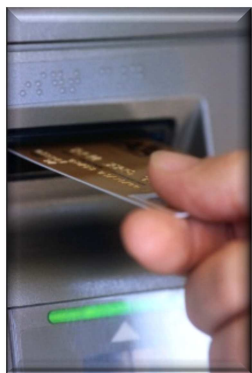


CUSTOMER DATA MINING EXERCISE FOR THE PRIVATE BANKING SECTOR

CLIENT OVERVIEW



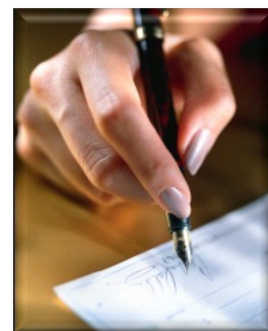
This client of DigiQuill is a distinctive specialist private bank, offering a diverse range of financial products and services to a niche client base in three principal markets; the United Kingdom, South Africa and Australia, with some offerings in certain other countries. Founded in South Africa in 1974, it has expanded through a combination of substantial organic growth and a series of strategic acquisitions in key markets. Currently employing in excess of 6500 people world-wide, the organisation has been structured as a network comprising of separate business divisions; Asset Management, Private Wealth, Property Activities, Private Banking, Investment Banking and Capital Markets.

This Private Bank provides a range of private banking services, targeting select high income and net worth individuals in chosen niche markets, positioned as the 'investment bank for private clients', offering both credit and investment services to their clientele.

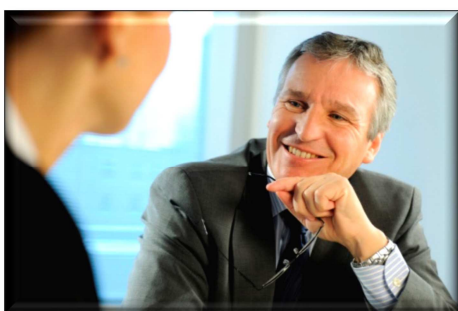
PROBLEMS AND CHALLENGES

The client was faced with the challenge of not having a clear and concise view of their base of customers. DigiQuill was required to gain an understanding of their customer base in order to inform and enhance existing and future organisational strategies. This would allow for the enhanced ability to retain and acquire customers, as well as improving cross-selling opportunities within the existing base.

This would in the long term allow the client to identify better with new and existing customers, market more effectively to customers, and above all, increase the tenure of customers.



SOLUTION AND RESULT



DigiQuill thereby delivered a customer segmentation model for the financial institution's base of customers. Detailed datasets were requested from the client, containing data identifying customers and linking them to their product holding and transactional behaviour. Data was processed, cleaned and placed in a data-mart for analysis purposes.

A demographic segmentation exercise was conducted using demographic and geographic attributes to derive clear profiles of specific customer types. K-Means clustering was used to group customers together, those that have similar "values" along a number of dimensions - i.e. it creating groups of customers with similar characteristics. K-Means clustering allows one to analyse and often predict the behaviour of a similar group of customers.

Once clusters were identified, thorough analysis was conducted on the product holding and behaviour of customers within the defined clusters. With an understanding of product and business rules, as well as milestones within the organisation and industry, it is possible to test existing theories and understanding, while providing deep insight on acquisition and termination of customers. Another segmentation exercise was conducted based on behaviour to assist with the understanding of those customers that stay, opposed to those that leave.