A Hybrid Data Mining Model for Intelligent Customer Segmentation: The Case of Banking Industry

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Abstract

Customer segmentation is a prerequisite to all three phases of customer relationship management which consists of customer acquisition, customer retention and customer development. Input variables which are used in clustering techniques determine which phase of customer relationship management it is dealing with. As a result this paper aims at a review on the input variables used in customer segmentation studies; besides data mining techniques used in customer clustering is classified and discussed too. Finally, a new hybrid segmentation technique is introduced, and the results are compared to previous segmentation techniques using lift charts.

Keywords: customer relationship management, segmentation, data mining, banking, Iran