**RESEARCH PROPOSAL**

Often, banks fall in love with a stellar credit score and they would do everything possible to win the hearts of clients having “good credit”. Is good credit score/high credit score an indication that a customer will be loyal to the bank? This business question is what I intend to address in my research. In the banking business just like any other business, retaining customers is a major priority. It is, therefore, in the interest of the bank to have some understanding and insight into what a credit score could mean in terms of retaining customers.

I intend to test the hypothesis that loyal and non-loyal customers have on average the same credit scores. The result of this research serves the bank on three different fronts. Firstly, the bank can know for sure whether credit scores are a good pointer or indicator of customer loyalty. Secondly, the bank gets to know whether it is worthwhile to go out of their way to keep customers for their high credit scores. And thirdly, having a fuller understanding of customer credit scores, the bank can redirect and focus their efforts more appropriately and efficiently on customer retention which ultimately has consequences for the bottom line.

This research will be carried out using a Kaggle dataset named “Bank Turnover”. The dataset has fourteen columns and a total of ten thousand rows. There are no missing values in the data. This dataset collates information regarding bank customers and whether a customer left a bank eventually. The data was generated through a churn modeling procedure with data coming from three major European nations namely France, Spain and Germany. The “Exited” variable in the dataset is a binary where 1 indicates that the customer did leave the bank and 0 indicates otherwise. The dataset can be found at <https://www.kaggle.com/barelydedicated/bank-customer-churn-modeling>.

Even though the data for this research comes from Europe, the insight gleaned from the research may be applicable in the American banking sector. More so, if similar data can be obtained, the same procedure can be repeated easily in the American context, results can be compared and more can be learned about credit scores and what that might mean for banks and their customer retention efforts.