

A STUDY ON THE FACTORS INFLUENCES THE CUSTOMER RETENTION OF REDBUS APP THROUGH WHATSAPP MARKETING.

Surjadeep Dutta¹, R. Arivazhagan², Pradeep.E³

¹Research Scholar, Faculty of Management, SRM Institute of Science and Technology, Kattankulathur, Chengalpattu District, Tamil Nadu, India.

²Associate Professor, Faculty of Management, SRM Institute of Science and Technology, Kattankulathur, Chengalpattu District, Tamil Nadu, India.

³Assistant Professor, Loyola Institute of Business Administration (LIBA), Chennai.

Email: sd3370@srmist.edu.in

Abstract

This article analyses the Whatsapp marketing methods implemented by RedBus to improve client retention. RedBus, a prominent online platform for booking bus tickets, utilises the extensive popularity of Whatsapp to interact with customers in a customised and direct manner. Effective tactics encompass tailored communication, immediate customer assistance, and special incentives and marketing campaigns, which collectively augment consumer contentment and allegiance. Utilising Whatsapp to gather feedback, enhance loyalty programmes, and provide interactive content strengthens the company's bond with its customers. In order to maintain a high level of consumer involvement and trust, it is crucial to provide real-time updates regarding schedules and delays, referral programmes, seasonal campaigns, and multilingual help. RedBus utilises Whatsapp as part of its strategic goals to enhance customer journey and improve customer relationship management. This approach effectively creates a seamless and gratifying experience for customers. This study emphasises the influence of Whatsapp as a marketing tool in the modern day, offering valuable insights into its potential use for other organisations seeking to enhance client loyalty.

Keywords: Customer Loyalty, Customer Journey, Customer Relationship Management, Content, Whatsapp Marketing.

Introduction

In the current era of technology, proficient communication plays a vital role in the success of organisations aiming to maintain clients and cultivate enduring loyalty. Whatsapp has become a potent marketing tool due to its large user base and high levels of user engagement. The adaptability of this technology enables businesses to interact with clients in a customised and direct way, providing a wide range of services including customer assistance and promotional activities. The increasing utilisation of messaging applications in marketing strategies has been extensively highlighted in recent research. Statista's analysis in 2023 revealed that Whatsapp has amassed a staggering 2 billion active users globally, solidifying its position as one of the leading messaging services worldwide. The extensive utilisation of this gives a substantial opportunity for firms to access a large audience. Additionally, a report published by Business Insider in 2022 emphasises that messaging applications, such as Whatsapp, exhibit greater levels of user interaction in

comparison to conventional communication platforms like email. These messaging apps boast open rates reaching as high as 98% and response rates hovering around 40%.

The literature on digital marketing highlights the significance of personalised communication in bolstering consumer loyalty. According to a study conducted by Salesforce in 2020, it was discovered that 84% of consumers place importance on being treated as individuals rather than just a statistic. This indicates that customised experiences play a significant role in fostering loyalty. Whatsapp's functionalities enable highly customised interactions, ranging from sending personalised booking confirmations to delivering immediate assistance. Furthermore, studies suggest that providing immediate customer assistance is crucial for maintaining customer loyalty. HubSpot's analysis from 2021 reveals that 90% of customers consider a rapid response to be crucial or highly significant when they have a customer service inquiry.

Whatsapp allows businesses to effectively meet this expectation, assuring prompt responses to customer requests and issues. Promotional campaigns and unique offers are essential components of customer retention strategy. According to a survey conducted by Deloitte in 2019, personalised offers and promotions have a substantial influence on client purchasing decisions and loyalty. The direct messaging function of Whatsapp enables businesses to provide focused promotions, hence enhancing the probability of customers making repeat purchases. Furthermore, the inclusion of interactive content is crucial for a comprehensive marketing strategy, as it allows for the gathering of feedback and increased user involvement. McKinsey & Company (2020) found that organisations that consistently interact with clients and actively seek their feedback had a higher probability of establishing enduring partnerships. Whatsapp enables this by offering a platform for ongoing engagement and discussion.

Review of Literature

Whatsapp marketing has become a potent tool for firms aiming to establish direct and customised engagement with their clients. By capitalising on the platform's large user base, which surpassed 2 billion active users worldwide by 2020, companies may effectively target a wide and varied audience (Statista, 2021). The efficacy of Whatsapp marketing is attributed to its exceptional engagement rates, since messages are typically read within minutes of being received, surpassing conventional email marketing measures by a significant margin (Vázquez-Casielles et al., 2017). Moreover, the platform's functionalities, such as the ability to share multimedia, engage in group conversations, and send broadcast messages, allow businesses to develop immersive and dynamic experiences that promote consumer loyalty and enhance brand engagement (Gandhi & Prasad, 2020). This direct kind of communication enables prompt feedback and participation, while also facilitating the establishment of a more intimate connection with the audience, a vital aspect of contemporary marketing methods. Moreover, the implementation of end-to-end encryption in Whatsapp guarantees both privacy and security, hence bolstering consumer confidence (Oliveira, 2021).

Social media marketing has emerged as an essential approach to retaining clients, utilising its dynamic and captivating platforms to cultivate enduring relationships with customers. Research suggests that social media platforms, including Facebook, Instagram, and Twitter, provide distinct chances for businesses to engage with their customers, promptly address concerns, and deliver customised experiences that improve customer satisfaction and loyalty (Hennig-Thurau et al., 2010). Companies may increase customer retention rates by producing content that effectively connects with their target audience, keeping them interested and well-informed (Ashley & Tuten, 2015). Furthermore, the utilisation of social media enables businesses to collect valuable customer feedback and insights, which can be utilised to enhance products and services, thereby boosting

customer satisfaction (Rapp et al., 2013). Social media's interactive character enables the formation of online communities, allowing customers to share their experiences and offer peer support, so enhancing brand loyalty (Laroche et al., 2012). In addition, the capacity of social media to monitor and analyse user behavior allows firms to customise their marketing tactics to suit the changing demands of their clients, hence improving customer retention (Chung et al., 2014). Therefore, proficient social media marketing not only aids in obtaining new clients but also plays a crucial role in retaining them by cultivating a stronger bond and ongoing involvement.

Content marketing is crucial for retaining customers by offering valuable and relevant information that keeps them interested and loyal to a brand. Recent research highlights the importance of creating top-notch content that is specifically designed to meet the requirements and interests of customers. This can greatly improve the customer experience and promote long-lasting relationships (Holliman & Rowley, 2014). Businesses can establish a lasting relationship with their audience by continuously providing educational, amusing, and engaging content through many platforms including blogs, social media, and email newsletters. This connection is crucial for retaining customers (Pulizzi, 2020). Content marketing enables organisations to demonstrate their expertise and establish trust, which is essential for client retention in a highly competitive market (Baltes, 2015). In addition, the use of interactive and personalised content, such as webinars, e-books, and personalised suggestions, can effectively target and resolve specific client concerns, leading to higher levels of customer satisfaction and loyalty (Chaffey & Ellis-Chadwick, 2019). In addition, content marketing techniques that integrate consumer input and user-generated material can foster a feeling of community and belonging among customers, thereby bolstering customer retention rates (Rowley, 2008). Utilising analytics to assess content performance and comprehend client preferences allows organisations to consistently improve their strategies and provide more focused and efficient content (Järvinen & Taiminen, 2016). Content marketing is an essential tool for maintaining client loyalty by consistently and effectively communicating relevant information, which in turn drives engagement and trust.

Research Objectives

- Identify the key factors that influence the customer retention of RedBus through Whatsapp Marketing.

Research Gap

Although Whatsapp is becoming recognised as a powerful marketing tool, there is still a lack of study particularly examining how RedBus may use it to retain customers. Although there is some research indicating the potential of Whatsapp marketing for effective engagement and personalised communication, there is a lack of empirical information specifically regarding its impact on customer retention outcomes for RedBus. Comprehensive studies are necessary to evaluate the impact of RedBus's Whatsapp marketing initiatives on customer retention KPIs. Contemporary studies frequently highlight the overall advantages, such as a significant increase in the number of people who view the content and the level of involvement from customers. However, most studies fail to offer evidence-based analysis on how these aspects specifically impact the frequency of repeat bookings and the establishment of long-term customer loyalty within the specific context of RedBus.

Research Methodology

- **Participants:** A representative sample of RedBus consumers who have engaged with the company's Whatsapp marketing initiatives within the previous year.
- **Data Collection Instrument:** Online surveys with a well-organized format that are sent out over email and Whatsapp.

- **Primary variables** of interest customer Loyalty, Referral Programs, Purchase behavior and dependent variable as customer retention on Whatsapp.
- **Data analysis:** Descriptive statistics are used to summarise the data, while inferential statistics, such as regression analysis are done.
- **Sample Size:** 120 respondents who are using RedBus App.
- **Statistical Tool:** IBM SPSS.

Research Model

Figure shows the Variables

Four independent variables and one dependent variable has been taken for the study.

- **Independent Variables:** Referral Program, Purchase behavior, Customer Loyalty, Video Content.
- **Dependent variable:** Customer Retention.

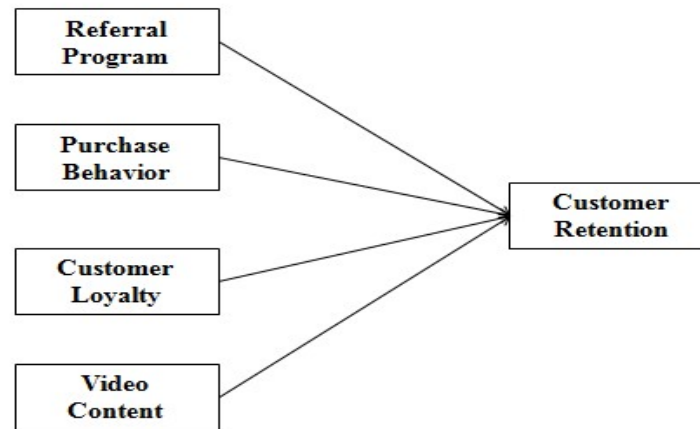


Figure 1 : Factors Influencing Customer Retention of Redbus

Data Analysis & Interpretation

Frequency analysis was carried out to understand the Demographic details of the respondents in Table 1.

Table 1: Demographic Details of respondents

Demography Factor	Highlighting Criteria	Percentage of response
Age	24-30	75%
Gender	Male	80%
Occupation	Private Employees	65%
Annual Income	5-10 Lpa	70 %

From Table 1, researcher found that 75% of the total respondents fall under the age group of 24-30, 80% of the total respondents is male, 65% of the respondents are private employees and 70% of the respondents have annual income between 5-10 Lpa.

Reliability Test of all the four variables

Reliability pertains to the degree of consistency or stability in measurement when applied to various instances or elements. The notion is of utmost importance in research as faulty measures might result in erroneous results. A reliability test evaluates the degree to which a measurement device produces consistent and reliable outcomes.

Table 2: Reliability Test

Factors	Cronbach's Alpha Value
Referral Program	0.822
Purchase Behavior	0.977
Customer Loyalty	0.886
Video Content	0.935

Table 2 shows that the Cronbach's Alpha Value of all the four variables are above 0.5 which shows that the variables are reliable.

Chi Square Analysis of all the independent variables with customer Retention as Dependent Variable.

Chi-square analysis is a statistical technique employed to ascertain the presence of a significant relationship between categorical variables. When it comes to customer retention, performing a chi-square analysis entails investigating the connection between different independent and the dependent variable, which is customer retention.

Chi square analysis of Referral Program, Purchase Behavior, Customer Loyalty, and Video Content with Customer Retention.

Ho1: There is no significant relationship between Referral Program and Customer retention.

Ho2: There is no significant relationship between Purchase behavior and customer retention.

Ho3: There is no significant relationship between Customer Loyalty and customer retention.

Ho4: There is no significant relationship between Video Content and Customer retention.

Table 3: Chi square analysis of Referral Program, Purchase Behavior, Customer Loyalty, and Video Content with Customer Retention.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square : Ho1	17.452 ^a	8	0.026
Pearson Chi- Square: Ho2	23.053 ^a	6	0.001
Pearson Chi- Square: Ho3	21.289 ^a	8	0.006
Pearson Chi-Square: Ho4	19.595 ^a	8	0.012

From Table 3, researcher finds that all the four Hypotheses are significant p-value is less than 0.05. The variables can be considered for the study. So all the four variables are having significant relationship with the customer retention.

Model Fit Summary and Regression Analysis

Regression analysis is a statistical technique employed to investigate the correlation between one or more independent variables (predictors) and a dependent variable (outcome). The objective is to comprehend the relationship between alterations in the independent variables and variations in the dependent variable.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.784 ^a	.614	.611	.453	1.721

Table 5: Anova

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	168.211	5	33.642	163.803	.000 ^b
	Residual	105.566	514	.205		
	Total	273.777	519			

Table 4 and 5 shows that R square value of 0.614 along with the significance level of 0.000 ($p \leq 0.05$). It shows that around 61% of the variance was explained by all the four variables and all these four variables were significant since the significance value of 0.000 ($p \leq 0.05$). These results were justifying the validity of regression analysis for this research work and hence final results could be considered for declaring the results. The Durbin – Watson value is 1.721 which shows that there is no co linearity.

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.699	.143		4.884	.000
	Referral program	.561	.042	.579	13.256	.000
	Purchase behavior	0.281	0.040	.282	6.958	.000
	Customer Loyalty	.453	.054	.462	8.456	.000
	Video Content	0.191	.047	.196	4.106	.000

a. Dependent Variable: Customer Retention

Table 6 shows that significance value of referral Program, Purchase behavior, Customer Loyalty and video content is 0.000 ($p \leq 0.05$) which shows all these four factors are having strong influence on Customer retention in RedBus.

Managerial Implications

Referral programs have shown strong influence on customer retention of RedBus by Whatsapp Marketing. Among the various strategies of marketing through Whatsapp, the most effective one

is integrating a referral program into RedBus's Whatsapp marketing strategy. With time, integrating a referral programme has proven to effectuate a strong customer base across the spectrum that is mutually beneficial between satisfied customers and the company goal towards growing its user base. In the way that it leverages virality and personal trust among the users' network connections, Whatsapp can better be harnessed to achieve customer retention through word-of-mouth marketing. Referral programs are designed to make loyal customers bring new customers by recommending the brand with their friends and family and usually in exchange for rewarding to successful referrals. RedBus's programs are meant to connect Whatsapp contacts to enhance efficiency and reach of their promotional messages through near contacts of users. An individual builds community with such tactics and enhances user loyalty. With Whatsapp, customers can easily share referral links or promo codes with their contacts provoking a series of referrals that boost RedBus marketing efforts to an unusual point outside traditional channels. Organic growth comes in handy in customer acquisition and retention, creating a very strong loyal brand advocates network.

Purchase Behavior is also known to make a great impact over Customer Retention with the help of Whatsapp Marketing of RedBus. Lots of customers' purchases are much crucial impact-makers on their retentions for RedBus's WhatsApp marketing relationship from which that pours out a lot to determine the levels of customer satisfaction and engagement as well as loyalty. RedBus is using this very efficient medium, Whatsapp, to ease bookings, as well as to make the route available for personal basics, unseal the particular, different promotions and perhaps maintain constant relations throughout travels. RedBus individualizes its Whatsapp marketing strategies using specific offerings and messages for customizing promotions as per the purchase patterns, preferences, and previous bookings of its customers.

Data mining aids RedBus in understanding users' general booking patterns, excursion duration, destination and type of the ticket purchased. This understanding helps to send specific customers information that is timely and important to them. RedBus personalizes their WhatsApp messages to the specific needs and preferences of all customers. For example, they inform them about future trips, give them discounts on selected routes which they have used frequently, and suggest how they can travel based on their previous behavior. Furthermore, Redbus's marketing strategy using Whatsapp is not limited to transactional exchanges, but rather seeks to build strong bonds with clients. RedBus strengthens customer satisfaction and retention by maintaining constant communication with customers, requesting suggestions, and rapidly resolving issues. This strategy helps to build trust, openness, and reliability. Through WhatsApp, clients are able to communicate with RedBus directly to ask for help, resolve issues and receive customized assistance whenever necessary. The fastest and even more personalized customer service enhances customer experience and strengthens customers' bond with the brand leading to better customer retention and an increase in repeat sales.

Customer loyalty has a great impact on customer retention of RedBus through Whatsapp marketing. Customer loyalty forms an intrinsic part of RedBus's Whatsapp marketing strategy as it grows into symbiotic relations between the provider and their customers, mainly on customer retention. RedBus utilizes Whatsapp as a strong means of cultivating and nourishing customer loyalty through personalized communication, targeted promotions, and proactive communication. Ultimately, this seeks to develop long-term relations and encourage repeat business. RedBus's Whatsapp marketing strategy is customer-centric in that it operates fully aware of, and takes effort to address customer satisfaction concerns from the 'predicting' stage. RedBus leverages the data from previous booking behavior, travel preferences, and communication patterns to identify

chances where it can customize its message and offers to match the indeed pointed interests of the consumers. The Whatsapp communications by RedBus are relevant, timely, and beneficial for the user, be it through offering personalized suggestions for upcoming journeys, providing special discounts on favorite routes, or helping with booking queries proactively.

In addition, RedBus does not depend solely on the transactional network but on forming deeper relationships with its consumers. The ethos is that of building trust, reliability, and transparency to promote brand love. The voice of the customers is given credence and the feedback received from them is acted upon in a responsive manner: this is the foundation upon which customers value their interaction and bonding with the brand. RedBus proves its commitment to delivering customer satisfaction and loyalty by providing personalized support, addressing complaints promptly and always offering high quality in the entire customer's journey.

In addition, RedBus uses the power of WhatsApp to instill camaraderie and inclusion among its clientele. Redbus creates peer-to-peer communication and generates user-generated content that cultivates camaraderie, thereby creating opportunities for the customers to connect and share experiences and encourage loyalty through word-of-mouth promotion. Through Facebook groups, forums, and interactive features, customers can actively join the RedBus community. Now they can share experiences and find company in other travelers, gaining a sense of belonging that is rooted in something more than just transactions.

The **video content** has majorly influenced customer retention at RedBus through Whatsapp Marketing, which has become a dynamic growth engine for loyalty with WhatsApp, thus allowing two-way engagement with customers, offering engaging and meaningful content, and forging lasting relationships. The company effectively utilizes video to tell a story visually, allowing for creating remarkable experiences for audience engagement and loyalty leading to higher customer retention and repeat business. Video content is a great way for delivery of complex information in a clear and visually appealing way. RedBus uses WhatsApp to send out educational and inspirational videos with important information regarding travel destinations, booking tips, and customer feedback. Video really does the magic with RedBus by addressing the major customer concerns in a really customer-friendly way, shedding light on popular travel destinations, giving detailed ticket-booking information, and promoting exciting discounts and offers. Video is engaging and inviting, hence putting customers into an interactive brand experience.

Also, video contents are not merely a way to convey information; they can also connect to emotions and intentions, stimulate curiosity, and create a bond with the customers. RedBus's footages are laced with storytelling, humour, and relevant narratives that assist in building a connection with its target market. Empathy and effective communication are established, further binding the customers with the corporation. RedBus applies the effectiveness of storytelling to draw attention by creating a human-touch to the brand's personality, helping the customers easily associate and relate to it. This method helps to motivate the customers to connect at a more profound level with the brand and be loyal towards it. Furthermore, video content allowed RedBus to communicate its value proposition effectively and show clear distinctions between itself and competitors in the marketplace. Reinforcing the trust and reliance on the customers, RedBus communicates the ease, credibility, and safety of its booking platform and affirms to the customers that choosing RedBus is the right decision for their travel needs. Video content builds credibility and authenticity for RedBus; by showcasing eye-catching testimonials, success stories, and behind-the-scenes spreads of the RedBus experience, this further cements the place of RedBus in the minds of their customers as a reliable and trusted companion in their travel journey.

Conclusion

The incorporation of different elements like referrals, purchase behavior, customer loyalty, and video content in WhatsApp marketing by RedBus contributes to customer retention and relationships with the user base. RedBus utilizes the power of word-of-mouth marketing through the referral program for its happy customers to induce them to promote the brand. This tactics allows RedBus to expand its horizon of reach through the use of personal networks and trust. By tailoring messages, along with discounts and offers, to suit specific buying behavior and preferences, RedBus enhances customer satisfaction and engagement. This approach enables increasing repeat bookings and further cultivates continuous customer loyalty. RedBus engages with customers with personalized communication, quick responses, and a community-building mindset. Thereby increasing the feeling of community and connection among customers, it engenders rising loyalty to the brand with the urge to become fervent advocates. Besides, RedBus has also ingeniously used video content as a modus operandi of engaging and persuasive experiences that can bring audiences in, evoke feelings, and offer services in a different light. This further escalates its reputation as being a trustworthy travel partner for its customers. The combination of these factors allows for increased customer retention, advocacy, word-of-mouth referrals, and sustained organizational growth for RedBus.

References

- Business Insider. (2022). Messaging apps are now bigger than social media apps: Chart. Retrieved from <https://www.businessinsider.com/messaging-apps-now-bigger-social-media-apps-chart-2017-7>
- Deloitte. (2019). Deloitte's Global Marketing Trends 2019. Retrieved from <https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-and-telecom-predictions/2019/communicating-to-connect-with-consumers.html>
- McKinsey & Company. (2020). Customer experience: Creating value through transforming customer journeys. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/customer-experience-creating-value-through-transforming-customer-journeys>
- Salesforce. (2020). State of the Connected Customer. Retrieved from <https://www.salesforce.com/research/customer-expectations/>
- Statista. (2023). Whatsapp: Number of monthly active users worldwide. Retrieved from <https://www.statista.com/statistics/260819/number-of-monthly-active-Whatsapp-users/>
- Gandhi, A., & Prasad, S. (2020). Leveraging Whatsapp for Marketing Communication: Opportunities and Challenges. *International Journal of Advanced Research in Computer Science*, 11(2), 192-198.
- Oliveira, A. (2021). Whatsapp Marketing: Understanding the Potential and Challenges. *Journal of Marketing and Consumer Research*, 59(3), 387-398.
- Ashley, C., & Tuten, T. (2015). Creative strategies in social media marketing: An exploratory study of branded social content and consumer engagement. *Psychology & Marketing*, 32(1), 15-27.
- Chung, T. L., Andreev, P., Benyoucef, M., Duane, A., & O'Reilly, P. (2014). Managing customer engagement in online brand communities: A systematic review. *Journal of Service Management*, 25(3), 263-287.

- Hennig-Thurau, T., Malhotra, E. C., Frieger, C., Gensler, S., Lobschat, L., Rangaswamy, A., & Skiera, B. (2010). The impact of new media on customer relationships. *Journal of Service Research*, 13(3), 311-330.
- Laroche, M., Habibi, M. R., Richard, M. O., & Sankaranarayanan, R. (2012). The effects of social media based brand communities on brand community markers, value creation practices, brand trust and brand loyalty. *Computers in Human Behavior*, 28(5), 1755-1767.
- Rapp, A., Beitelspacher, L. S., Grewal, D., & Hughes, D. E. (2013). Understanding social media effects across seller, retailer, and consumer interactions. *Journal of the Academy of Marketing Science*, 41, 547-566.
- Baltes, L. P. (2015). Content marketing - the fundamental tool of digital marketing. Bulletin of the Transilvania University of Braşov, *Series V: Economic Sciences*, 8(2), 111-118.
- Chaffey, D., & Ellis-Chadwick, F. (2019). Digital marketing: Strategy, implementation and practice. *Pearson*.
- Holliman, G., & Rowley, J. (2014). Business to business digital content marketing: Marketers' perceptions of best practice. *Journal of Research in Interactive Marketing*, 8(4), 269-293.
- Järvinen, J., & Taiminen, H. (2016). Harnessing marketing automation for B2B content marketing. *Industrial Marketing Management*, 54, 164-175.
- Pulizzi, J. (2020). Epic content marketing: How to tell a different story, break through the clutter, and win more customers by marketing less. *McGraw-Hill Education*.
- Rowley, J. (2008). Understanding digital content marketing. *Journal of Marketing Management*, 24(5-6), 517-540.