Customer Growth, Channel Performance & Churn Insights: A Data-Driven Marketing Intelligence Report for FintechLend

Submitted By: Charles Owolabi (ctowolabi@gmail.com)

1. Introduction: Executive Briefing for FintechLend

As the Data Analyst for the Business & Marketing team at FintechLend, I have analyzed the latest marketing and customer data to present key insights to the executive team. This report uses the `marketing.csv` dataset, processed and visualized in Power BI, to illuminate customer behavior, identify growth opportunities, and proactively highlight areas of risk. The findings are designed to be concise and actionable to support strategic decision-making.

2. Data Preparation and Transformation

Before analysis could begin, the raw data from `marketing.csv` was processed within Power BI's Power Query Editor. This phase was critical for cleaning the data, ensuring its integrity, and creating new metrics and dimensions to facilitate a deeper analysis.

The following key steps were performed:

- **Data Loading & Initial Assessment:** The `marketing.csv` file was loaded into Power BI. An initial review was conducted to check for data quality issues, including missing values, duplicates, and inconsistent formatting.
- **Data Cleaning:**
  - **Missing Values:** Rows with critical missing information (e.g., CustomerID) was removed, while other columns with missing data were handled based on context (e.g., filling with "Unknown" or a relevant default).
  - **Data Types:** Column data types were corrected to ensure proper calculations and sorting (e.g., converting revenue and borrowed amounts to currency/decimal types, and dates to date types).
- **Calculated Columns & Measures (DAX):** To enhance the dataset for analysis, several new columns and measures were created using Data Analysis Expressions (DAX):
  - **Age Grouping:** A conditional column named `AgeGroup` was created to categorize customers into distinct age brackets (`18-25`, `26-35`, `36-45`, `46+`). This allows for analysis of behaviors across different age demographics.
  - **Churn Status:** A descriptive column `ChurnStatus` was created, likely from a boolean or binary (1/0) field, to label customers as "Active" or "Churned". This is more intuitive for visual reporting.
  - **Borrower Type:** A column `BorrowerType` was created to classify customers as either "First Timer" or "Returning", enabling the analysis of loyalty and repeat business.

- - ○ **Key Performance Indicators (KPIs):** Several core measures were defined to track performance:
    - **Total Customers:** A distinct count of `CustomerID`.
    - **Conversion Rate:** Calculated as the number of successful conversions divided by the total number of leads or interactions.
    - **Churn Rate:** Calculated as `(Number of Churned Customers / Total Number of Customers)`.
    - **Total Revenue:** The sum of the `Revenue Generated` column.

3. Data Analysis and Key Insights

The prepared data was visualized across four key dashboard pages: Executive Dashboard, Customer Segmentation, Campaign & Channel Performance, and Churn & Risk Insights.

3.1. Executive Summary

The main dashboard provides a high-level overview of the business, revealing a total of **714 customers** who generated **$109.51 million** in revenue. However, the business faces a significant challenge with a **churn rate of 48%**, indicating that nearly half of the customers are being lost.

- **Gender & Borrower Distribution:** The customer base is almost evenly split between **Male (49.16%)** and **Female (50.84%)**. Similarly, the split between **First-Time (51.1%)** and **Returning (48.8%)** customers is nearly even.
- **Top Cities:** The highest concentration of customers comes from **Port Harcourt**, followed closely by **Lagos, Kano, Abuja, and Ibadan**.

3.2. Acquisition Channel Performance

The analysis of acquisition channels shows where customers are coming from and how effectively each channel converts them.

- **Top Performing Channels:** The **USSD**, **Paid Ads**, and **Referral** channels exhibit the highest average conversion rates, all hovering around 0.5. This suggests that these channels are highly effective at turning leads into customers.
- **Channel Contribution:** While conversion rates are high, the dashboard also shows the volume of customers acquired by each channel. Paid Ads and Referral channels appear to bring in the highest number of both active and churned customers.

3.3. Campaign Effectiveness

The campaign performance dashboard reveals the success of specific marketing initiatives.

- **Top Campaigns:** The **"LoanBlitz"** and **"BackToSchool"** campaigns were the most successful in terms of customer acquisition.

- **Campaign Churn:** Despite their success in acquisition, these top campaigns also contribute significantly to the churn count. This suggests that while the campaigns are effective at attracting users, there may be a disconnect in long-term value or user experience that leads to high churn.
- **Source Medium:** When analyzing the source medium, `referral/email` and `facebook/cpc` are the top sources for acquired customers, but they also account for the highest number of churned customers.

3.4. Churn and Risk Analysis

This section focuses on understanding which customer segments are most likely to churn.

- **Churn by Age:** The **18-25** and **36-45** age groups have the highest churn rates. The 46+ age group, while being the largest customer segment, also has the highest absolute number of churned customers.
- **Churn by Loan Status:** The data shows a near 50/50 split between customers with an `ActiveLoan` and those with `NoLoan`. This could be a critical factor in churn, as customers who have paid off a loan may not see a reason to remain on the platform.
- **Geographic Churn:** Churn appears relatively evenly distributed across the top cities, with no single city standing out as a major risk area.

4. Recommendations

Based on the analysis, the following actions are recommended:

1. **Invest in High-Converting Channels:** Continue to invest in and optimize the **USSD, Paid Ads, and Referral** channels, as they demonstrate the highest conversion efficiency.
2. **Develop Retention Strategies for High-Risk Segments:** Create targeted retention campaigns aimed at the **18-25** and **36-45** age groups. Since the 46+ group is the largest, even a small improvement in their retention rate could have a significant impact.
3. **Analyze Post-Campaign Behavior:** Investigate why customers acquired through successful campaigns like "LoanBlitz" churn at a high rate. The issue may lie with the product experience or onboarding process rather than the campaign itself.
4. **Promote Customer Loyalty:** With a near-even split of first-time and returning customers, there is a clear opportunity to implement loyalty programs or incentives to encourage repeat business and reduce churn among customers who have completed a loan cycle.