
Cross selling recommendation

Exploratory Data Analysis

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Cross Selling in Bank



Cross-selling products in a bank refers to the practice of promoting and selling additional financial products or services to existing customers



It is a great way of increasing customer loyalty and customer relationships which in turn can improve customer lifetime value and retention



Cross-selling can also help banks to generate additional revenue by offering customers a range of products and services



To effectively cross-sell products in a bank, it is important to have a deep understanding of the customer needs through data analysis and customer feedback



Banks can also use various marketing strategies to promote cross-selling, such as targeted email campaigns, personalized offers, and in-branch promotions

Problem Statement

The credit union in Latin America, known for its successful sales of credit cards, deposit accounts, and retirement accounts, is encountering difficulties in enticing its current clients to buy supplementary products or services. This failure to cross-sell is affecting the credit union's financial results, including its revenue, profits, and customer retention



Business Understanding

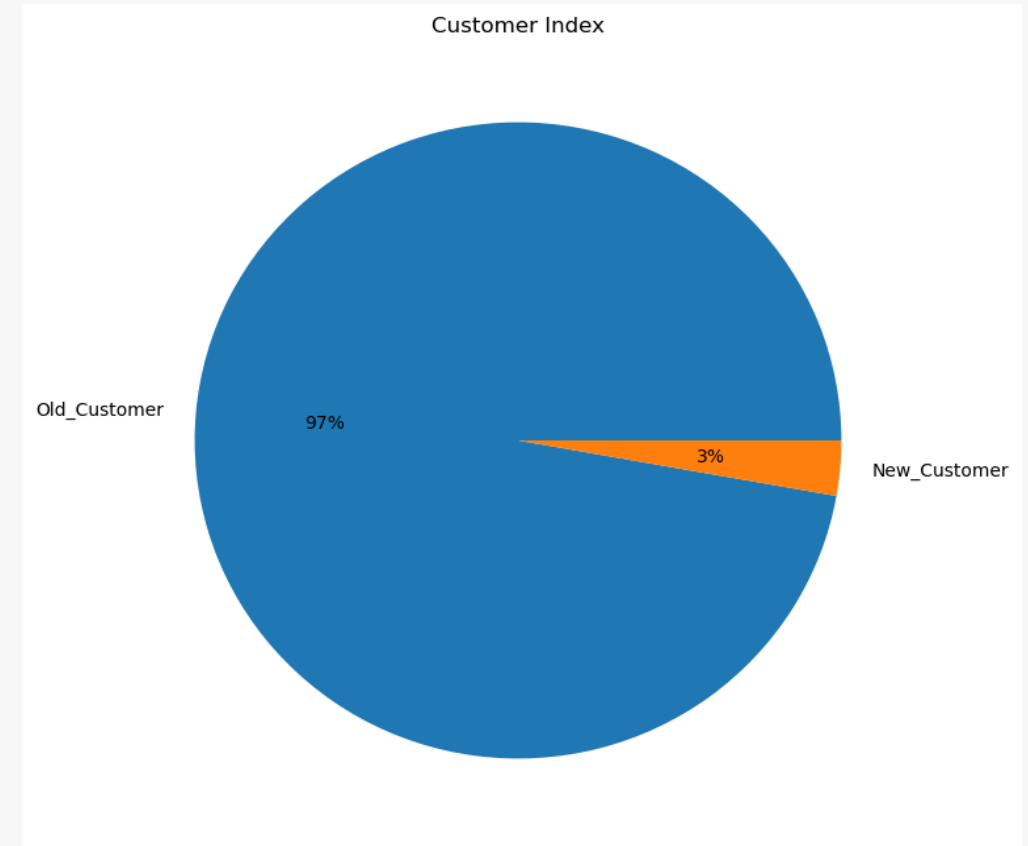
Business understanding through exploratory data analysis can help the credit union in Latin America better understand the root cause of its difficulties in cross-selling additional products and services to its current customers. By collecting and analyzing relevant data, the credit union can gain insights into customer behavior, preferences, and purchasing patterns. This information can then be used to develop targeted cross-selling strategies and campaigns that are more likely to resonate with its customers

Some specific data points for analysis include:

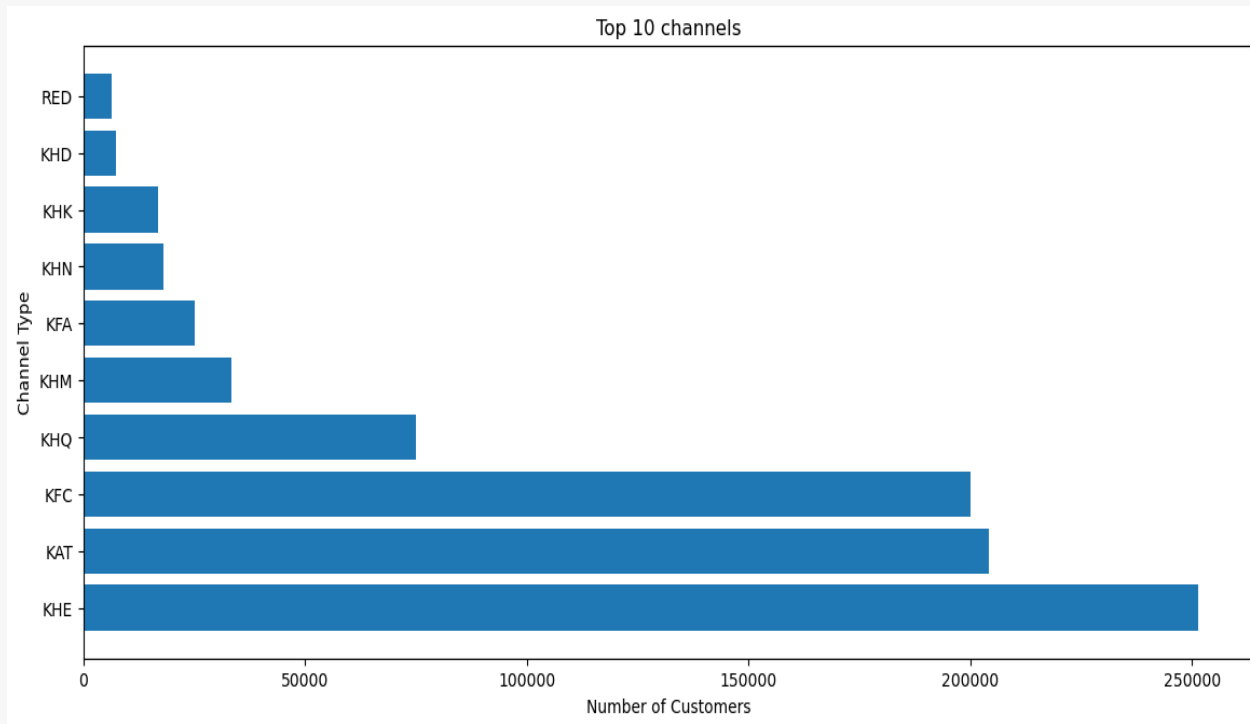
- Customer demographics: Understanding the age, gender, income, and other demographic characteristics of the credit union's customers can help identify any patterns or trends in their purchasing habits
 - Product usage data: Analyzing data on which products and services are being used the most (and least) by the credit union's customers can help identify opportunities for cross-selling
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Exploratory Data Analysis: Insights

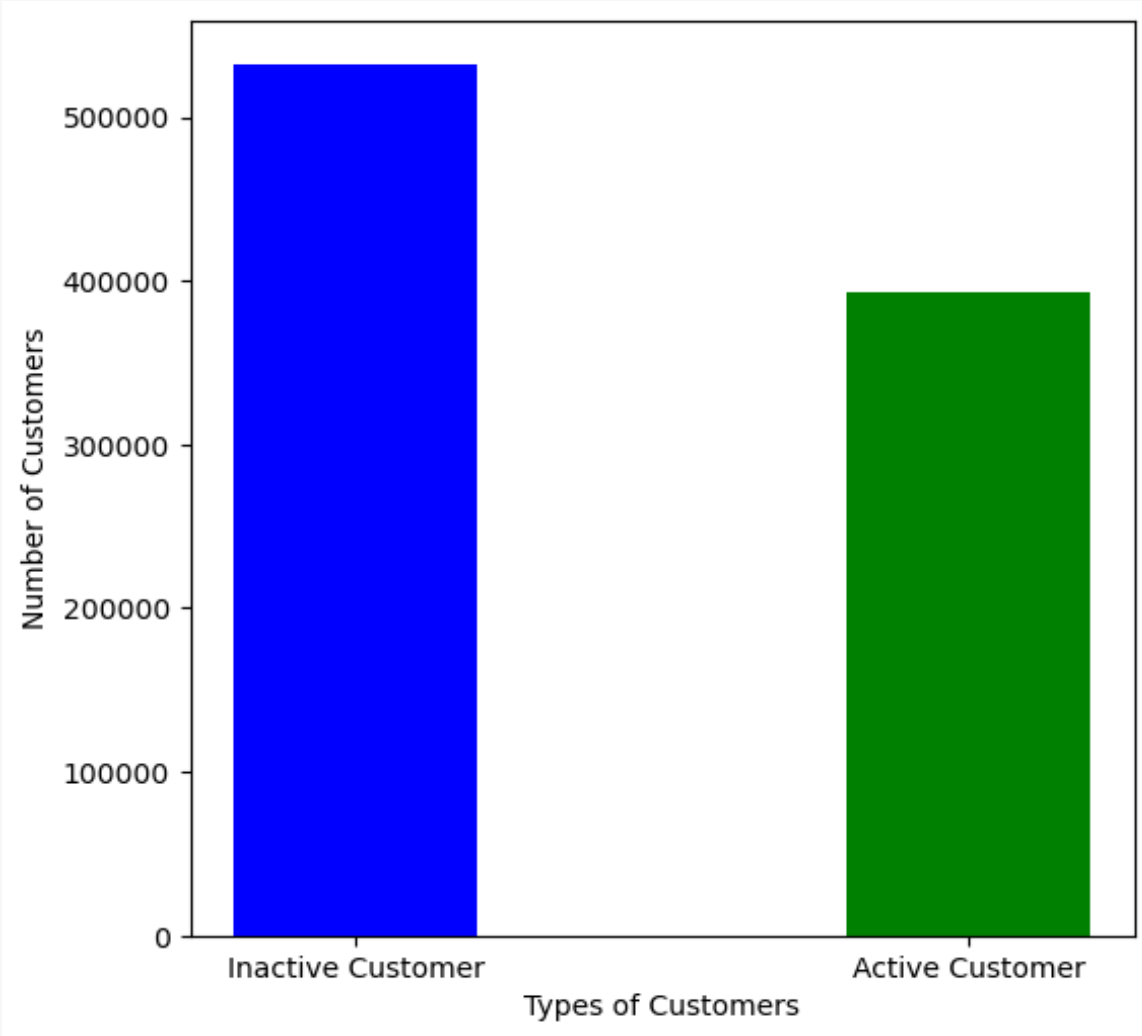
- Despite its efforts to expand its customer base, the bank has struggled to attract new clients. As a result, the proportion of new customers that the bank values is relatively low, accounting for only 3% of its total customer base
- To address this issue, the bank will need to conduct a comprehensive analysis of its customer acquisition strategies and determine why it is struggling to attract new customers. This could involve examining factors such as market competition, changes in customer preferences, or limitations in its marketing and sales efforts



Number of channels used



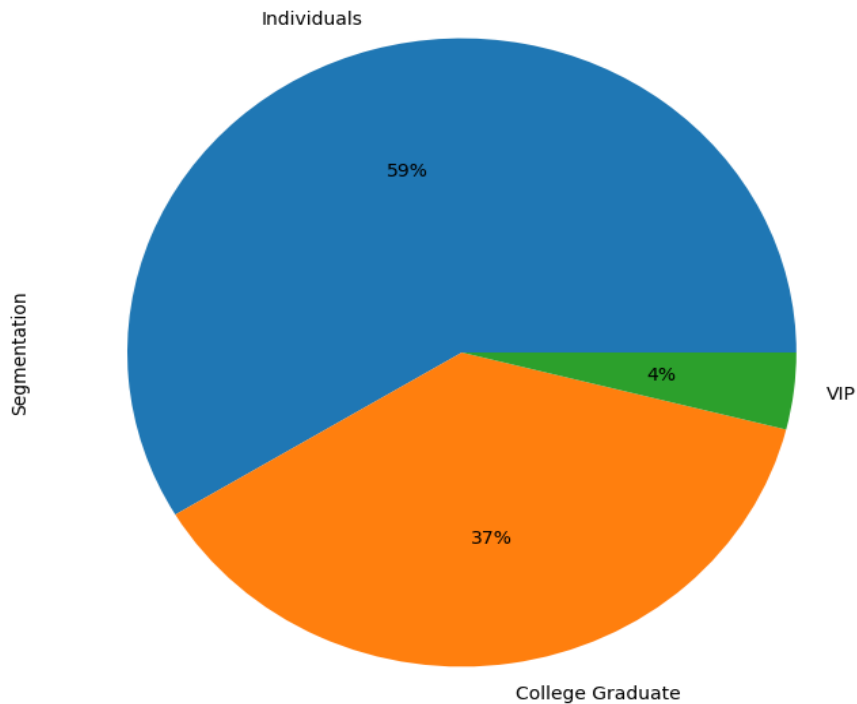
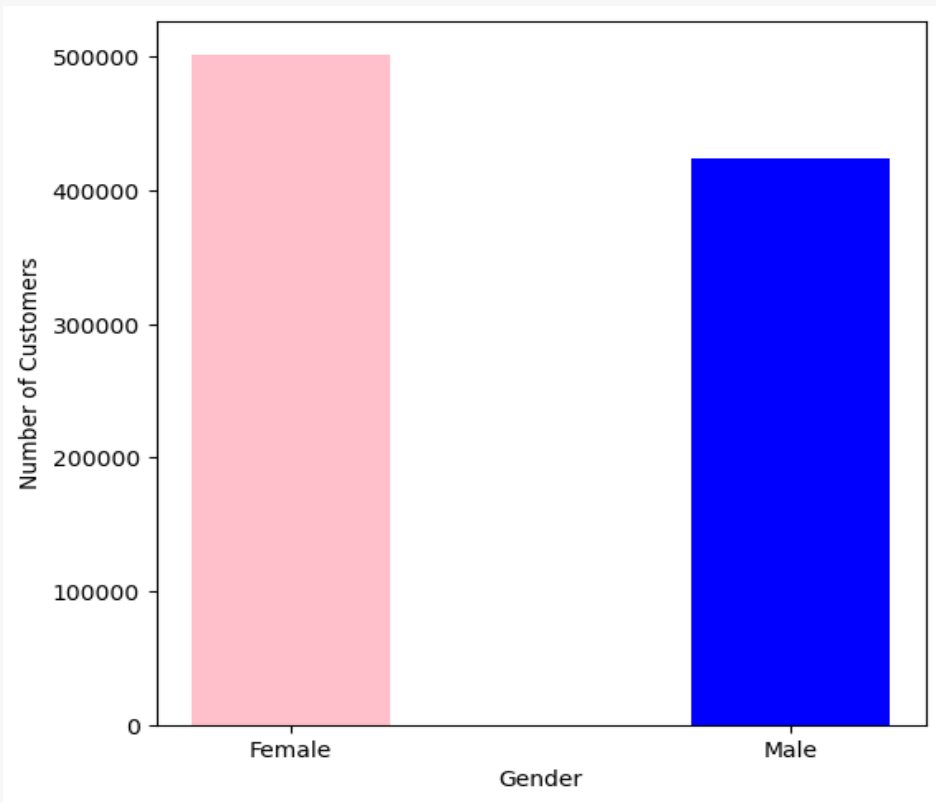
The top 10 customer acquisition channels have been successful in bringing new customers to the credit union, as more than 25,000 customers have joined through these channels



The bank has a higher number of inactive members, numbering at 50,000, compared to the number of active members

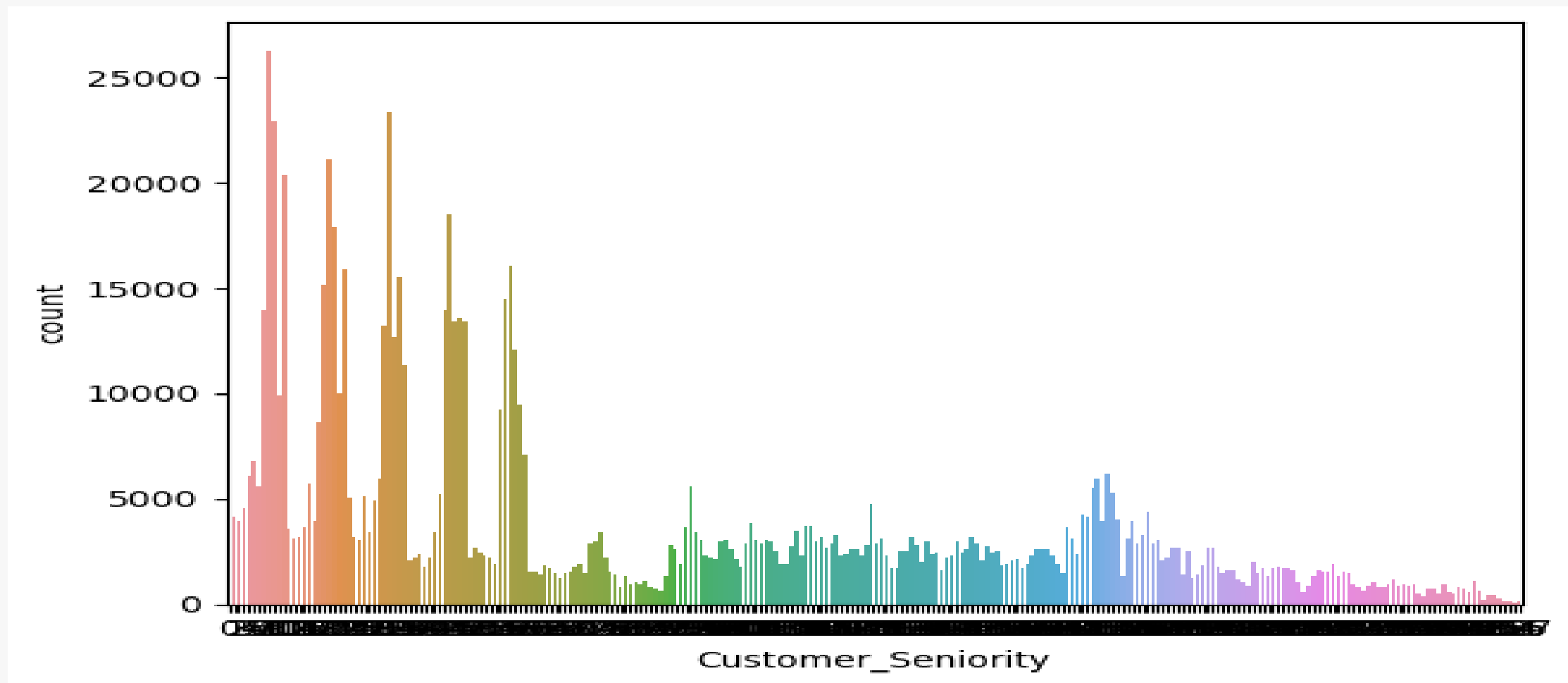


Women make up the majority of the bank's customers, comprising a larger proportion of the customer base by 10% compared to men

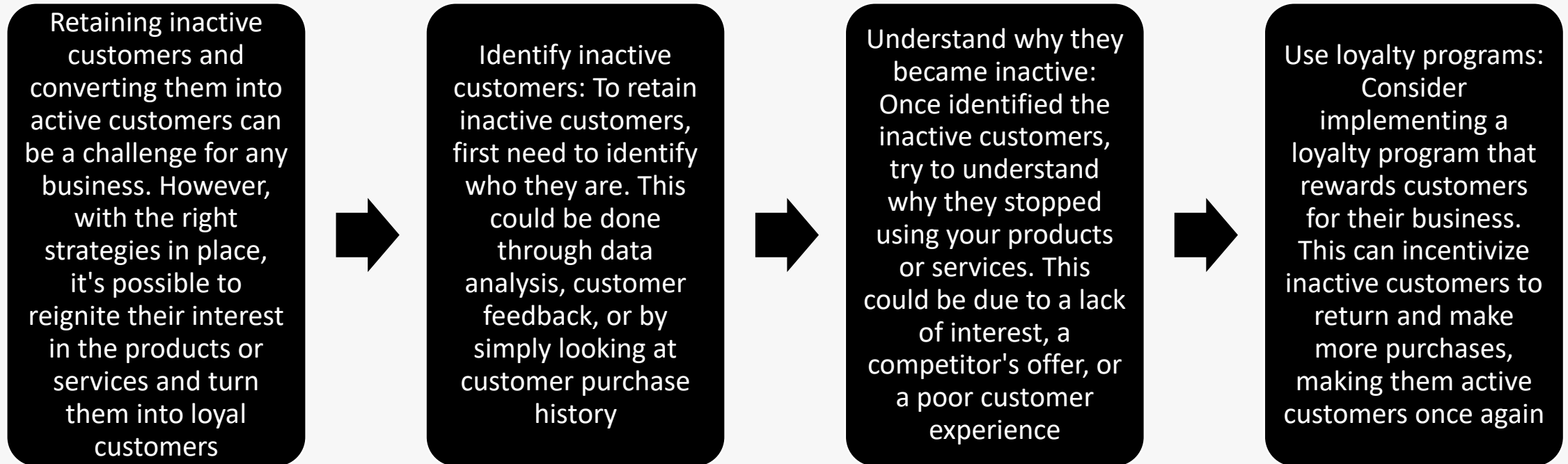


The bank has a greater number of individual customers, making up 59% of the total, compared to college graduates and VIP customers who make up 37% and 4% respectively

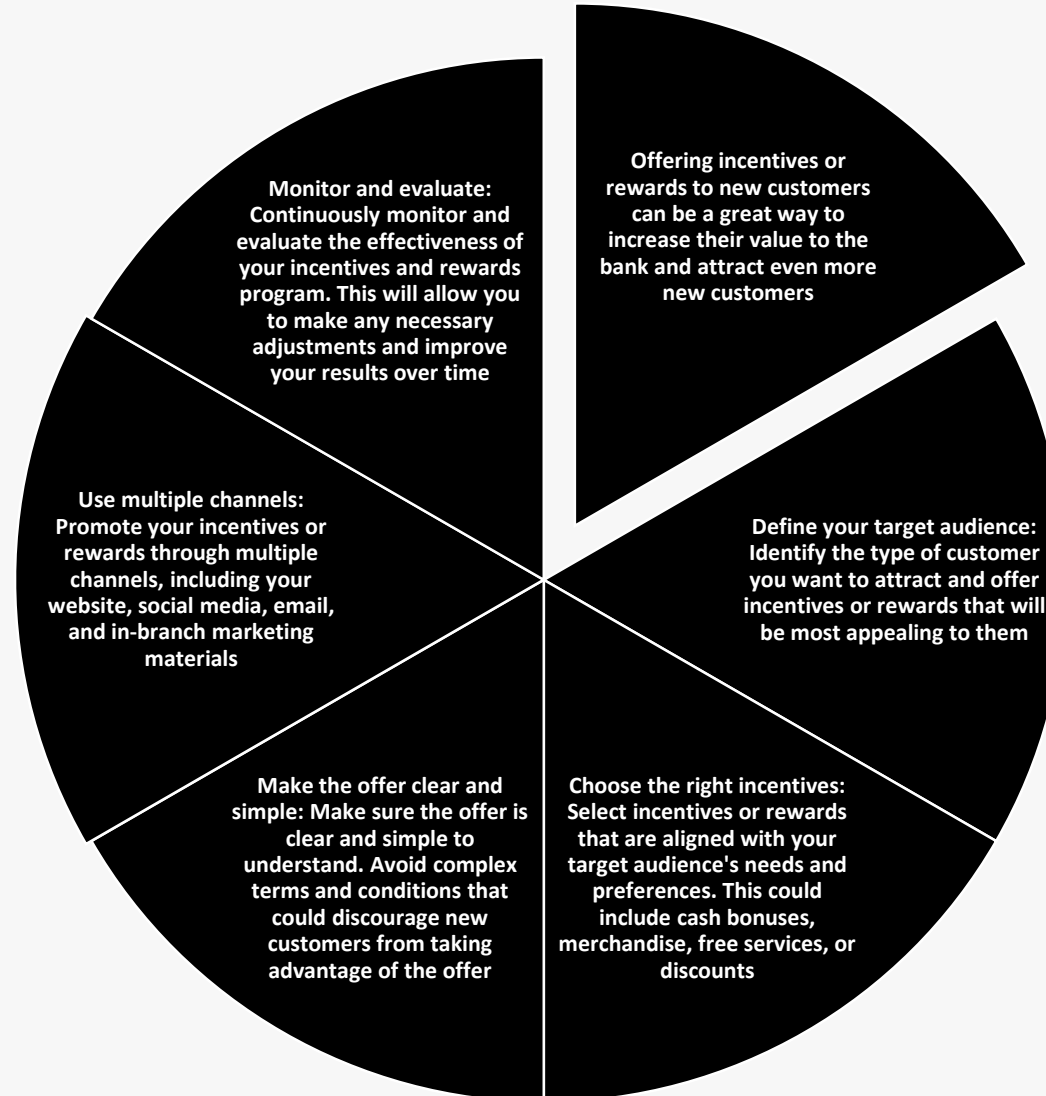
Seniority Count plot



Measures for retaining inactive customers



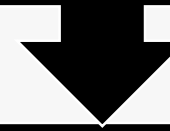
Offering Incentive



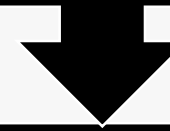
Expanding bank's service or products



Evaluate existing offerings: Evaluate the existing product and service offerings to identify areas for improvement and areas where new offerings could be introduced



Develop new offerings: Based on the research and evaluation, develop new product and service offerings that meet the evolving needs of your target audience



Partner with other businesses: Consider partnering with other businesses to offer complementary products and services. For example, if the target audience is interested in investment services, partnering with an investment management firm to offer investment products and services to the customers

Demographics



- Demographic and behavior analysis can be a valuable tool for tailoring marketing efforts and improving customer engagement
- Analyzing the demographic and behavioral data for each segment to identify trends and patterns. For example, inactive customers are more likely to be younger, while VIPs are more likely to be older and have higher purchasing power

Marketing Strategy

Prioritizing marketing and outreach channels is a crucial step for any business to achieve maximum results from its marketing efforts.



- **Assess your current performance:** Analyze your current marketing efforts and determine which channels are providing the best return on investment (ROI). This could include metrics such as website traffic, conversion rates, and social media engagement
- **Identify your goals:** Determine the specific goals you want to achieve with your marketing efforts. This could include increasing brand awareness, driving sales, or generating leads
- **Choose the top 10 channels:** Based on your market analysis, performance assessment, goals, and industry benchmarks, choose the top 10 channels that are most likely to help you achieve your marketing objectives
- **Allocate resources accordingly:** Based on the priority of each channel, allocate the necessary resources, such as budget and manpower, to ensure maximum results. For example, if email marketing is your top priority, allocate more budget and manpower to that channel than the others

Excellent Customer Service

Excellent customer service is essential for retaining customers and ensuring their satisfaction. The customer service team is equipped and well-prepared to handle any questions or concerns that new customers may have



Recommendations

- Establish strategies for retaining inactive customers and converting them into active customers, through targeted marketing campaigns or personalized communication
- Offer incentives or rewards to new customers to increase their value to the bank and attract even more new customers
- Study the demographics and behaviors of both active and inactive customers, as well as the differences between individual customers, college graduates, and VIPs, in order to tailor marketing efforts and improve customer engagement
- Prioritize the marketing and outreach channels that have shown the most success, such as the top 10 channels, and allocate resources accordingly
- Continuously evaluate and improve customer service and support, as this can have a significant impact on customer satisfaction and loyalty
- Expand the bank's product and service offerings to appeal to a wider range of customers and meet their evolving needs
- Collaborate with other businesses or organizations to broaden the bank's reach and bring in new customers