

1	Introduction	1
1.1	Identification and Classification of Business Objectives	3
1.2	Information Quality	3
1.3	Development Methodologies and Design Based on Users and on the Needs of the Different Business Areas	4
1.4	Identification of Different User Profiles	4
1.5	The Selection Process of Alternative Packages	4
1.6	Ways of Providing Information	5
1.7	The Technological Architecture	7
1.8	Organizational Change	7
2	IT is Business: Some Emerging Reflections and IT Governance of CRM Projects	9
2.1	Introduction	9
2.2	The Role of IT in the Financial System	9
2.3	Technology and Innovation	11
2.3.1	The Governance of Innovation Processes	13
2.4	The Priorities of CIO in the Financial System	15
2.5	Extended IT Governance: Performance and Operational Models	16
2.5.1	Business, IT and Strategy in Banks	16
2.5.2	IT Business Value	18
2.5.3	The Role of IT Governance and the Cultural Gap	19
2.5.4	Towards the Concept of Extended Governance	20
	References	24
3	The Theoretical Framework of CRM	27
3.1	Environment and Technical Core	27
3.2	From Decision Support Systems to CRM: Main Steps in Evolution	29
3.3	Research Objectives and Purpose of Present Work	32
	References	33
4	CRM Project Organization in the Financial Industry	35
4.1	Basic Motivations for CRM	35
4.2	CRM Drivers and Key Factors	37

4.3	Organizational and Technological Evolution of Customer Interaction Points	39
4.4	CRM in the Banking Industry	40
4.5	Definition and Purposes of CRM	41
4.6	The CRM Ecosystem	43
4.6.1	The Analytical Component	43
4.6.2	The Operational Component	44
4.6.3	The Collaborative Component	45
4.7	The Organizational Perspective of CRM	45
4.8	Data Analysis Techniques	46
4.8.1	Standard Query	47
4.8.2	Multidimensional Analysis	47
4.8.3	Statistical Analysis	49
4.9	The Main Requirements for a CRM Solution	49
4.9.1	Main Functional Requirements	50
4.9.2	Main Technological Requirements	50
4.9.3	Main Features and Requirements of a CRM System	50
4.10	Cases on CRM in the Italian Banking Industry	52
4.10.1	The Most Interesting Cases	53
4.11	Conclusions	59
	References	59
5	CRM 2.0 in the Financial Industry	63
5.1	Introduction	63
5.2	A New Perspective on Bank-Customer Relationships: Building Loyalty	63
5.2.1	Information Systems Supporting Relationships with Customers	69
5.3	The Evolution of Demand: The Customer 2.0	71
5.4	Evolution of Systems Supporting CRM Processes and Loyalty	73
5.5	CRM 2.0 Technology Outlook Model	77
5.5.1	Method of Analysis	77
5.5.2	CRM 2.0 Technology Outlook Map	80
5.6	Conclusions	81
	References	82
6	The Organization of Data Warehouse Activities	83
6.1	Introduction	83
6.2	The Data Warehouse	84
6.3	A Definition of Data Warehouse	86
6.3.1	Components and Architecture of a DWH	88

6.4	Main Issues of the Implementation Process of a Data Warehouse . . .	90
6.5	Organization of Warehousing Initiatives for Marketing Activities in the Banking Industry	91
6.5.1	Case Studies	94
	References	97
7	Organization of Knowledge Discovery and Customer Insight Activities	99
7.1	Knowledge Discovery Process	99
7.2	Data Mining	101
	References	107
8	Data Mining Techniques	109
8.1	Introduction	109
8.2	The Most Prominent Data Mining Systems	110
8.3	Visualization	110
8.4	Neural Networks	111
8.4.1	Neural Networks: A Definition	113
8.5	Genetic Algorithms	116
8.5.1	A Definition of Genetic Algorithms	117
8.5.2	Applications in Business and Financial Industry	118
8.6	Fuzzy Logic	119
8.7	Rule Induction and Decision Trees	120
8.7.1	Rule Induction	120
8.7.2	Decision Trees	121
8.8	Cluster Analysis	122
	References	124
9	The Evolution of Customer Relationships and Customer Value	127
9.1	From a “Transactional” to a “Relational” Approach	127
9.2	The Company Culture	128
9.3	The Organizational Structure	129
9.4	The Main Processes of Organizations	130
9.5	Who Is the Customer?	131
9.5.1	The Relationship with Internal Customers	132
9.5.2	The Relationship with Outer Customers	134
9.6	The Customer’s Life Cycle	134
9.7	The Concepts of Customer Satisfaction and Loyalty	136
9.7.1	Definition and Role of Customer Satisfaction	136
9.7.2	Organizing the Concept of Loyalty	138
9.8	Understanding the Role of the Customer	140
9.9	Satisfaction, Loyalty, and Defection	143
	References	144

10	Main Benefits and Organizational Impacts of CRM Within the Bank	147
10.1	A New Business Organization	147
10.2	CRM, IT, and Organizational Approaches	148
10.3	Change Management and CRM Initiatives	149
	References	151
11	Data Mining Systems Supporting the Marketing Function: The Experience of Banca Monte dei Paschi di Siena	153
11.1	Introduction	153
11.2	Market Evolution	154
11.2.1	Operators	154
11.2.2	The Customer	155
11.3	The Organization of Marketing Initiatives	155
11.3.1	The Data	156
11.4	The Bank	156
11.4.1	New Projects	157
11.5	The Marketmine Project	159
11.5.1	Analysis Methods	160
11.5.2	Clear Definition and Comprehension of the Problem	160
11.5.3	Acquisition, Selection, Cleaning and Comprehension of the Data	162
11.5.4	Selection of the Sample for the Use of Data Mining Systems	165
11.5.5	Construction of the Customer Profile	166
11.5.6	Exploration and Tuning of Variables	168
11.5.7	Construction and Application of the Analysis Model	168
11.5.8	The Analysis Model	172
11.6	Marketmine: Project Results	173
	References	176
12	Conclusion	177
12.1	The Meaning of CRM	177
12.2	The Adaptation of Data Warehousing in a CRM Project	178
12.3	Using Data Mining in CRM Projects	179
12.4	Theoretical Foundations of CRM	179
12.5	Critical Success Factors	181