Retail banking, also known as consumer banking, refers to the services banks provide to individual customers. Common retail banking services include checking and savings accounts, mortgages, credit cards, and auto loans. Retail banks focus on individuals, while investment banks focus on corporations and governments, and commercial banks focus on small and mid-sized businesses.

**Products offered by retail banks**

The exact mix of products offered by retail banks can vary, but may include:

* Checking accounts -- many retail banks have several types of checking accounts, ranging from basic checking to interest-bearing checking accounts designed for customers with high balances
* Savings accounts -- like checking accounts, savings accounts come in several varieties
* Debit/ATM cards
* Credit cards
* Money orders/certified checks
* Wire transfers
* Mortgages (purchase and refinancing) and home equity loans
* Auto loans
* Personal loans
* Certificate of deposit (CD) and money market accounts
* Safe deposit boxes
* Banking products designed specifically for college students

**direct marketing**

1. the business of selling products or services directly to the public, e.g. by mail order or telephone selling, rather than through retailers.

### **Term Deposit Explained**

When an account holder deposits funds at a bank, the bank can use that money to lend to other consumers or businesses. In return for the right to use these funds for lending, they will pay the depositor compensation in the form of interest on the account balance. With most deposit accounts of this nature, the owner may withdraw their money at any time.

Input variables:  
# bank client data:  
1 - age (numeric)  
2 - job : type of job (categorical: 'admin.','blue-collar','entrepreneur','housemaid','management','retired','self-employed','services','student','technician','unemployed','unknown')  
3 - marital : marital status (categorical: 'divorced','married','single','unknown'; note: 'divorced' means divorced or widowed)  
4 - education (categorical: 'basic.4y','basic.6y','basic.9y','high.school','illiterate','professional.course','university.degree','unknown')  
5 - default: has credit in default? (categorical: 'no','yes','unknown')  
6 - housing: has housing loan? (categorical: 'no','yes','unknown')  
7 - loan: has personal loan? (categorical: 'no','yes','unknown')  
# related with the last contact of the current campaign:  
8 - contact: contact communication type (categorical: 'cellular','telephone')   
9 - month: last contact month of year (categorical: 'jan', 'feb', 'mar', ..., 'nov', 'dec')  
10 - day\_of\_week: last contact day of the week (categorical: 'mon','tue','wed','thu','fri')  
11 - duration: last contact duration, in seconds (numeric). Important note: this attribute highly affects the output target (e.g., if duration=0 then y='no'). Yet, the duration is not known before a call is performed. Also, after the end of the call y is obviously known. Thus, this input should only be included for benchmark purposes and should be discarded if the intention is to have a realistic predictive model.  
# other attributes:  
12 - campaign: number of contacts performed during this campaign and for this client (numeric, includes last contact)  
13 - pdays: number of days that passed by after the client was last contacted from a previous campaign (numeric; 999 means client was not previously contacted)  
14 - previous: number of contacts performed before this campaign and for this client (numeric)  
15 - poutcome: outcome of the previous marketing campaign (categorical: 'failure','nonexistent','success')  
# social and economic context attributes  
16 - emp.var.rate: employment variation rate - quarterly indicator (numeric)  
17 - cons.price.idx: consumer price index - monthly indicator (numeric)   
18 - cons.conf.idx: consumer confidence index - monthly indicator (numeric)   
19 - euribor3m: euribor 3 month rate - daily indicator (numeric)  
20 - nr.employed: number of employees - quarterly indicator (numeric)  
  
Output variable (desired target):  
21 - y - has the client subscribed a term deposit? (binary: 'yes','no')

**Conclusion**

Almost all of the attributes contribute significantly to the building of a predictive model. Among the three classification approach used to model the data, the logistic regression model yielded the best accuracy with just 9.4% misclassification error rate. This model is simple and easy to implement.

The bank marketing manager can identify the potential client by using the model if the client’s information like education, housing loan, Personal loan, duration of the call, number of contacts performed during this campaign, previous outcomes, etc is available. This will help in minimizing the cost to the bank by avoiding to call customers who are unlikely to subscribe the term deposit. They can run a more successful telemarketing campaign using this model.