



Case Study: Banking

Insights: Credit Card Spend Prediction
(Identification of Drivers for Spend)

Business Context

One of the global banks would like to understand what factors driving credit card spend are. The bank want use these insights to calculate credit limit. In order to solve the problem, the bank conducted survey of 5000 customers and collected data.

The objective of this case study is to understand what's driving the total spend. Given the factors, predict credit limit for the new applicants.

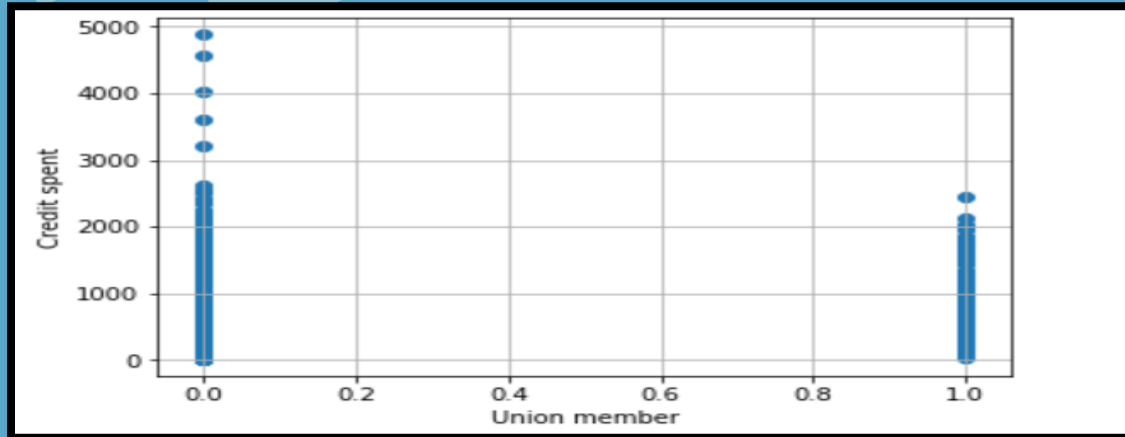
Data Availability

- Data for the case are available in xlsx format.
- The data have been provided for 5000 customers.
- Detailed data dictionary has been provided for understanding the data in the data.



Factors Driving Credit Card Spend

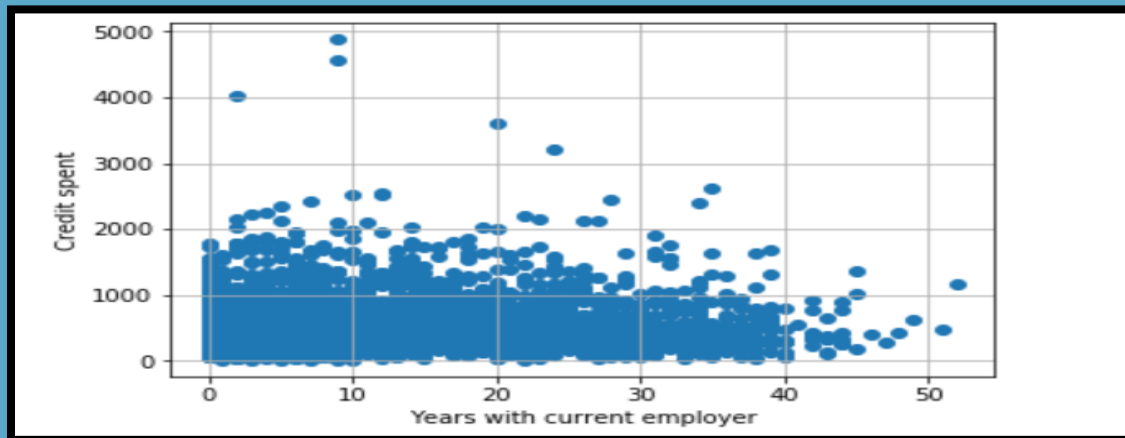
Conclusions concerning credit spend as derived from provided data:



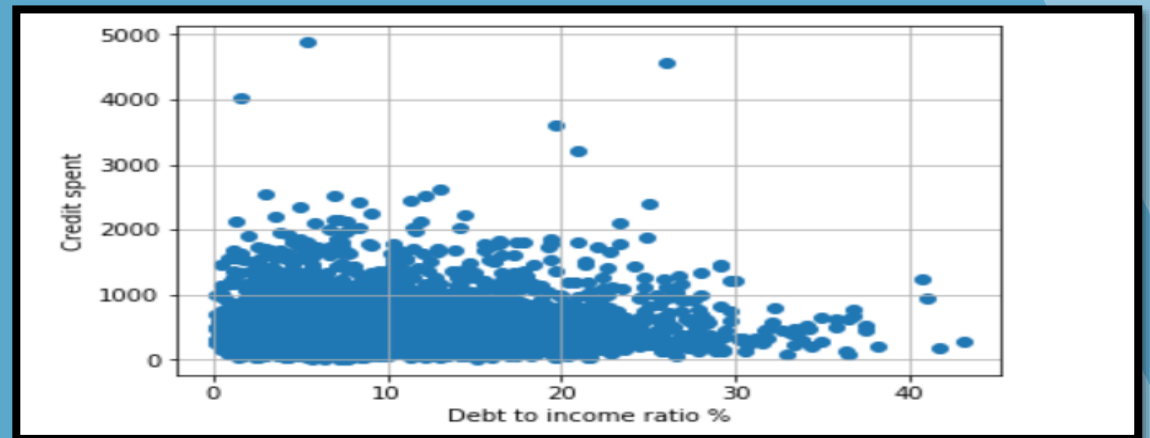
- Non-Union members spend a little more than Union members



- Retired customers tend to spend less



- Credit spent on cards decreases with increase in number of years of service with the same employer

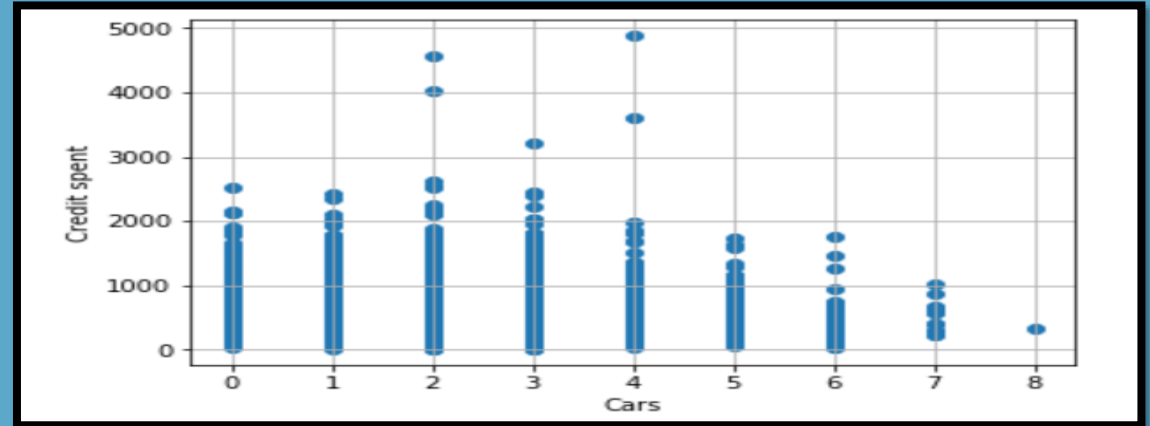


- Customers with "High" Debt to income ratio (%) spent a lot less as compared to those with "low" Debt to income ratio (%)

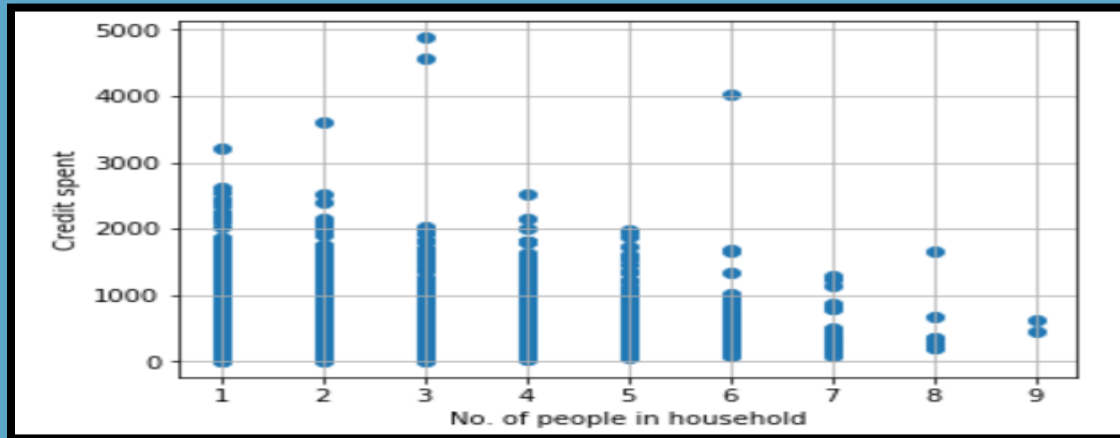
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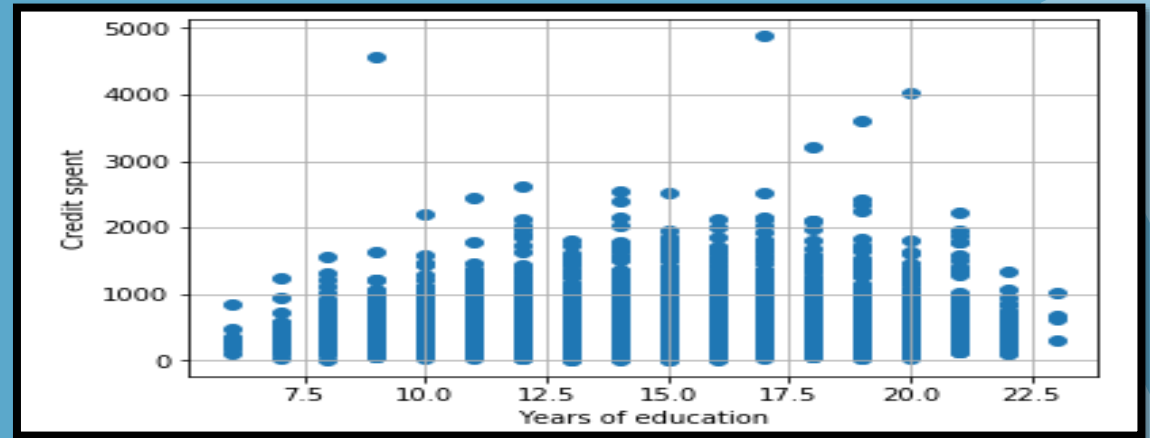
- Customers who were not being charged card fee were found to be spending more



- Customer with less number of cars tend to spend more



- Customers with less number of people in household tend to spend more, specially customers who were alone



- Customers with 13-17 years of education spend more on their credit cards as compared to those with less or more years of education

Factors that do not influence credit spend (except in case of outliers)

- Income of the individual
- Job category of the individual
- Marital status of customers
- Political views
- Birth month



Thank you!