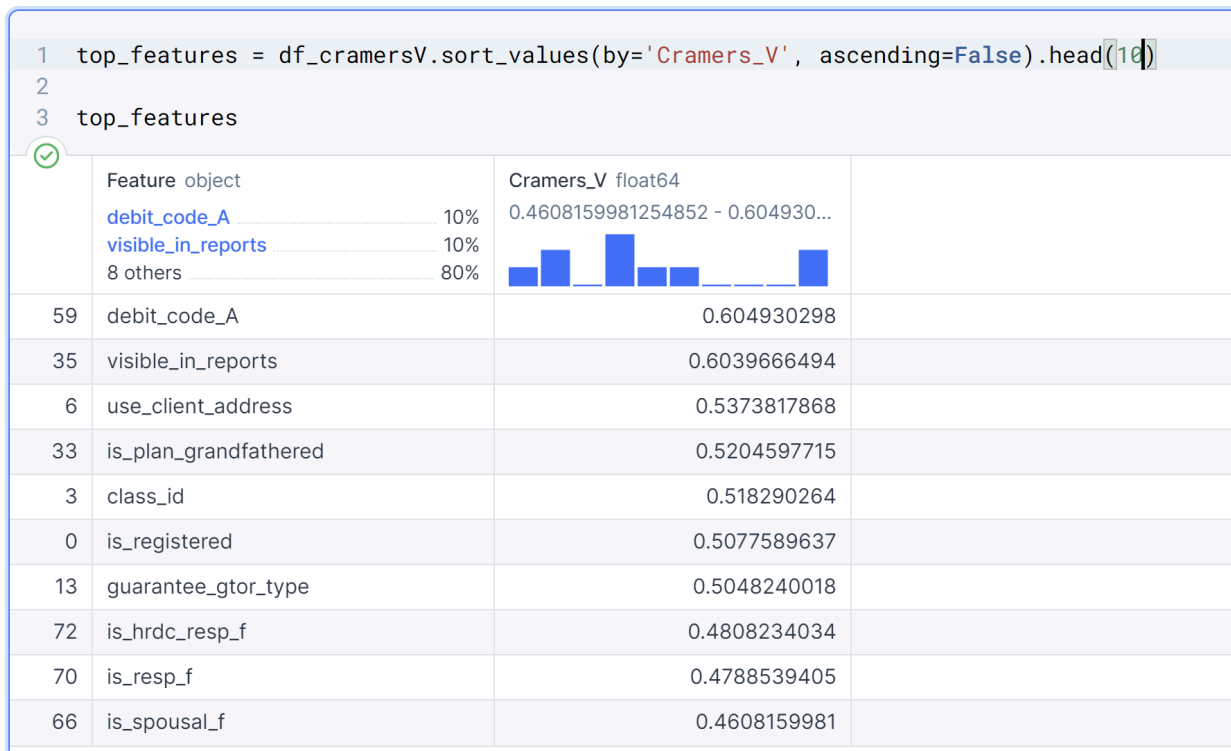# Infinite Investment Systems Ltd.

Exploring Applications of A.I in Wealth Management: Customer Churn

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Marketing Strategies

```
1  top_features = df_cramersV.sort_values(by='Cramers_V', ascending=False).head(10)
2
3  top_features
```

	Feature object	Cramers_V float64
	debit_code_A 10%	0.4608159981254852 - 0.604930...
	visible_in_reports 10%	
	8 others 80%	
59	debit_code_A	0.604930298
35	visible_in_reports	0.6039666494
6	use_client_address	0.5373817868
33	is_plan_grandfathered	0.5204597715
3	class_id	0.518290264
0	is_registered	0.5077589637
13	guarantee_gtor_type	0.5048240018
72	is_hrdc_resp_f	0.4808234034
70	is_resp_f	0.4788539405
66	is_spousal_f	0.4608159981

Based on the Cramer's V test, we found the top 10 features which are the most associated to Churning. Of these features, we find meaningful interpretation from:
- Is_plan_grandfathered
- is_hrdc_resp_f
- is_resp_f
- Is_spousal_f

Is_plan_grandfathered:
The grandfathered plan is a pricing strategy which 'involves offering existing customers the opportunity to keep their current subscription rate while new customers are subject to a higher rate'. This plan attempts to reward loyal customers and incentivises new customers to stay longer with them. If grandfathered plans are likely to lead to customer churn, this may be an indication that customers do not find such a plan valuable compared to regular ones. The business could try to upgrade its grandfather plans to provide more benefits to improve customer retention. Suggestions include:

Is_resp_f and **Is_hrdc_resp_f:**
Both variables refer to The Registered Education Savings Plan (RESP) - a long-term savings plan helping people save for a child's education. The feature Is_hrdc_resp_f suggests that customers who do not have an HRDC RESP or RESP are more likely to churn. If having a RESP

plan dramatically reduces the customer churn rate, the business should attract more customers to such plans.

Is_spousal_f:
The is_spousal feature refers to whether a customer is contributing to their common law/spouse's savings account. Hence, Is_spousal_f suggests that customers who do not have a spousal account are likely to churn. This raises the question of how to maintain customers with no common law or partner.

Suggestions to improve customer retention
- Investing in education and training

By educating current customers on their plan benefits and training on their products or services to maximise their benefits. More educated customers are likely to remain loyal to the business. For instance, by shedding more light on the benefits of an RESP plan, whether through educational content or hosting workshops and seminars, customers on the fence might be more likely to be persuaded and apply to an RESP plan.

- Loyalty programs and Referal systems

More customers will be attracted through referral programs that reward existing account holders for referring new customers. This can be incentivised by providing bonuses or discounts on fees. Additionally, the same benefits can be applied to a Loyalty program where customers are rewarded for consistent contribution and long-term commitment. By incentivizing referrals and long-term commitments, the business will receive more customers who are likelier to not churn.

- Improving customer experience

Improving customer experience by promptly responding to customer needs and wants will likely improve customer retention. Additionally, regular customer feedback and adjusting the service to meet their needs help maintain customer satisfaction and retention.