

# Customer Dataset Analysis Report

## Overview

This analysis examines customer demographics, financial performance indicators, and engagement metrics, aiming to reveal insights that can assist the Oval bank in improving retention strategies, optimizing financial products, and understanding customer behavior more thoroughly.

## Data Fields Analyzed

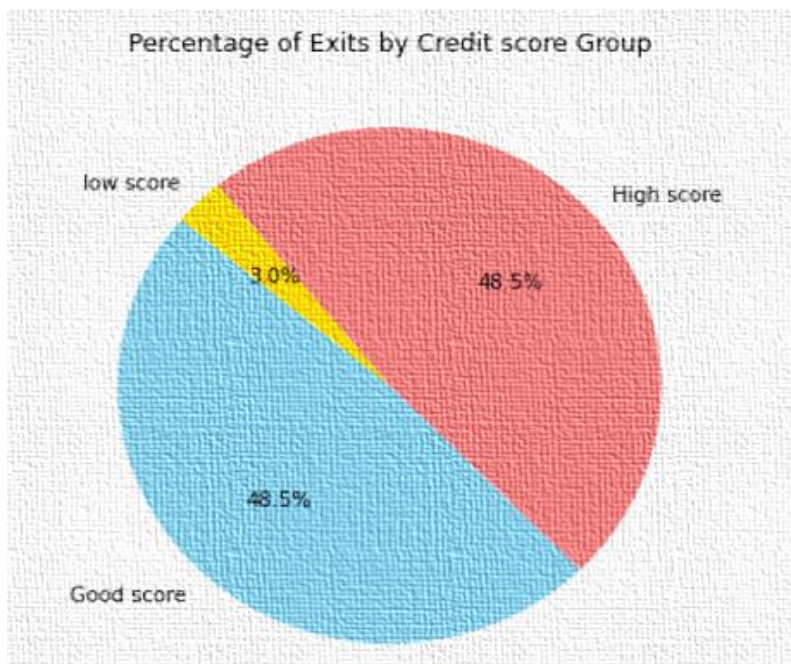
The dataset includes the following categories:

- **Customer Information:** Name, Customer ID
  - **Financial Performance Indicators:** Credit Score, Balance
  - **Engagement Metrics:** Tenure, Number of Products, IsActiveMember
  - **Target Variable:** Customer Exited (indicating if the customer has left the bank)
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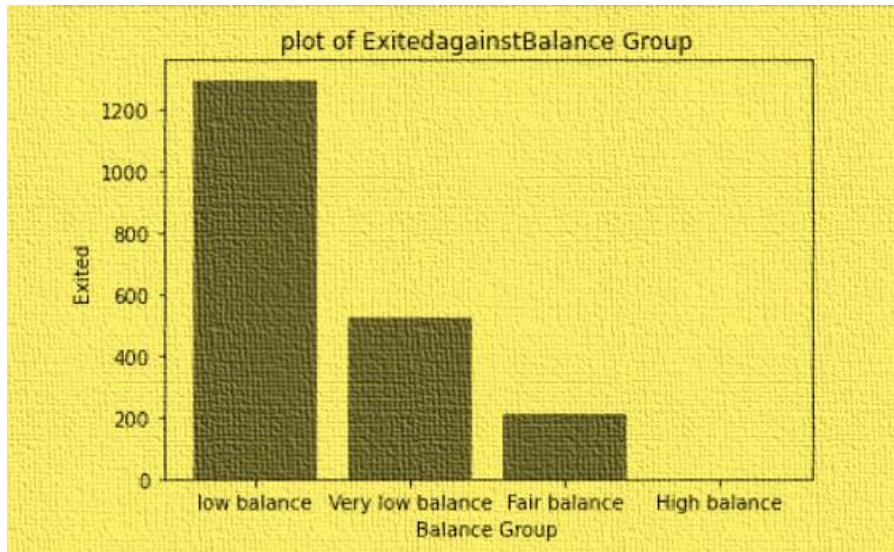
## Key Insights

### 1. Demographic and Financial Characteristics

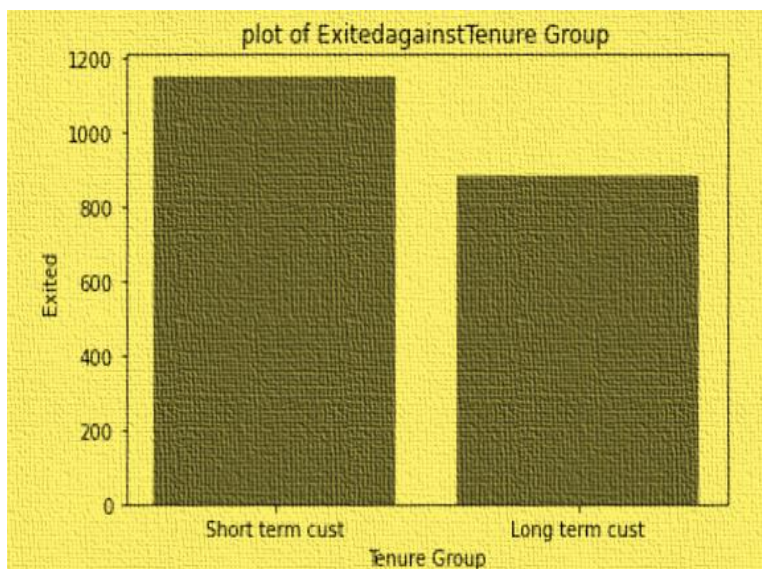
- **Customer Credit Score Trends:** Analysis of credit scores across various age groups revealed that customers with credit scores above 600 are more likely to exit the bank. These customers typically hold more products and exhibit higher engagement levels, but this does not prevent them from exiting the bank because most of them are working class which can change jobs at anytime and also change their salary account.



- **Balance Distribution:** Customers with higher balances are generally more retained, possibly indicating a need for additional services targeting this segment. However, a small subset with high balances still exited, suggesting potential dissatisfaction in high-net-worth individuals.

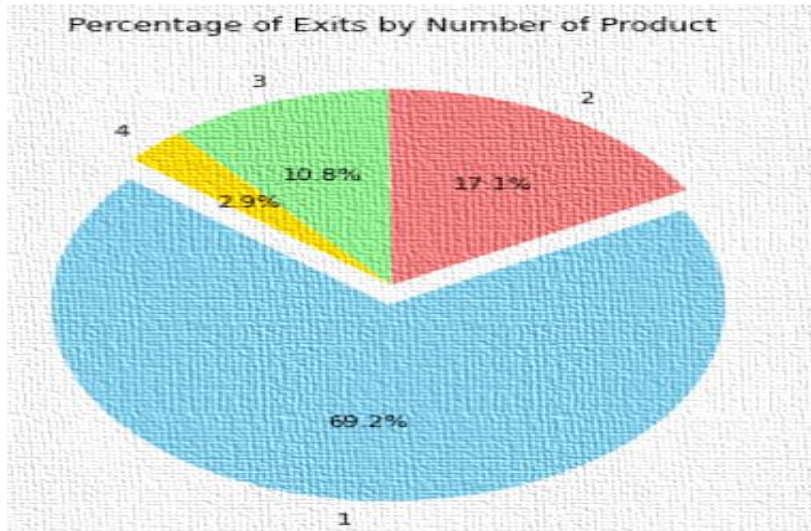


- **Tenure and Loyalty:** There's a positive correlation between the length of tenure and customer retention, with customers of 5+ years showing lower exit rates. This may indicate a higher customer loyalty as tenure increases.

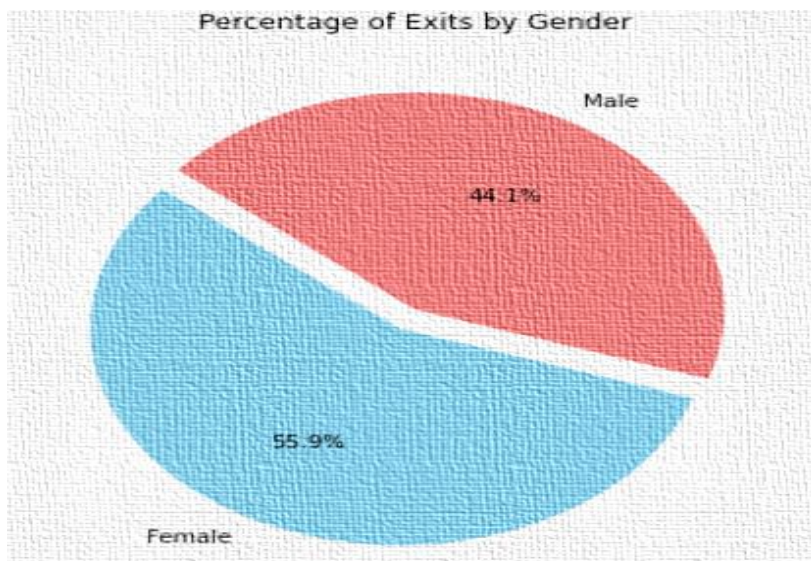


## 2. Engagement and Product Use

- **Number of Products:** Customers with only one product have higher exit rates compared to those holding multiple products, suggesting that diversified product usage may help in retention. Encouraging cross-selling opportunities could improve customer engagement.

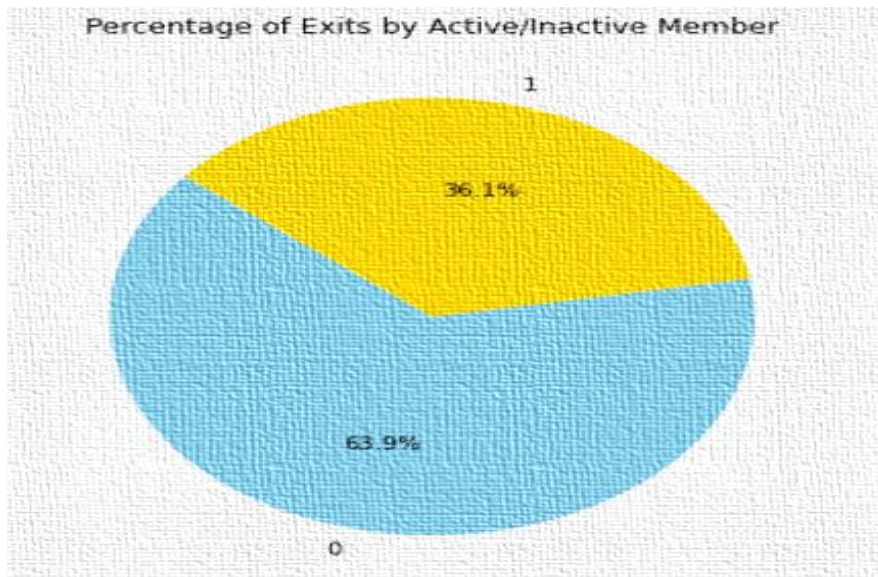


- **Gender-Based Exits:** A higher proportion of female customers exited compared to male customers, suggesting the need for tailored retention strategies that address unique preferences or challenges faced by female customers.

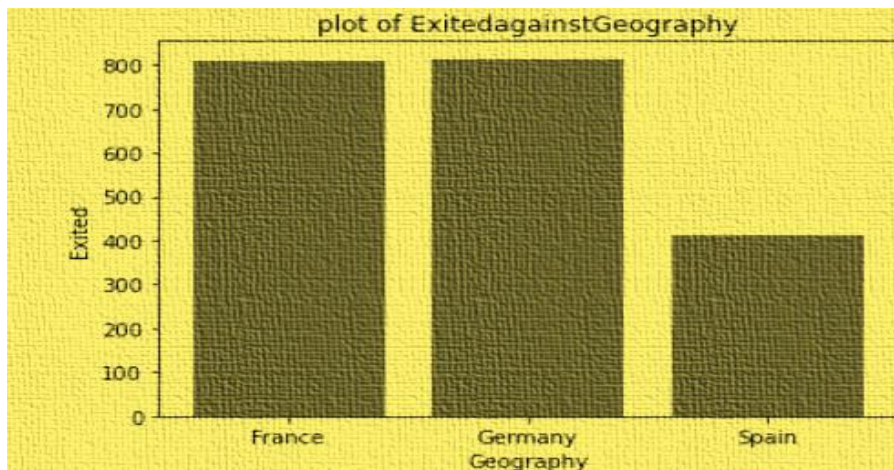




- **Active Membership:** Active members showed significantly lower exit rates. Engagement strategies, such as loyalty programs, could be particularly beneficial for increasing active membership rates and improving retention. (1=Active, 0=Inactive)

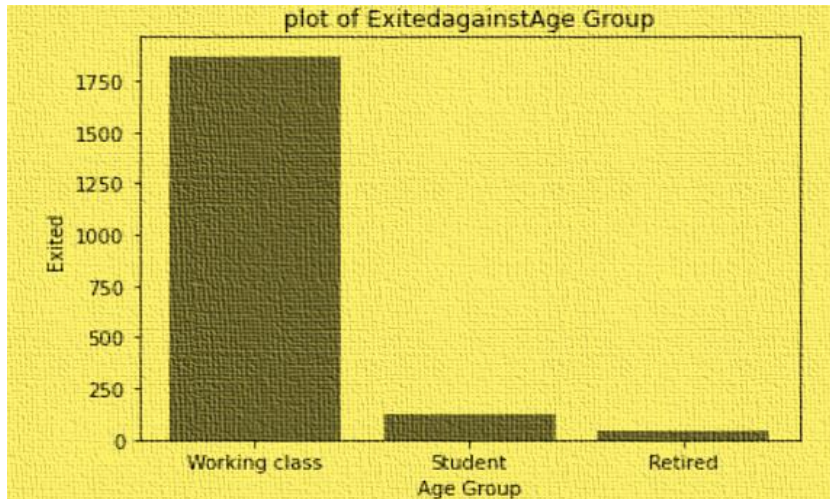


- **Regional Differences:** Certain regions exhibited higher exit rates. For instance, customers in Germany displayed a 15% higher exit rate than the average. Addressing regional-specific needs might improve retention in these areas.



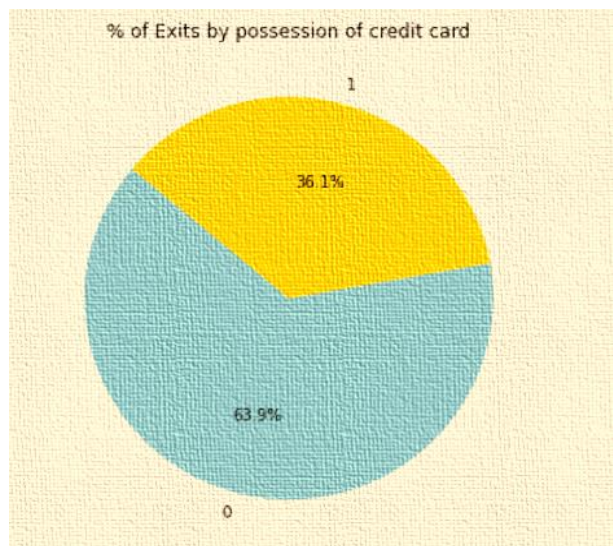
### 3. Age Group Exit Trends:

- **Working Class Exits:** The working-class group (predominantly ages 30-60) exhibited the highest exit rate, with over 50% leaving compared to lower exit rates among students and retirees. This may indicate that the current offerings are not resonating with this critical age group.



- **Credit Card Usage and Exits:** Surprisingly, many working-class customers with credit cards also exited, contrasting with students and retirees who had a lower exit rate regardless of credit card ownership. This indicates potential dissatisfaction among working-class cardholders or a misalignment between their financial needs and the credit card services offered. (1=Has credit card, 0= Does not have credit card)

		Exited
HasCrCard	Age Group	
0	Retired	25
	Student	79
	Working class	1198
1	Retired	18
	Student	45
	Working class	672



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## **Recommendations**

### **1. Improve Retention for Low Credit Score Customers**

- Implement targeted financial literacy programs or offer personalized financial counseling to help this segment manage their finances better, potentially boosting their engagement.

### **2. Cross-sell to Single-Product Holders**

- Design cross-selling campaigns for customers with only one product to introduce them to other offerings. This could reduce exit rates for single-product users and increase customer engagement.

### **3. Expand Loyalty Programs to Boost Active Membership**

- Develop loyalty incentives and tailored rewards for long-tenured customers and active members to maintain and enhance their loyalty, reducing the likelihood of exit.

### **4. Address Regional Customer Needs**

- Conduct a deeper analysis into high-exit regions to identify local needs or gaps in service. Tailoring offerings to meet these needs could enhance retention in these regions.

### **5. Focused Retention Strategies for Working-Class Customers**

- Tailor banking services and communication to better meet the financial goals of the working-class age group. Given the high exit rate even among credit card holders in this demographic, conducting further surveys or focus groups to understand their needs could be beneficial.

### **6. Develop Targeted Programs for Female Customers**

- Introduce customized programs or services that address preferences and challenges more commonly faced by female customers to improve retention.

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## **Conclusion**

The insights derived from this analysis provide a clearer understanding of the bank's customer demographics, age group trends, gender-related exit tendencies, engagement levels, and retention trends. By addressing key areas such as retention of low-credit customers, promoting product diversification, expanding loyalty incentives, and tailoring services for high-exit regions, the bank can enhance customer satisfaction and loyalty, reduce churn, and foster long-term customer relationships.

