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Faculty of Business
Department of Economics, Marketing and Law

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Prasanna Tuladhar

Growth hacking to retain customers in Nepalese e-commerce companies



University of South-Eastern Norway
USN School of Business
Department of Economics, Marketing and Law
PO Box 235
NO-3603 Kongsberg, Norway

<http://www.usn.no>

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This thesis is worth 30 study poin

Acknowledgment

Pursuing a master's degree in Management Information Systems was a wonderful experience that provided numerous options for growth and development. It would have been impossible or very difficult for me to accomplish that journey without the USN, its instructors, and personnel.

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I'd like to offer my thanks to my family for their support and patience as a gesture of my appreciation. They understand my concerns, and I can confide in them about my most personal matters.

Abstract

This masters thesis investigates the growth hacking strategies used for customer retention in Nepali e-commerce businesses. Growth hacking is an experiment based and data informed marketing approach that uses digital marketing tools and tactics as well as traditional marketing channels to help technology companies show “proof-of-concept” and sustainability before gaining funding. E-commerce enterprises may profit from the use of growth hacking techniques and methodologies, and this research aims to find out what the primary factors are that lead to its acceptance. How organizations may expand by concentrating on customer retention at each step of the customer lifecycle. Despite the fact that acquiring customers is a profitable strategy for organizations, it is not sufficient for growth. Retaining current customers is essential for the long-term success of the organization. In order to expand effectively, certain steps need to be made to keep customers. The purpose of this study was to understand how the ecommerce business companies perceive and practice growth hacking and identify what growth hacking strategies are used by such organizations.

First, it looks at the background literature to study the theories and develop a conceptual model considering the from the theories and models. Then a qualitative study was conducted where 7 semi-structured interviews were conducted through which a thematic analysis was done to develop a model refining the previous model developed through the background literature.

The findings showed that the growth hacking practices are slightly different from that of the literature thus a proper model was created.

Keywords: Growth Hacking, Customer retention, E-commerce

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1. Introduction

This chapter provides context for the thesis topic, introducing and explaining terms such as growth hacking, customer behavior, and customer retention, abbreviated as CR. Following that, the issue will be discussed, which will lead to the study's aim and research questions.

1.1 Background

Businesses are battling it out in today's more competitive marketplace. Businesses have always sought to enhance their goods and services in order to remain competitive in the marketplace (Manyika, et al., 2014). E-commerce (electronic commerce) is gaining ground in the business world thanks to a growing awareness of the Internet's potential. Many more individuals are using e-commerce to buy necessities since the Covid-19 epidemic started, however not all e-commerce enterprises have had success in selling their items. Consumers are tempted by the convenience, lower prices, and greater variety of products that may be purchased online. To put it another way, "traditional retailing was thought to be the last actions and processes necessary to put items created elsewhere into the hands of consumers or to deliver services" (Lusch, et al., 2001). Electronic retailing has progressively replaced conventional retailing as a concept since the advent of e-commerce. Simply e-commerce can be defined as "a firm that has created a shop on the internet,". Amazon and eBay are no longer the exclusive options for internet shopping. E-commerce has become more robust as a result of technological advancements, opening the virtual market to new ideas (Dholakia, et al., 2002).

In comparison to earlier decades, the world has become more digital as the internet has captured people's minds and perceptions. People's interest is being piqued in ever-increasing ways as its performance increases. E-commerce enterprises are attractive, but they are also problematic because of their rapid growth. In order to be successful, companies need to have the correct business strategies, say Armstrong and Kotler (2008). When it comes to business strategy, forms have always concentrated on recruiting new consumers and expanding their current customer base. Although it may be effective in attracting new consumers, these tactics will fail miserably when it comes to keeping them happy. When it comes to e-commerce companies, customer retention is the most important issue they must address in order to develop and succeed. Getting

a new consumer to buy from you is a lot simpler and cheaper than converting an existing one (Hoos, 2021). Old-fashioned marketing strategies don't function effectively in today's competitive market, which may result in lost money and effort resulting to a lack of success in the long run (Iskyan, 2016). Firms must develop innovative and improved business tactics in order to attract and retain current customers and turn them into long-term loyal customers. As technology continues to advance at an ever-increasing rate (Kurzweil, 2001). It is vital for both start-ups and major corporations with limited resources to break through the clutter and convince their consumers that they offer a better solution to a pressing issue. Large organizations cease expanding in 87% of cases (Olson and Bever, 2009), but those who "pivot," or change business models or products, do significantly better than those that stick to one path (Snow, 2014).

Due to the intense rivalry that exists in today's marketplaces and sectors, it is critical that organizations working in these contexts find innovative strategies to obtain an edge over their rivals (Morgan and Hunt, 1994). Recent research have demonstrated that companies need to use certain methods and strategies in order to keep customers from churning and favoring their rivals. 'Growth Hacking,' a digitally empowered strategy, was used to fix the problems, and it was the outcome of product testing, marketing, and data analysis (Bohnsack et al., 2019). This is notable because, in the past, these choices were made by the programming or design departments (e.g., how to log in to a website, how to build a landing page). Now, they are strategic decisions that drive customer and revenue development. Growth hacking can be used to acquire new consumers, but few research have examined how growth hacking may be utilized to retain customers. Using the five phases of the e-commerce customer lifecycle, this thesis will examine how growth hacking ideas and approaches may be employed as a customer retention strategy (Reach, Acquisition, Conversion, Retention, and Loyalty).

1.2 Research Purpose

E-commerce enterprises may profit from the use of growth hacking techniques and methodologies, and this research aims to find out what the primary factors are that lead to its acceptance. We examine how organizations may expand by concentrating on customer retention at each step of the customer lifecycle. Despite the fact that acquiring customers is a profitable

strategy for organizations, it is not sufficient for growth. Retaining current customers is essential for the long-term success of the organization. In order to expand effectively, certain steps need be made to keep customers. Entrepreneurs and startup mentors have written blogs and success stories about growth hacking, increasing its notoriety and significance. Despite the fact that the word has gained widespread usage in the corporate world, many executives are still unsure of its exact meaning and how to put it into practice. In its infancy, growth hacking is restricted to best practices, case studies and a handful of important works (e.g., Ellis & Brown, 2017; Herzberger & Jenny, 2018). In the meanwhile, organizations may still have difficulty putting it into practice in order to keep their customers, resulting in a gap between strategy and implementation. Success cannot be determined by experimentation without proper strategy and analyzing the results. Therefore, doing so we can realize the effectiveness of the methods.

1.3 Research Questions

RQ 1. What are the challenges in retaining customers in e-commerce businesses?

Keeping customers isn't as simple as it seems, since this is the area in which most companies have the greatest difficulty (Reichheld, Frederick F. and Kenny, D., 1990). One of the most important aspects of e-commerce companies is client retention, which, if managed effectively, may help the company grow. However, there are several obstacles to overcome in the process of keeping customers in e-commerce companies, and different elements may have an impact on this process. Accordingly, we must address this research topic as part of our investigation into customer retention challenges so that we may study potential solutions..

RQ 2. How do e-commerce businesses perceive and practice growth hacking to retain customers?

Since growth hacking strategies have been used in various businesses leading to the growth efficiently, our area of study for the phenomena of customer retention is one of the areas where growth hacking can be focused in ecommerce businesses as well. The process of growth hacking gained popularity rapidly but companies may still struggle to implement it properly in the area of

retention. Our study aims to understand how this process of business growth is being perceived by the commerce businesses and find out the successful strategies and practices conducted in retaining the customers.

2. Theoretical Review

2.1 E-commerce

E-commerce according to the English cabinet office's definition is:

"E-commerce is the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses, between businesses and consumers, or between the public and private sector, whether paid or unpaid" (Cabinet Office 1999).

E-commerce covers not only financial transactions but also non-financial transactions such as pre-sale and post-sale activities. (Chaffey, 2009. 10-11.) If you're going to evaluate certain E-commerce strategy difficulties, all sides of the E-commerce transaction should be taken into account, according to Chaffey (2009). Because both sides (buyer-side and seller-side E-commerce) have demands that must be met. The actions that entail purchasing from a supplier are referred to as buy-side E-commerce. The operations that include selling things to customers are referred to as sell-side E-commerce. (Chaffey, 2009. 10-11.) . E-commerce (electronic commerce) is a business strategy that allows consumers and businesses to purchase and sell goods and services through the Internet (Bloomenthal, 2020). Information technology's capabilities, such as online purchasing and electronic payment operations, make interactions between the vendor and the customer easier. These activities, according to Burt and Sparks (2003), are a synthesis of information flows, money flows, business flows, and logistical activities. This unification has two major benefits. First, the buyer's confidence grows, and second, the supplier discovers new sales channels throughout the globe, perhaps giving it a competitive edge over its competitors (Torabi, Hassini, & Jeihoonian, 2015). The industry is quickly increasing throughout the globe, in both established and emerging nations, and is seen as

a critical pillar for global economic growth (Barenji, Wang, Li, & Guerra-Zubiaga, 2019). It may be explained mostly by the expanding global internet availability and use, which has resulted in an annual increase in the number of digital purchasers, which is expected to surpass 2 billion by 2020. (Coppola, 2021). By 2023, revenues are predicted to approach \$6.5 trillion, marking a nearly 2.7-fold growth since 2017. Despite the fact that yearly growth is slowing, the percentage of e-commerce transactions in the entire retail sector is continuously increasing. One out of every five retail purchases will be conducted online by 2022. (Lipsman, 2019).

2.1.2 consumer models of E-commerce transactions

Business to business (B2B) and business to consumer (B2C) transactions are the important market sectors for e-commerce. In e-commerce, the customer-to-customer (C2C) and customer-to-business (C2B) models play a supporting role (Bloomenthal, 2020) and are not examined in this study. In e-commerce, B2C refers to transactions that take place directly between the firm and the end consumer on business websites. The consumer chooses, orders, and, if necessary, pays for the goods online. The product is supplied to the consumer when the firm gets the order (Yu et al., 2017). High-quality customer service, large-scale advertising efforts to reach a broad spectrum of digital purchasers, and significant expenditures in both software and hardware to execute orders without delays are all essential for the success of this business model (Nica, 2015). While the B2C business model merely entails selling the completed product to the end customer, the B2B business model often involves a far larger amount of interactions across the supply chain. These are business deals with other firms to buy sub-components or raw materials for their goods (Kenton, 2021).

2.2 Growth Hacking

Sean Ellis invented the phrase "growth hacking" in 2010, describing a growth hacker as "a person whose true north is growth" (Ellis, 2010). Several startup and marketing gurus define growth hacking as a blend of creative marketing, data analysis, and coding with a singular emphasis on growth. It is made possible by digital transformation and is based on lean startup principles of fast experimentation (Ellis & Brown, 2017; Herzberger & Jenny, 2018; Lennarz,

2017). Growth hacking is predicated on the assumption that there is a finite amount of startup cash accessible for expansion. Although entrepreneurs, small and big company owners may employ growth hacking strategies, it is mostly thought of as a marketing tool for leveraging technological and marketing know-how to build a firm. Growth is usually the most important consideration for entrepreneurs. These growth hacking strategies might be employed as fuel for an ideal growth engine if organizations desire to develop internationally. Growth hacking makes it simple to understand and reach people's movements and behaviors based on data and trials, and as a consequence, we can discover where prospective customers are located. Because of the word "hacking," the phrase "growth hacking" is often misconstrued. Although some of the most successful growth hackers work in the tech business, the act of growth hacking does not represent the use of information technology (IT) and does not have to be used and/or confined to any IT components. In fact, in SME's and especially startups, a growth hacker might be more valuable than a marketing professional in terms of recruiting and maintaining customers, as well as assuring quick expansion (Ellis, 2010). Successful growth hackers can develop and deploy successful hooks for their goods without breaking the bank because they know which customers are right for them. A great example of a frequent growth hack is a membership type sign-up service that firms provide for their goods, where there is a limitless pool of consumers that grows over time. The concept is that if the product is good, the customer will feel unique and more motivated to become a product evangelist by spreading it with their circle of influence, as well as being able to send invitations to the service as a member (Ellis, 2010).

Airbnb's strategy of letting customers to concurrently publish their Airbnb services on Craigslist at the click of a button known as "Post to Craigslist" is a renowned example of growth hacking. As we all know, Craigslist is a multi-sided platform that delivers city-specific online employment, housing, goods, and services in the United States. This provided Airbnb with a "free" viral growth engine, resulting in a large increase in inbound links and visibility. This technology and intelligent thinking were surprisingly simple yet effective, allowing its customers to access a well-designed website with customer service (Morgon, 2014). Zalando has established a creative and highly successful marketing mix structure, keeping to a pricey multichannel offensive in order to position its website as the place to go for all things in fashion, aware of the potential advantages of digitalization and the merits of an integrated marketing

strategy (Li, 2012). Not only did the firm concentrate on offline marketing, but it also took use of social media and growth hacking platforms, effectively applying these technologies to both German and European markets. As a result, the firm was named the "Best Cross-Border Webshop," beating out globally recognized names like Asos, H&M, and even Amazon (Zalando, 2012c).

Holiday's depiction (Holiday, 2013) of a growth hacker is a person who has scrapped conventional marketing's playbook in favor of just what is testable, trackable, and scalable. Instead of advertisements, growth hackers use email, pay-per-click ads, blogs, and platform APIs, as well as notoriety and money. While their marketing counterparts seek nebulous concepts like "branding" and "mind share," growth hackers focus on users and growth, and when done well, those users beget more users, who beget more users. They're the creators, inventors, and mechanics of their own self-sustaining, self-disseminating growth engine that can transform a startup into something.

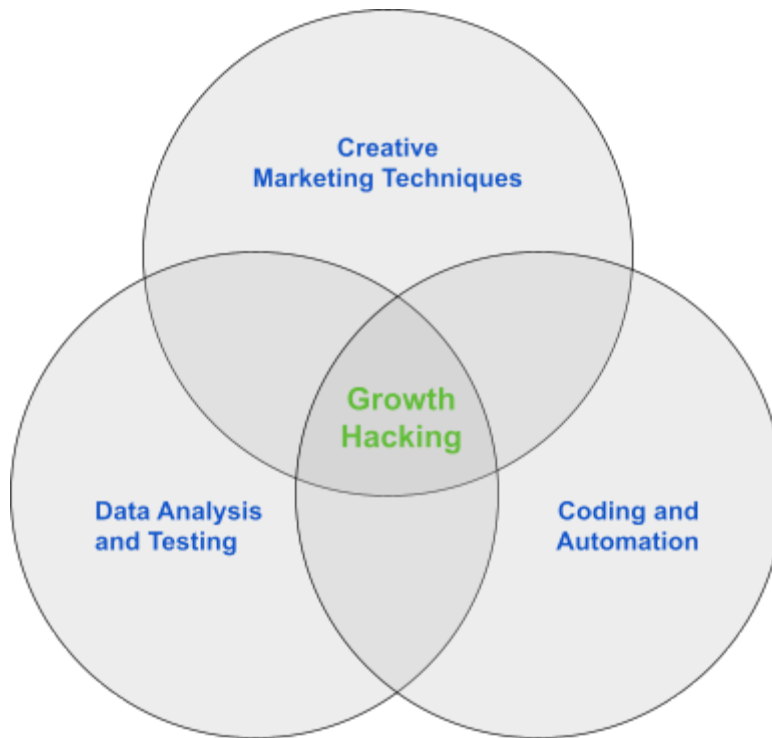


Figure 1: Growth hacking framework

2.2.1 Growth hacking framework

Growth hacking is defined as a blend of creative marketing, data analysis, and coding with a singular emphasis on growth, according to numerous startup and marketing professionals (Ellis & Brown, 2017; Herzberger & Jenny, 2018; Lennarz, 2017). It is made possible by digital transformation and is based on quick experimentation followed by testing and analysis.

2.2.1.1 Creative Marketing Techniques

Marketing is the first step in growth hacking. Digital marketing is one example, but it is not the only one. The study of product and service marketing using digital means is referred to as digital marketing (Kannan & Li, 2017). As a result, digital marketing focuses on communication and addresses the first two elements of the customer journey, namely raising awareness and gaining new consumers. Growth hacking, on the other hand, is used at every step of the customer experience in order to generate long-term, sustainable growth (Ellis & Brown, 2017). Growth

hacking, according to Herzberger and Jenny (2018), analyzes every touchpoint throughout the customer journey, which aligns with the classic marketing notion of the 4Ps: product, price, promotion, and location. To put it another way, growth hacking is a (digital) return to traditional ideals.

2.2.1.2 Data analysis and testing

"You can't simply ask people what they want and then attempt to provide it to them," Steve Jobs famously declared. They'll want something fresh by the time you finish it." Understanding consumer behavior and preferences, ideally without having to ask them, might therefore provide you a competitive edge. Companies are better equipped to acquire customer information about behavior and preferences thanks to the emergence of big data, and immediately transfer this knowledge into improved decision making and, as a result, stronger performance (McAfee & Brynjolfsson, 2012). As a result, data analysis is the second step in the growth hacking process.

Where do you get your consumer information? User-generated material on social media and data created by Internet of Things devices account for a major amount of global data. These massive amounts of data are excellent sources of consumer information. As real-time processing becomes more common, businesses may more accurately measure and direct operations than ever before (McAfee & Brynjolfsson, 2012). Big data has the potential to transform conventional organizations across sectors and provide new ways to gain a competitive edge. As a result, big data takes consumer data analysis to new heights and enables for regular testing of growth hacks.

2.2.1.3 Coding and automation

Growth hacking also entails the creation of computer code. Any interaction between the consumer and the product may be streamlined and automated using programming to increase efficiency. Growth hacking requires constantly modifying the offering based on the outcomes of consumer data analysis and the ability to adapt depending on efficacy (Ellis & Brown, 2017). Artificial intelligence (AI) will automate consumer data analysis and subsequent coding in the near future. Without being overtly programmed, AI systems will understand client data, learn from it, and use what they've learned to achieve a goal by adapting to unique demands and situations (Kaplan & Haenlein, 2019). AI uses external information gathered from massive data

sources to uncover underlying structures and patterns, relying on machine learning methods. As a result of the advent of AI, data analysis and coding will gradually converge.

2.2.2 Pirate funnel

The pirate funnel, often known as the AAARRR funnel, is simple to use and understand (Broos, 2016). It's a handy dashboard for recording data and using on a daily basis. As a result, entrepreneurs should use AAARRR as a framework (Broos, 2016). To help a firm expand effectively, McClure (2007) suggests monitoring five critical indicators from a "customer lifecycle." Because the acronym is AAARRR, they are known as "pirate metrics" (however Croll and Yoskovitz (2013) point out that these six factors do not necessary follow a specific sequence). Awareness, Acquisition, Activation, Retention, Referral, and Revenue are the acronyms AAARRR stands for. It's a collection of indicators that businesses may utilize to optimize their customer experience and, as a result, expand their company.

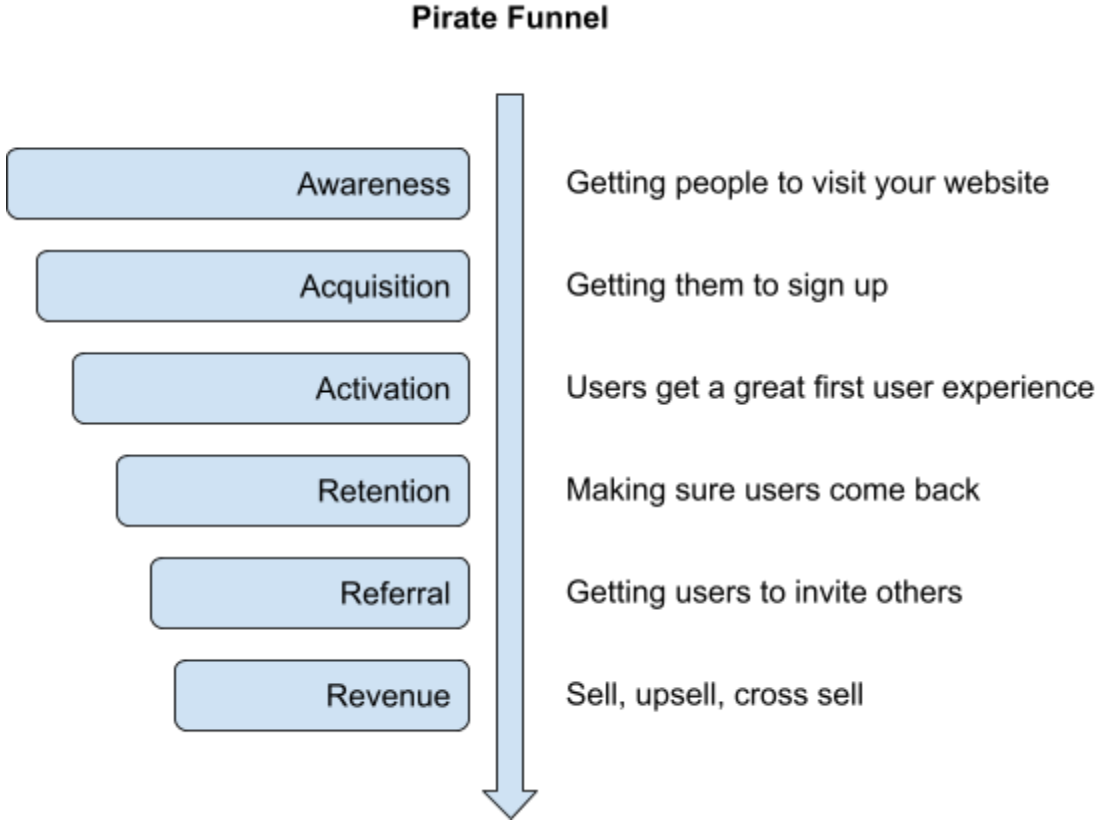


Figure 2: Pirate funnel (AAARRR)

- Awareness: Reaching leads.
- Acquisition: Encourage leads to visit your store.
- Activation: Turning leads into customers.
- Retention: Give customers incredible value so they keep coming back.
- Referral: Get them sharing and talking about the ecommerce store.
- Revenue: Make some money on the success!

RARRA is a rearrangement of AARRR's basic components by Thomas Petit and Gabor Papp to emphasize what's most essential rather than what comes first. RARRA emphasizes growth on the most important metric: retention. In 2017, Thomas Petit and Gabor Papp revised the AARRR to RARRA stages to concentrate on regions with the greatest medium-to-long-term ROI potential (Return On Investment). RARRA is ROI-based, while AARRR is chronological (thus the word "funnel"). It's essentially a funnel that prioritizes what's most vital to your company's growth (Bonnie, 2020).

2.2.3 Growth hack taxonomy

Bohnsack, et al. (2019) created a taxonomy of growth hacks by methodically finding relevant growth hacks using an internet search, cross-references (i.e., backward and forward search), and expert suggestions. They organized all growth hacks into patterns and aggregated, explained, and contextualized them. The taxonomy is made up of 34 patterns that are divided into five categories: acquisition, activation, revenue, retention, and referral. The codes (P1-P34) in Figure 2 correspond to 34 patterns organized by customer lifetime.

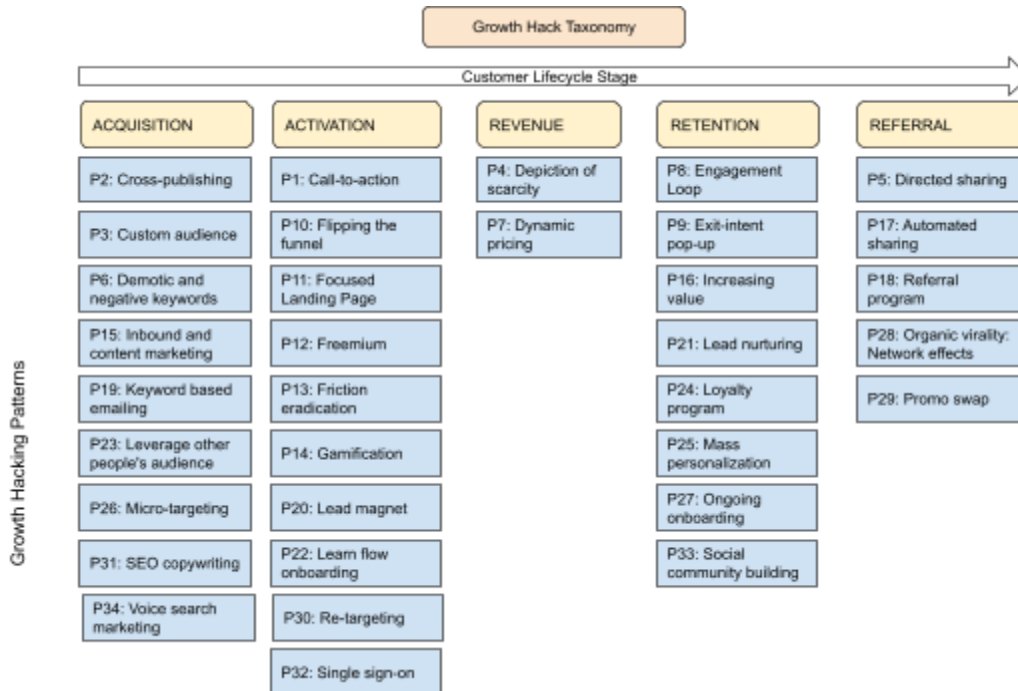


Figure 3: Growth Hack Taxonomy

2.3 Customer Retention

A large number of academics have highlighted the advantages of customer retention. Customer retention increases profits while lowering costs. Long-term customers, according to Healy (1999), tend to spend more, have a favorable impact on the globe of mouth, demand less time from the firm, and are less price sensitive. According to Reichheld and Kenny (1990) and Hurey (2004), it is more cost effective to maintain current customers than to attract new ones. According to the findings, acquiring a new customer is five times more expensive than keeping an existing one. The cost of replacing a lost customer by recruiting new consumers is higher for the company. The reason for this is because getting a new customer is always at the beginning of a business relationship. A huge customer base does not guarantee future success. Since no one wants visitors to become one-time consumers, activating and converting them from visitors to recurring customers is even more vital for company operations (Ries, 2011). When it comes to sticky engines of development, the nouns "activation" and "retention" must be considered, as previously stated. At this point, the company must pay a higher price to get the customer to

participate. As a result, the conventional perception of customer retention is that long-term customers generate more income and cost less to retain than new customers.

One of the main parts of a growth hacking campaign is retention/scalable growth, according to a thematic analysis (Braun and Clarke, 2006) of presentations from 17 speakers at a Growth Hacking Conference (2014). Retention may be more important than acquisition in terms of growth (Reicheld and Schefter, 2000). Growth hackers recognize the importance of customer retention and loyalty, and it is reflected in their company approach (Quint, 2014). Net promoter score is used to determine customer advocacy for lifetime value modeling. Customers are asked, "Will you suggest us?" and then classified into critics, passives, and promoters, which is connected to viral coefficient assessments.

2.3.1 Factors driving customer retention

One effective method for achieving corporate success is customer retention (Patel, 2016 p. 8). But what factors affect customer retention? We must first understand the many aspects that influence customer retention, which turns leads into customers and eventually committed members..

2.3.1.1 Pricing

To begin with, price is one of the most important aspects of developing a successful marketing tool for activation and retention. Pricing is more than a number; it's also a strategy. Setting a pricing plan to be competitive and profitable is very difficult and critical in E-commerce (Patel, 2016 p. 8). Almost all online goods and services presently employ Multiple Tiers, which implies the corporation may determine the pricing based on the customer base's buying power (Melanie, 2017). This tactic is often employed in e-commerce enterprises since it is very efficient at keeping customers. Netflix, for example, now offers three subscription levels with three distinct price points: basic, standard, and premium (Hall, 2019). Suggestive tier name, like Multiplier tiers, is extensively utilized by many e-services organizations today, particularly technology corporations. Suggestive Tier Naming was developed, replacing "Gold," "Silver," or "Bronze" pricing options with "Starter," "Professional," or "Team" price options since consumers do not

always grasp what they actually want. This pricing model assists consumers in selecting the appropriate package for their budget (Melanie, 2017). Free trials are another approach to engage consumers, and most e-commerce businesses have included this strategy into their offerings. People like trying new things, yet they are hesitant to lose money or make irreparable blunders. That is why free trials and money-back guarantees may help consumers decrease risk and anxiety while also increasing confidence in businesses (Sukhraj, 2017). Discount Codes are another strong element in influencing shopping decisions (Patel, 2016 p. 8). And putting a time restriction to each offer makes discount codes even more effective. UdeMy has used this power to great effect, particularly via email marketing. They feature limited-time discount coupons and a call-to-action statement such as "You only have 48 hours left to save 75% on any UdeMy course." As a result, this may be regarded a highly powerful technique to persuade a purchasing choice, since buyers can be certain that they would get the full value of their purchase at a cheaper price. Lower prices, discount coupons, or value items, according to Klein (2015), are great for new consumers, but they are also important for repeat buyers. An exit interview may also be advantageous if a consumer was going to discontinue using a product or terminate their subscription (Ellis, 2010).

2.3.1.2 Customer Service

Grace and O'Cass (2005) state that customer service is a key aspect in managing and improving customer relationships and retention. This is because customer service is the most important aspect in a consumer's decision to buy from a merchant or other service provider (Blodgett et al., 1995). Customer service refers to the store's reactive and proactive services for managing and improving customer interactions and, as a result, customer retention. Customer service, according to Boone and Kurtz (2006), is the most important aspect of any relationship marketing approach. As a result, if companies are serious about keeping consumers delighted and growing via customer connections, customer service must be given top importance. 'In a broad sense, each interaction or "touch point" a customer has with a company is a customer service encounter with the potential for repeat business' (Winer, 2001, p. 99). Many individuals, for example, prefer to buy at certain retailers, conduct their banking at a certain financial institution, or stay at a given hotel based on the quality of customer care offered. This component of customer service includes things like personnel responsiveness, friendliness, dependability, and promptness (Kerin

et al., 1992). Another important part of customer service that influences customers' purchasing decisions is how the vendor handles customer complaints (Goodwin and Ross, 1990). Consumers often base their decisions not only on the degree of service offered at the time of purchase, but also on their assessment of the amount of customer care they may anticipate to get after the purchase, should a problem emerge. Many new vehicle purchasers, for example, pick a dealership based on its reputation for timely, dependable, and friendly service. Similarly, many customers purchase at select retailers because they know that if they have a problem with a product, the merchant would replace it or refund their money without issue. Companies that have a reputation for promptly resolving customer complaints are more likely to gain customer loyalty and, over time, grow their market share. Firms that build a reputation for refusing to resolve consumer complaints, on the other hand, may lose a significant number of customers over time (Blodgett et al., 1995).

2.3.1.3 Loyalty

Loyalty or reward programs are plans that provide customers with a delayed, compounded economic advantage for purchasing particular brands or visiting certain locations. This economic advantage is usually in the form of tangible rewards, such as discounts and gift cards for consumers who buy often. As loyalty/reward programs are store/brand/organizational-sponsored memberships that are launched to reward loyal consumers, it is also considered as an RMT (Gronroos, 1996; Hart et al., 1999). Customers are usually given a prize or a loyalty card as a way of identification when they join the program. Before receiving certain benefits, each member must accumulate a particular amount of points. Members must show the card each time they make a purchase at a certain business, brand, or organization to earn points. In most cases, reward points are determined based on the quantity and frequency of purchases. Customers are rewarded more generously as their purchase volume/frequency increases. As a result, each loyalty/rewards program functions as a component of membership, with consumers receiving membership cards as identification for point collecting and redemption. Loyalty/benefits programs are explicitly implemented to provide concrete rewards to loyal consumers in the form of price or gift incentives (De Wulf et al., 2001). The incentive is offered to increase consumer loyalty to a certain merchant, product, or brand. Researchers have proposed a number of different explanations for why loyalty programs succeed or fail. The timing of rewards (Yi and Jeon,

2003), the ease of use (Cigliano et al., 2000), the ability of the sponsoring organization to process program data effectively (Palmer et al., 2000), the amount of effort required for program reward redemption (Kivetz and Simonson, 2002), the compatibility of the reward with the brand image (Roehm et al., 2002), or the ability of members to perceive value are all factors that have been

2.3.1.4 Customization

Mass customisation entails the production of goods and services for individual customer, which goes beyond one-to-one marketing (Winer, 2001). 'Customisation involves making a product or providing a service to meet the wants of a specific consumer, and mass customization means doing it at a low cost' (Pine et al., 1995, p. 105). With near-scale manufacturing efficiency, mass customisation attempts to provide products and services that meet specific consumer demands (Du et al., 2003). Customer happiness is discovered to be a factor of customizations (Fornell and al., 1996), and satisfaction that encourages consumers to remain loyal to the company (Ball et al., 2006).

Electronic kiosks, on-line services, and database-driven mail are examples of interactive technologies that make communicating with customer simpler and less expensive (Zineldin, 2000). Technology, especially information technology, is rapidly evolving, making customisation more simpler (Pine et al., 1995). Thus, 'over the last few decades, vast increases in computing power, manufacturing robotics, and the rise of the internet have given marketers the power to customize offerings to even more demanding customers, in ways they couldn't before' (Ball et al., 2006, p. 393), resulting in increased customer retention.

2.3.1.5 Personalisation

The degree to which a company may customise their interaction with the firm's customers is referred to as personalization. Personalization may be done on three levels in general: interpersonal, operational, and organizational. Firms devote effort into acquiring consumer information at the operational level since this will enable the business deliver innovative ideas to support their customers (Claycomb and Martin, 2002). Personalization features at the interpersonal level include knowing customers' names, creating rapport and promoting

face-to-face interaction between staff and customers, getting to know customers in an informal social context, and honoring customers' history and accomplishments (Claycomb and Martin, 2002). Personalization factors at the corporate level include individualized birthday cards and tailored insurance coverage, among other things. Both the company/store and the salesperson are putting more effort into developing a more customized connection with their customers. Since a result, 'personalization initiatives need extensive collaboration, as staff must collaborate to serve consumers rather than concentrating on individually assigned jobs.' Claycomb and Martin, p. 623, 2002.

2.3.1.6 Customer Experience

Customer retention is the polar opposite of customer desertion and is strongly connected to customer loyalty (Kumar and Ayodeji, 2021). The marketing literature has typically concentrated on daily product repeat purchase behavior (Teichert and Rost, 2003), but recent research has increasingly focused on customer experience and how a better experience contributes to customer retention (Pekovic and Rolland, 2020; Prentice and Nguyen, 2020). Marketers have issues when it comes to customer retention, thus academic scholars have sought to identify the underlying characteristics that influence repurchases, retention, and loyalty (Chou and Hsu, 2016). Individual aspects such as customer views of the experience have been highlighted in several research as determinants (Japutra et al., 2021). Other studies have focused on context aspects that are sometimes beyond of the provider's control (Patterson and Smith, 2003). For example, Fernandes and Pinto (2019) claimed that consumer impressions of the environment, services, price, personalization, customisation, and offers all affect the customer experience, resulting in improved relationship quality and, ultimately, retention. Similarly, Prentice and Nguyen (2020) demonstrated how many parts of the service experience influence engagement, which leads to customer loyalty. Similarly, Japutra et al. (2021) identified the characteristics of customer experience that influence the value of usage and customer loyalty.

Due to the dynamic nature of customer experience, it is also crucial to consider the effect of fluctuation in customers' judgments of the experience when researching the impact of customer experience on customer retention (De Keyser et al., 2015; Palmer, 2010; Verhulst et al., 2020). If just the appraisal of the experience at a certain time is considered, an incomplete picture of the

efficacy of customer experience as a factor of customer retention emerges. Similarly, the heterogeneity in a customer's experience with a firm is not limited to the person. Market-level variability, such as market turbulence and changes in the structure and goods of rival firms, may also impact a customer's loyalty to their present supplier. Customers in turbulent marketplaces are more likely to transfer suppliers when market uncertainty and variances in the firm's rivalry structure exist (Santos-Vijande and Alvarez-Gonzalez, 2007). Because of the dynamic nature of the customer experience and the diversity of potential contacts that impact the overall rating, customer experience evaluations vary (Grewal et al., 2009).

2.3.2 E-satisfaction Model for retention

Akshay (2007) developed an E-satisfaction model. The model consists of five major contexts, under these five contexts there are eighteen factors that influence E-satisfaction. The five contexts are convenience, merchandising, site design, security and serviceability.

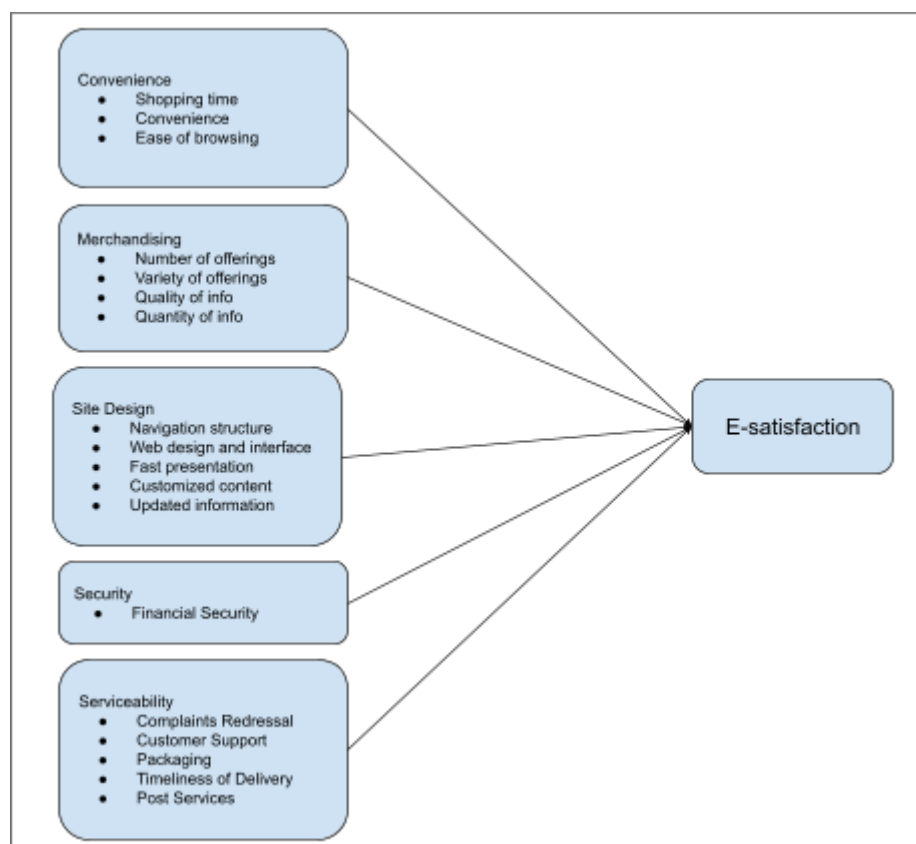


Figure 4: Akshay's E-Satisfaction model

2.4 Conclusion

The following gives an overview of the essential parts of growth hacking for ecommerce organizations looking to improve their customer retention tactics, as well as some of the implementation challenges. This viewpoint is based on a broad business-management overview, yet it offers the researcher with a basic framework for doing primary research on the subject. As a result, the following conceptual framework was utilized to guide an in-depth investigation into the usage of growth hacking and to assist specify what retention components are most likely to be included in a campaign. This framework was created utilizing the ideas and concepts mentioned above. The business plan for recruiting customers and transitioning them to the retention stage is included in the outer portion. The center "growth hacking" part is based on Ellis's (2013) growth hacking model and is represented in a circular form to emphasize that it is a continuous activity. The "analytical tools employed throughout the process" loop in the center is made up of pieces from the measuring metrics/tools stated earlier in the growth hacking process.

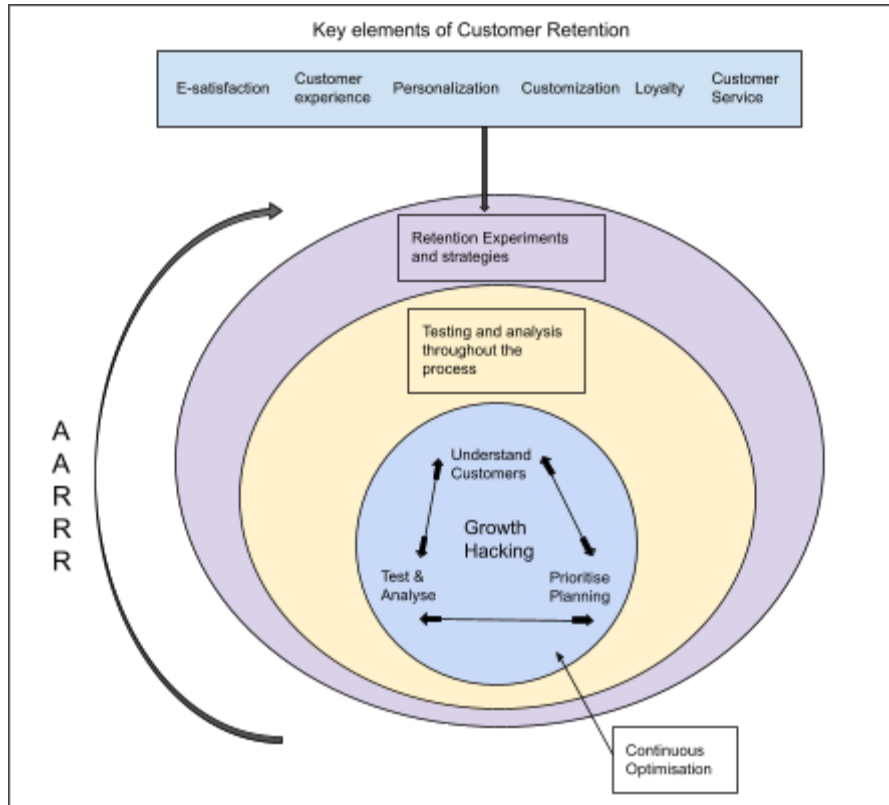


Figure 5: Conceptual framework

3. Research Design

This section explains the methodology used throughout the study to answer the previously specified research questions. In this chapter, the research process' parameters are discussed, data gathering methodologies are described, and the validity and trustworthiness of the results are indicated.

The study design is covered in this chapter, which includes the research methodology and technique, data collecting, the recruiting process, data analysis, limits, and research validity difficulties. The Norwegian Center for Study Data (NSD) was informed to comply with data protection regulations regarding the processing of personal data, including data collection, storage, and sharing in this Master Thesis Management Information Systems research project. NSD assessed the project with reference number 244998 (Appendix A)

3.1 Approach

The goal of the study was to determine the relevance and significance of growth hacking in ecommerce firms, as well as how growth hacking tactics and methodologies might aid in customer retention and growth. The empirical study was guided by an inductive research strategy, which began with a comprehensive literature review. As a result, it was critical to choose a study design approach that would enable both empathizing with growth hackers and generating qualitative data that could be utilized for growth hacking techniques and experiments in ecommerce organizations with an emphasis on customer retention. The goal of the literature study was to bring together themes and conceptual frameworks so that an indicative model could be developed. This model (Figure 2) was then examined to see whether it accurately reflected what was going on, and if required, it was adjusted based on a greater knowledge of the issue gained from empirical data. This empirical data may then be utilized as a forerunner for advocating best practice, adopting a critical realism philosophical viewpoint targeted at understanding the reasons and methods technology start-ups are employing growth hacking (Saunders et al., 2012). The goal of the research was to learn about people's perspectives of growth hacking (in order to explain events), as well as describe how growth hacking was used in their company and the results it produced. As a result, the study topic focused on how ecommerce organizations used growth hacking to drive online expansion via customer retention.

Because the phrase "growth hacking" was coined in 2010, it's critical that all respondents understand and identify the phenomenon from the start to assist overcome data analysis restrictions. Although qualitative study participants are not intended to be typical of the overall population (Bryman and Bell, 2011), this has been taken into account when developing the research approach and assessing the data. Although a qualitative technique has significant limits, the study will be useful in generating more discussion or leading to new avenues of inquiry since the issue has received little academic attention (Biggam, 2011).

3.2 Research method

A qualitative research approach was chosen because the study issue emphasizes context; hence, a high amount of descriptive information is required to assist comprehend the social behavior of growth hacking within this particular context (Bryman and Bell, 2011). This study's subject and research question suit the qualitative study's features, such as the researcher as an instrument, inductive logic, participants' meanings, emergent design, holistic account, and reflexivity (Creswell & Creswell, 2017, pp. 180-199). Furthermore, given the phrase "growth hacking" was coined in 2010, it is critical that all respondents understand/define the phenomenon from the start in order to assist overcome data analysis restrictions. Although qualitative study participants are not intended to be typical of the overall population (Bryman and Bell, 2011), this was taken into account when developing the research approach and analyzing the data. Although a qualitative technique has significant limits, the study will be useful in generating more discussion or leading to new avenues of inquiry since the issue has received little academic attention (Biggam, 2011).

This thesis focuses on how e-commerce organizations use growth hacking in practice to increase customer retention. These data would then be used to analyze the tactics and procedures that may help e-commerce enterprises. As a result, the inductive technique will be the primary research method in this thesis. An inductive technique aids in the development of a new hypothesis based on the evidence gathered (Gabriel, 2013). The theories in this thesis regarding growth hacking and customer retention are primarily based on current theory and past research, which were utilized to generate the research questions to be investigated.

To acquire insights into the marketing structures and growth hacking strategies employed, a qualitative research approach was used for this project. This was the most suitable way, in the author's opinion, to evaluate the degree to which the studied firm perfected its retention efforts using growth hacking tactics despite fierce competition. The reason for this is because this strategy allowed researchers to investigate the phenomena in its context, taking into account numerous sources of data. As a consequence, the subject was investigated from several angles, revealing various aspects of the phenomena (Schoonenboom & Johnson, 2017).

3.3 Data Collection

Because "growth hacking" is a new idea, there are only a few individuals who seem to be practicing the discipline (as seen from the literature review). Because of the nature of the research, sample participants belonged to one of two groups: those who work as growth hackers and/or are active in growth hacking for ecommerce companies. A total of seven interviews were conducted, with an average interview time of 30 minutes. Practitioners from growth hacking agencies were sought using explicit searches for "growth hackers" on LinkedIn and Twitter. This technique also allowed for "background checks" on prospective participants as thought leaders in this particular field of digital marketing.

3.3.1 Semi-Structured Interview

The interviews in this research were semi-structured to allow for fresh explanations and investigation, as well as the development of new prospective viewpoints (Matthews & Ross, 2014, pp. 221-233). First, an interview guide was created to ensure that all relevant areas of the interviews were addressed (Appendix B). The interview guide includes an introduction to the study, participant rights, privacy rights, the ability to withdraw consent, information security, and authorization to begin recording. The interview guide's body covers a series of questions on identity, the value of digital identity, and problems. The interview guide features a section at the conclusion that informs the participant about halting the recording, reminding them of their rights, and asking if they have any concerns. Following that, a permission form was produced, which included information about the study, criteria, participant rights, including privacy and consent withdrawal rights, responsible individuals and parties, and contact information (Appendix C).

In the next step, the potential participants based on the following criteria in the personal network were listed, and finally, contacted seven interviews (Table 1):

- Professionals working for growth hacking agencies
- Growth hacking practitioners working for ecommerce firm

Growth hackers with various experts who are now working or have previously worked as growth hackers in ecommerce projects were interviewed. A growth hacker is a hybrid specialist that has both technical and marketing skills (Peters, R., 2021). They have a "growth hacking mindset," which enables marketers and experts to use the correct tools to propel any business or product to success (Rowlinson, A., 2020).

Interviewee of semi-structured interviews			
Participants \ Info	Profession/ Speciality	Company	Interview duration
Interviewee 1	Digital marketer	Katha Nepal	00:42:22
Interviewee 2	Digital marketer	Webmandu Nepal	00:35:01
Interviewee 3	Digital marketer	Ad Media	00:46:24
Interviewee 4	Software engineer	IClick	00:32:25
Interviewee 5	Project manager	IClick	00:36:01
Interviewee 6	Project manager	Sherpa technologies	00:50:12
Interviewee 7	E-marketing specialist	Guna Cosmetics	00:46:23

Table 1: Interviewee of semi-structured interviews

Before the interviews, all of the participants digitally signed the permission form. The interviews were conducted online due to the participants' geographical regions. All interviews are taped with participants' agreement, and then transcribed and anonymised for data analysis and future study. Backups of the data were taken on the local computer, cloud storage, and external storage throughout the data gathering and analysis process.

3.4 Data Analysis

The data analysis began with conducting interviews, collecting notes, looking for comparable patterns in earlier interviews and other data, recording ties to theories, and documenting new relevant topics linked and unrelated to the study subject question while using an interpretative method. A coding system was used to assess the transcribed documents from the audio recordings and the written notes from the interviews. This was the result of Braun and Clarke's theme analysis (2006). After primary research analysis, the conceptual framework created to synthesize secondary research results was examined and revised. There are many methods for doing theme analysis, but the most frequent is Braun and Clarke's (2006) six-step process:

Step 1. Familiarization:

The first step is to familiarize yourself with our data. Before evaluating individual items, it's critical to have a comprehensive picture of all the gathered data. This might include transcribing audio, going through the material and taking first notes, and generally familiarizing yourself with the data.

Step 2. Coding:

The data is then coded. Coding is the process of marking text chunks – generally phrases or sentences – and creating shorthand labels or "codes" to explain their meaning. We discovered a total of 78 codes while going through the transcribed material.

Step 3. Generating themes:

After that, go through the coding you've produced, search for patterns, and start coming up with themes. Themes are more broader than codes. It's usually a case of integrating many codes into a single theme.

Five themes were generated that were important for the study: Perception of customer retention, Perception of growth hacking, Correlation of funnel and customer lifecycle, Key elements of customer retention for growth hacking strategies and Decision making factors. Three of the themes have sub themes: Perception of customer retention- Opinions and challenges, Key elements of customer retention for growth hacking strategies - Satisfaction, Relationship

development, Offerings, Engagement, and Decision making factors - Testing and experimentation and Analyzing data.

Step 4. Reviewing themes:

Making sure that the themes are useful and accurate representations of the data. The data set is compared against the themes and reviewed. The themes formed are checked if they are relevant or how they can be changed to make it work better.

Step 5. Defining and naming themes:

Defining themes entails determining precisely what each theme means and how it aids in the comprehension of the material. The process of naming themes is coming up with a short and simple name for each subject.

Step 6. Writing up:

Finally, write out your data analysis. To identify our study topic, goals, and strategy, we need to start with an introduction.

A methodology section is given, which describes how the data is gathered (for example, via semi-structured interviews or open-ended survey questions) and how the thematic analysis is carried out.

Each subject is generally addressed in turn in the results or findings section. The frequency with which the motifs appear and what they signify are discussed, using data samples as support.

Finally, the conclusion summarizes the important points and demonstrates how the analysis addressed the study issue.

By analyzing the interviews we have categorized the interviews into 5 themes:

Theme name	Subtheme	Number of participants [ID]	%	Example codes
Perception of		7	100	-Importance of

customer retention	Opinions	[1,2,3,4,5,6,7]		retention -retention consideration -view on customer retention
	Challenges	7 [1,2,3,4,5,6,7]	100	-Challenges for retention -Improper strategies
Perception of growth hacking		7 [1,2,3,4,5,6,7]	100	-Overview of growth hacking -misunderstanding -Working of growth hacking
Correlation of funnel and customer lifecycle		6 [1,2,3,5,6,7]	85	-importance of funnel -working of funnel -importance of focus on customer lifecycle
Key elements of customer retention for growth hacking strategies	Satisfaction	7 [1,2,3,4,5,6,7]	100	-customer care -customer feedbacks
	Relationship development	6 [1,2,4,5,6,7]	85	-communication -trust -drip marketing
	Offerings	3 [2,3,4]	42	-incentives -rewards

	Engagement	6 [1,2,3,4,6,7]	85	-loyalty -referrals
Decision making factors	Testing and experimentation	7 [1,2,3,4,5,6,7]	100	-perform testing -conduct experiment
	Data analysis	7 [1,2,3,4,5,6,7]	100	-analysis methods - analysis tools

Table 2: Thematic table

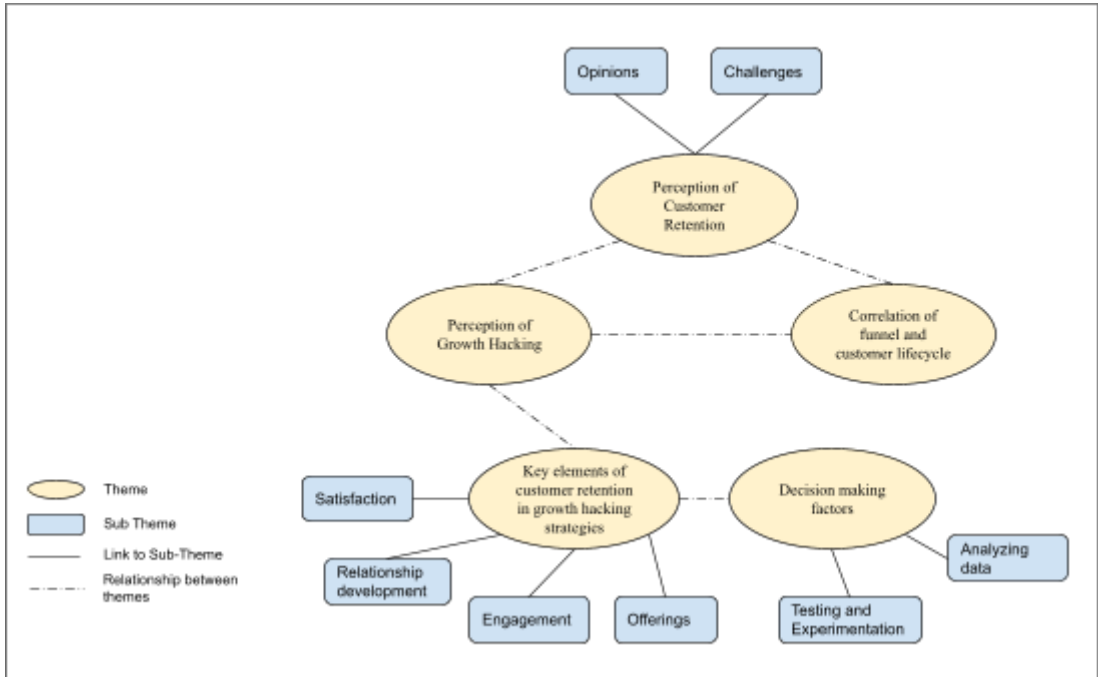


Figure 6: Thematic map

3.4 Limitations

During data collecting, data analysis, and the whole study endeavor, there were several constraints. The first constraint was a time limit: the whole study endeavor had to be completed within a semester's time. Although the majority of the communications, such as corresponding with the Norwegian Centre for Research Data (NSD), contacting interviewees, obtaining consents, and conducting interviews, were conducted digitally via the internet, the availability of

the interviewees made the process take longer than anticipated. There may also be additional interviewers and persons available to discuss the subject. Although the present respondents are actively involved in growth hacking activities and have differing viewpoints on the study subject, additional individuals may perceive the issue from various aspects and perspectives.

3.5 Validity

Customer retention is a complex issue and implementing strategies in ecommerce companies may differ in different countries. This study is conducted in the context of e-commerce companies in Nepal and understanding Nepalese customer behavior towards the retention behavior. Within the context of the country, the study is relatively new and the data sources are not much to be found. The results generated in this study reflect the context of Nepalese e-commerce companies and might differ from those with other countries although the basic concept of growth hacking is the same.

4 Findings

This chapter presents the findings regarding the customer retention, challenges on retention and growth hacking strategies and practices used around ecommerce businesses to retain the customers. First, it explores how the ecommerce firms perceive customer retention for their business growth and how growth hacking is used around this phenomena. Next is the view on the funnel used by the ecommerce companies to make their sales and how the funnel is used in accordance with the customer lifecycle. Next, this chapter presents key elements of customer retention, such as the building blocks of growth hacking strategies that help in the retention campaign. After that, it explores the practices for testing and analyzing the experiments conducted.

4.1 Perception of customer retention

All of the participants shared thoughts on the customer retention in e-commerce businesses. There was a wide range of views expressed by the participants on the advantages and disadvantages of this phenomenon, which they feel is critical to any commercial enterprise, whether conventional or electronic

4.1.1 Opinions

The significance of customer retention has only recently been recognized due to the fact that growing a company is more effective when concentrating on customer retention rather than customer acquisition, as was the case in the past. *"Before, the focus was more on finding and gaining new customers, but in recent years, the importance of customer retention has grown as it is cheaper and simpler to reach out to existing customers than it is to find and acquire new ones"* (interviewee 1).

For the companies to benefit on low investments, strategies towards retention is a proven way to grow the business in a cost efficient way by focusing on strategies to keep the customers that are already there. *"Instead of focusing on getting new customers, e-commerce companies should try to keep the ones they already have. Studies have shown that keeping customers you already have is much cheaper than getting new ones. Well, that's how business works: to make money and keep investments to a minimum"* (interviewee 2).

The returning customers are likely to spend more which increases return on investment (ROI) and Customer Lifetime Value (CLV). Metrics such as these may be used to assess an investment's efficiency and profitability, or to compare the efficiency of several investments. *"The cost of acquiring new consumers is higher than the cost of retaining existing ones, yet returning customers are more likely to spend more money. Increased income, greater return on investment, reduced investment in maintaining customers, a boosted customer lifetime value, and the ability to acquire new customers through recommendations are all benefits of customer retention"* (interview 7).

4.1.2 Challenges

Challenges	Number of participants [ID]	%
Satisfaction	4 [2,6,1,7]	57
Communication and Relationship	3 [2,1,6]	42

Offerings	3 [2,3,4]	42
Personalization	1 [3]	14
Competition	2 [3,6]	28
Lack of interest	2 [2,6]	28
Change of mind	1 [2]	14
Improper strategies	3 [1,2,3]	42

Table 3: Participants of challenges sub-theme

- Satisfaction

Around 57% of the participants had their view on satisfaction challenges in retaining customers. Lack of expectation and satisfaction from the overall customer journey, negligence of customer feedback, etc. will result in customer churning. *"The process of keeping customers is not easy, because a customer will only stay if he or she is happy with the service or if there is a good deal on something"* (interviewee 2).

Lengthy processes will result in abandonment and churning. *"Customers typically want to make a purchase decision in a short period of time and with minimal effort. Customers may not want to continue with a purchase if the process is too long"* (interviewee 6).

- Communication and Relationship

Around 42% of the participants had their view on communication and relationship challenges in retaining customers.

An annoyed customer is most likely not to get retained. So communication and building relationships should be made in a proper manner. *"It's possible to maintain a strong relationship with customers by regularly reaching out to them, but the problem here is that they may become annoyed if they deem the communication useless and uninteresting"* (interviewee 2).

"It's not always possible to keep a good relationship with a customer by giving them all the services and products they need and understanding what they want. Even the smallest mistake could hurt the relationship built, causing retention to drop" (interviewee 6).

- Offerings

Around 42% of the participants had their view on communication and relationship challenges in retaining customers.

It is not always convenient to provide good offers and also maintain profit in the business. *"A good offer is the best way to keep customers coming back, but it can be hard for a business to keep making money when the offer is good"* (interviewee 2).

Offerings towards acquiring new customers and retaining old customers should be considered. *"Typically, new customer are given a discount or other incentive as a welcome gift. Maybe a 25 percent discount on their first order, or a special freebie? Because so many brands do this, we can see why they do it. For the first time, it entices individuals to buy. However, how many of these customer do you think will come back? Most likely, not nearly enough"* (interviewee 3).

- Personalization

Around 14% of the participants had their view on personalization challenges in retaining customers.

It is not always easy to understand the customer's choice and it all depends on the information received from the customer. *"Being able to predict what your customers desire isn't always a straightforward process."* (interviewee 3).

- Competition

Around 28% of the participants had their view on competition challenges in retaining customers.

Competition with the other ecommerce firms is always a greater challenge since customers would prefer the competitors offerings if they are better. *"Customers tend to lean towards greater offerings from the competitors rather than being loyal towards one brand"* (interviewee 3).

"Competition from lower-priced competitors is one of the most difficult challenges for any ecommerce company. Pricing is important, and if customers find the products cheaper elsewhere, they will not be retained unless special offers are made." (interviewee 6).

- Lack of interest

Around 28% of the participants had their view on lack of interest challenges in retaining customers. Most of the customers prefer to make a purchase only once and not subscribe or want to get in touch with the company. *"The majority of customers are just interested in making a one-time transaction. An important and potentially difficult process is capturing their attention with the purpose of retaining them."* (interviewee 2). *"Some customers don't want to sign up or sign in because they only want to make a single purchase"* (interviewee 6).

- Change of mind

Around 14% of the participants had their view on change of mind challenges in retaining customers.

Cart and checkout abandonment due to various factors. *"Another huge challenge is cart and checkout abandonment."* (interviewee 2).

- Improper strategies

Around 42% of the participants had their view on improper strategies and challenges in retaining customers.

Improper strategies in the e-commerce companies can not only lead to customer churn but financial loss as well. *"When done wrong, customer retention strategies like loyalty programs, offers, customer service, etc., can cost a company a lot of money"* (interviewee 2). *"If a customer doesn't find value in your loyalty programs and instead finds better deals elsewhere, you lose that customer"* (interviewee 3).

4.2 Perception of growth hacking

All the participants were included in providing their opinion on growth hacking. They had their opinions regarding how it is practiced in the Nepalese e-commerce companies and their opinions on the best strategies used. Performing experiments and testing to the marketing tactics and analyzing the results is the common definition from the participants.

"In its simplest form, growth hacking refers to finding new and better ways to scale your firm. Whether it's through traditional methods like billboards, TV advertisements, flyers, or digital media like social media, paid acquisition, SEO, or any other form of promotion is up to you. Growth hacking focuses on acquisition, retention, and conversion for any digital firm." (interviewee 2).

"Growth hacking is a technique that relies on data and uses traditional marketing techniques to test new ideas about how to grow a product. It's mostly about coming up with and testing hacks that will help a business grow." (interviewee 4).

"It's a three-step process that begins with a growth challenge, progresses to experimentation, and finally to scaling. It is a data-driven and experiment-based process" (interviewee 5).

Pirate funnel is used by the growth hackers to initiate growth hacking strategies in the organizations. *"The growth hacker funnel, also known as the Pirate funnel -AAARRR, is far larger than the standard marketer funnel. The sole purpose of a growth hacker is to increase income, whereas a marketer's efforts are focused on building brand awareness, attracting visitors, and turning that traffic into customers" (interviewee 4).*

Guidelines to create growth hacking strategy were provided: *"In the first step, you look at your present marketing endeavors to see where you can improve your company's process, and then you experiment to find new approaches to reach your target goals after evaluating the results. Identify when the data you've gathered supports your hypothesis. You can then document new strategies and make your findings available to various departments inside your business" (interviewee 3).*

4.3 Correlation of funnel and customer lifecycle

"Since the ultimate goal of any e-commerce business is to sell a product, it is critical to focus on the customer's lifestyle. Customers are the foundation of an ecommerce business, and the way they engage with our ecommerce shop has a significant impact on the company's development and progress" (interviewee 1). "Companies use these stages as a framework to develop their business strategy, which is why these stages are significant. In order to run a successful

e-commerce business, you must have a thorough grasp of customer behavior and implement effective marketing techniques to drive sales of your products" (interviewee 2).

"Lifecycle marketing, rather than a standard sales funnel, focuses on a customer's journey, an overview of the customer's experience from discovery through purchase and retention, rather than a simple approach to find the best strategy to nurture leads and convert them to customers. The LCM strategy aims to encourage lead conversion by focusing on the customer rather than the sale. This is why lifecycle marketing takes into account the customer lifecycle." (interviewee 5).

4.4 Key elements of customer retention in growth hacking strategies

Key elements	Sub elements	Number of participants [ID]	%
Satisfaction	Customer service	2 [1,5]	28
	Customer feedbacks	2 [2,7]	28
	Return policies	1 [2]	14
	UI/UX optimization	3 [2,4,7]	42
	Online Presence Optimization	3 [3,4,6]	42
Relationship development	Communication	3 [1,5,4]	42
	Trust	1 [1]	14
	Drip marketing	5 [1,2,3,5,7]	71

	Personalization	2 [4,6]	28
Offerings	Incentives	2 [2,3]	28
	Reward	1 [4]	14
Engagement	Loyalty	2 [1,2]	28
	Referrals	5 [1,2,3,6,7]	71
	Interactive content	4 [2,3,4,7]	57
	Community	2 [3,7]	28

Table 4: Thematic table of Key elements of customer retention

4.4.1 Satisfaction

It is further divided into 5 sub elements: customer service, customer feedback, return policies, UI/UX optimization and Online presence optimization. UI/UX optimization and Online presence optimization at 42% was found to be the key sub elements that the participants mentioned at majority while return policy at 14% was mentioned the least.

"Retention is all about building strong relationships with our customers and ensuring that they are happy with the services we provide" (interviewee 1).

"When a customer is pleased, they are more likely to stay with a company than when they are dissatisfied with their service or product" (interviewee 3).

- Customer service

"Consideration should be given to a well-designed customer service offering all the required assistance and guidance to customers. You might need some assistance in making purchasing decisions and dealing with problems you may encounter. Customer expectations and satisfaction will rise as a result of this" (interviewee 1).

"The key to success is providing excellent service to your customers. Whenever a customer encounters a problem or has a concern about your organization or product, they evaluate how valuable your tool is. Providing efficient and polite customer care at critical points in a customer's journey helps to restore their faith in the product and encourages them to stick around longer" (interviewee 5).

- Customer feedbacks

"Several customers have walked away from your business because they believe that you no longer care about them. Don't separate yourself from your customers. If there are any issues, take their concerns seriously and work to fix them, if possible." (interviewee 2).

"The days of marketing being able to make a company rich off of a lousy product are long gone. Customers can now conduct their own research before purchasing a product or service thanks to the internet. Getting feedback from potential customers before launching your product is a wonderful method to do this" (interviewee 7).

- Return policies

"Because customers can't see or touch the items they're purchasing, online shopping might be dangerous for them. In the event that they don't like their purchase and want to return it for a refund, they want to know they can do so. Returns should be simple, convenient, and devoid of arbitrary rules" (interviewee 2).

- UI/UX optimization

"One of the most important processes in converting leads into customers and retaining customers is onboarding" (interviewee 2).

"If the goal is to keep consumers, the tactics used at the top of the funnel can have a significant impact on customers retention later on. Customer retention can be improved by implementing

UI/UX optimization tactics, such as making a website more appealing and user-friendly" (interviewee 4).

- Online Presence Optimization

"Optimizing your website for mobile devices or improving its search engine optimization are two examples of this. Introducing new features and allowing current customers to experiment with them can have a beneficial impact on their experience and interest in the product. Growth hacking is all about optimizing everything" (interviewee 3).

"One advantage to having a mobile application for your ecommerce store is you can have good communication channels through push notification, chats, messages, etc." (interviewee 4).

4.4.2 Relationship development

It is further divided into 4 sub elements: communication, trust, drip marketing and personalization. Drip marketing at 71% was found to be the key sub element that the participants mentioned at majority while trust at 14% was mentioned the least.

"Maintaining strong customer relationships is a great way to increase customer retention and loyalty" (interviewee 2).

"Having a good relationship with the loyal customers is the primary purpose of customer retention. A strong customer relationship makes it easier to persuade people to choose your store over competitors through various forms of marketing, because customers have grown to trust you" (interviewee 6).

- Communication

"Customers are more likely to return to a business if they receive regular updates on discounts, prizes, and information on new products and sales via email, push alerts, text messages, etc. Emails, messages, and push notifications can all be used for personalized marketing" (interviewee 1).

"Communication is the most crucial component in keeping customers happy. You'll be able to better serve your consumer if you have open lines of communication with them. As a result, customers will continue to use your product and support your business" (interviewee 5).

- Trust

"You can't expect customers to blindly put their faith in you; you have to earn their trust. Customers have to earn the trust of brands, and that takes time and work" (interviewee 1).

- Drip marketing

"Subscription and signup techniques can play a role in the conversion phase, but they can also aid with retention strategies, such as email communication, and messages such as adverts and promotions can be sent." (interviewee 2).

"If you've been on the internet since the late '90s, you've probably heard of Hotmail. Use an engaging phrase in your email signature like it did" (interviewee 7).

- Personalization

"It's hard to think of anything more personal than receiving a birthday greeting from your favorite company. Sending out birthday emails is a common practice in the eCommerce industry, and many of these letters include special incentives" (interview 4).

"Enhance the experience of your customers by allowing them to identify more with your brand. Your home page content can be dynamically changed based on the location, interests, and products a visitor has previously browsed"(interview 6).

4.4.3 Offerings

It is further divided into 2 sub elements: Incentives and reward. Incentives at 28% was found to be the key sub element that the participants mentioned at majority while Reward at 14% was mentioned the least.

- Incentives

"One of the most prevalent ways to get people's attention is by offering a variety of incentives and discounts. Gift cards, discounts, or freebies can be used to keep customers loyal" (interviewee 2).

"Personalized offers and items are what actually count when it comes to receiving offers and promotions from multiple e-commerce companies. As a result, the consumer will be more likely to return to the store and become a long-term customer as a result of this favorable relationship" (interviewee 3).

- Reward

"Rewarding customers with discount coupons or gifts would be a really good strategy"
(interviewee 4).

4.4.4 Engagement

It is further divided into 4 sub elements: Loyalty, referrals, interactive content and community. Referrals at 71% was found to be the key sub element that the participants mentioned at majority while loyalty and community at 14% was mentioned the least.

- Loyalty

"Creating a strong customer loyalty program is another smart method. Customers are encouraged to accumulate points with each purchase, which may then be used to exchange things over time. Increase customer lifetime value by implementing this strategy" (interviewee 1).
"Although loyalty programs aren't a new concept, it's astonishing how many e-commerce companies are unwilling to implement a tried-and-true tactic." (interviewee 2).

- Referrals

"One of the pillars of pirate metrics is referral marketing, which greatly enhances all of your other marketing activities. As a rule of thumb, customers are four times more likely to make a purchase based on a personal recommendation. Referral programs are a great method to improve this area of your organization. Don't think of referral marketing as a low-hanging fruit if you want to develop your business. As an alternative, think of it as the fuel that will allow your company to soar into a new dimension" (interviewee3).

"Another strategy to acquire new consumers and keep current ones is through a referral scheme" (interviewee 1).

"Customer retention and new customer acquisition are both facilitated by referral schemes. Ask any company and they'll tell you that recommendations are the wind beneath their wings of growth. In addition to being a free marketing tool, it also piques interest in your products because it was recommended by someone they know and trust" (interviewee 2).

- Interactive content

This is a fun strategy that helps retain customers. It'll also give you insight into customer perception of your company or product. *"You'll see a steady increase in your customer retention rate by regularly conducting brief and engaging surveys or polls with your consumers to gather their feedback"* (interviewee 2).

Sales countdown timers in popups, top banners, quizzes, webinars. *"The use of interactive media in marketing initiatives, such as quizzes, webinars, and films, is on the rise and a very effective strategy."* (interviewee 3).

"An exit popup can help speed up the process. When a visitor is about to leave your site, this type of popup is activated" (interviewee 7).

- Community

"As a growth hacker, building a community is essential to your success. The days of writing letters to companies in order to give them feedback are long gone. Today's consumers demand immediate reaction from businesses they interact with and purchase from. An online community can help you reverse-engineer and grow-hack the referral process by connecting potential customers with your present customers" (interviewee 3).

"An acronym for "fear of missing out" is FOMO. Increasingly, people want to be a part of the conversation because of social media. They get nervous if they don't understand what everyone else is screaming about" (interviewee 7).

4.5 Decision making factors

Testing and data analysis is the important process in growth hacking in experimenting the strategies. *"Growth hacking is all about experimenting the working strategies to find out which strategies work the best for the particular purpose. We try out some experiments, for example*

while experimenting on the UI and UX of the store, we experiment on what works the best to ease the process for the customers and at the same time keep the customers interested in making the purchase by making the site interactive. Thus, decisions are taken from the results produced by testing and experimenting the hypotheses" (interviewee 1).

Some of the important metrics that should be considered to optimize customer retention. *"The conversion phase in the funnel is one of the most important phases and there are a couple of metrics that I find important such as shopping cart abandonment rate, checkout abandonment rate, average order value (AOV), sales conversion rate (total sales/total visitors). Conversion rates can be set according to channel, category of products,campaigns. For the retention and loyalty phase, which we are mainly focusing on, we have customer retention rate (% of customers who remained customers over a period of time), customer lifetime value (CLV) (total revenue an ecommerce business earns from an individual customer over time), and repeat customer rate. Apart from these metrics based on funnel, we use other metrics such as customer churn rate, subscription rate, etc." (interviewee 7).*

"For the growth hacking techniques to be effective these metrics need to be strictly followed and KPIs checked on a timely basis, usually weekly, monthly or quarterly depending on the measurement of the metrics" (interviewee 2).

Decision making factors	Number of participants [ID]	%
Testing and experimentation	7	100
Data Analysis	7	100

Table 5: Thematic table of Decision making factors

4.5.1 Testing and experimentation

Types of tests involved in the testing process. *"Afterwards, the results of these trials are evaluated by A/B testing, multivariate testing, and usability testing. It is possible to further examine the data generated by these tests (results) based on the metrics to identify the best performing experiments and compare KPIs" (interviewee 1).*

"A/B testing, often known as split testing, or more advanced testing, such as multi-armed bandits, can be used to validate these hypotheses. These tests can provide you with data that can help you figure out what techniques work. A direct answer to the working experiment, or data that can be used to prove a hypothesis or finish the experiments, is obtained through these testing procedures" (interviewee 5).

4.5.2 Data Analysis

An overview on the data analysis by the participants and how this process is practiced. *"It's time to begin the analysis process once you've acquired enough data, attained the required statistical significance level, and your tests and experiments have run long enough. Whichever variation you were testing will either succeed or fail, depending on how well it performs"* (interviewee 1).

"For data analysis, we use data from testing, experiments, and the store's database. By analyzing the data, we can come up with results that show the levels of the experiments done and put them in the right order so that the right decisions can be made. Data can also be taken out based on how long an experiment took or how it was set up" (interviewee 6).

"Web analysis, cohort analysis, heuristic analysis, etc. Some of the most used tools for such analysis is google analytics to perform these data analysis" (interviewee 1).

"Through these analysis methods, KPIs can be compared and measured thus helping in decision making" (interviewee 2).

5 Discussion

This chapter connects the research question, results, theories, and literature by examining whether the findings can answer the research question and identifying patterns in the findings. The conceptual framework formed through the background literature is then revisited in this chapter to evaluate whether it still applies to the results, if it has to be reformulated, or if it doesn't apply at all. Following that, several more concerns related to the notion of customer retention as a crucial stage in e-commerce will be examined.

5.1 Answering the research questions

Back to the research question, What are the challenges in retaining customers in e-commerce businesses? and How do e-commerce businesses perceive and practice growth hacking to retain customers?

The primary study was to understand how e-commerce businesses in Nepal perceive growth hacking in an approach to grow their business and our focus lies in the customer retention practices followed by these business companies. Identifying the challenges that e-commerce companies face is critical to finding a solution, which is why the secondary research question was posed.

According to the findings, ecommerce businesses need to retain customers in order to grow their business efficiently, but it is a difficult process and there are a couple of challenges that need to be considered. In the past customer retention was least concerned as a lot of focus was placed on acquiring the customers and lack of competition. This is due to the fact that retention requires strategies different from strategies to reach and approach leads and also the lack of competition in the past didn't require any retention efforts to be applied by the companies. It is only recently that we have seen the growth in ecommerce companies and along with it came the challenges.

5.1.1 Customer retention challenges

The challenges regarding satisfaction, communication and relationship, offerings, personalization, competition, lack of interest, change of mind and improper strategies are 8 common issues that the ecommerce companies face in order to retain the customers. Satisfaction challenge at 57% was found to be the challenge that the participants mentioned at majority followed by communication and relationship, offerings and improper strategy at 42%. Personalization and change of mind was the least concerned challenge at 14% according to the participants.

Satisfaction: Customers can only be satisfied with the service they received that matches their expectations. There are various factors that can affect satisfaction of the customers like pricing,

offers, policies, UI/UX, etc. and customer churning is the result in failure to maintain such satisfaction issues.

Communication and relationship: A good relationship can be built through good communication but it is not always easy to form such a relationship. Relationships develop overtime when the customers realize the efforts and values the company gives to the customers. A good relationship is normally associated with communication but maintaining relevant and valuable communication is a challenge.

Offerings: Providing attractive offers is not always possible as it's not convenient for businesses to have a good profit providing good offers. Most of the time good offers are made for the purpose of attracting new customers and not concerning retaining the old customers.

Personalization: Personalization being a very good asset in retaining the customers is also a huge challenge as gathering information of the customers takes time and effort. Also developing proper tools for such purposes could be costly and not always easy for the companies to implement in their store.

Competition: The rise of ecommerce has led to a competitive market where businesses fall if not proper strategies are implemented. Competitive businesses such as ecommerce should have strategies to attract and most importantly retain their customers to be ahead of the competition.

Lack of interest: Most of the customers have intention of making only a purchase once without any intention to be retained. It's a challenge to convince such customers to make a purchase again.

Change of mind: Change of mind is also an issue normally associated with competition but other factors can also be a reason for the customers to abandon the cart or checkout processes.

Improper strategies: Customer retention cannot be relied on implementing no strategies but Improper strategies that doesnt work can be just as bad as having no strategies at all. It can also

cost a company a lot of money due to implementing strategies that don't work at all causing wastage in investment.

As a solution to the challenges in retaining employees, this strategy is utilized by e-commerce organizations to create workable strategies that keep consumers coming back by conducting testable experiments and analyzing data. *"It's a three-step process that begins with a growth challenge, progresses to experimentation, and finally to scaling. It is a data-driven and experiment-based process"* (interviewee 5). Using growth hacking as a strategy to grow the business, ecommerce companies can grow their business at a tremendous rate but should also be willing to take risks as the experiments conducted on hypothesis may not always produce positive results. Growth hacking should not also be a one-time event and should be considered more often to get better results. *"In order for growth hacking to work, your firm must be willing to take risks"* (interviewee 3). *"Growth hacking lets businesses grow at an exponential rate by continuously testing hypotheses"* (interviewee 4).

5.1.2 Perceive and practise of growth hacking for customer retention

Growth hacking uses a pirate funnel (AAARRR) where retention plays an important role in its process to grow business sales. The pirate funnel is greater than the traditional marketing funnel and the main purpose of using these metrics is to increase sales. *"The growth hacker funnel, also known as the Pirate funnel -AAARRR, is far larger than the standard marketer funnel. The sole purpose of a growth hacker is to increase income, whereas a marketer's efforts are focused on building brand awareness, attracting visitors, and turning that traffic into customers"* (interviewee 4). Traditional marketing funnel does not focus on the customer retention as the main intention is brand awareness whereas through growth hacking all the possible ways of growth is considered and retaining the customers is one of the efficient ways in increasing income with low investments (Ellis & Brown, 2017).

5.1.2.1 Key elements of customer retention

The findings show four key elements of customer retention that are used in growth hacking strategies development then after the process of testing and experimentation and data analysis as

decision making factors to conclude the effective strategies. Following growth hacking strategy these are the practices followed differing in techniques within these themes and subthemes.

Marketing techniques used focusing on the key elements for customer retention differs on the focus on four key elements: satisfaction, relationship development, offerings and engagement.

- Satisfaction:

UI/UX optimization and online presence optimization through SEO, mobile platforms, etc. were the mainly preferred tactics found to succeed in retaining the customers. Customer service and customer feedback were the features that can help in satisfying the customers by assisting and helping the customers in need. *"Several customers have walked away from your business because they believe that you no longer care about them. Don't separate yourself from your customers. If there are any issues, take their concerns seriously and work to fix them, if possible."* (interviewee 2).

Return policies were the least preferred but considered important in recent times since the customers are shopping virtually and have no idea about how it looks physically so this is an important consideration. *"Because customers can't see or touch the items they're purchasing, online shopping might be dangerous for them. In the event that they don't like their purchase and want to return it for a refund, they want to know they can do so. Returns should be simple, convenient, and devoid of arbitrary rules"* (interviewee 2).

- Relationship development:

Drip marketing through emails, messages and push notifications, etc. were the mainly preferred tactics found to succeed in terms of relationship development. Communication was the feature that was mentioned more after drip marketing stating its importance in a company developing the relationship with the customers as a very important stage to retain the customers. *"Having a good relationship with the loyal customers is the primary purpose of customer retention. A strong customer relationship makes it easier to persuade people to choose your store over competitors through various forms of marketing, because customers have grown to trust you"* (interviewee 6). Personalization can ease the customers in making their decisions and also build the bond with the customers by dynamically displaying information and taking actions according to the particular

customer. *"Enhance the experience of your customers by allowing them to identify more with your brand. Your home page content can be dynamically changed based on the location, interests, and products a visitor has previously browsed"* (interview 6).

Trust was the least mentioned but an important asset in building the relationship with the customers since if a customer trusts your brand then he's more likely to return. *"You can't expect customers to blindly put their faith in you; you have to earn their trust. Customers have to earn the trust of brands, and that takes time and work"* (interviewee 1).

- Offerings:

Providing incentives as discounts coupons/vouchers, limited discount offers, etc. were the mainly preferred tactics found to succeed in terms of offerings. Catching one's attention through this is a working tactic in both acquiring as well as retaining the customers provided strategies for particular purposes. *"One of the most prevalent ways to get people's attention is by offering a variety of incentives and discounts. Gift cards, discounts, or freebies can be used to keep customers loyal"* (interviewee 2).

Rewarding the customers for their actions like referrals, or some interactions with the brand is more likely to increase loyalty in the customers.

- Engagement:

Referrals were the mainly preferred tactics found to succeed in terms of engagements and through these tactics the business can grow through both acquiring new customers as well as retaining the existing customers. This is a creative hack through which a business can grow quickly. *"One of the pillars of pirate metrics is referral marketing, which greatly enhances all of your other marketing activities. As a rule of thumb, customers are four times more likely to make a purchase based on a personal recommendation. Referral programs are a great method to improve this area of your organization. Don't think of referral marketing as a low-hanging fruit if you want to develop your business. As an alternative, think of it as the fuel that will allow your company to soar into a new dimension"* (interviewee3).

Interactive contents like popups, mini games, quizz, etc. can be a valuable fun tactic through which the customers can engage with the store and retain back more often. *"The use of*

interactive media in marketing initiatives, such as quizzes, webinars, and films, is on the rise and a very effective strategy." (interviewee 3).

Engaging customers in a community is a clever tactic in a way to engage customers and make them feel like a family. Building fear of missing out (FOMO), customers are more likely to join the community where information can be gathered regarding the ecommerce store. *"As a growth hacker, building a community is essential to your success. The days of writing letters to companies in order to give them feedback are long gone. Today's consumers demand immediate reaction from businesses they interact with and purchase from. An online community can help you reverse-engineer and grow-hack the referral process by connecting potential customers with your present customers"* (interviewee 3).

5.1.2.2 Deciding factors

Testing and experimentations, and performing data analysis are the steps followed after performing the customer retention tactics to find out the successful tactics that can be used as a successful strategy in retaining customers. *"For growth hacking to work, many hypotheses must be generated and tested quickly via experiments"* (interviewee 5). *"Growth hacking is all about experimenting the working strategies to find out which strategies work the best for the particular purpose"* (interviewee 1).

In these steps the metrics for retention are strictly followed and KPIs are measured. *"For the growth hacking techniques to be effective these metrics need to be strictly followed and KPIs checked on a timely basis, usually weekly, monthly or quarterly depending on the measurement of the metrics"* (interviewee 2).

- Testing and experimentations

Testing and experiments are the key concepts of growth hacking where the tactics to retain the customers are tested and experiments are performed. Various tests commonly A/B testing multivariate testing, usability testing and advanced testings like multi-armed bandits are used to test the experiments conducted. Usually multiple versions of the tactics are tested to find out the better working versions. *"Afterwards, the results of these trials are evaluated by A/B testing, multivariate testing, and usability testing. It is possible to further examine the data generated by*

these tests (results) based on the metrics to identify the best performing experiments and compare KPIs" (interviewee 1).

This is a very important stage in terms of growth hacking method used in the ecommerce business since no decision can be made without taking tests and experiments such that data required for decision making cannot be gained without these steps (Herzberger & Jenny, 2018; Lennarz, 2017).

- Data analysis

Data analysis is a continuous process conducted by measuring the quantifiable data generated through testing and experiments. Growth hacking requires constantly modifying the offering based on the outcomes of consumer data analysis and the ability to adapt depending on efficacy (Ellis & Brown, 2017). *"It's time to begin the analysis process once you've acquired enough data, attained the required statistical significance level, and your tests and experiments have run long enough. Whichever variation you were testing will either succeed or fail, depending on how well it performs"* (interviewee 1).

By analyzing the data gained through these tests and experiments and also the ecommerce database, results can be generated to find the working strategies and also compare the results regarding other experiments conducted (McAfee & Brynjolfsson, 2012). *"For data analysis, we use data from testing, experiments, and the store's database. By analyzing the data, we can come up with results that show the levels of the experiments done and put them in the right order so that the right decisions can be made. Data can also be taken out based on how long an experiment took or how it was set up"* (interviewee 6).

Web analytics, cohort analysis, heuristic analysis, etc. were some of the most commonly used analyses for the process and google analytics as a tool for the data analysis. *"Web analysis, cohort analysis, heuristic analysis, etc. Some of the most used tools for such analysis is google analytics to perform these data analysis"* (interviewee 1).

5.2 Revised growth hacking framework for retention

The initial growth hacking framework resulting from a review of the literature (Figure 1) was revised using the findings in the study. Bringing together all the primary research, a revised growth hacking framework has been established.

Initially planning is done to optimize customer retention in the ecommerce company. Four key elements for retention are deeply analyzed to find a proper tactic or a combination of tactics considering these key elements and sub elements. Understanding customer behavior is considered the entire time throughout this process.

Then the process of test and experimentation, and data analysis is followed which is continuously optimized so that results are generated properly measuring multiple metrics required for the decision making process of customer retention.

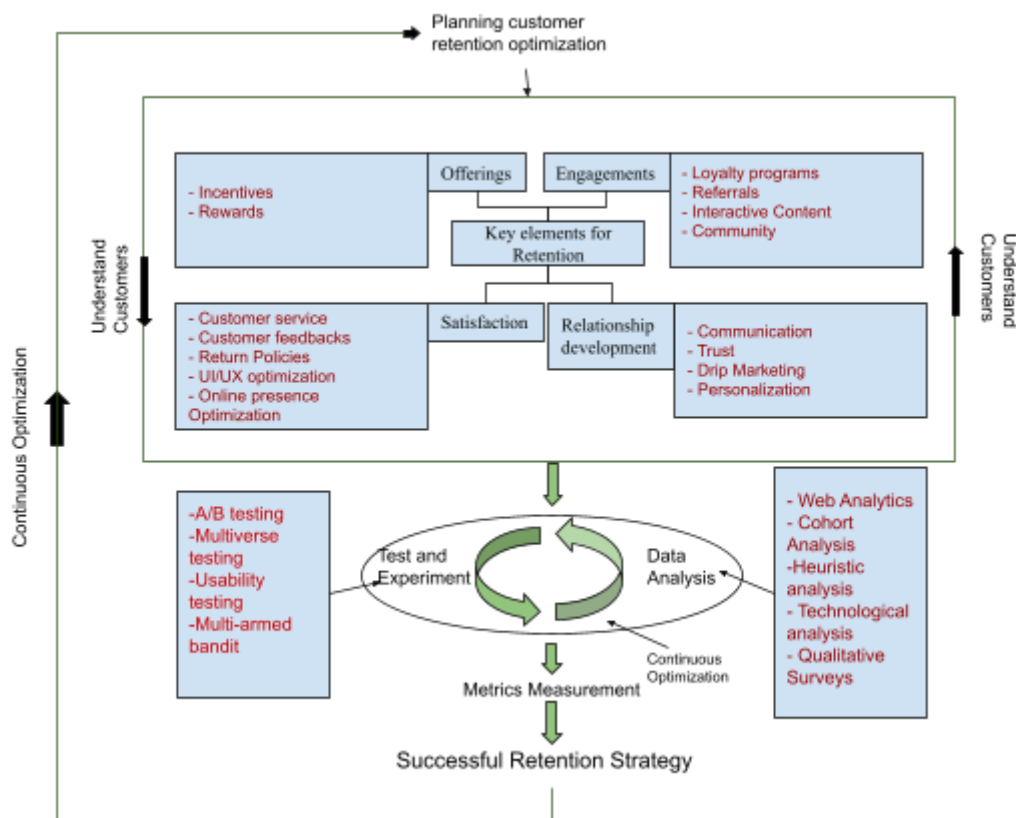


Figure 7: Revised customer retention model

6 Conclusion

It seems that customer retention through growth hacking may only be accomplished when done by a multidisciplinary team of marketers, data analysts, coders/developers, and individuals that use and understand technology.

The primary notion of growth hacking is to test a marketing idea fast and inexpensively, analyze the results using data, then iterate, optimize, execute, or adjust the experiment. A/B testing and data analysis using analytical tools like Google Analytics, Mixpanel, and Optimizely are critical parts of this process. Growth hacking, despite its heavy data analytic component, is a highly creative approach that needs individuals to "swim against the tide" and recognize developing possibilities before anybody else. Although digital marketing is a crucial part of growth hacking, conventional marketing strategies are also necessary to bridge the gap between the real and digital worlds. Start-ups must think differently and leverage various traction channels than everyone else in order to achieve significant growth (or use the channel in a more innovate way).

Finally, this study offers e-commerce companies with principles and frameworks for understanding the growth hacking strategy for customer retention. Growth hacking has been proved to be a mindset and method that may help technology startups expand fast on a shoestring marketing budget. However, it requires a certain skill set of marketers, which is difficult to come by, limiting the growth of this marketing strategy in Nepal. The concept is still relatively new in the case of Nepal (it was created in 2010), and if more research and media attention is given to the subject, it has the potential to develop rapidly since the concepts and principles underlying it are sound business practices.

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Appendix A: NSD Assessment

Reference number

244998

Project title

Growth hacking approach for e-commerce customer retention

Data controller (institution responsible for the project)

Universitetet i Sørøst-Norge / Avdeling for forskning, innovasjon og internasjonisering /
Forskning og innovasjon

Project period

15.03.2022 - 15.10.2022

Date

17.03.2022

Type

Standard

Comment**ABOUT OUR ASSESSMENT**

Data Protection Services has an agreement with the institution where you are carrying out research or studying. As part of this agreement, we provide guidance so that the processing of personal data in your project is lawful and complies with data protection legislation.

We have now assessed the planned processing of personal data. Our assessment is that the processing is lawful, so long as it is carried out as described in the Notification Form with dialogue and attachments.

SHARE THE NOTIFICATION FORM

It is mandatory for students to share the Notification Form with their supervisor (the project leader). You do this by clicking on "Share project" in the upper-left corner of the form. If your supervisor doesn't accept the invitation within a week then the invitation must be sent again.

TYPE OF DATA AND DURATION

The project will be processing general categories of personal data until the date documented in the Notification form.

LEGAL BASIS

The project will gain consent from data subjects to process their personal data. We find that consent will meet the necessary requirements under art. 4 (11) and 7, in that it will be a freely given, specific, informed and unambiguous statement or action, which will be documented and can be withdrawn.

The legal basis for processing general categories of personal data is therefore consent given by

the data subject, cf. the General Data Protection Regulation art. 6.1 a).

PRINCIPLES RELATING TO PROCESSING PERSONAL DATA

We find that the planned processing of personal data will be in accordance with the principles under the General Data Protection Regulation regarding:

- lawfulness, fairness and transparency (art. 5.1 a), in that data subjects will receive sufficient information about the processing and will give their consent
- purpose limitation (art. 5.1 b), in that personal data will be collected for specified, explicit and legitimate purposes, and will not be processed for new, incompatible purposes
- data minimisation (art. 5.1 c), in that only personal data which are adequate, relevant and necessary for the purpose of the project will be processed
- storage limitation (art. 5.1 e), in that personal data will not be stored for longer than is necessary to fulfil the project's purpose

THE RIGHTS OF DATA SUBJECTS

As long as the data subjects can be identified in the data material, they will have the following rights: access (art. 15), rectification (art. 16), erasure (art. 17), restriction of processing (art. 18), data portability (art. 20).

We find that the information that will be given to data subjects about the processing of their personal data will meet the legal requirements for form and content, cf. art. 12.1 and art. 13.

We remind you that if a data subject contacts you about their rights, the data controller has a duty to reply within a month.

FOLLOW YOUR INSTITUTION'S GUIDELINES

We presuppose that the project will meet the requirements of accuracy (art. 5.1 d), integrity and confidentiality (art. 5.1 f) and security (art. 32) when processing personal data.

If you use a data processor (online survey tool, cloud storage or video interviewing platform) the processing must meet requirements under arts. 28 and 29. Use a data processor that your

institution has an agreement with.

To ensure that these requirements are met you must follow your institution's internal guidelines and/or consult with your institution (i.e. the institution responsible for the project).

NOTIFY CHANGES

If you intend to make changes to the processing of personal data in this project it may be necessary to notify us. This is done by updating the Notification Form. On our website we explain which changes must be notified:
<https://www.nsd.no/en/data-protection-services/notification-form-for-personal-data/notify-changes-in-the-notification-form>

Wait until you receive an answer from us before you carry out the changes.

FOLLOW-UP OF THE PROJECT

We will follow up the progress of the project at the planned end date in order to determine whether the processing of personal data has been concluded.

Good luck with the project!

Appendix B: Interview Guide

Introduction

- 1) Information on the research
- 2) Information on the rights of the participants
- 3) Information of how data is stored and processed
- 4) Information on recording

"Customer lifecycle" stages (Reach, Acquisition, Conversion, Retention, and Loyalty)

- 1) How are these stages important for the business?
- 2) How is the company's marketing funnel used around these stages?
- 3) What metrics are used to measure these stages?

Customer retention

- 4) What does customer retention mean in terms of the company?
- 5) How have you seen e-commerce businesses evolve through customer retention?
- 6) What are some of the limitations and challenges faced in retaining customers?

Growth Hacking

- 7) What is your view on growth hacking?
- 8) What are the strategies and practices carried out in the company for the business growth?
- 9) What are the successful strategies and practices used for retaining the customers?
- 10) How are the experiments performed and tested?

Data analytics

- 11) How are data of the strategies and practices used collected?
- 12) What data analysis methods are used?

Appendix C: Information letter and consent form

Are you interested in taking part in the research project

"Growth hacking for e-commerce customer retention"?

This is an inquiry about participation in a research project where the main purpose is to identify the solution to the e-commerce customer retention challenges, as well as examine the primary motivators, strategies and outcomes in e-commerce businesses associated with the use of a specific online marketing approach. – Growth Hacking. In this letter we will give you information about the purpose of the project and what your participation will involve.

Purpose of the project

Ecommerce is getting more competitive resulting in difficulty to retain customers since they have more choices. So a new marketing approach connecting businesses with customers for customer retention is required since it's easier to approach and sell to a loyal client than to gain a new one. Growth hacking is a digitally-enabled tactic resulting from product experimentation, marketing, and data analysis, which is reshaping the traditional marketing strategy. Meanwhile, companies may still struggle with implementing it, creating a strategy-execution gap. Success cannot be determined by experimentations without proper strategy and data analysis. Therefore, doing so we can realise the effectiveness of a particular tactic or a combination of tactics. The purpose of this master's thesis is to study the solutions to the e-commerce customer retention challenges, as well as examine the primary motivators, strategies and outcomes in e-commerce businesses associated with the use of a specific digital marketing approach. – Growth Hacking.

This research aims to address those issues for customer retention by answering the following questions:

1. What are the challenges in gaining customer retention in e-commerce businesses?
2. How do e-commerce businesses perceive and practice growth hacking to retain customers?

Who is responsible for the research project?

University of South-eastern Norway is the institution responsible for the project.

Why are you being asked to participate?

A simple random sampling process is used over B2C focused e-commerce companies that are using growth hacking methodology as their business strategy for their growth. As a standard for qualitative research, an approximate of 12 in depth interviews will be taken.

What does participation involve for you?

The methods used in this research are semi-structured interview and observation. It will take 30-60 minutes. This interview covers questions about ecommerce customer retention and growth hacking methods and tactics used in the ecommerce businesses. The information on these topics will be

collected from the target interviewees. Your answers will be recorded electronically, on paper and sound recording.

Participation is voluntary

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw. It will not affect your treatment at the company.

Your personal privacy – how we will store and use your personal data

We will only use your personal data for the purpose(s) specified in this information letter. We will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

- The student and supervisor of the research, in connection with the institution responsible for the project, will have access to the personal data.
- I will replace your name and contact details with a code. The list of names, contact details and respective codes will be stored separately from the rest of the collected data that will be stored on a research server, locked away and also encrypted.

The participants will not be recognizable in the publication.

What will happen to your personal data at the end of the research project?

The project is scheduled to end 15/05/2022.

The collected data will be anonymised at the end of the project. All the digital recordings will be deleted.

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with University of South-eastern Norway, NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this project is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- University of South-eastern Norway via Anh Nguyen Duc.
Contact details of supervisor:
Name: Anh Nguyen Duc, Email: Anh.Nguyen.duc@usn.no, Contact number: +47 35 95 27 70 / 48348496
Contact details of student:
Name: Prasanna Tuladhar, Email: tuladharprasan@gmail.com, Contact number: +47 96708761
- Our Data Protection Officer:
 - Our Data Protection Officer by:
Paal Are Solberg:
Email: Paal.A.Solberg@usn.no
Telephone: +47 35 57 50 53

- Data Protection Services, by email: (personverntjenester@sikt.no) or by telephone: +47 53 21 15 00.
- NSD – The Norwegian Centre for Research Data AS, by email: (personverntjenester@nsd.no) or by telephone: +47 55 58 21 17.

Yours sincerely,
Project Leader

(Researcher/supervisor)

Student (if applicable)

Consent form

Consent can be given in writing (including electronically) or orally. NB! You must be able to document/demonstrate that you have given information and gained consent from project participants i.e. from the people whose personal data you will be processing (data subjects). As a rule, we recommend written information and written consent.

- *For written consent on paper you can use this template*
- *For written consent which is collected electronically, you must chose a procedure that will allow you to demonstrate that you have gained explicit consent (read more on our website)*
- *If the context dictates that you should give oral information and gain oral consent (e.g. for research in oral cultures or with people who are illiterate) we recommend that you make a sound recording of the information and consent.*

If a parent/guardian will give consent on behalf of their child or someone without the capacity to consent, you must adjust this information accordingly. Remember that the name of the participant must be included.

Adjust the checkboxes in accordance with participation in your project. It is possible to use bullet points instead of checkboxes. However, if you intend to process special categories of personal data (sensitive personal data) and/or one of the last four points in the list below is applicable to your project, we recommend that you use checkboxes. This because of the requirement of explicit consent.

I have received and understood information about the project Growth Hacking Approach for E-commerce Customer Retention and have been given the opportunity to ask questions. I give consent:

- to participate in (*insert method, e.g. an interview*)
- to participate in (*insert other methods, e.g. an online survey*) – *if applicable*
- for my/my child's teacher to give information about me/my child to this project (*include the type of information*)– *if applicable*
- for my personal data to be processed outside the EU – *if applicable*
- for information about me/myself to be published in a way that I can be recognised (*describe in more detail*)– *if applicable*
- for my personal data to be stored after the end of the project for (*insert purpose of storage e.g. follow-up studies*) – *if applicable*

I give consent for my personal data to be processed until the end date of the project, approx. *[insert date]*

(Signed by participant, date)