

ABSTRACT

In a market place with many competitors every company should be vigilant and proactive in order to grab new customers and keep existing customers. Especially, it is believed that it costs five times more to get a new customer than to retain an existing customer. There are many factors that affect when it comes to retaining a customer. In this study, those factors have put to test whether they have the level of significance it deserves specifically, in the Workwear Lanka (Pvt) Ltd. This study has identified five main factors that has the potential to affect the customer retention in the organization. Those factors are Production planning, Inventory practices, Quality of service on customer, Production issues, and the impact of human resource in the organization. All these five factors have tested against customer retention to see whether these factors have a considerable impact on the customer retention of the organization. The objective of this study is to identify the connection between mentioned five factors with customer retention. However, the research is limited to quantitative data rather than going for both quantitative and qualitative measures. The data required for the analysis have collected through questionnaire distributed among the selected sample of the population. Questionnaire consists of three main parts. Part A collects the data related to demography of the respondent, part B engages in questions related to five factors (Production planning, Inventory practices, Quality of service on customer, Production issues, and the impact of human resource in the organization), and finally part C consists of questions related to customer retention. Collected data have analyzed in three steps. In first step, the reliability of the collected data was examined. In the next step, the study has identified the goodness of fit while in final step a model is produced using multiple regression analysis. The output of the research communicates that Inventory practices and Quality of service on customer have significant impact on customer retention. However, this study failed to produce strong evidence to prove the impact of production planning and production issues and impact of human resource on customer retention.

Keywords; *Customer Retention; Manufacturing; Inventory practices; Quality of Service*