

# Principality Building Society

Fresco segmentation helps shape the success of a targeted campaign for Principality's new proposition First Home Steps.

## The Challenge: understanding new market segments

Over the last twelve months, Principality's portfolio and propositions teams have been working together to define and understand new target customer segments and design services and products to meet their needs. With a loyal and long-standing customer base, the team wanted to find a way to engage with younger customers nearer the start of their savings journey.

The Society has a long-standing relationship with CACI, having worked together since 2011. It has always used data to support planning and risk assessment and to measure performance. Over the last two years, Principality has evolved and developed the use of demographic, lifestyle and market data from CACI has available, to further refine its customer and market insight. Using CACI's Fresco segmentation was an obvious choice to support the project: it describes individuals in terms of their financial product holdings, attitudes, life stage, affluence and digital behaviour. We want to differentiate through propositions – we want better customer type information, leveraging it more and more to gain deeper insight from it.

Naveed Mohamed, Head of Portfolio Management and Pricing

- A highly focused proposition developed using Fresco's insight on consumer behaviour and needs
- The targeted campaign produced triple the expected uptake of the First Home Steps app
- Sharing the Fresco insight around the business increased understanding and engagement from staff
- Developed a trusted partnership with CACI to support business goals

## The Approach: A cross-functional, collaborative project

Very often, insight is held within certain teams: data is purchased and used for specific projects and activities. For the First Home Steps proposition, Principality shared insight across all the teams and individuals involved in planning and delivering the campaign.

CACI presented data insight to a multi-functional Principality team, showing how it could help to refine different aspects of the proposition and supporting the communication campaign. The data was used from the start, informing every aspect of proposition development. Principality combined the Fresco insight with its own research into first time buyers, to produce a robust and differentiated evidence base that informed every First Home Steps decision.

The Fresco data helped build a picture of the target group and understand their needs, in context of how they live and work and the challenges they face in saving and planning. First Home Steps addresses the 'Rising Metropolitan' segment, aiming to appeal to those looking to the future and saving to buy their first property.

The Fresco insight helped Principality's team understand exactly how to reach the people it had identified, showing geographic areas where there was a high proportion of 'Rising Metropolitan' consumer households. This supported targeting of ads and resources.

**The key benefit and difference we have had from this project is that the CACI data has underpinned everything we have done on this proposition specifically. It has helped us define the customers we want to attract, build a proposition, determining the detailed product features, and it's helped us to market to those customers in the right way, how they want to receive information. It's been a real end-to-end process, with data underpinning every step. The CACI presentation engaged everyone across marketing and product teams.** - Susan David, Propositions Manager

## About Principality

Principality is the UK's sixth largest building society. It's a mutual organisation, owned by and run for the benefit of its 500,000 members. Principality has over 160 years' experience in taking care of over £10 billion of customers' assets.

## First Home Step Proposition

Principality's innovative First Home Steps campaign was conceived to support and inform first time buyers, helping them to navigate the various steps, financial decisions, and practical actions needed to get onto the housing ladder. It breaks down a potentially daunting decision into practical steps that can make their dream of home ownership into reality, including budgeting and saving towards a first home.

The App is accompanied by an innovative product that rewards prospective customers with increasing interest rates and a celebratory bonus as they move through the steps from saving through to purchasing their first home.

### The Results:

#### **a differentiated, engaging proposition built on clear evidence**

The proposition team launched the First Home Steps campaign which aims to educate and support younger adults who have reached the stage of wanting to buy a house, so they can be confident in their ability to manage their finances and buying decisions.

Promoted and supported in-branch, it offers 'workouts' to get homebuying hopefuls financially and practically fit to obtain a mortgage and buy their first home. Resources include a borrowing calculator, a budget planner, house prices guide and savings tips. It's all brought together in the First Home Steps app, a free pocket guide to the house-buying process. Principality hopes to motivate users to open a First Home Steps savings account, to save towards a mortgage deposit.

**We develop propositions on a test and learn basis. It's not just about the volumes we get through the door in the early period – it's about assessing the success of each element of the proposition, how are customers responding and what sort of feedback are we getting? Our app is a continual opportunity to engage and gather more data that helps us to improve the relevance of First Home Steps.**

Naveed Mohamed, Head of Portfolio Management and Pricing

### The Outcome:

#### **Excellent feedback from both customers and branch staff**

Sharing the data insight with colleagues from all parts of the business has not only created a stronger proposition, it's driven interest and positive support from branch colleagues who talk to branch visitors about their finances. They have been advocates for the app, able to talk knowledgeably and empathetically with branch visitors who might benefit, armed with a clear understanding of their likely needs and attitudes.

We launched in branch and the campaign exceeded targets, especially for people downloading the app, with triple the numbers expected. From the first phase of the campaign, the insight basis has given us great confidence for the next stage. Susan David, Propositions Manager

Principality has a mature approach to data, using a range of sources intelligently and collaboratively. They use their budget smartly, ensuring that they make full and focused use of the insight sources they subscribe to. CACI's resources and services are key tools that help them retain loyal customers and to innovate. As well as delivering proposition insight, Fresco helps Principality understand branch footfall and customer profiles. Weekly flow information from CACI's Retail Finance Benchmarking Mortgages and Savings benchmarks provides the market context.

**For propositions and portfolio, no other provider can match the breadth and immediacy of data and marketing coverage that CACI brings. CACI's data expertise supports our journey as an organisation. We want to differentiate ourselves and try new things. Working with CACI supports our progress along this path.**