**Customer Retention Project Report**

* **Submitted By Smriti Mathur**

**Introducing The Problem Case Study**

Two crucial aspects of a company's long-term success are customer retention and customer happiness. These elements are well established to impact a company's financial success significantly. One of the most crucial elements of business development is customer retention. Because it takes so much to persuade people to buy and so little to persuade them to repurchase, it is crucial.

**Problem Statement**

The leading shopping destination is now an e-commerce website or platform. Numerous clients can purchase simultaneously from the comfort of their own time and location. It has given online sellers a wide range of options. Despite having an infinite range, several websites offer a variety of services.

Following client retention, which guarantees a company's continual profit and stability, every business wants to introduce new and more users to their platform. They will consider the relevant questions. How to keep clients. What procedures and techniques are used to keep them? What obstacles do we have to overcome to keep customers?

**Study Objective**

The study is done to know how the eCommerce site is getting responses from clients and, as per the responses, how they can improve. They can significantly work on promotion, marketing, and publishing excellent quality products. Accordingly, different eCommerce sites can work on how to retain customers at a good pace.

Long-term success is and has never been feasible without client retention; thus, successful businesses continuously focus on this business area. Many businesses are currently engaged in an aggressive war over keeping customers. This study will assist eCommerce businesses in understanding consumer churn and how to keep them returning.

**Literature Review**

Retaining a client base is essential to an organization's success in today's competitive business environment and challenging economy. Customers will have the motive to depart if the firm doesn't provide them a compelling incentive to do so from its rivals. Profits are fueled by client retention and pleasure. Instead of looking for new, one-time consumers, it is far less expensive to maintain an organization's existing client base and sell the customer more services. Most studies across many businesses reveal that maintaining a current customer is five to seven times more profitable than finding a new one. There is still a lack of a customer-focused mindset among its staff. It is crucial for every service organization to recognize that just getting customers is not enough in this day of fierce competition.

Low dispersion is the same as high retention. The whole staff at the company should be mainly focused on keeping those consumers in a sector where there are repeated purchases over time:

* Offering assistance that is consistent with your brand and value offer.
* Cross-selling, up-selling, and requesting client referrals.
* Creating initiatives to boost consumer loyalty and reduce staff turnover.
* Make retention a top priority in your annual promotional campaign.
* Understanding the overall value for various categories and leveraging that information to enhance marketing.

According to studies, acquiring new customers is ten times more expensive than keeping the ones you already have. A tiny business might be destroyed by losing a handful of its consumers. A minor rate increase should significantly boost profitability even if there are many consumers.

**Importance Of Customer Retention**

Customer retention holds extreme significance in overall business growth. A corporation must pay for advertising and sales promotions to get a consumer. It is stated that acquiring a new client is five times more expensive than keeping an existing one. When a client remains, operational costs go down. Customers require some time to acclimate to the service since it is rich in experience and credibility. Still, once they do and are happy with the service provider, they prefer to buy more over time. As long as a consumer is happy with a service provider, they will recommend them to others, which is a great way to grow a business.

Per the project done on customer retention study, customer retention is necessary because it holds different benefits for the companies and customers. These are as follows:

* **Reduced cost**

Certain expenses are connected with acquiring a customer. These expenses include marketing, follow-up, sales demonstrations, travel, and meeting expenses. Having a repeat client reduces the expense associated with acquiring new customers since the customer is already familiar with your procedures and can anticipate a given production level. Having a return client also has the ability to open up word-of-mouth marketing as another avenue for your company. Perhaps the most significant result of having a delighted client is word-of-mouth promotion or referrals.

* **Recurring demand and business**

The most evident benefit of client retention is certainly this one. Effective services that result in customer satisfaction will encourage repeat business by luring customers back. The client and the company or service benefit from repeat business. The client lowers the cost of identifying a trustworthy vendor, saving money on switching vendor prices, while the business lowers the cost of customer acquisition.

* **Improving Communication Between Businesses & Customers**

Marketplaces today are shifting away from mass-produced, conventional products and services toward more personalized markets where goods and services are made to match the unique needs of individual clients. Having a repeat customer allows you to develop a more concentrated connection based on their unique wants and demands. Knowing that you will have a repeat customer gives you greater confidence to recommend changes, offer information to understand their wants better, and ultimately build pertinent goods and services. Repeat business also gives the buyer and the vendor a chance to jointly develop goods and services.

* **Better customer feedback and behaviour**

You may go from the region of user satisfaction to customer pleasure by using effective client retention methods. According to studies, customer satisfaction can only be attained when there is a perfect alignment between the wants of the consumer and the seller's ability to satisfy those needs. Customers are more likely to return to you if you can provide for them since they will now understand what makes you stand out from the competition.