

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Gavin Fisk	Report Number: JHB/17/17
To: Joint Housing Board	Date of meeting: 24 APR 2017

CUSTOMER PROFILING/ INSIGHT/ SEGMENTATION / TENANT & LANDLORD RELATIONSHIP

1. Purpose of Report

- 1.1 The purpose of this report is to inform the Housing Board of a project that has begun to develop the organisations approach to Customer Profiling/Insight & Segmentation, and the relationship between Tenant & Landlord.
- 1.2 The project is in its infancy and is expected to take up to 18 months to complete. Additional reports will be provided in the future to update board members of the progress made.

2. Recommendations

- 2.1 To note the project and its aims and objectives.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 This project is being undertaken using existing resources. It is intended the outcomes will in the long-term enable savings as a direct result of more efficient budget spending, in those areas identified through the use of profiling, insight and segmentation.

4. Legal Implications

- 4.1 Any legal implications of this work will be considered and developed as part of the project

5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
4 (b) Failure to manage our housing assets effectively	2	3	It is intended this project will allow us to far greatly manage our assets by means of targeting our limited resources at those that need or want our support and assistance to

			improve their outcomes
5 (a) Failure to develop our use of technology to enable us to be efficient and cost effective in everything we do	2	3	The use of new technology will be key to developing the themes set out in this report and will enable us to become more efficient in everything that we do.
5 (b) Failure to convert our data into accurate, up to date and easy to interrogate insights, evidence and intelligence that supports delivery of the strategic priorities and failure to adequately protect the data we hold	3	3	The use of profiling, insight and segmentation tools will allow us to ensure that the data we hold is utilised for the purposes of managing the business and providing the highest level of service to our tenants.
5 (g) Failure to implement more efficient and effective public access arrangements	2	3	The use of profiling, insight and segmentation will allow us to utilise the public access arrangements we have available and to 'nudge' tenants towards our preferred channels of communication and managing the business

6. Consultations

6.1 No consultations have taken place as yet.

7. Equality Analysis

7.1 Equality Impact Analysis will be under taken as part of developing policies in future as part of this project.

8. Shared Service / Partnership Implications

8.1 None.

9. Links to Joint Strategic Plan

9.1 Assets & Investments – Manage our Housing assets effectively

9.2 Enabled & Efficient – Alternative service delivery models, Intelligence based community insight.

10. Key Information

Customer Profiling

10.1 Profiling is about understanding who our customers are. It generally relates to demographic or census type information.

10.2 The Homes and Communities Agency (HCA) Tenant Involvement and Empowerment Standard includes:

An expectation that Registered Providers of social housing both understand and meet the diverse needs of customers. The collection and use of profiling information is seen to be an important element of delivering on this expectation.

10.3 Our Equality and Diversity Strategy demonstrates our commitment to ensuring that services are accessible to any customer who wants to use them. No customer should be disadvantaged as a result of who they are or where they live and the delivery of our profiling strategy assists us deliver on this commitment.

Why profile our customers?

10.4 We want to tailor and flex services to reflect the needs of our customer base and avoid incurring costs in delivering services or styles of service that customers do not value.

10.5 Customer profiling is a tool which will support us to deliver these objectives.

10.6 Our approach may include capturing intelligence about our tenants that we can use for the purposes of profiling residents.

An example would be identifying those tenants that do not have a bank account. This information presents us with the opportunity to target resources by encouraging more tenants to obtain basic bank accounts to assist in the payment of rent. Alternatively it may be to profile those tenants that are most likely to be the perpetrator or victim of Anti-social behaviour to support interventions at an early stage or to consider where may be most suitable for tenants to live to ensure we create communities.

Customer Insight

10.7 Customer insight combines knowledge of demographic factors with information about customers' behaviours, attitudes, aspirations, service needs and views.

10.8 It requires a co-ordination of business intelligence using data held in customer contact management, housing management and asset management systems.

Supporting customers and sustaining tenancies

10.9 We need to identify where customers, particularly hard to reach groups, need or potentially will need additional help or assistance to enjoy their home and meet tenancy conditions.

10.10 The intelligence profiling provided enables us to target services and information towards customers who will experience the greatest benefit from them. This will lead to increase customer satisfaction and increased efficiency.

10.11 Examples of how we may plan to use profiling to support this include:-

- Promotion of the aids and adaption service to customers experiencing disability
- Provision of information regarding the value of Home Contents Insurance (HCI) to customers without cover
- Publicising the assistance we can provide to customers applying for disability related benefits
- Use of third party profiling tools e.g Experian's Credit Profiler to identify those tenants that are most likely to default on rent payments
- Additional intervention where tenants fall into arrears where the tenant's profile suggests the increased likelihood of tenancy failure amongst this customer group
- Promotion of any service to specific customer groups where an equality impact assessment has identified their under representation amongst service users
- Developing approaches to respond to under occupation and overcrowding
- Undertaking risk and support needs assessments with residents to identify those most likely to have problems managing their tenancy.

What is Segmentation?

- 10.12 Segmentation is simply a way of arranging our customers into smaller groups according to type. These distinct sub-groups or segments should be characterised by particular attributes. We can then target specific, relevant messages, communications or services at individual groups.
- 10.13 Segmentation does not have to be complex. For a small organisation, it could be about recognising that we have two or three distinct customer types with different needs.
- 10.14 If we start with the simple question: Who do we want to talk to? The answer could be simply - customers.
- 10.15 Segmentation principles can then add several layers of intelligence, based on key differentials, such as:
- Payment patterns
 - Gender
 - Where they live
 - Age
 - Socio-economic group
- 10.16 The key is to draw a picture of an individual that represents the type of person we are aiming at.

10.17 If we take two very different types of prospect, you can see that they will have very different needs, wants, values and opinions. And they will respond quite differently depending on the methods we use.

Mature Males	Females in their early 20's
With some time on their hands	Caring for a young family
With some disposable income	With Low disposable income
Who have retired or are in semi-retirement	Aspirations to enjoy life to the full
Live in a rural environment	Living in urban areas such as our market towns

10.18 These are certainly extreme examples, but they illustrate how different our segments could be and why it is essential to target messages precisely and not send the same messages to our entire customer base.

10.19 As we analyse our own customer base, it will soon become clear that there are some distinct groups with specific requirements.

What are the next steps?

10.20 This report only intends to provide awareness amongst board members of the project we have embarked on. Primarily led by the Income & Tenant Services Corporate Manager working with the Tenant Services team the principles of what is profiling, insight and segmentation are beginning to be explored. Work will take place during the next 12 -18 months to develop these principles in to more meaningful work streams, projects, policies and even the redistribution of work by the reviewing the roles and responsibilities of the existing Tenant Services team structure.

10.21 Updates and additional reports as we proceed with this area of work will be brought to the board for consideration.

11. Appendices

Title	Location
(a) None	None

12. Background Documents

12.1 None

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