Case Study

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Creditas Case Study

Summary

The problem statement is about segmenting customers with similar propensity of repayment.

In order to calculate the propensity of re-payment, we need to statistically identify correlations to define metrics and weights for calculating propensity of repayment for customers

Company Profile

Headquartered in Gurgaon, Creditas is a FinTech start-up that leverages machine learning and other advanced technologies to assist Financial Institutions with an alternative digital medium to reach and interact with their customers.

It helps its partners expedite and optimize Delinquency Detection, Financial Literacy, and Debt Recovery. It is currently, catering to a $100 Bn market of Debt Recoveries.

The core of this tech-driven enterprise is its Data & Communication Layer. The layer structures, validates, and enhances Creditor data and thus, creates accurate customer profiles. These profiles then can be segmented for separate engagements

Problem Statement

Using the superior marketing, the company has a pool of customers who have engaged with the platform in some way or the other.

We need to build a statistical model now, to segment the customers with similar propensity of repayment.

The propensity of repayment is defined as the willingness of the customer to clear his past defaults

The students will need to identify correlations to identify metrics that impact the propensity to pay. Once comprehensive metrics are defined, the students will assign a weight to these metrics to calculate a propensity score.

Customers with similar propensity scores will be clustered together. In order to complete the following business objectives, the students will also need to bring out the segment characteristics for each cluster created.

Business Objectives:

- Prioritizing the correct customers first
- Identifying different transactional reach out templates to be used for the customer segment
- Predicting the monthly payments which can be derived from a given portfolio