

> Caixa Catalunya

Bank uses data mining to anticipate client needs

Situation

Caixa d'Estalvis de Catalunya—known as Caixa Catalunya—with headquarters in Barcelona, is the third-largest savings bank in Spain. Like most financial institutions, Caixa Catalunya is concerned with increasing the profitability of its customers in a fiercely competitive market, one in which institutions readily adopt sophisticated new technologies to streamline processes and serve customers more effectively. Caixa Catalunya turned to data mining technology to gain more insight into each of its customer segments and to balance market risks and opportunities.

Challenge

Caixa Catalunya works diligently to establish personal and long-term relationships by delivering the quality service and financial services that clients expect.

In 1986, it set up a powerful financial group with the goal of delivering more advanced and better integrated products and services to its customers. To support this effort, in 1990 Caixa Catalunya established a Technology Center that would enable the bank to better understand customer needs, and, by doing so, succeed in today's fast-paced and highly competitive financial services market.

Solution

The bank's focus on technology enabled it to adopt new technologies, such as data mining. For several years, Caixa Catalunya conducted data mining projects through outside vendors. The success of these projects convinced the bank to bring data mining in-house.

Caixa Catalunya first created a team of experts on data modeling techniques, data content, and data structure. This team used its extensive business knowledge to evaluate existing market providers, based on criteria that included integration with current systems, the assistance provided by the software itself, the required technical infrastructure, cost, and user friendliness.

In 2004, the bank chose PASW Modeler, which met the majority of its technical requirements—including connectivity, integration, and exploitation of existing data—as well as end-user needs such as ease of use, quality of graphics, and advanced modeling techniques.

At a glance

Country: Spain

Industry: Financial services

Data founded: 1926

Company type: Public

Assets under management:

€50 billion, 2005

Employees: 5,600

Application

Customer relationship management

Solutions used

PASW® Modeler*

* PASW Modeler, formerly called Clementine®, is part of SPSS Inc.'s Predictive Analytics Software portfolio.

■ Customer relationship management

Results

With PASW Modeler, Caixa Catalunya can:

- Model customer behavior throughout the customer lifecycle
- Research a customer's financial behavior and satisfaction using every possible data source
- Increase the effectiveness of its customer interactions
- Share customer intelligence among multiple departments

This software has enabled Caixa Catalunya to have several predictive models at its disposal, based upon the different stages of its relationship with customers. This maximizes marketing effectiveness and improves the results of commercial actions. For example, Caixa Catalunya increased its commercial activities results between 30 percent and 60 percent.

The knowledge, even the prediction, of client behavior, becomes "customer intelligence," enabling the company to efficiently manage relationships with individual clients across multiple channels. As a result, the bank can offer consultation about matters of interest to the clients, anticipating their needs and requests. Data mining leads to immediate customer insight, which, in turn, often results in increased sales of products and services.

Caixa Catalunya's analytic marketing team uses PASW Modeler to analyze and shape customer datasets. The team researches customer behavior and levels of satisfaction using data from every possible source.

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Other departments within Caixa Catalunya use this data to better understand their clients before approaching them. These departments can quickly create and review decision trees and neural network models. Or they can use other analytical procedures to monitor a customer's financial behavior and determine the best way to meet his needs. Since the marketing, sales, and customer service departments are able share results immediately, Caixa Catalunya can detect and quickly respond to any perceived weaknesses and to threats posed by competitors.

□ "Since our very first project using PASW Modeler, we have been able to increase our understanding of customers, using several different data mining models. This has enabled us to improve the efficiency of our commercial activities and adapt them to clients' real needs. At the same time, these user-friendly tools have led to a quick acceptance of data mining on the part of customer-facing staff."

□ "Data mining technology allows us to obtain such useful customer knowledge and achieve such positive results that its use continues to expand."

– *Jose María Tadiñ*
Commercial Systems Manager
Caixa Catalunya

