

CASE STUDY-BANKING

CREDIT CARD SPEND PREDICTION – IDENTIFY DRIVERS FOR SPEND

Copyright:



SCO 394, Sector-29

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Business Context:

One of the global banks would like to understand what factors driving credit card spend are. The bank want use these insights to calculate credit limit. In order to solve the problem, the bank conducted survey of 5000 customers and collected data.

The objective of this case study is to understand what's driving the total spend (Primary Card + Secondary card). Given the factors, predict credit limit for the new applicants

Data Availability:

- ✓ Data for the case are available in xlsx format.
- ✓ The data have been provided for 5000 customers.
- ✓ Detailed data dictionary has been provided for understanding the data in the data.

Expectations from the Trainees:

1. Understand the data & perform the data preparation before perform all the analysis
2. Provide detailed insights/observations based on the analysis
3. If you build any statistical model,
 - a. Understand the output from the software and explain the model fit.
 - b. How would you determine what is the best model?
 - c. Apply transformations to the given variables and find out the possible best model after transformations
 - d. Generate the final equations
4. What are the key factors that that driving total spend? Do these factors make sense?
5. Data cleaning including missing values, outliers and multi-collinearity. Describe your predictive model. How did you select variables to be included in the model?
6. Factor analysis for reduction of variables.
7. Provide the code with comments and generate outputs(results, plots and insights) in the format of word/pptx/html