what is retention rate?

Retention rate is a metric that measures the percentage of people or customers who remain engaged with a product, service, company, or organization over a specific period. It is commonly used in business, education, and workforce management to track loyalty and long-term engagement.

**Formula:**

Retention Rate=

(Number of retained users at end of period / Number of users at start of period) × 100

**Examples:**

**Business (Customer Retention):** If a company starts with 1,000 customers and 900 of them continue using the service after a year, the retention rate is:

(900/1000) × 100=90%

**Education (Student Retention):** A university tracks how many students continue from freshman to sophomore year.

**Employee Retention:** HR departments measure how many employees stay within a company over a certain period.

A **higher retention rate** generally indicates customer satisfaction, strong brand loyalty, or a positive work environment.