

Case Study:

Improving Customer Experience Through Segmentation and Customer Insights



■ BACKGROUND

Third largest bank in Chicagoland area with \$50+ billion in assets and 280 branches serving over 1 million customers.

Operates in retail, business banking and private banking sectors

Owned by BMO Financial, a \$370 billion global banking organization

■ CHALLENGES

Intense competition in the Chicago retail market resulting in challenges in acquiring and expanding customer relationships

Higher cost deliver model made it difficult to compete to price

Lack of insight into customer needs and preferences – generally treated all customers as single homogenous group

Goal of differentiating retail bank and competing on the basis of superior customer experience

■ APPROACH

Leveraged internal and external data to develop attitudinal-based customer segmentation model which defined four discrete segments

Identified single segment – “Builder” segment – as target based on alignment with bank’s core value proposition and solution offerings

Conducted in-depth primary research into Builder segment to define needs, behaviors, preferences, and brand perceptions

Created customer experience that best matched the needs and expectations of the Builder segment and which would deliver a differentiated banking experience to the target customer group.

RESULT

Deep insights into the needs, behaviors and preferences of target segment

Targeted, differentiated customer experience designed around target segment

Customer satisfaction scores improved to highest ranking of Midwest banks (JD Power) and highest Net Promoter Score of large Chicago banks

