

Case study: Driving marketing ROI through enhanced customer intelligence

Using consumer insight, unique data sets and profiling to improve your marketing reach and effectiveness.



Overview

Experian Integrated Marketing were approached by a major insurer who were looking to identify new cross sell and acquisition opportunities whilst improving the targeting of their marketing activity. Their aim was to not only generate a greater return, but also to target an audience with a better claims risk and higher value profile than their existing customer base. EIM worked with the client to carry out an initial exploratory analysis into the customer data and developed a series of actionable recommendations.

Experian Integrated Marketing used their data and analytical expertise to identify revenue generating opportunities for this major insurer.

The Outcome

EIM provided a series of recommendations that would lead to:

- £500k additional GWP per 100k customer volume through renewal data
- Contact options increasing by circa 25%
- 8% improvement in customer contact details
- New higher value segment acquisition through profiling
- 6% reduction in acquisition marketing spend to high claim risk customers

The Business Challenge

At the time of approaching EIM, the client didn't have a clear understanding of who their customers were, their potential renewal dates and how best to communicate with them. This meant their marketing was often untargeted, not effectively timed, and not using the most effective channel mix. The client sought a strategy which would maximise their marketing spend and reduce their exposure to high-cost customers who were unlikely to generate revenue.

Our Approach

To gain a thorough understanding of the data held by the client, EIM undertook a data exploration and analysis of a test file of circa 30,000 motor insurance customer records using the Insureview product.

This data exploration exercise was made up of five stages:

- **Data quality** to look at the quality and completeness of all customer data held by the client
- **Email appending** to correlate the clients file with EIM's email repository and identify where email addresses could be appended to existing customer records
- **Insurance renewal appending** to match the client's customer file against Experian's 25million insurance renewal records to identify more targeted opportunities for the cross-sell of products when a customer's policy with another provider is due to expire
- **Modelling and profiling** the client's customer file using Experian's 450 consumer data variables. This stage highlighted key characteristics of the client's customer base to enable some highly targeted activity to prospects who match the current customer profile. This stage also highlighted a clear market opportunity for the client as they weren't attracting the type of customers that Experian know to be 'sticky' and have a higher lifetime value

- **Pre-claim analysis** to segment the customers acquired in the last 3 years and match all corresponding claim information to understand whether our client could have expected certain groups to become prolific claimants at the prospecting stage

The Results

Each stage of the Insureview exploration delivered tangible and actionable results for the client.

- Overall data quality was good. However, EIM were able to correct 8.4% of addresses to a PAF standard and therefore increase deliverability
- A valid email address was identified for 25% of the customer file. Our experience working with many clients show incorporating email in a multi-channel strategy can improve efficiency by 15%
- For 16% of the motor policy customers, EIM identified home insurance renewal dates enabling timely cross-sell opportunities. At a conversion rate of 10% this represented an opportunity to generate £500,000 in revenue
- Customer analysis using Experian's 450 segmentation variables identified the variance in profile for different customer loyalty and customer value groups.
 - » The majority of customers fitted a specific profile of blue-collar workers in low value properties, earning low incomes. The results also highlighted low representation among loyal

consumer segments with a preference for value and service over discounts and offers. This segmentation enabled the client to tailor communications to focus on value and therefore reduce churn amongst existing customers. It also enabled the identification of the strongest prospect pools.

- Pre-claim analysis showed a correlation between customers with a high credit risk and multiple claimants. These results enable appropriate pre-screening or tailored offers to be applied prior to prospect targeting.

Next steps

The Insureview exploration allowed EIM to really understand what is happening within the client's customer base. This enabled EIM to develop a series of recommendations to enable the client to improve the targeting and effectiveness of their marketing, identify cross sell opportunities within the existing client base, and reduce the risk associated with targeting certain consumers with their products. EIM are now working with the client to turn these recommendations into actions across future marketing activities.

For further information please contact us:

T 0845 234 0391

contactus@experianim.com

www.experianim.com