EXECUTIVE REVIEW

Customer Portfolio & Risk Overview

Value, Engagement, Churn & Retention Analysis

Executive Summary

This comprehensive analysis of our customer portfolio reveals critical insights into customer value distribution, engagement patterns, and churn risk. With 2 million total customers managing ₦302 billion in balances, we face a significant 13% churn rate that threatens both revenue stability and long-term growth.

Key Metrics at a Glance

Metric	Value
Total Customers	**2,000,000**
Total Customer Balance	**₦302 billion**
Churn Rate (90-day)	**13%**
Active Customer Rate	**88%**

Dormant Customer Rate	**12%**
Average Balance per Customer	**₦151,123**
High-Value Customer Ratio	**6.1%**
High-Value Customers at Risk	**3,260 customers**
Average Products per Customer	**2.0**
Average Digital Engagement Score	**54.4**

Critical Findings

1. Engagement Drives Retention

Our analysis reveals a strong inverse correlation between digital engagement and churn. Low-engagement customers exhibit a 21% churn rate, while high-engagement customers show only 8% churn. The data demonstrates that customers with digital engagement scores above 70 are 2.6x more likely to remain active than those scoring below 40.

2. Product Depth Creates Stickiness

Single-product customers face alarmingly high churn rates of 20%, compared to just 4% for customers holding 4+ products. With approximately 900,000 customers holding only one product, this represents our largest at-risk segment and simultaneously our greatest cross-selling opportunity.

3. High-Value Customer Vulnerability

Despite representing only 6.1% of our customer base, high-value customers (balance ≥₦500,000) hold 48% of total deposits (₦145 billion). Critically, 3,260 of these high-value customers are currently at risk due to low engagement or inactivity. The potential loss represents ₦6.5 billion in deposits and significant revenue impact.

4. Geographic Disparity in Churn

Churn rates vary significantly by state, ranging from 11% to 14%. The top 5 states by customer count (Lagos, Federal Capital Territory, Rivers, Kano, Oyo) show relatively consistent churn rates around 13%, suggesting systemic rather than regional issues. However, targeted regional strategies could yield improvements in states showing above-average churn.

5. Account Age and Dormancy Pattern

Newer accounts (less than 6 months old) show the highest dormancy rates at 12%, with rates remaining consistent across all account age bands. This indicates onboarding and early-stage engagement challenges that must be addressed within the first 180 days of account opening.

Strategic Recommendations

Priority 1: High-Value Customer Retention Program (Immediate)

Impact: Protect ₦6.5B in at-risk deposits | Timeline: 30 days | Investment: Medium

Implement an urgent intervention program for the 3,260 high-value customers currently showing risk signals. This segment requires immediate attention as they represent disproportionate value concentration.

Tactical Actions:

• Assign dedicated relationship managers to all at-risk high-value customers within 7 days

• Conduct personalized outreach calls to understand disengagement drivers and address concerns

• Offer premium product bundles or preferential rates to re-engage and demonstrate value

• Create VIP digital channels with priority support and exclusive features

• Monitor weekly and measure retention impact at 30, 60, and 90-day intervals

Success Metrics:

• Reduce high-value customer churn from 11% to 7% within 90 days (36% reduction)

• Achieve 85%+ contact rate with at-risk customers within 14 days

• Retain ₦5.2B+ in deposits (80% of at-risk amount)

Priority 2: Product Bundling & Cross-Sell Campaign (0-60 days)

Impact: Reduce churn by 40-60% for targeted segment | Timeline: 60 days | Investment: Low-Medium

Target the 900,000 single-product customers, particularly those with digital engagement scores above 60 who demonstrate receptiveness to additional products but haven't expanded their relationship with us.

Tactical Actions:

• Design intelligent product recommendation engine based on customer profile, transaction patterns, and life stage

• Create simplified product bundles (e.g., Savings + Debit Card + Wallet combo) with activation incentives

• Launch targeted in-app campaigns with one-click product activation for engaged customers

• Implement gamification: reward customers for product adoption with cashback or points

• Provide branch staff with cross-sell dashboards highlighting high-potential customers

Success Metrics:

• Convert 15% of single-product customers to multi-product (135,000 customers)

• Increase average products per customer from 2.0 to 2.3

• Reduce overall churn rate by 2 percentage points (from 13% to 11%)

Priority 3: Digital Engagement Enhancement (0-90 days)

Impact: Improve engagement for 1M+ customers | Timeline: 90 days | Investment: Medium-High

With 1 million customers in the low-to-medium engagement band facing 21% churn rates, systematic improvements to digital experience can yield substantial retention gains.

Tactical Actions:

• Conduct user experience audits to identify and eliminate friction points in digital channels

• Develop personalized push notification strategy with relevant, timely, non-intrusive messages

• Launch financial wellness content (budgeting tools, savings calculators, investment education)

• Create engagement loops: transaction alerts, spending insights, personalized offers, goal tracking

• Implement biometric login and streamlined authentication to reduce access barriers

• A/B test features with low-engagement cohorts to optimize for usage and satisfaction

Success Metrics:

• Increase average digital engagement score from 54.4 to 62+

• Move 250,000 customers from low to medium engagement band

• Increase monthly active user rate by 15%

• Reduce app abandonment rate by 30%

Priority 4: New Customer Onboarding Optimization (30-120 days)

Impact: Reduce early-stage dormancy by 50% | Timeline: 120 days | Investment: Medium

With 12% of accounts less than 6 months old becoming dormant, fixing the onboarding experience is critical for long-term portfolio health.

Tactical Actions:

• Redesign onboarding journey with progressive profiling and milestone-based guidance

• Implement 'first 90 days' engagement program with educational touchpoints and usage incentives

• Offer welcome bonuses for completing key actions (first transfer, card activation, bill payment)

• Deploy automated check-in messages at days 7, 30, 60, and 90 with personalized support

• Establish early warning system to flag accounts showing dormancy signals within first 30 days

Success Metrics:

• Reduce 6-month dormancy rate from 12% to 6%

• Achieve 70%+ completion rate for onboarding milestones

• Increase day-90 active rate to 92%+

Priority 5: Predictive Churn Modeling & Early Intervention (60-180 days)

Impact: Proactive retention for 8-10% of customer base | Timeline: 180 days | Investment: High

Build sophisticated predictive analytics capabilities to identify at-risk customers before they churn, enabling proactive intervention rather than reactive response.

Tactical Actions:

• Develop machine learning models using engagement, transaction, balance, and product data

• Create customer health score combining multiple risk dimensions (engagement decay, balance decline, inactivity)

• Build automated early intervention workflows triggered by health score deterioration

• Deploy retention playbooks tailored to specific churn drivers (competition, dissatisfaction, life events)

• Establish retention team with clear accountability for at-risk customer outcomes

Success Metrics:

• Predict 75%+ of churners 30 days in advance with 80%+ precision

• Achieve 40% save rate on contacted at-risk customers

• Reduce overall churn rate to 9% within 12 months (31% reduction)

Financial Impact Analysis

The cumulative impact of these recommendations, if executed effectively, could generate substantial value preservation and growth:

Initiative	Deposit Impact	Timeline
High-Value Retention	**₦5.2B protected**	30-90 days
Product Bundling	**₦8.1B protected**	60-90 days
Digital Engagement	**₦4.5B protected**	90-120 days
Onboarding Optimization	**₦2.3B protected**	120-180 days
Predictive Churn Model	**₦9.1B protected**	180-365 days
Total Potential Impact	**₦29.2B**	**12 months**

Note: Deposit impact estimates assume 75% success rate on intervention programs and account for overlapping benefits across initiatives. Revenue impact would be approximately 2-3% of protected deposits annually through interest margin and fee income.

Implementation Roadmap

Phase 1: Immediate Actions (Days 1-30)

• Launch high-value customer retention program with dedicated relationship managers

• Complete outreach to all 3,260 at-risk high-value customers

• Establish cross-functional retention task force with weekly status reviews

• Design product bundle offerings and pricing structure

• Begin digital experience audit and user research

Phase 2: Foundation Building (Days 31-90)

• Launch product bundling and cross-sell campaign to engaged single-product customers

• Implement first wave of digital engagement enhancements based on audit findings

• Roll out enhanced onboarding experience for new customers

• Establish retention metrics dashboard and reporting cadence

• Begin data preparation and feature engineering for churn prediction model

Phase 3: Scale & Optimize (Days 91-180)

• Expand product bundling to broader customer segments based on Phase 2 learnings

• Deploy second wave of digital engagement features and personalization

• Complete training and validation of predictive churn model

• Pilot automated early intervention workflows with test cohorts

• Refine retention playbooks based on results and customer feedback

Phase 4: Full Deployment (Days 181-365)

• Launch enterprise-wide predictive churn prevention program

• Achieve full adoption of optimized onboarding across all channels

• Continuous optimization of all retention initiatives based on performance data

• Measure and report on year-over-year improvement in churn and customer lifetime value

Risk Considerations & Mitigation

Implementation Risks

Resource Constraints:

Competing priorities and limited resources may delay execution. Mitigation: Secure executive sponsorship and ring-fence dedicated budget and personnel for high-priority initiatives.

Technology Limitations:

Existing systems may not support advanced analytics or personalization at scale. Mitigation: Conduct technical feasibility assessment early; consider cloud-based solutions or vendor partnerships for rapid deployment.

Customer Response Uncertainty:

Customers may not respond to interventions as predicted. Mitigation: Pilot programs with test cohorts; establish rapid iteration cycles; maintain flexibility to pivot tactics based on results.

Data Quality Issues:

Incomplete or inaccurate data may undermine analytics and targeting. Mitigation: Implement data quality checks; establish data governance protocols; invest in master data management.

Organizational Alignment:

Cross-functional coordination challenges may slow progress. Mitigation: Establish clear ownership and accountability; create incentive alignment across departments; hold regular sync meetings.

Conclusion

Our portfolio analysis reveals both significant challenges and substantial opportunities. A 13% churn rate represents an urgent threat to business stability, but the data shows clear paths to improvement. High-value customers, product depth, and digital engagement emerge as the three most critical levers for retention.

The recommended five-priority approach balances quick wins with foundational capabilities. Immediate action on high-value retention can protect billions in deposits within 90 days, while longer-term investments in predictive analytics will create sustainable competitive advantage.

Success requires coordinated execution across product, technology, operations, and customer-facing teams. With disciplined implementation and continuous measurement, we can reduce churn by 30% within 12 months, protecting ₦29+ billion in deposits and significantly improving customer lifetime value.

The data is clear: customers who use more products, engage digitally, and receive proactive attention stay longer and generate more value. By systematically addressing the root causes of churn identified in this analysis, we can transform retention from a defensive necessity to a growth driver.