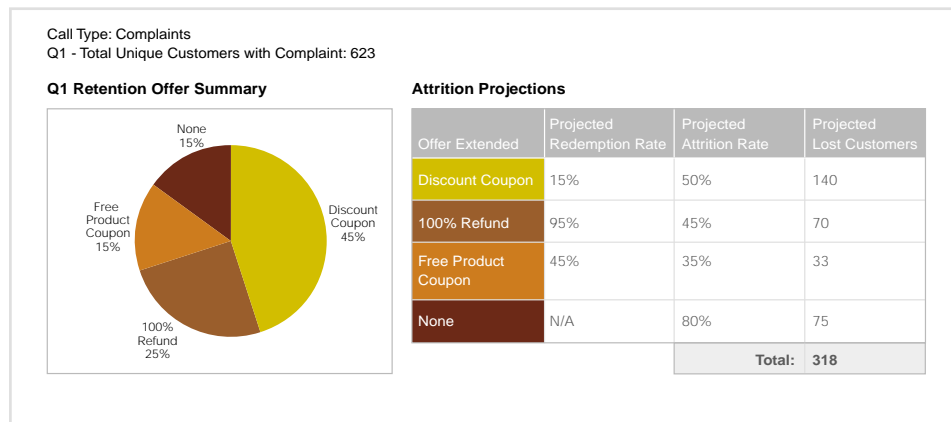


Customer Acquisition, Retention and Attrition Analysis

Characteristics of new, loyal and lost customers are particularly important for companies to understand. Marketing analysts group customers into segments of recent new purchasers, high-volume purchasers and non-purchasers using customer transaction data, and analyze the resulting segments to identify their common characteristics. Attributes of new customers provide the profile of a company's likely acquisition target market. Similarly, characteristics of lost customers may define less desirable market segments, or may reveal problems in customer service or product satisfaction. Improvements in retention programs are saving companies significant time and money – keeping existing customers buying is much less expensive than acquiring new customers. Predictive modeling of acquisition, retention and attrition rates feeds the business planning and budgeting process.

Sample Report: Call Center Inbound Customer Calls



This dashboard enables managers to quickly review the effectiveness of retention strategies by projecting redemption and attrition rates based on offers extended to customers. Marketing, sales and customer service departments use this type of analysis to judge the effectiveness of available retention offers. Next steps would be to add projected cost per offer to estimate the cost of each program, perform trend analysis on a single offer or drill into attrition rate to reveal lost customer profiles to better target retention offers.

COMMON BUSINESS QUESTIONS

- Have the rates of customer attrition, retention and acquisition changed over time?
- What is the correlation between customer loyalty and profitability?
- What is the impact of tenure on customer retention and attrition?
- What is the revenue loss attributable to customer attrition?
- What is the average revenue per new customer in the past year?
- Which campaigns attracted the most new customers?
- How effective have specific retention offers been?
- At current rates, what will our attrition rate be in 6 months?

Key Performance Indicators

- % Attrition
- Retention Offer Success Rate
- New to Loyal Customer Conversion Rate
- Top 3 Retention Offers
- Top 10 Reasons for Attrition
- Revenue Per New Customer
- Profit Margin per New Customer
- Forecast Attrition Rate
- % Change in Acquisition Year over Year