



PROCESSES & IT
THEATRE

Panel discussion: Personalisation – turning data into insight

- Anna Bishop, Director of customer service, Riverside
- Liz Haworth, Chief operations & transformation officer, Torus
- Chris Berry, Business development manager, Capita

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Personalisation – turning data into insight

Anna Bishop

Director of Customer Services

Riverside

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About Riverside

Riverside is one of the country's largest providers of affordable housing, care and regeneration services with 53,000 properties in 160 Local Authority areas and a £370 million turnover

A group of complementary businesses driven by a clear social purpose, our charitable housing association is at our core.

Today we serve 100,000 customers in England and Scotland but our founding purpose remains. We are still dedicated to providing homes and opportunities for those who need them most, and this is reflected in our vision: to transform lives and revitalise neighbourhoods.



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- 10 years ago worked with CACI
- Used complex data sets available - wider than our own data
- Gave us a holistic picture of customers, their issues and priorities
- Created 8 customer segments



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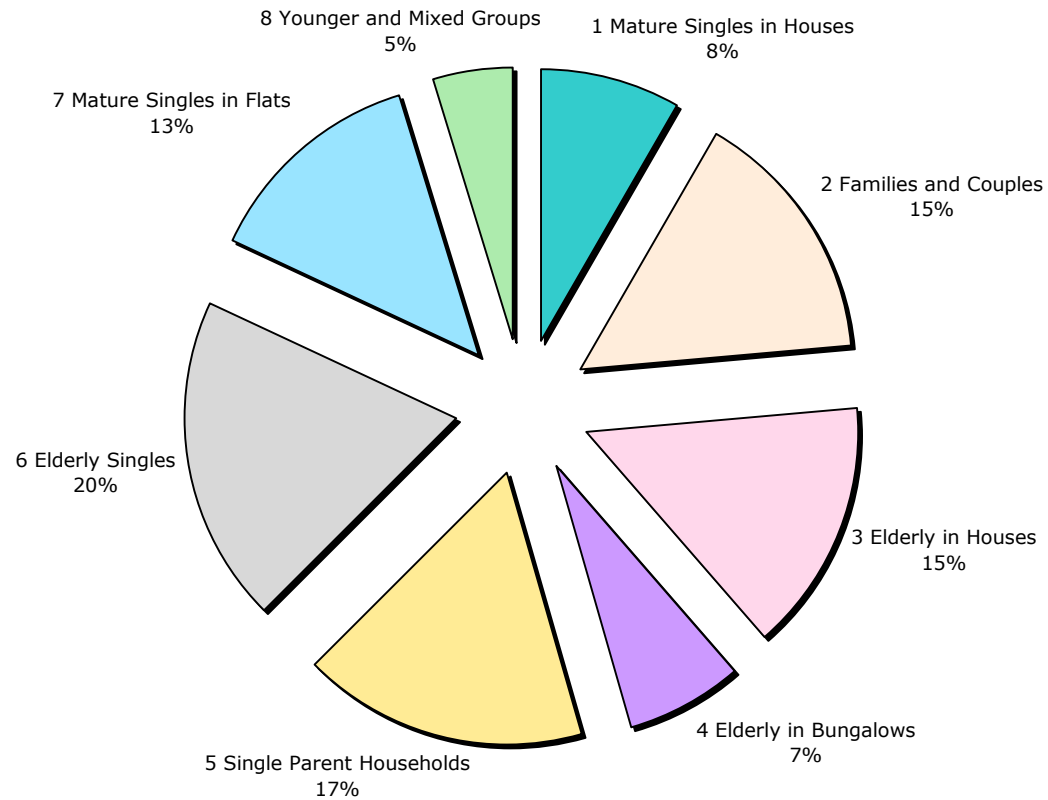


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Pitfalls:

- Naming segments
- Ethical debate; is segmentation categorisation / stereotyping
- Systems capable of integration
- Guidance on use



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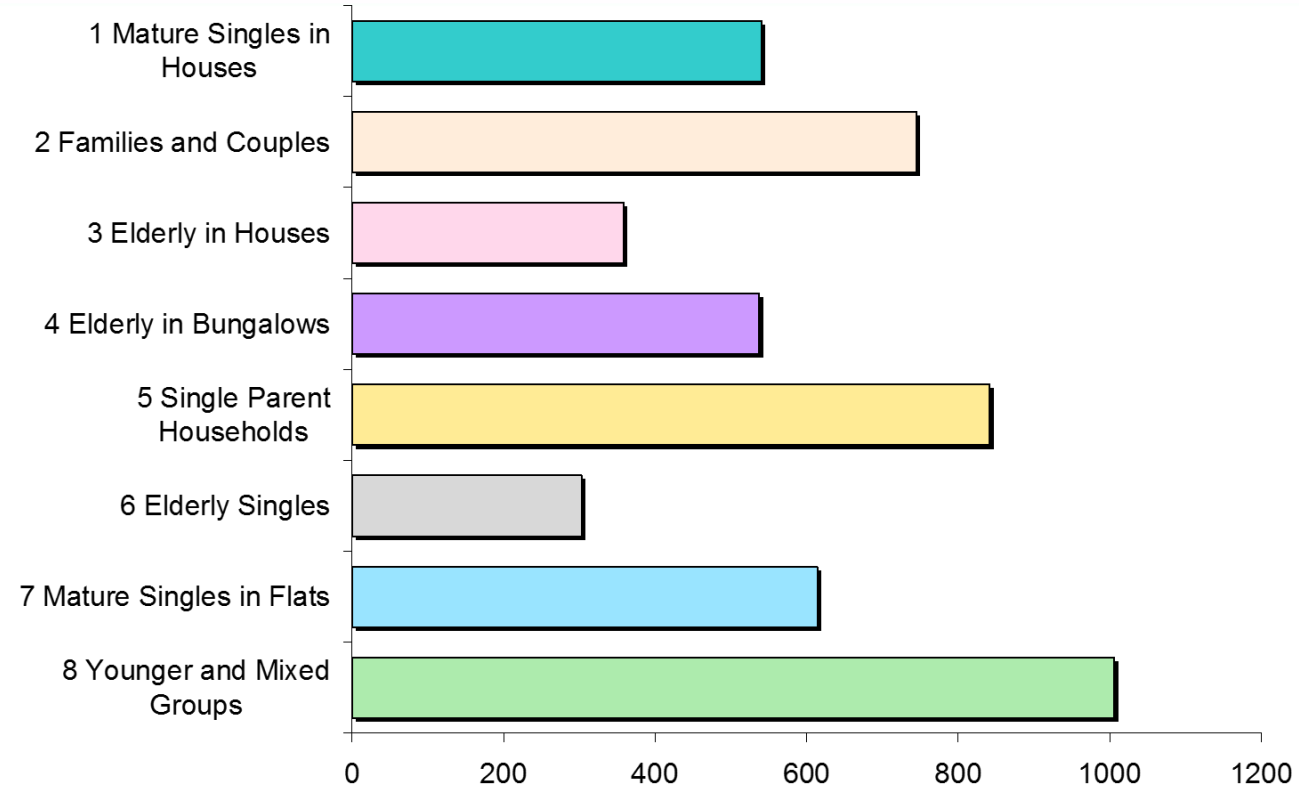


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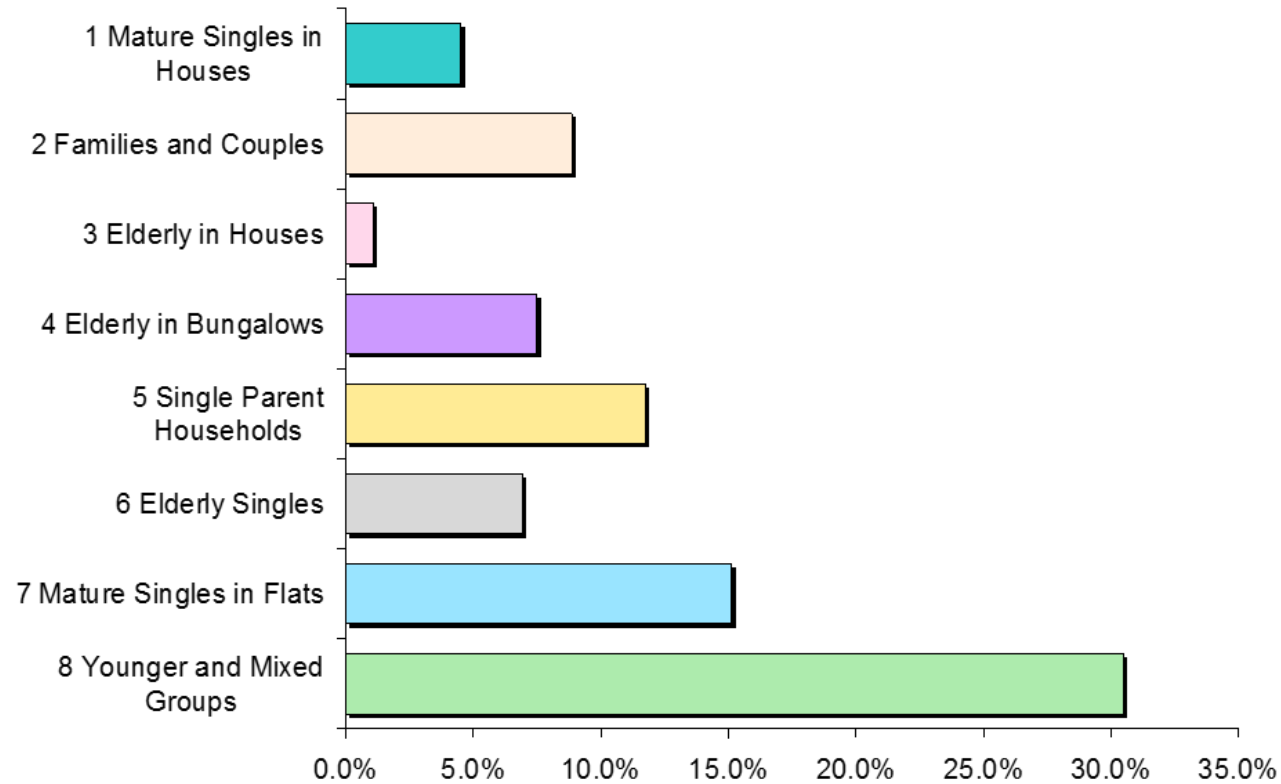


- Average repair value



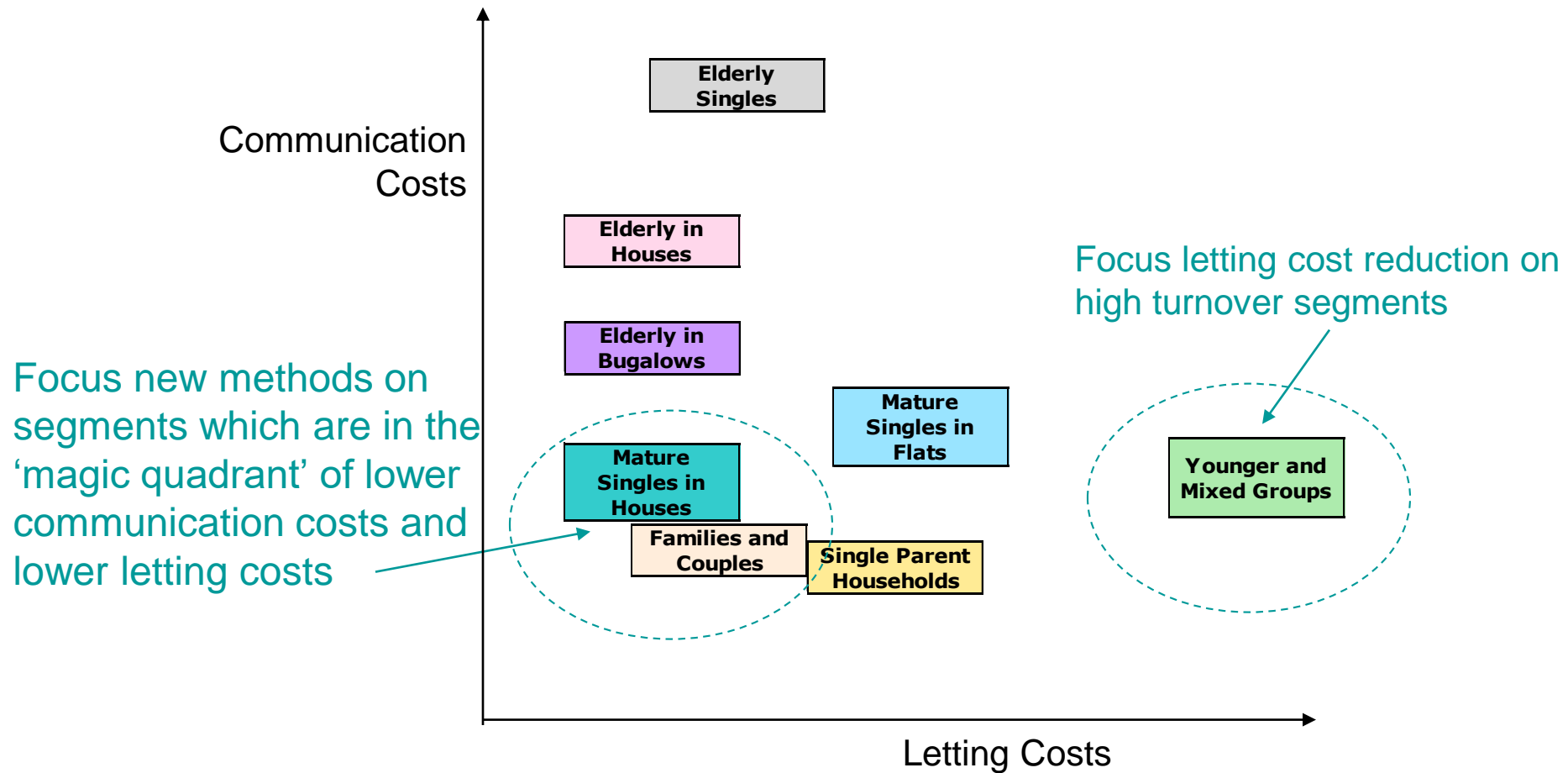


- Proportion of new tenancies in last 12 months



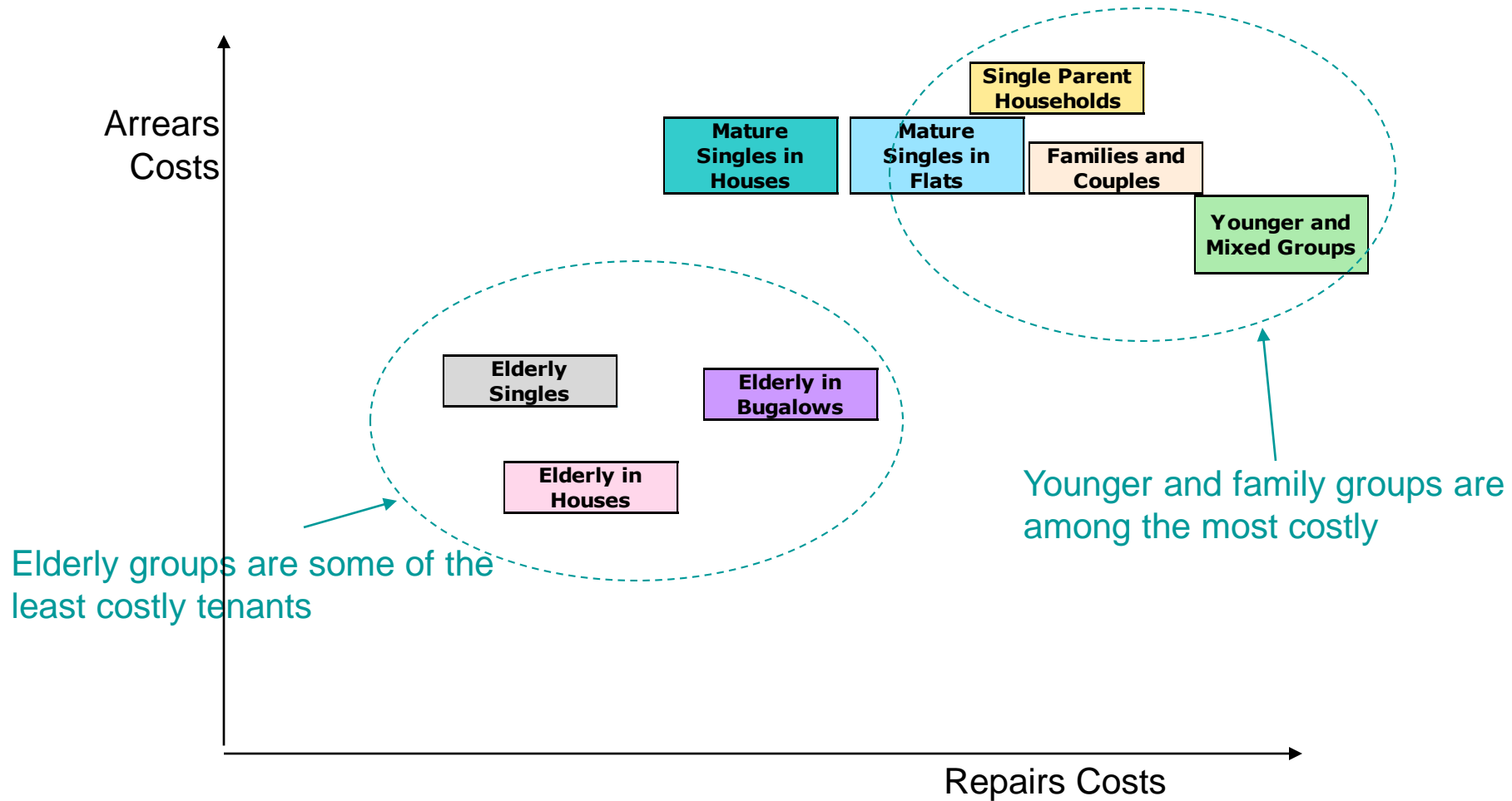
Letting Costs and Communication Costs

Communication provides a key opportunity to build relationship over the succession of tenancies. The costs associated with overall communications and new lettings in each segment each are compared below:



Repairs and Arrears Costs

Increased costs in terms of arrears and repairs can be indicative of tenant dysfunction, especially if both are elevated. The average costs associated with each are compared for each segment below:



Notes on Pen Portrait Slides

Top line statistics as average values or counts, along with proportion of all tenants.
E.g. Average of 3.8 repairs per year which comprise 9.4% of all Riverside repairs

Segment name

1. Mature Singles in Houses

Top-line summary



Mature singles, living in houses and often struggling financially. These are generally long-standing tenants, but are often dissatisfied with their home. Levels of arrears are low but levels of repairs often high. Benefit and debt advice services would be particularly helpful.

These tenants are aged between 26 and 60, living alone, and are likely to have an unhealthy sedentary lifestyle coupled with poor diet comprising little fruit & veg and an increased propensity to smoke (40%); they have a high likelihood of future health problems.

Financially, their income is low with half earning between £10k and £20k. Over 80% are receiving housing benefit, (second highest segment with average housing benefit of £12,819). They often have difficulty with credit/loan payments and are unlikely to have good relations with any financial institution. They have higher than average rent £74.68 (vs. average £66.27). Most have a debit card but have also been refused credit in the past. However, rent arrears levels are lower than other segments, with only 12% having arrears over £100.

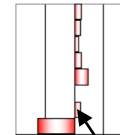
Unemployment levels are above average with a higher than average proportion likely to have been in receipt of Job Seekers Allowance for over 12 months. For those that are employed, the public sector, skilled or manual work predominate.

Their internet use is below the National average with 20-30% using the internet for email, browsing and shopping.

As tenants, these are generally good rent-payers, and one of the most likely groups to be in credit, but with slightly more repairs than average.

They are more likely to be dissatisfied with the service overall, especially that rent is VFM. They would be keen to receive advice when they have difficulty paying their rent.

	Base	Segment
Households	3,476 8.4%	Mature Sgl 100%
People	3,476 4.6%	House 99%
Avg Occupancy	1.00	
Avg Rent	£ 74.68	
Arrears > £100	48%	
Avg Repairs Cost	£ 540.66 9.0%	
Avg Repair Count	3.8 9.4%	
Avg Tenancy (yrs)	6.8	
JSA Claimant	4.9%	
Move per year	4.5%	



Most prevalent property type and life-stage for the segment and what proportion they comprise within the segment
E.g. 98% of the segment live in houses

Narrative picking out key attributes

Graphic depiction of index values to give quick comparison with all tenants, to the right (i.e. more than 100 indicates an elevated value).



Most effective contact channels are in bold
Face to face, telephone, direct mail, text or on-line

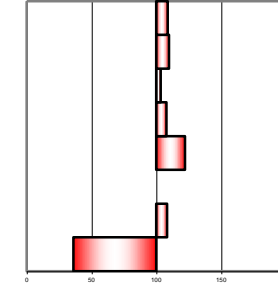
1. Mature Singles in Houses



Mature singles, living in houses and often struggling financially. These are relatively long-standing tenants, but are often dissatisfied with issues surrounding their property. Levels of both arrears and repairs are slightly above average. Benefit and debt advice services would be particularly helpful.

	Base		Segment	
Households	3,476	7.3%	Mature Sgl	100%
People	3,476	4.1%	House	98%
Avg Occupancy	1.00			

Avg Rent	£	74.68	
Arrears > £100		48%	
Avg Repairs Cost	£	540.66	7.6%
Avg Repair Count		3.8	7.9%
Avg Tenancy (yrs)		6.8	
JSA Claimant		4.9%	
Move per year		4.5%	



These tenants are aged between 26 and 60, living alone significantly under occupying houses. They have a tenancy length of 7 years, just above the Riverside average. Value and number of repairs reflect the Group average.

Financially, their income is low with half earning between £10k and £20k. Over 80% are receiving housing benefit, (the second highest segment with average housing benefit of £12,819 per year). They have a higher than average rent (£74.68) and rent arrears slightly higher than other segments, however they have the highest numbers in arrears in excess of £1000 (11%). They're more likely to have difficulty with credit/loan payments and less than one in ten have a savings account. The majority have a debit card but have also been refused credit in the past.

Over half of this group of tenants are employed, slightly more than the Riverside average.

They are likely to have an unhealthy sedentary lifestyle coupled with a poor diet comprising little fruit and vegetables, and an increased propensity to smoke (40%); they have a high likelihood of future health problems.

Their internet use is below the national average with only 20-30% using the internet for email, browsing and shopping.

Whilst levels of overall dissatisfaction tend not to be out of line with the wider Group, Mature Singles prioritise property issues, of which they have some concerns. They are the segment least likely to report a repair completed on first visit. This segment is concerned with the value for money they get from their rent. They are less concerned with some of the additional services and engagement opportunities Riverside offers. They perceive their neighbourhoods to have some significant problems. Despite levels of under-occupation they only reflect the group (one fifth) in terms of their desire to move in the next few years.



1. Mature Singles in Houses



Commercial Risks

- Their incomes are often low and many are struggling with debt
- Dissatisfaction with home and VFM
- Comparatively disengaged from their landlord

Tenant Vulnerabilities

- Their health is at risk
- They have low uptake of insurance
- Unemployment
- May be disengaged with wider community and at increased risk of isolation and lacking support

Commercial Benefits

- Satisfied with home
- Want advice when can't pay rent
- Long standing tenants

Tenant Strengths

- Interest in self-improvement education



1. Mature Singles in Houses



Messages

- Offer Advice - *We can provide financial advice, Talk to us if you're struggling*
- Gratitude - *Thank you for being a good long standing tenant*
- Health promotion – *Get moving and look after yourself*

Financial

- Undertake direct targeting of financial advice and insurance
- Provide money management

To Discover

- Why are they disengaged?
- How would they like to be engaged ?
- Do they want to keep themselves to themselves?
- What are the reasons behind their dissatisfaction?



8. Younger and Mixed Groups



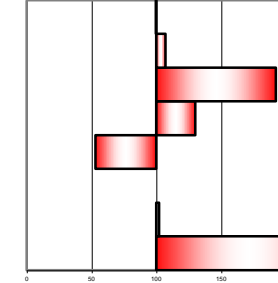
Young singles and couples that generally live in flats, have very high repair demands, are relatively poor rent payers and don't stay long. They're generally dissatisfied with the landlord and housing services, as well specifically their home and the area where they live.

Socially they are mixed (some associated with unhealthy lifestyles, others more aspiring). Heavy mobile phone users, but they don't seem keen in being kept informed of Riverside services. They are more likely to have financial difficulties around repayment of debt/credit cards and less likely to have insurance or pension provision.



	Base		Segment	
Households	1,993	4.2%	Yng Sgl/Cpl	72%
People	3,049	3.6%	Flat	78%
Avg Occupancy	1.53			

Avg Rent	£	68.47	
Arrears > £100		47%	
Avg Repairs Cost	£	1,005.95	8.1%
Avg Repair Count		4.6	5.5%
Avg Tenancy (yrs)		3.0	
JSA Claimant		4.6%	
Move per year		30.5%	



This group comprises young singles (43%) and couples (30%) living in smaller properties (mostly flats). They're typically much younger, four times more likely than other segments to be aged 22 to 25, an age group that comprises 25% of the segment. They live in multi-ethnic areas, typically showing signs of marked disadvantage but they are well connected by public transport. Property use leads to an increased demand on repairs with the average repair cost exceeding £1,000, and five or more repairs per annum. This group has the highest turnover of all segment, with almost a third moving and an average tenancy of three years.

63% receive housing benefit and this segment is the lowest in terms of their average housing benefits at just £4,735. Average income is higher than most other segments, and income per head the highest. This segment has a lower than average rent level however they are more likely to be in arrears with almost 50% owing over £100. Over half have had problems making credit/loan payments.

They have better health than most Riverside tenants, with less than a quarter smoking.

In terms of communication they're heavy mobile users with many paying more than £30/month on their bills and using a lot of text messaging.

They're dissatisfied tenants, expressing concern with the overall service, questioning that rent is value for money and are unhappy with the quality of their homes. They are the least satisfied that Riverside takes their views in to account or that they are kept informed. They would prefer to be contacted by phone or email.

Repairs and maintenance is this segments highest priority and noisy neighbours are a key problem for over a quarter of this group. This group is most likely to move in the next three years, and least likely to want to move to a Riverside home preferring private renting.



8. Younger and Mixed Groups



Commercial Risks

- Very high cost of repairs
- Very high turnover causes increased letting costs (average stay on 3yrs)
- Higher arrears

Tenant Vulnerabilities

- Their dissatisfaction with their landlord, their neighbourhood could be indicative of a broader malaise in life.
- As a landlord are we failing to cater for this group?
- Lack of financial acumen

Commercial Benefits

- Could be reached through cheaper channels; SMS reminders
- If we manage them properly then they'll help off-set the impact of the aging generation

Tenant Strengths

- Healthier
- More vital than most of our clients
- Lower housing benefit dependency



8. Younger and Mixed Groups



Messages

- Reassurance – *we want to serve you and develop services for younger groups*
- Guidance on home-making skills to reduce repair costs and increase tenancy length
- Relationship advice, helping their household to function well – *living together in the modern age*

Financial

- Be quicker to address arrears, taking a firmer approach than with other segments
- Are they in need of budgeting advice?
- Tighten profit and loss control around the segment
- Maximise use of electronic channels

To Discover

- Why are they leaving?
- Where do they go after they've rented from us?



E&Q – Equality and Diversity

Top Ways Segmentation will Assist

1. Using the segments to assist targeting of work around equality and diversity
2. Identification of segments with increased demand around specific strands, for example increased need of Aids and Adaptations in more elderly segments

Key Segments

- Elderly in Houses
- Elderly in Bungalows
- Elderly Singles in Flats
- Mature Singles in Flats

Ways to engage

1. Wait until we have improved data on the broader equality and diversity strands
2. Use segments as a key tracking and monitoring tool by aggregating equality and diversity data by customer segment

Access and Customer Care

Top Ways Segmentation will Assist

1. Enabling targeted communications
2. Improve satisfaction through more effective communications
3. Enable CRM to use targeted messages, actions and promotions to specific segments

Key Segments

— All

Ways to engage

1. Use of segmentation within CRM systems to formulate interaction rules based on the customer segment and the reason for contact

Anti-Social Behaviour

Top Ways Segmentation will Assist

1. Enable targeted communications around fear of crime
2. Understanding of neighbourhood composition
3. Target campaigns
4. Support more appropriate responses to ASB incidents

Key Segments

- Families and Couples in Houses
- Single Parent Households
- Younger and mixed groups in small properties

Ways to engage

1. Tracking ASB complaints against segments



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Now digital segmentation as well:

- 4 segments
 - High propensity
 - Higher than average
 - Below average
 - Low propensity



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2. Below Average Propensity

Diverse segment for which access and usage are not core issues and single use access on smartphones is most common. Comprises young tenants who are heavy mobile and social media users and middle aged tenants who are likely to be regular or occasional users and use the internet for social/entertainment but have a shortage of basic digital skills. Unlikely to use the internet for online utility, banking or parking accounts and cost is a barrier for younger customers.

In terms of profile, one third of Riverside's 16-24 year olds and 46% of a 45-54 year olds are in this segment. Three fifth's of households are sole tenants and just under half are living in supported housing. 17% of customers have been tenants for less than 1 year.

Chanel Shift

Lowest impact in terms of Chanel Shift to online services due one third of customers who have neither logged a repair nor made a repair call to the CSC in last 12 months.

Riverside Online Services

- 1% of customers (91) in this segment have set up a Salesforce account, accounting for just 4% of Riverside customers who have created an account.
- 4% of customers (325) in this segment were previously signed up to Rent Online services
- 83% of customers (269) in this cluster who were previously signed up to Rent Online have not set up a Salesforce account

Repairs Demand

- This segment accounts for 15% of repairs logged past 12months (26,448)
- Just under one third of customers (3,470) in this segment have **not logged a** repair in past 12 months
- This segment accounts for just 16% of new or existing repair telephone calls to CSC past 12 months (27,230)
- Over one third of customers (3,137) have not logged any new or existing repairs calls to the CSC in the past 12 months

Other Online Activities

- 0.2% of customers (19) have signed up to the Online Customer Panel (representing just 6% of Panel members)
- Less than 1% (49) have completed a Riverside customer satisfaction survey online (just under 9% of online responses)

	No.	% Group
Households	8,099	16.3%

Demographics	No.	% segment
% with kids U16	316	3.9%
% sole householder	4,749	58.6%
Average age of lead tenant - 48 yrs		

Business Unit	No.	% segment
Social Housing (SHBM)	5,973	73.7%
Care & Support	1,543	19.1%
Non Social Housing	583	7.2%

Contacts provided	No.	% segment
Mobile	6,409	79.1%
Landline	2,698	33.3%
Email	142	1.8%
Landline only	703	8.7%
No personal contacts	985	12.2%



- Moving from segmentation to personalisation





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Patch dashboard –

- Cross reference data, repairs, ASB, complaints arrears
- Prioritise tenancies
- Move from high intervention to low
- Identify low contact and make effort
- Balance of tenancies within neighbourhood when allocating



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Using appropriate data sets / tools for right purpose

- Frequent contact
- ASB case
- Communications
- Channel shift

Can segment and personalise

- Dashboard is a starting point

Can respect individual and recognise diversity

- Culture



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Using data to drive the customer experience

Liz Haworth

Chief Operations and Transformation Officer

Torus

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About Torus

Torus is an ambitious and established housing group with deep roots in our three heartland areas of Liverpool, St Helens and Warrington.

One of the North West's largest landlords, we have 1,500 staff, manage around 40,000 homes and serve 75,000 customers.

Our development programme targets 5,300 new homes by 2024, with a strong focus on affordable homes for rent and homeownership.

Our commercial arm, HMS, is an award-winning building and maintenance contractor. 100% of the profits generated are used to fund initiatives that make a positive difference to communities and the lives of the people who live in them.

Torus' charity ComMutual invests at least £5m a year in meaningful community projects that improve wellbeing, skills and quality of life, to break down barriers and unlock potential.



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The why?

- Pressure on costs
- Limited resources
- Digital and financial exclusion
- Low demand
- Universal credit risk



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Data

- Start where you are
- Use what you've got
- Do what you can

A word about GDPR risk

- Be clear about why you're collecting data and what you are using it for
- Don't throw the baby out with the bath water



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Data security

- Hold in core systems
- One version of the truth
- Avoid “cottage industry” of spreadsheets and non secure storage systems



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Using data as intelligence

- Analysis with business purpose – not just “interesting to know”
- Define the problem you are trying to solve
- Is the data accurate, up to date and accessible?
- Do you have the right skills and resources to analyse the data you collect?
- Don’t aim for perfection – insight is worth a good deal



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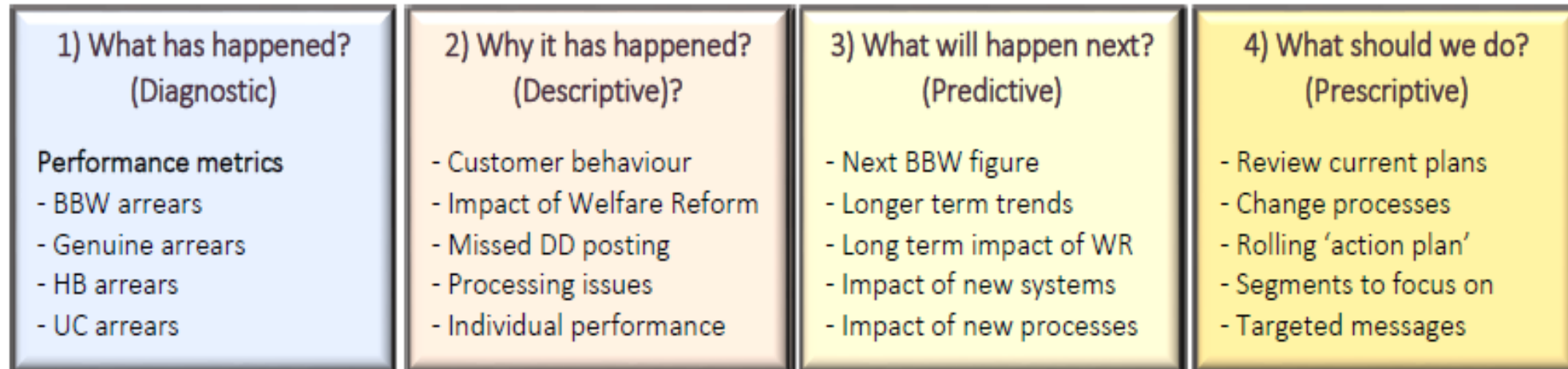


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Four-stage approach to analysis and insight





Example 1: Mitigating the impact of Universal Credit

- First 3 months of UC rollout in St Helens
- Able to predict average increase in arrears per claimant within £5
- Previous learning from Warrington pilot
- 20% manage well
- 55% experience a 70% increase in arrears
- Able to segment customers according to propensity to migrate and level of risk based on previous arrears history, age etc.



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Rent income: collection rate by customer segment....

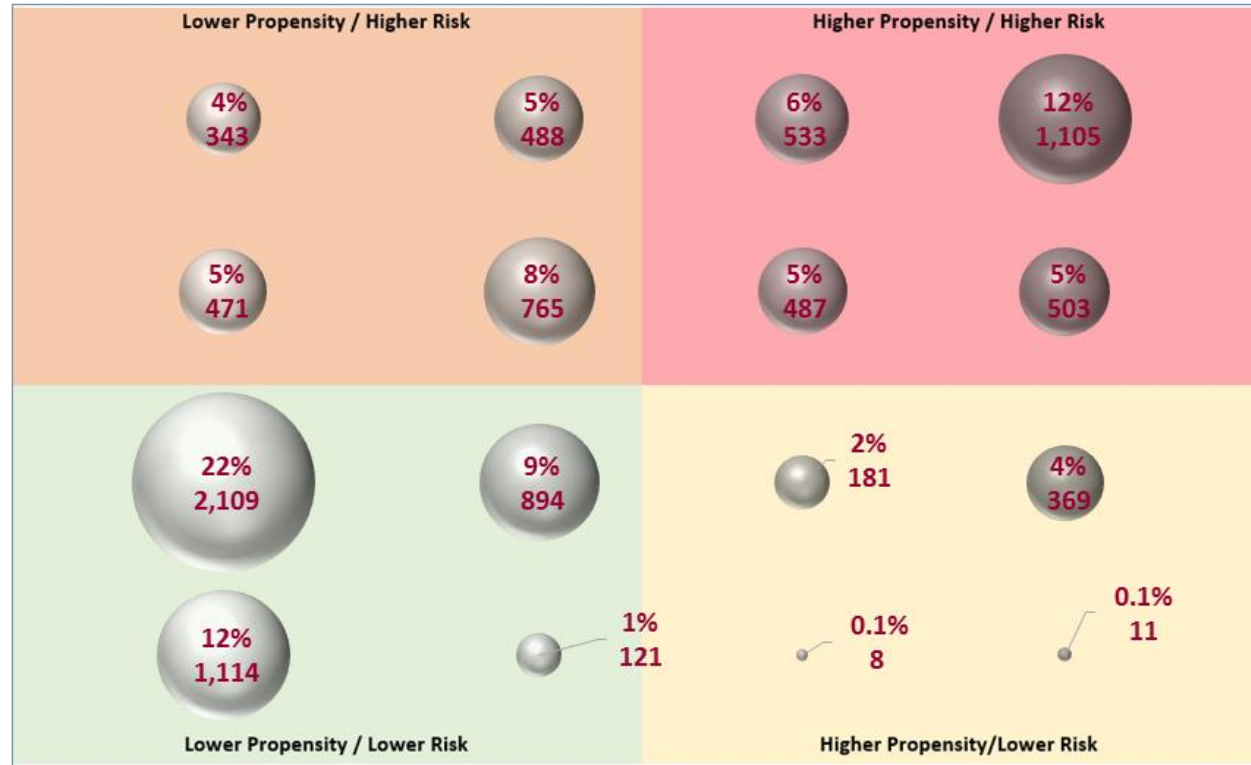
✓	Receives Full Housing Benefit
✓	Receives Partial Housing Benefit
!	Pays Full Rent
!	Working Age
✓	Non Working Age

Working Age Only	
✓	NOT Impacted By Welfare Reform
✗	Universal Credit (ALL)
✗	Universal Credit (APA in Place)
✗	Universal Credit (APA NOT in Place)
✗	Benefit Cap
✓	Under Occupancy Charge

Working Age FULL RENT Payers (By Age Band)	
✗	16 - 24
✗	25 - 34
✗	35 - 44
!	45 - 54
!	55 - 64



Data into Insight: Welfare Reform



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How did this help?

- Early interventions targeted at the highest risk segments
- Digital inclusion and employment eg job clubs
- More focussed arrears action
- Don't waste resources on those that are low risk



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Example 2: Service design based on customer segmentation

- Overlay different data sets to identify customer segment
- Repairs reporting, ASB perpetrators, arrears behaviour, benefit dependency

What did initial customer insight tell us?

- 100 (0.8%) customers generate 6% of demand
- 1000 (9%) customers generate 31% of demand
- 55% of customers only generate 21% of demand



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Four initial segments

- Aspirational – 10%
- Non compliant – 10%
- Support to sustain – 10%
- Steady state – 70%



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What do we know about these groups?

(Indicative only, based on 2016 data)

a. Aspirational

- Shared ownership customer or:
- Working/ full rent paid
- Clear rent account
- Tenancy less than 20 years
- Under 55
- cost £1311 pa, generate 74% profit

b. Steady State

- Digital account
- Low arrears
- Long term tenancies
- Low volume contact
- cost £530 pa, generate 89% profit



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What do we know about these groups?

(Indicative only, based on 2016 data)

c. Support to sustain

- Sheltered accommodation
- Community alarm
- Other SP funded services
- Complex needs
- Impacted by bedroom tax/benefit cap
- Cost £1794, generate 67% profit

d. Non Compliant

- High arrears
- Over 10 repairs reported in 12 months
- ASB perpetrators
- Cost £2386 pa, 51% profit
- Cost per new customer £2617



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Designing a service model that targets interventions in order to shift customers to steady state

a. Neighbourhood teams

- Focussed on non compliance, targeted in areas where there are concentrations of non-compliant customers.
- Aim is to move to steady state or take enforcement action.

b. Tenancy sustainment teams

- Focussed on providing targeted support
- Maximise funding eg Supporting People, Domestic Violence services, service charge
- Intelligence led, detailed data is captured at an early stage via CRM
- Outcome focussed – system measures inputs and progress (RAG rating)
- Intervention may include digital inclusion, job club, community alarm, health and wellbeing activity



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c. Digital First

- Focus on moving routine transactions to digital
- Resolve routine enquiries at first point of contact
- Refer on to neighbourhood teams or tenancy sustainment only where necessary



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Using data cubes

- Extract data from multiple systems into a data warehouse
- Data cubes – self serve analytics using Excel and Power BI
- Able to overlay data eg
 - High cost tenancies – high repair costs, arrears, contact activity
 - Neighbourhoods where costs are high eg voids, repairs and arrears
 - “Most expensive” 1000 customers
- Tackle root causes rather than continually firefight
- Target resources where most needed



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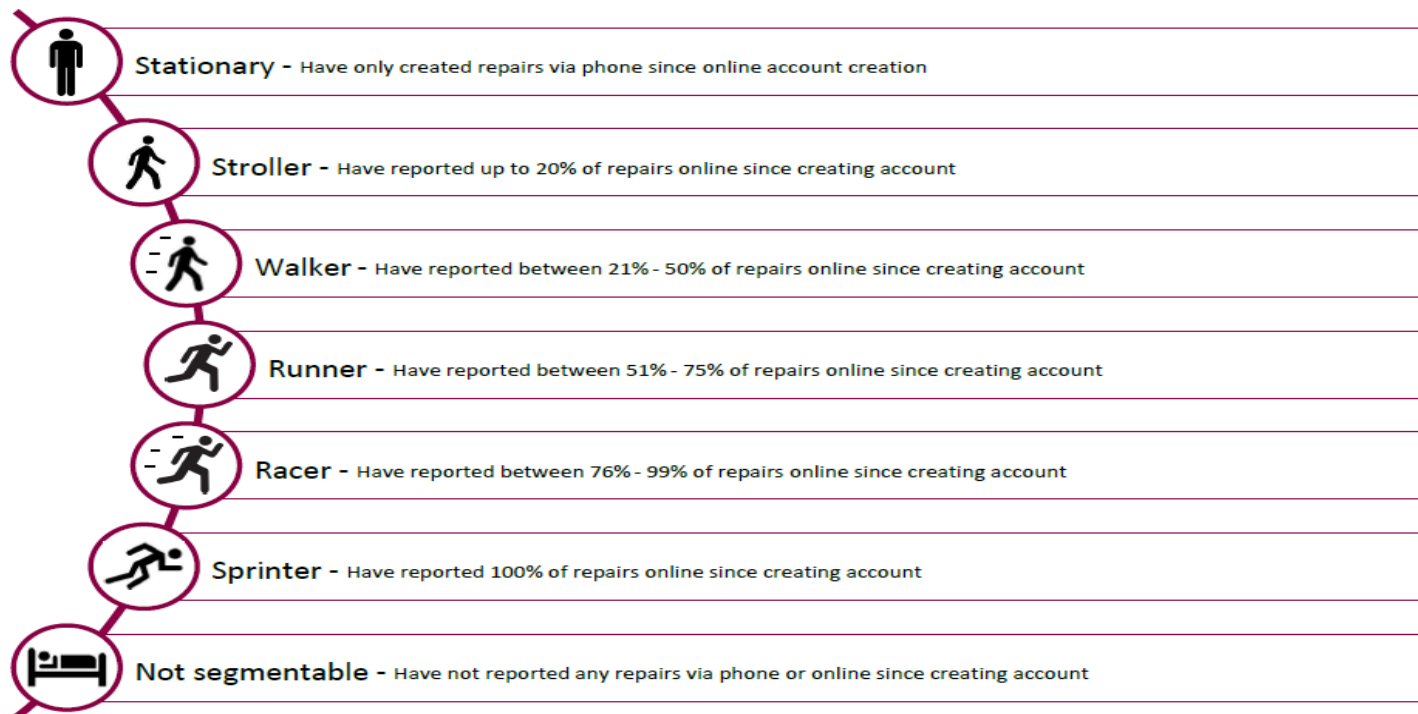
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Example 3: Channel shift

Segmentation of digital customers





Example 3: Channel shift

- Understand potential of channel shift
 - Understand propensity to shift in different segments eg age, employment status
 - Target the most likely rather than the least likely
 - Understand barriers to channel shift
-
- 60% of customer transactions are now online
 - 83% of customers with a digital account have transacted at least once online
 - Predominantly mobile phone access



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Moving from 60% to 80%

- Identify partially included groups – can they do more online?
- Identify avoidable contact – when are customers switching to telephone and why?
- Identify those who have had online activity in the past
- Understand low take up in some services eg repairs
- Targeted communications and “digital conversations”
- Analyse inbound demand via telephone and other channels and seek to automate



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CAPITA

Chris Berry

Business Development Manager
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Data in siloes



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- Lots of data
- No, or limited integration



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Data in, intelligence out



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