

e-Commerce Models from Banks' aspect

Dr. Vasilis Aggelis
EGNATIA BANK SA, Greece
E-mail: Vasilis.Aggelis@egnatiabank.gr

Abstract

The use of data mining methods in e-business area can already be considered of great assistance as to prediction, knowledge management, and decision support. Particularly in e-commerce there is a significant number of metrics which have been tested and used for measuring interesting parameters. In most cases these parameters are in relation with customer habits and customer profitability. Nowadays many merchants cooperate with banks for authorizing credit card transactions in order to purchase products. Banks are also interested, in measuring the profit and the strength of this cooperation. In this paper we introduce two models for this scope (a) a merchant clustering model and (b) a bank revenue predictive model. According to the first model, bank scores and classify its cooperating merchants using a number of parameters, while in the second model, bank predicts its revenue from e-commerce transactions.

Keywords: Data Mining, Clustering, K-Means algorithm, Predictive Model, Linear Regression