Data Analytics

Batch: LISUM39

Week7: Deliverables

Project: Bank Customer Segmentation

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Problem Description:

XYZ Bank plans to enhance its marketing campaign as Christmas offers for its customers. However, instead of offering the same deal to all customers as generic, the bank wants to provide personalized offers to specific customer groups to fit their preferences. Identifying customer categories manually would be inefficient and fail to uncover hidden patterns in the data that could inform better segmentation. To address this, the bank has sought the assistance of ABC Analytics. Additionally, the bank has specified that customer segmentation should result in no more than 5 groups to ensure the campaign's efficiency.

Business Understanding:

In today’s competitive banking environment, delivering a generic marketing campaign to all customers fails to meet individual needs and limits the bank’s ability to maximize profitability. A tailored marketing campaign that aligns with the specific preferences and behaviors of different customer segments not only addresses these needs but also drives profitability—achieving the bank's ultimate goal.

To identify and understand each customer’s needs effectively, a segmentation approach is essential. By grouping customers based on factors like behavior, demographics, and preferences, segmentation reveals valuable insights and hidden patterns that manual analysis would miss. These insights are critical for designing marketing strategies that enhance customer satisfaction and loyalty while improving the overall effectiveness of campaigns.

For XYZ Bank, segmentation offers an opportunity to provide personalized Christmas offers to their customers while adhering to operational constraints, such as limiting the number of customer groups to no more than five for an efficient and targeted rollout.

Project life cycle along with deadline:

Project weeks	**Deadline**	**Lifecycle**
Week7	Dec 19, 2024	Problem statement, Pre-process
Week8	Dec 26, 2024	Data process, understanding
Week9	Jan 02, 2025	Data Cleaning, Merge, Review
Week10	Jan 09, 2025	EDA, Final recommendation
Week11	Jan 16, 2025	EDA presentation for business users
Week12	Jan 23, 2025	Model Selection and Model Building/Dashboard
Week13	Jan 30, 2025	Final Project Report and Code