CREDIT CARD LAUNCH PROJECT

Project Report

Purpose of the Project

The project aimed to **identify the right customer segments** for AtliQo's new credit card and **test the product's effectiveness** before a large-scale launch.

- **Phase 1:** Understand customer demographics, income, and spending to identify the **target market**.

- **Phase 2:** Run a **trial campaign (A/B test)** to measure how the new credit card impacts customer spending.

Phase 1 – Key Findings from Customer Data

Methodology

- **Data Cleanup:**
  Removed unrealistic values (e.g., age below 15 or above 80).
  Missing income or age values were replaced with more realistic, occupation-based averages.

- **Target Age Groups:**

  ➢ 56% of customers are **26–48 years old** (prime working population).
  ➢ 25% are **18–25 years old** (young, potential long-term customers).

- **Income Levels:** Average annual income varies by occupations:

  ➢ Business Owners: ~₹2.7 lakh
  ➢ Data Scientists: ~₹1.3 lakh
  ➢ Freelancers/Artists: ~₹45k–75k

- **Credit Scores & Limits:**

  ➢ Low credit scores (300–500) were linked to low limits (~₹500–₹1,000).
  ➢ High credit scores (750–799) received high limits (~₹60,000).
  ➢ A clear "ladder" system emerged between score and credit limit.

- **Spending Categories:**
  Top categories include **Electronics, Fashion & Apparel, and Beauty & Personal Care**.

Business Insight:
Young customers (18–25) represent an **untapped market**. They earn less and have lower credit histories but form a **quarter of the customer base** and spend heavily on lifestyle products.

Phase 2 – Trial Campaign and Testing

Pre-Campaign Setup

- Focused on the **18–25 age group**.

- From 246 available customers, **100 were selected** for the test campaign (new credit card users).

- A **control group of 40 customers** (not given the new card) was also tracked for comparison.

- Campaign ran for **2 months** with the goal of **increasing average spending per customer**.

Post-Campaign Results

- Test group's **average spending rose to ₹236 per transaction**, compared to **₹221 in control group**.

- Statistical testing showed this increase was **real and not due to chance**:

  - ✅ Z-score = 2.75 (above required 1.65 threshold).

  - ✅ p-value = 0.003 (< 0.05 significance level).

Business Insight:
The new card **successfully increased customer spending** in the 18–25 group. A ~7% increase in average spend proves that targeting young customers with a credit card product is effective.

The Algorithm

Think of the algorithm as a **"filter + testing engine"**:

1. **Filter:** Clean and segment customer data to identify groups worth targeting (e.g., 18–25, lower income, lifestyle shoppers).

2. **Assign:** Decide product eligibility based on rules (e.g., credit score ↔ credit limit ladder).

3. **Test:** Run a controlled experiment (new card vs. no new card).

4. **Measure Impact:** If test group outperforms control group, the strategy is validated.

Practical Example

Imagine **two college students**:

- **Student A (control group):** Uses debit cards, spends ₹220 per transaction.

- **Student B (test group):** Gets AtliQo's new credit card, receives offers & rewards. Their spending rises to ₹236 per transaction.

Multiply this small difference across **thousands of young customers**, and the bank gains **millions in additional revenue annually**.

Project Insights

- Launch the credit card product **nationwide for 18–25 year olds**.

- Pair it with **offers in electronics, fashion, and beauty segments** (their top spending categories).

- Continue to monitor spending and repayment to refine limits and risk controls.

CONCLUSION

AtliQo has identified a **profitable, data-backed customer segment** and proven that the new credit card increases spending.