

Case study: Post Office

Segmenting consumers for
improved customer relationship
management



Client

Post Office Ltd is a wholly owned subsidiary of Royal Mail Group plc and operates under the Post Office® brand. Managing a nationwide network of around 14,600 Post Office branches, it operates the largest retail branch network in the UK handling more cash than any other business.



Over 94% of people live within a mile of a Post Office® branch, and over 98% of adults in the UK visit a Post Office® branch at least once a year. This amounts to over 28 million customer visits per week. Post Office® offers a wide portfolio of over 170 products and services including government services, banking, savings and investments, retail, communications and travel, and in many locations its branches are a focal point of the local community.

Challenge

Post Office® approached Experian to build a bespoke classification of its customers to get a better understanding of the value of each customer and the potential demand for new and existing services. Post Office® is now competing with other major financial service providers by offering a range of financial products and services, and it wanted to develop a customer segmentation solution that would enable it to better target existing and prospective customers. In association with this, Post Office® wanted to ensure that its branch network is fully optimised in terms of location and the services provided to each branch catchment.

Solution

The Post Office® chose Experian as its preferred partner because of the company's expertise in developing consumer segmentations, in particular its statistical expertise, analysis and interpretative skills. Post Office® was particularly impressed by Experian's rebuild of its award winning Mosaic UK classification, and the potential it demonstrated for combining proprietary demographic and socio-economic information with a client's customer data.

Experian's prescribed solution included over 400 data variables drawn from the monthly Post Office® Customer Insight survey, edited Electoral Roll, 2001 Census, Experian lifestyle data and responses to the MORI Financial Survey.

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Results

The result was a classification that segmented all adults and households in the UK into 19 different consumer segments. This was made available for coding against Post Office® customer data, and delivers insight into purchasing behaviour across a wide range of products and services. The classification is also used as a tool for mapping and spatial analysis in association with branch catchments, and as a selection variable to drive direct mail, telemarketing and email fulfilment.

“Our new classification system has enabled us to better understand our existing and prospective customers. It will enable us to identify the right consumers for our increased range of financial products and services and also to tailor our sales offering to the appropriate market segment. This system is also helping our counter colleagues to better understand the needs of customers and is a valuable tool in our branch network planning strategy going forward.”

Crispin Beale
Head of Research, Planning and Development
Post Office®

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