

Codebasics Resume Project Challenge # 8

# Strategic Insights to Mitron Bank for launch of New Credit cards



By Sanyam Singh

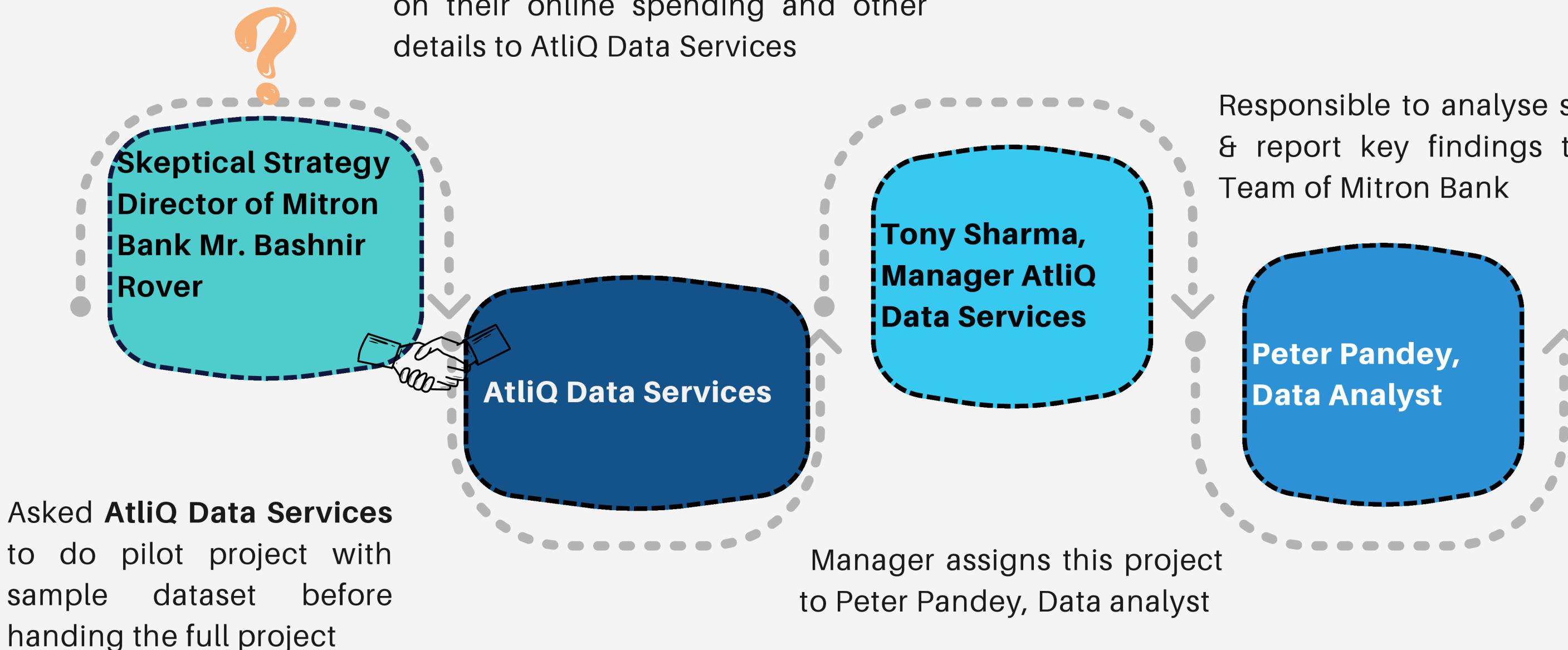


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# Background of the Project....



Legacy financial institution



# Project Goals

To Introduce New Credit cards thus expand its product offerings & penetrate financial markets

## Goal # 1 Diversify Product portfolio



The main objective is to introduce new line of credit cards to expand its product portfolio

## Goal # 2 Increase Market presence



By introducing new credit cards, Mitron Bank thus directly able to increase its market presence & remains competitive with other financial institutions

## Goal # 3 To meet Customer needs & market trends



Design and offer credit cards with features and benefits that matches with individual consumer want taking into account spending behaviours

## Total 4000 customers across 5 cities

 dim_customers
age_group
avg_income
city
customer_id
gender
marital status
occupation

Contains Demographic information such as Id, age, gender, occupation, marital status, avg income

 fact_spends
category
customer_id
month
payment_type
$\Sigma$ spend

Contains customer spending habits across different categories, cities in various months through multiple payment types

# Dashboard Insights



To identify and profile key customer segments that are likely to be the highest-value users of the new credit cards. This includes understanding their demographics, spending behaviours, and financial preferences

Find the average income utilisation % of customers ( $\text{avg\_spends}/\text{avg\_income}$ ). This will be your key metric. The higher the average income utilisation %, the more is their likelihood to use credit card



Classify the customers based on available demography such as age group, gender, occupation etc. and provide insights based on them

Where do people spend money the most. Does it have any impact due to occupation, gender, city, age etc.? This can help you to add relevant credit card features for specific target groups

Provide recommendations on what key features should be included in the credit card which will improve the likelihood of credit card usage. This should be backed by the insights from data provided and also some secondary research on the internet for this

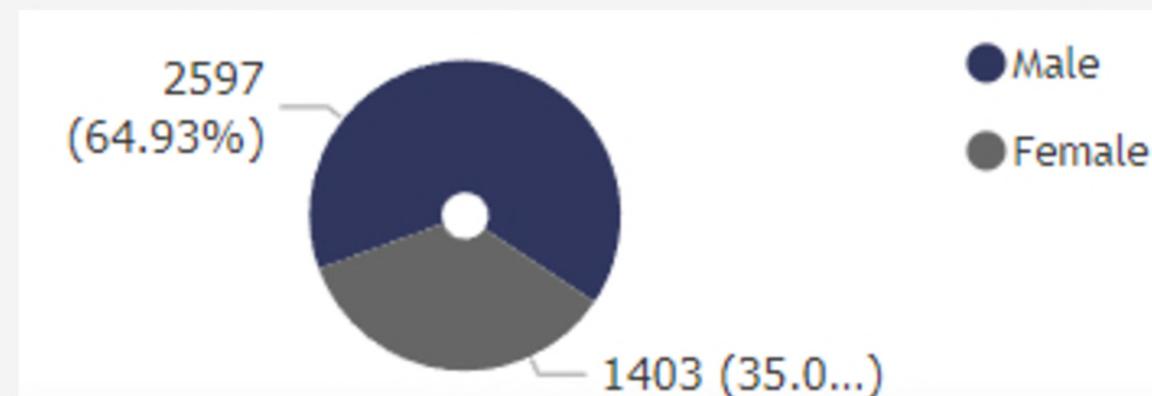
In this the sample dataset of 4000 customers has been analysed on the basis of Gender , Age group ,Marital status, Occupation, City, Avg income and here are the strategic insights presented below from the Dashboard.

## Insights

Total Customers : Extensive sample dataset comprising of **4000** customers have been analyzed for the demographic classification.

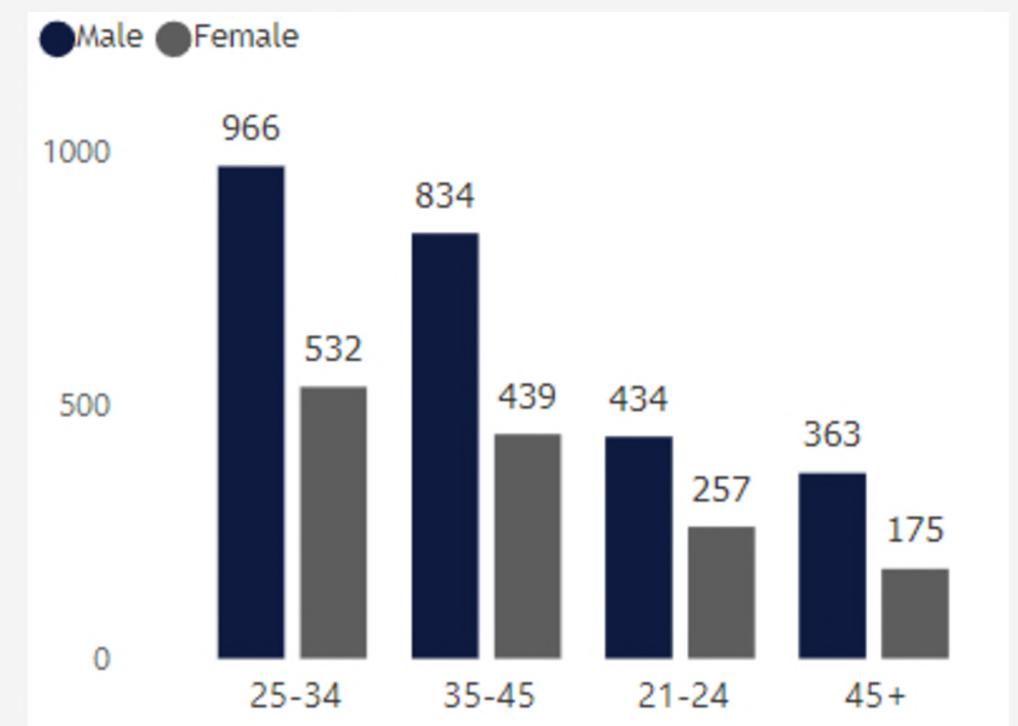
Customers by Gender : **Males** occupies predominant share of the Total Customers.

- Total Male Customers : 2597 ( 64.93%)
- Total Female Customers: 1403 (35.08%)



Customers by Age Group : The age group **25-34** emerges out as dominant category with 1498 customers comprising 966 Male customers and 532 Female customers.

- Followed closely by age group 35-45 having 1273 customers with 834 Male customers and 439 Female customers.
- Notably, the Age group 45+ displays lowest Total no of Customers as 538.

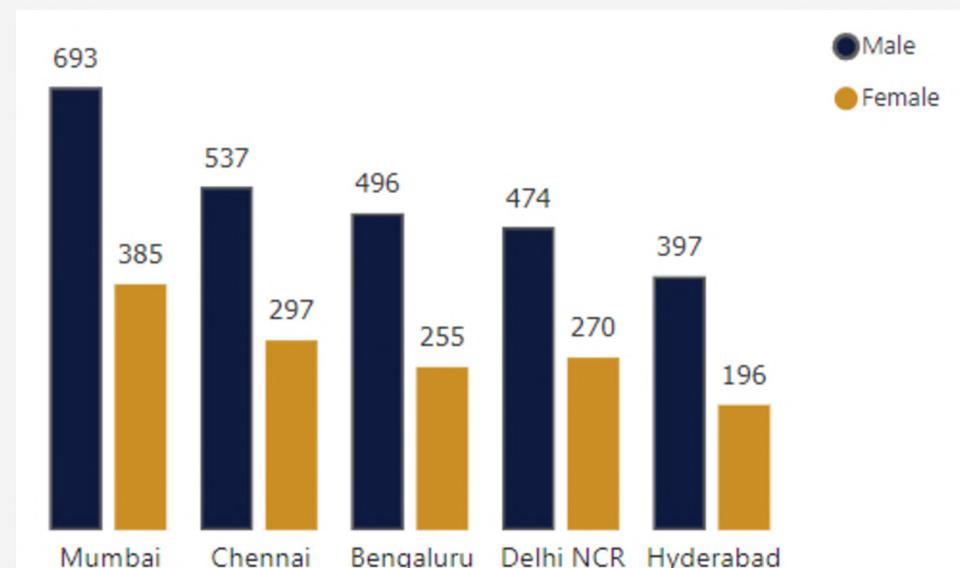


## Demographic Classification ....

### Insights

Customers by City : Financial Capital, Mumbai records the highest customer count of **1078** comprising 693 Males & 385 Females.

- Chennai : 834
- Bengaluru : 721
- Delhi NCR : 744
- Hyderabad : 593

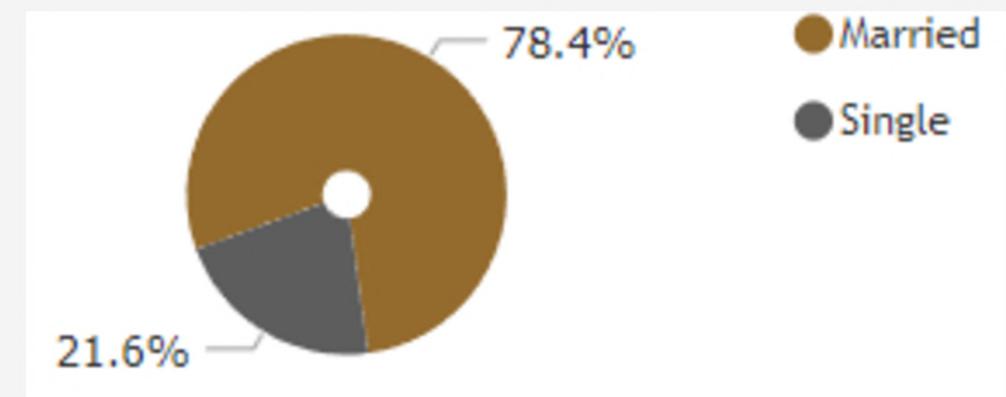


Customers by Occupation : **Salaried IT Employee** by occupation has the highest customer count of **1294**

- Followed by Salaried other employee (893), Freelancers(784), Business owners(630) & Govt Employees(399).

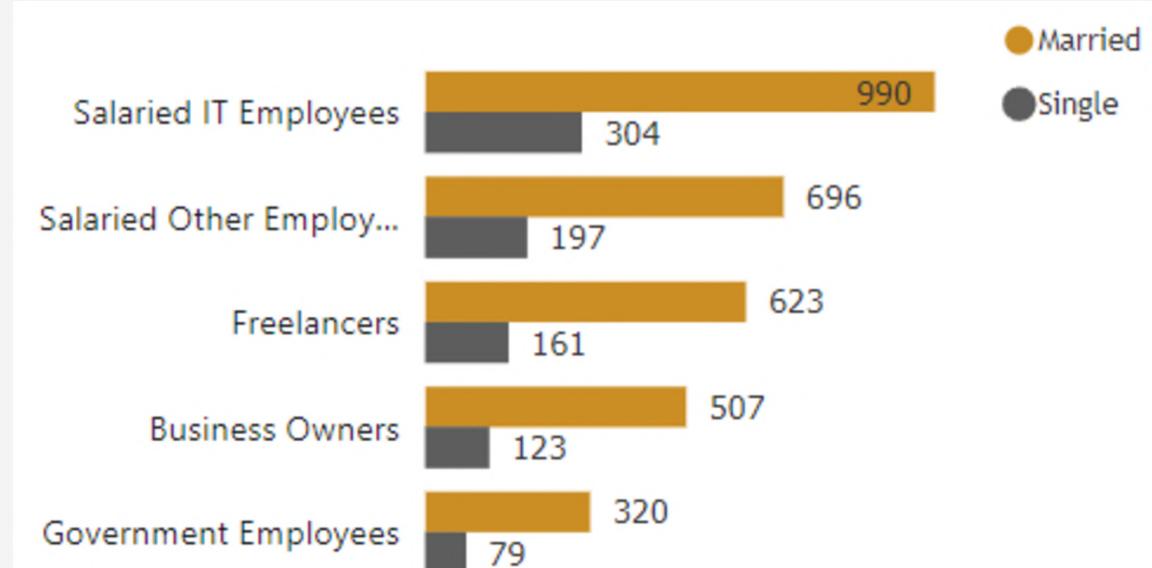
Customers by Marital status : **Married** customers occupies predominant share 78.4 % of the Total customers (4000).

- Whereas Unmarried customers constitute 21.6 % , totaling 864 .



Customers occupation by Marital status : Majority of the **Salaried IT Employee** (76.5%) have married marital status of the Total Salaried IT employee count (1294).

- Whereas Unmarried Salaried IT Employee constitutes 23.5 %, totaling 304.



# Avg Income Utilisation %



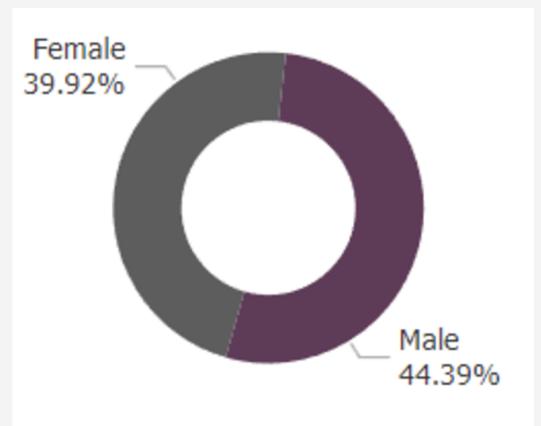
**"Avg Income Utilisation %"** refers to the average percentage of income that is being utilized or spent by the customers.

Key metrics used to measure likelihood of credit card usage. Higher the Avg Income Utilisation % , more is likelihood of customers to have credit card usage.

Avg Income Utilisation % of customers = Expenses / Total Income

## Insights

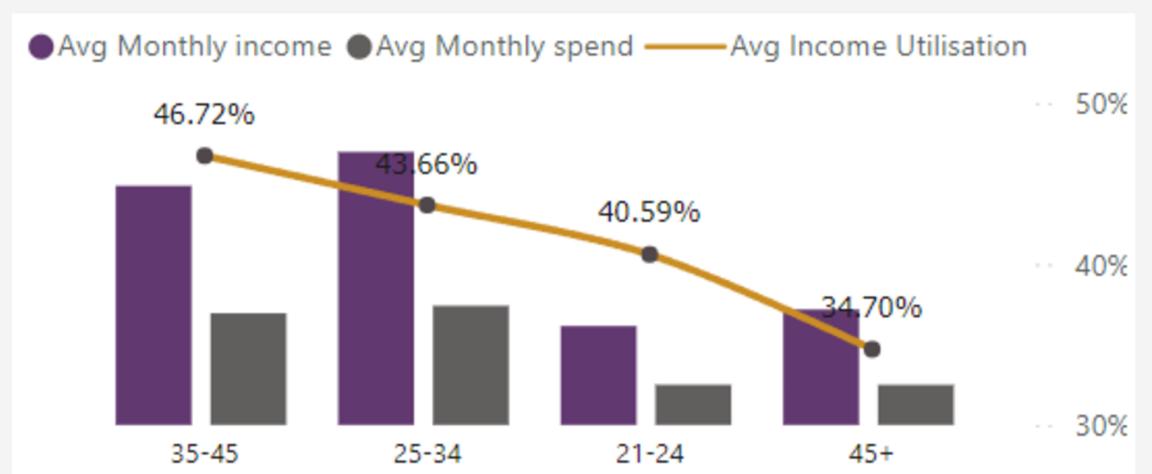
Avg Income Utilisation % by Gender : **Males** displays higher Avg Income Utilisation (52.65%) compared to **Females** at 47.35%.



Avg Income Utilisation % by Occupation : **Salaried IT Employees** emerges as highest Avg Income Utilisation (51.04 %) across all occupation.

- Followed by Freelancers (45.80%), Salaried Other Employees(42.10%),Business Owners (33.22%) & Govt Employees (29.00%)

Avg Monthly Income by Occupation : **Salaried IT Employees** exhibits highest Avg Monthly Income( ₹ 80M) followed by Business Owners( ₹44M),Salaried Other Employees( ₹35M), Freelancers( ₹27M) & Govt Employees( ₹21M).



Avg Monthly Expenses by Occupation : Again **Salaried IT Employees** emerges as highest Avg Monthly Spender( ₹40.6M) followed by Business Owners(₹ 14.7M),Salaried Other Employees(₹ 14.6M) ,Freelancers (₹ 12.6M) & Govt Employees(₹6M).

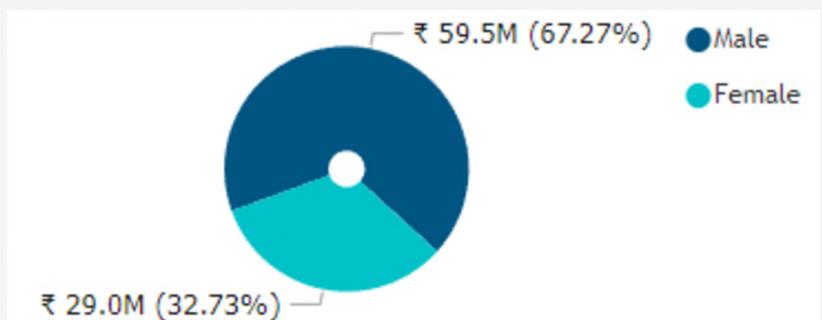
Avg Income Utilisation % by Age Group : Age Group **35-45** emerges as dominant with Avg Income Utilisation (46.72%) .

- Followed closely by age group 25-34 having Avg Income Utilisation (43.66%).
- Age group 21-24(40.59%).
- Notably ,45 + has lowest Avg Income Utilisation (34.70%).

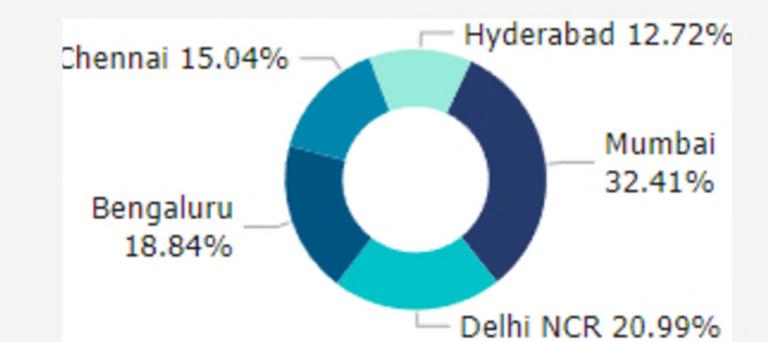
## Insights

Total Spend | ₹ **531M** Spend by Credit card | ₹ **216M** Credit card usage | **40.74 %**

Customer spending by Gender : **Males** tend to spend more than Females, equivalent to **67.2%** of Total Monthly spending, totaling ₹ **59.5M**.

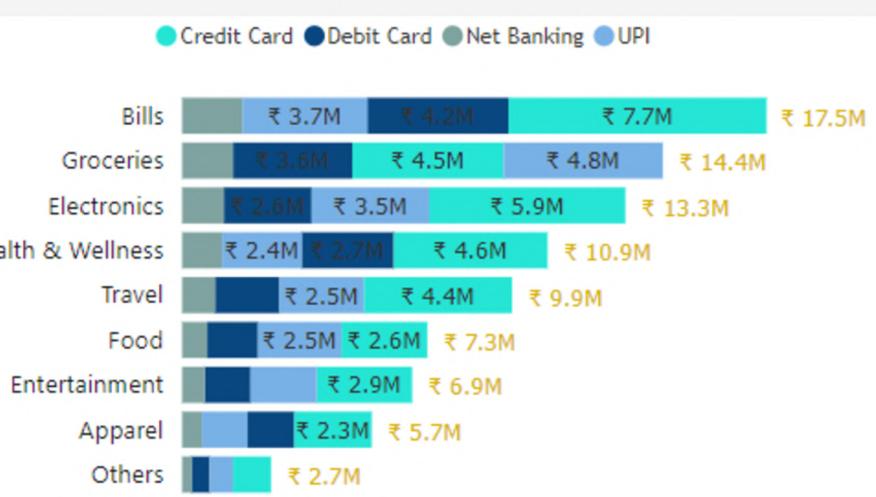


Customer spending by Marital status : **Married** customers tend to spend more than Unmarried, equivalent to **80.81%** of Total Monthly spending, totaling ₹ **71.5M**.



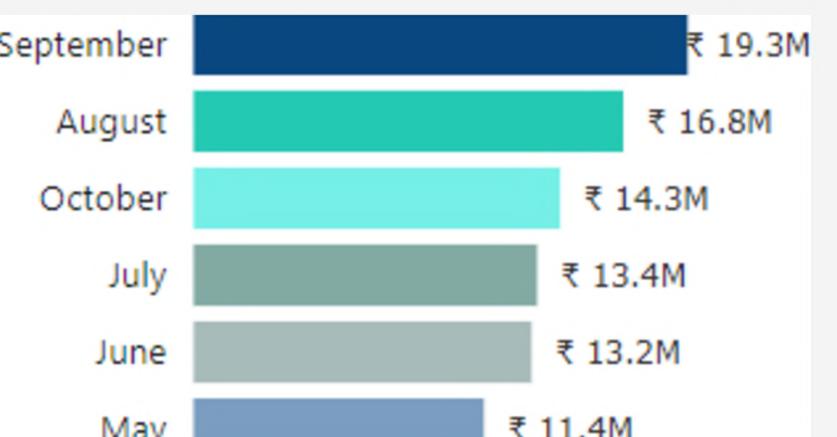
Customer spending by City : Customers living in Financial Capital **Mumbai** tend to spend more ( ₹ 28.6M), equivalent to 32.61 % of Total Monthly spending across 5 cities Whereas Chennai the least ( 15.04%).

Customer spending by Occupation : Significant spending by **IT Professionals** ( ₹ 40.6M), Business Owners( ₹ 14.6M ) & Salaried other Employees ( ₹ 14.7 M ).



- Notably ,**Net Banking** contributes the least( ₹ 9M).

Customer spending on various categories by Payment method : Top 2 Categories are **Bills**( ₹ 17.5M) & **Groceries**( ₹ 14.4M) on which customers loves to spend more while **Others** ( ₹ 2.7M) is the least.



Customer spending by Age group with Avg Inc Utilisation : **25-34 age group** emerges dominant in Monthly income(₹ 77.6M) as well as Monthly spending (₹ 33.8M) with Avg Inc. Utilisation (43.66%) followed by **35-45 age group** with Avg Inc. Utilisation (46.72%).

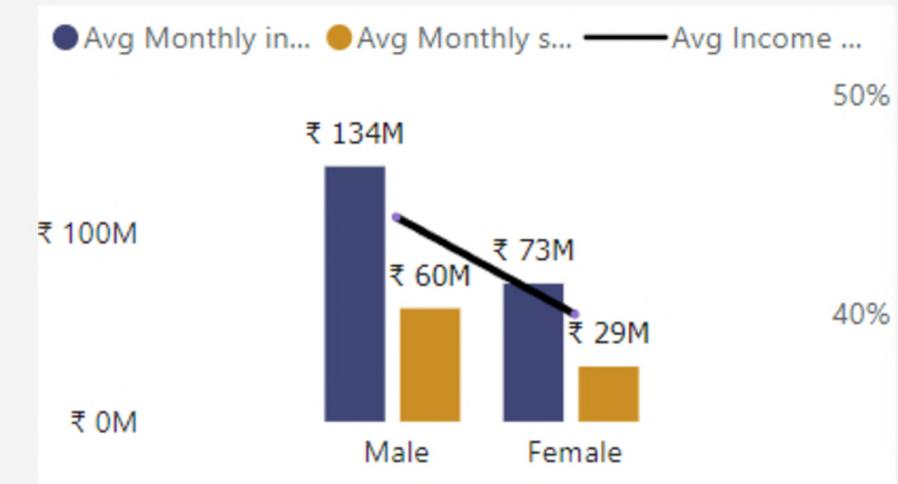
Customer spending by Month: **September** saw highest monthly spending (₹ 19.3M) ,equivalent to **21.8%** of Total Monthly spending while **May** the least( ₹ 11.4M).

# Key Customer Segmentation

The In-depth analysis is crucial helping banks to identify and target specific group of customers based on demographics , financial preferences, spending habits thereby offering custom made credit card products ,features & marketing campaigns .

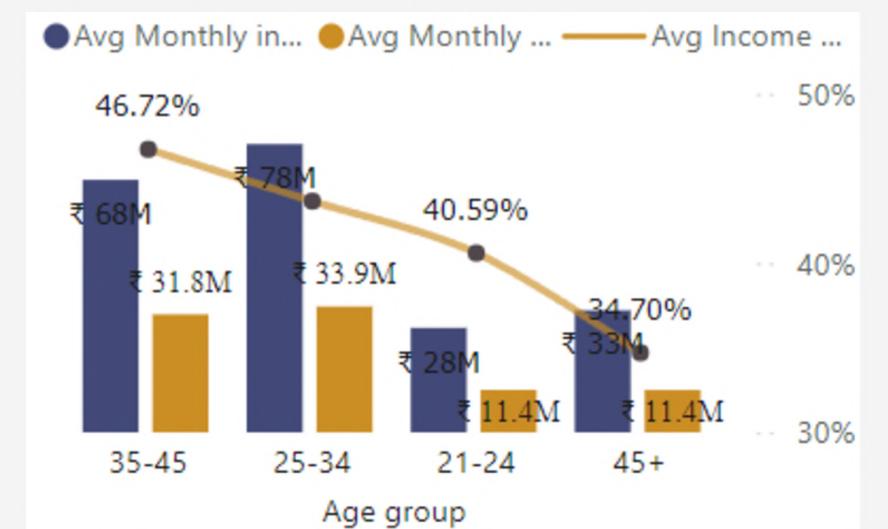
## 1. Segmenting based on Gender

- As per analysis, **Males** both earn and spend more than Females leading to higher Avg Income Utilisation .Thus are likely to be potential users of New credit cards .



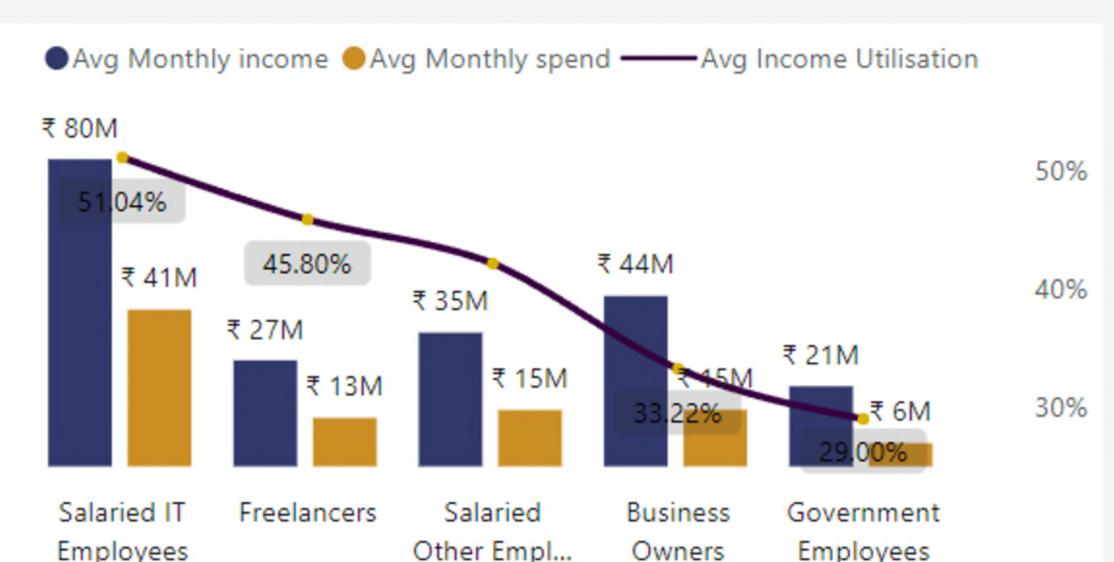
## 2. Segmenting based on Age group of customers

- The **Age group 25-34 & 35-45** emerges as potential target customers for credit card usage based on elevated income, significant spending habits & higher Avg Income Utilisation of **43.66 % & 46.72 %** respectively.



## 3. Segmenting based on Occupation

- Salaried IT professionals ,Freelancers & Salaried Other Employees** represent target customer individuals which are most likely high value users of new credit cards based on elevated income, significant spending habits & higher Avg Income Utilisation of 51.04 % , 45.80 % & 42.10%.



To increase the likelihood of credit card usage, financial institutions can include a range of features that cater to customers' preferences, needs, and spending habits.

The more attractive card is, the more likely customers will use it.

The recommendations presented below are not only backed by actionable insights derived from in-depth analysis of dataset but also well supported by secondary research from internet.

## Insights based on Occupation

**Salaried IT professionals , Freelancers & Salaried Other Employees** constitutes potential credit cards customers based on higher Avg Income Utilisation .

## Recommendations

- Offer higher cashback percentages on expenses common to IT professionals & Freelancers such as software subscriptions (e.g Microsoft, Adobe), electronics & office supplies.
- Offer discounts for buying Tech gadgets, laptop which they frequently use there in professional lives.
- Freelancers often work remotely & travel for conferences, meetings with clients. A reward program focused on travel would appeal to them.
- Some Freelancers experience payment delay from clients. Thus offering longer grace periods for large transactions could provide peace of mind.
- Offer low interest or interest free periods for business related expenses such as equipment.
- IT professionals are often highly security-conscious. Offering superior fraud protection, virtual credit cards for online transactions, and biometric authentication features would appeal to them.



# Credit Card Feature Recommendations

To increase the likelihood of credit card usage, financial institutions can include a range of features that cater to customers' preferences, needs, and spending habits. The more attractive card is, the more likely customers will use it. The recommendations presented below are not only backed by actionable insights from in-depth analysis of extensive dataset but also well supported by secondary research from internet.

## Insights based on Target Age group

The target age group **25-34 & 35-45** emerges as potential customers for credit card usage based on elevated income, significant spending habits & higher Avg Income Utilisation.

### Recommendations

- Introduce cashbacks or reward programs for bill payments & grocery purchases using credit cards.
- Partner with popular grocery store or bill payment providers for exclusive offers .
- Implement a referral program that incentivizes existing credit card holders to refer family or friends within the **25-34 & 35-45** age group.
- Offer rewards or cashback for successful referrals.
- Launch targeted online ads(Facebooks, You tube) highlighting the benefits of credit cards for bill payments & groceries, focusing on the target age group **25-34 & 35-45**.
- Offer increased credit limit to cardholders who consistently make timely payments help them feel more confident in using their credit cards for bill payments & groceries.



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The more attractive card is, the more likely customers will use it.

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## Insights based on spending

Significant spending on **Bills, Groceries & Electronics**.

## Recommendations

### Groceries

- Offer higher cashbacks (e. g 3-5 %) or bonus rewards points for purchases made at grocery stores or supermarkets. This will encourage customers to use credit cards for everyday grocery expenses.
- Establish partnerships with major grocery stores(e. g Reliance Fresh, Reliance SMART, JioMart, DMart) to offer cardholders exclusive discounts or such as percentage off their total bills.
- Run seasonal promotions that offer increased reward or higher cashbacks for grocery spending during specific periods (e. g holidays, Back to school season) .This will encourage customers to use credit cards.
- Offer double or triple rewards for grocery purchase for a limited period of time thus motivating customers to switch their payment habits to the credit card.



**SPECIAL  
DISCOUNT** DISCOUNT  
**20%**

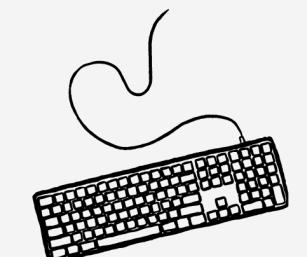
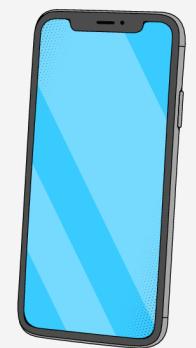
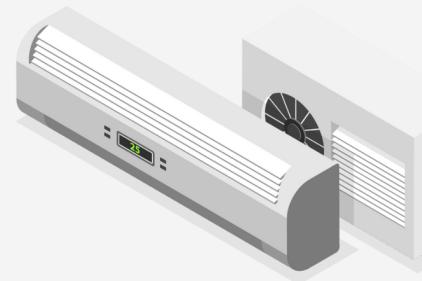
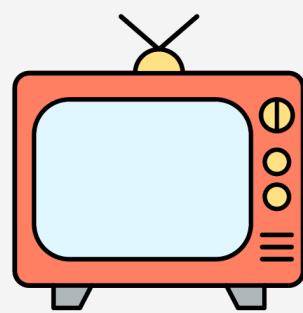
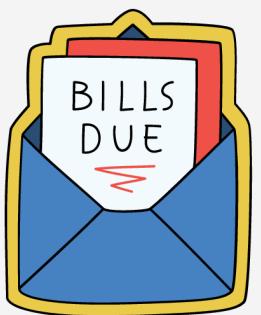


**LIMITED TIME  
OFFER**

## Recommendations

### Bills & Electronics

- Offer incentives to credit card users for paying recurring bills (e. g telephone bills ,electricity, internet etc)
- Offer specialised rewards for electronic purchase or tech related gadgets & accessories (e.g Keyboard, mouse) at popular stores or online e-commerce platforms (e.g Flipkart ,Amazon) where customers buy gadgets.
- Increase cashback on spending at electronics store by using credit cards.
- Provide incentives such as cashbacks or bonus reward points to customers who setup automatic bill payments using their credit cards. This ensures regular card usage & recurring transactions.
- Provide zero interest or low interest emiplans or buy now, pay later scheme (**BNPL**) for bigger electronic purchases. This can make it more appealing for customers to use the credit card for purchase of electronics & tech gadgets.
- Offer extended warranties for electronics bought with credit cards. This feature can give customer greater peace of mind in customers buying expensive electronics.
- Introduce Referral reward programs where user can earn rewards for encouraging family or friends to use their credit cards for bills & electronics.



# Amazon Prime Day sale 2024: Date, instant discounts, cashback offers, credit card deals and exchange offers

Prime members will be treated with product launches across over 450 brands

Web Desk | Updated: July 03, 2024 12:49 IST

## Debit and credit card offers

Amazon offers 10 per cent savings on payments using ICICI Bank credit and debit cards as well as SBI credit cards. Credit card EMI transactions will also get a 10 per cent off. Customers will also be able to get a 5 per cent instant discount while shopping.

Those who apply for new Amazon Pay ICICI Bank credit cards will get welcome rewards up to Rs 2,500, cashback of Rs 300 (only for Prime members) and rewards up to Rs 2,200.

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## Up to 15% discount on Amazon, LG, MMT: Top credit card offers of Diwali

Leading financial institutions like HDFC Bank, State Bank of India (SBI), ICICI Bank, and others are luring customers with a variety of credit card rewards and discounts

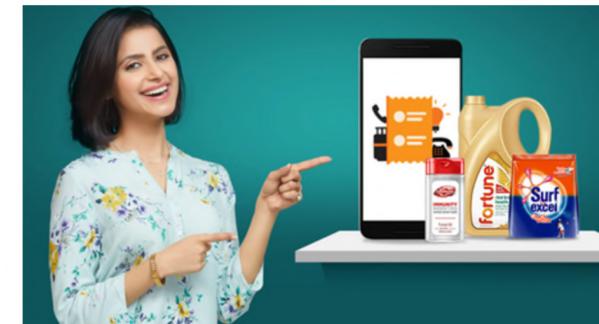
With the festive season here, consumers across India are preparing for an exciting shopping spree. Leading financial institutions like HDFC Bank, State Bank of India (SBI), ICICI Bank, and others are luring customers with a variety of credit card rewards and discounts.

Credit cards, with diverse features and benefits, contribute to building a robust credit history and provide instant access to funds during emergencies. Banks are sweetening the deal by offering festive rewards, such as points or cashback on credit card purchases, along with travel perks like airport lounge access and travel insurance.

Get cashback up to ₹10,000 with ICICI Bank Credit Cards on Apple products

Offer only on EMI transactions

INSTANT  
emi



## Amazon Pay launches Amazon Pay Later

Written by Amazon Staff

Amazon will offer an instant credit line to customers to purchase essentials, electronics, fashion, groceries and pay their monthly utility bills

# Thank You!



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