Introducing a New Line of Credit Cards to Broaden Market Reach

To explore customer demographics and spending behavior to design a new line of credit cards that aligns with customer needs and increases market penetration.

MITRON
NATIONAL BANK

Presented By : Abhipsita Dasgupta

About

Mitron Bank is a well-established financial institution with its headquarters in Hyderabad. Recognizing the growing demand for credit card services, the bank is planning to introduce a new line of credit cards to enhance its product portfolio and expand its customer base. To ensure a successful launch and optimize card offerings, Mitron Bank has engaged AtliQ Data Services to conduct a pilot project using a sample dataset of 4000 customers.

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Problem Statement

Mitron Bank is exploring ways to increase its presence in the financial market by introducing new credit card products. The challenge is to analyze the customer data, understand spending behavior, and identify target customer segments most likely to adopt and use the new credit cards. The analysis should be comprehensive, data-driven, and include insights into customer demographics, income utilization, and spending patterns to recommend features for the new credit cards.

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Solution or Strategy

- Classify customers based on available demographic data such as age, gender, occupation, etc., and generate insights to segment the target audience.

- Calculate the key metric, Avg Income Utilization % . Customers with higher utilization rates are more likely to use credit cards frequently, making this a crucial indicator

- Understand where customers spend the most money, and whether factors like occupation, gender, city, and age affect their spending patterns.

- Identify and profile high-value customer segments who are most likely to be heavy users of the new credit cards based on spending behavior and demographics.
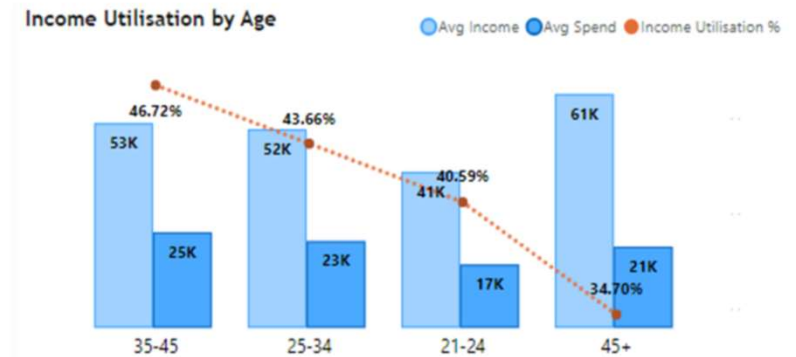
- Based on the data insights and secondary research, recommend credit card features that will appeal to specific target segments and increase the likelihood of card adoption.

Customer Demographics & Spending Patterns

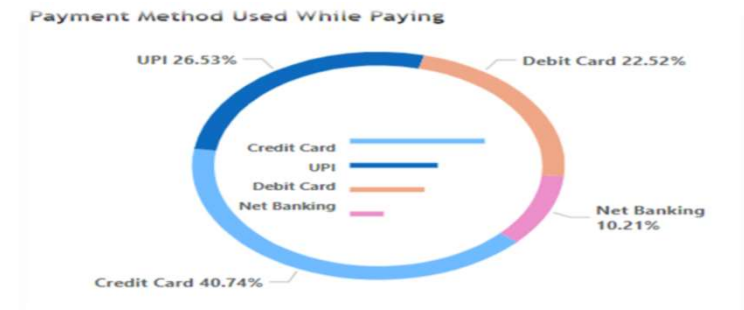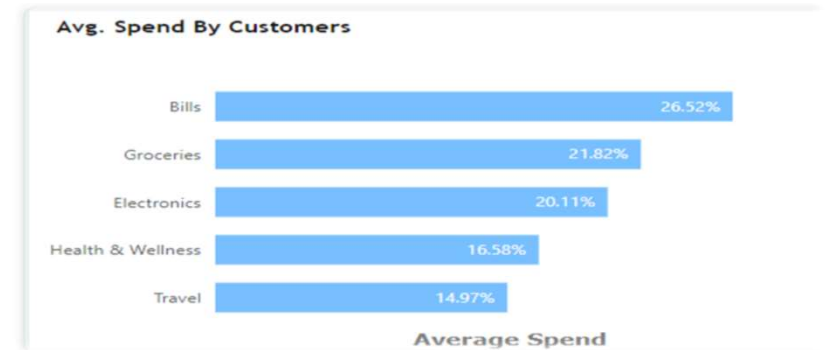**Income and Spending Analysis by Demographics**

- Age Group 35-45 has the highest Avg Income Utilization % (~ 47%).

- Salaried IT employees and Business Owners show high spending and income potential.

- Married customers demonstrate a high Spending behavior, ideal for credit card products targeting leisure and lifestyle spending.

Income Utilisation by Age
○Avg Income ○Avg Spend ●Income Utilisation %

Income Utilisation by Occupation
○Avg Income ○Avg Spend ●Income Utilisation %

Spending Categories & Payment Preferences

Key Spending Categories and Payment Types

- Bills (27%),Groceries (22%),and Electronics (20%),Health& Wellness (17%), Travel (15%) dominate customer spending.

- Credit cards used for 41% of high-value purchases; UPI is popular for day-to-day expenses.

- Mumbai And Delhi NCR are the highest among other where people like spend their money.

Avg. Spend By Customers

Bills	26.52%
Groceries	21.82%
Electronics	20.11%
Health & Wellness	16.58%
Travel	14.97%

Average Spend

Payment Method Used While Paying

UPI 26.53% Debit Card 22.52%

Credit Card
UPI
Debit Card
Net Banking

Net Banking 10.21%

Credit Card 40.74%

Spending Trends Over Time

Spending Trends Over Time and Utilization %

- Spending peaks in August and September, aligning with festivals and major sales.

- Avg Income Utilization % increases during festive months, signaling a prime opportunity for promotional credit card offers.

- Mumbai being the highest and Chennai being the lowest in spending .

Average Spending by Month

Avg. Monthly Spend by City

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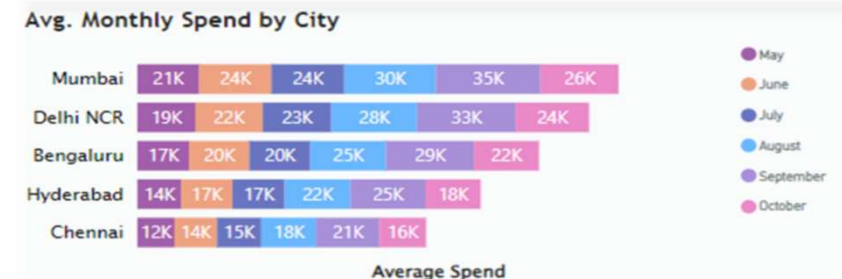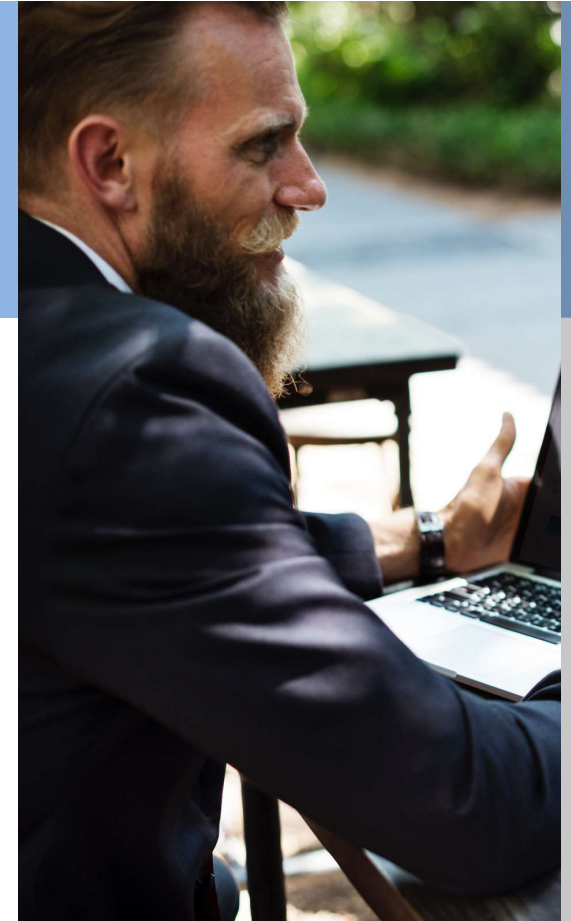
Recommendations & Next Steps

Ideal Target Segments and Product Strategy

Target Segments :

- Age Group **35-45**, **Salaried IT professionals**, and **Business Owners**.

- **Mumbai**, **Delhi-NCR**, and Bengaluru are the top Focus Cities.

- Preferred payment methods is **Credit Cards** for high-value transactions.

Product Strategy:

- Focus on rewards and cashback for **Electronics ,Groceries ,Bills ,Travel** categories.

- Promotional Offers during high-spend months (**August, September**).

- Custom credit limits and rewards for young **professionals** and **business owners** to encourage higher card usage.

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