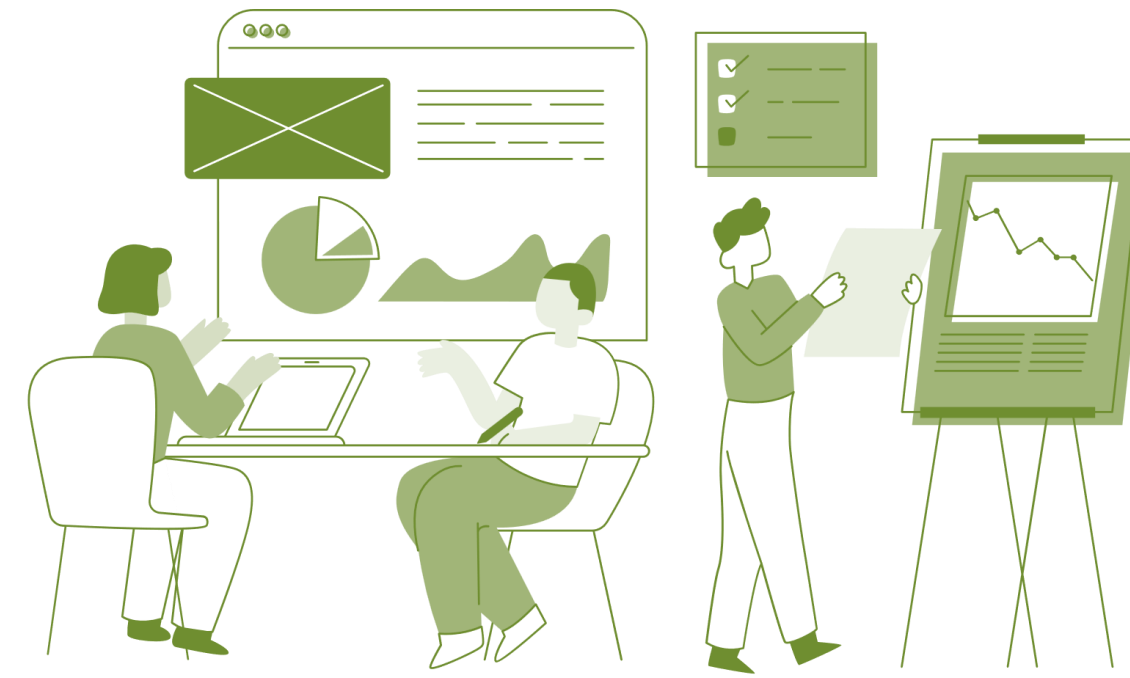




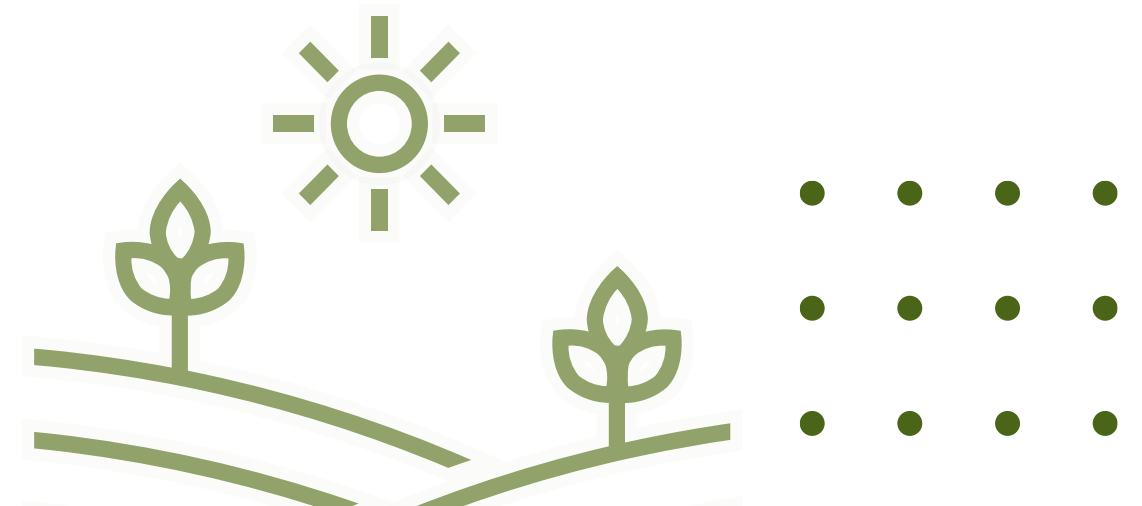
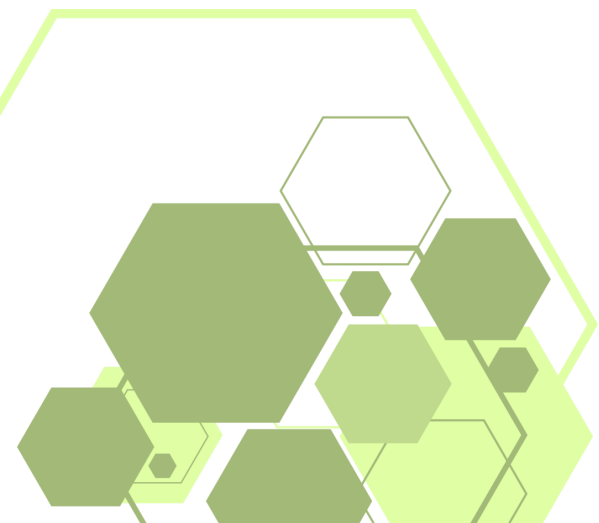
BUZZ MICROFINANCE BANK **CHURN ANALYSIS**

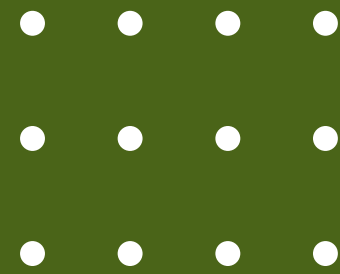
by Samuel Olajide Ajagbe

INTRODUCTION



This project aims to gain deeper insights into customer churn at Buzz Microfinance Bank, enabling the improvement of retention strategies and enhancement of customer satisfaction. The analysis provides actionable insights into why customers are leaving the bank and identifies high-risk segments.

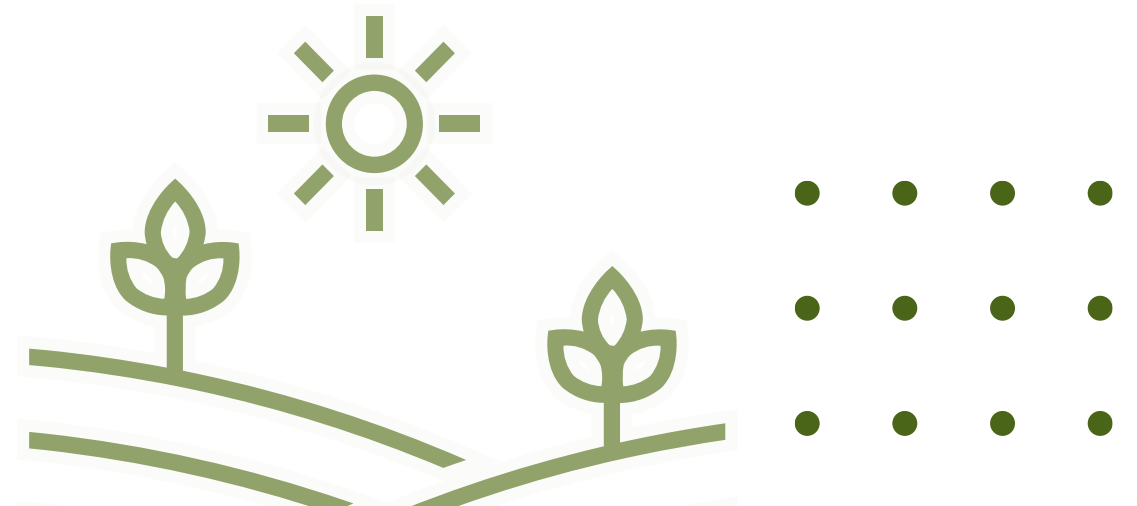
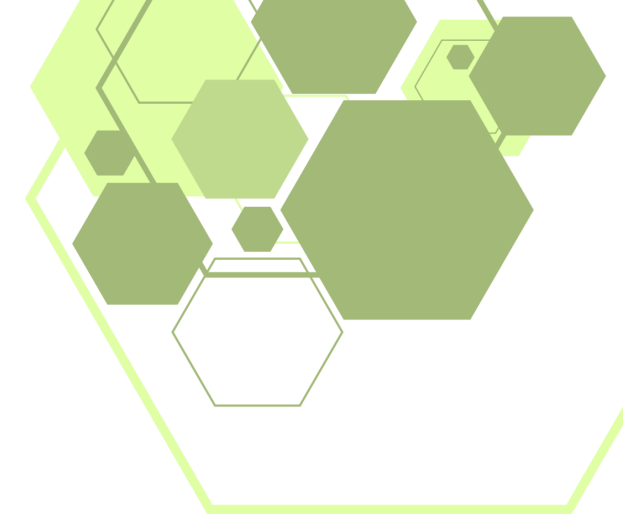
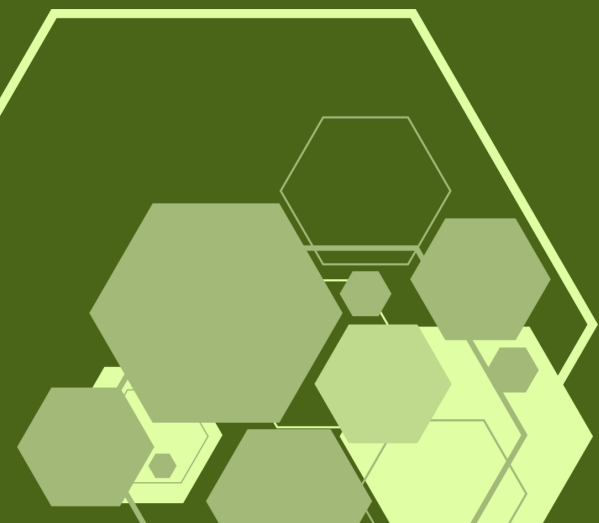




PROBLEM STATEMENT

The provided customer dataset will help address the following key challenges:

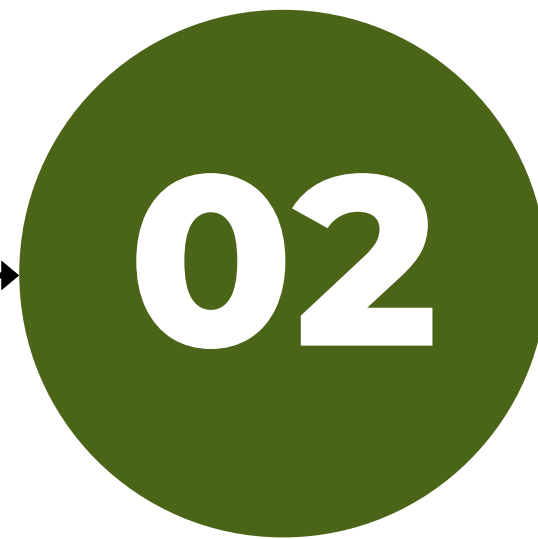
1. Identify key factors (e.g., demographics, product usage, service complaints) leading to customer attrition
2. Allocate resources effectively by focusing on high-value or high-risk segments



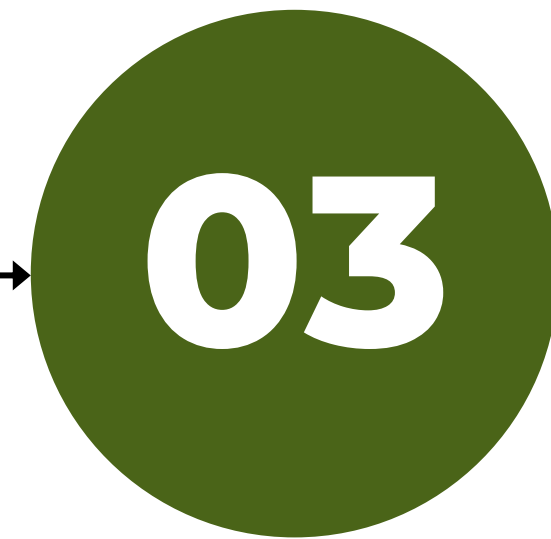
OBJECTIVES



Investigate which age groups, income brackets, or tenure lengths have the highest churn rates.



Analyse which customers from certain geographical regions are more likely to leave.



Gain insight into whether low engagement (e.g., inactive digital banking) correlates with higher attrition by age group.

DASHBOARD OVERVIEW



Buzz Microfinance Bank
Customer Churn Dashboard



20.37%
Churn Rate



10,000
Total Customer

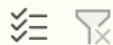


2,037
Churn Customer



79.63%
Retention Rate

Member Status



Active

Inactive

Geography



France

Germany

Spain

Age by Group



Baby Boomers (61 - 79)

Gen X (45 - 60)

Gen Y (29 - 44)

Gen Z (15 - 28)

Silent Generation (80 - 97)

Credit Score



Excellent (781 - 850)

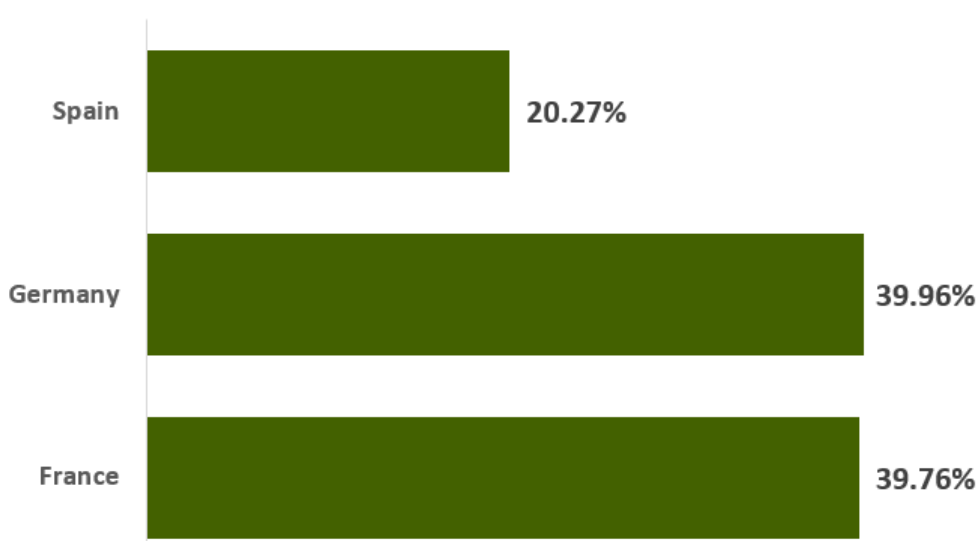
Fair (601 - 660)

Good (661 - 780)

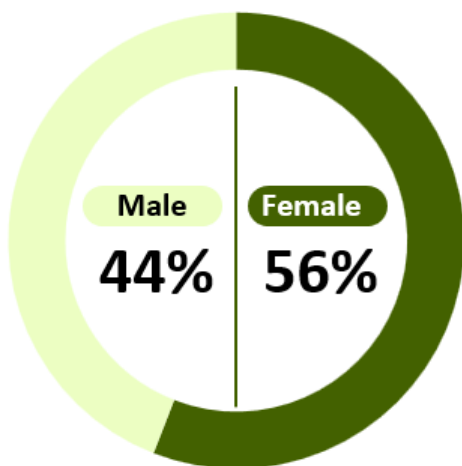
Poor (500 - 600)

Very Poor (300 - 499)

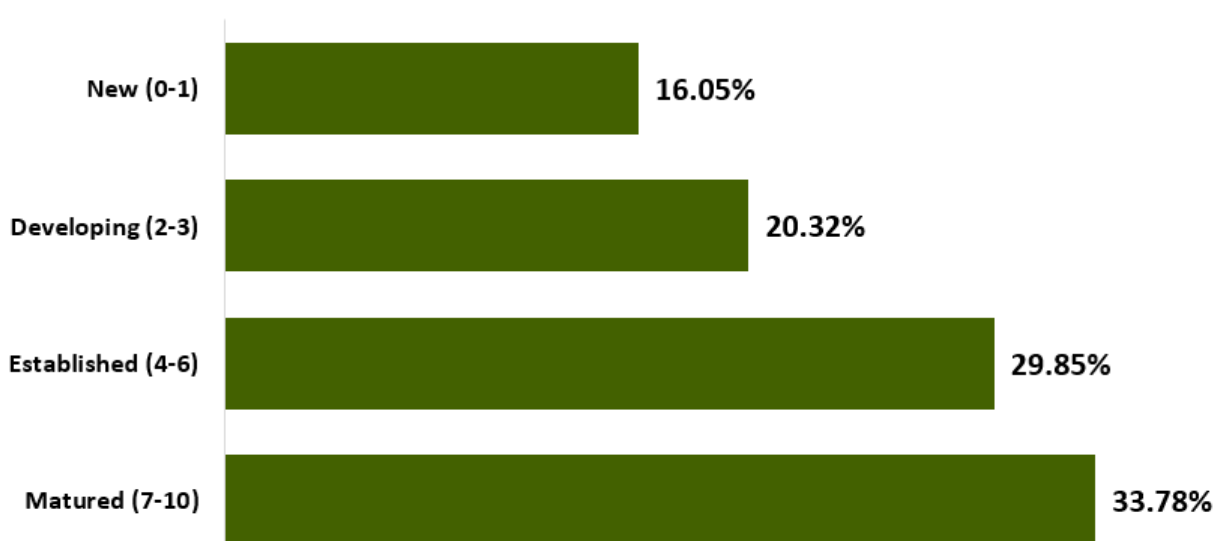
Churn Customer by Region



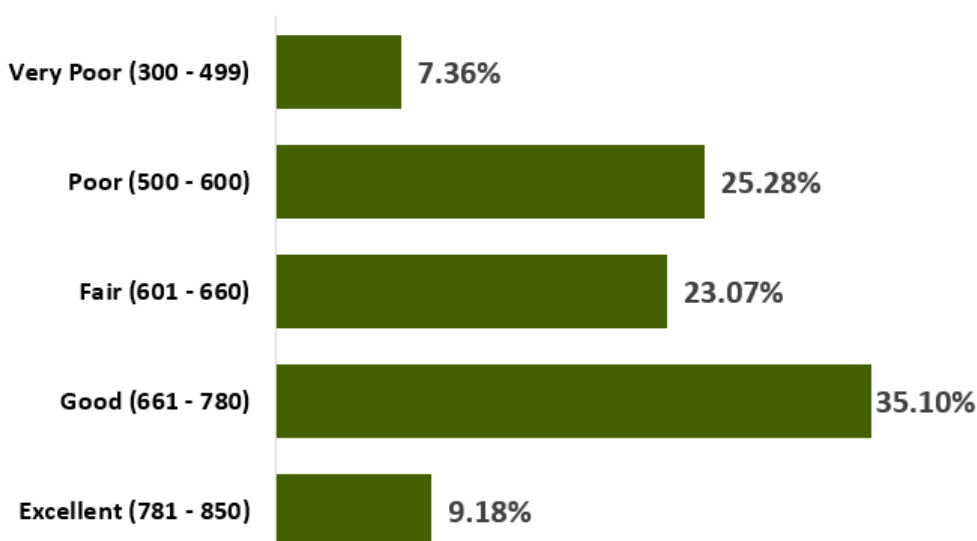
Churn by Gender



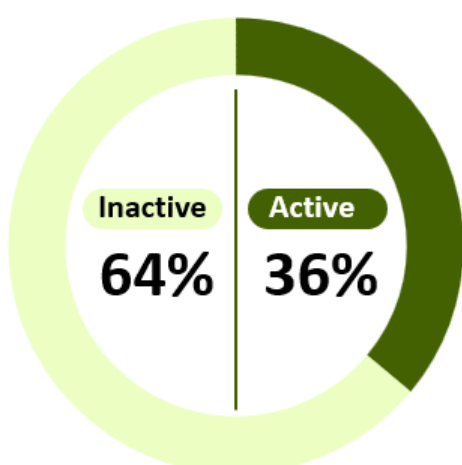
Churn Customer by Tenure



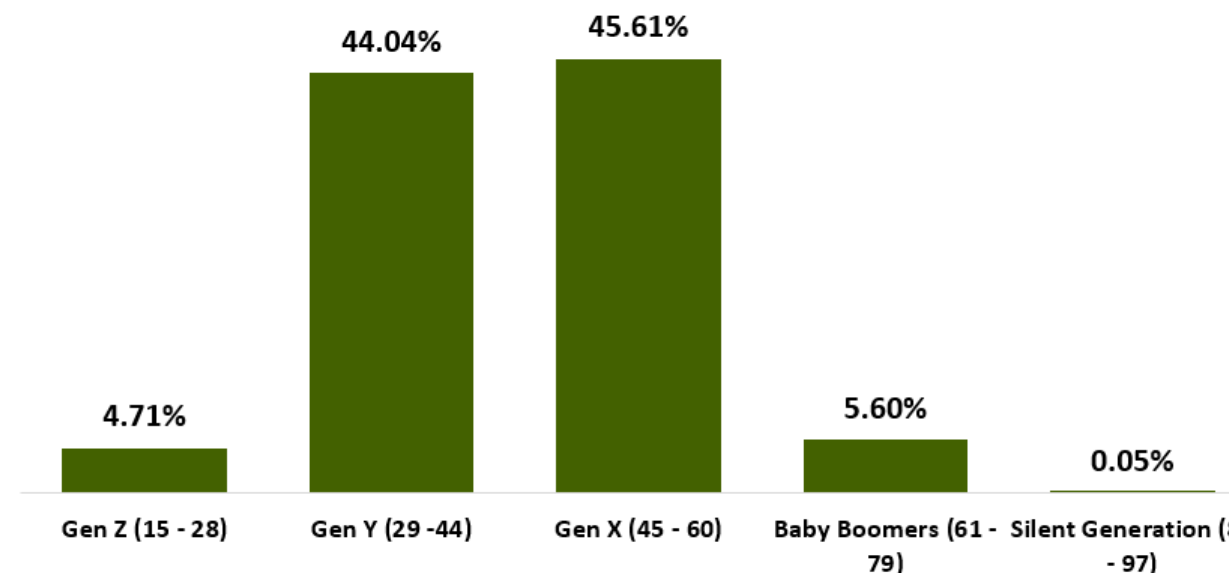
Churn Customer by Credit Score

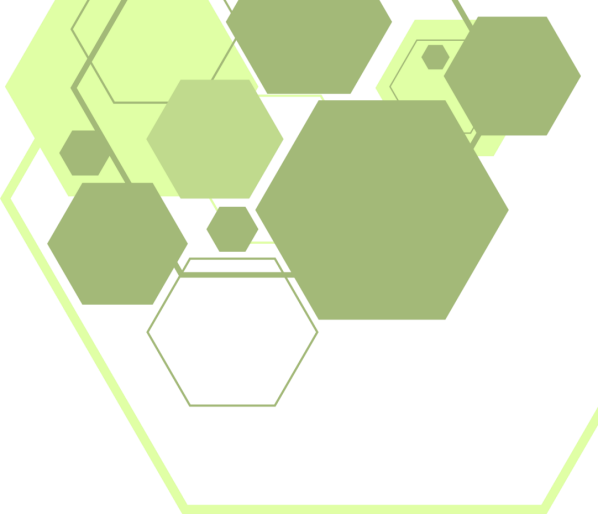


Churn by Account Status



Churn Customer by Age Group





01

CHURNED INSIGHT

Total Customers: Out of 10,000 total customers, 2,037 customers churned, representing 20.4%. This means 1 in 5 customers left the bank.



10,000

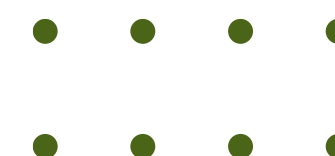
Total Customer



2,037

Churn Customer

Examining the Retained vs. Active Customers, I observed that 'Adams 15709136' has **no credit balance but is currently active**, while 'Johnstone 15682834' has only 40,170 in credit balance. These cases highlight a potential factor in customer churn: customers may not receive **instant credit line replenishment** before their current credit is exhausted. This pattern is also evident among inactive churned customers, indicating a critical trend.

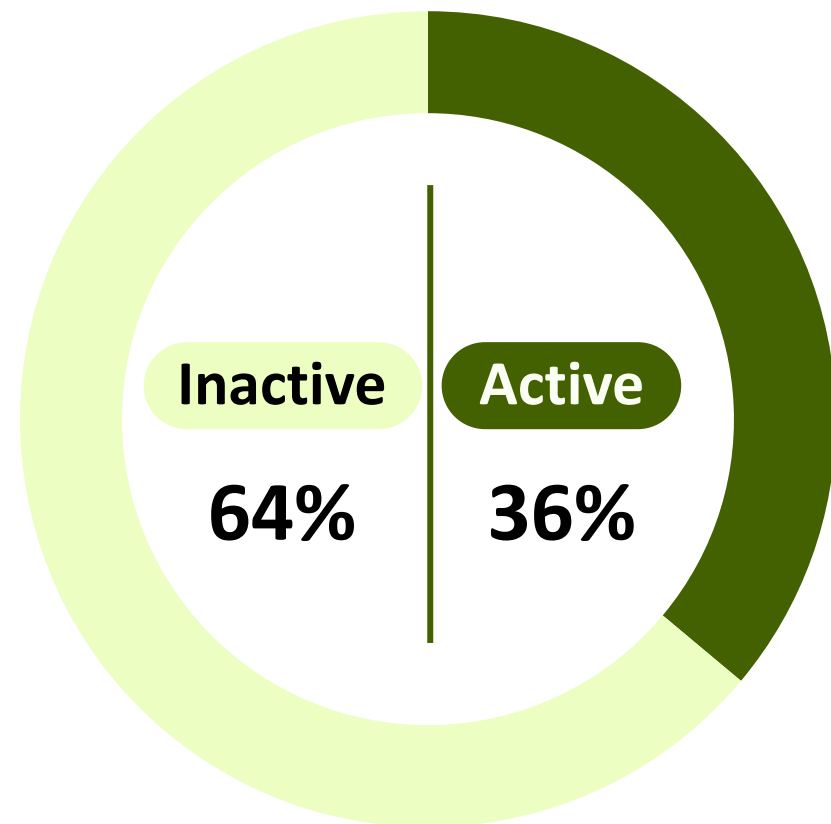


02

CHURNED INSIGHT

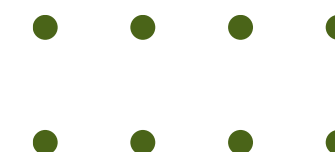
Active vs. Inactive

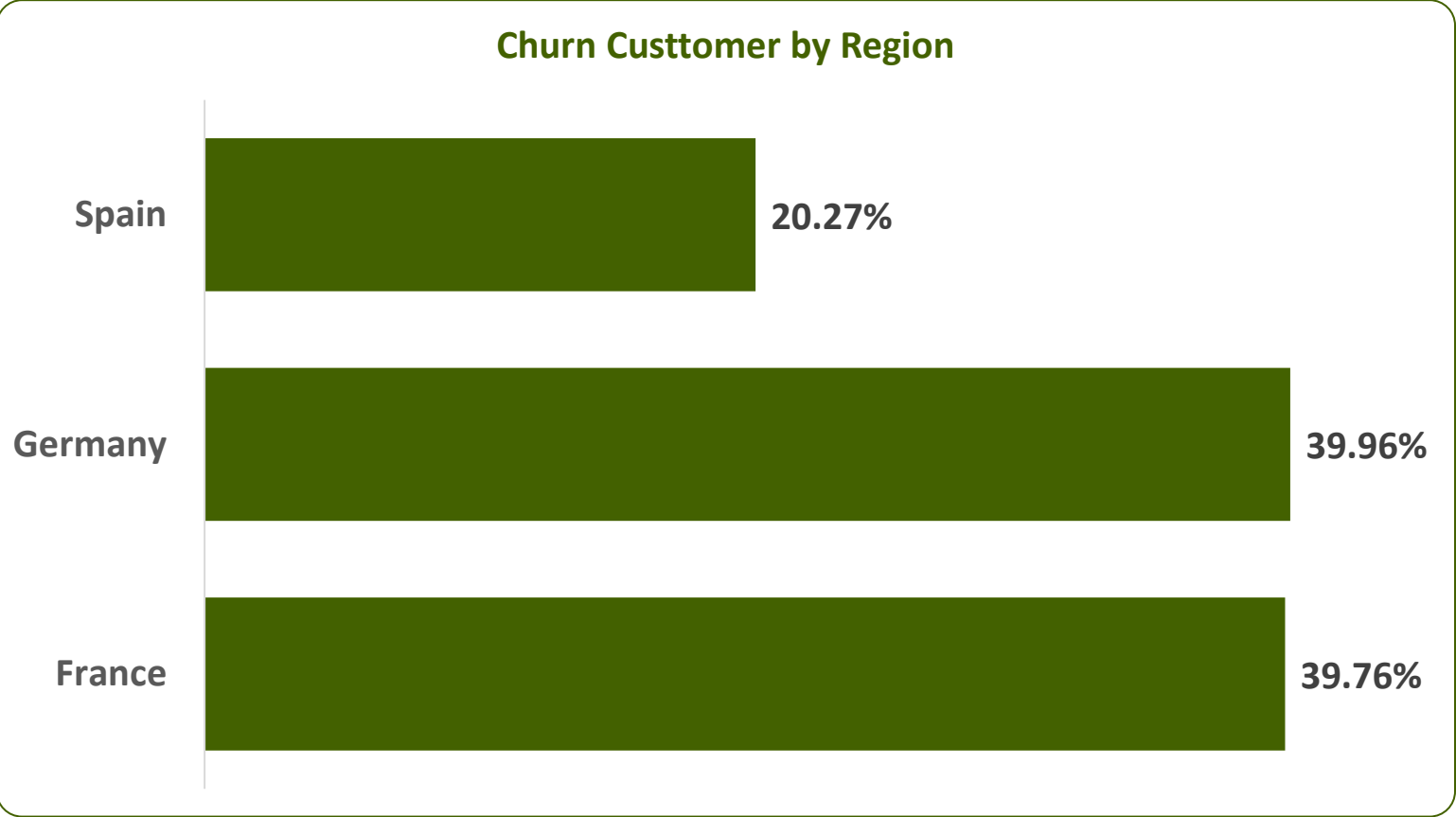
% Active and Inactive Customer with Credit Card



36% of churned customers were Active at the time of churn, **while 64% were Inactive**. This indicates that inactive customers (from whom no deposits were received) are more prone to churn. However, **without implementing proactive measures, even active customers may become inactive and eventually churn.**

Additionally, 64% of churned customers were inactive card users. Specifically, 517 churned customers from Germany and 512 from France were inactive card users, indicating a strong correlation between card inactivity and churn.

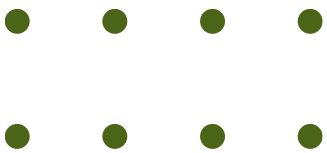


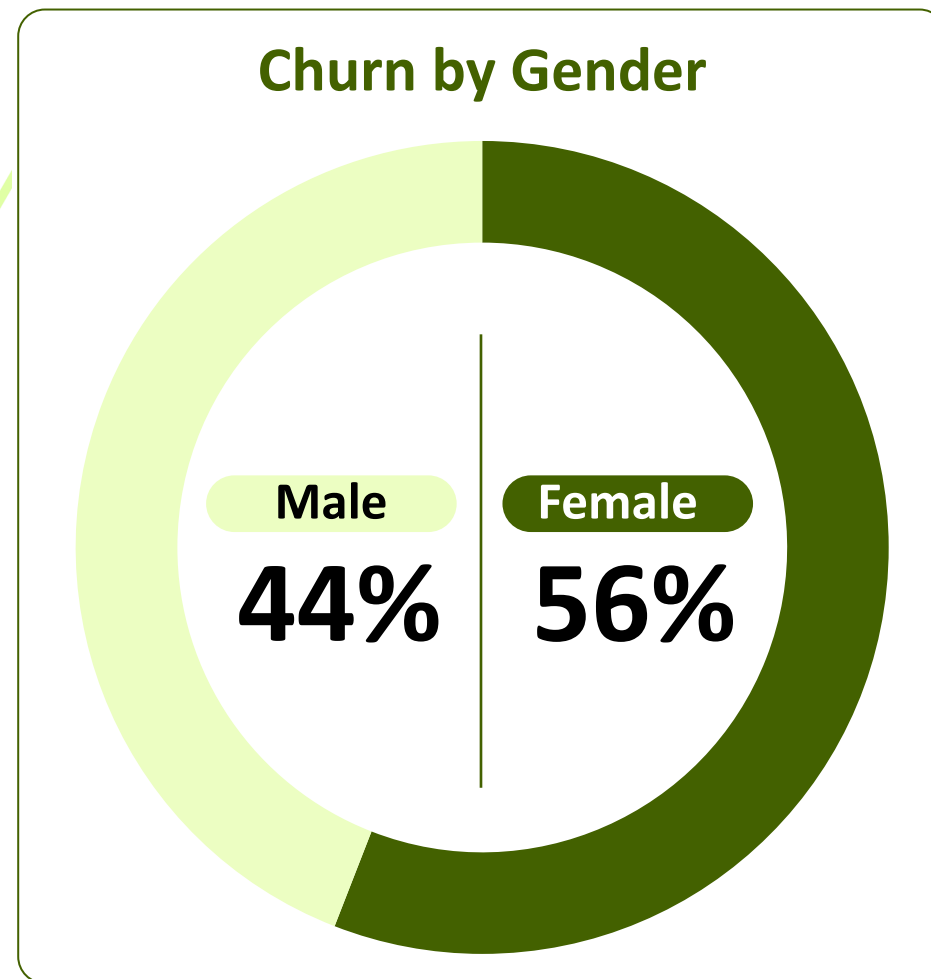
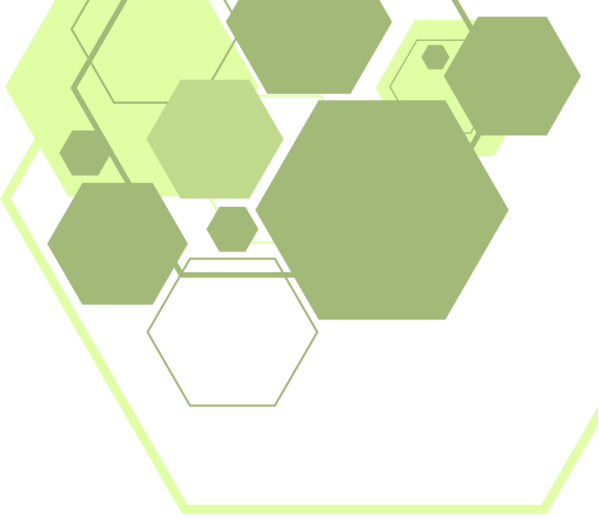


03 CHURNED INSIGHT

Region

The Germany region shows an **alarming churn rate of 39.96%** (814 churned out of 2,509 customers). This is significantly higher than France (39.76%, 810 out of 5,014) and Spain (20.27%, 413 out of 2,477). This disparity may be due to intense local competition offering better products or promotions.



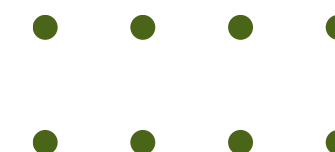


04

CHURNED INSIGHT

Gender

Females exhibit a higher churn rate compared to males, across all regions. This might indicate that the current **product offerings are less suitable** for the female demographic.

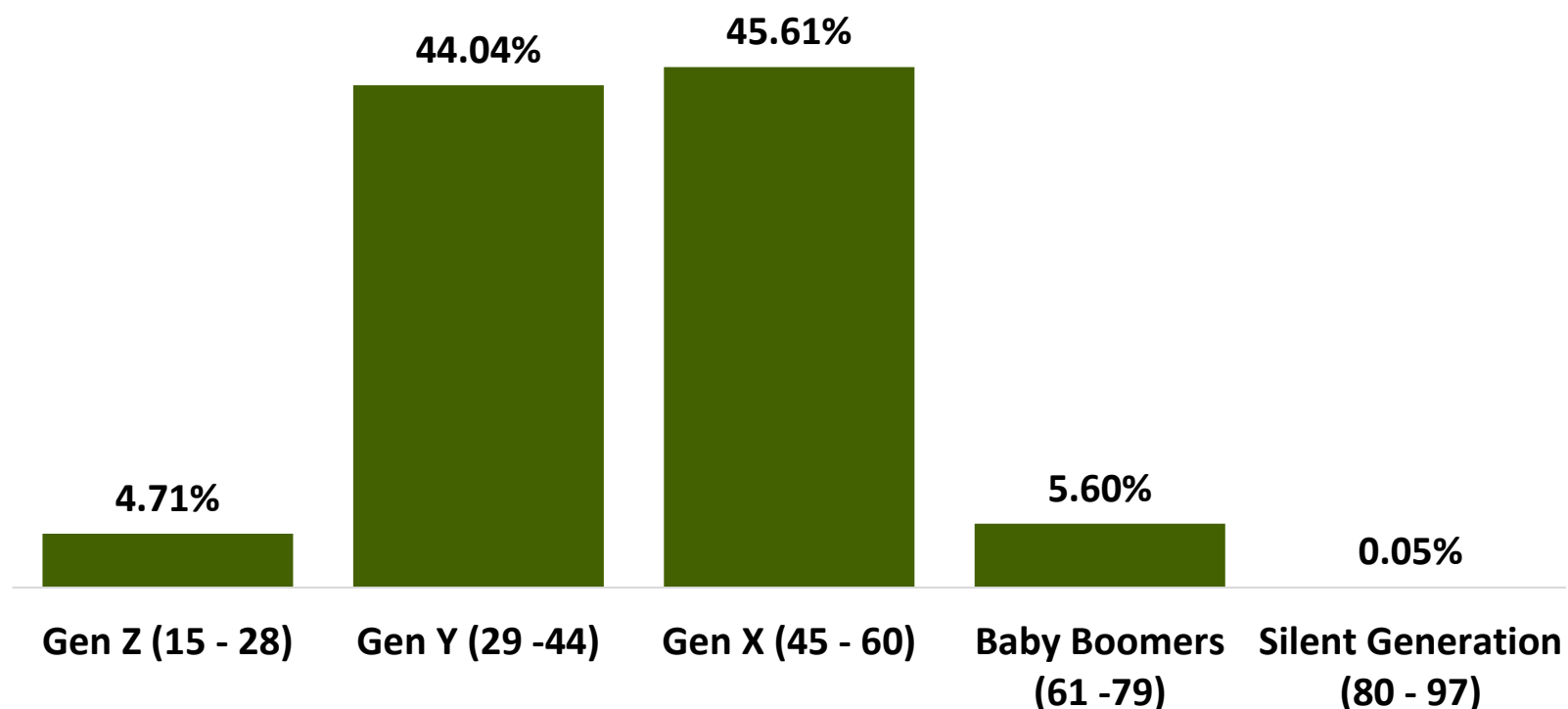


05

CHURNED INSIGHT

Age & Tenure Risks

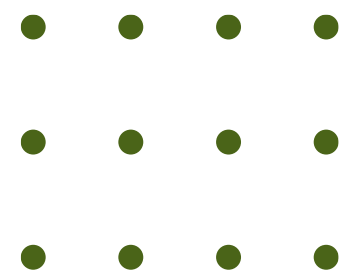
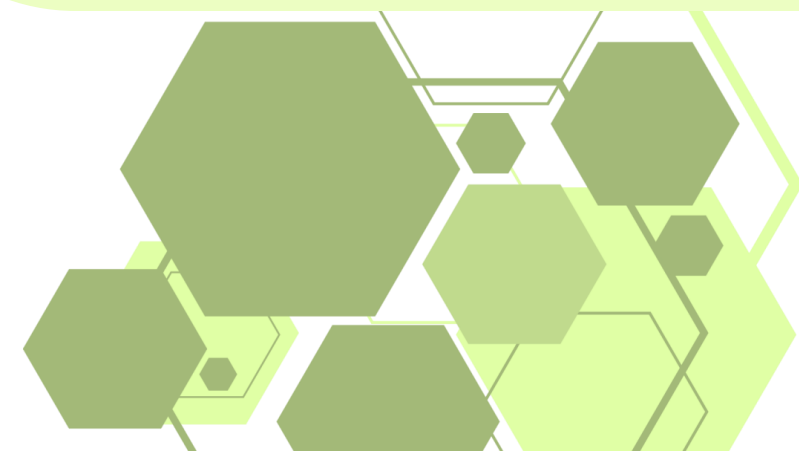
Churn Customer by Age Group



I observe a **high churn rate among Gen X (45-60) and Baby Boomers (61-79)** relative to their proportion in the customer base. In contrast, Gen Y (29-44) shows a low churn rate. It is essential to analyze the factors contributing to the retention of Gen Y customers and replicate successful strategies in other regions and age groups.

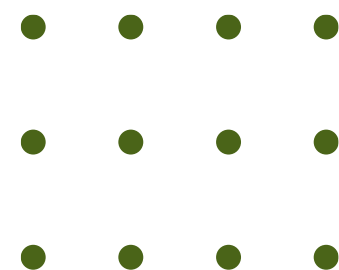
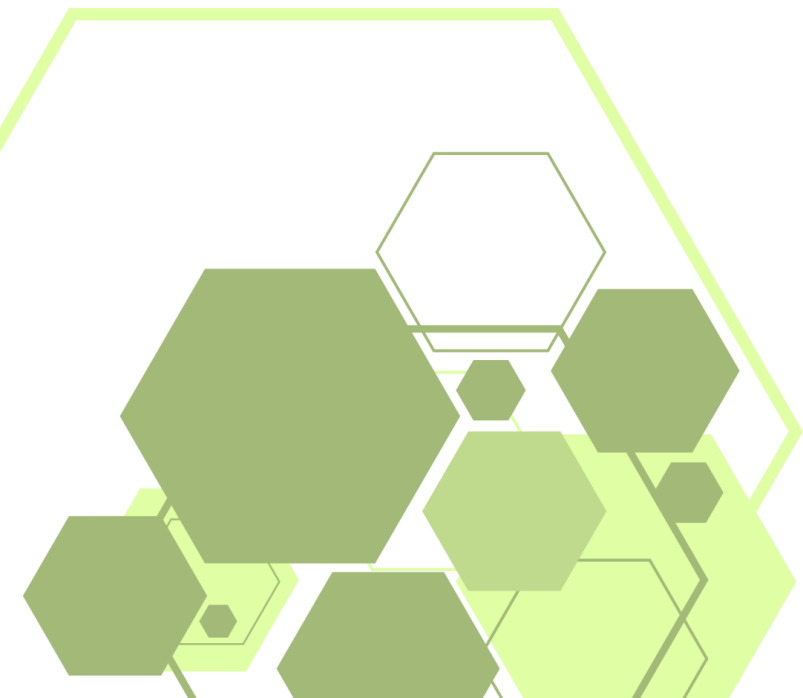
RECOMMENDATION

1. **Credit Line Management:** Implement an automated system for proactive credit line replenishment to prevent customers from exhausting their available credit, thereby reducing a key churn trigger.
2. **Inactive Customer Engagement:** Launch targeted reactivation campaigns for inactive customers, including personalized offers and communication, to prevent churn.
3. **Regional Strategy in Germany:** Conduct a thorough competitive analysis in the German market and adjust product features, pricing, and promotional offers to better compete with local players.
4. **Gender-Specific Products:** Undertake research to understand the financial needs and preferences of female customers and develop tailored products and services for this demographic.
5. **Age Group Retention Strategies:** Investigate the reasons for high retention among Gen Y customers and adapt these strategies (e.g., digital engagement, product features) for Gen X and Baby Boomers.
6. **Card Usage Incentives:** Introduce reward programs and usage-based benefits to encourage active card usage, which may reduce churn among inactive cardholders.



CONCLUSION

This churn analysis has identified several critical areas requiring immediate attention, including credit management, customer engagement, regional competitiveness, product suitability for different genders and age groups, and card activity. By implementing the recommended strategies, the bank can address the root causes of churn, enhance customer satisfaction, and significantly improve retention rates across all segments.



THANK YOU

BUZZ MICROFINANCE BANK
CHURN ANALYSIS

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