

Financial Services Churn Report

This report explains the **Financial Risk Mitigation & Customer Retention** project, which transforms raw customer data into a three-page, strategic roadmap for reducing customer attrition. The analysis moves sequentially from quantifying the financial damage to providing specific customer action lists.

1. Executive Summary & Financial Impact (Page 1)

The first page focuses on establishing the size and scale of the problem using key performance indicators (KPIs) and compelling data visualization.

A. Quantifying the Loss

The analysis immediately establishes the severity of attrition:

- **Overall Churn Rate (20.37%):** This is the central metric, indicating that over one-fifth of the customer base is lost. In a real-world scenario, this rate is a critical warning sign.
- **Total Lost Balance (\$1.595 Billion):** By calculating the sum of account balances for all churned customers, the report attaches a concrete, high-value financial penalty to the attrition problem, immediately capturing executive attention.
- **Credit Quality Drop-off:** The average credit score of churned customers ($\mathbf{650}$) shows that those leaving tend to be less financially stable, which could indicate a failure to secure financing or attractive product offers, making them feel underserved.

B. High-Risk Financial Clusters

The **Scatter Plot (Balance vs. Credit Score)** is a crucial visual on this page, as it consolidates financial risk:

- **High-Value, High-Risk Accounts:** The plot identifies clusters of churned customers who maintain **high balances** but have **low credit scores**. This group is valuable due to their holdings but risky due to their score, suggesting they may be leaving for specialized wealth management or better loan/credit offers elsewhere. These are immediate targets for personalized financial planning outreach.

C. Geographical Disparity

The **Map Visual** shows that churn is a localized problem:

- **Germany** consistently demonstrates the highest churn rate. This suggests the issue is not universal but specific to the German market's product fit, competitive environment, or customer service efficacy. This dictates that retention budgets should be heavily weighted towards this region.

2. Root Cause Analysis & Segmentation (Page 2)

This page answers the critical question: "**What specific characteristics are driving the highest risk?**" The analysis segments the population to isolate key behaviors and demographics.

A. Behavioral and Demographic Drivers

The segmented bar charts provide clear diagnostic information:

- **Age Group (46-60):** This middle-aged group is the highest risk for attrition. Recommendations here shift from basic marketing to offering **personalized financial review services** or **retirement/legacy planning**, acknowledging their stage in life.
- **Tenure Group (Bimodal Risk):** The data reveals risk at both ends of the loyalty spectrum:
 - **0-1 Year:** Indicates a failure in **onboarding** or early product engagement.
 - **8+ Years:** Indicates a lack of **loyalty rewards** or stagnation in product offerings.
- **Product Engagement:** Churn is highest among customers with **only 1 product**. This is a decisive finding: customers with more products face higher switching costs, making a **Second Product Campaign** a vital retention mechanism.

B. Predictive Validation

The **Key Influencers** visual provides empirical proof by isolating the highest-probability churn segments:

- The strongest combination driving churn is a customer who is **in Germany**, has **only 1 product**, and is an **Inactive Member**. This confirms that geographical weakness combined with low engagement creates an extremely vulnerable segment.

3. Intervention and Strategic Action Plan (Page 3)

This page is purely prescriptive, turning findings into business tasks and demonstrating the financial return on action.

A. The Actionable Call List

The **Churn Risk Score** is the core intelligence on this page. This custom DAX calculated column assigns a weighted score (with **low tenure** carrying the highest weight) to every customer.

- The **Table Visual** is sorted by this score in descending order, creating the **Top 100 Highest-Risk Customers** list.
- **Strategic Action:** This table is the **Relationship Manager's Call List**. By contacting these specific individuals proactively, the bank focuses its limited resources where they can have the maximum impact on reducing potential lost balance.

B. Strategic Budget Modeling

The final recommendations tie the analysis to budget allocation:

- **What-If Analysis:** The inclusion of the slicer allows executives to model their budget (e.g., investing \$500,000) and immediately see the corresponding **Projected Balance Saved**, proving the ROI of retention investment.
- **Top Actionable Recommendations:** The report concludes with three definitive, high-impact recommendations:
 1. **Allocate the retention budget directly to the Top 100 customers** (identified via the Risk Score).

2. **Mandate a "Second Product" campaign** targeting single-product customers to lock in engagement.
3. **Establish a dedicated team for the German market** to resolve underlying competitive issues.