

Contents

Acknowledgements.....	VII
Introduction	1
I. Identification and Classification of Business Objectives	3
II. Information Quality	4
III. Development Methodologies and Design Based on Users and on the Needs of the Different Business Areas	4
IV. Identification of Different User Profiles	4
V. The Selection Process of Alternative Packages	6
VI. Ways of Providing Information.....	6
VII. The Technological Architecture.....	7
VIII. Organizational Change	8
1 The Theoretical Framework of CRM.....	9
1.1 Environment and Technical Core.....	9
1.2 From Decision Support Systems to CRM: Main Steps in Evolution	11
1.3 Research Objectives and Purpose of Present Work.....	14
2 CRM Project Organization in the Financial Industry	17
2.1 Basic Motivations for CRM	17
2.2 CRM Drivers and Key Factors.....	19
2.3 Organizational and Technological Evolution of Customer Interaction Points	22
2.4 CRM in the Banking Industry	23
2.5 Definition and Purposes of CRM.....	24
2.6 The CRM Ecosystem.....	26
2.7 The Organizational Perspective of CRM	29

2.8 Data Analysis Techniques	30
2.9 The Main Requirements for a CRM Solution.....	33
2.10 A Study on CRM in the Italian Banking Industry	37
2.11 Conclusions.....	41
3 The Organization of Data Warehouse Activities.....	43
3.1 Introduction.....	43
3.2 The Data Warehouse	44
3.3 A Definition of Data Warehouse.....	46
3.4 Main Issues of the Implementation Process of a Data Warehouse	51
3.5 Organization of Warehousing Initiatives for Marketing Activities in the Banking Industry.....	52
4 Organization of Knowledge Discovery and Customer Insight Activities	61
4.1 Knowledge Discovery Process.....	61
4.2 Data Mining.....	63
5 Data Mining Techniques.....	71
5.1 Introduction.....	71
5.2 The Most Prominent Data Mining Systems.....	72
5.3 Visualization	72
5.4 Neural Networks.....	74
5.5 Genetic Algorithms.....	79
5.6 Fuzzy Logic	83
5.7 Rule Induction and Decision Trees	84
5.8 Cluster Analysis.....	86
6 The Evolution of Customer Relationships and Customer Value.....	91
6.1 From a “Transactional” to a “Relational” Approach	91
6.2 The Company Culture	92
6.3 The Organizational Structure	93
6.4 The Main Processes of Organizations.....	95

6.5 Who is the Customer?	96
6.6 The Customer's Life Cycle	100
6.7 The Concepts of Customer Satisfaction and Loyalty	103
6.8 Understanding the Role of the Customer	107
6.9 Satisfaction, Loyalty, and Defection	110
7 Main Benefits and Organizational Impacts of CRM within the Bank	113
7.1 A New Business Organization	113
7.2 CRM, IT, and Organizational Approaches	114
7.3 Change Management and CRM Initiatives	115
8 Data Mining Systems Supporting the Marketing Function: The Experience of Banca Monte dei Paschi di Siena	119
8.1 Introduction.....	119
8.2 Market Evolution.....	120
8.3 The Organization of Marketing Initiatives.....	122
8.4 The Bank.....	123
8.5 The Marketmine Project.....	127
8.6 Marketmine: Project Results	143
9 Conclusion	149
9.1 The Meaning of CRM	149
9.2 The Adaptation of Data Warehousing in a CRM Project.....	150
9.3 Using Data Mining in CRM Projects	151
9.4 Theoretical Foundations of CRM.....	151
9.5 Critical Success Factors.....	153
References.....	155