

# Bank Churn Analysis

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## Problem Statement

- Churn rate is to banks what sunscreen is to beach goer – essential protection against harmful rays or in this case significant revenue loss
- Acquiring a new customer can cost five times more than retaining an existing customer, and existing customer can increase profits from 25% – 95%
- Analyzing churn can help banks retain customers, which would help increase CLV
- Understanding churn will also open-up potential avenues to improve services and could even generate new revenue streams

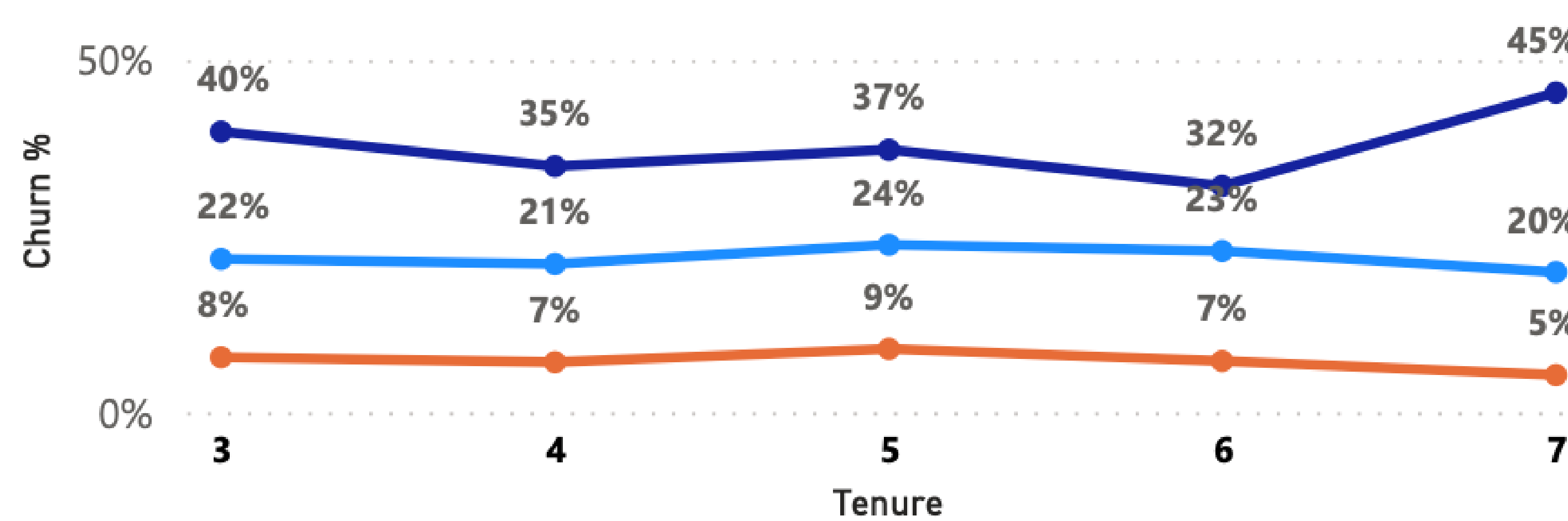
## Methodology

- The data set is of over 10k records spread across a span of 7 years
- We are working with data points such as customer id, age, gender, country, credit score, account balance
- Performed logistic and random forest regression to build predictive models and achieved an accuracy of 79% and 76% respectively
- Conducted a comprehensive analysis of the impact of KPI's on customer churn, providing valuable insights to stakeholders

## Analysis

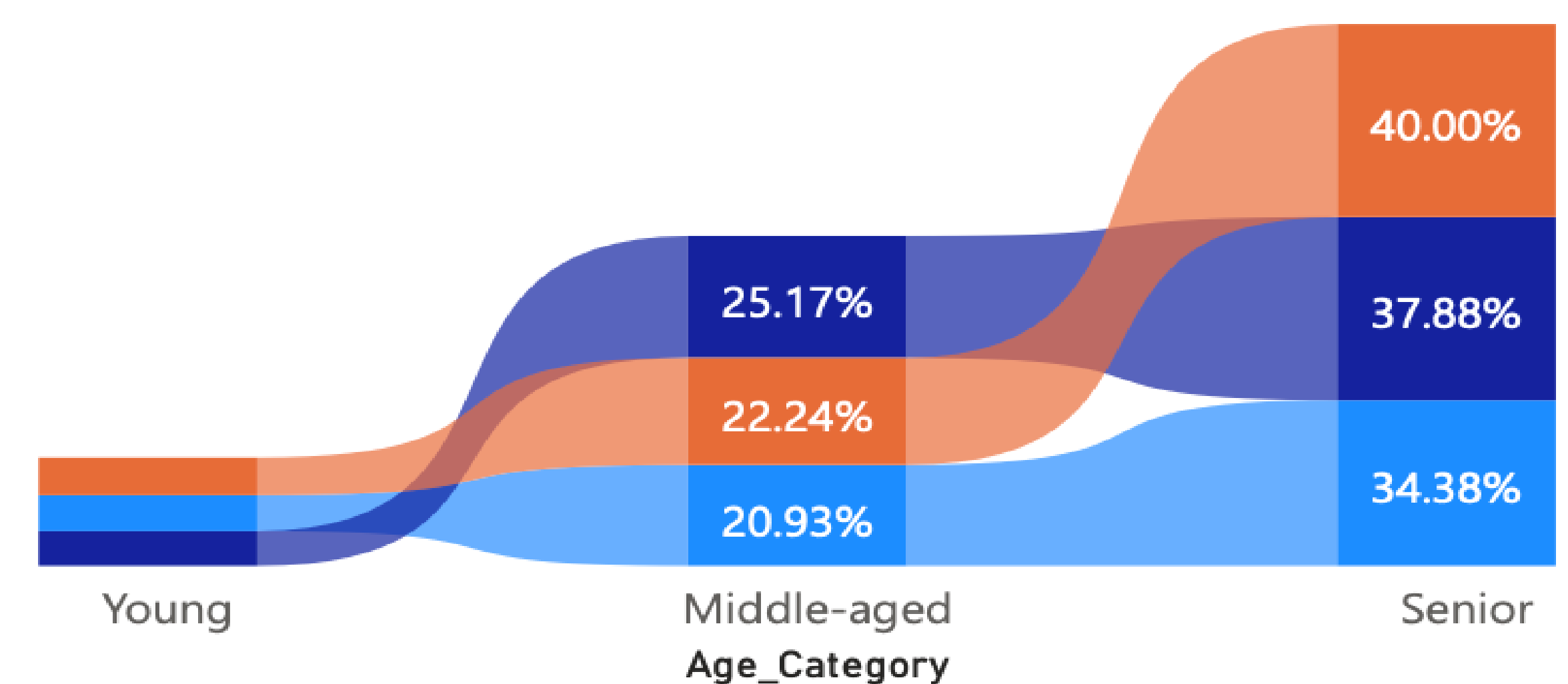
Churn % by Tenure and Age\_Category

Age\_Category ● Middle-aged ● Senior ● Young

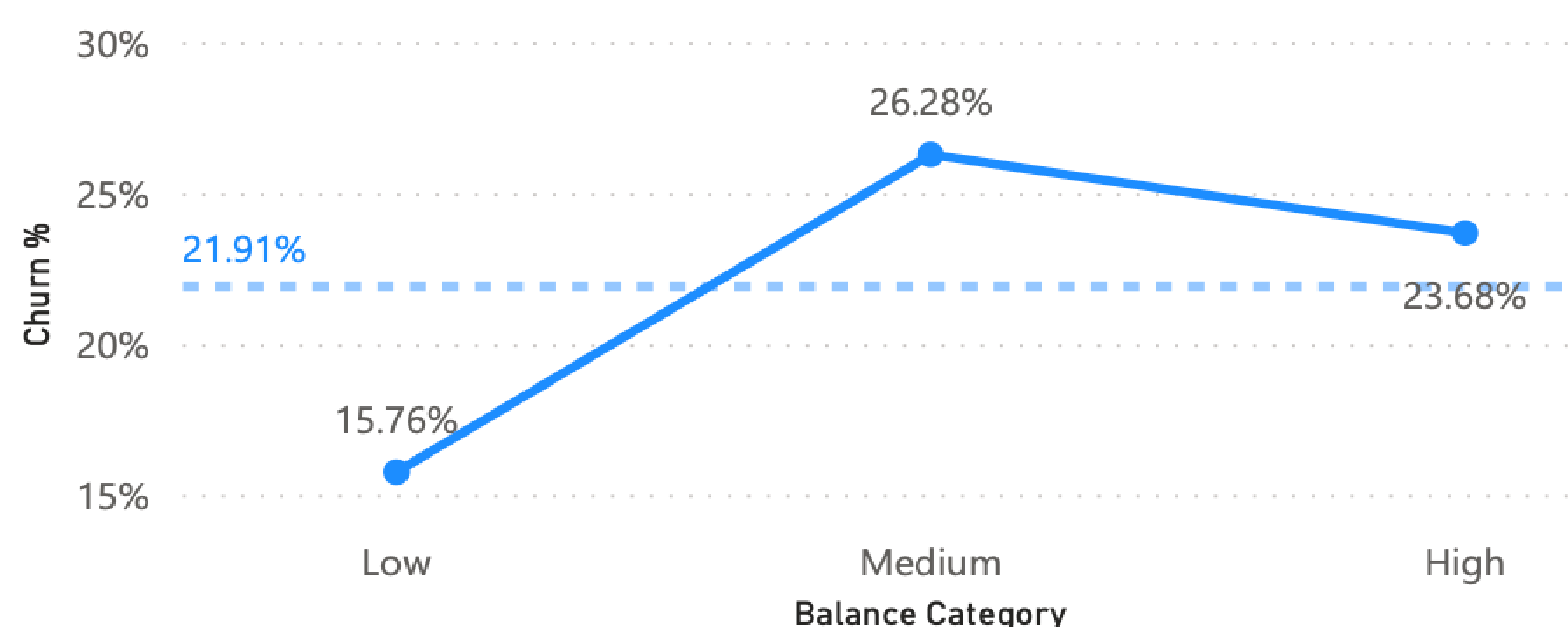


Churn % by Age\_Category and Credit\_Score\_Category

Credit\_Score\_Category ● High ● Low ● Medium

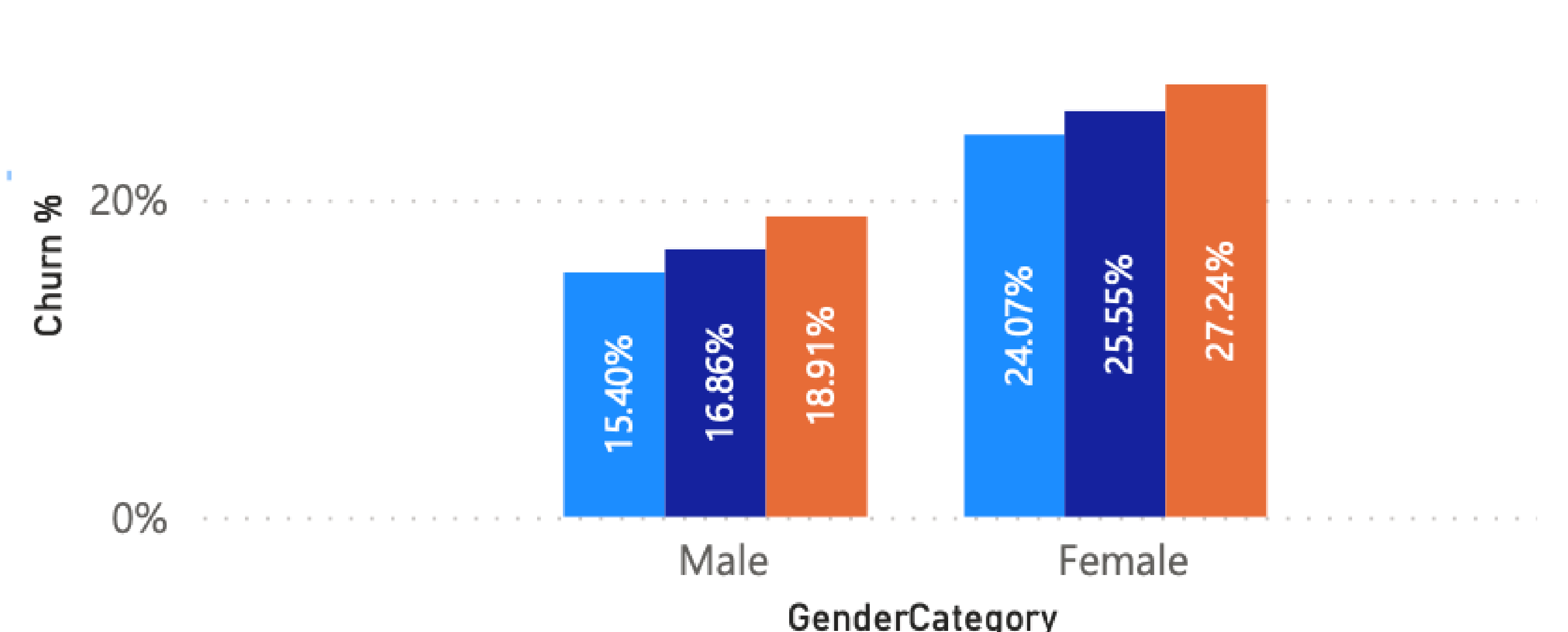


Churn % by Balance Category



Churn % by GenderCategory and Credit\_Score\_Category

Credit\_Score ● High ● Medium ● Low



## Conclusion:

- From the analysis, we can infer that senior age group tends to churn a lot at 45%
- Male and Female with low credit score (< 550) churn a lot. Germany has the highest churn rate among the three countries
- Customer retention plan and offers should be provided for senior citizens and people with low credit score

## Retention Plan:

- From the analysis, we can infer that senior age group tends to churn a lot at 45%. Credit Score Improvement Program: Help customers improve their credit score through financial counseling, debt consolidation, and debt payment advice.
- Assign a dedicated account manager or customer service representative to at-risk customers to provide personalized customer service. Reward customers who stay for an extended period with loyalty rewards like exclusive discounts, free products or services, or special access to new products or features.