



# When a leading Australian ISP recognised segmentation would be a key enabler to meet their strategic objectives

## We helped develop a Customer Segmentation Model built on existing customer behaviours, providing a campaign roadmap with customer lists, allowing the customer to test, learn and refine the model immediately

### The Challenge

Our client had been growing for a number of years to become one of Australia's largest ISPs in a consolidated market. It had also become harder for the organisation to understand 'who' their customers really were and if the products and services they had on offer would meet their current or future customer needs.

As a part of the development of its five year corporate strategy, segmentation was identified as a clear enabler to allow the business to better understand its diverse customer base, what products were in demand by different segments, and how their current customer behaviours could inform future customer acquisition. The client recognised the potential for this capability to be a differentiator required to drive organic growth in a highly competitive market.

### How we helped

Using a differentiated, data driven approach, we created a Customer Segmentation Model which analysed over 150,000 customer behavioural attributes (internal and external). Using this model, we were able to help the client understand how current customers were using their products and services. This enabled the client to answer questions such as: What are the behaviours that indicate churn? Which types of existing and potential customers are more likely to purchase new products and services? What types of customers are the most profitable over the lifetime of our relationship?

We also helped assess the organisation's capabilities. We helped determine the changes that would be required to their operating model to support the implementation of a new segmentation model that would inform decision making across the business as a whole; from Customer Service Representatives to the Executive team.

Using the segmentation model and capability assessment, we designed a 24 month programme of initiatives required to improve their current capabilities and execute a range of campaigns to help grow and protect their business.



### Value delivered

We developed a segmentation approach that used customer data to help the organisation understand how their customers were driving desired outcomes (e.g. purchasing additional services) and undesired outcomes (e.g. churn). This helped identify and shape a number of initiatives that directly supported their corporate strategy.

Our differentiated analytics approach allowed us to develop customer lists for each initiative that the company could use to action immediately. This also allowed the marketing team to understand what messages would best resonate with a particular customer based on their online usage patterns and external demographic data. In total, we identified up to 250,000 customers for immediate targeting that had the potential to deliver up to \$4m in additional lifetime value.

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