DM

Hands-on Exercise

CUSTOMER LIFECYCLE SEGMENTATION OF A CREDIT CARD PORTFOLIO

Insight. Through Analytics.

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Problem:

BankOnUs is a retail bank that provides credit cards to different retail customers. The bank acquires almost 20-25K new customers in a year.

With growing customer base, the bank wants to know the different pattern of credit card usage of their customers. So that they can use customized targeted strategies to keep the customers using the card.

Data:

The data contains different customer level usage information on 30,000 randomly selected active customers. The data contains purchase details, utilization details, payment details along with external information.

The details of the fields are as below:

Variable Name	Description
Cust ID	Customer ID
MOB	Months since the customer is on the portfolio as of December 2015
MaxBalance	Maximum balance on the card between Jan 2014 to Dec 2015
CntPurchActMth	Number of purchase active months between Jan 2014 to Dec 2015
TotFinCharge	Total finance charges paid in Jan 2014 to Dec 2015
PctOnlineTrans	Percentage of online transactions Jan 2014 to Dec 2015
PctPromoSale	Percentage of sales made during promotional events Jan 2014 to Dec 2015
PayToBalRatio	Average of the ratio between payments made divided by total outstanding Jan 2014 to Dec 2015
PctOfflinePymt	Percentage of cases payment made through offline channel Jan 2014 to Dec 2015
CntActiveCards	Number of active cards outside the portfolio as of Dec 2015

What You Have to Do:

Based on the data build customer segments. Find the profiles of the segments.