Seg 0: **Moderate Transaction Frequency, High Housing Loan Ownership**

* Transaction Frequency: Moderate (mean ~1.34)
* Average Transaction Amount: Moderate (~843.47)
* Recency: Low (~42.50), indicating more recent interactions.

Product Ownership:

* CD Account: 0% have this account.
* Housing Loan: High (almost all customers have it, ~99.78%).
* Securities Account: None

Characteristic and needs:

This segment primarily consists of customers with housing loans

Their moderate transaction frequency and low recency suggest they’re relatively active.

Needs

* Financial Planning: This segment may benefit from financial planning services or products that help manage or refinance their housing loan.
* Loyalty Offers: Given their commitment to a major financial product, consider loyalty offers like reduced fees on other services or discounted interest rates on other loans.
* Upselling Other Products: Since they’re comfortable with loans, they might be interested in bundled products, such as insurance or credit cards that pair well with housing loans.

Segment 1: **Low Transaction Activity, Low Product Ownership but High Housing Loan Ownership**

* Lower transaction frequency and amount, high recency (indicating recent interaction but low engagement).
* Primarily own housing loans with little to no ownership of other products.

Needs and Opportunities:

**Re-engagement Campaigns:** Since they interact infrequently, a re-engagement campaign highlighting the benefits of digital services or additional products (like savings accounts or low-cost credit options) might be beneficial.

**Educational Content:** They may benefit from financial literacy materials explaining the advantages of various banking products. Educating them on building a savings cushion, for instance, could encourage more regular transactions.

**Customized Loan Products:** Offers on refinancing options or lower interest rates on additional loans could attract this segment’s interest in maintaining long-term financial stability.

Segment 2: **Minimal Product Ownership and Transactions**

Very low transaction frequency and amount, low engagement across all products

**Onboarding to Basic Products**: This segment may represent new customers or those minimally engaged. Introducing entry-level products like a basic savings account or debit card could help them start building a relationship with the bank.

**Financial Literacy Campaigns**: Provide resources or workshops on budgeting, saving, and basic financial management to help them understand the benefits of increased banking engagement.

**Incentives for Engagement**: Offer incentives like waived fees on basic accounts, introductory interest rates, or small cashback offers to encourage them to start using more services.

Segment 3: **Moderate Transaction Frequency, Strong Securities Product Ownership**

Moderate transaction frequency and amount, significant ownership of securities accounts. Likely a more financially savvy group with an interest in investments.

Needs

**Investment Products:** Since they already have securities accounts, they may be interested in additional investment options, such as mutual funds, retirement plans, or brokerage services.

**Wealth Management:** Provide access to wealth management or financial advisory services, tailored to help them grow and diversify their portfolios.

**Educational Content on Advanced Investments:** Offer seminars or online courses focused on advanced investment strategies, market trends, or tax-saving investment options.

Seg4: **High Transaction Frequency and Amount, Moderate Engagement with Loans**

Highest transaction frequency and amount, moderate ownership of products such as housing loans. - **Likely to be high-value customers who are financially active.**

**Premium Banking Services**: Consider offering them premium or VIP banking services, such as access to a relationship manager, higher withdrawal limits, or exclusive perks.

**Reward Programs**: Implement a reward program that recognizes their high activity level, providing benefits like cashback or discounts on fees.

**Cross-Sell Loan Products:** Since they already have some loans, they may be open to additional loan offers, like personal loans or lines of credit, for liquidity management.

**Credit Cards with High Limits:** Tailored credit card products with higher limits and rewards (e.g., travel points, cashback) could appeal to their high transaction behavior.

Segment 5: **High CD Account Ownership, Balanced in Housing Loans and Transaction Frequency**

High ownership of CD (Certificate of Deposit) accounts, indicating a preference for low-risk, stable investments.

**Low-Risk Investment Products**: Offer products that align with their risk tolerance, such as fixed deposits, government bonds, or safe retirement accounts.

**Savings and Investment Advice**: Provide targeted advice on diversifying their savings portfolio with additional low-risk investment options.

**Loyalty Programs**: A loyalty program with benefits for CD account holders might help to increase engagement, as they’re already invested in stable, bank-centric products.

Previous Contact Days (pdays):

pdays is the top factor, suggesting that the timing of previous contacts plays a crucial role. Customers who were contacted recently or consistently in the past are more likely to engage.

Prior campaigns that reached out to customers within a shorter time frame between contacts may have resulted in higher engagement, indicating the value of follow-ups or recent interactions.

Balance ranks high, indicating that customers with higher average yearly balances are more likely to engage in campaigns. - Higher-balance customers might have greater financial stability or interest in term deposits, making them more receptive to marketing offers. For campaign targeting lower balance customers, more consideration and more tailored approach should be taken

Metrics

Conversion rate, percentage of customers who took the desired action (e.g., subscribed to a term deposit) after being targeted by a campaign. Conversion rate is a primary measure of campaign success. By tracking it, we can understand how persuasive a campaign is in convincing customers to engage. If certain campaigns have higher conversion rates, we can analyze what elements (e.g., messaging, timing, offer) made them effective and replicate these elements in future campaigns. Lower conversion rates may indicate a need for adjustments in targeting, communication, or product offerings.

Engagement rate by cluster: response rate within specific customer segments, such as age groups, balance levels, or customer clusters.

The follow-up success rate - measures engagement among customers who were previously contacted (from earlier campaigns) versus those contacted for the first time. This metric evaluates the impact of past interactions, indicating if repeated follow-ups increase engagement, which aligns with the high importance of the pdays feature. If repeated contacts result in higher engagement, the bank can implement a strategy to nurture leads by maintaining regular communication. Conversely, if follow-ups show diminishing returns, it may be better to focus on new customers.

ROI for a campaign

Churn rate reduction for engaged customers

Together, these metrics provide insights into both immediate campaign performance and long-term impact on customer behavior. By monitoring these, the bank can:

Identify Effective Campaigns and Target Audiences: High conversion rates, engagement by segment, and ROI help in pinpointing which campaigns and target groups yield the best results.

Optimize Campaign Timing and Follow-Ups: Metrics like follow-up success rate and average response time guide timing strategies, helping to decide when and how frequently to contact customers.

Refine Customer Retention Efforts: CLV growth and churn rate reduction metrics emphasize the value of retention-focused campaigns, ensuring the bank maintains high-value relationships.

Adapt Messaging and Offers: Segment analysis and customer characteristics like balance or loan status can guide content and offers, ensuring they resonate with each segment’s financial priorities.

By continuously tracking these metrics, the bank can adapt its marketing approach to maximize customer engagement, retention, and overall profitability.