



# Dan financijskih rješenja 2013.

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Big Data for Banking

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## Agenda

- Why Big Data is important for financial sector
- Does social media means opportunity for banks
- Where and how to start with Big Data project

## Dramatic challenges are manifested across the banking industry

Turbulent Global  
Economy

Competition for  
Wallet Share

Emboldened Customers

Increased Regulations

Capital and Liquidity  
Pressures

Low Interest Rates



To address these challenges, big data presents a huge opportunity – if banks can harness it

Volume

**180** million

Loan records analyzed per day

Velocity

**2** trillion

Calculations of securities data in 1 minute

Variety

**40** million

Emails analyzed per month

*Analyze more loans for risk and patterns of fraud*

*Uncover risk and identify opportunities faster than ever before*

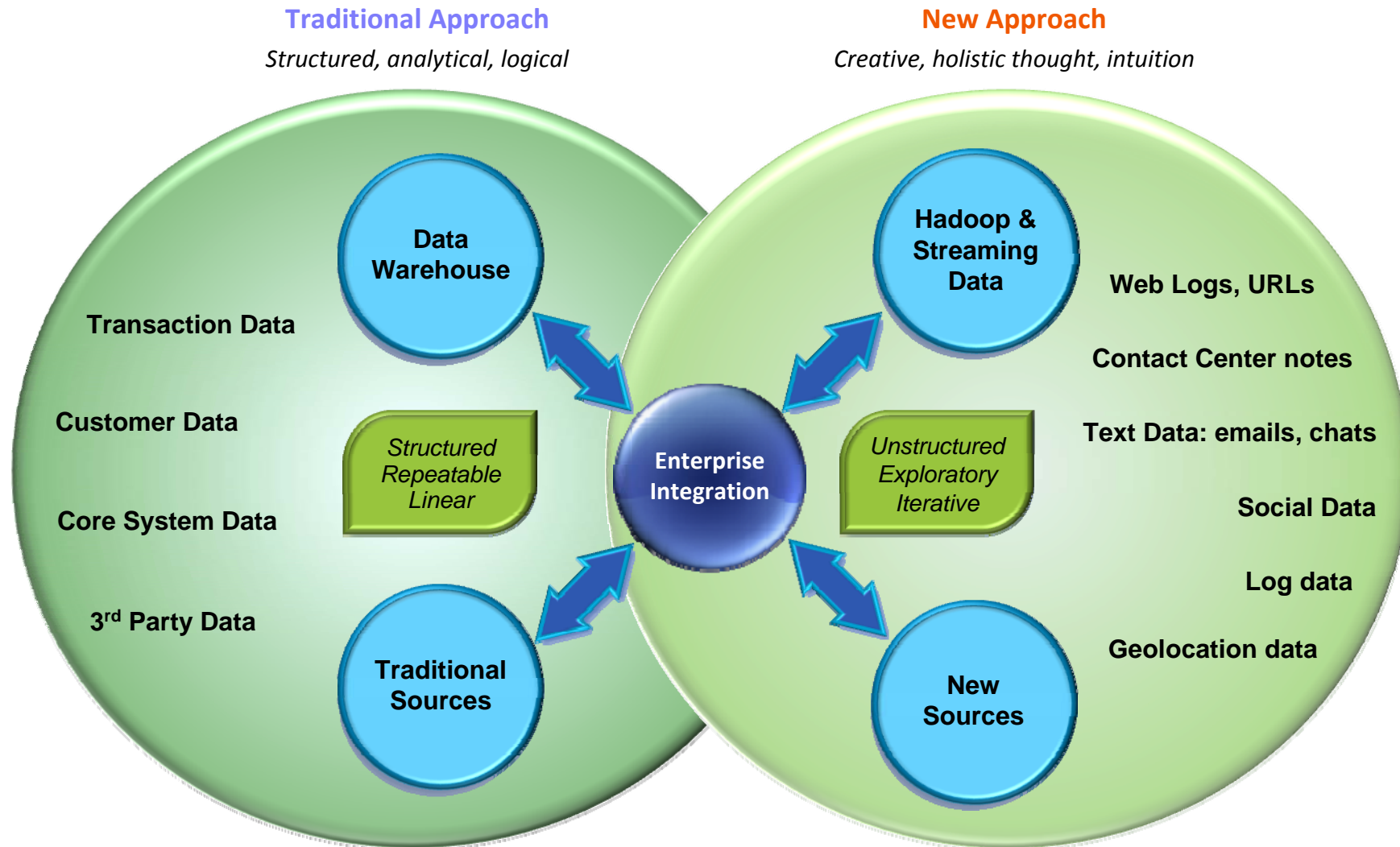
*Dig deep to discover customer sentiment and attitudes*



**Establishing the Veracity of big data sources**

*1 in 3 business leaders don't trust the information they use to make decisions*

# Analytics is expanding from enterprise data to big data, creating new opportunities for competitive advantage



Big data can impact every aspect of your business...

## Capabilities

### Know Everything about your Customer

Analyze all sources of data to know your customers as individuals

### Run Zero-latency Operations

Act in real-time to optimize bank processes

### Innovate at Speed and Scale

Capture all sources of feedback and analyze vast data to drive innovation

### Instant Awareness of Fraud and Risk

Analyze all available data, detect fraud and manage risk in real-time

## Outcomes

**Global investment bank better predicts product offers to double conversion rates**

**Wall Street firm's traders get instant insight by analyzing market data in near-real time for thousands of stocks, bonds, funds**

**Latin American bank analyzes massive amounts of social data to improve sentiment 3%**

**US bank analyzes massive amounts of data from SEC filings to discover new counterparty relationships and risks**



...with key big data business use cases

### Optimize enterprise risk management

- Financial Risk Analysis
- Market & Portfolio Risk Analysis
- Lending Risk Analysis
- AML & Fraud Investigation
- Real-time Fraud Detection
- Market Surveillance



### Create a customer-focused enterprise

- Next Best Action
- Social Media Analysis
- Contact Center Analytics
- Customer Retention
- Enhanced Customer Segmentation
- Data Monetization & Merchant Analytics
- Market Trading Analysis

### Increase flexibility and streamline operations

- Data Staging & Management
- System Log Analysis
- System Failure Analysis



# Improving next best action with big data analytics



Create a customer-focused enterprise





## Social Media can be a large and profitable channel for banks

- 1 Significant number of new clients that can be acquired with new social media analysis capabilities.
- 2 Unique cross-selling opportunities arise by linking social activity and profiles and banking services consumption of the existing customers
- 3 Leverage quality of service by early identification of problems with customer service, brand sentiments, do marketing campaigns response tracking

Target solution – a unified command of the Bank that is able monitor **intraday operational activity** of current and potential customers in the Internet, **identify selling opportunities**, demand and sentiments **in real time**.

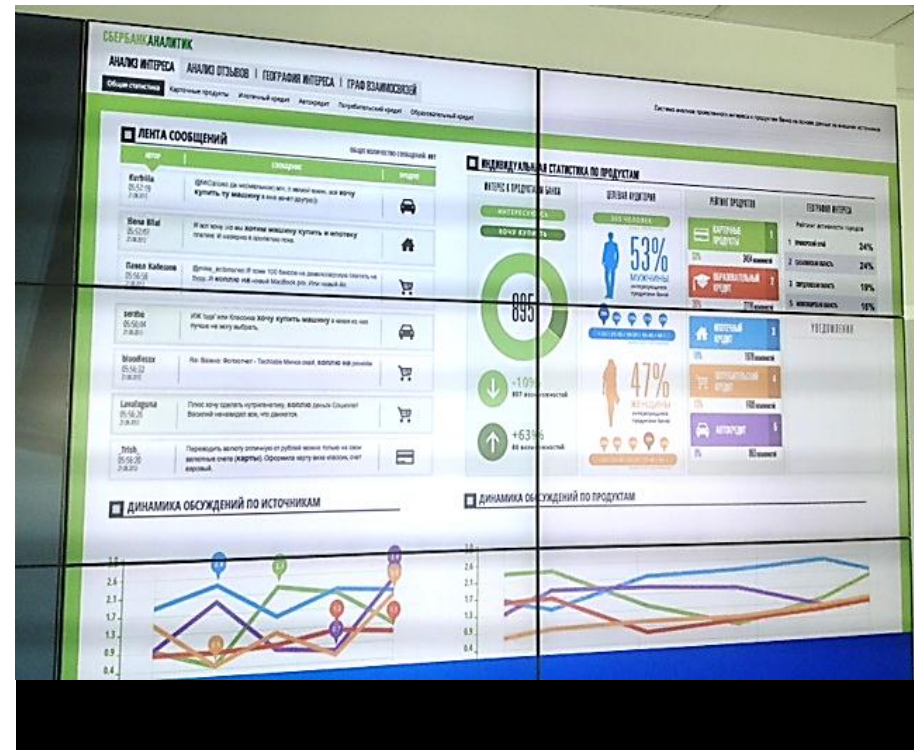
## Key Features of the Solution

### What does it exactly do:


- Receives messages from social media
- Identifies demand for products, banking leads and sentiments about banks services
- Combines extracted leads with business logic for sales, marketing and channels

### Why is the Solution unique:

- Ability to work with any text data volumes in real-time and batch
- Expressive text analytics engine for specific language
- May be extended for situational analysis of any digital data – transactions, location, video, voice etc.







## Credit card company uses big data to speed customer offers & treatments based on customer behavior

### Need

- Required a capability to analyze massive amounts of customer data to more quickly target and deliver rewards programs and offers to more granular customer segments

### Benefits

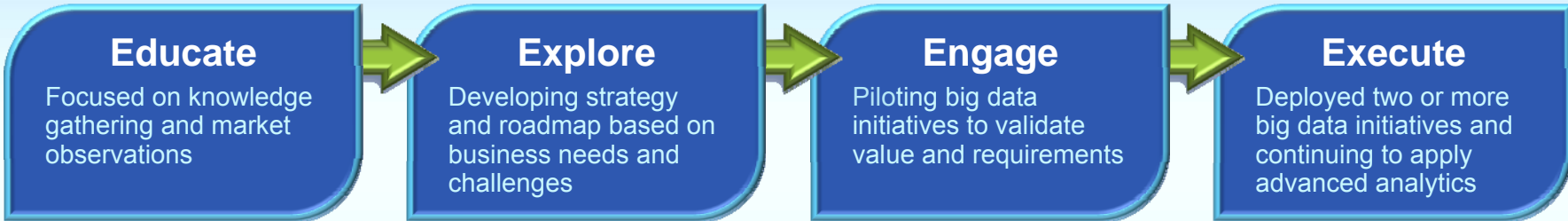
- Significant improvement in offer response rate
- Increased net margin 13%
- Allows faster processing of massive amounts of customer data including transactions, contact history, and customer behavior faster than ever before
- Able to launch more timely marketing activities and change ongoing campaigns on the fly, as a result of real-time campaign analysis





# Where and how to start with Big Data

## Big data adoption



Join the business community  
*Validate and realize business value*

**Big data case studies, whitepapers and IBM Institute for Business Value reports**  
[ibmbigdatahub.com](http://ibmbigdatahub.com)

**IBM Briefings, Solution Centers**

**Self-paced learning, exploration with downloads & test environment**  
[BigDatauniversity.com](http://BigDatauniversity.com), [YouTube Big Data Channel](#)

Join the technical community  
*Learn the technology & gain expertise*

**IBM Readiness Assessment for Big Data**  
-Prioritized business use cases  
-Recommend big data platform

**Solution Design & Proof of Concept**  
-Validate business value of the big data use case  
-Demonstrate big data capabilities to execute use case

**Enterprise-wide big data initiatives**  
-Incremental value across multiple use cases  
-Leverage investment from re-using the same big data platform  
-Enterprise data platform to support analytics

**THINK**

**BIG**

[ibm.com/bigdata](http://ibm.com/bigdata)