RBC Bank Customer Churn Analysis Report

Objective:

The primary goal of this report is to analyse customer churn within RBC Bank for the year 2016 - 2019 and identify key factors influencing the decision of customers to leave the bank. The insights derived from this analysis will aid in the development of effective churn prevention strategies, including loyalty programs and retention campaigns.

Data Assets Used:

1. ActiveCustomer
2. Bank_Churn
3. CreditCard
4. CustomerInfo
5. ExitCustomer
6. Gender
7. Geography

Data Dictionary:

● RowNumber: Record number with no impact on output.
● CustomerId: Random values with no effect on churn.
● Surname: No impact on the decision to leave.
● CreditScore: have an effect on customer churn
  Recorded with score - Excellent(800–850), Very Good(740–799), Good(670–739), Fair(580–669), Poor(300–579).
● Geography: Customer's location affecting churn.
● Gender: Exploration of gender's role in churn.
● Age: Relevant as older customers are less likely to leave.
● Tenure: Number of years as a client, older clients are more loyal.
● Balance: Higher balances indicate lower churn likelihood.
● NumOfProducts: Number of products purchased.
● HasCrCard: Credit card presence (1: Yes, 0: No).
● IsActiveMember: Active members are less likely to leave(1: Active member, 0: Inactive member).
● Estimated Salary: Lower salaries correlate with higher churn.
● Exited: Churn indicator (1: Exit, 0: Retain).
● Bank DOJ: Date when the customer joined the bank.

Insights:

- Credit Score Impact:
  Customers with excellent and very good credit scores are less likely to churn compared to those with lower scores.

- Geographical Influence:
  Analyze churn rates based on customer location (geography) to identify regions with higher churn.

- Gender Exploration:
  Investigate whether there is a significant difference in churn rates between genders.

- Age and Tenure Analysis:
  Older customers and those with longer tenure are less likely to exit. Develop strategies to retain younger customers.

- Balance as an Indicator:
  Higher account balances are associated with lower churn rates. Encourage customers to maintain higher balances.

- Product Portfolio Analysis:
  Explore the relationship between the number of products a customer has and their likelihood to churn.

- Credit Card Influence:
  Customers with credit cards are less likely to churn. Consider promoting credit card services.

- Active Membership Impact:
  Active members are less likely to exit. Encourage and incentivize customer activity.

- Salary and Churn Correlation:
  Analyze how estimated salary impacts churn. Develop strategies for retaining lower-income customers.

- Churn Trend Over Time:
  Analyze churn patterns over different time periods to identify any temporal trends.

Conclusion:

Understanding and analyzing customer churn is crucial for RBC Bank to proactively address potential issues and enhance customer retention. The insights derived from this analysis will serve as a foundation for strategic decision-making and the implementation of effective churn prevention measures.