MARKETING

The Customer Retention Challenge: How Can BrewNest Turn First-Time Buyers into Loyal Customers?

Vedika Singh

Amity University Mumbai, Maharashtra, India

Published November 2026

Abstract

To make a profit, it is essential that customers return to purchase BrewNest Coffee Roasters products, and tell others to do the same. BrewNest Coffee Roasters is an online start up based out of Mumbai. They sell speciality coffee products, including whole bean, ground, cold brew bags, unique flavoured blends, subscription boxes and basic equipment. It can be bought from their own website and advertised through Instagram.

1 Introduction

To make a profit, it is essential that customers return to purchase BrewNest Coffee Roasters products, and tell others to do the same. BrewNest Coffee Roasters is an online start up based out of Mumbai. They sell speciality coffee products, including whole bean, ground, cold brew bags, unique flavoured blends, subscription boxes and basic equipment. It can be bought from their own website and advertised through Instagram.

Despite a fair customer base being achieved after the initial offer and posts on social media in their first year, it has been found by the founders that repeat purchases are low. As coffee is a consumable item, it would be expected for customers to return to repurchase.Improving customer retention may be a good way for BrewNest to increase in a sustainable way.

Note: BrewNest Coffee Roasters is a fictional company created for this case study; no company website is cited.

2 Background of the company

BrewNest Coffee Roasters were set up with the goal of allowing people in India to get freshly roasted, small batch coffees. They work with coffee plantations in areas like Chikmagalur and Coorg, and roast in small batches to ensure the delivered product has been roasted only a few days ago.

2.1 Who uses the product?

- Working from home professionals, students, experimenting home roasters, small café owners, and gift buyers.

2.2 Different user behaviours

Home roasters may go through 250g of coffee in 2 weeks. Students may only buy occasionally. Gift buyers may only buy once, and will likely not buy again unless prompted.

2.3 Product information and order placement

Products can be viewed, information provided on roasting processes and orders can be placed via the BrewNest website. New roasts, brewing hints and process content can be found on their social media platforms.

As people will regularly purchase coffee, if we can retain returning customers as a new company, we can grow far quicker than if we solely relied on gaining new customers.

3 The business situation

From the information received from orders and customers, several issues can be identified. These include:

- Customers only make one purchase. They may have used the discount to make their first purchase.
- Customers forget to order more until they run out.
- Some customers are unsure what to order next.
- Customers compare BrewNest to bigger roasters and supermarket prices.
- Few subscription sales.
- Very few reviews or pictures given by customers.

As a result of these issues, BrewNest has a high customer acquisition cost but not much revenue generated from each customer. Therefore, BrewNest is gaining customers at a high cost, but gaining little value from them.

In order to improve this, BrewNest should identify reasons that customers stop purchasing, and ways in which to encourage repeat purchasing. Additionally, BrewNest should find ways to make repeat purchasing as easy as it was for a first purchase.

Now the founders must consider strategies to encourage customer loyalty, without offering too many discounts. As BrewNest has limited margins, this must be done carefully.

4 Understanding the retention challenge

Customer retention in BrewNest will be very important. If customers enjoy using the service, they are more likely to order more products, try new types of coffee, and recommend the brand to others. This loyalty from customers can therefore create a reliable income stream. It means less promotion and sales promotions are required in order to obtain new customers. By increasing the customer retention rate, BrewNest can increase customer lifetime value, and develop its position in the niche market.

However, BrewNest will face some issues when trying to retain customers. There are many well established brands within the coffee market, which mean that creating loyalty within customers may be difficult. Customers may prefer purchasing from a competitor who offer better deals, lower prices, more variety or increased convenience. Additionally, if BrewNest fails to keep in contact with

customers regularly after purchasing once they may stop purchasing from BrewNest, and opt for an alternative. To overcome these problems, BrewNest must provide a high quality product, understand its customers preferences, personalise the experience for customers, and offer loyalty schemes to encourage customers to return.

4.1 The post-purchase experience

Improving the customer experience is key to encouraging repeat business. Even if the coffee itself is of high quality, other factors could cause dissatisfaction. As customers are buying specialist coffee products from BrewNest online, they expect a high quality product to arrive in a timely fashion. If customers do have a poor experience (delayed delivery, damaged packaging, wrong orders, poor customer service) then they may lose faith in the company and may be discouraged from purchasing from BrewNest again.

In order to improve the customer experience, BrewNest should ensure a consistently good experience throughout. Orders should be well packaged to maintain the freshness and aroma of the coffee. Orders should be delivered within the expected timescale. It should be clearly printed on packaging what the roasting date was, what product it is, how to store it and what brewing method is best. A basic brewing guide and personal thank you note in the package can provide value to customers and make them view the brand positively. Furthermore, BrewNest should respond quickly to questions and efficiently manage any complaints from customers. Small changes such as this can give BrewNest credibility, increase customer satisfaction and allow customers to form a long term relationship with BrewNest.

4.2 Timely reordering

Convenience within the service can have an impact on customer retention. Although customers may be satisfied with the coffee, they may not reorder due to forgetting they need more. Customers may also find it inconvenient to search for their desired coffee, place an order with their details, and therefore may choose to purchase from a competitor or online store with a faster ordering process.

In order to resolve this problem, BrewNest can implement features that make ordering easier for customers. BrewNest can send customers timely reminders via email or WhatsApp based on the date they last ordered to encourage customers to reorder before they run out. In addition, a '1-click' ordering feature can allow customers to quickly order the same products they have chosen before, without having to go through the whole ordering process. Storing customer preferences, delivery addresses and payment information securely will increase convenience. Offering subscriptions to deliver products weekly, monthly, or in custom times, can also mean that customers regularly get their favourite coffee. As these solutions reduce the effort put in by customers, it will increase satisfaction and encourage customers to remain loyal to the brand.

4.3 Personalisation and taste guidance

Understanding customer preferences is very important in this industry. Within the specialty coffee market, different customers will prefer different products. Some may prefer medium roast, whilst others may like dark roasts, fruitiness, chocolatey or stronger blends. If customers aren't familiar with the variety of products on offer it may be difficult for them to try new products. If customers are not getting adequate recommendations, they may begin purchasing products from other brands in order to get a more personal shopping experience. However, if BrewNest understands each custom-

er's personal preferences it can create a strong relationship with the customer, encouraging them to try new products.

Personalised recommendation systems should be implemented. Customers can be recommended products based on what they have previously purchased, their preference in flavour, brewing style and shopping habits. A quick quiz could be given to customers after their first purchase. This can give information on if they prefer strong, mild, bitter, fruity or chocolatey coffees. Depending on the results, BrewNest can send customised recommendations via email, WhatsApp or on their website. For example, if customers are regularly buying medium roast coffees, BrewNest could recommend similar single origin coffees. Personalised recommendations can make customers feel understood and valued. It encourages them to try new products, increases customer retention and improves customer loyalty.

4.4 Personalisation communication

Emails and WhatsApp messaging can be a good way to continue engaging customers to make repeat purchases. As coffee is a regular purchase for customers, BrewNest can look at data from previous orders to determine when they are likely to need to restock their coffee. If reminders are sent just before this date, it may encourage customers to re-order without them having to actively look for the product. Additionally, informing customers about new coffee varieties, promotions, recommendations and methods of brewing can help engage customers with the brand, and encourage them to try different products within the range.

A consistent approach to messaging should be created to best engage customers. This should contain meaningful content, and not regular promotions. For instance, BrewNest could prompt customers to reorder coffee after a couple of weeks, recommend a new type of coffee that is appropriate for their previous purchases, and provide tips on how to make their coffee depending on their brewing method. Occasionally, newsletters could be sent to customers providing information on where the coffee comes from, how it has been roasted, how to store it, and exclusive offers for returning customers. The time and frequency of the messages must be well considered so that customers are not overwhelmed by messages, and do not perceive BrewNest as being too pushy. If meaningful communication is provided with customers, BrewNest can increase engagement with customers, create trust in the brand, and increase the chance of customers making repeat purchases.

4.5 Monitoring retention performance

Customer retention can be measured and analysed through data from BrewNest's online store, email marketing, WhatsApp marketing and web analytics. By measuring performance within customer retention, BrewNest can understand purchasing behaviour, observe trends in customer loyalty and gain an understanding of whether the customer retention methods are working effectively. By analysing customer data, areas for improvement can be identified and more informed marketing decisions can be made.

The KPIs to be measured include:

- **Repeat Purchase Rate:** percentage of customers returning to make purchases after their initial one.
- **Time between 1 st purchase and 2 nd purchase:** gives insight into how long it takes people to buy from BrewNest again. Can show if reminder emails for re-orders are effective.
- **Customer Churn Rate:** percentage of customers who have stopped purchasing from BrewNest.

- **Subscription Sign-ups and drop offs:** number of people joining subscription plans, and leaving subscription plans.
- **AOV (Average Order Value):** average value of order per customer.
- **CLV (Customer Lifetime Value):** estimated value of revenue generated from a customer throughout their relationship with BrewNest.
- **Reviews, Referrals, NPS (Net Promoter Score):** can give information on how satisfied customers are with BrewNest, how likely they are to refer it to others and overall customer experience.

Using these KPIs on a regular basis will allow BrewNest to understand which customer retention strategies are working effectively, and which need to be altered. For example, if there is an increase in repeat purchases following personalised reminder emails for re-orders, the method can be improved further. Alternatively, if there is an increase in customers leaving subscription plans, BrewNest may need to consider changing the price, delivery schedule or product satisfaction within subscriptions. Overall, this analysis will allow informed decisions to be made by the founders, leading to stronger customer relationships and sustainable growth in business.

5 Expected benefits

There may be many long-term benefits for BrewNest in implementing a good retention strategy.

- **Higher Repeat Purchases:** More first-time buyers may become regular customers.
- **Lower Acquisition Costs:** Keeping existing customers is usually cheaper than constantly advertising to find new ones.
- **Predictable Revenue:** Subscriptions give the business a more stable monthly income and help with planning roasting and inventory.
- **Stronger Brand Positioning:** A consistent, high-quality experience can build an image of BrewNest as a trustworthy and customer-focused coffee brand.
- **Sustainable Growth Through Word of Mouth:** Satisfied customers are more likely to leave reviews and recommend the brand to friends.

The above benefits may be seen, but this is subject to data from the business and its customers.

6 Challenges and limitations

While implementing customer retention strategies can bring many benefits to BrewNest, there are challenges to overcome. It is important to regularly monitor, plan and interact with customers in order to implement customer retention strategies. However, due to BrewNest being a new start-up, challenges may arise in managing the above processes alongside managing everyday business operations.

6.1 Time consuming

Customer loyalty and relationships take time to develop. In particular, new brands may struggle to gain customer trust. Although BrewNest will be offering loyalty schemes, tailored recommendations and re-order prompts, it may take several months before positive impacts from these strategies occur. To develop long term relationships with customers, BrewNest must ensure they consistently deliver high quality products, excellent customer service and communication.

6.2 Resource limitations

Due to BrewNest being a small start up, the amount of time, people and money that the founders have may be limited. Managing many customer retention strategies (processing orders for subscriptions, sending tailored communications, answering questions from customers and analysing data) can be challenging as the number of customers increases. BrewNest may need to invest in appropriate technologies to allow them to run these processes efficiently.

6.3 Careful planning required

Although offering frequent promotions and rewards (discounts, cashback, reward points) can encourage customers to make repeat purchases, too many promotions may cause reduced profits. Customers may become too reliant on the discounts and put off purchasing until the next promotion. To avoid this issue, BrewNest should focus on creating value for their customers by delivering quality products, exclusive benefits and personalisation. They should not only rely on reducing prices as a way of generating repeat purchases.Uncertainty in retaining customers.

Customers may change what type of coffee they consume, be more price sensitive, or choose to try out different products/services from competitors. Customer choices may alter due to individual situations, changing consumption patterns and the availability of other brands of coffee. Even loyal customers may not continue purchasing from BrewNest.

As information regarding real repeat purchase rates, levels of customer attrition and specific customer feedback is not given within the case study, the issues highlighted above may simply be potential issues, rather than current weaknesses in BrewNest's current business operations. This shows how important it is that BrewNest regularly monitor customer behaviour, gather feedback and make necessary improvements to its customer retention strategy.

7 Key learning

Retaining customers is key in growing a business. Due to the nature of coffee as a regularly consumed product, BrewNest Coffee Roasters can retain customers and gain recurring income. Encouraging returning customers increases stability in income. BrewNest can encourage returning customers by providing high standards of product, ease of ordering, personal recommendations and enticing loyalty benefits.

By retaining customers, BrewNest may be able to grow in a more effective and efficient way. Returning customers will likely be purchasing products frequently, trying out a variety of products, and recommending the brand to friends, family and colleagues. This will create positive buzz marketing in the market and allow BrewNest to gain new customers, without solely relying on advertising. Furthermore, retaining customers means that BrewNest can see increased customer value, have more predictable sales, and reduces the cost of continually gaining new customers. BrewNest should therefore aim to build long term relationships with customers, rather than just measuring the success of the business based on initial orders.

The marketing methods used should be co-ordinated. Strategies to attract customers, promotions on Instagram, and communication via emails/Whatsapp, as well as personal recommendations and loyalty schemes should be considered within a cohesive marketing plan. For example, customers who are attracted via Instagram adverts should be given a consistently high quality marketing experience following purchase. Customers should also be encouraged to stay connected to BrewNest with

reminders sent through emails. Offering rewards within a loyalty scheme can also encourage customers to stay connected. Overall, this cohesive marketing strategy will increase customer engagement, brand awareness, and frequency of sales from customers. A loyal customer base will be made which will support long term growth in a competitive sector.

8 Conclusion

Improving customer loyalty in BrewNest Coffee Roasters can increase customer life time value and provide stable income. This can allow less reliance on paid advertising and new customer acquisition. As coffee is a frequently bought item, there are many ways to increase repeat purchases. By providing a good delivery experience, high quality products, and an easy way to place repeat orders, and tailored product suggestions, customers can have a satisfactory experience. Creating a community by engaging people via social media, taking feedback from customers and creating special loyalty incentives encourages greater customer attachment to the brand.

Customer loyalty is an important factor in BrewNest growing their business. A large base of loyal customers means regular sales, positive free promotion and greater brand awareness. By considering customers' preferences, resolving complaints, and giving valuable incentives, BrewNest can create strong relationships with customers. This means that customers will continue to choose BrewNest over competitors. It also allows the brand to gain more insight into who their target audience is, meaning they can improve their products/services to match customer expectations.

Customer loyalty strategies should be used in conjunction with customer acquisition strategies to produce a well balanced marketing strategy. Promoting BrewNest via Instagram can bring new potential customers to the brand. However, using marketing via e-mail/whatsapp, providing tailored recommendations, subscriptions, and loyalty schemes to existing customers can encourage loyalty. Combining both strategies creates a unified experience for customers, from initial discovery to repeat purchasing.

To achieve long term success, BrewNest Coffee Roasters must form strong relationships with customers. Considering customer satisfaction, ease of purchase, personalisation and loyalty, initial customers can be encouraged to become regular customers. It is not just important to make sales, but to create a trustworthy and identifiable brand of coffee that customers will enjoy, promote and choose to buy repeatedly.

In conclusion, the long-term success of BrewNest Coffee Roasters will depend not only on its ability to attract customers but also on how effectively it builds and maintains relationships with them. By focusing on customer satisfaction, convenience, personalisation and loyalty, the company can gradually transform first-time buyers into regular customers. The ultimate objective is not simply to make a sale, but to build a trusted and recognisable coffee brand that customers enjoy, recommend and choose repeatedly.

References

[1] Reichheld F (1996). The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value. *Harvard Business School Press*.

[2] Gallo A (2014). The Value of Keeping the Right Customers. *[online] Available from: [Internet]*. 2014. Available from: https://hbr.org/2014/10/the-value-of-keeping-the-right-customers