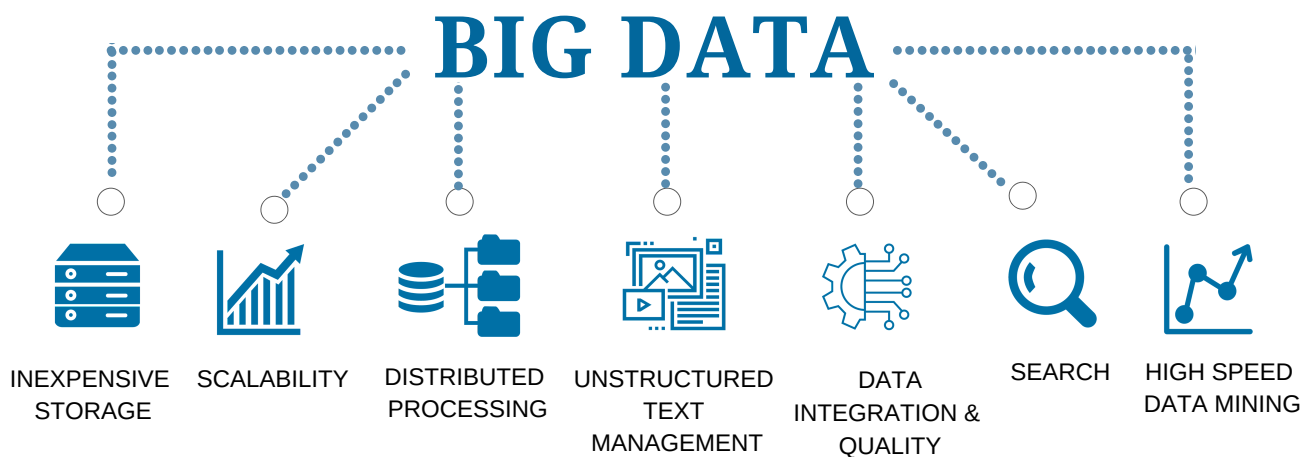# Acquisition of New Clients in Banks Using Big Data

The high penetration and rapid acceptance of online and mobile banking services has changed the way banks interact – for the better - with their clientele. Customers enjoy the convenience of banking from anywhere, at any time and by using any device.

Today, most of banking interactions happen through self-serving channels, electronic payments, social media networks, etc. that generate vast amounts of financial data and customer information. Banks have been collecting data for years, it's not new! However, the variety, frequency and scale at which the data is generated is overwhelming.
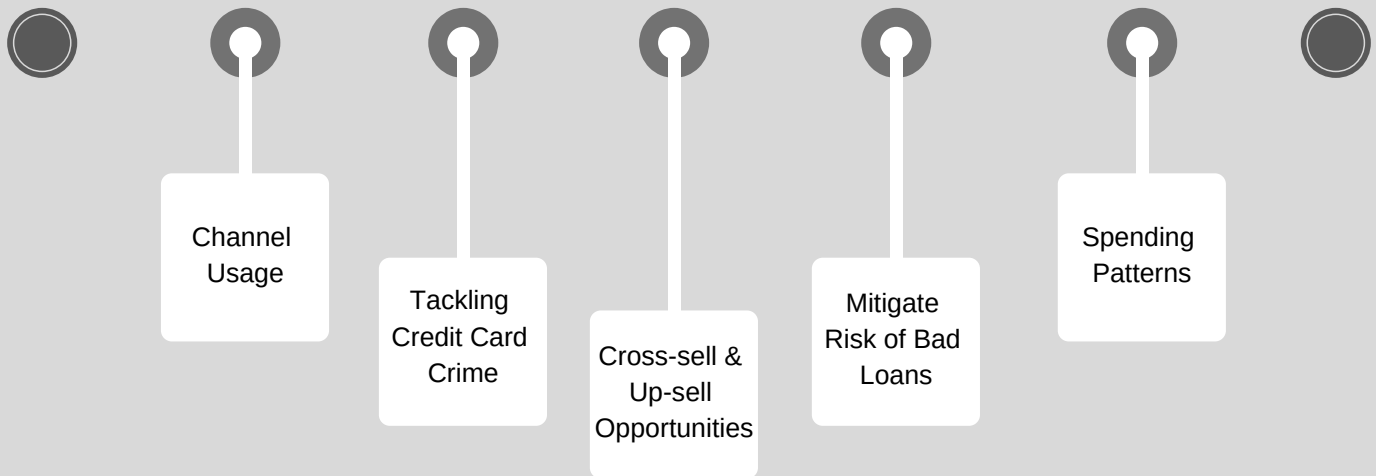
Why should BANKS care about

BIG DATA

| INEXPENSIVE STORAGE | SCALABILITY | DISTRIBUTED PROCESSING | UNSTRUCTURED TEXT MANAGEMENT | DATA INTEGRATION & QUALITY | SEARCH | HIGH SPEED DATA MINING |

We are in what Forrester Research calls "The Age of the Customer," where customers drive business decisions. Today, competitors are just a click-away from your customers' fingertips - to get associated with another bank is so easy! Thus, it has become imperative to tap into big data sources, engage machine learning algorithms and leverage data (structured, semi-structured and un-structured) to gain critical customer insights.
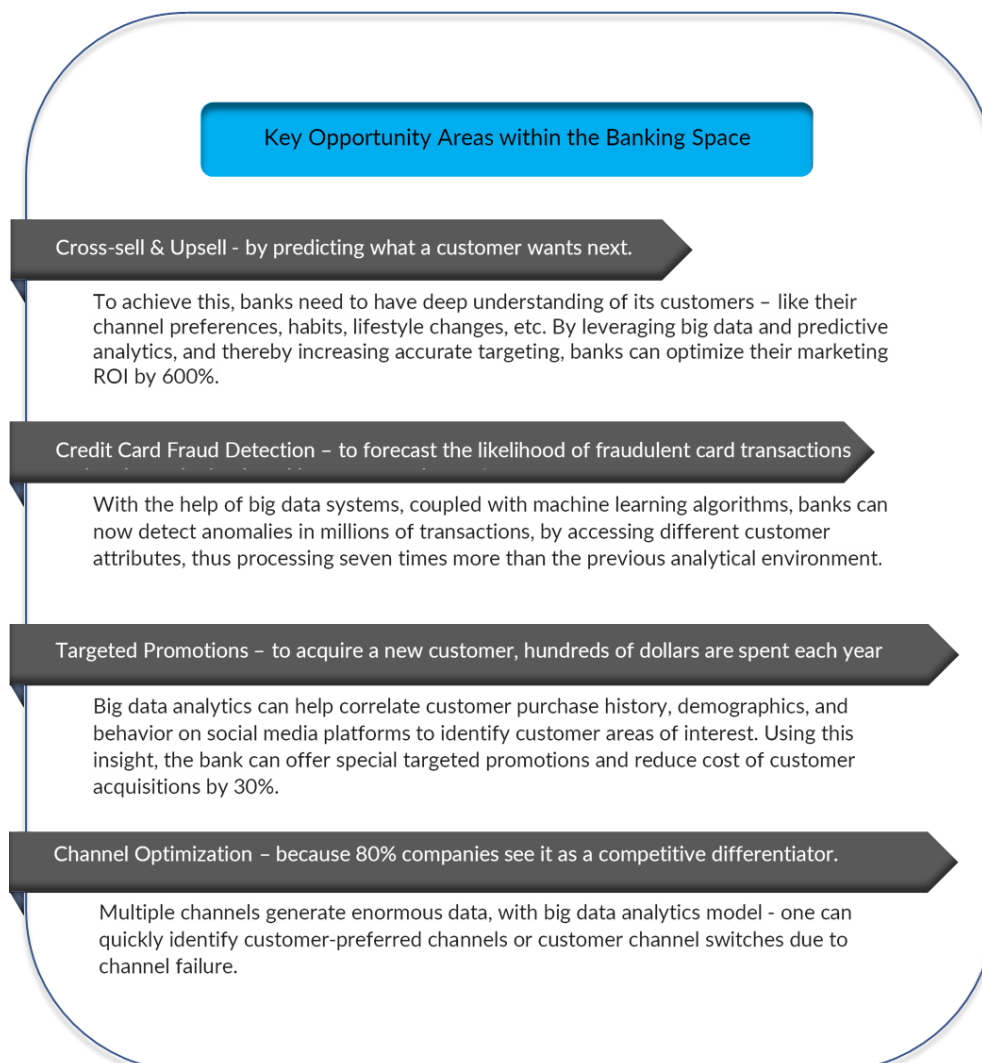
So how large is this data?

Large enough that traditional data processing systems are breaking or cannot manage it. But these massive volumes of data are vital to address business problems that were not possible to handle before.

What is POSSIBLE to know about YOUR CUSTOMERS using BIG DATA ANALYTICS? (Highlighting few below)

Channel Usage

Tackling Credit Card Crime

Cross-sell & Up-sell Opportunities

Mitigate Risk of Bad Loans

Spending Patterns

Below infographic showcases the key opportunity areas in which Big Data Analytics has contributed significantly.

Key Opportunity Areas within the Banking Space

Cross-sell & Upsell - by predicting what a customer wants next.

To achieve this, banks need to have deep understanding of its customers – like their channel preferences, habits, lifestyle changes, etc. By leveraging big data and predictive analytics, and thereby increasing accurate targeting, banks can optimize their marketing ROI by 600%.

Credit Card Fraud Detection – to forecast the likelihood of fraudulent card transactions

With the help of big data systems, coupled with machine learning algorithms, banks can now detect anomalies in millions of transactions, by accessing different customer attributes, thus processing seven times more than the previous analytical environment.

Targeted Promotions – to acquire a new customer, hundreds of dollars are spent each year

Big data analytics can help correlate customer purchase history, demographics, and behavior on social media platforms to identify customer areas of interest. Using this insight, the bank can offer special targeted promotions and reduce cost of customer acquisitions by 30%.

Channel Optimization – because 80% companies see it as a competitive differentiator.

Multiple channels generate enormous data, with big data analytics model - one can quickly identify customer-preferred channels or customer channel switches due to channel failure.

Using the Existing Customer Data to Acquire New Customer

Every business needs to generate new leads that match its target customers. A cost-effective way is to reach out to your existing customers. Our client, a leading corporate bank, approached Quadratyx to identify available options to acquire new customers. Quadratyx suggested an approach - to identify prospects using the bank's existing customer transactional data so as to keep the customer acquisition cost is low.

Leverage Existing Customers for New Leads

Untapped Opportunity for More Business

Technologies used: Hadoop for information augmentation and Neo4j for graph analytics.

Quadratyx Graph-based Analytics Solution:

Step1- Identify high value transactions

The bank had an extensive network of transactional data, millions of transactions occurring each day. The objective was to detect previously unknown, potentially high-value entities (transactions or accounts) for possible investigation.

Step2- Graph visualization

Used graph analytics to analyze past transactional data. As a starting point, the bank identified parties with whom it was involved in a transaction for a large value. These parties were shortlisted as potential new clients for the bank.
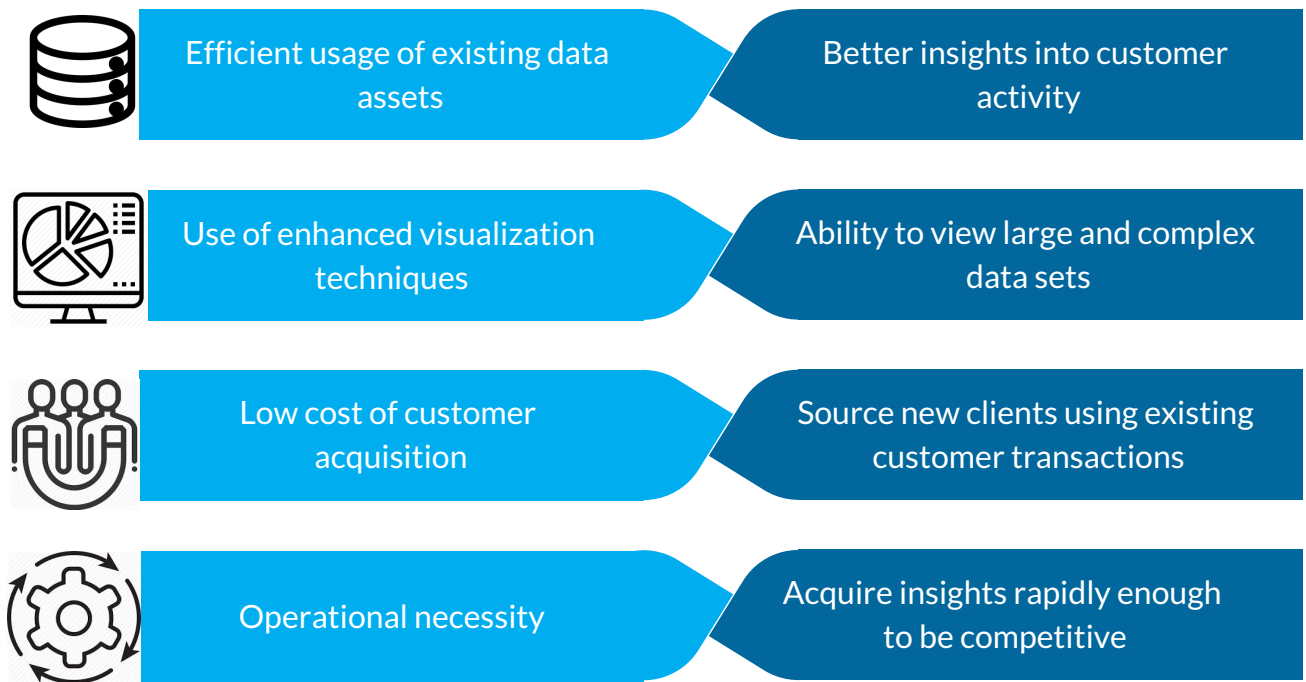
Step 3- Use web to extract prospect information

Augmented our knowledge about these parties by using the web to scrape information on the shortlisted parties. Extracted key annotators like - name of establishment, number of personnel, value of organization, date of establishment and contact information.

Step 4- Streamlining the information

Leads identified are not randomly selected. They should satisfy either one of the two requirements: one - similar to clients that the bank already has, or two - match the bank's target customers profile.

Big Data Analytics Value to The Business:

Efficient usage of existing data assets	Better insights into customer activity
Use of enhanced visualization techniques	Ability to view large and complex data sets
Low cost of customer acquisition	Source new clients using existing customer transactions
Operational necessity	Acquire insights rapidly enough to be competitive

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