Customer Funnel Analysis and Marketing Insights – FinCar Finance

Objective
To analyse 10,000 loan applications and identify funnel leakage, high-value customer personas, and affordability drivers that can guide marketing strategy. The goal was to provide actionable recommendations that both grow funded loans and support fairness in customer outcomes.

Methodology
- **Python Analysis:** Data cleaning, funnel metrics, persona segmentation, affordability and pricing impact assessment, scenario modelling (reallocation of applications to high-performing personas).
- **Tableau Dashboards & Story:** Interactive KPIs, funnel leakage views, persona heatmap, segment performance tables, affordability and pricing visuals (deposit ratio, loan amount, LTV, APR).

Key Findings

1. **Funnel Performance:**
   - Of 10,000 applications, **64.7% were approved** and **30.7% funded end-to-end**.
   - The main leakage occurs **post-approval**, where only **47.4% of approved customers fund**.

2. **Personas & Segments:**
   - **Urban SUV buyers aged 28–47** represent the **largest high-performing persona**, combining scale and strong conversion.
   - **Convertibles and Saloons** achieve higher conversion rates but at smaller volumes.
   - **Younger applicants (18–27)** face higher declines, while **older groups (48–67)** drop at funding.
   - **Urban > Rural** across the funnel.

3. **Affordability & Pricing:**
   - **Deposit Ratio:** Customers with **20–30% deposits** convert significantly better; deposits below 10% show the weakest outcomes despite high application volume.
   - **LTV Band: ≤70% LTV performs best**, while **90–100% LTV customers** have the lowest conversion, highlighting affordability challenges.
   - **Loan Amount Range:** Mid-range loans (~£10k–15k) show stronger funded rates than very low or very high amounts.
   - **APR:** Conversion remains stable (~47–50%) across pricing bands, indicating limited sensitivity to APR.

Recommendations

- **Prioritise Golden Personas:** Focus marketing spend on **Urban SUV buyers aged 28–47** to scale funded loans, while maintaining targeted campaigns for older Convertible buyers with strong conversion.
- **Target Weak Segments:** Tailor messaging for **younger applicants** (improve pre-qualification) and **older or Rural applicants** (emphasise affordability and support).
- **Promote Affordability Levers:**
  - Encourage **higher deposits (20–30%)** through campaign messaging and incentives.
  - Highlight **mid-range loan affordability** in product marketing.
  - Focus less on APR adjustments, as price sensitivity is low.
- **Commercial Impact:** Reallocating spend from weaker personas to golden personas can increase funded loans by **~400 without needing more applications**, improving ROI and fairness simultaneously.

Conclusion
The analysis highlights that FinCar's biggest opportunity lies in addressing **post-approval leakage** and reallocating marketing focus to high-volume, high-conversion personas. By promoting **affordability levers (deposit ratio, LTV)** and concentrating on **Urban SUV buyers aged 28–47**, FinCar can capture more funded loans, enhance customer fairness, and drive sustainable growth.