Bank Churn Analysis
by
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Overview

This presentation examines a dataset for bank churn analysis. Churn rate is a critical business metric measuring the proportion of customers who stop doing business with a company within a given time frame. By analyzing this dataset, I identified the key drivers of customer retention and areas of profit and loss, providing actionable insights for the bank's strategic direction.

Using Microsoft Power BI, I cleaned and analyzed the data, leveraging DAX functions to further dissect and visualize the key metrics. The results offer a clear roadmap for reducing churn and increasing profitability.

Visualization

The dataset was visualized in Power BI dashboards, showcasing critical metrics and trends for better decision-making. The visualizations include:

1. Churn rate by customer demographics.

2. Regional activity and profitability.

3. Insights into credit score, age, and salary distributions.

4. Comparisons between active and inactive customer segments.

Analysis

Key Findings:

1. Total Customers: 10,000 (10k).

2. Active Customers: 5,151.

3. Inactive Customers: 2,037.

4. Average Credit Score: 650.53.

5. Average Age: 38.92 years.

6. Average Salary: $100,090.

Demographic Breakdown:

Gender: Active male customers slightly outnumber active female customers.

Salary Classification:

Upper Middle Class: This group forms the bank's core customer base, representing over 50% of total active customers.

Middle Class and Poor: A significant proportion of inactive customers fall into these categories, indicating room for improvement in engagement.

Customer Behavior:

1. Credit Card Usage: 70% of active customers possess credit cards, highlighting a strong relationship between credit card ownership and activity.

2. Churn Impact: Among customers who churned, the bank lost $185 million, accounting for 24% of total revenue.

Regional Insights:

France: Houses the most active customers (3,000).

Spain and Germany: Each has fewer than 1,500 active customers but a lower churn rate, presenting growth opportunities.

Conclusion and Recommendations

Conclusion:

The analysis identified the bank's key customer demographics and areas requiring strategic focus to reduce churn and improve profitability.

Recommendations:

1. Enhance Engagement with Middle-Class Customers: Increase tailored marketing and personalized services for this segment to boost retention.

2. Maintain Focus on Upper Middle-Class Customers: Continue investing in this core customer base to ensure loyalty and reduce churn.

3. Expand Operations in Spain and Germany: The lower churn rate in these regions indicates untapped potential. Building a robust banking system there could increase profitability and customer base.