



Spotfire brings Cortal Consors customer data to life

Interactive, visual analysis through Spotfire DecisionSite® allows private investment bank, Cortal Consors, to optimize its information cycle, which is distributed among several specialized customer information systems.

Business profile

Cortal Consors is a direct broker offering financial investment products and services to more than one million customers across Europe.

Application profile

Spotfire DecisionSite provides consolidation, analysis, and insightful visualization of customer and market data, empowering decision makers to recognize new trends and markets.

Challenges

- Development of an analytical platform to meet the changing management and sales department requirements for analyzing customer data in a fast-growing organization
- Integration of various specialized customer data systems
- Forward-pointing trends instead of backward-oriented tables: corporate management needs aggregated information as a basis for decisions
- Waiting times of two days for reports from the Data Warehouse
- Integration of external socio-demographic information in the customer data analysis

Solutions

- DecisionSite rounds out the information cycle in business intelligence infrastructure
- Spotfire is the platform that integrates various data sources and makes them available through a user-friendly interface
- Interactive, visual analysis and representation of multi-sourced customer data with DecisionSite
- Distribution of guided visual intelligence through Spotfire thin client

Results

- Insights and information through visualization rather than just data in tables - data comes to life
- Same-day evaluation of business-relevant customer data
- Up-to-the-minute interactive, visual analysis of important key indicators for operating departments and management
- Rapid and intuitive leveraging of new market possibilities

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– Jörg Neumann,
Manager Customer
Intelligence
Cortal Consors

Cortal Consors, formed from the merger of the French bank Cortal and the German online broker Consors, today is Europe's leading online bank. The institution offers investment products and financial services to its more than one million customers across Europe.

Challenges

Insight from smart data analysis is critical for Cortal Consors' success. All corporate departments base their business decisions on the data delivered by the business intelligence infrastructure. For many years, the organization has been using products from MicroStrategy, SAS Institute and Clarify to create an environment for decision-making within the framework of Cortal Consors' "Circle of Intelligence".

The Circle of Intelligence was established in 2002 with the introduction of a campaign management system. It consists on one hand of a Data Warehouse with its respective reports. From this it can be seen what customer groups exist, for example, or what product preferences these customers have. The Data Warehouse can provide answers to certain questions, but it can seldom explain why certain facts are the way they are. Cortal Consors generally tries to answer the "why" with the help of a data mining application.

The findings are translated into concrete promotions through an integrated campaign management tool in their operational customer relationship management system. Jörg Neumann, Cortal Consors' Customer Intelligence Manager, says: "Today we can carry out campaigns in which we extract information from the Data Warehouse and run triggered promotions. For example: if cash receipts of a certain amount are paid into a customer's account, he automatically receives an email or the contact is forwarded to the call centre. The employees there can phone the customer and advise him on specific investment opportunities. This is an end-to-end, self-contained process, there's no longer any need to send data to and fro between the systems for CRM, campaign management and the Data Warehouse. You define the specifications, extract the data, monitor the campaign, transfer the results back to the Data Warehouse, build the reports and learn directly. That's our Circle!"

The "Circle of Intelligence" project was initiated in July 2000. This was when the Data Warehouse was set up at Cortal Consors. The goal was to provide an analytical platform that could keep pace with the requirements of management and sales department in the wake of the organization's rapid growth. This also explains why the number of employees in Jörg Neumann's analytics department has also multiplied since the inception.

"For end-to-end process integration we have always picked out the best provider for the respective application. Micro Strategy for warehousing, Clarify for CRM, SAS Institute for analytics and data mining, and for campaign management we work very closely with Innovations. One of the top considerations was that all systems should be fully integrated." And indeed: there aren't any major sticking points. The data from the Warehouse provide the input for the campaign management system. From campaign management, results are transferred back into the Warehouse, where they are in turn available for reports and data mining.

The Circle of Intelligence is continuously evolving. In the meantime Cortal Consors is in a position to map its core business very well. But the organization is in flux. The focus is shifting from pure trading to investment banking. Cortal Consors is now concentrating on different target groups, products and services. This means new demands are constantly being made on the Data Warehouse, Jörg Neumann explains.

Solutions

What prompted the Spotfire implementation was Cortal Consors' integration in the BNP-Paribas Group and its restructuring as a European investment bank. During this phase, the management was under extreme stress and often on the road. That meant it was necessary to aggregate information in some way and represent it accordingly, to enable the right decisions to be taken without losing time.

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MicroStrategy proved to be too inflexible. The tables or reports created with this tool, which were then sent out by email, weren't adaptable enough. Top management wanted more visualization. What they needed were trends and charts, not tables. To be able to take decisions for the future, management needed to be able to see potential development through graphical representations.

Now, Spotfire ideally rounds out the “Circle of Intelligence” information cycle, and that produces the occasional surprised face. “The feedback on our analyses from the operative departments”, explains CI Manager Jörg Neumann, “was positive across the board. Visualizations at last, they said!” DecisionSite guides the user intuitively and “people”, says Mr. Neumann, “live by visualizing.” DecisionSite is a tool that helps to satisfy this need for visual information, he believes. The e-broker utilizes the Spotfire solution for a wide range of applications. For example, to analyze the customer base in order to identify new trends, and leverage this information advantage to enter new market segments. What's more, the Customer Intelligence Team will analyze external market data in order to target new customers. Important key indicators are presented in a way that is easy to understand for in-house departments and management. The tool visualizes market research findings in a transparent way across all departments

and performs trend analyses for securities portfolios, trades and customer behavior patterns.

Results

Mr. Neumann's department has been able to create a true added value for the bank's management team with appealing visualizations. It was important to present the management with the reports it receives anyway; however, in a totally different format – namely visually – to provide a better basis for decisions. Mr. Neumann comments: “Within the past three months, we had 160 different new-customer promotions alone. That's difficult to keep track of. Thanks to the interactive, visual analysis it's much easier, and above all quicker, to recognize what's successful and what's not-so-successful, so that you can respond immediately with new campaigns.”

A second point that speaks in favor of using Decision Site is the waiting time of two days for the latest reports from the Data Warehouse. “If I want to react to a campaign, I need to do so immediately. That means, I get the figures today and I do the analysis today. I can't wait until the whole process has passed through ETL into the Data Warehouse. That's too time-critical.” With DecisionSite, Mr. Neumann and his team can now evaluate the information as soon as the raw data are available.

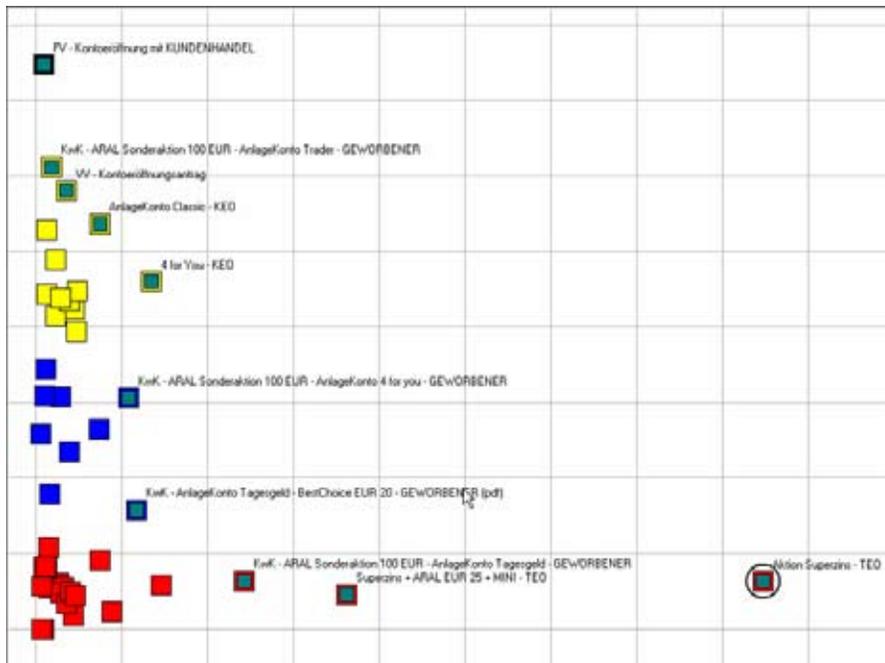


Figure 1: Not every campaign that generates a lot of new customers is successful in the long term. Cortal Consors visualizes the conversion rate, i.e. with which campaigns it was possible to win the greatest number of active customers, with Spotfire DecisionSite.

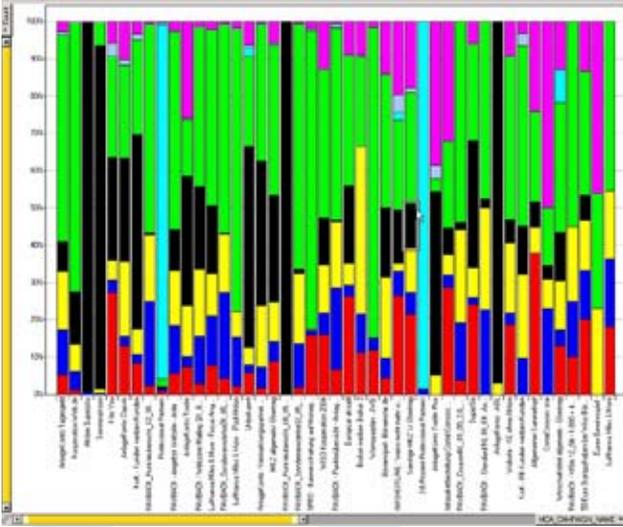


Figure 2: Cortal Consors categorizes its customers in groups. However, not all of these customer classes respond to a particular campaign in equal measure. Which campaigns particularly appealed to which customer classes over a given period of time can be seen from the height of the coloured bars

One example of this is the analysis of the conversion of new cash deposits into investment assets - currently a big topic at Cortal Consors. Customers who trade on margin come with call money to support their margin loans and tend to be active traders with relatively high volumes. Mr. Neumann states, "We offer above-average interest rates. And that only pays off if we manage to activate the customers, in other words convert them into investors who invest in funds or other securities." So we developed analyses with DecisionSite that illustrate these conversion rates. This makes it possible to examine, at the speed of the campaign cycle which campaigns are successful and which are ineffective with customers.

Cortal Consors not only utilizes Spotfire for same-day evaluations, but also for viewing data that are not available in the Data Warehouse. For example, for monitoring incoming and outgoing securities compared to the competition. Customers have the possibility to transfer their portfolio assets from one bank to another. When this happens, any bank would stand up and take notice. By answering questions such as "Where have the assets gone?" or "Where have the incoming securities come from?" it is possible to see relatively quickly whether a competitor is canvassing aggressively and currently offering its customers attractive promotions.

Spotfire can also cope with analyses of this kind. Information that is not available in the Data Warehouse is imported into DecisionSite, combined with Cortal Consors' in-house data and processed. In addition, with Spotfire the analyst created classifications of customers by trade volume, and tested many different hypotheses.

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On top of all this, Cortal Consors is currently considering whether to purchase more external data. The bank anticipates that additional demographic or regional information will enhance its own customer data so as to enable it to identify high-potential new customers earlier on. The goal is to obtain insight into the customer potential as soon as possible after an account is opened. For this, a predictive model has been developed that calculates the probability of anticipated transactions for new customers. This model combines empirical values with data provided by the customer on opening the account. With the help of

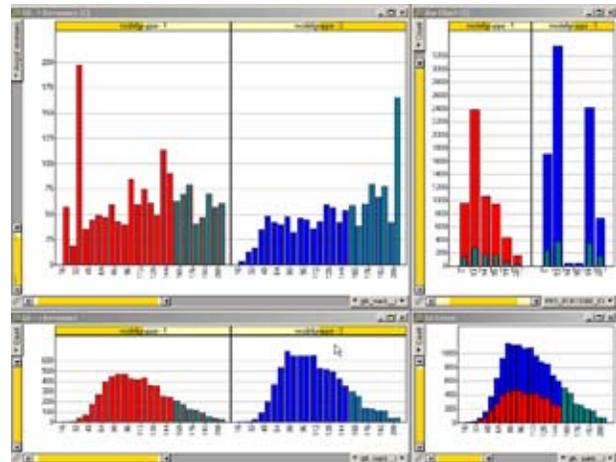


Figure 3: Spotfire DecisionSite also supports statistical functions like linear regression: Cortal Consors utilizes this to prepare more comprehensive data mining.

“Spotfire is an exploratory tool that is also strong on analytics, thanks to the integrated statistical models. It’s exceptionally powerful, because it’s visual. The solution is an ideal platform allowing you to integrate multi-sourced data and create your own, flexible data sets. You’re no longer tied to a packaged data model.”

– Jörg Neumann,
Manager Customer Intelligence
Cortal Consors

Spotfire, Cortal Consors checks whether external data could help to further refine this model.

For Jörg Neumann, the particular efficiency of DecisionSite becomes apparent, for example, when searching for certain patterns. He defines patterns of assumed behavior and uses Spotfire to search the data for similarities and disparities to it. Mr. Neumann: “I once set up time series of attrition customers to track how customers’ securities portfolios develop prior to them closing their account with us. It’s difficult to get your grips on the data, because you don’t know precisely how you have to prepare it in order to determine anything significant. But then I analyzed the individual data and discovered various curves. For example, some customers let everything ride for a while and then suddenly liquidate. Others successively reduce the securities in their portfolio until eventually they close their customer account. I would never have discovered that through the standard reporting in the Warehouse. With Spotfire’s help and with the various databases, I was able to represent every single liquidator and only then recognize that various types of customers who attrite exist, and they subsequently

have to be analyzed separately.”

In terms of user friendliness, Spotfire sells itself. “As far as visualization is concerned, you get the hang of it really quickly”, Mr. Neumann enthuses. “The intuitive approach is also an advantage for employees who don’t have a Customer Intelligence or other data-related background. Implementing DecisionSite was quick and uncomplicated, too. In the proof phase we needed to put our heads together a few times. And we were supported with the installation. But other than that, the roll-out wasn’t especially complicated.”

Finally, an intuitive approach to data analysis, quick and same-day answers to pressing questions about the market and customer behavior, detailed multi-sourced information that can be extracted via a single interface: deploying Spotfire in the Circle of Intelligence has resulted in a number of advantages for Cortal Consors.

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About Spotfire, Inc.

Spotfire, Inc. provides interactive, visual data analytics applications and services that empower enterprises and their end-users to improve operational performance and gain an information advantage over the competition. Over 25,000 users in close to 1,000 organizations around the world use Spotfire DecisionSite to drive confident decision making by quickly and easily spotting trends, outliers and unanticipated relationships in critical business data. The company maintains U.S. headquarters in Somerville, Mass., and European headquarters in Göteborg, Sweden. Additional information can be found at www.spotfire.com.