**INSIGHTS AND RECOMMENDATIONS**

Customer Engagement & Segmentation

1. What is the demographic distribution of our customers, and how does it vary across different tiers?

**Customer Base Concentration:**

* Most customers (5.7K) are in Nigeria, followed by Kenya (3.6K), the UK (2.4K), and Ghana (1.8K). This shows that the bank’s presence is strongest in Nigeria and Kenya, with a smaller but notable footprint in the UK and Ghana.

**Tier Distribution & Accessibility:**

* Most customers (8.6K) are in Tier 0, the lowest tier, making up ~63% of the total customer base. Higher tiers (Tier 2 & Tier 3) have significantly fewer customers (0.8K & 0.4K, respectively). This suggests that most customers don’t upgrade their tier or find it difficult to meet the criteria for higher tiers.

**Age Demographics & Tier Behaviour:**

* Tier 1 customers are the youngest (avg. 28 years), while Tier 0 customers are older (avg. 34 years). This could indicate that younger customers are more likely to be engaged and progress faster through the tiers, while older customers may remain in Tier 0 due to lower engagement or different financial needs. The overall average age is 32, showing that the bank’s customer base is primarily young-to-middle-aged adults.

**Recommendations**

**Increase Higher-Tier Engagement & Upselling Strategies:**

* Since most customers are stuck in Tier 0, the bank should investigate why (e.g., unclear tier benefits, strict upgrade criteria, lack of incentives). Introduce targeted campaigns to nudge Tier 0 and Tier 1 customers into upgrading, such as: Loyalty rewards for frequent transactions, lower entry barriers for higher tiers (e.g., discounts on fees for first-time upgraders), personalized financial products for each tier to make upgrading attractive.

**Age-Specific Marketing & Product Offerings:**

* Since Tier 1 has the youngest customers (28 avg.), the bank could create: Savings & investment products for young professionals, digital-first banking features (e.g., app incentives, social media integration).
* Since Tier 0 has the oldest customers (34 avg.), consider offering: Wealth management & retirement plans, simplified banking solutions (e.g., priority customer service, easy access loans).

**Regional Expansion & Market Prioritization:**

* The largest customer base is in Nigeria & Kenya, so: Invest more in localized banking services, branch presence, and digital outreach in these regions. We can also strengthen partnerships with local fin-techs and businesses to increase banking adoption.
* The UK has a smaller but significant customer base (2.4K), which could indicate a niche expat/immigrant market. Develop cross-border remittance services or expat-focused financial products to tap into this market more effectively.

**Customer Retention & Engagement Strategies:**

* If older customers (34+) remain in lower tiers, they may be less engaged. Use targeted engagement strategies, such as: Push notifications & personalized messages reminding them of available benefits. Regular tier progression emails explaining what they need to do to level up.

1. Which customer tiers dominate each market location?

**Tier 0 is Dominant Across All Markets**

* In every country (Nigeria, Kenya, UK, Ghana), Tier 0 is the largest group, making up the bulk of the customer base.
* This suggests that most customers do not progress beyond the entry-level tier, potentially due to a lack of engagement, incentives, or financial capability.

**Higher Tiers (Tier 2 & Tier 3) Are Extremely Small**

* Tier 3 is the smallest in all locations, indicating that very few customers reach the highest tier. Tier 2 is also weak, with fewer than 500 customers in most markets. This could mean that: Tier progression criteria are too strict, customers don’t see enough value in upgrading, there is no strong incentive or targeted promotion for moving up the tiers.

**Recommendations**

**Revamp Tier Progression & Incentives**

* Since most customers remain in Tier 0, introduce: Tier-based benefits to encourage movement upwards (e.g., discounts on fees, higher transaction limits, cashback rewards). Loyalty programs where users earn points for banking activities and can exchange them for tier upgrades. Personalized financial offers (e.g., better interest rates for Tier 1+ customers).

**Country-Specific Customer Engagement Strategies**

* For Nigeria & Kenya (largest markets): Strengthen customer retention & engagement campaigns to push Tier 0 customers to Tier 1+. Create educational content on the benefits of higher tiers (e.g., through in-app notifications or emails).
* For the UK (expat-driven market): Introduce international banking services, such as better forex rates or remittance benefits for higher tiers.
* For Ghana (smallest market): Run acquisition-focused campaigns (e.g., referral bonuses for new customers). Improve banking accessibility through digital services & partnerships with local fintech companies.

**Analyse Why Customers Don't Upgrade**

* Conduct a survey or customer feedback analysis to understand why users remain in Tier 0 & Tier 1. Possible reasons could be lack of awareness about tier benefits, strict upgrade criteria, no perceived added value for upgrading. Address these gaps through targeted promotional offers, feature improvements, and education.

1. How does account status (active, pending, or blocked) vary across the customer base?

**The Majority of Customers Are Active (91.87%)**

* Active customers dominate in all markets and tiers, which is a positive sign for customer engagement. Higher tiers (1, 2, and 3) have 100% active customers, suggesting that customers who progress in tiers tend to stay engaged.

**Pending Accounts Are a Problem in Tier 0 (6.19% of Total Customers)**

* All pending accounts are in Tier 0, meaning 0.84k customers have not completed their onboarding or activation. Nigeria has the highest number of pending accounts (0.4k), followed by Kenya & the UK (0.2k each), and Ghana (0.1k). Possible reasons for pending status: Customers abandoned registration before completing verification, issues with KYC (Know Your Customer) or document submission, lack of follow-up or unclear onboarding steps.

**Blocked Accounts Are a Small but Noticeable Segment (1.94%)**

* Most blocked accounts are in Tier 0 (207 customers), followed by Tier 1 (44 customers), Tier 2 (8 customers), and Tier 3 (4 customers). Nigeria has the highest blocked accounts (135), followed by Kenya (57), the UK (51), and Ghana (20).
* Possible reasons for blocked accounts: fraudulent activity or security issues, accounts flagged for suspicious transactions, non-compliance with banking policies.

**Recommendations**

**Reduce the Number of Pending Accounts**

* Since all pending accounts are in Tier 0, improving the onboarding process can help: Automate reminders (emails, SMS, in-app notifications) urging customers to complete registration. Streamline KYC verification to make it easier and faster. Offer a welcome incentive (e.g., small bonus, first transaction cashback) to encourage completion.

**Investigate and Reduce Blocked Accounts**

* Conduct an audit of blocked accounts to determine the common reasons behind them. If accounts were blocked due to inactivity or minor violations, consider reactivating them after review. Implement better fraud detection & customer education to prevent unnecessary blocks**.**

**Engage & Retain Active Customers**

* Since all customers in Tiers 1, 2, and 3 are active, it confirms that higher-tier customers are more engaged.
* Leverage this by: Encouraging Tier 0 customers to move up through personalized offers & tier-based benefits. Providing premium services to active customers to maintain engagement. Creating targeted marketing campaigns for specific markets (Nigeria, Kenya, etc.) to maintain high activity rates.

1. Which age groups have the most idle accounts?

**Young Adults (16–30) Have the Most Idle Accounts (111 Hours on Average)**

* This group is the least engaged with their accounts. Possible reasons: They could be students or young professionals with irregular banking needs (fewer transactions, more reliance on savings). Some might have opened accounts due to promotions but don’t actively use them**.**

**Senior Customers (61–75) Also Have High Idle Times (84 Hours on Average)**

* They are less active than middle-aged groups, likely due to: Less frequent digital banking usage (they might prefer in-person banking). Limited tech adoption leading to reliance on family members for banking. Retirement status (less need for frequent transactions).

**Children & Teen Accounts (0–15) Also Show High Idle Times (82 Hours on Average)**

* Many might be savings accounts opened by parents with little to no active use. These accounts could also have limited transaction capabilities, making them less used.

**Middle-Aged Groups (31–45 & 46–60) Are the Most Active**

* The 31–45 group averages 81 hours of inactivity, while the 46–60 group averages 67 hours (the lowest). This suggests that these groups have the most frequent banking needs, likely due to: Active careers, salaries, and bill payments. Family responsibilities requiring more transactions. Business-related transactions.

**Recommendations**

**Re-Engage Young Adults (16–30) Through Digital & Lifestyle Banking**

* Introduce rewards for transactions (cashback on purchases, discounts on subscriptions like Netflix, Spotify). Push mobile banking features (e.g., expense tracking, budgeting tools) to make banking more useful. Gamify banking (streak rewards for frequent logins, financial challenges).

**Increase Digital Literacy & Engagement for Seniors (61–75)**

* Simplify app interfaces for older users (larger fonts, voice assistance, step-by-step tutorials). Provide banking education sessions (virtual or physical) to teach digital banking security & ease concerns. Offer assisted services (dedicated customer support for seniors, phone-based banking for easier transactions).

**Encourage Parents to Activate Child/Teen Accounts (0–15)**

* Introduce kid-friendly financial products (e.g., a savings challenge for kids). Allow parental-controlled spending where kids can use debit cards with a limit set by guardians. Financial education campaigns targeted at families to promote early financial literacy.

**Maintain High Engagement Among Middle-Aged Customers**

* Continue offering seamless services (e.g., quick loan approvals, automated bill payments). Introduce premium account perks for frequent users (lower fees, better interest rates). Encourage investment opportunities (mutual funds, stock trading accounts, wealth management).

1. How does average login age vary across different customer segments?

**Tier 0 Customers Are the Least Engaged (117 Hours on Average)**

* These customers log in the least frequently. Possible reasons: Lower financial activity – Many might have opened accounts but don’t actively use them. Pending or blocked status – We saw earlier that all pending accounts are in Tier 0, which might contribute to inactivity. Lack of premium banking benefits – They might not have incentives like better interest rates, lower fees, or exclusive services.

**Tier 1 and Tier 2 Customers Are More Active (85 & 81 Hours on Average)**

* They log in more frequently than Tier 0 but still have room for improvement. They may have more financial activity (savings, transactions, bill payments) compared to Tier 0. Their login patterns suggest moderate banking dependence—they use the bank but not daily.

**Tier 3 Customers Are the Most Engaged (41 Hours on Average)**

* These customers log in the most frequently, possibly due to: Premium banking benefits (higher tier perks like better interest rates, lower fees, dedicated account managers). Higher financial activity (investments, business transactions, high-value transfers). Greater dependency on digital banking for managing finances.

**Recommendations**

**Re-Engage Tier 0 Customers to Reduce Inactivity**

* Incentivize transactions & logins (e.g., small cash rewards or discounts for using the banking app). Offer beginner-friendly financial tools (budgeting insights, savings challenges, educational content on money management). Personalized reminders & notifications (push notifications encouraging logins, “Check your balance” prompts). Convert pending accounts to active with targeted outreach (emails/SMS to complete account setup).

**Encourage Tier 1 & 2 Customers to Increase Engagement**

* Introduce tier-based rewards (exclusive benefits like reduced transfer fees for frequent app usage). Expand financial planning features (goal-based savings, investment options, automated bill payments). Exclusive promotions for mid-tier customers (free insurance, travel perks for logging in & transacting more).

**Sustain & Grow Engagement for Tier 3 Customers**

* Offer premium, high-value features (AI-powered financial insights, personalized investment recommendations). Loyalty & referral programs (reward them for referring other high-value clients). Exclusive customer service perks (priority customer support, access to financial advisors).

1. Which locations have the most inactive accounts?

**Kenya Has the Most Inactive Accounts (129 Hours on Average)**

* Customers in Kenya log in the least frequently, suggesting lower banking engagement. Possible reasons: Lack of digital banking adoption – Customers may prefer cash or other financial services. User experience issues – Slow app performance or poor customer satisfaction. Limited incentives – No strong reason for frequent logins (e.g., rewards, financial tools).

**Ghana & Nigeria Have Similar, Moderately Inactive Customers (109 & 108 Hours on Average)**

* Accounts in these countries are inactive for over 4 days on average. Possible causes: Similar banking behaviours – Customers might use physical branches more than digital platforms. Lack of engaging digital features – Users may not find the platform useful beyond occasional transactions. Pending accounts & blocked users – Could be inflating inactivity levels.

**The United Kingdom Has the Most Active Users (48 Hours on Average)**

* UK customers log in far more frequently than other regions. Possible reasons: Stronger digital banking culture – Online banking is more ingrained in daily financial habits. More advanced banking features – UK users may have access to superior financial planning tools. Higher dependence on online transactions – UK customers might rely more on the bank for bill payments, investments, or credit services.

**Recommendations**

**Target Kenya First for Digital Banking Adoption**

* Introduce login incentives (small bonuses for using the app more frequently). Improve mobile banking experience (check if app speed, UX, or customer service is a barrier). Partner with local businesses to encourage digital payments and increase banking activity.

**Boost Engagement in Ghana & Nigeria**

* Introduce financial education campaigns (how digital banking makes life easier). Push notifications & SMS reminders (transaction alerts, balance updates, personalized offers). Reward active users (discounts, lower fees, or cashback for frequent logins).

**Leverage the UK Model for Other Markets**

* Analyse why UK users are more active and apply successful strategies to other regions. Offer UK-exclusive features in other countries (e.g., advanced financial planning tools, better transaction tracking). Encourage cross-market insights – If UK customers engage more due to specific perks, those perks should be tested in other regions.

1. What are the most common types of transactions, and how do they vary by quarter?

**Outward Transactions Dominate Overall (1.3 billion Naira)**

* More money is **flowing out** than coming in (1.3B outward vs. 1.2B inward). Possible reasons: Customers frequently send money to other banks or institutions. Businesses & individuals use external accounts for transactions rather than keeping funds within the bank. A sign of strong outbound payment activity (bills, salaries, vendor payments).

**Inward Transactions Are Also High (1.2 billion Naira)**

* The high inward transactions suggest strong deposits or incoming transfers from other banks. Possible reasons: Business accounts receiving payments from customers. High remittance flow (possibly from international transactions). Companies and individuals depositing funds back into their accounts.

**Internal Transactions Are the Lowest (409.8 million Naira)**

* This indicates fewer **bank-to-bank** transfers within the same institution. Possible reasons: Customers prefer transferring funds outside the bank rather than between accounts in the same bank. Business clients or individuals do not frequently use multiple accounts within the same bank.

**Quarterly Trends Analysis**

**Q2 2024 – Slowest Transaction Activity (119M Naira Total)**

* Outward: 37M | Inward: 21M | Internal: 60M
* Key Observations**:** Internal transfers were the highest compared to outward and inward, meaning most transfers were within the same bank. External banking transactions were low, indicating low overall financial activity in this quarter.

**Q3 2024 – Significant Growth (727M Naira Total)**

* Outward: 308M | Inward: 293M | Internal: 125M
* Key Observations: Massive increase from Q2 (over 6× growth in transaction volume). Outward & inward transfers are almost balanced, showing healthy banking activity. Internal transfers also grew, meaning more users engaged in intra-bank transactions.

**Q4 2024 – Peak Activity (1.13B Naira Total)**

* Outward: 529M | Inward: 499M | Internal: 109M
* Key Observations: The highest transaction volume, likely due to end-of-year spending (holidays, bonuses, business transactions). Outward transactions peaked, possibly indicating major expenditures, business payments, and consumer shopping. Internal transfers dropped slightly despite the overall growth, suggesting most funds moved externally.

**Q1 2025 – Decline After Peak (937M Naira Total)**

* Outward: 427M | Inward: 394M | Internal: 114M
* Key Observations: 20% decrease from Q4 but still higher than Q3. Outward transactions dropped (from 529M to 427M), likely due to post-holiday financial recovery. Inward transfers also dropped, which could indicate fewer deposits or a slowdown in business payments. Internal transfers slightly increased but remained the least common type.

**Recommendations**

**Increase Internal Transactions to Keep Money Within the Bank**

* Introduce incentives for customers to transfer funds between accounts within the bank (e.g., lower fees, faster processing). Promote internal transactions among businesses by offering corporate packages for payroll and vendor payments. Launch a multi-account feature that encourages users to manage personal & business funds within the same bank.

**Boost Inward Transfers by Encouraging Deposits & Remittances**

* Provide higher interest rates or rewards for deposits to encourage account funding. Strengthen partnerships with remittance companies to increase international transfers into bank accounts. Offer instant deposit processing for a seamless transfer experience.

**Capitalize on Seasonal Trends (Q3 & Q4 Spikes)**

* Use targeted marketing campaigns before Q3 and Q4 to capture increased transaction activity. Offer holiday season promotions, such as cashback on deposits or fee reductions for money transfers. Encourage loan or credit card usage in Q4 when spending is highest.

**Address Q1 Drop by Offering Retention Strategies**

* Launch January financial planning campaigns to encourage users to continue banking activity. Offer low-fee transactions for the first quarter to maintain customer engagement. Provide businesses with tools to automate payroll & supplier payments to sustain transaction flow.