



An Integrative Literature Review on Customer Churn

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Abstract

Customer churn, the phenomenon where customers cease their relationship with a company or business, has significant implications for businesses across various industries. Here explored the understanding behind customer churn. By analysing existing literature, highlighted the benefits of proactive churn management and its impact on a company's profitability. Research insights on customer churn offers a comprehensive understanding of customer churn.

I. Introduction

Customer churn prediction is a data-driven methodology that identifies accounts at high risk of leaving business. Customer churn occurs when customers discontinue their use of a company's products or services. It is a critical metric that affects revenue, costs, and overall business performance. Understanding the customer churn is essential for organizations seeking to enhance customer retention. To know about customer churn allows companies to take proactive measures to retain valuable customers. Acquiring new customers is costly, but losing existing ones can be even more detrimental. By integrating research insights on customer churn offers a comprehensive understanding of customer churn. Existing paying customers are more likely to make repeat purchases, making their retention crucial for sustained business success. customer churn has garnered increasing attention due to its significant impact profitability. Churn can occur for various reasons, ranging from dissatisfaction with products. Satisfied customers are less likely to churn and tend to exhibit higher levels of loyalty. Customer churn represents a significant challenge for businesses. Top of Form

II. Literature Review

Keiningham et al. (2014) stated that to retain customers is extremely important to maintain profitability in the business. Customer satisfaction and service quality play a crucial role in retaining customers. While customer churn is often viewed

as a significant challenge for businesses, several studies have highlighted its potential benefits and opportunities.

Wathne et al. (2018) stated that it provides an opportunity for companies to increase profitability and reduce customer churn. Berger et al. (1998) stated that churn helps companies identify and focus on customers.

Anderson et al. (2000) stated that there is the critical role of customer satisfaction in reducing churn rates, underscoring the importance of customer churn and importance to retain customers for the benefit of business.

Customer churn poses significant challenges for businesses, impacting revenue, reputation, and long-term sustainability. Reichheld et al. (1990) states that the quality of customer service plays a crucial role in customer retention. Customers who encounter it costly generally left it. Zeithaml et al. (1996) states that it is important to find churn rate. Proactively predicting churn behavior allows companies to allocate resources efficiently and design effective retention strategies.

Coussement et al. (2013) investigated churn prediction. Their study emphasizes the importance of Customer Churn. Smith (2020) highlight the impact of cost on customer churn. It is important to deal with it. Mahesh et al. (2024) conducted research on predicting customer churn and identified key features that contribute to churn. Their work provides valuable insights for businesses aiming to reduce churn rates.

Rust et al. (2004) stated that enhancing customer satisfaction is required to deal with customer churn. Reichheld (2003) stated that customer churn identification can lead to increased customer loyalty among retained customers. Lemon et al. (2016) stated that customer churn is typically perceived as a challenge, research has shown that it can offer several benefits for businesses. One such advantage is its role in cost-effectiveness. Fornell et al. (1996) stated that customer churn reveals its significance for businesses. It identified various factors contributing to churn, including customer service and pricing.



III. Conclusion

Customer churn poses significant challenges for businesses, impacting revenue, reputation, and long-term sustainability. Proactively predicting customer churn allows to retain the existing customers and it is profitable to organizations. Extra cost is required if organizations bear cost for acquiring new customers by retaining the existing customers organizations are able to work more profitably.

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