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## Customer Attrition Rate at Website-theupsconline.com

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### ABSTRACT

The Internet these days is choc-a-bloc with education apps and platforms, all trying their best to cater to people who are on the lookout for authentic information on several subjects to imbibe knowledge as well as use the same by pass various exams. As is known, many people are on the lookout for cracking different exams, mainly the civil service exams to increase their job prospects. The competition is severe and websites catering to this segment of customers want to know their customers thoroughly and secure a good market share to enhance business.

Website theupsconline.com is a website that helps UPSC exam aspirants to take up and successfully pass the exams to fetch jobs in Civil services. Intense competition among the various websites results in loss of customers over time leading to high customer attrition or churn rate which needs an empirical investigation. It is important to identify major reasons for this churn and suggest remedial measures. Besides, it makes business sense to keep existing customers satisfied as they are just as valuable as winning new customers.

The present study is descriptive and uses both primary and secondary data. 160 samples are taken and inferences are drawn based on the empirical enquiry using the information obtained by the structured questionnaire developed by the researchers for the study. Basic demographic information is also collected as a part of the study

**Key Words:** Customer Attrition Rate; Churn Customers; Quality Website; Service Satisfaction.



## **Introduction**

A web portal is a specially designed website that often serves as a point of access for all kinds of information. It is akin to a library of categorized content and helps in searching a wide variety of information and more often than not provides a no. of other features as well. With this the popularity of web sites are growing day by day and the intense competition in the market calls for these websites to be extra savvy in not only attracting customers but also retaining them. Thus, websites go that extra mile to be afloat in business. This paper mainly attempts to study the customer attrition rate for the website “theupsconline.com” which serves the Union Public Service Commission{UPSC} examination aspirants. The website provides all information that is required for the preparation for the UPSC exams.

## **Website “theupsconline.com”**

As of today, several educational apps and platforms try to cater to a good no. of people taking up a variety of tests and examinations, be it for the medical , engineering or management seats or even totake up and pass the civil service exams. The competition amongst the web sites is severe in the market with every app / web site trying its best to secure a good market share as well as develop a revenue model that is both customer-friendly and a revenue enhancer. Amongst the host of available websites is the ‘**theupsconline.com**’ which offers a free and accessible platform for candidates attempting UPSC exam. The website offers opportunity for communication, debate and clarification of doubts on various topics of interest and current affairs both within the country and outside. The ‘theupsconline.com is a useful platform and comes as a huge blessing for those looking out to learn more about the UPSC exams and how to face it with the confidence

## **Functionalities of website “theupsconline.com”**

The website provides many functions and a few key ones are listed below –

- Information sharing on a wide variety of topics
- Data analysis employing latest technologies.
- Data repository: stored in the database.
- Secure access to registered users
- Communication tools integration:
- Queries answered by Experts in the field
- A discussion board to enhance thought process

## **Customer Attrition Concept**

Attrition is the gradual loss of customers over a period of time. The term attrition refers to the moving out or the discontinuing of usage of the website by a subscriber for various reasons. The attrition or churn for the website is the no. of customers of that particular website who are not loyal to the website and are no longer willing to avail the services offered by the website. The customers who discontinue their use of a service in a particular



period of time can be termed as “Churn Customers”. The calculation of a website's attrition rate is done by The rate of attrition, is also referred to as the churn rate and is the percentage of subscribers to a service who discontinue their subscriptions to that service within a given time period. For a website to expand its clientele, its growth rate, as measured by the number of new customers, must exceed its attrition rate. In general, relatively high attrition is problematic for websites.

### **Customer Attrition Rate**

The attrition rate is a very useful tool to analyze the website in terms of its growth or decline on the basis of customers as well as the average length of participation by customers in the usage of the website's service. Now a days, attrition rate and its predictions plays a big role in measuring the growth of online based websites besides helping differentiate the loyal customers from the disloyal ones to take up remedial measures to convert disloyal to loyal customers. Many reasons cause churn customers such as lack of user friendliness and low quality of the website; low responsiveness and high cost of subscription etc. Such problems of the website should be addressed with immediate effect so as to retain customers for the long run. All efforts must be made to retain customers as it makes good business sense. While it not possible to eliminate attrition of customers it could be minimized to a great extent thereby avoiding all the detrimental effects on the website due to the churn rate.

### **Customer Attrition Rate Calculation**

Various organizations calculate customer churn or attrition rate in many ways, as this rate represents the total number of customers lost, the percentage of customers lost compared to the website's total customer count. Still other organizations calculate attrition rate for a certain period of time, say weekly, fortnightly, quarterly, half yearly or annually. A commonly used method for customer attrition rate is to divide the total number of customers a company has at the beginning of a specified time period by the number of customers lost during the same period.

### **Customer Attrition Causes**

According to studies, means of contact and communication with customers is lacking most times. Most of the website managers also lack soft skills that are absolutely essential for the undertaking credible conversations with the customers about the website's Products and Services. Website personnel must also explore more ways in the area of customer relationship management and make diligent efforts to retain existing customers and attract new ones. A few of the key causes for attrition are as listed below.

- Not User friendliness
- Difficult to Access
- Poor Website Quality
- Content Update issues
- Creating Big data base
- Website Responsiveness
- Timely Assistance & Support
- High study material Fee
- Poor Customer Experience



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## **Downside of Customer Attrition**

There is a direct link between customer lifetime value and robust business growth. As such, the higher the customer attrition rate, the lower will be the chances of good business growth. Even with best efforts the web site suffers with a big loss in no. of customers with the harsh reality staring in the face. i.e., cost of acquiring new customers which is very high. Much has been written on the theme of the cost of retaining old customers versus acquiring new customers, especially because several studies conducted show that customer acquisition costs far exceed customer retention costs. Obviously, customer churn or attrition is costly for businesses.

## **Customer Attrition Management**

Attrition Management is the art of identifying all valuable customers, who are likely to churn from a website and executing proactive steps to retain them. Majority of the websites of late have started tapping into the massive information given by the customers and using this data base to reduce customer attrition .The predictive analysis by the website based on collected and stored customer information is utilized for better management of customers and to stimulate them to stay put with the website without any thoughts of looking around for fresh pastures. It also helps identify the switch over reasons and patterns of attrition to take necessary measures. The stored data related to customers helps the website to improve rate of response to customers, increase satisfaction of customers and strengthen the relationships with the customers by obtaining time to time feedback from them

## **Customer Attrition Analytics**

Keeping existing business is just as valuable as winning new business. Existing customers must be retained while new ones need to be added. Actionable insights are key for any business to grow and survive besides making reasonable profits. At present there is a need to be aware of customers who may leave due to various reasons and it may be too late for putting any kind of retention strategy to action. The Churn or Attrition Analytics helps increase customer retention, especially for websites with large numbers of customers. Churn or Attrition Analytics goes way beyond simple attrition analysis. It reveals situations where customers are subtly shifting to other websites. For example, one can recognize when a customer is switching over to another website, even while the website's total revenue appears to be growing. By this one is aware of the big picture and what exactly is the reality. Thus, it makes business sense to be aware of customer attrition rate and how to keep it at a minimum and ensure that business does not take a nosedive.

## **Importance of Customer Attrition Prediction**

The ability to predict a customer who is at a high risk of churning is very important. It is considered key as there is still time to do something about it and retain the customer. It represents a revenue source for every online business or website. Besides the direct loss of revenue that results from a customer abandoning the use of website results in a heavy burden as the costs of initially acquiring that customer may not have already been met by the website. In simple terms, acquiring that customer may have actually been a losing investment with time and effort wasted. Further, it is always more tough and costly to acquire a new customer than to retain a current paying customer.



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## **Customer Attrition & CRM**

At Present majority of the websites focus mainly on customers rather than on their product and always look to increase and add on to the existing customer base. Thus, Customer Relationship Management or CRM plays a major role to avoid high attrition as it helps website to reduce the production cost and aids growth and thereby increases the profitability and value of the website. All websites strives for growth and sustainability and to achieve the objective of customer satisfaction. The loyal customers are those who are happy with all the aspects of the company and its products and continue the use of services and products of the website while churn customers are the dissatisfied ones who tend to approach services offered by competitors and the other web sites to get value for their money.

### **Problem Statement**

Websites are big business today and growing at a very fast rate, given the increasing no. of users. One of the web sites named 'theupsconline.com' is one such, which has a specific customer base of young men and women who aspire to get jobs and serve in the civil services. The web site assists all UPSC exam aspirants who have registered and subscribed to it to pass the exams. Of late, due to increasing competition among websites the attrition rate is on the rise thereby impacting the website negatively. In such a scenario it is essential to know what customers want in terms of products and services in order to remain competitive in the market. It is also important to know customer's perception & attitude towards the website to determine factors leading to the loss of customers. This calls for an empirical enquiry to examine and understand the customer behavior to reduce the customer attrition rate and identify appropriate measures to take needed action.

### **Need for the Study**

Attrition or Churn rate is a critical parameter for measuring a website's success or failure. Besides, particularly in the subscription pattern business models, attrition or churn is an important criterion to be aware of with regard to the happenings in the business. Even a slight change in the percentage of attrition or churn can have a significant effect on the revenue of the website. Hence it is vital to know the rate of attrition or churn and how to minimize it.

### **Objectives of the Study**

The focus is on the dual aspects of customer attrition rate of at 'theupsconline.com' website.

- To examine and analyze if dissatisfaction of customers impacts customer attrition rate
- To make an assessment if satisfactory services of website positively influences customer retention.



**Hypotheses** -The two hypotheses identified for the study are –

- Dissatisfaction of Customers significantly impacts the Customer Attrition rate.
- Satisfactory Services of Website significantly influences the Customer attrition rate.

### **Respondent Profile**

The respondents chosen for the study were the customers of the web site ‘theupsconline.com’. 160 customers of the website were selected for the survey purpose. These individuals were drawn from among those who visited the web portal and availed services offered by this web site during a specific time period

### **Data Collection Source and Instrument**

Primary data is the firsthand information obtained from respondents through the developed questionnaire. The Secondary data was collected from the journals, books, magazines and relevant web sites. The researchers constructed a structured questionnaire for obtaining information on Basic Demographics of and for the Assessment of Customer Attrition Rate from the select respondents.

### **Sampling**

Convenient Sampling technique was used based on the website visitors during the specified period. All details were obtained from the website. Convenient Sampling helped in multi-dimensional analysis of customers of the website Web site visitors were from all over India and constituted both men and women. A sample size of 160 was finally taken for the study.

### **Limitations of the Study**

- The study is confined to India & its relevance thereby is only to India.
- A sample size of 160 was taken for the study and hence the generalization made for the entire population may or may not hold true.
- The study done is with special reference to the website ‘theupsconline.com’ and may not hold good for other similar websites

### **Data treatment and Analysis**

Software used was SPSS. Data treatment included Frequency Test; Chi-square Test and ANOVA with Friedman’s Test. Correlation and Reliability analyses have been done. All the results appear to be realistic.

The data collected was documented and tested for outliers, checked for wrong coding, inappropriate extremity in values and rechecked before analyses were conducted. The first tool was on testing reliability of data set, Cronbach’s alphaas computed for standardized statements. The reliability for data set gavean overall **Cronbach’s alpha at 0.986** .The reliabilitycoefficients clearly suggested the high levels of precision of data collected



**Table showing Chi- square test -1: Customer Attrition & Dissatisfaction**

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Attrition cause * dissatisfaction	160	100.0%	0	0	160	100.0%

**Chi-Square Test 1**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	112.060 <sup>a</sup>	16	0.040
Likelihood Ratio	105.630	16	.000
Linear-by-Linear Association	61.694	1	.000
N of Valid Cases	160		

**Interpretation for Chi-square test-1:** The above table is the result of independent variable Customer Attrition Cause & dependent variable Dissatisfaction where the Pearson chi-square calculated value P is 0.040 is less than table value 0.05. Hence, the null hypothesis ( $H^0$ ) is rejected and the alternative hypothesis ( $H^1$ ) accepted.

**Table showing Chi-square test-2: Customer Attrition & Satisfaction of Service**

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Attrition cause * service satisfaction	160	100.0%	0	0	160	100.0%

**Chi-Square Test 2**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	112.060 <sup>a</sup>	16	.010
Likelihood Ratio	105.630	16	.000
Linear-by-Linear Association	61.694	1	.000
N of Valid Cases	160		

**Interpretation for Chi-square test-2:** The above table is the result of independent variable Customer Attrition cause & dependent variable Satisfaction of Service that is provided by website where the Pearson chi-square calculated value P is 0.010 is less than table value 0.05 Hence the null hypothesis ( $H^0$ ) is rejected and the alternative hypothesis ( $H^1$ ) is accepted.

### Chi-square Summary Table

SL.No.	Hypotheses	Level of Significance	P - Value	Acceptance or Rejection
1.	H <sup>11</sup> : Dissatisfaction of Customers of website significantly impacts the Customer Attrition rate	5% (0.05)	0.048	H <sup>11</sup> is accepted.
2.	H <sup>12</sup> : Satisfaction of Services provided by website significantly influences the Customer Attrition rate.	5% (0.05)	0.013	H <sup>12</sup> is accepted.

#### **Result - Alternate Hypotheses accepted.**

- Dissatisfaction of Customers of website significantly impacts the Customer Attrition rate.
- Satisfaction of Services provided by website significantly influences the Customer Attrition rate.

#### **Conclusions**

Customer attrition is a critical metric because it is considered less costly to retain existing customers than to acquire new customers. Customer churn or attrition occurs when customers or subscribers stop using the website which can impact business earnings. Customer attrition impedes growth, so companies should have a defined method for calculating customer churn in a given period of time to adopt measures to correct this anomaly. By being aware of and monitoring the attrition rate websites become equipped to determine their customer retention success rates and identify retention strategies for improvement. Generally, customer retention is more cost-effective with the earned trust and loyalty of the existing customers.

In *Customer-Driven Operations Management*, Christopher K. Ahoy proposes that an organization can have an advantage over its competition if it strives to become the best by moving from “*survival mode to thriving mode*”. The present study on Customer Attrition rate thus helps the website the upsc online in many aspects, most importantly on how to handle customers and attract new ones by using relevant techniques which help acquire more loyal customers and retain them in the long run with an enduring relationship thereby increasing the company’s profit.





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