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**Assessment Cover Page**

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Contents

[Introduction 1](#_Toc180418421)

[Objectives and Problem Definition 1](#_Toc180418422)

[Project Scope 2](#_Toc180418423)

[References 2](#_Toc180418424)

[NOTE:The table of contents above has been included for your convenience. To refresh the table, simply click on it, then select 'Update Table' using the mouse. You can choose to update either the page numbers exclusively or the entire table as needed.]

# Introduction

Conventional banking is facing increasing threats to their business models. Online banks and other Fintechs are offering better returns to customers via customised products and improved customer service. Digital bank providers are not weighted down by the traditional costs of a physical bank network such as buildings and staff costs. (Atiku and Obagbuwa) This enables them to optimize customer and shareholder returns. Conventional banks need to amend their marketing strategy to face this commercial threat.

The key strengths of traditional banks are the customer relationships built over many years which customers are reluctant to abandon. However, if banks do not utilise their customer data to tailor their product offerings then the highly profitable customer segments may be tempted by the digital newcomers.

To improve cost efficiency and enhance profitability traditional banks need to adapt a more customised product marketing strategy. Employing an A.I. model in bank marketing campaigns can help banks reach their commercial and customer goals as follows: (Huang and Rust)

* An AI model removes the manual process involved in a standard marketing campaign where telephone operators execute blanket sales calls to customers. An AI model will help identify the optimal customers or customer segments which will eliminate the costs for operating a mass marketing scheme.
* AI models can be used to analyze customer behaviour and test the success of product outcomes e.g. was the product retained to end term or was it declined?

The aim of this project is to develop an AI model marketing model that will more likely lead to a successful bank term deposit sales as opposed to adopting a mass marketing campaign.

# Objectives and Problem Definition

Develop an AI model to identify the most pertinent customer features that will lead to term deposit sale. The model also aims to identify the optimal number of customer interactions that will most likely lead to successful sale.

Developing an AI model will automate many of the conventional marketing processes and subsequently reduce cost. The AI model can also be utilised analyse the optimal sales process. For instance, an intensive and elongated sales process with multiple contacts with the customer may lead to a more successful sale.

The AI model will be trained using historic Portuguese bank term deposit sale data taken from (May 2008 to November 2010), (“UCI Machine Learning Repository”). The sales data was obtained from direct telephone calls to the bank customers.

# Project Scope

The project will span 2 semesters and will utilise the UCI Portuguese term deposit bank sales data taken from 2008 to 2010. This dataset contains 41k instances of 16 customer and sales process features. Due to the iterative nature of AI model development I intend to employ the CRISP-DM project management methodology. The process will contain the following steps:

### Data Understanding:

Investigate the UCI dataset. Is the data credible? Test for missing data or anomalies. If there are faults in our data it will lead to a faulty AI model and misleading results.

### Data Preparation:

Fix any data issues such as formatting and data gaps. Extract additional data and combine it with other sources to obtain clean and sufficient to commence modelling.

[NOTE: For the table of contents to function properly, you must use the correct headings for all your chapters and subchapters.

**Heading 1:** This is the main heading and should be employed for the primary title or chapter. For example: CHAPTER 1.

**Heading 2:** Use Heading 2 as a subheading. For instance: Chapter 1.1.

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The remainder of your text should be written using a normal font.]

# References