BANK MARKETING CAMPAIGN

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Sparagua

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Data Science

Problem description:

Portuguese bank is having a decrease in its revenue. The bank wants to be able to predict which clients are most likely to subscribe a term deposit. Before selling its term deposit product, it wants to develop a model based on the interactions of these clients with other banks in the past. This will allow them to focus their marketing efforts and resources on these select few customers with better chances of subscribing. This will help significantly reduce the expenditure of time and energy on clients that will probably not subscribe.

Exploratory Data Analysis:

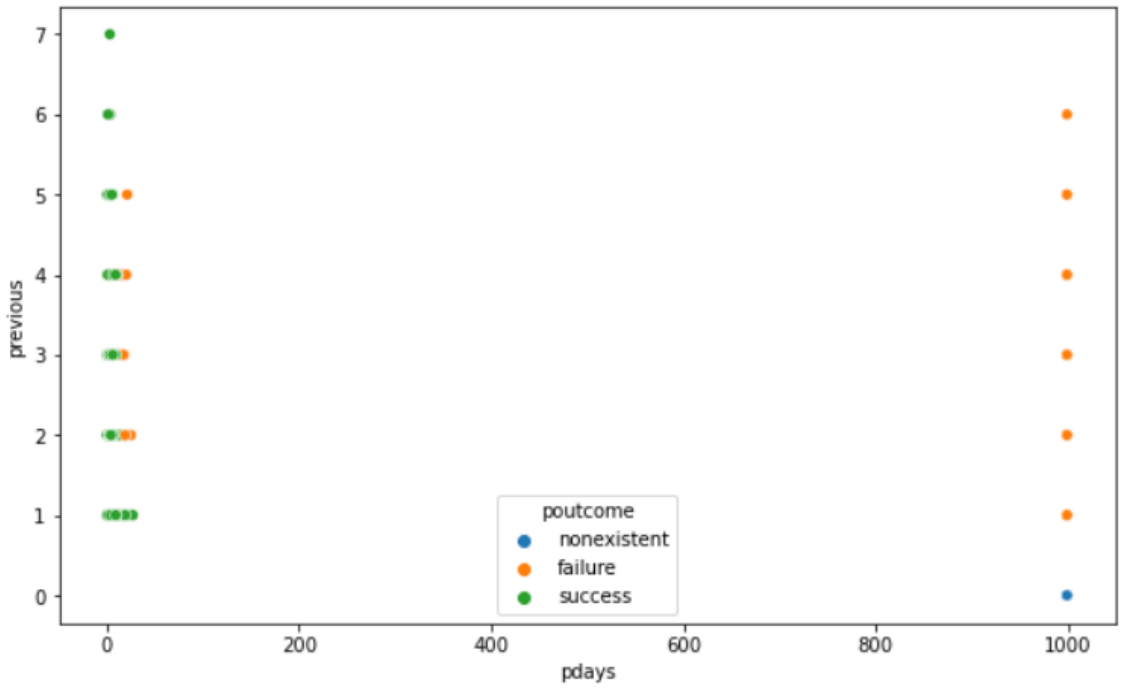
For exploratory Data Analysis, we have separated our prediction target from our features. A summary of our findings of this data has been listed below.

Categorical Data:

1. Jobs: The most common jobs are administrative, blue collar and technical jobs, whereas the least common ones are students, housemaids and unemployed individuals.
2. Marital status: Most individuals are married.
3. Education: Most of the potential customers have a college degree, or a high school degree. Very few are illiterate.
4. Defaults: Most of them have no defaults.
5. Housing Loans: Most of them have a housing loan.
6. Personal Loans: Most individuals do not have a personal loan.
7. Contact: Most individuals have listed their preferred contact method as cellular phone over telephone.
8. Month of contact: The last month of contact for most of them by far is May, followed by July, August and June.
9. Day of contact: There is an even distribution in the last day of contact among the targets.
10. Previous Outcome: Most of the past data shows us a nonexistent outcome, but this time a good portion of the individuals answered even made a term deposit.

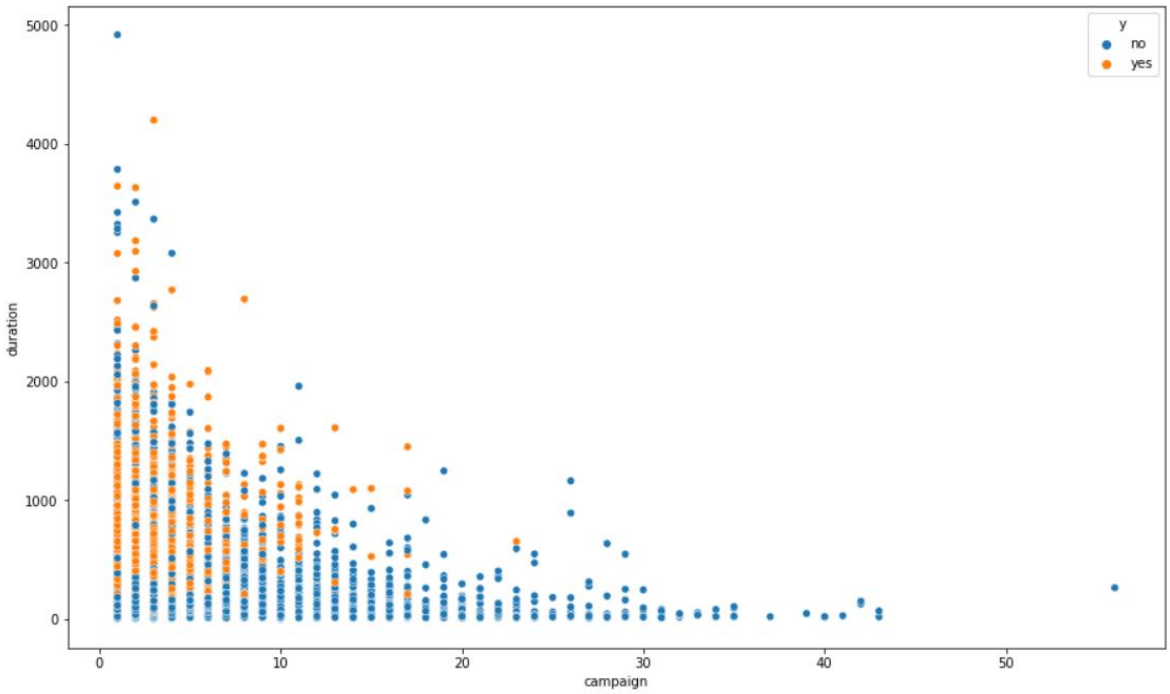
Numerical Data:

1. Relation between Pdays and Previous:
   Here ‘Pdays’ is the number of days that passed after the client was previously contacted, and ‘Previous’ is the number of contacts made earlier for the client.



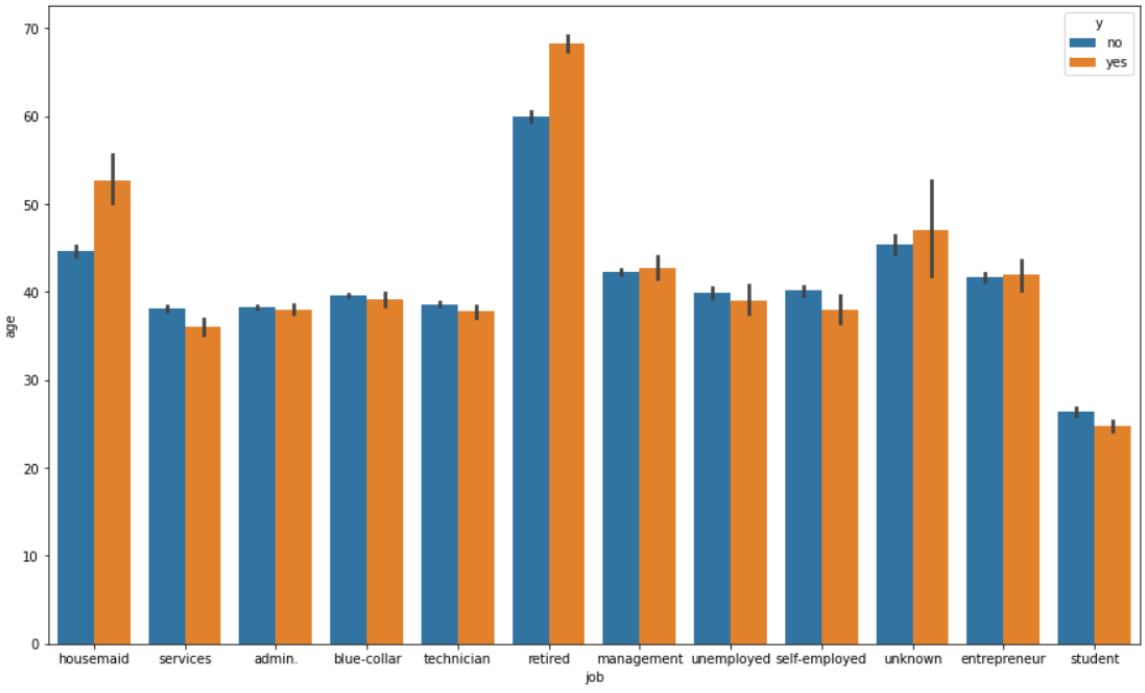
The 999 valued blue dot confirms that these people were never contacted before, hence there was no previous outcome. The orange dots on the left side represent negative responses from people contacted 2-5 times, and the green dots represent positive responses from people contacted 1-7 times. There have however, been instances where people have never been contacted but gave a negative response (orange dots on the right), so to avoid any confusions in the future, we shall eliminate the ‘Pdays’ feature and use the ‘Previous’ feature to know whether someone had previously been contacted.

2. Relations between call duration, call frequency and the corresponding outcome:



The obtained graph shows that there exists an inverse relation between the number of calls made to a prospective client and the duration of these calls. The lesser the frequency of calls, the longer the calls go on. Clients that have been called over 12 times do not respond, or give a very brief response.

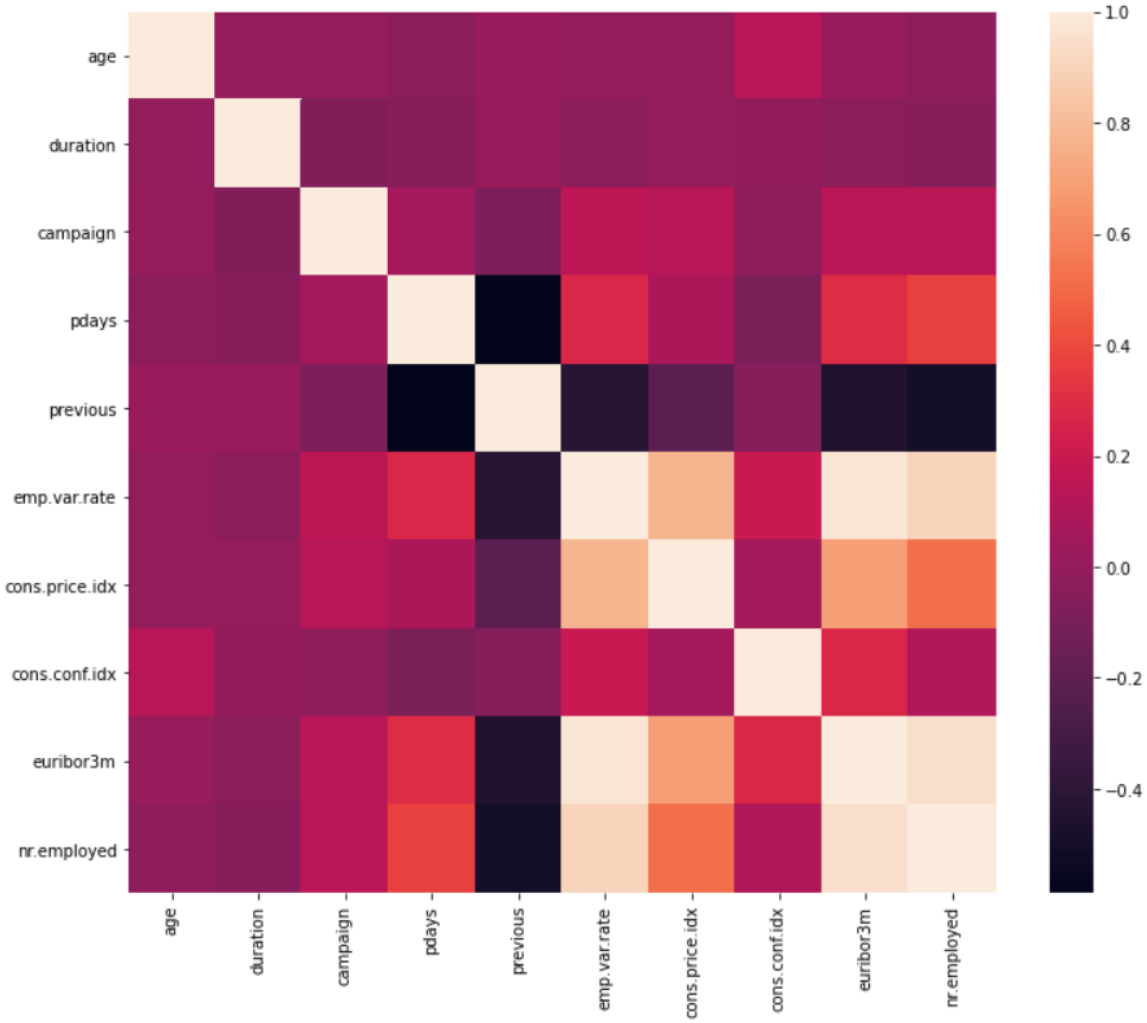
3. Relations between job and age:



There seems to be a larger difference between the ‘yes’ and ‘no’ subscribers among the retired people aged 65-70 years old and the housemaids aged 50-55 years old than the other potential clients.

Final Recommendation:

A heatmap of our features will help gain even more insight:



As we can clearly see, the consumer price index is strongly correlated with the bank’s interest rates and employee variation rate, i.e., the higher the price index, the greater the interest rate. The employee number also has a strong correlation with the employee variation rate and bank interest rates.

We can say with confidence that the frequency of contacts made with the prospective clients has a very strong negative correlation with the bank’s interest rates and employee variation rates, i.e, the greater the rates of interest, the lesser the number of contacts that had been performed before this campaign. A lower interest rate could therefore increase the number of contacts made this campaign.

Github Repo link:

https://github.com/danielaaz04/Bank-Marketing-Campaign