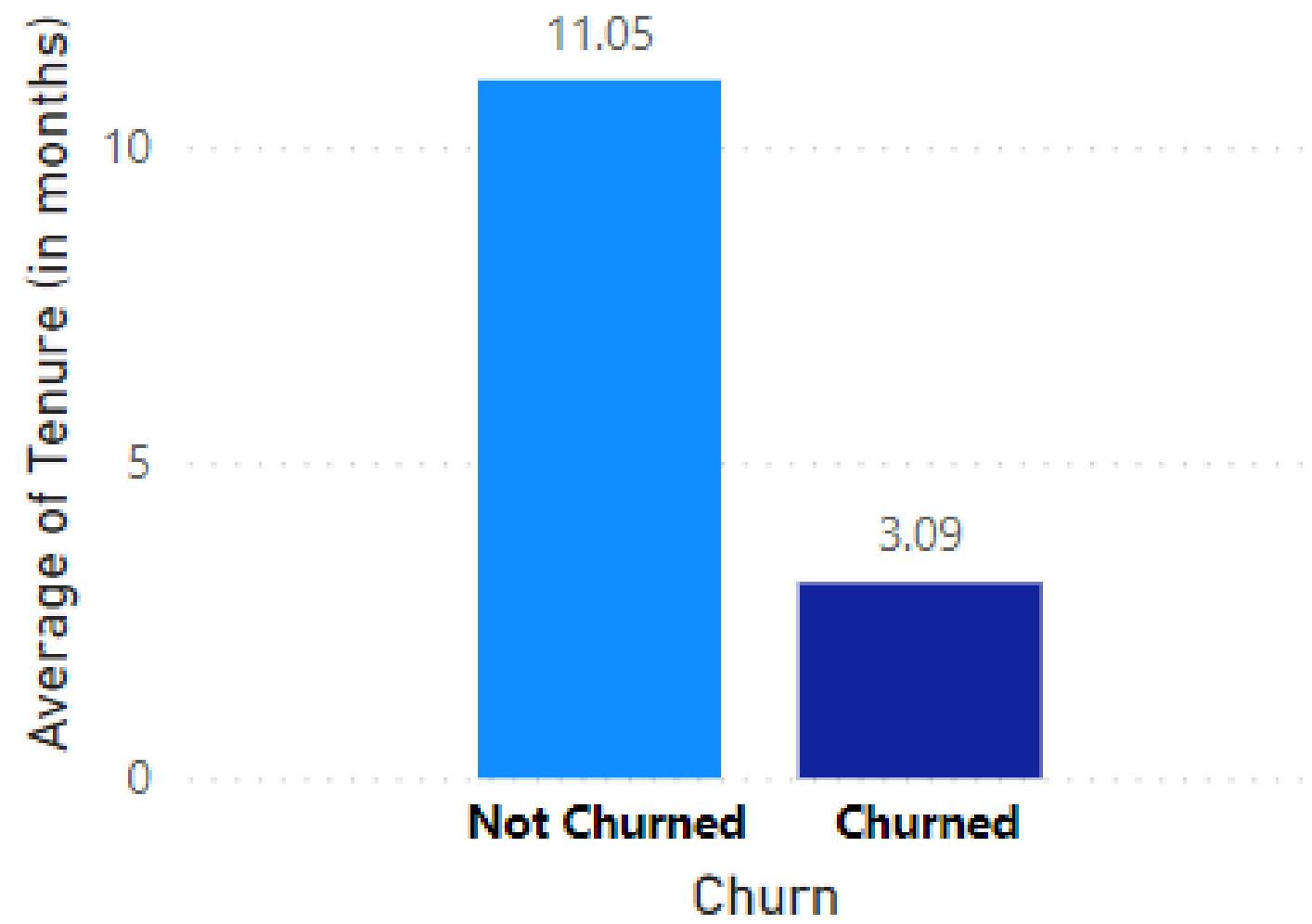


The variation in average order counts, with males at 2.93 and females at 3.12, may be a potential factor influencing customer churn.



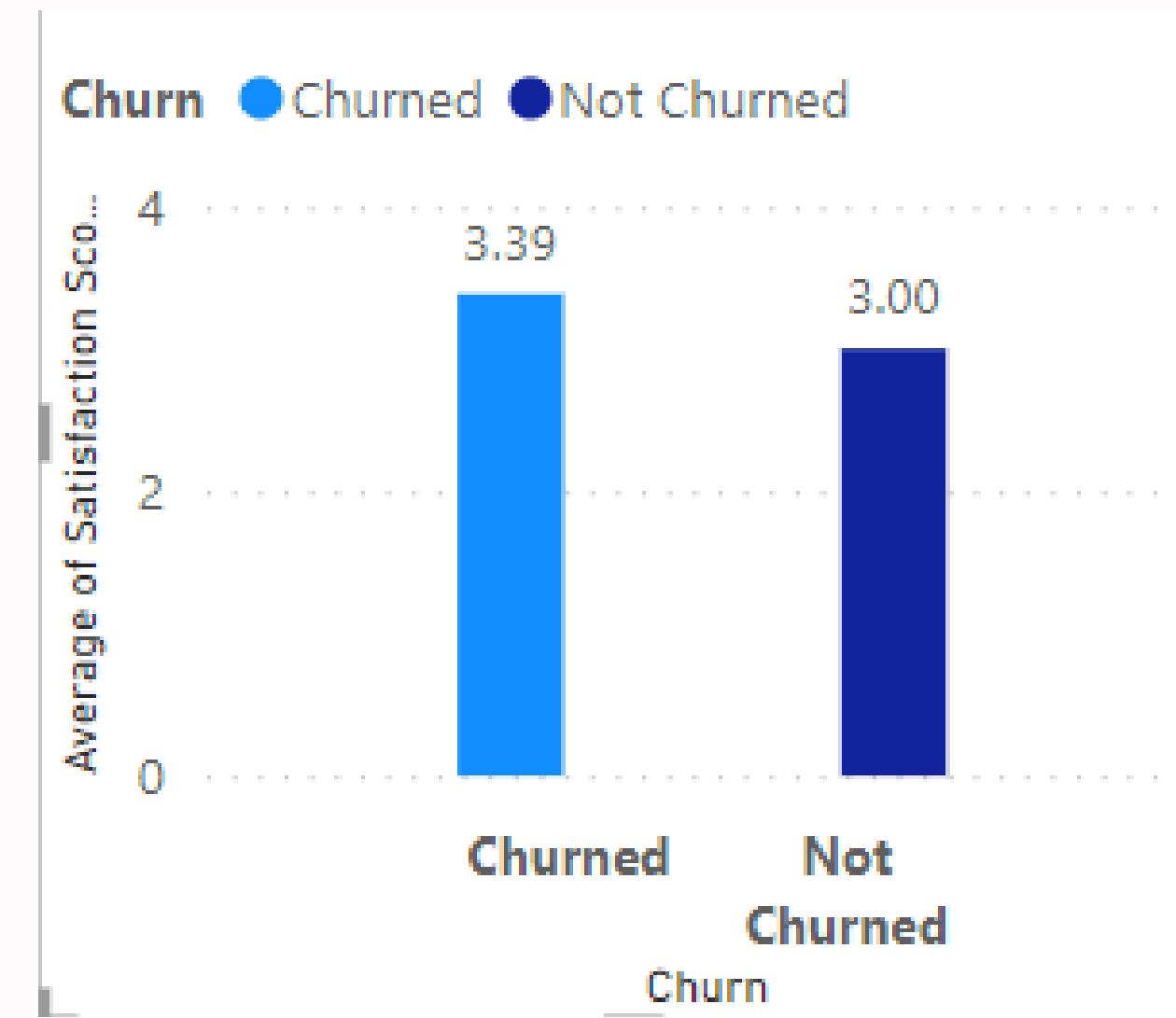
Tenure-Related Analysis

Average of Tenure (in months) by Churn



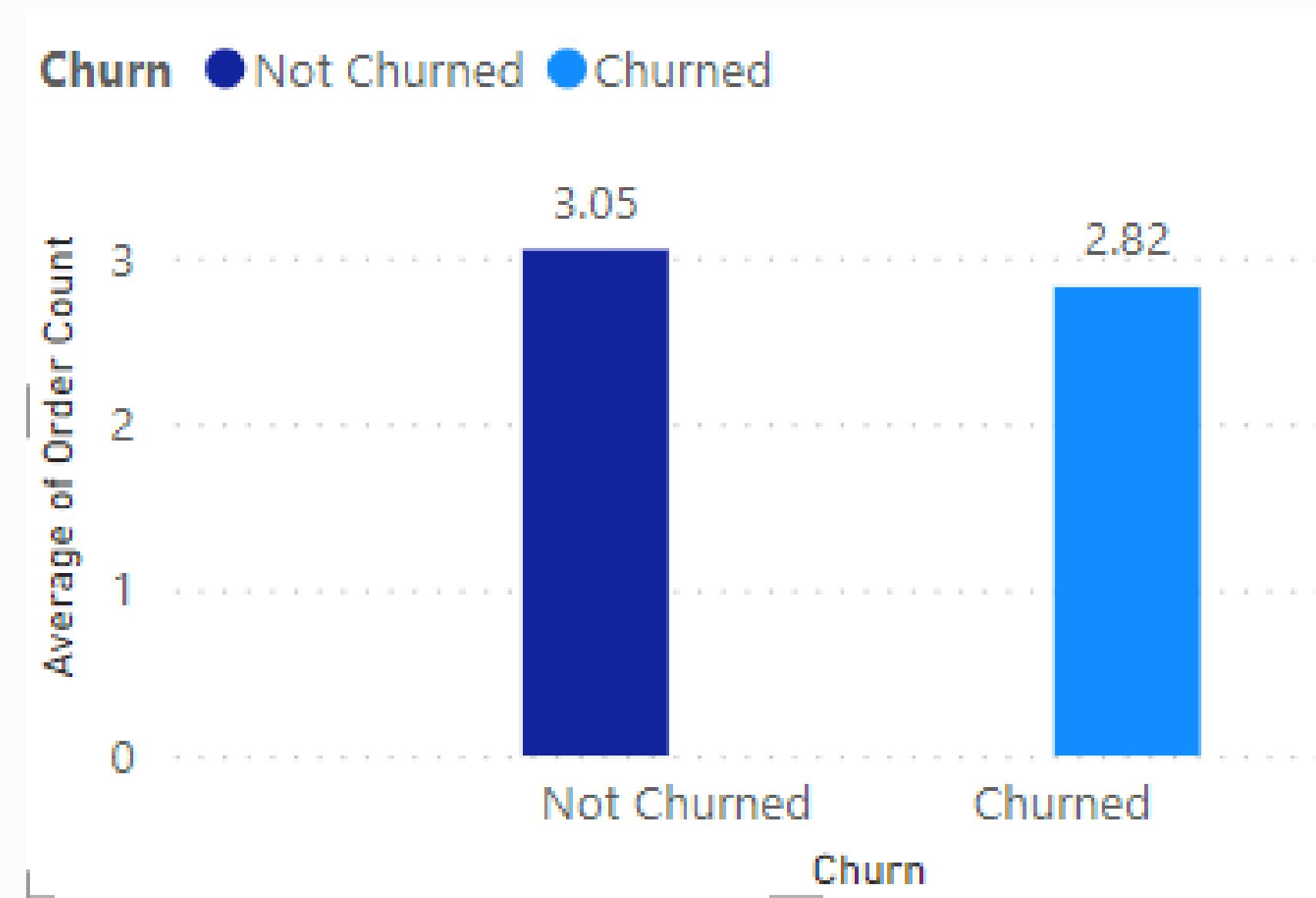
This analysis explores customer tenure in months by churn status and categorizes churned customers by tenure in years, providing insights into customer behavior and retention strategies.

Average of Satisfaction Score by Customers



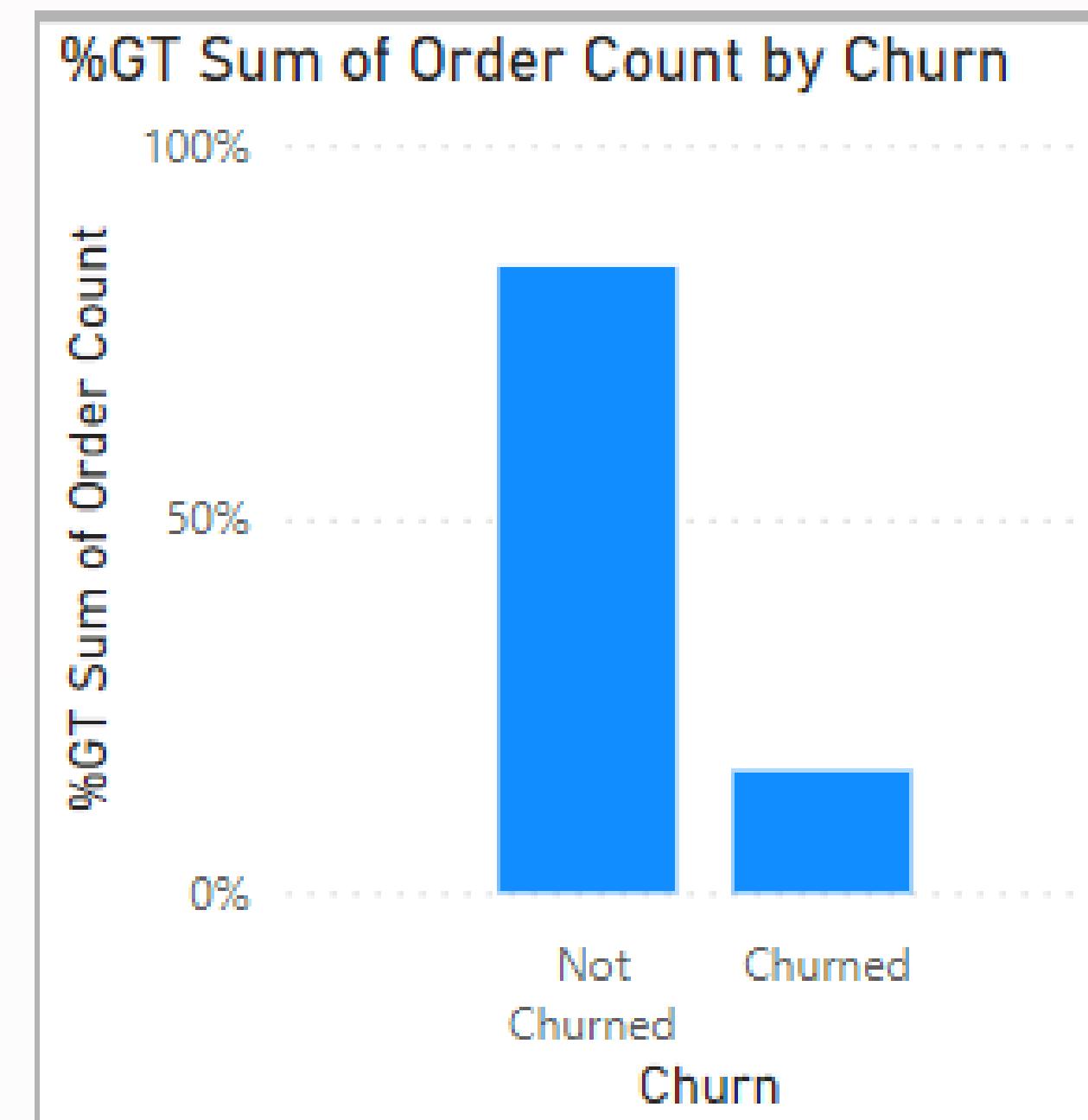
Churned customers gave higher satisfaction scores (3.4) than retained customers (3.0).

Average Order Count by Last Month



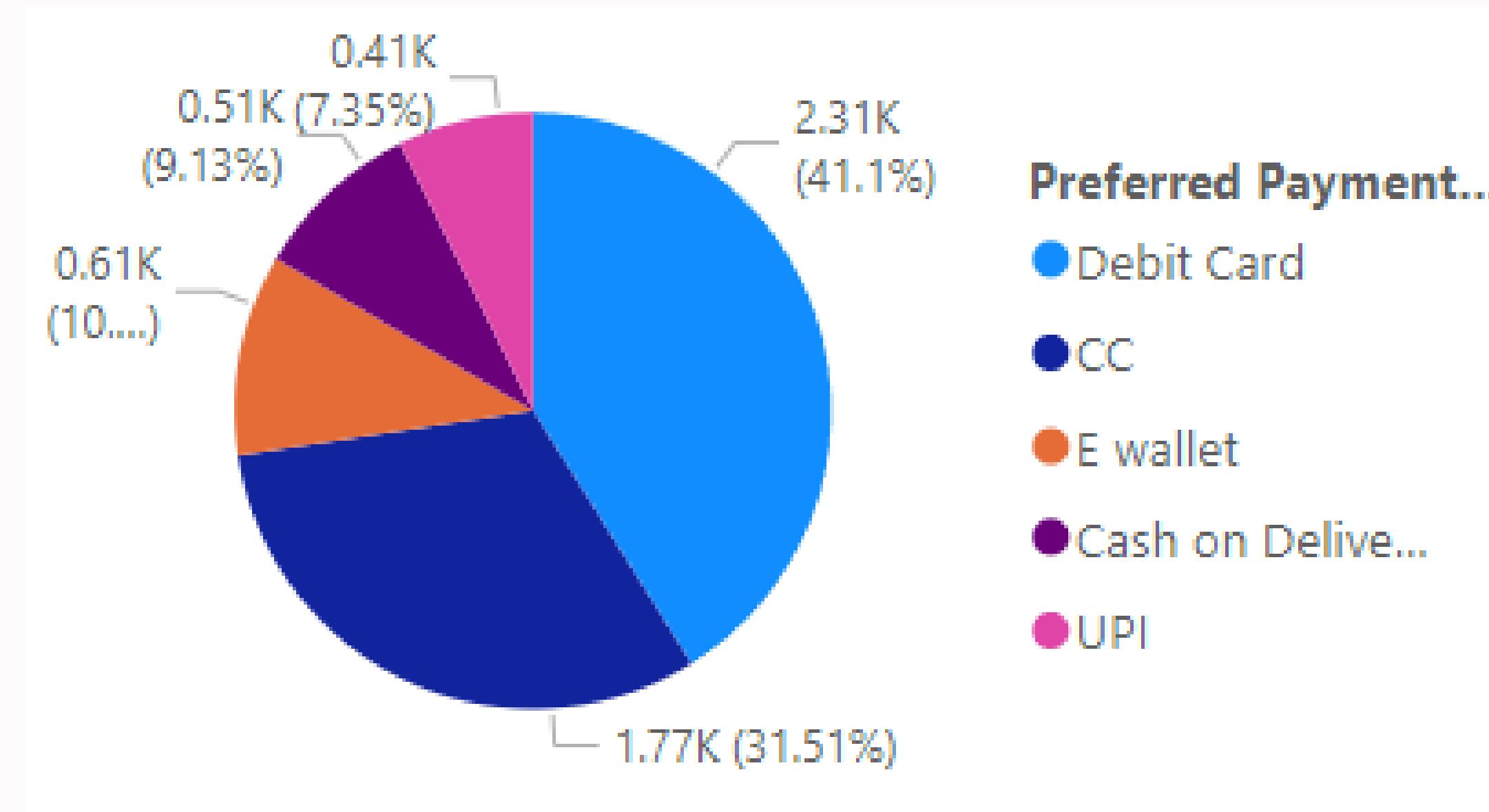
On average churn customers placed slightly fewer orders as compared by retained customers

Order Ratio Analysis by Churn Status



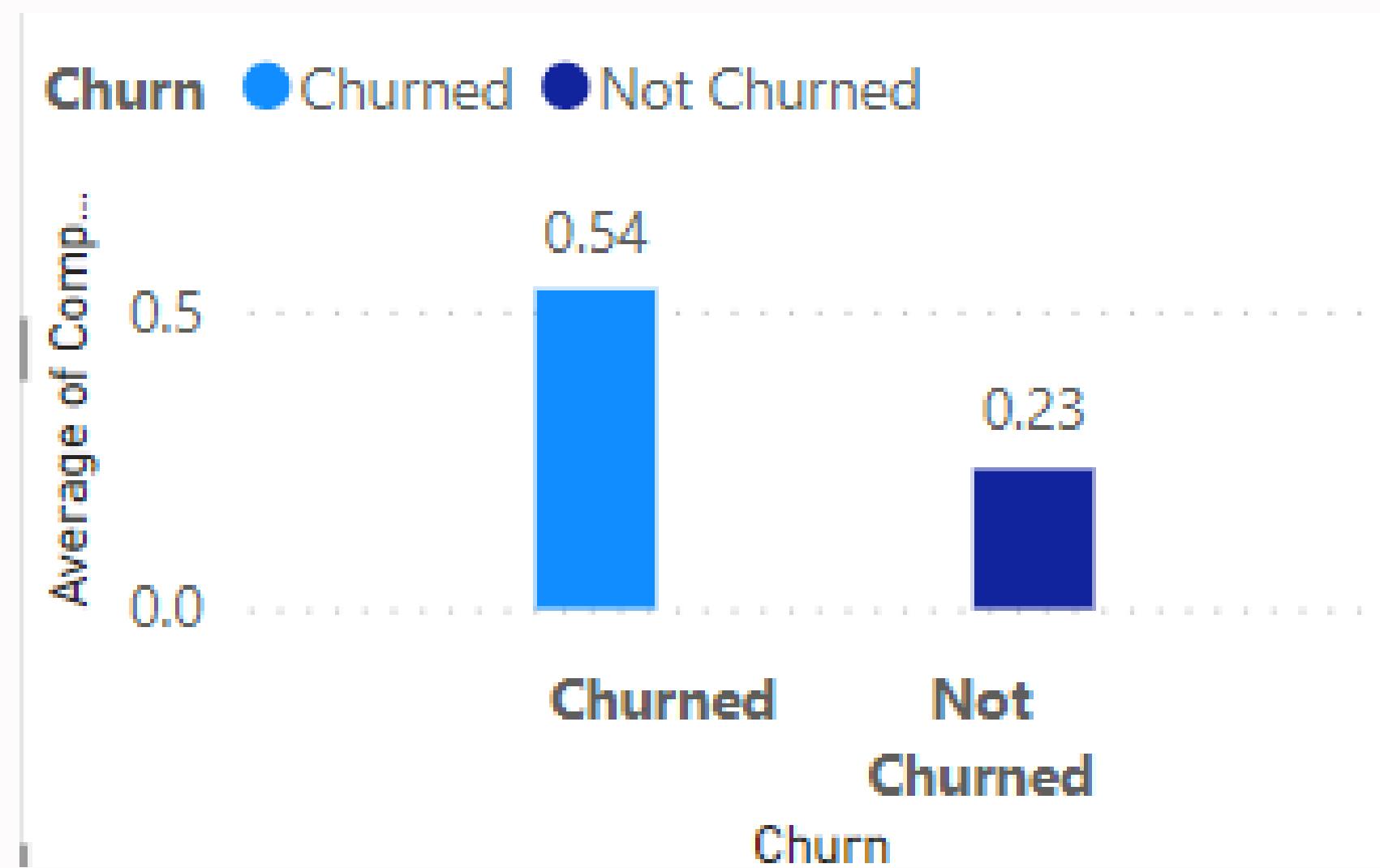
Customers making fewer orders may need incentives to engage more actively with the app.

Churn Count by Preferred Payment Method

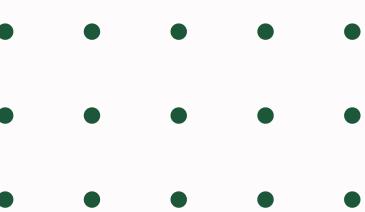


The highest preference, at 41.1%, is for debit card payments.

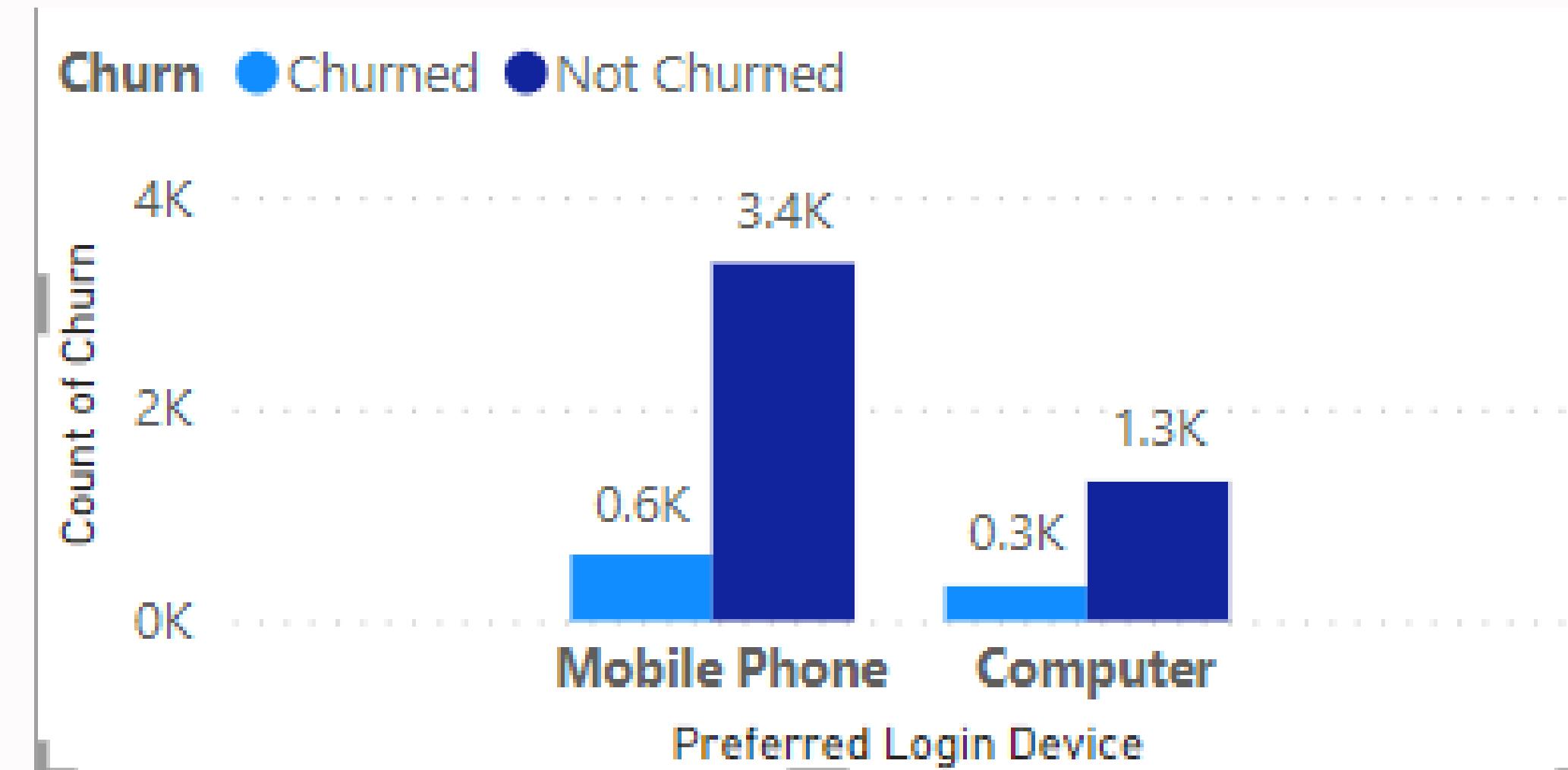
Average of Complain by Customers



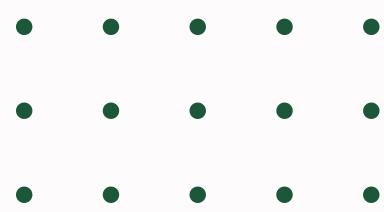
This discrepancy in the average number of complaints per customer, with 54% attributed to churned customers and 23% to retained ones, may raise concerns or serve as a potential indicator for an increase in the churn rate.



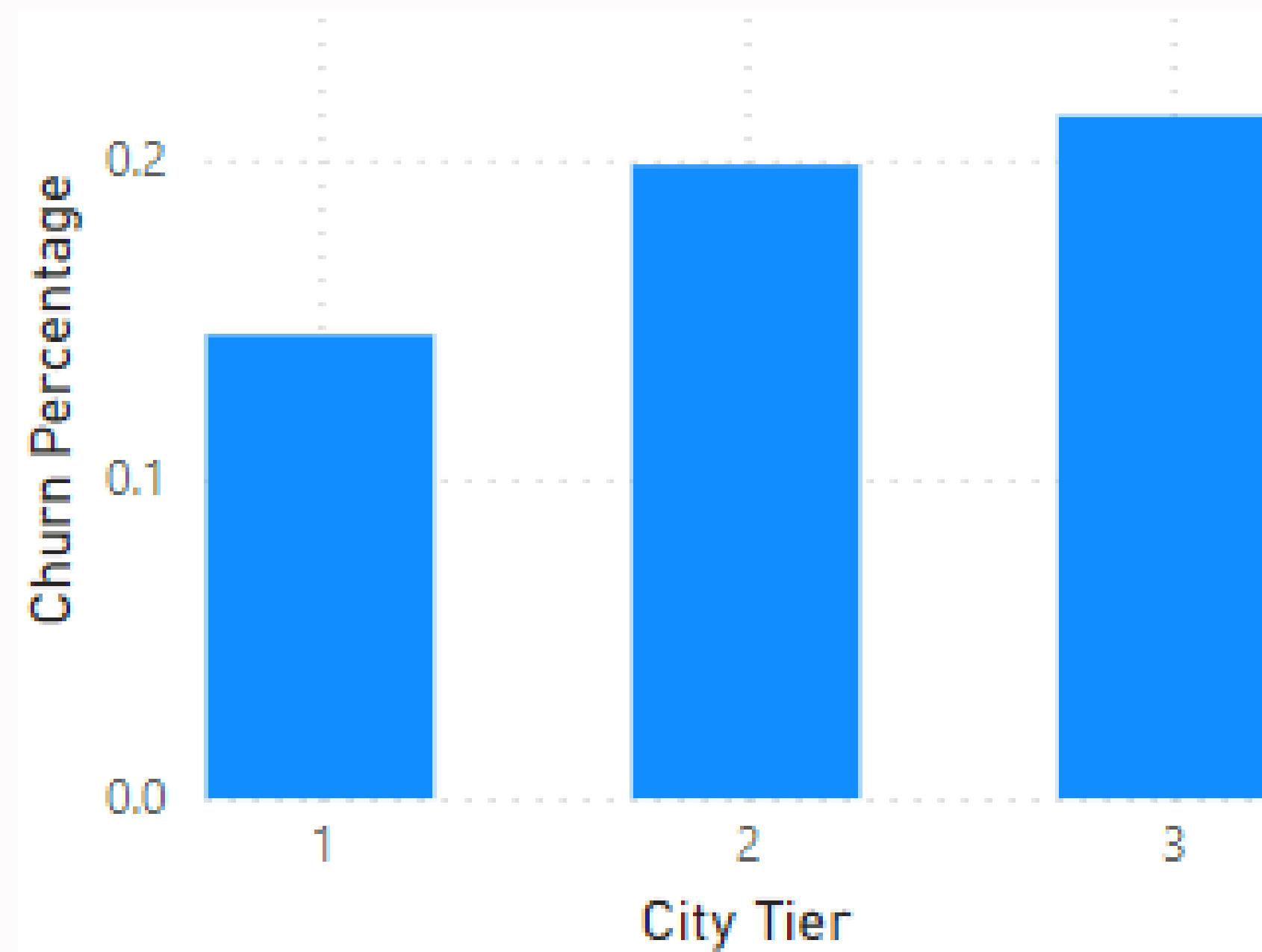
Count of Customers by Preferred Login Device



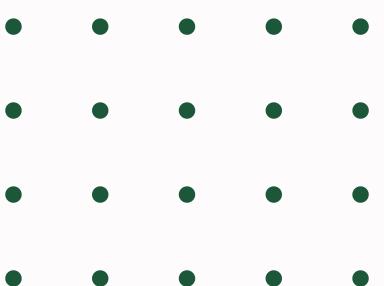
Mobile app-related problems, such as performance or user interface issues, drive churn



Churn Percentage Analysis by City Tier



The churn rate is 21% in 3rd city tier and 15% in the 1st city tiers.



Ecommerce customer churn analysis dashboard

0.17

Churn Percentage

948

Churned Custom...

4682

Retained Custo...

5630

Count of Customer ID

Churn

Churned

Not Churned

Preferred...

Cash on Deli...

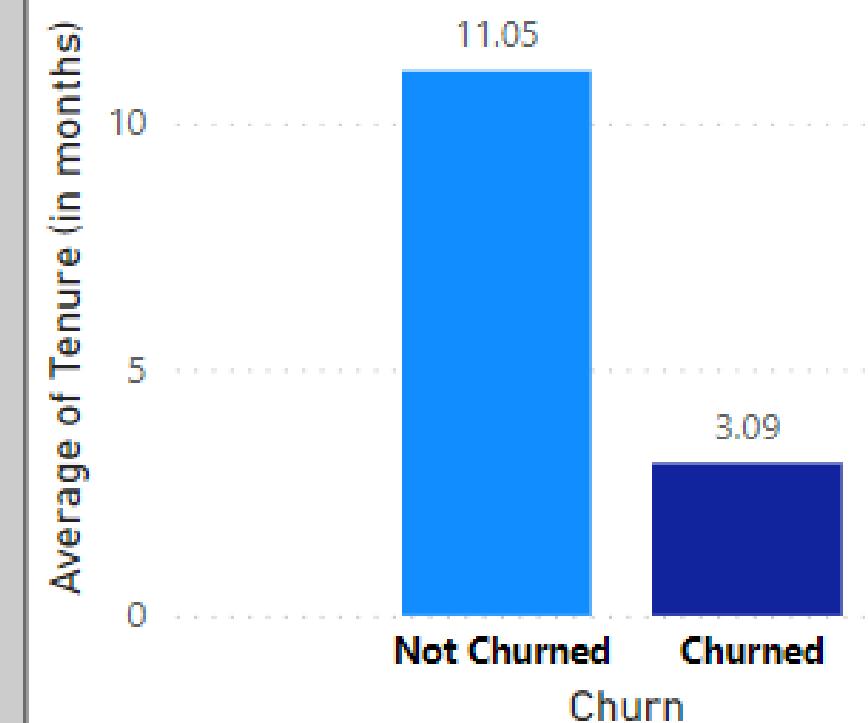
CC

Debit Card

E wallet

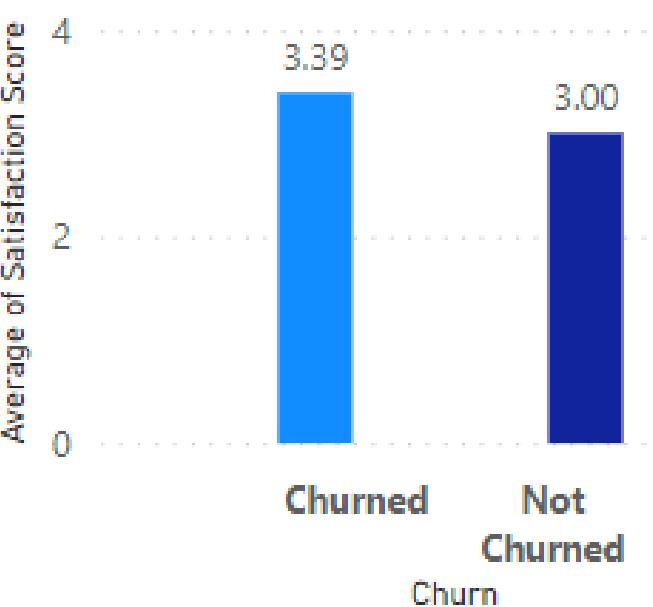
UPI

Average of Tenure (in months) by Churn

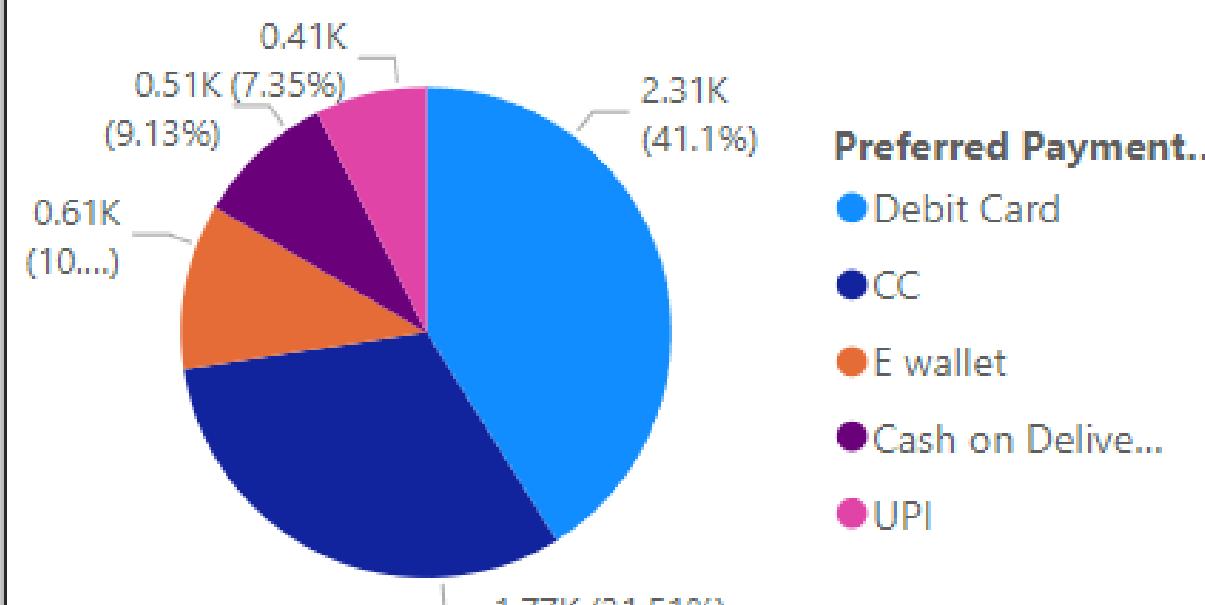


Average of Satisfaction Score by Churn and Churn

Churn ● Churned ● Not Churned



Count of Churn by Preferred Payment Mode



Complain

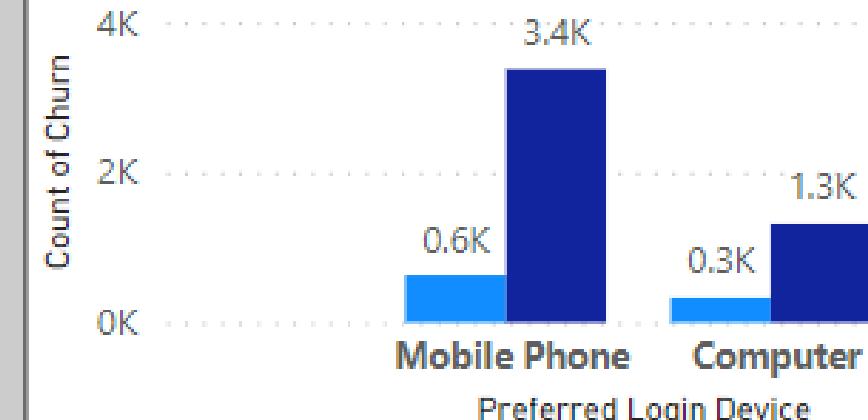
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1



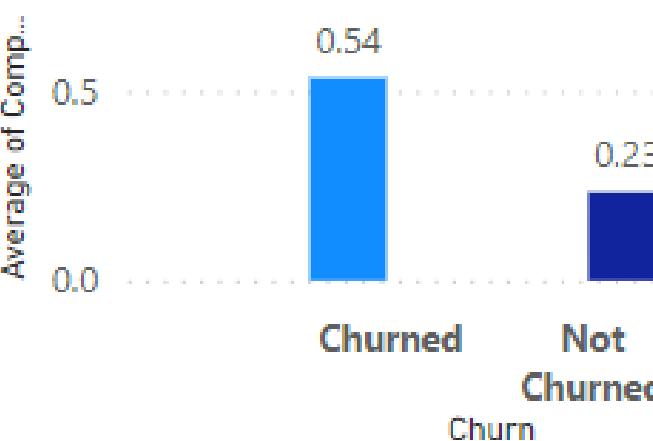
Count of Churn by Preferred Login Device and Churn

Churn ● Churned ● Not Churned



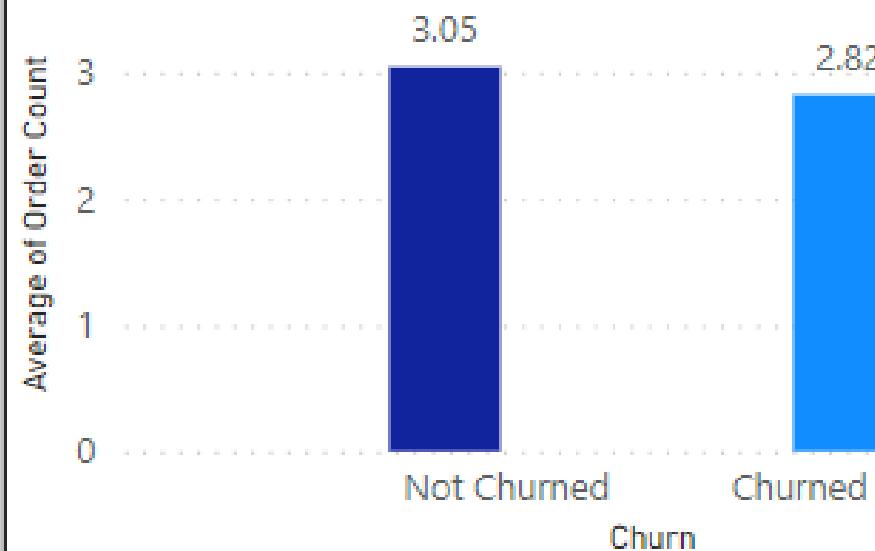
Average of Complain by Churn and Churn

Churn ● Churned ● Not Churned



Average of Order Count by Churn and Churn

Churn ● Not Churned ● Churned



RECOMMENDATIONS



Engage New Customers

Early:

Show unique benefits to new customers to maintain their interest during the first months of usage.



Gender-Tailored Marketing:

Recognize gender-based preferences and adjust marketing and features accordingly.



Effective Customer Support:

Invest in responsive support to quickly address complaints and proactively resolve issues.

RECOMMENDATIONS



Optimize Mobile App:
Continuously improve app performance, look, and functionality, promptly resolving technical issues



Feedback-Driven Improvements:
Collect regular feedback to enhance the service based on customer expectations.



Data-Driven Decisions:
Use data analytics to track customer behavior, complaints, and satisfaction in real-time. Make decisions based on this data to improve the service continuously.

RECOMMENDATIONS



Secure Payments:

Ensure that paying with debit cards is easy and secure. Regularly update security measures to build trust.



Targeted Retention Campaigns:

Create special campaigns for specific customer groups like new users, those with complaints, or low-order frequency users.



Regional Adaptation:

Customize marketing and services for cities with high churn rates, learning from local competition.

CONCLUSION

To conclude, churn is influenced by shorter tenure, higher complaints, payment issues with debit cards, lower order frequency, regional disparities, gender preferences, and mobile app problems. Improving the customer experience in these areas can help reduce churn.



THANK YOU