**RBC CHURN ANALYSIS  
  
  
Overall Observations:**

* **Customer Base:** You're tracking a total of 10,000 customers, with a significant portion (5,151) currently active. A considerable 4,849 are inactive, which is a high-churn potential.
* **Credit Card Holders:** A majority of customers (7,055) hold credit cards, and 2,945 do not. It’s important to segment the reasons why one may leave over the other.
* **Churn Rate:** You have 2,037 exit customers against 7,963 who remain, with the total number of customers at 10,000. This suggests a churn rate of approximately 20%. This is a significant amount of customers that are churning, and addressing the issue should be a priority.

**Dashboard Breakdown and Insights:**

**1. Customer Overview (Top KPIs)**

* **10K Total Customers:** This is your overall customer base.
* **5151 Active Customers:** Roughly half the total are active, meaning half are not active and are at risk of churning.
* **4849 Inactive Customers:** A large number of inactive users is concerning, and a large potential pool of customers to re-engage.
* **7055 Credit Card Holders & 2945 Non-Credit Card Holders:** Credit card holders likely represent a more committed customer base. The difference in churn behavior between cardholders and non-cardholders should be further explored.
* **2037 Exit Customers:** Significant customer churn is something to investigate.
* **7963 Retain Customers:** Understanding why these customers stay is just as important as knowing why people leave.

**2. Total Customers by Year and Active Category**

* **Trend:** You see a consistent growth in active and inactive members from 2016 to 2019
* **Insight:** Track the churn based on years to see which year had the highest churn rate.

**3. Exit Customers and Previous Month Exit Customer**

* **Trend:** There appears to be a general downtrend in exit customers from Nov to Feb with a few increases in between, and a consistent decline in previous month exit customers.
* **Insight:** The highest exit customer rate is near the end of the year and at the beginning of the year, and can potentially be due to seasonal changes or events.

**4. Exit Customers by Gender Category**

* **Finding:** 55.92% of exit customers are male, and 44.08% are female.
* **Insight:** There is a slight indication that there are more male customers leaving compared to female customers. Focus on investigating what causes the males to churn more often.

**5. Exit Customers by Category**

* **Finding:** The majority of exit customers (69.91%) are credit card holders.
* **Insight:** This seems counter-intuitive. Credit card holders are supposed to be a more committed customer base. Understand why card holders are churning significantly, even more so than non-cardholders.

**6. Churn Rate by Month and Year Table**

* **Highest Churn Months:**
  + 2016: June seems to be an outlier with 23.48%, but overall all the months fluctuate around the 20% range.
  + 2017: January has the highest churn rate at 27.59%.
  + 2018: August has the highest churn rate at 25%.
  + 2019: March has the highest churn rate at 21.33%
* **General Trend:** Churn rates have fluctuated over the years, with some years showing clear peaks. In 2017, there were more occurrences of higher churn rate.
* **Insight:** Identifying specific months with consistently high churn, such as January 2017, needs to be investigated further. There might be specific events or issues happening during that time.

**7. Total Customers by Geography Location**

* **Finding:** Spain makes up the most of the customers (50.14%). France has the least with 24.77% and Germany is in the middle with 25.09%.
* **Insight:** Geographic segmentation is important to help further investigate the performance. Focus should be on making all locations perform better by increasing the volume of customers and decreasing churn.

**Actionable Insights and Recommendations:**

1. **Prioritize Churn Reduction:** With a 20% churn rate and large amount of inactive users, reducing churn should be a top priority. Focus efforts on understanding why customers leave.
2. **Investigate Credit Card Holder Churn:** It's concerning that credit card holders are more likely to leave. Investigate if certain demographics are more prone to leave, what are the issues they face and create targeted initiatives.
3. **Analyze High-Churn Months:** Understand why months like January 2017 (27.59%) had high churn rates. Is there any pattern in those events that can be investigated further and reduced?
4. **Re-Engage Inactive Customers:** Launch campaigns to re-engage inactive customers. Offer incentives to return.
5. **Tailor Strategies by Gender:** Analyze if there are any differences between how males and females are churning. This will help tailor marketing campaigns to specific segments.
6. **Geographic Focus:** Given Spain's larger share, understanding what's leading to higher overall usage in that region is key to growth, and will allow other regions to potentially copy such strategies.
7. **Use Filters:** Use your filters to perform granular analysis, this will help you uncover specific reasons why your customers are churning and give you insights on which segment is performing better than others.
8. **Monitor Alerts:** Make sure to address your alerts, as they will help you ensure that your data is up to date.

**Refined Insights with RBC Context:**

* **Churn as a Financial Metric:** Customer churn at a bank like RBC isn't just about losing customers; it directly impacts revenue streams (loan interest, account fees, investment management, etc.). High churn can translate to significant financial losses.
* **Lifetime Value:** The lifetime value of a bank customer is usually very high due to their long-term potential. Therefore, even a small decrease in churn can have a large positive impact on profit.
* **Credit Card Relationships:** Credit card customers are often high-value customers, generating significant interest and fee revenues. The high churn rate among this group is a major red flag and needs specific attention.
* **Reputational Risk:** High churn can also signal negative issues with services, support, or products, which could lead to reputational damage.
* **Regulatory Compliance:** Churn analysis also helps RBC ensure compliance with customer protection regulations and prevent discriminatory practices.
* **Geographic Variations:** As a major Canadian bank with a presence in other countries, the geographic segmentation shows if there are regional discrepancies. If the region is Spain, are their services different than others? Is their local economy doing worse? These questions can help focus on the issue.

**Expanded Insights and Recommendations:**

**1. Deeper Dive into Credit Card Customer Churn:**

* **Card Type:** Analyze if specific types of credit cards have higher churn (e.g., reward cards, travel cards, student cards). Are there any promotional periods ending for high-churn card types?
* **Transaction History:** Look for common spending patterns or inactivity before churn. Did the customer reduce usage prior to churning?
* **Benefits/Features:** Evaluate how customers are actually using their card features and benefits. Are there benefits that are not used? Are there benefits they expected that are not available?
* **Fee Sensitivity:** Investigate how fees play a role. Perhaps fees were not displayed correctly when signing up, or if there has been fee increases recently.

**2. Understanding "Inactive Customers":**

* **Definition of Inactive:** Refine how "inactive" is defined (e.g., no transactions in 3 months, low account balance).
* **Reason for Inactivity:** Survey inactive customers to determine why they're not using RBC's services. Is it due to lost cards? Competitors?
* **Reactivation Strategies:** Tailor re-engagement campaigns, focusing on offering products that align with their past usage patterns.

**3. Churn Analysis by Demographics:**

* **Age Groups:** Are certain age groups more likely to churn? Can these age groups be further segmented by their card types?
* **Income Levels:** Is there a correlation between income and churn? This can help focus marketing on specific demographic segments.
* **Account Age:** Does length of time as an RBC customer affect their likelihood of churning? Are new customers more at risk? What about older customers?
* **Account Type:** Do certain types of accounts have higher churn rates (e.g., basic checking, investment accounts)? What type of accounts do churned credit card holders have? Are those the reason why they are churning?
* **Cross-Product Usage:** Customers using multiple products (e.g., mortgage, investment, credit card) are generally more loyal. Do these customers churn as well? If so, what do they have in common?

**4. Customer Service Impact:**

* **Support Interactions:** Analyze if customers who churn have had recent interactions with customer service.
* **Resolution Time:** Determine if there's a correlation between longer resolution times and churn.
* **Channel Preference:** How do they contact the bank (phone, app, in-person) and is there a difference between churned and non-churned customers?

**5. Competitive Analysis:**

* **Competitor's Offers:** Are competitors offering more compelling products and services? Investigate what other banks are offering and determine if that could be the root cause.
* **Pricing Comparison:** Is RBC's pricing competitive for certain products and demographics? Do the products offered have the same quality?

**6. Proactive Measures (Beyond Reactions):**

* **Predictive Analytics:** Leverage machine learning to predict which customers are at high risk of churning to create pro-active intervention.
* **Personalized Communication:** Develop personalized messages based on individual customer behavior.
* **Early Intervention:** Identify early warning signals (e.g., reduced transactions, calls to customer service) and react quickly.

**7. Actionable Recommendations for RBC:**

* **Immediate Action on Credit Card Churn:** Initiate a thorough review of why credit card holders are churning.
* **Target Re-engagement Campaigns:** Develop tailored campaigns to re-engage inactive customers, offering attractive incentives.
* **Streamline Customer Service:** Improve customer service response times and ensure issues are resolved effectively.
* **Competitor Benchmarking:** Continuously monitor competitors' offers and adjust RBC's strategy accordingly.
* **Data-Driven Strategy:** Make decisions that are data-driven, and create testing to evaluate their impacts.
* **Regular Monitoring:** Use Power BI to track churn rates, segment your customers and keep on top of performance to evaluate your impact.
* **Review Regulatory Impact:** Ensure that your campaigns, products and analysis methods are compliant with local regulation.

**Power BI Dashboard Usage:**

* **Interactive Analysis:** Encourage stakeholders to use the filters in Power BI to drill down into specific segments.
* **Regular Reporting:** Automate regular reporting to track churn rates and identify trends.
* **Alert System:** Use the alert system that you have set up to quickly identify and resolve errors.

**Additional RBC Specific Considerations:**

* **Brand Loyalty:** RBC likely has strong brand loyalty, which can be leveraged.
* **Wealth Management:** Consider how churn impacts their wealth management clients.
* **Digital Transformation:** Evaluate if issues with their digital offerings are driving churn.
* **Privacy Concerns:** Take privacy concerns seriously and ensure that data is being handled with the highest security and care.

By incorporating these more tailored insights and recommendations, RBC can effectively use this churn data to understand its customers and implement impactful strategies to reduce churn and increase customer lifetime value.