Looking at opportunities and the business model through the eyes of key segments – existing and new.

Client profile
- Australian Advertising Industry
- SMB Customer Segment
- 200k+ customers
- 1500+ employees
- $600M+ Revenue

Key Team Roles
- Data Analysts & Data Scientists
- Market Intelligence & Research SMEs
- Customer Experience SMEs
- Sales & Service SMEs

Business Impact
- Customer segmentation driven workforce planning and resource allocation to channels and markets
- Improved average revenue per acquisition through targeted segment-based approach
- Improved business development productivity
- Visibility on potential cross and upsell opportunities of existing customers
- Alignment of strategic sales and marketing investment to focus on key core and growth customer segments

The client was transitioning to a more customer focused organization and away from its traditional product- led approach. A key enabler to reimagining the sales and service operating model was understanding the organization's customer base – what are the key segments, which segments are growing, which segments are profitable and how do we mobilise the organization around this?

Approach: Using multiple customer segmentation frameworks to develop complementary initiatives for a unique client.

- Establishing data driven customer segmentation insights, we were able to drive key initiatives and guide future segment needs-based offerings.
- By reviewing existing customer value propositions and contact strategies, we sought to enhance and optimize the cost-to-serve customers, as well as devising strategic sales and marketing plans to ensure alignment of key customer segments for the client.

Strategic initiatives implemented: Three segmentation approaches were undertaken to provide a multi-dimensional understanding of the client's customer base:

- **Core Customer Segmentation** to understand the key segments within the base of existing customers; this was subsequently used to inform customer value management strategies.
- **Market Segmentation** was the focus for identifying key segments for potential new customers, informed by in-depth (and data driven) market research. These insights informed the acquisition drivers, establishing value pools for the client within the market.
- **CRM Segmentation** provided the third lens to understand opportunities for upsell and retention within the client's customer base. These segments allowed us to optimise the share of value, driving customer engagement and growth prospects.

CUSTOMER CHURN	COST TO REVENUE	CUSTOMER UPSELL
-2%	**-4%**	**+2%**
IMPROVED CUSTOMER RETENTION	SALES & SERVICE COSTS ALIGNED TO PROFITABLEMENTS	CUSTOMERS INCREASED PRODUCTS (#) & SPEND ($)