

# TSB

## Strategic segmentation to understand and help drive 'money confidence'

### About TSB

TSB is pioneering a new kind of banking for Britain – one that's simple, straightforward and cares about people. The bank offers friendly, honest and convenient banking that's designed to meet customers' needs and equip them with money confidence. With over 7,000 employees across a nationwide network of branches and operating centres, TSB serves 5 million customers in the UK.

TSB has a long-standing working relationship with CACI, using its Retail Finance Benchmarking services and data insights to make more informed decisions around its current account, mortgages and other product propositions.

### Highlights

- Focused, actionable segmentation for immediate use
- Data to roll out one-to-one personalisation
- Clear metrics for success
- Collaborative approach with TSB and media agency
- Blended third party and customer data

### The challenge: a segmentation to drive business growth

**Justin Bell**, TSB's Head of Insights, Strategy & Planning explains: "TSB had a creative-led segmentation developed by our erstwhile brand agency to help us understand our target audience, but it wasn't fully effective – we couldn't use it for media planning and it couldn't be overlaid on our customer base."

"We knew we needed something more practical in terms of consumer insights and choices of media. At pitch, our new media agency the7stars, came up with a more effective segmentation that we could use for media selection. We wanted to take this forward another step and overlay it onto our own base. We had for some time been working with CACI, mapping their Fresco financial lifestyle segments onto our customer base. We therefore initiated a joint project, working with CACI and the7stars to develop the segmentation further."

### The solution: accurate, current segmentation that reflects consumer behaviour

Working in collaboration with TSB's Research and Strategic Insights Team and with the7stars, CACI created an evolved segmentation that clearly distinguishes different customer types and provides clear segment profiles and personas. **Justin** says, "We have identified eleven market segments. That might sound like quite a lot, but we're a business primarily developing products and services for a strategic audience that aligns to a core five or six segments. We can now really concentrate on refining our propositions and messages for these key segments."

CACI used Fresco and other external consumer demographic datasets to give TSB bespoke behavioural and lifestyle insights into its target customer base. **Justin** explains, "We started with a market-wide segmentation, based on all UK adults. We've subsequently created a version of that for our customer base. CACI provided a proven methodology and approach drawn from their data expertise and experience. Once we had clear segment parameters, our data team mapped them to our base."

“ Through understanding people's behaviour, circumstances and priorities, we can be more relevant, and thus more effective. We waste less on irrelevant comms that don't chime with our audiences.

## The results: tailored propositions, content and media selection

"We are actively using the segment insights to develop our media strategies with the7stars," says **Justin**. "We're also using the segments in campaign briefs - creating content tailored to target consumers' profiles."

"Part of the output of the segmentation was to rank the segments in order of money confidence. Working with CACI, we agreed on a weighted mix of key questions in the TGI consumer survey, to derive a money confidence score. We support people with content, products and services to help raise their money confidence and we need to be relevant to those that need that support most."

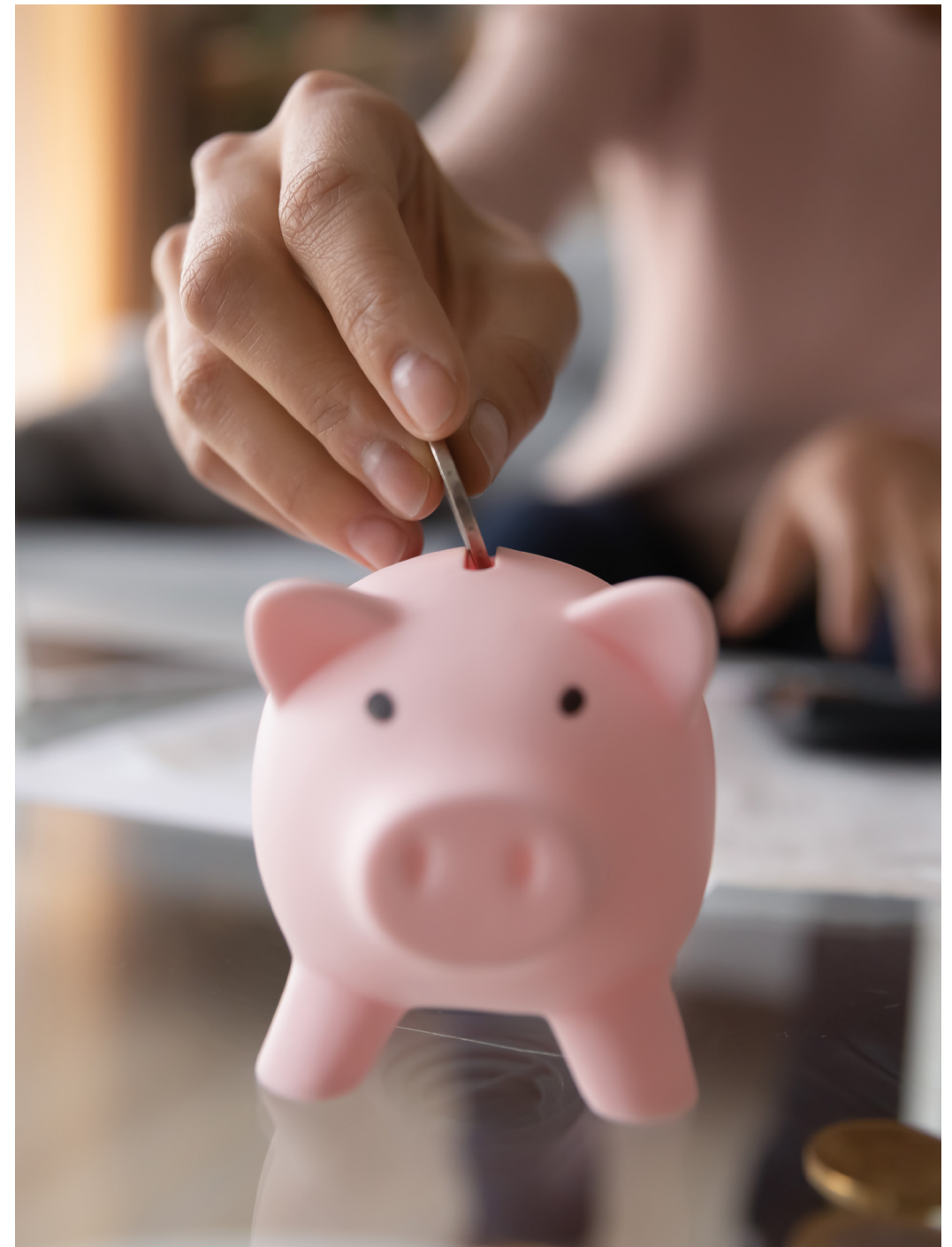
"At the heart of it is a money confidence score: we'll measure our progress against our purpose: Money confidence for everyone everyday. We hope to see a gap opening up between the money confidence levels of our customers and that of non-customers, with a continual improvement against today's baseline."

## The benefits: context for targeting and evidence-based decisions

Like most businesses, TSB needs to drive the best possible ROI from its marketing budget. **Justin** says, "To keep budgets under control, we've moved away from the 'spray and pray' approach to marketing and instead use our segmentation to define targeted media channels and content. We see ourselves as a challenger brand, not one of the big five, so we need to focus on the audience segments we want to acquire? in a truly relevant way - we don't have the massive budgets and resources of some global organisations. We're driving value from the data and segmentations - they don't just sit on a shelf."

TSB has a stated business aim to be led by data evidence. **Justin** clarifies: "That means understanding what customers are doing - their saving, spending and investing behaviour - and how they're using our channels. Our segmentation provides a proxy for insight when we don't always have current or first party data for a particular individual. We can still personalise very effectively using context from segment profiles and personas."

"I was very pleased that this was not a 'black box' scenario, with a vendor delivering a fait accompli as the output. With CACI, all parties were involved and engaged throughout the process. We took decisions together about attributes to focus on."





## The future: a foundation for sophisticated one-to-one marketing

"We're still in the early days," **Justin** acknowledges. "For one-to-one marketing, we're currently on a journey to implement the Adobe Experience Platform - a highly sophisticated targeting tool that maps assets to data. We're in the process of integrating the segmentation in that, ready for roll-out next year. That will enable our in-house agency (Kindred) to produce multiple versions of creative assets and personalise propositions based on our segment insights."

"We believe this segmentation will continue to pay dividends as we develop our channel and campaign marketing - we're looking forward to tailoring products and services even more to meet customer needs."



We have a trusted relationship with CACI - we respect their knowledge and experience in data and segmentation. They are always very attentive and the project was well managed and executed. We appreciated the collaborative approach.

**Justin Bell**, TSB's Head of Insights, Strategy & Planning

