

Case Study: Using financial consumer insight to drive strategic business decisions

How Experian helps Standard Life stay connected with their customers



Established in 1825, Standard Life is a leading provider of long term savings and investments to around 6 million customers worldwide. With headquarters in Edinburgh, Standard Life has around 9,000 employees worldwide.

“It’s reassuring to know that Experian’s data, analytical insight and consultative approach can really support us in ensuring we are customer focused and driving revenue for our business.”

Standard Life

The challenge: remaining agile in a volatile environment

Since the credit crunch rocked the financial world, consumer behaviour is changing fast. This means financial organisations like Standard Life need to adapt quicker than ever to changing consumer behaviour.

As Louise Miller, Head of Customer Analytics, says: “Sitting still and doing nothing is not good business sense. We needed to evaluate what we were doing and adapt to keep up with what was happening, or even benefit from it.”

“The recession was such a personal thing for people. We wanted to put the customer at the heart of our strategy, so they knew we could meet their needs and help them through this difficult time.”

But first, Standard Life needed a new strategy. The business was typically focused on products rather than people, Standard Life wanted to break this down and create more consumer-focused teams.

To help implement this, Standard Life chose Experian, a long-term partner it had worked with for several years. Louise explains why: “To build something tailored to our customers, we needed the external as well as the

internal view. We knew Experian could provide the rich data and consumer insights we needed.”

The solution: turning the focus onto the consumer

Experian helped Standard Life by using Financial Strategy Segments (FSS) a market-leading tool for understanding consumer financial behaviour. Though Standard Life already used FSS, it wasn’t yet being used to its full potential.

First, Standard Life’s data was integrated with Experian’s own UK-wide financial data to provide a stronger understanding of the wider market place. According to Louise, this process was refreshingly straightforward: “Experian provide tools that allows a client to append their data inhouse which is a great advantage as it gives us the control.” And security was never an issue: “We didn’t have to send data away, and there was no risk of sensitive information being compromised.”

FSS is a rich, granular tool that segments consumers into one of 45 consumer and 13 household types based on financial behaviours, preferences and lifestyle choices. Standard Life felt that in order for the business to fully adopt their new

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customer focused strategy they would need to aggregate this up to fewer segments. The simplified bespoke model worked on just four segments, in order to suit the new customer focused business model.

To create these four segments, Experian focused on lifestyle areas important to Standard Life, such as income, lifestage and financial holdings. The existing product teams were then structured around them, so that every aspect, from customer services to sales and marketing, was now focused on one of four specific consumer segments.

Experian helped ensure the key stakeholders had a deeper understanding of the needs and drivers of their consumer segment by providing joint workshops with Standard Life. These immersed employees in the lives of each group, from their saving habits to the newspaper they read.

The results: targeted campaigns, efficiency and business growth

Thanks to Experian and FSS, Standard Life has reconnected with its consumers and is already seeing the benefits. Louise explains: "We're much more efficient in the way we approach consumers. For example, marketing teams can now more easily create product brochures with the right tone of voice, and sales people can be sure they're offering the right products to the right person. Media buying is also more efficient, because each team can be very targeted in its advertising, even down to knowing the best location for a specific billboard."

All importantly, Standard Life is seeing dramatic improvements in customer acquisition and retention, and research has shown that customers find Standard Life much easier to deal with. "It's been a huge success," says Louise. "The account managers supported us throughout on a strategic level and made what could have been a difficult and disruptive project very straightforward."

The future: continuing to adapt and grow

Standard Life will now be implementing the new 2011 version of FSS. "If you want to be a forward-thinking and innovative company, you need to keep adapting to changes in the industry," says Louise. "There are now more retired people in the UK. Corporate enrolment into pension schemes is coming in soon. The Retail Distribution Review (RDR) is being introduced in 2013. Critically, the new FSS will help us understand how the consumer will experience these changes."

The first post-recession financial consumer classification tool, Financial Strategy Segments 2011 contains updated consumer data and offers new capabilities such as increased granularity of data around high earners, how consumer financial behaviour has changed post the recession, rich visualisation of data and more intuitive, interactive tools to manage information.

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The Standard Life Group

The Standard Life group includes savings and investments businesses, which operate across its UK, Canadian and European markets; corporate pensions and benefits businesses in the UK and Canada; Standard Life Investments, a global investment manager, which manages assets of over £157bn globally; and its Chinese and Indian Joint Venture businesses. At the end of April 2011 the Group had total assets under administration of £198.4bn.

Standard Life plc is listed on the London Stock Exchange and has approximately 1.5 million individual shareholders in over 50 countries around the world.*

*All figures at 28 April 2011.

About Experian Ltd

Experian is the leading global information services company, providing data and analytical tools to clients in more than 90 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision-making. Combining its unique information tools and deep understanding of individuals markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

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