



Data Glacier

Your Deep Learning Partner

Report: Cross-selling analysis

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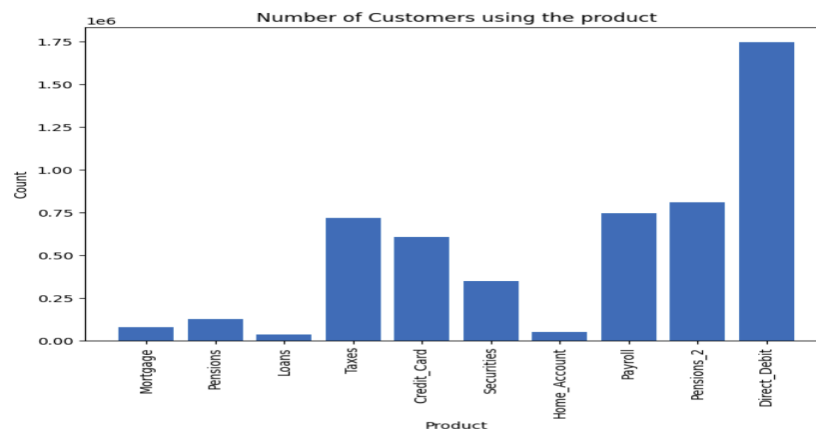
Specialization: Data Analyst

Problem description:

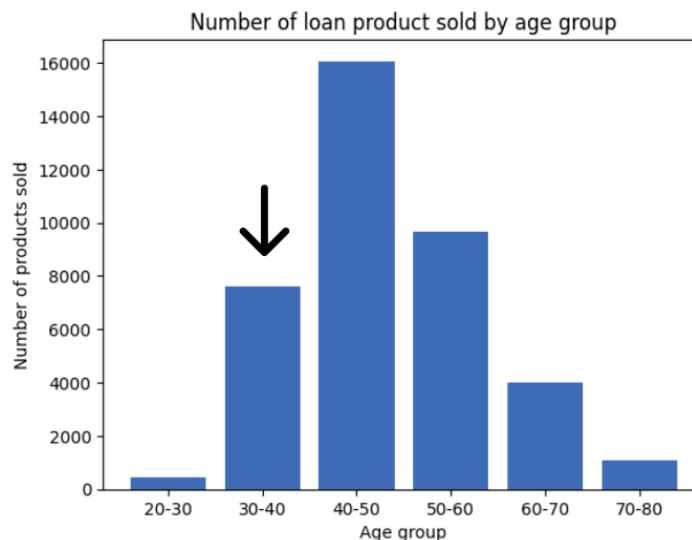
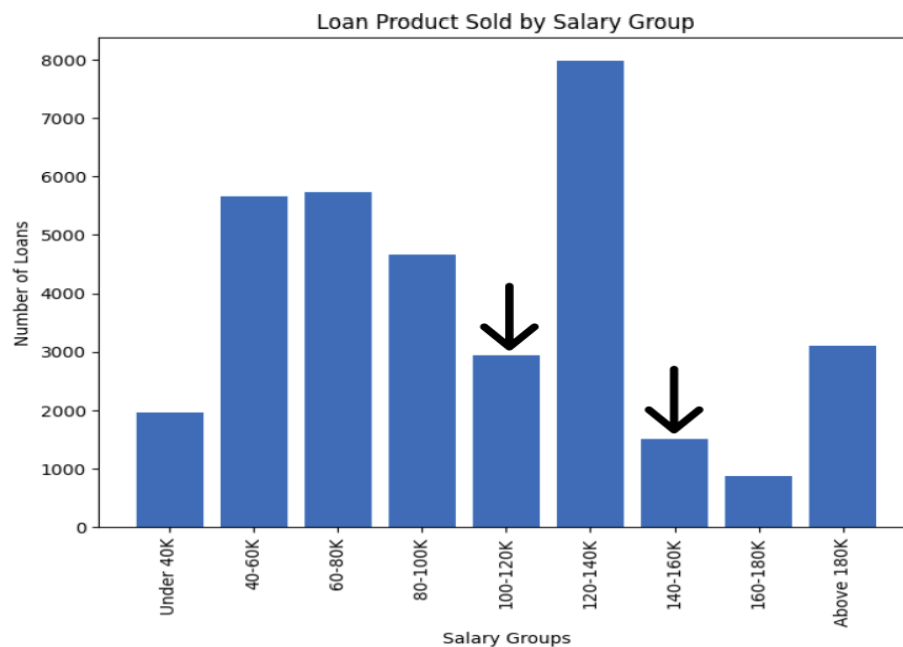
XYZ Credit Union is a banking institution located in Latin America, and it's doing well in selling different types of banking products such as credit cards, deposit accounts, retirement accounts, and safe deposit boxes to its customers. However, despite their success in selling these products, the bank is facing a challenge of not being able to sell more than one product to their existing customers. This means that the bank is not performing well in cross-selling, which is an important strategy to increase revenue and customer loyalty. Cross-selling is the practice of encouraging customers to purchase additional products or services beyond their initial purchase. In this case, the bank is missing out on the opportunity to sell more of their products to their existing customers, which could lead to increased revenue and stronger customer relationships. As a result, the bank has approached ABC analytics to help them solve this problem. The goal is to identify ways to increase cross-selling and provide actionable insights that the bank can implement to improve its cross-selling strategy. By doing so, the bank can improve its overall performance and maintain its competitive edge in the market.

Data Analysis:

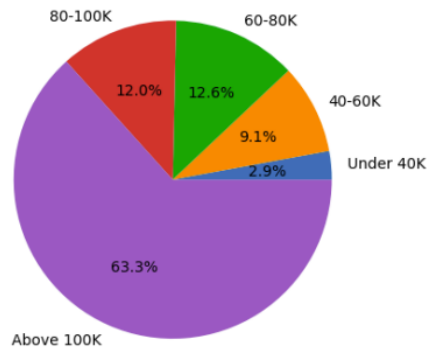
- Direct Debit, Taxes, and Payroll are among the highest selling products, suggesting that customers of XYZ Credit Union may value the convenience and reliability of automated payments and prefer to use the bank's services for managing their taxes and payroll.
- Loans, Home Accounts, and Mortgage are low selling products. This may indicate a lack of demand for these products or a need to improve the bank's marketing and sales strategies for these products. It's important to identify the reasons behind the low sales numbers and address any potential barriers to cross-selling these products to existing customers.



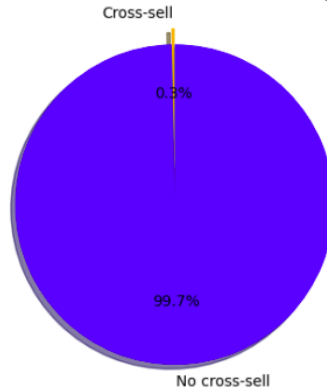
- **Loan as Product: Analysis of Loan Products:** The highest selling age group for loan products at XYZ Credit Union is between 40-50 years old, while the potential for cross-selling lies within the 30-40 age group. This suggests that there may be an opportunity for the bank to target this age group with tailored marketing efforts to encourage them to take out loans for various purposes, such as education, housing, or personal expenses. Additionally, the highest selling salary group for loan products is between 120k-140k, while the potential for cross-selling lies within the 100k-120k and 140k-150k salary groups. This indicates that the bank could potentially offer loan products that cater to the needs and preferences of customers in these salary ranges, such as different interest rates or repayment terms.



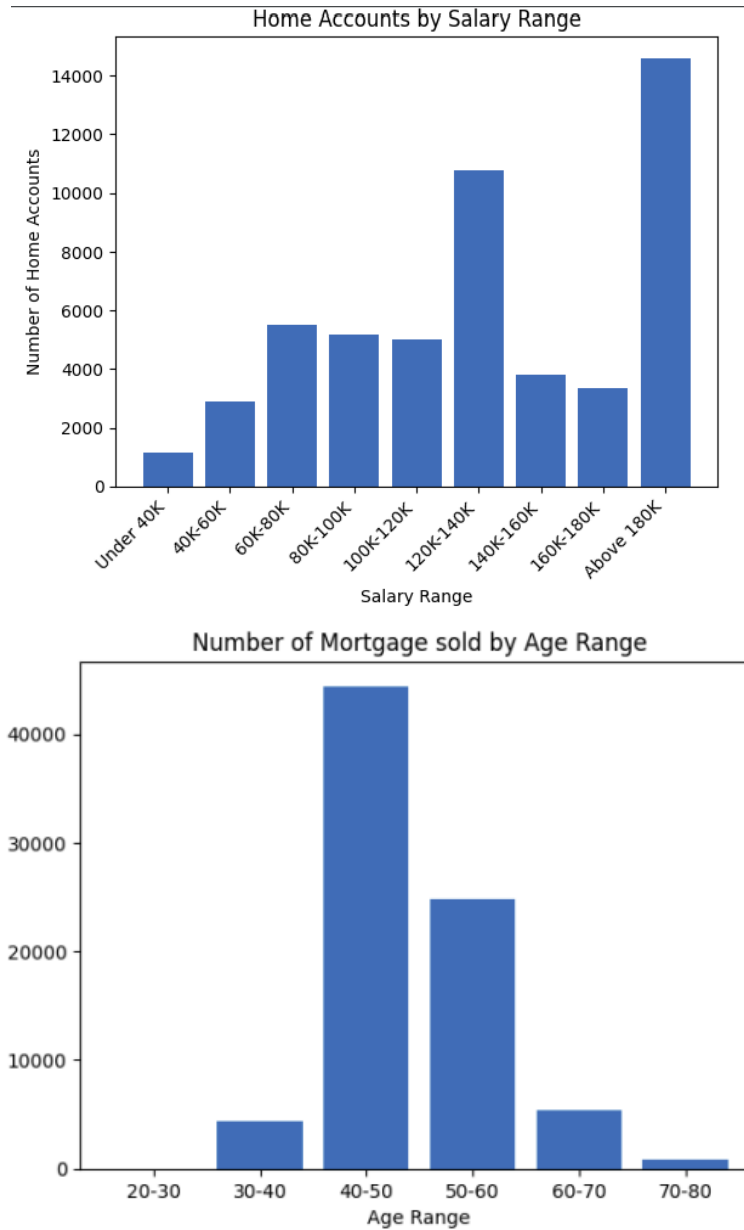
Loan under salary ranges by Age Group 40-50



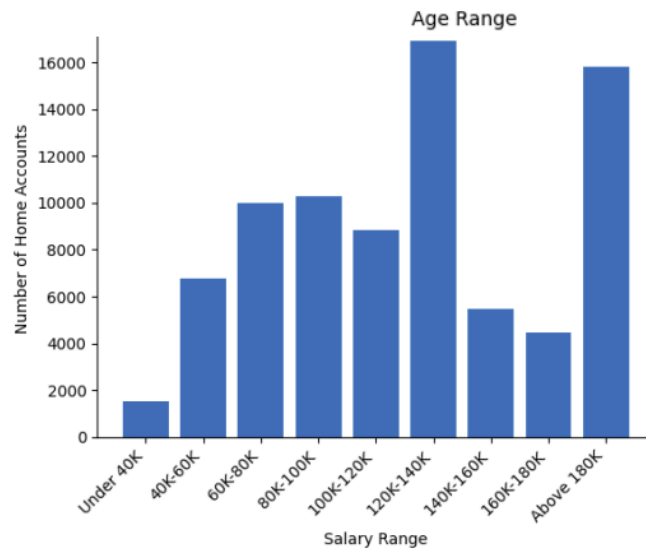
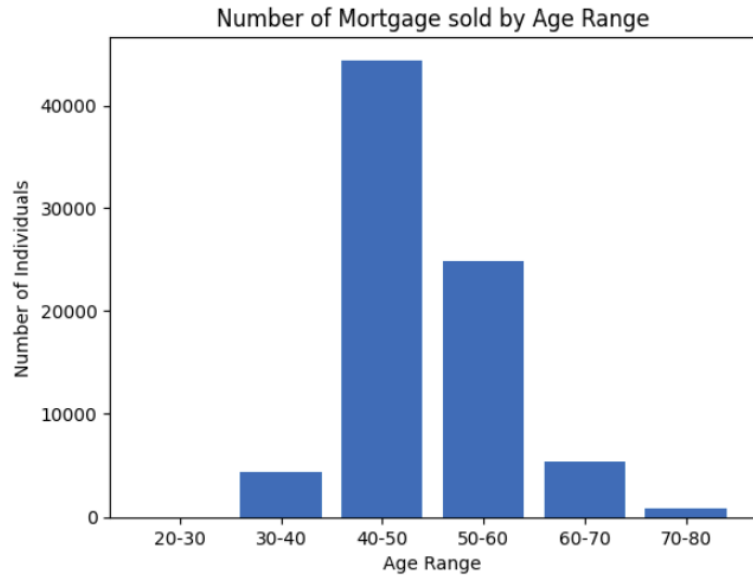
Direct Debit with Loan Cross-selling



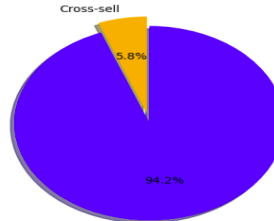
- Analysis of Home Accounts: This product has low sales numbers, but the highest selling age group for this product is between 40-50 years old, with customers mostly lying in the salary range of 120k-140k. This suggests that customers in this age and salary range may be more likely to be interested in investing in a Home Account for savings or investment purposes. The bank could consider developing targeted marketing efforts to reach these customers and promote the benefits of a Home Account for long-term savings and investment goals.



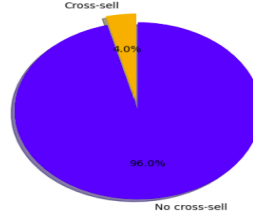
- We also found that the overall sales of the Mortgage product are relatively low compared to other products offered by the bank. This may indicate that there is a need for the bank to improve its marketing and sales strategies for this product to attract more customers. The bank could consider targeting younger age groups who may be interested in purchasing their first homes or properties, as well as customers in lower salary ranges who may require smaller loans for home purchases or renovations. Offering competitive interest rates and flexible repayment terms could also help attract more customers to the Mortgage product.



Payroll with Mortgage Cross-selling



Direct Debit with Mortgage Cross-selling





Recommendations:

1. Cross-selling: Understanding the preferences of customers for high-selling products can help XYZ Credit Union tailor their cross-selling efforts to offer complementary products or services that align with their customers' needs and preferences. The bank can offer loan products that cater to the needs and preferences of customers in salary ranges of 100k-120k and 140k-150k, as well as offer exclusive interest rates or other incentives for customers in the 40-50 age range who have recently purchased a Mortgage.
2. Targeted marketing campaigns: The bank can develop targeted marketing campaigns to encourage existing customers in the age and salary range of 40-50 years old to invest more in Home Accounts. They can offer exclusive interest rates or other incentives to encourage them to increase their investment in Home Accounts.
3. Bundle products: Offer bundled packages that combine Pension Plans with other investment products, such as mutual funds or annuities. This can incentivize customers to invest more with XYZ Credit Union and increase their overall share of wallet with the bank.

4. Educational content: Create educational content or webinars aimed at educating customers on the importance of planning for retirement and the benefits of investing in Pension Plans. The content should be specifically tailored to customers in the age and salary range that the bank has identified as having potential for growth in the Pension Plan product line.

Implementation Plan:

1. Cross-selling: The bank can start offering loan products that cater to the needs and preferences of customers in salary ranges of 100k-120k and 140k-150k, as well as offer exclusive interest rates or other incentives for customers in the 40-50 age range who have recently purchased a Mortgage.
2. Targeted marketing campaigns: The bank can create targeted marketing campaigns aimed at customers in the age and salary range of 40-50 years old to encourage them to invest more in Home Accounts. They can offer exclusive interest rates or other incentives to encourage them to increase their investment in Home Accounts.
3. Bundle products: The bank can start offering bundled packages that combine Pension Plans with other investment products, such as mutual funds or annuities. This can incentivize customers to invest more with XYZ Credit Union and increase their overall share of wallet with the bank.
4. Educational content: The bank can create educational content or webinars aimed at educating customers on the importance of planning for retirement and the benefits of investing in Pension Plans. The content should be specifically tailored to customers in the age and salary range that the bank has identified as having potential for growth in the Pension Plan product line.

Conclusion:

XYZ Credit Union can benefit from a better understanding of their customers' preferences and needs for different products. Through data analysis, the bank can identify opportunities to cross-sell products, develop targeted marketing campaigns, bundle products, and offer educational content to encourage customers to invest more in specific product lines. By implementing these recommendations, the bank can increase customer loyalty and revenue, ultimately improving their overall business performance.